



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

Date: Tuesday, 5 September 2023
Time: 3:00pm
Location: Council Chambers
Minlaton Town Hall
57 Main Street
Minlaton

AGENDA

Audit and Risk Committee Meeting

5 September 2023

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

Ben Thompson

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

| | | |
|-----------|---|------------|
| 1 | Welcome by Chairperson | 5 |
| 2 | Present | 5 |
| 3 | Leave of Absence | 5 |
| 4 | Apologies | 5 |
| 5 | Conflict of Interest | 5 |
| 6 | Minutes of Previous Meeting – for Confirmation | 5 |
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| | Tuesday 31 October 2023 | |
| 13 | Closure | 220 |

1 WELCOME BY CHAIRPERSON

Meeting declared open

2 PRESENT

3 LEAVE OF ABSENCE

Nil

4 APOLOGIES

Mayor Darren Braund and Andrew Cameron (CEO)

5 CONFLICT OF INTEREST

6 MINUTES OF PREVIOUS MEETING – FOR CONFIRMATION

Audit and Risk Committee Meeting - 30 May 2023

7 VISITORS TO THE MEETING

David Papa and Matthew Brunato – Bentleys

REPORTS

8 NEW BUSINESS

8.1 INTERNAL AUDIT ACTIVITY REPORT

Document #: 23/63936

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 (9) projects, but also allows for flexibility throughout the year.

DISCUSSION

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

- Completed a full review of the Internal Financial Controls Library. We have a total of 220 controls within the library. Self-assessment testing is underway, with 77 controls being tested in this round, to be reported to the Audit and Risk Committee in October 2023.
- Cyber Security penetration testing is currently in progress by an external supplier. A report from the external supplier is expected within a couple of weeks and will be provided to the Audit and Risk Committee in October 2023.
- Completed testing relating to the Selection and Recruitment Review. A final report is provided in attachment 1.
- Completed testing relating to the WHS Consultation and Communication Review. A final report is provided in attachment 2.
- Completed a spot check of Employee Expense Reimbursements and Corporate Purchase Card Reconciliations. A final report is provided in attachment 3.
- The CEO Corporate Purchase Card Transaction Report for January 2023 – June 2023 has been provided as attachment 4.

- The status of agreed actions arising from internal and external audits have been followed up. An update on all outstanding actions is provided in attachments 5 and 6, detailing actions ‘In Progress’ and ‘Completed’ since the June 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 Plan.

| | Project | Description | Status | Proposed Timing for Audit and Risk Committee Reporting |
|---|---|--|--|---|
| 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. | Consultation and Communication Completed (Sept 2023) | N/A |
| 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. | Completed (Sept 2023) | N/A |
| 3 | Financial Management – Accounts Receivable | A review of key accounts receivable controls including raising invoice processes, 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 Team. A summary report, actions items and action status will be provided to the Audit and Risk Committee. | In Progress | 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 | 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 | Completed (Feb 2023) | N/A |

| | Project | Description | Status | Proposed Timing for Audit and Risk Committee Reporting |
|----------|--|---|---|---|
| | Reimbursement Compliance | Purchase Card Procedure and other relevant policies and procedures. | (Sept 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 |
| 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 Assets and Infrastructure
- Executive Assistant to the Director Corporate and Community Services
- Governance Officer
- Manager People, Culture and Safety
- Manager Financial Services
- Financial Management Accountant
- Team Leader HR and People Experience
- Leader Systems and Technology
- Senior Rates Officer
- Assets Manager
- 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

ATTACHMENTS

1. **Internal Audit Report - Recruitment and Selection Review - July 2023** [↓](#) 
2. **Internal Audit Report - PR076 WHS Consultation and Communication Review - August 2023** [↓](#) 
3. **Internal Audit Report - Corporate Purchase Card - Employee Expense Reimbursement - Spot Check - August 2023** [↓](#) 
4. **CEO Corporate Purchase Card Transactions - January 2023 to June 2023** [↓](#) 
5. **Agreed Actions Register - In Progress - August 2023** [↓](#) 
6. **Agreed Actions Register - Completed - August 2023** [↓](#) 



Internal Audit Report

Recruitment and Selection

July 2023

For Distribution:

| | |
|----------------|---|
| Ben Thompson | Director Corporate and Community Services |
| Bobbi Pertini | Manager People Culture and Safety |
| Carina Congdon | Team Leader HR and People Experience |

For Information:

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

Background and Scope

The Yorke Peninsula Council (Council) Internal Audit Plan 2023 includes a review relating to recruitment and selection processes and controls addressing compliance with PR154 Recruitment and Selection Procedure (PR154).

Nepotism and favouritism in recruiting is a risk to the Local Government sector and this issue was perceived as the highest area of vulnerability in the 2021 ICAC Public Integrity Survey. Council has implemented PR154 which aims to address this risk, by:

- Ensuring the most competent and suitable candidates are recruited and retained in Council positions.
- All appointments are based on merit having regard to the applicant's ability, knowledge and skills relative to the position.
- Recruitment standards are consistent, appropriate and free from direct or indirect discrimination.
- Assessment processes are appropriate to the inherent requirements of the position, are sufficient to assess the merits of applicants and are fair and free from bias.

Internal Audit held discussions with the Manager People Culture and Safety and Team Leader HR and People Experience, as well as undertaking detailed testing of the recruitment and selection processes for role analysis, recruitment processes, authorisation and remuneration determination.

The following areas were included the scope of the review:

- Role analysis and staffing needs
- Recruitment methods and advertisement
- Selection processes, panel interviews and rankings
- Authorisation and approval of various steps throughout the process
- Remuneration.

This document sets out the key findings of the review.

Key Findings

The Team Leader HR and People Experience maintains a 'Record of Positions Advertised' spreadsheet within Council's records management system detailing the position number and title, department, previous employee, new employee and reason for vacancy. We utilised this spreadsheet to select a sample of positions advertised between May 2022 and May 2023 inclusive for detailed testing.

During this period, 31 positions became vacant, of which 27 were filled. We selected 10 of these filled positions for detailed testing.

Key controls that we found were operating effectively of the period reviewed include:

- Selection panels were formed in accordance with PR154, including conflict of interest declarations.
- We could locate information and justifications for shortlisting documentation relating to the interview process.
- All samples tested had a completed 'Selection Report' with appropriate approval by the CEO in place.
- Initial remuneration was all in accordance with the position descriptions, recruitment documentation and award amounts.

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

Internal Audit Opinion

Based on the testing performed, Internal Audit is of the opinion that current recruitment and selection control environment is effective.

Amanda Pitt
Business Improvement Officer

Appendix 1 – Detailed Findings

| 1.1 Recruitment Recommencement Process | | | | | | | | |
|---|-------------|------------|------------|---------------|----------|-----|--|--|
| <p>PR154 does not provide staff with any instruction, guidelines or timeframes to address the recruitment process in the instance where a successful applicant withdraws or declines an offer of employment or after a short period of working resigns or leaves a position. There is no understanding on when the recruitment process is required to recommence or previous ranked applicant can be re-contacted.</p> <p>We identified instances in testing where:</p> <ol style="list-style-type: none"> 1. The top two successful applicants declined the offer of employment, and the next highest ranked applicant was difficult to identify. 2. The applicant resigned from a position six months after accepting the position and the recruitment process did not recommence, the next ranked applicant was contacted, interviewed and tested from the previous recruitment round. <p>Without clear guidelines specifying the process and timeframes about recommencing the recruitment process, there is a risk that suitable candidates are not being recruited and retaining positions.</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: #1a3d54; color: white;">Risk Level</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Insignificant</td> <td style="text-align: center;">Unlikely</td> <td style="background-color: #008000; color: white; text-align: center;">Low</td> </tr> </tbody> </table> | Consequence | Likelihood | Risk Level | Insignificant | Unlikely | Low | | |
| Consequence | Likelihood | Risk Level | | | | | | |
| Insignificant | Unlikely | Low | | | | | | |
| 1.2 Recommendations | | | | | | | | |
| <p>Update PR154 to ensure that clear guidelines and timeframes are in place in the event that the recruitment process need to recommence.</p> | | | | | | | | |
| 1.3 Management Responses | | | | | | | | |
| <p>Management Response and Agreed Action: Agreed</p> <p>Responsibility: Team Leader HR and People Experience</p> <p>Due Date: 31 October 2023</p> | | | | | | | | |

| 2.1 Request and Authority to Fill Current Position Form (SF325) | | | | | | | | |
|---|------------|------------|-------------|------------|------------|---------------|----------|-----|
| <p>Section 4.2.1 of PR154 states that SF325 Request and Authority to Fill Current Position Form must be completed and approved for all identified staffing requirements prior to the recruitment process commencing. However, our testing found that this form had not been completed for any samples.</p> <p>Discussions with the Team Leader HR and People Experience noted that the purpose of SF325 is for the creation of an entirely new position. Where an existing position is to be filled, email is used to communicate the required information and obtain CEO approval. This was the documentation that was reflective in the testing sample.</p> <p>There is a risk that PR154 does not reflect the practical requirements of SF325.</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="background-color: #003366; color: white;">Consequence</th> <th style="background-color: #003366; color: white;">Likelihood</th> <th style="background-color: #003366; color: white;">Risk Level</th> </tr> </thead> <tbody> <tr> <td>Insignificant</td> <td>Unlikely</td> <td style="background-color: #006633; color: white;">Low</td> </tr> </tbody> </table> | | | Consequence | Likelihood | Risk Level | Insignificant | Unlikely | Low |
| Consequence | Likelihood | Risk Level | | | | | | |
| Insignificant | Unlikely | Low | | | | | | |
| 2.2 Recommendations | | | | | | | | |
| <p>Update PR154 to ensure that it is clear what approval and documentation is required for recruitment process to commence on:</p> <ol style="list-style-type: none"> 1. An entirely new position 2. An existing position within the Organisational Structure. | | | | | | | | |
| 2.3 Management Responses | | | | | | | | |
| <p>Management Response and Agreed Action: Agreed</p> <p>Responsibility: Team Leader HR and People Experience</p> <p>Due Date: 31 October 2023</p> | | | | | | | | |

| 3.1 Interview Scoring of Responses | | |
|--|-------------------|-------------------|
| <p>Section 4.3.11 of PR154 states that interview panel members will document and score each applicant's responses. In addition, at the completion of each interview, selection panel members shall independently rate the applicant based on the interview rating matrix within the interview questions template and sign off on the interview documentation.</p> <p>Our testing indicated that scoring applicant's responses to interview questions was not completed consistently.</p> <p>Through discussions with the Team Leader HR and People Experience, we understand that the primary way to select a preferred applicant is through the rating matrix where the interview panel members indicate their perception of the applicant's competency for the role.</p> <p>The Team Leader HR and People Experience indicated that the scoring of responses can be used as an additional tool where there is no clear preferred applicant following the rating system.</p> <p>There is a risk that interview panel members are not aware of their responsibilities in documenting and scoring applicant responses consistently.</p> | | |
| Consequence | Likelihood | Risk Level |
| Insignificant | Unlikely | Low |
| 3.2 Recommendations | | |
| <p>If the scoring of each applicant's responses are not required, update PR154 section 4.3.11 to reflect actual process; where this is an optional task that can be used as additional tool when applicants are hard to separate and identify a preferred applicant.</p> | | |
| 3.3 Management Responses | | |
| <p>Management Response and Agreed Action: Agreed</p> <p>Responsibility: Team Leader HR and People Experience</p> <p>Due Date: 31 October 2023</p> | | |

4.1 Minor Procedure Wording Updates

We noted a number of minor wording changes to PR154 that should be considered. Based on our testing and discussions with the Team Leader HR and People Experience there a number of sections that require updating to be in line with current practices:

1. 4.2.2 Requires approval by relevant Director for any position description changes, however in practice only major changes are approved. Our testing identified that all position descriptions changes related to an update of the 'issue date'.
2. 4.3.6 Indicates that Council may use a recruitment agency for senior positions, however our testing indicated that a recruitment agency was utilised for a position outside of the Corporate Management Team.
3. 4.3.7 Indicates that the Recruitment Timeline Checklist (HRM015) will be utilised, this is the incorrect reference.
4. 4.3.8 Requires Director approval on the membership of selection panel, however we noted that this is usually received verbally or presumed when shortlisting documentation is sent out to panel members.

| Consequence | Likelihood | Risk Level |
|---------------|------------|------------|
| Insignificant | Rare | Low |

4.2 Recommendations

It is recommended that the following updates to PR154 be considered to ensure that the procedure is in line with current practices:

1. Clarify that only 'major' updates and changes to position descriptions require Director approval.
2. Update wording to be recruitment of 'required' positions within Council can utilise a recruitment agency.
3. Update reference to SF439 Recruitment Timeline Checklist
4. Update wording to reflect that the Director is made aware of the relevant panel members.

4.3 Management Responses

Management Response and Agreed Action: Agreed
Responsibility: Team Leader HR and People Experience
Due Date: 31 October 2023



Internal Audit Report

WHS Consultation and Communication Review (PR076)

August 2023

For Distribution:

| | |
|---------------|--|
| Bobbi Pertini | Manager People, Culture and Safety |
| Tim Haylock | Senior Safety Advisor (Audit and Risk) |
| Ryan Galpin | High Risk Advisor |
| Julia Poole | Safety Support Officer |
| Melanie Smith | People, Culture and Safety Support Officer |

For Information:

| | |
|----------------|---|
| Ben Thompson | Director Corporate and Community Services |
| Andre Kompler | Director Assets and Infrastructure |
| Andrew Cameron | Chief Executive Officer |

Background and Scope

The Yorke Peninsula Council (Council) Internal Audit Plan 2023 includes a review relating to Work Health and Safety (WHS) Legislation.

This review incorporated how Council consults and communicates WHS information to enable effective implementation of the organisation's Work Health and Safety Management System (WHSMS) and focused on the ways in which WHS information is disseminated throughout Council e.g. Health and Safety Representatives (HSRs) and the Safety Committee.

Council has a WHS Consultation and Communication Procedure (PR076) in place that states Council will consult and communicate with workers (or their representatives) and others who are, or are likely to be, directly affected by a matter relating to WHS. Council's responsibilities in this process include:

- Providing a system that enables workers (or their representatives) to be consulted about decisions that could directly affect WHS;
- Make sure consistent communication practices are in place for WHS matters.

Internal Audit held discussions with a number of employees (mainly within the People, Culture and Safety team) and Safety Committee (SC) members as well as undertaking detailed testing of consultation and communication processes relating to the SC, HSRs and ways in which WHS information is circulated.

Council is required to communicate and consult on matters relating to WHS both internally (policies, procedures, performance indicators and changes to the workplace) and externally (legislative changes, Local Government Association Workers Compensation Scheme (LGAWCS) advice and mandatory notifications (to SafeWork SA and Office of the Technical Regulator)).

This review did not include testing of the training and responsibilities processes within PR076.

This document sets out the key findings of the review.

Key Findings

Council has a number of related policies, procedures and documents in place to support the WHS communication and consultation processes. These were referenced, as part of this review including:

- WHS Consultation and Communication Policy (PO007)
- WHS Consultation and Communication Procedure (PR076)
- Safety Committee Terms of Reference (TOR)
- YPC's Risk and Safety Plan and Programmes 2021-2025
- Employee Opinion Survey
- Workplace Monitoring Calendar

Other interpersonal opportunities for WHS consultation and communication to occur include:

- HSRs (workgroup representation)
- Safety Committee Meetings
- Departmental / team meetings
- Workplace inspections

Other specific individual documentation relating to WHS consultation and communication includes:

- Emails
- Hard copy communication including flyers / print outs displayed on WHS Noticeboards
- Workstation Self-Assessments
- Various WHS Standard Forms, including but not limited to:
 - SF516 Hazardous Chemical Compliance Inspection Checklist
 - SF512 Plant, Equipment, Worksite Safety Inspection Checklist
 - SF371 Risk Assessment Sign Off
 - SF370 Hazard Form
 - SF073 Health and Safety Representatives (HSR) Nomination Form

It should be noted that Council's People, Culture and Safety team perform a large body of the consultation and communication work. The teams overall commitment and dedication to consultation and communication is to be commended. We found that Council is in compliance with PR076 and Council can demonstrate strong compliance with the effective communication and consultation of WHS information (via email, print and relevant meetings). However, there are a small number of administrative and low risk issues, which were identified as part of the review and these have been detailed in Appendix 1.

Internal Audit Opinion

Based on the testing performed, Internal Audit is of the opinion that current WHS consultation and communication processes are compliant. Internal Audit has also outlined some process improvements to be considered.

Brianna Wood

Business Improvement Officer

Appendix 1 – Detailed Findings

| 1.1 Safety Committee Attendance Requirements | | |
|--|-------------------|-------------------|
| <p>As per the Safety Committee TOR, the meeting quorum numbers consist of not less than half the Committee members or deputies, plus one. There are currently sixteen (16) voting members, meaning quorum requires nine (9) members to be present. The TOR outlines that each member of the Committee shall have the right to representation by a deputy/proxy if they are unable to attend.</p> <p>Of the previous six (6) meetings (spanning 2022/2023), it was noted that for one meeting (October 2022), quorum was not reached based on voting members but the meeting was held as normal.</p> <p>The TOR also sets out that members will cease to be a Safety Committee member if they fail to attend three (3) consecutive meetings without providing an appropriate reason(s) and an apology in writing.</p> <p>Our testing noted that there were four (4) Committee members who were an apology for 3 or more consecutive meetings without an apology in writing (it was noted that a 'decline' to a meeting request was sent)</p> <p>The limited and inconsistent attendance could lead to important WHS information not being shared widely throughout Council.</p> | | |
| Consequence | Likelihood | Risk Level |
| Insignificant | Possible | Low |
| 1.2 Recommendations | | |
| <p>In conjunction with recommendation 2.2 below, it is recommended that the following be undertaken:</p> <ol style="list-style-type: none"> 1. Update the TOR to clearly explain attendance requirements, particularly regarding consecutive non – attendance at meetings. Ensure that the TOR is updated to reflect the actual requirements of recording apologies (i.e. that a 'decline' to a meeting request or verbal with Safety Advisor is satisfactory). 2. Remind all members of the right to representation by a deputy / proxy. | | |
| 1.3 Management Responses | | |
| <p>Management Response and Agreed Action: As with many Council processes, COVID-19 had a substantial impact on Safety Committee meetings. During that time Committee meetings were moved to Zoom format. Since COVID-19 restrictions have eased, the Committee decided to re-establish in person meetings, alternating between the Maitland and Minlaton Offices. However, this change was not successful as attendance numbers declined.</p> <p>It was determined after the April 2023 meeting that the Committee meeting would be available via Microsoft Teams and also in person at the Maitland Office. The most recent meeting saw an improvement in attendance (online and in person) and it is expected that this attendance trend should continue (as a large proportion of the Committee are based in the Maitland Office, being eleven (11) of the sixteen (16) voting members).</p> <p>Responsibility: Senior Safety Advisor</p> <p>Due Date: 31 January 2024</p> | | |

| 2.1 Safety Committee Members | | |
|---|-------------------|-------------------|
| <p>The Safety Committee meets at least quarterly as per the TOR. As indicated above, the quorum for these meetings consists of not less than half the Committee members or deputies, plus one.</p> <p>During testing, there were some deficiencies relating to the composition of Committee members attending meetings. Our testing found the following:</p> <ul style="list-style-type: none"> • In the last 12 months, there were a number of occasions where a HSR and a Deputy HSR were both unable to attend the Committee meeting; therefore, that particular work group was not represented. • One department alternates Manager representation (without a deputy/proxy present), meaning there is one less 'voting' member at meetings where this occurred. <p>In the Safety Committee TOR, Committee members were listed as:</p> <ul style="list-style-type: none"> • Management Representatives (voting members), • Designated Work Groups - HSRs (voting members), and; • Other (non-voting members). <p>Terminology should be clear within the TOR and accurately reflect 'members' as only those employees that have voting rights on Committee decisions.</p> <p>If Committee members and voting right requirements are not clear within the TOR, there is a risk of ambiguity amongst members and the integrity of the Committee may be lost.</p> | | |
| Consequence | Likelihood | Risk Level |
| Insignificant | Possible | Low |
| 2.2 Recommendation | | |
| <p>It is recommended that the Safety Committee TOR be updated to clearly define voting Committee members and those roles that provide advice and administration support to the Committee. The TOR is due for review by the end of this year and this will then ensure the TOR align with current practices.</p> | | |
| 2.3 Management Responses | | |
| <p>Management Response and Agreed Action: Agreed</p> <p>Responsibility: Safety Support Officer</p> <p>Due Date: 31 January 2024</p> | | |

3.1 WHS information dissemination

Council can demonstrate strong compliance with the effective communication and consultation of WHS information (via email, print and relevant meetings).

However, testing found that there were deficiencies in filtering WHS information more widely throughout Council, particularly through departmental meetings. It was identified that:

- One department has only met once in the last 12 months. At the time of testing, evidence of the last meeting was held in July 2022.
- One department aims to meet quarterly (including the workgroups within that department). At the time of testing, evidence where all workgroups held a quarterly meeting was October / November 2022.
- In another department there was no consistent timeframe that workgroups meet. One workgroup meets every 6 weeks and another workgroup monthly. These were evidenced through testing; however, the other areas do not meet regularly.

Regular team meetings should be held to ensure important WHS information is filtered effectively throughout Council. Whilst there are no internal requirements to hold departmental or team meetings within a particular timeframe, the *Council's Risk and Safety Plan and Programmes 2021-2025* requires that 'Safety and Risk will be on all team agendas'. In addition, all Manager performance appraisals include strategic performance objectives being:

- Staff meetings regularly held; and
- Staff meetings have Safety and Risk on agenda.

During testing, it was noted there is a heavy reliance on the Safety Committee as the primary source to distribute WHS information. As identified above, with Safety Committee member attendance low and the lack of consistent workgroup representation, this could suggest that WHS information is not being disseminated effectively Council wide.

Further testing also revealed a heavy reliance on email and newsletter or flyer / print communication which is not always easily and regularly accessible for all employees. Ideally, HSRs actively engage and contribute to their work group or location as the designated representative. This may be occurring but could not be confirmed.

It should be noted that WHS information deemed urgent is emailed out to employees or where this cannot occur, a phone call is made to discuss relevant matters.

| Consequence | Likelihood | Risk Level |
|---------------|------------|------------|
| Insignificant | Possible | Low |

3.2 Recommendations

1. A memorandum be distributed from the CEO outlining the importance of communication and regular team meetings being held across the organisation. Team meetings should include safety discussions within all teams / groups and the need for those discussions to be relevant and reflective of that particular workgroup.
2. Update WHS Consultation and Communication Procedure (PR076) to include a sentence that outlines at a minimum, departmental meetings should occur quarterly (every three months). This should also be communicated internally, particularly to Executive Assistants.
3. As a high risk area, the setting of the A&IS Briefing along with all tool box meetings (these specifically follow the Safety Committee Meeting to facilitate prompt WHS information distribution) are scheduled in advance ensuring maximum involvement and participation.

3.3 Management Responses

1. **Management Response and Agreed Action:** Agreed
Responsibility: Business Improvement Officer
Due Date: 30 November 2023
2. **Management Response and Agreed Action:** Agreed
Responsibility: Manager People, Culture and Safety
Due Date: 31 December 2023
3. **Management Response and Agreed Action:** Agreed
Responsibility: Executive Assistant to the Director Assets and Infrastructure Services
Due Date: 31 December 2023



Internal Audit Report – Corporate Purchase Card Reconciliation and Employee Expense Reimbursement Spot Check July 2023

For Distribution

Andrew Cameron Chief Executive Officer
Daniel Griffin Manager Financial Services

Background

As part of the Internal Audit Plan 2023, sample testing of corporate purchase card reconciliations and employee expense reimbursements are conducted six-monthly to ensure compliance with the following policy and procedures:

- PO084 Corporate Purchase Card Policy (PO084)
- PO089 Elected Member Allowances and Benefits Policy (PO089)
- PR115 Corporate Purchase Card Procedure (PR115)
- PR126 Travel and Accommodation Procedure (PR126)
- PR089 Professional Development Procedure (PR089).

This testing was conducted in July 2023.

We are pleased to note that an additional control to ensure validity of transaction and corporate purchase card expenditure has been implemented by the Finance Team. Cardholders now receive a mid-month report noting corporate purchase card available balance and current spend.

Corporate purchase card holders are required to complete a SF118 Corporate Purchase Card Monthly Reconciliation Form (SF118) to verify the transactions comply with PO084, PO089, PR115 and PR126.

Employee's seeking expense reimbursements must complete a SF200 Expense Reimbursement Form (SF200) and once appropriately approved, the reimbursement is paid as part of Council's weekly accounts payable process.

Both SF118 and SF200 forms require details such as:

- Date of expense
- Expense amount
- Suppliers name
- Description of goods/services
- Business purpose of expenditure
- Attached tax invoice or tax compliant receipt.

The corporate purchase card testing examined all 9 cardholders, with 20 reconciliation statements randomly selected between the months of January 2023 and June 2023 inclusive. Corporate purchase card expenditure for this period totalled \$51,902.60.

To undertake the employee expense reimbursement testing, the Finance Team extracted data from Authority (Council’s financial management system) containing all reimbursements paid to employees for the period January 2023 to June 2023 inclusive. This data report had 82 reimbursement transactions totalling \$15,206.07. From this, a sample of 20 transactions were selected for testing.

A summary of the key findings is provided below.

Key Findings

Sample testing demonstrated that the corporate purchase card reconciliation process and processes to review and approve employee expense reimbursements was effective. For all transactions tested it was found that:

- Reconciliations and reimbursements were appropriately signed off and approved within a timely manner.
- Expenditure was in accordance with PO084, PO089, PR115, PR089 and PR126.
- There were two transactions that were minimally over the allocated accommodation limit as per PR126, however both were supported by an CEO approval.
- One unauthorised charge was identified, a SF050D Disputed Transaction Declaration Form was completed.
- Supporting documentation (tax invoices, receipts, or where required, SF050C Missing Documentation Declaration Forms) were attached.
- We noted a number of transactions relating to the Elected Member District Tour (22 to 23 June 2023) that, individually, were in excess of allowance limits. However, the total allowance spend was acceptable. Council were to meet the reasonable costs of main meals for the 13 attendees as outlined in PO089 and PR126 and paid for using corporate purchase cards. Meal allowance and actual spend for the two-day event are shown in the table below:

| Meal | Allowance | Total Allowance (13 people) | Actual Spend | Comments |
|--------------|-----------|-----------------------------|-------------------|--|
| Breakfast | \$25 | \$325.00 (1 day) | \$135.20 | |
| Lunch | \$30 | \$780.00 (2 days) | \$715.00 | <ul style="list-style-type: none"> • For lunch on day one, there were eight (8) individual meals in excess of the \$30 individual allowance (total of \$57 over the allowance limit). • For lunch on day two, there were two individual meals in excess of the \$30 individual allowance (total \$8 over allowance limit). |
| Dinner | \$50 | \$650.00 (1 day) | \$354.00 | |
| Incidentals | \$20 | \$520.00 (2 days) | \$180.99 | |
| Total | | \$1,755.00 | \$1,385.19 | \$369.81 below total allowance |

- To address these findings, we noted that PR126 is due for review and currently out for staff consultation, with proposed changes including:
 - Increases to meal allowances in accordance with the 2022/2023 tax determination.
 - Specifically defining that individual meal allowances cannot be aggregated across multiple meals during a period of travel.
 - In addition, PO089 will also be reviewed to ensure consistency with PR126.

Internal Audit Opinion

Based on the testing performed, Internal Audit is of the opinion that corporate purchase card and employee expense reimbursement controls are effective.

Amanda Pitt

Business Improvement Officer

Adele Wyatt

Executive Services Support Officer

**Chief Executive Officer – Corporate Purchase Card Transactions
January 2023 – June 2023**

| Purchase Date | Supplier | Amount Charged | Description of Goods | Purpose of Expenditure |
|---------------|---------------------------------|----------------|--|---|
| 20/01/2023 | News Limited Surry Hills | \$28.00 | The Advertiser Online | CEO – the Advertiser Online Subscription |
| 17/02/2023 | News Limited Surry Hills | \$28.00 | The Advertiser Online | CEO – the Advertiser Online Subscription |
| 22/02/2023 | Ye Olde Café Minlaton | \$123.70 | Lunch (x5) – Senator Anne Ruston, Rowan Ramsey, Andrew Cameron, Mayor Braund, Bernadette Abraham (Senator Ruston's Office) | Lunch whilst touring with Senator Anne Ruston in Minlaton (22/02/2023) |
| 23/02/2023 | Care Park Melbourne | \$26.63 | Car Park | Attendance at SYP Childcare Centre Construction start up meeting with Romaldi Constructions – Adelaide – (23/02/2023) |
| 17/03/2023 | News Limited Surry Hills | \$28.00 | The Advertiser Online | CEO – the Advertiser Online Subscription |
| 17/03/2023 | DHS Screening Unit Adelaide | \$119.90 | NDIS worker screening application | CEO NDIS Screening check |
| 24/03/2023 | Frome Auto Park Adelaide | \$22.33 | Car parking | Attend State Government Economic Partnership Forum – Adelaide (24/03/2023) |
| 19/04/2023 | News Limited Surry Hills | \$28.00 | The Advertiser Online | CEO – the Advertiser Online Subscription |
| 20/04/2023 | UPK Wyatt Adelaide | \$30.00 | Car Parking – Wyatt street (20/04/2023) | Attend interviews for Director Development Services position (20/04/2023) |
| 20/04/2023 | Care Park Melbourne | \$22.54 | Car parking- Blyth street car park | Attend meeting re Southern Yorke Peninsula Childcare Centre - Romaldi |
| 20/04/2023 | Valentinos 101 PTY LTD Adelaide | \$14.90 | Lunch – Valentinos 101 snack bar (CEO) | Attend interviews for Director Development Services position (20/04/2023) |
| 12/05/2023 | News Limited Surry Hills | \$28.00 | The Advertiser Online | CEO – the Advertiser Online Subscription |
| 17/05/2023 | Ye Olde Café Minlaton | \$100.00 | Lunch – Ye Olde Café Minlaton (x5) – CEO, Mayor, Governor, Governor's Aide and Driver | Lunch for Governor Visit to YPC – 17 May 2023 |
| 18/05/2023 | Location Café Edithburgh | \$154.00 | Lunch- Location Café Edithburgh (X6) – CEO, Mayor, Cr O'Connell, Governor, Governor's Aide and Driver | Lunch for Governor Visit to YPC – 18 May 2023 |
| 19/05/2023 | City of Adelaide Adelaide | \$9.60 | Car Parking – Flinders Street | LGA Jetties Update – DIT – Adelaide - Friday 19 May 2023 |
| 25/05/2023 | Wakefield Auto Park Adelaide | \$20.30 | Car Parking – Wakefield Street | DIT Jetties Meeting – DIT – Adelaide - 25 May 2023 |
| 9/06/2023 | News Limited Surry Hills | \$28.00 | The Advertiser Online | CEO – the Advertiser Online Subscription |
| 12/06/2023 | Akiba Canberra | \$153.90 | Dinner – Akiba Canberra (x4) – CEO, Mayor Braund, Deputy Mayor Carruthers and Cr Stock | Dinner at Akiba – ALGA National Convention Canberra – 12 June 2023 |

| Purchase Date | Supplier | Amount Charged | Description of Goods | Purpose of Expenditure |
|----------------------|------------------------------------|-----------------------|---|---|
| 13/06/2023 | Live Payments Bangaroo | \$15.38 | Taxi Fare | Taxi Fare – ALGA National Convention Canberra – Parliament House to Accommodation (Adina) |
| 13/06/2023 | ACT CABS0261030882 FYSHWICK | \$17.48 | Taxi Fare | Taxi Fare - ALGA National Convention Canberra - Accommodation (Adina) to Parliament House |
| 13/06/2023 | King O'Malley's Canberra | \$96.00 | Dinner – King O'Malley's Irish Pub (x3) – CEO, Deputy Mayor Carruthers and Cr Stock | Dinner at King O'Malley's Irish Pub – ALGA National Convention Canberra – 13 June 2023 |
| 16/06/2023 | ACT CABS0261030882 FYSHWICK | \$25.57 | Taxi Fare | Taxi Fare – ALGA National Convention Canberra – Accommodation (Adina) to Airport |
| 22/06/2023 | Dalrymple Hotel Stansbury | \$101.50 | Lunch – Dalrymple Hotel Stansbury | Lunch for members present at the Elected Member District Tour –22 June 2023 |
| 22/06/2023 | SQ *WILMA'S ON THE YORKE Ardrossan | \$48.70 | Coffee – Wilmas on the Yorke Ardrossan | Coffee for members present at the Elected Member District Tour –22 June 2023 |
| 22/06/2023 | SQ *WILMA'S ON THE YORKE Ardrossan | \$4.80 | Coffee – Wilmas on the Yorke Ardrossan | Coffee for members present at the Elected Member District Tour –22 June 2023 |

| Activity Category | Report Title | Finding Title | Risk Rating | Agreed Action | Responsible Officer | Due Date | Revised Due Date | Status | Action Update |
|---------------------------|--|--|-------------|--|---|------------|------------------|-------------|---------------|
| Internal Audit Activities | WHS Consultation and Communication Review | WHS Information Dissemination | Low | As a high risk area, the setting of the A&IS Briefing along with all tool box meetings (these specifically follow the Safety Committee Meeting to facilitate prompt WHS information distribution) are scheduled in advance ensuring maximum involvement and participation. | EXECUTIVE ASSISTANT AIS | 31/12/2023 | 31/12/2023 | In Progress | |
| Internal Audit Activities | WHS Consultation and Communication Review | WHS Information Dissemination | Low | Update WHS Consultation and Communication Procedure (PR076) to include a sentence that outlines at a minimum, departmental meetings should occur quarterly (every three months). This should also be communicated internally, particularly to Executive Assistants. | MANAGER PEOPLE CULTURE AND SAFETY | 31/12/2023 | 31/12/2023 | In Progress | |
| Internal Audit Activities | WHS Consultation and Communication Review | WHS Information Dissemination | Low | A memorandum be distributed from the CEO outlining the importance of communication and regular team meetings being held across the organisation. Team meetings should include safety discussions within all teams / groups and the need for those discussions to be relevant and reflective of that particular workgroup. | BUSINESS IMPROVEMENT OFFICER | 30/11/2023 | 30/11/2023 | In Progress | |
| Internal Audit Activities | WHS Consultation and Communication Review | Safety Committee Members | Low | It is recommended that the Safety Committee Terms of Reference (TOR) be updated to clearly define voting Committee members and those roles that provide advice and administration support to the Committee. The TOR is due for review by the end of this year and this will then ensure the TOR align with current practices. | SUPPORT OFFICER FOR PEOPLE CULTURE AND SAFETY | 31/01/2024 | 31/01/2024 | In Progress | |
| Internal Audit Activities | WHS Consultation and Communication Review | Safety Committee Attendance Requirements | Low | Remind all Safety Committee members of the right to representation by a deputy / proxy. | SENIOR SAFETY ADVISOR | 31/01/2024 | 31/01/2024 | In Progress | |
| Internal Audit Activities | WHS Consultation and Communication Review | Safety Committee Attendance Requirements | Low | Update the Safety Committee Terms of Reference (TOR) to clearly explain attendance requirements, particularly regarding consecutive non – attendance at meetings. Ensure that the TOR is updated to reflect the actual requirements of recording apologies (i.e. that a 'decline' to a meeting request or verbal with Safety Advisor is satisfactory). | SENIOR SAFETY ADVISOR | 31/01/2024 | 31/01/2024 | In Progress | |

| Activity Category | Report Title | Finding Title | Risk Rating | Agreed Action | Responsible Officer | Due Date | Revised Due Date | Status | Action Update |
|---------------------------|--|--|-------------|---|-------------------------------|------------|------------------|-------------|---|
| External Audit Activities | Dean Newbury - Audit Completion Report - Financial Year Ended 30 June 2022 | Asset Revaluation - Land and Buildings & Other Structures | Moder... | As disclosed in Note 7 of the financial statements Council will be undertaking a revaluation of the Land and Buildings & Other Structures asset classes in FY23. Council's Asset Management Plans and Long Term Financial Plan should be updated to include the latest data received as a result of the valuation and condition assessment undertaken. | ASSETS MANAGER | 30/06/2023 | 30/09/2023 | In Progress | 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 September 2023 meeting of the Audit and Risk Committee for their endorsement. Once the valuation has been endorsed by Council relevant plans (AMPs, LTFP) will be updated. |
| 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 | It is understood that this will be addressed as part of the ERP project. Timeframes for implementation have not been set out as yet. The due date for this action has been extended and this will be consistent amongst all actions considered as part of the ERP project. Due dates will be updated regularly when clarity around project timelines are set. |
| 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 | 31/03/2023 | In Progress | Update of PO048 will commence now that rates modelling and notices have gone out. Work flows to get this policy into draft will be set up within Records |
| Internal Audit Activities | Internal Financial Controls Self-Assessment - September 2022 | Review access to receipting payments and/or reversing receipt transactions | Moder... | 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 | 31/12/2023 | In Progress | Following investigation an independent review process is to be implemented commencing in 2023-2024. A work instruction is to be created prior to commencement of periodic independent review of receipt reversals by Finance Officer. |

| Activity Category | Report Title | Finding Title | Risk Rating | Agreed Action | Responsible Officer | Due Date | Revised Due Date | Status | Action Update |
|-----------------------------------|--|--|-------------|---|-----------------------------------|------------|------------------|-------------|--|
| Internal Controls Self-Assessment | Internal Financial Controls Self-Assessment - 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 | | In Progress | Review and update of the Grants Register has been completed. Appropriate staff will receive training in relation to the new register and requirements in early 2023-2024. Finalised Grants Register is in use for 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 | Moder... | 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 the online CAR system. | MANAGER PEOPLE CULTURE AND SAFETY | 30/06/2023 | 30/06/2024 | In Progress | It is understood that this will be addressed as part of the ERP project. Quotations have been received by Pulse Software providers. ERP has been endorsed to start discussions with provider, however timeframes for implementation have not been set out as yet. The due date for this action has been extended and this will be consistent amongst all actions considered as part of the ERP project. Due dates will be updated regularly when clarity around project timelines are set. |
| Internal Audit Activities | WHS PR048 Corrective Preventative Action Procedure | 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 | 30/06/2024 | In Progress | It is understood that this will be addressed as part of the ERP project. 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. Timeframes for the ERP implementation have not been set out as yet. The due date for this action has been extended for and this will be consistent amongst all actions considered as part of the ERP project. Due dates will be updated regularly when clarity around project timelines are set. |

| Activity Category | Report Title | Finding Title | Risk Rating | Agreed Action | Responsible Officer | Due Date | Revised Due Date | Status | Action Update |
|-----------------------------------|--|---------------------------|-------------|--|-------------------------------|------------|------------------|-------------|--|
| Internal Controls Self-Assessment | Internal Financial Controls Self-Assessment - May 2022 | 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. |

Showing 1 to 14 of 14 entries (filtered from 126 total entries)

| Activity Category | Report Title | Finding Title | Risk Rating | Agreed Action | Responsible Officer | Due Date | Revised Due Date | Status | Action Update |
|---------------------------|---|---|-------------|---|-----------------------------------|------------|------------------|-----------|---|
| Internal Audit Activities | Recruitment and Selection Review | 4.1 Minor Procedure Wording Updates | Low | It is recommended that the following updates to PR154 be considered to ensure that the procedure is in line with current practices: 1. Clarify that only 'major' updates and changes to position descriptions require Director approval. 2. Update wording to be recruitment of 'required' positions within Council can utilise a recruitment agency. 3. Update reference to SF439 Recruitment Timeline Checklist 4. Update wording to reflect that the Director is made aware of the relevant panel members. | MANAGER PEOPLE CULTURE AND SAFETY | 31/10/2023 | | Completed | Procedure updated and feedback received from A/CEO and Team Leader, HR and People Experience. Out for staff consultation. |
| Internal Audit Activities | Recruitment and Selection Review | 3.1 Interview Scoring of Responses | Low | If the scoring of each applicant's responses are not required, update PR154 section 4.3.11 to reflect actual process; where this is an optional task that can be used as additional tool when applicants are hard to separate and identify a preferred applicant. | MANAGER PEOPLE CULTURE AND SAFETY | 31/10/2023 | | Completed | Draft updated policy sent out for staff consultation 10/08/2023. All recommendations from review included. |
| Internal Audit Activities | Recruitment and Selection Review | 2.1 Request and Authority to Fill Current Position Form (SF325) | Low | Update PR154 to ensure that it is clear what approval and documentation is required for recruitment process to commence on: 1. An entirely new position 2. An existing position within the Organisational Structure. | MANAGER PEOPLE CULTURE AND SAFETY | 31/10/2023 | | Completed | Draft updated policy sent out for staff consultation 10/08/2023. All recommendations from review included. |
| Internal Audit Activities | Recruitment and Selection Review | 1.1 Recruitment Recommence... Process | Low | Update PR154 to ensure that clear guidelines and timeframes are in place in the event that the recruitment process need to recommence. | MANAGER PEOPLE CULTURE AND SAFETY | 31/10/2023 | | Completed | Draft updated policy sent out for staff consultation 10/08/2023. All recommendations from review included. |

| Activity Category | Report Title | Finding Title | Risk Rating | Agreed Action | Responsible Officer | Due Date | Revised Due Date | Status | Action Update |
|---------------------------|--|--|-------------|--|----------------------------|------------|------------------|-----------|--|
| External Audit Activities | Dean Newbury - Audit Completion Report - Financial Year Ended 30 June 2022 | Change in Resheeting Roads Methodology | Moder... | It has been reported to Council that a new methodology has been implemented by Council in regards to resheeting work being carried out on the Council's road network. This new methodology of resheeting has resulted in significant savings. This will, in future financial years, affect the unit rate of replacement cost of roads and consequently the value that Council hold these Infrastructure assets in the Statement of Financial Position. Consideration may also be required around the remaining useful life of this new methodology. Council's Asset Management Plans and Long Term Financial Plan should be updated to include this new methodology. | ASSETS MANAGER | 30/06/2024 | | Completed | The change in road resheeting methodology is an evolving 'work in progress' (WIP), noting that prior to Director A&I commencement 2.5 years ago the useful life of resheets was not even a third of the Transport AMP schedule of useful lives in view of material quality and construction practise. Note -2.5 years ago resheet surfacing was falling apart in places within months and being seriously eroded/ lost, when gravel resheets are meant to be lasting 15 years with some maintenance. What has been done to date by the Director A&I includes; • Changing of quarry product spec in the north of the LGA has helped multiply the uselife of imported product on the ground- (revised useful lives being evaluated over time. At present the benefits are uncosted and ongoing). • Construction practice change has included reshaping of roads being renewed to form a crown and drainage prior to the resheet work and cutting back on the amount of imported fill- \$500k/ year minimum savings. • More use of local limestone resource in the south of the LGA, cutting back on Curramulka quarry stone importation, and cutting back on material haulage costs. Savings are likely to realise \$500k/ year. • In future years there will be a move to the next iteration of seriously cutting back on imported quarry product and in lieu reshape, strengthen and lightly bind/ stabilise the insitu material- \$700k savings between north and south. • Note the above is significant change but does not come close to addressing the funding needs of an oversized road network. • The Transport AMP will be updated in the next year to reflect; o Updated reduction of Transport AMP useful lives of resheets to reflect reality and the current changes which are an improvement on the past. o Reduced level of service for all unsealed commodity route roads with a "low use" classification- to allow funding for high and medium use roads. o Stated aim channelling any roads savings made back to helping with a road funding shortfall that will be reflected in an updated renewal index. • The updated Transport AMP in 2024 will impact depreciation and the LTFP. |
| 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 | Completed | Review of document by Manager Financial Services is being recorded within the records management system workflow (rather than within the document). This process still records evidence of review being performed. |

| Activity Category | Report Title | Finding Title | Risk Rating | Agreed Action | Responsible Officer | Due Date | Revised Due Date | Status | Action Update |
|---------------------------|--|---|-------------|--|-----------------------------------|------------|------------------|-----------|--|
| 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 | | Completed | SF444 Volunteer Exit Checklist has been updated and exit checklists implemented for all exiting volunteers. Audit undertaken. |
| Internal Audit Activities | Review of Expiation Notices | Update SF034 Expiation Notice Form and Hardcopy Expiation Notice Form | Moder... | 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 | | Completed | Electronic Form has been updated including all recommendations. Executive Assistant to Director Development Services advised updated Hardcopy Books have been ordered. |
| External Audit Activities | External Audit Interim Management Report 21/22 - Report Received September 2022 | PR027 Issue of Council Orders Procedure | Moder... | 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 | | Completed | PR27 Issue of Council Orders procedure will be removed and superseded by a new Procurement Procedure. A procurement action plan has been developed to address a number of procurement documents and applications that need to be reviewed and updated. |

| Activity Category | Report Title | Finding Title | Risk Rating | Agreed Action | Responsible Officer | Due Date | Revised Due Date | Status | Action Update |
|---------------------------|--|------------------------------|-------------|--|---------------------------|------------|------------------|-----------|--|
| Internal Audit Activities | Council Direct Managed Caravan Park Spot Check – June 2021 | Insurance and Asset Schedule | Low | It is recommended that for future re-evaluations of Caravan Park cabins, each cabin should be individually listed and valued, instead of a bulk valuation. This will ensure this is not overlooked in future insurance and asset scheduling. | CARAVAN PARKS COORDINATOR | 30/06/2022 | 30/09/2023 | Completed | Recently, 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. It was noted that newer caravan park cabin structures have their own value, but older cabins have remained bulk valued. In addition, to ensure correct insurance valuations (which relates to the underlying risk of this item) Caravan Park Managers will be required to advise how many cabins they have on site when completing the annual insurance questionnaire and comparing this to the number of cabins at the last insurance valuation. The complete insurance re-evaluation will include this information. |

Showing 1 to 10 of 10 entries (filtered from 126 total entries)

8.2 ORGANISATIONAL RISK REGISTER

Document #: 23/71354

Department: Executive Services

PURPOSE

To provide the Audit and Risk Committee with the current version of the Organisational Risk Register for consideration.

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

5.5 Undertake effective risk and emergency management

BACKGROUND

The Audit and Risk Committee assists Yorke Peninsula Council (Council) in meeting its responsibilities for the management of risks.

Following the Audit and Risk Committee and Elected Member endorsement of Council's 2021 – 2025 Strategic Risk Register in 2020, Council staff commenced the process to identify, analyse and evaluate Council's organisational risks.

Development of the Organisational Risk Register (Register) was undertaken in accordance with PO091 Risk Management Policy (Policy).

Council's Register is managed and maintained within an in-house developed database system, allowing risk owners to document, manage and assess their risks electronically.

Currently, Council has identified forty-seven (47) organisational risks.

DISCUSSION

A major review of the Register was last completed and reported to the Audit and Risk Committee in October 2022.

Over the past five (5) weeks, risk owners have performed another review of the Register with assistance from the Business Improvement Officer and Executive Services Support Officer.

Specifically, risk owners were required to undertake a detailed review of each of their risks, considering the Policy, including:

- Risk description and context
- Inherent and residual risk ratings
- Confirming details of current controls are accurate and / or updating, including any additional current controls that now may be in place.

Attachment 1 includes the current version of the Register for consideration by the Audit and Risk Committee as at August 2023.

A summary of the organisational risks, categorised by Department is provided below.

| Department | Inherent Risk Rating | | Residual Risk Rating | No of Risks |
|--|----------------------|---|----------------------|-------------|
| Assets and Infrastructure Services (12) | Extreme | → | Moderate | 1 |
| | High | → | Moderate | 1 |
| | Moderate | → | Low | 10 |
| Corporate and Community Services (13) | Extreme | → | Moderate | 2 |
| | Moderate | → | Low | 10 |
| | Low | → | Low | 1 |
| Development Services (5) | High | → | Low | 1 |
| | High | → | Moderate | 1 |
| | Moderate | → | Low | 3 |
| Executive Services (17) | Extreme | → | High | 1 |
| | Extreme | → | Moderate | 2 |
| | High | → | Moderate | 1 |
| | High | → | Low | 2 |
| | Moderate | → | Low | 10 |
| | Low | → | Low | 1 |

One (1) residual risk rating is ‘High’, being: “Failure to effectively maintain and manage WHS systems”.

As per the Policy, the level of residual risk assessed for all organisational risks is currently within Council’s residual risk appetite level.

The next steps of the Register review process will involve:

- Identifying and documenting any risk treatment plans to potentially reduce the residual risk ratings.
- Performing ongoing review of organisational risks.
- Regular reporting to the Audit and Risk Committee in accordance with the approved Work Plan and the Policy.

COMMUNITY ENGAGEMENT PLAN

Level 1 - Inform

CONSULTATION PROCESS

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

- Chief Executive Officer
- Director Development Services
- Director Corporate and Community Services
- Director Assets and Infrastructure
- Governance Officer
- Manager People, Culture and Safety
- Manager Financial Services
- Manager Economic Development and Business Sustainability
- Leader Systems and Technology
- Assets Manager
- Operations Manager
- Infrastructure Manager

- Manager Development
- Manager Building and Compliance

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

- Nil

POLICY IMPLICATIONS

PO091 Risk Management Policy

PO056 Internal Financial Control Policy

BUDGET AND RESOURCE IMPLICATIONS

Nil

RISKS/LEGAL/LEGISLATIVE/ IMPLICATIONS

Local Government Act 1999

ATTACHMENTS

1. Organisational Risk Register Review - August 2023 [↓](#) 

| Risk ID | Risk Name | Risk Description | Risk Consequence | Current Risk Rating | Department | Current Controls | Risk Reviewer | Residual Risk Rating |
|------------|--|--|--|---------------------|----------------------------------|--|--|----------------------|
| RR-13-2018 | Unauthorised access to confidential and sensitive information | People inadvertently or deliberately accessing confidential and sensitive information (electronic or hard copy) | Legal action Breach of legislation Serious penalties Breach of Code of Conduct for Council Employees Breach of condition of membership to LGAMLS | Moderate | Executive Services | Confidentiality requirements under the Local Government Act 1999 Contracts of Employment and employee induction checklists Role specific training IT access controls / restrictions (Records Management System in place) Freedom of Information Statement Internal audits PO091 Risk Management Policy PO148 Fraud & Corruption Prevention Policy PO152 Information Systems Acceptable Use Policy PO153 Information Systems Access Control Policy Access to records area is restricted PO156 Internal Financial Controls PO163 Elected Member Access to Information PO123 Code of Conduct for Elected Members PO014 Employee Code of Conduct Policy PO015 Access to Council and Committee Meetings and Documents Code of Practice | Governance Officer | Low |
| RR-14-2018 | Ageing workforce | Age of workforce (lack of retirement planning and/or impact on Council's ongoing ability to provide required services) | Budget implications. Maintaining a skilled workforce. Loss of key staff. Inability to adapt to advances in IT. Loss of continuity of service, knowledge, skills and experience. Increased WHS risk due to manual labour relating to ageing workforce. Fit for role requirements, task require modification to adapt to ageing workforce. Service levels provided to community may be compromised. | Moderate | Corporate and Community Services | Employee Values - Organisational Culture Employee Recognition Program Performance Appraisal Process Training Needs Analysis (ElementSTAFF) Training provided including compliance and professional development Annual staff satisfaction surveys. Reporting to Corporate Management Team Employee Code of Conduct Traineeship programmes Succession planning Phased retirement options Tasks modified to adapt to ageing workforce. Performance Management. Educational tools to encourage health and wellbeing (i.e. ageing workforce project, stretching videos and booklets). Manual handling training every two years to help reduce injuries. Fitness for Work Procedure. PO175 Flexible Work Arrangements (Work From Home) | Manager People Culture and Safety | Low |
| RR-15-2018 | Children and Vulnerable People exposed to inappropriate behaviour | Children and Vulnerable People exposed to inappropriate behaviour within Council employment | Legal action Breach of legislation Serious penalties Breach of Employee Code of Conduct Impact on Council reputation | Moderate | Corporate and Community Services | Workplace Agreement documents Volunteer Management document Department Community and Social Inclusion (DCSI) screenings National Disability (NDIS) Screenings Employee Code of Conduct and Values PO021 Safe Environment Policy PO147 Complaints Policy PO091 Risk Management Policy PO183 YP Leisure Options Dignity of Risk and Duty of Care Policy PO176 YP Leisure Options Feedback, Complaint Management and Resolution Policy PO177 YP Leisure Options Worker Screening Requirements Policy PO174 Client Incident Management and Reportable Incidents Policy PO146 Discipline and Performance Management Policy NDIS and CHSP External Audits Staff and Volunteer Induction Corporate Training | Manager People Culture and Safety | Low |
| RR-16-2018 | Commercial activities place Council in direct commercial competition with local business | Commercial activities that Council undertake may be in direct commercial competition with local businesses | Impact on stakeholder relations Impact on Council reputation Lack of confidence in Council Negative impact on the YP Economy Loss of rate income (if businesses close) | Moderate | Corporate and Community Services | Competitive Neutrality Laws PO058 Purchasing and Procurement Policy PO148 Fraud & Corruption Prevention Policy Contracts and Tenders Policies and Procedures in place, including approval of purchase orders. Fees and charges register is set for Council business, endorsed by Elected Members. Review & statement required in Annual Reports Consideration of thin markets and the provision of service to remote and isolated communities Recreational Vehicle (RV) Strategy 2022 PO185 Recreational Vehicle Overnight Stays Policy Council hold workshops for Caravan Park Managers | Manager Economic Development and Business Sustainability | Low |

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|------------|--|--|--|----------|------------------------------------|---|---------------------------------|-----|
| RR-17-2018 | Disturbance of Aboriginal ancestral remains, sites or objects (heritage) | Inadvertently excavating, damaging, disturbing or interfering with Aboriginal objects, sites or remains. | Legal action Breach of legislation Serious penalties Significant effect on community relations Impact on Council reputation Lack of confidence in Council | Moderate | Assets and Infrastructure Services | Buthera Agreement Narungga Healthy Country Plan Division A2 of the Heritage Act Policies / Procedures Training from Aboriginal Affairs Aboriginal Affairs host the register (procedure) Indigenous Land Use Agreement Operations Manager maintains good relationships, communication and consultation with all Narungga groups. Narungga organisations (Narungga Nation Aboriginal Corporation, Nharangga Aboriginal Progress Association, Point Pearce Aboriginal Corporation) are invited to monitor proposed projects when they are undertaken. Council work together to assist Narungga groups with sites of significance (i.e. signage installed to prevent camping or damage to significant Aboriginal sites). | Operations Manager | Low |
| RR-18-2018 | Failure of or inadequate Community Waste Management Systems (CWMS network) | Failure of or inadequate maintenance and management of the Community Waste Management Systems (CWMS network) | Legal action Breach of legislation Serious penalties Environmental impacts Lack of confidence in Council | Moderate | Assets and Infrastructure Services | Asset Management Plan (AMP) in place for CWMS adopted in March 2021. CWMS assets are recorded within the Conquest application system, managed by the Assets Manager Data and surveys of CWMS network was undertaken in 19/20 to assist in developing the AMP CWMS License in place for Ardrossan System (due to more than 1000 connections) with EPA. Renewal of license requires Council to complete an Annual Compliance Report to the EPA (now through an online system) Annual maintenance reports to Health Department (YPC Annual Recycled Water Quality Monitoring Report 2020-2021) Water Industry - Safety, Reliability, Maintenance & Technical Management Plan is in place and reviewed annually Reporting of CMWS Incidents to Health department - notifications required within 24 hours, including when water sampling returns results out of specifications. Alarm systems are in place to notify to Infrastructure Manager and backup employee to mobile and email of breakdowns, power outages etc. CWMS designs are engineered for storage of water and to maintain water supply for 24 hours (in the event of a breakdown) Monthly reporting to Council on Asset and Infrastructure works (including CWMS) Ad-hoc inspection of CWMS schemes via cameras by external consultant or internal employees (reports are provided to Council) Customer Service Requests and other Customer Feedback Ad hoc External Audits are performed by various government departments (Office of Technical Regulator, Auditor Generals) Scheduled use of treated water at night. Regular scheduled inspections with on site log book. 3 monthly water sampling External service technicians and contractors (plumbers/electricians) on call. | Infrastructure Manager | Low |
| RR-19-2018 | Failure of or inadequate community animal management | Failure to adequately manage animals within the community | Legal action Breach of legislation (dogs, cats & nuisance animals) Serious penalties Lack of confidence in Council Safety risk to community | High | Development Services | Dog and Cat Management Board Animal Management Plan 2018-2023 available on Councils website, due for review December 2023. PO091 Risk Management Policy PR098 Risk Management Procedure PO141 Enforcement Policy Training External reporting to Dog and Cat Management Board Reporting to Council of a monthly Inspectorial Report including information relating to animal management activities undertaken Delegations of Authority Dogs and Cats Online (DACO) external registration system Yorke Peninsula Cormorant Management Strategy developed in 2023 by external specialist Ecosure. By-Law 5 - Dogs By-Law 6 - Cats SF001 Dog Anti-Bark Collar Hire Agreement SF002 Barking Dog Resource Kit SF006 Notice of Impounded Dogs SF007 Application for use of Cat Trap SF016 Control Order (Barking Dog, Dangerous Dog, Destruction, Menacing Dog, Nuisance Dog, Prohibition) SF037 Impound Register SF052 Notice of Detention of Dog SF121 Application for Registration of a Business Involving Dogs SF123 Certificate of Registration of a Business Involving Dogs | Manager Building and Compliance | Low |

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|------------|---|--|---|----------|------------------------------------|---|--|----------|
| RR-21-2018 | Failure of or inadequate community wellbeing objectives | Failure to provide, support or deliver community wellbeing objectives | Legal action Breach of public health legislation Serious penalties Failure to provide required services Lack of confidence in Council Increased complaints Increased community health issues Failure to realise Council's Public Health Plan objectives | Low | Executive Services | Disability Access and Inclusion Plan Regional Alliance Public Health Plan PO057 Community Engagement Policy PR063 Processing Special Events Permits SF160 Stall Holder Exhibitor Permit SF162 Special Event Application Form Annual Business Plan YP Recreational Sport & Open Space Strategy YP Recreational & Boating Strategy Partnership with Flinders University to host Nutrition and Dietetics Students on placement. | Governance Officer | Low |
| RR-22-2018 | Failure of desalination plant (Marion Bay) | Performance failure of a desalination plant (Marion Bay) | Legal action Breach of legislation Serious penalties Environmental impacts Lack of confidence in Council | Moderate | Assets and Infrastructure Services | PO145 Desalination Plant Policy is in place to facilitate the management of Council's seawater desalination plant whilst providing the Marion Bay community with high quality, affordable water. Desal plant has back-up alarm system in place, with notifications to Infrastructure Manager and backup employee mobile and email (this alarm system has battery backup) Backup control that if failure of desal plant, gravity storage is available for contractor to cart and deliver water to ensure continuity of water service Numerous and regular checking and servicing processes in place, including: - 6 monthly servicing by specialist contractors with report provided to Council - Fortnightly reviews of the desal plant undertaken by Council staff and manual on site log book and retained in shared drive - 3 monthly water samples are undertaken by Council staff to ensure that water quality is within drinking water guidelines. Sampling results are documented and reported to Health SA if not within guidelines - health department audited previously Council staff with knowledge to perform maintenance or repairs, however contractors (Osmoflo) are available when required Monthly reporting to Council on Asset and Infrastructure works (including desal plant) Health SA have performed external audits in the past on water quality Customer Service Requests and other Customer Feedback | Infrastructure Manager | Low |
| RR-23-2018 | Failure of or inadequate records management | Inadequate management of records system, storage and processes | Legal action Breach of legislation Serious penalties Failure to provide required services Impact on stakeholder relations Impact on Council reputation Lack of confidence in Council Inefficiency of staff in locating information Possible bad decision making due to lack of historical information available | Moderate | Corporate and Community Services | PO063 Records Management Policy PR119 Records Management Procedure PR121 Capture of Elected Members Records Procedure CM9 Records Management System in place and up to date Induction processes in place (Staff and Elected Members) on Records Management Training for both Records Management staff and also for all staff Regular quality assurance checks conducted by Records staff External and internal audit and reviews Increased focus throughout the organisation via regular communication with staff via email of tips / tricks / guidelines Regular reporting to CMT on records statistics (un finalised records, records produced, outstanding actions etc.) IT access controls. | Manager Economic Development and Business Sustainability | Low |
| RR-24-2018 | Failure of or inadequate planning and development processes | Inconsistent, incorrect or inadequate planning and development processes undertaken | Legal action Breach of legislation Serious penalties Failure to provide required services Impact on stakeholder relations Impact on Council reputation Lack of confidence in Council Breach of condition of membership to LGAMLS | Moderate | Development Services | Legislation and Codes including Planning, Development and Infrastructure Act 2016 and relevant regulations. Council Assessment Panel meet monthly, as needed. Delegations of Authority Training Needs Analysis - accreditation, training and memberships relevant to roles (Manager Development must be an Accredited Professional (Accredited Professionals Scheme) under the PDI Regulations 2017) Development Application Processing (DAP) is a State Government online tool used for development applications to be submitted and assessed. Manager Development has oversight of timeliness. Development applications are reported to Council. | Manager Development | Low |
| RR-25-2018 | Failure of playground, structure and equipment | Failure to inspect, maintain and manage playgrounds, structures (including Shelters and Beach Access) and associated equipment | Legal action Breach of legislation Serious penalties Failure to provide required services Impact on stakeholder relations Lack of confidence in Council | High | Assets and Infrastructure Services | PR012 Workplace Inspection Procedure is in place. SF258 through to SF280, SF445 Playground Inspections standard forms in place. SF342, SF346, SF347, SF348, SF349, SF381, SF390 Caravan Park Playground inspections standard forms in place. Workplace Monitoring Calendar - playgrounds and structures are reviewed and checked as part of monthly inspections process. Inspection checklists are completed and sent to Safety Support Officer. Any issues are raised as a corrective action (CAR), if they can not be remediated immediately. Four playground audits undertaken annually - one of these being an external audit. Playground Safety training Course has been undertaken by relevant staff. LGA Mutual Liability Scheme Playground Guide Corrective Action Register reported to Safety Committee and CMT on a regular basis. SF156 Beach Stairs - Access Checklist SF398 Shelters Checklist Council's Coastal Management Strategy includes recommendations around beach access. | Operations Manager | Moderate |

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|------------|---|--|--|----------|------------------------------------|--|-----------------------------------|----------|
| RR-26-2018 | Failure of or inadequate stormwater management systems (Reuse) - Minlaton, Maitland and Ardrossan | Failure to maintain and manage stormwater management systems (Reuse) | Legal action Breach of legislation Serious penalties Lack of confidence in Council | Moderate | Assets and Infrastructure Services | Stormwater Infrastructure Asset Management Plan External and Internal Audit Annual Business Plan Safety, reliability, maintenance and technical management plan in place Stormwater Catchments and Reuse (Infrastructure Manager): Automated alarm systems to notify of issues and dam levels in place - mobile and email notification to Infrastructure Manager and backup employee. Monthly reporting to Council on Asset and Infrastructure works (including stormwater) Customer Service Requests and other Customer Feedback External consultants test dam walls for leakage. Regular scheduled inspections. 3 monthly water sampling. Onsite signage where reused stormwater in use. Irrigation completed at night. Dams fitted with spillway to help with overflow. Township Stormwater (Operations Manager): Stormwater drain cleaning and inspections by Council employees and contractors when required Street sweeper will perform drain cleaning when identified | Infrastructure Manager | Low |
| RR-27-2018 | Failure of or inadequate waste management systems | Failure to maintain waste management systems | Legal action Breach of legislation Serious penalties Lack of confidence in Council | Moderate | Assets and Infrastructure Services | PO125 Waste & Recycling Policy in place to outline the management processes in place. External contractor in place ('Veolia'). Contract granted in 2021 utilising Council's tendering processes. Contractors has back up systems in place (i.e. additional supply available from Adelaide) Council also have local back up contractors available for additional supply when required (Contractor available for additional backup, household and campground waste only) Monthly invoicing for contractor services, checked by Operations Manager. Customer Service Requests and other Customer Feedback processes Damage and incidents are reported to contractors as it is their responsibility. SF171 Request for Waste and Recycling Service SF176 Request for Additional Green Waste Collection – Residential Properties SF032 Request for Green Waste Collection – Businesses and Community Groups | Operations Manager | Low |
| RR-28-2018 | Failure of or inadequate Work Health Safety (WHS) systems | Failure to effectively maintain and manage WHS systems | Breach of legislation Legal action Inadequate controls in place Serious penalties Breach of Employee Code of Conduct Impact on stakeholder relations Impact on service delivery Impact on Council reputation Lack of confidence in Council | Extreme | Executive Services | PO091 Risk Management Policy PO011 Training and Development Policy PR116 Induction and Training Procedure PO014 Employee Code of Conduct and Values PO021 Safe Environment Policy Staff and Volunteer Inductions and Contractor Site Induction Safety Meeting and Corporate Management Team quarterly reporting including outstanding actions, incidents, hazards, training etc. Training Needs Analysis (TNA) Compliance Training YPC's Risk and Safety Plan with Programmes 2021-2025 Membership to LGAMLS, LGAWCS, LGRS Rebate Penalties and Annual Risk Evaluation Plan Action's Monitoring Process Performance of licensing qualification checks (LGRS) Support from LGAWCS Risk and Safety Advisor WHS Policy and Procedure suite including: Hazard Management, Administration of the Work Health Safety Management System, Hazardous Work Policy, Emergency Management, Contractor Management, Work Health Safety Consultation and Communication, Fitness for Work, Document Management - WHS Procedure - Workplace Inspection Procedure, Incident Reporting and Investigation Procedure, Plant Procedure, Hazard Management Procedure, Planning and Program Development Procedure, Corrective and Preventative Action Procedure, WHS Consultation and Communication, Emergency Management Procedure, First Aid Procedure, Confined Space Management Procedure, Isolation/Lockout and Tag out Procedure (LOTO), Remote and Isolated work Procedure, Hazardous Chemical Procedure, Electrical Safety Procedure, Hazardous Manual Tasks Procedure, Prevention of Falls Procedure, Work Zone Traffic Management Procedure, Hot Work Procedure, Excavation and Trenching Procedure, Inclement Weather Procedure, Workplace Injury Management – Return to Work, Drug and Alcohol Management Procedure, Smoke Free Workplace Procedure, Fitness for Work, Contractor Management Procedure, Induction and Training Procedure, Sharps Disposal, Provision of | Manager People Culture and Safety | High |
| RR-29-2018 | Failure of or inadequate procurement systems | Failure to maintain and implement effective procurement systems | Legal action Breach of legislation Serious penalties Extensive detrimental impact on Council reputation Lack of value for money for goods & services Not getting the best deal for goods & services Increased potential for corrupt conduct | Extreme | Corporate and Community Services | PO058 Purchasing and Procurement Policy PO148 Fraud, Corruption, Misconduct and Maladministration Prevention Policy Contracts and Tenders Policies and Procedures in place Tender evaluation panel and processes, including evaluation matrix Vendor panel system Contract Monitor system External Audit and internal audit processes SF099 Receipt of Tenders Registration Form SF212 Tender/EOI/Quotations Evaluations Matrix Action Plan developed by LGA Procurement, Council staff allocated resources towards implementing the recommended actions. | Manager Financial Services | Moderate |

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|------------|---|---|---|----------|------------------------------------|--|--|----------|
| RR-30-2018 | Failure to adequately engage / consult with the community | Failure to adequately engage and consult with the community | Legal action Breach of legislation Lack of confidence in Council | Moderate | Corporate and Community Services | PO057 Community Engagement is in place to address compliance requirements (with the Local Government Act 1999). Public Relations staff have attended LGA training courses relating to Community Consultation processes. Public Relations team good relationship and communications with Progress Associations to ensure timely communication and consultation with community, in addition team ensures Progress Associations are informed on grants and budget bids. Increase use of Social Media channels to ensure community communication and engagement. International Association for Public Participation (IAP2a) certification Council reporting requires consultation consideration. Where consultation is required, an initial consultation plan identifying consultation methods (e.g. social media post, advertise in local newspaper etc.) and timeframes is attached and a further report to council about the outcome of consultation and level of engagement. | Manager Economic Development and Business Sustainability | Low |
| RR-31-2018 | Failure to adequately manage/ protect the environment | Failure to adequately manage and protect the environment (with a biodiversity focus) | Legal action Breach of legislation Serious penalties Lack of confidence in Council | Moderate | Assets and Infrastructure Services | 2021-2025 Strategic Management Plan - Goal 3 Valued and Restored Environment (Council will be an investor, activator and custodian of our spectacular coastline and pristine environment). The Coastal Management Strategy in place and provides community-supported directions and actions for coastal open space (either owned by or under the care, control and management of Council), providing guidance on the most appropriate ways to enhance opportunities for coastal access and recreation, in balance with landscape, heritage and biodiversity protection. Identified actions are updated and monitored by Council's Environment Officer. Council has develop management plans for all Community Land either owned or under its care and control. Community Land Management plans detail the way in which the land is to be used taking into account a diverse range of recreation, conservation and other issues. Strategic Coastal Risk Strategy prioritising our risks and actions. Council follows the Guidelines for the Management of Roadside Native Vegetation and Regrowth Vegetation. Weed Control program in place. Emergency Action Plans, in place to address flooding, fire, extreme weather risks. | Operations Manager | Low |
| RR-32-2018 | Failure to appropriately manage Council Committees/ working parties | Failure to appropriately manage and engage with Council Committees and working parties | Serious breach of legislation Legal action Ombudsman findings and action, including serious repercussions for the Elected Members Lack of confidence in Council | Moderate | Executive Services | Terms of References (TOR) are in place for relevant Committees (e.g. Audit & Risk Committee). ISO061 Council Committees Membership & Representation on Committees is in place. Draft PO172 Working Party Policy in place - currently under construction by Governance Officer. Relevant Director sits and manages Committee or Working Party. Director report is provided to Council for information (where relevant). | Governance Officer | Low |
| RR-33-2018 | Failure to appropriately respond to/manage emergencies or business continuity event | Failure to appropriately plan for, respond to and manage emergencies or business continuity event | Legal action Breach of legislation Serious penalties Impact on stakeholder relations Impact upon Council and Communities infrastructure Breach of condition of membership to LGAMLS Inappropriate plans and procedures in place to respond to events Inadequate organisational response to an emergency event Inadequate internal response to business interruption event | Extreme | Executive Services | YPC Business Continuity Plan (current and indate) YPC Business Continuity Sub Plans (BCSPs) Business Recovery Team (BRT) identified and trained YPC Emergency Management Plan 2021-2025 PO005 Emergency Management Policy PR080 Emergency Management Procedure PO091 Risk Management Policy External audits YPC's Risk and Safety Plan with Programmes 2021-2025 Participation in the Zone Emergency Management Committee - Yorke and Mid North Participation in the Zone Emergency Support Team (ZEST) Council Commander in place Flinders Mid-North Yorke Bushfire Management Committee Participation/ Collaboration with LEGATUS Group and other Councils Partnership Regional Development Yorke Strategic and Organisational Risk Registers Participation in the LG Council Ready Programme Training Participation in i-Responda Programme Collaboration with Progress Association across district Emergency Planning Committee and Emergency Control Personnel Workplace Emergency Evacuation Plans (WEEPs) with emergency management risk assessment Workplace Evacuation Drills and Business Continuity Plan Tests | Manager People Culture and Safety | Moderate |
| RR-34-2018 | Failure to appropriately manage complaints | Failure to appropriately respond to and manage complaints | Legal action. Breach of legislation. Breach of code of conduct. Organisational/individual financial penalties. Ombudsman investigation and action with serious consequences. ICAC investigation and serious consequences. Impact on Council reputation. Lack of confidence in Council. Significant impact on Council resources and/or budget. | Moderate | Executive Services | PO147 Complaints Policy PO037 Internal Review of a Council Decision Policy PO171 Public Interest Disclosure PR152 Public Interest Disclosure PO014 Employee Code of Conduct Policy PO123 Code of Conduct for Council Members Policy Complaints are reported in Council's Annual Report yearly Specific training provided to those responsible for receiving and managing complaints. Complaint process included induction. Complaints are stored in secure records management containers to restrict access. | Governance Officer | Low |

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| RR-35-2018 | Failure to manage Council building and structure assets (excluding playground structures and equipment) | Failure to appropriately maintain and manage Council buildings, structures and other infrastructure | Legal action Breach of legislation Serious penalties Code of Conduct Budget implications Failure to provide required services Lack of confidence in Council | High | Development Services | Strategic Management Plan Annual Business Plan and Budget Buildings and Other Structures Asset Management Plan 2021 Long Term Financial Plan PO128 Asset Management Policy and Plan PO072 Disposal of Land and Other Assets Conquest software to manage assets Legislative Compliance (eg. Electrical tagging and testing, fire alarm testing) SF010 Town Hall Booking Form requires event details, indication of facilities required, sign off by hirer and notes conditions of hire) SF248 Maitland Depot Workplace Inspection Checklist SF250 Minlaton Depot Workplace Inspection Checklist SF252 Yorketown Depot Workplace Inspection Checklist SF254 Warooka Depot Workplace Inspection Checklist SF256 Minlaton Town Hall Workplace Inspection Checklist SF286 Depot Library Workplace Inspection Checklist SF311 Leisure Options - Wood Shed Workplace Inspection Checklist R014 Agreements, Leases, Licences for Land and Property Register - contracts and agreements transfer responsibility for upkeep of land and buildings to the lessee or licensee. Various Reporting (Council, CMT, Audit and Risk Committee, Safety, etc.) Customer Service Requests and other Customer Feedback External independent consultants coordinated for revaluation processes Inspections are completed as part of WHS Workplace Monitoring Calendar. | Assets Manager | Moderate |
| RR-37-2018 | Failure to appropriately manage internal/external events | Inadequate management of internal and/or external events | Legal action Breach of legislation Increased civil liability exposure Budget implications Failure to deliver event Council reputation Injury Property damage | Low | Corporate and Community Services | PO105 Council Ceremonies and Civic Events PO057 Community Engagement Policy PO091 Risk Management Policy Special Event Process including documents (i.e. PR063 Special Events Administrative Procedure, SF160 & SF162, Town Hall booking forms with outlines of conditions and terms of use, risk assessments) LGA Mutual Liability member (insurance) Project Management training including comprehensive planning tool SF162 Special Event Application Form SF160 Stall Holder/Exhibitor Permit | Manager Economic Development and Business Sustainability | Low |
| RR-38-2018 | Failure to attract and retain suitable Council personnel | Inability to attract and retain suitable and talented employees | Loss of key staff resulting in loss of corporate knowledge Reduced ability to deliver projects and/or initiatives Impact on service delivery Unmotivated workforce Lack of productivity Poor organisational culture | Moderate | Corporate and Community Services | PR154 Recruitment and Selection Procedure Through Recruitment and Selection process including advertising on different platforms (social media, news papers, LG publications) Employee Code of Conduct Employee Values (reviewed and implemented 2022) Annual Staff Satisfaction Surveys Annual Performance Appraisal Process PO011 Training and Development Policy PR116 Induction and Training Procedure PR089 Professional Development Procedure Memberships and subscriptions Training Needs Analysis (TNA) Professional Development and Compliance Training Induction Employee Recognition Program Support through Recruitments Agencies Employee Wellbeing Program Flexible Working Arrangements Policy (PO1750) Employee Benefits Assessment/ review of exit interviews | Manager People Culture and Safety | Low |
| RR-39-2018 | Failure to comply with legislative/licencing obligations | Failure to ensure the organisation and/or individuals hold the necessary licences (i.e. Return to Work SA, EPA) | Breach of legislation Legal action Serious penalties Breach of Code of Conduct for Council Employees Revoked permits/licences Failure to provide required services Breach of condition of membership to LGAMLS/LGAWCS | High | Executive Services | PO091 Risk Management Policy Safety Management system (includes policies, procedures, training needs analysis and workplace monitoring calendar) Workflows/reminders assigned to electronic records External audits Subscriptions and membership to Local Government Association, Mutual Liability Scheme, Local Government Risk Services, Local Government Association Workers Compensation Scheme Communications with Governance Network Engagement with legal advice and retainers | Governance Officer | Low |
| RR-41-2018 | Failure to effectively manage and monitor volunteers | Inability to coordinate, manage and monitor volunteers effectively | Legal action Breach of legislation Serious penalties Employee Code of Conduct (including Volunteers) Impact on stakeholder relations Lack of confidence in Council Service delivery impacts Wellbeing Cancelled programmes or services | Moderate | Corporate and Community Services | PO137 Volunteer Policy PO014 Employee Code of Conduct (including Volunteers) Volunteer Inductions YP Leisure Options Volunteer Handbook and Operation Manual YP Leisure Options Volunteer Meetings Training Needs Analysis (incorporating Volunteers) Compliance Training DCSI Screenings and Disability Worker Screenings Volunteer Recruitment Campaigns Volunteer Coordinator | Manager People Culture and Safety | Low |

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| RR-42-2018 | Failure to ensure legislative compliance | Failure to monitor and comply with legislative change | Legal action Breach of legislation Serious penalties Breach of Code of Conduct for Council Employees Breach of Code of Conduct for Council Members Budget implications Impact on service delivery Lack of confidence in Council Breach of condition of membership to LGAMLS | Moderate | Executive Services | PO091 Risk Management Policy All Council Policies and procedures (including PO001 WHS & IM Policy and supporting procedures, PO123 Code of Conduct for Council Members and PO014 Code of Conduct for Employees) LGA and legal firm notifications Delegations Inductions and Training Training Needs Analysis External audits Internal audits Subscriptions and membership to Local Government Association, Mutual Liability Scheme, Local Government Risk Services, Local Government Association Workers Compensation Scheme Communications with Governance Network Engagement with legal advice and retainers | Governance Officer | Low |
| RR-43-2018 | Failure to identify or disclose conflict of interest | Individuals fail to identify or disclose a conflict of interest | Legal action Breach of legislation Serious penalties Breach of Code of Conduct for Council Members Breach of Code of Conduct for Council Employees Lack of confidence in Council | Moderate | Executive Services | PO014 Code of Conduct for Council Employees PO123 Code of Conduct for Council Members PO091 Risk Management Policy PO147 Complaints Policy PO037 Internal Review of a Council Decision Policy PO171 Public Interest Disclosure PR152 Public Interest Disclosure PO150 Gifts & Benefits Policy and register Prompting on agendas Standard declaration forms Elected Member, Corporate Management Team and Independent members on Committee complete Prescribed Officer - Preliminary and Ordinary Returns Induction Training | Governance Officer | Low |
| RR-44-2018 | Failure to monitor and manage landfill and transfer station sites | Ineffective or inability to maintain, monitor and manage landfill and transfer station sites | Legal action Breach of legislation Serious penalties Failure to provide a required service Lack of confidence in Council | Moderate | Assets and Infrastructure Services | Transfer Stations are managed by an external contractor 'Cleanaway', contract is in place and up to date and details contractor Statutory and Legal and Environmental Management obligations. Two types of audit conducted by external contractor including monthly WHS report and safety audits. Evidence of reports are provided to Council. Environment Protection Authority (EPA) guidelines are in place External contractor submits an annual return to EPA (on behalf of Council) in line with Council's license requirements / guidelines (license is held for each location). Transfer Station Management Plans are in place for the three locations. Informal maintenance program of transfer station sites by outside staff (weed sprayers, firebreaks, track maintenance etc). | Operations Manager | Low |
| RR-45-2018 | Failure to manage community land | Failure to have a Management Plan prepared for or applying to Council community land | Legal action Breach of legislation Serious penalties Failure to provide required service Lack of confidence in Council Impact on Council reputation Breach of condition of membership to LGAMLS | Moderate | Development Services | State Governments Planning and Design Code Community Land Management Plans in place and available on website. Community Consultation undertaken when updating Community Land Management Plans Register of Community Land Mapping system to assist in identifying Community land parcels R014 Register of Agreements, Leases, Licenses for Land & Property is in place | Director Development Services | Low |
| RR-46-2018 | Failure to meet LGA best practice standards | Inability to demonstrate compliance with LGA best practice standards | Legal action Breach of legislation Serious penalties Breach of Code of Conduct for Council Members Breach of Code of Conduct for Employees Breach of condition of membership to LGAMLS / LGAWCS / LGAAMF Impact on stakeholder relations Lack of confidence in Council | Moderate | Executive Services | PO091 Risk Management Policy PO001 WHS & IM Policy LGA Model Behavioural Management Policy PO014 Code of Conduct for Employees External audits Internal audits Training Subscriptions and membership to Local Government Association, Mutual Liability Scheme, Local Government Risk Services, Local Government Association Workers Compensation Scheme Communications with Governance Network Engagement with legal advice and retainers | Governance Officer | Low |
| RR-48-2018 | Failure to successfully negotiate EB agreements | Inadequate consultation resulting in a failure to successfully negotiate EB agreements | Unmotivated workforce Impact on service delivery Lack of productivity Inconsistency and lack of clarity regarding certain workplace conditions Industrial Action Employees revert to Award conditions/ lower rates of pay and conditions | Moderate | Executive Services | Workplace consultation and negotiations Good Faith Enterprise Negotiation Committees Staff satisfaction surveys and recognition program Collaboration with Unions (AWU/ ASU) South Australian Employment Tribunal (SAET) (may make application for release, new, vary or rescind an agreement, unable to finalise, application regarding best endeavours bargaining) State Awards Conflict Resolution Procedures | Manager People Culture and Safety | Low |

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|------------|--|--|---|----------|----------------------------------|--|--|-----|
| RR-49-2018 | Failure to support or drive economic development | Inability to provide, support or drive economic growth and development within the Council area | Impact on stakeholder relations Impact on service delivery Lack of confidence in Council Increased complaints Budget implications Ineffective leadership | Moderate | Corporate and Community Services | 2021 - 2015 Strategic Management Plan Annual Business Plan processes and development Development Plan PO057 Community Engagement Policy Yorke Peninsula Alliance Councils Regional Development Australia Yorke & Mid North alliance Yorke Peninsula Tourism Business Plan Business Enhancement Program funding is an operational budget item. PO184 Business Grants Policy, guideline for applicants and acquittal process in place. Additional supporting procedure is in development. Council Economic Development and Business Sustainability Directorate 2022 - 2026 Yorke Peninsula Economic Development & Tourism Strategy. 12 month review recently completed, reported to and endorsed by Elected Members. Local business surveys, workshops and Business E-newsletter | Manager Economic Development and Business Sustainability | Low |
| RR-50-2018 | Financial sustainability | Ability to sustain long term financial performance and meet forecast budgets | Lack of confidence in Council Impact on service delivery Impact on stakeholder relations Impact on reputation | Moderate | Corporate and Community Services | PO139 Treasury Management Policy PO142 Budget Reporting and Amendment Policy Long Term Financial Planning process occur annually, including LTFP endorsement by Elected Members Annual Business Planning, including ratios for asset renewals etc 2021 - 2025 Strategic Management Plan Annual Budgeting, quarterly budget reviews and monthly financial reporting Key finance staff qualified and accredited with continual training Audit and Risk Committee oversight and review Annual Report PO161 Prudential Management Policy Local Government Advice Scheme (ESCOSA) Rates Modelling processes Training for Elected Members completed December 2022 relating to Integrated Strategic Management Planning & Performance and Financial Management. Internal and External audits Council undertake multiple income generating endeavors to increase revenue including operating Caravan Parks and bush camps, active cash management to maximise interest, accessing available grants subsidies and contributions, fees and charges, legislated fees, on borrowings, lease agreements, liquidity of assets, special and separate rates, economic development. | Manager Financial Services | Low |
| RR-51-2018 | Fraud and corruption | Individuals behave in a corrupt or fraudulent manner. | Breach of legislation Legal action Serious penalties Breach of Code of Conduct for Council Members Breach of Code of Conduct for Council Employees Lack of confidence in Council | Moderate | Executive Services | Budget access controls and restrictions IT access controls and restrictions PO091 Risk Management Policy LGA Model Behavioural Management Policy PO014 Code of Conduct for Employees Policy PO058 - Council Policy - Purchasing and Procurement Policy PO148 Fraud, Corruption, Misconduct and Maladministration Prevention Policy PO152 Information Systems Acceptable Use Policy PO153 Information Systems Access Control Policy PO156 Internal Financial Control Policy PO161 Prudential Management Policy PO171 Public Interest Disclosure PR152 Public Interest Disclosure External audits Internal audits Audit and Risk Committee Risk Culture Training | Governance Officer | Low |
| RR-52-2018 | Failure to make or inadequate by-laws | Inability to establish or inadequate by-laws | Legal action Breach of legislation Serious penalties Lack of confidence in Council | Moderate | Development Services | Council have seven by-laws currently in place. These documents are based on an LGA template and published to the Council website. By-laws are made in accordance with section 246 of the Local Government Act 1999, endorsed via a Council meeting and after public consultation period. By-laws are published in local media and Government Gazette External lawyers perform a review and provide a certificate of validity for each of the By-laws to ensure they meet required sections of the LG Act. | Manager Building and Compliance | Low |
| RR-53-2018 | Ineffective inter-government relations | Lack of relationship/cooperation between agencies | Impact on stakeholder relations Impact on service delivery Reduction in Income Reduced ability to achieve objectives Reduced ability to drive change Reduced confidence in Council | Moderate | Executive Services | PO091 Risk Management Policy Strategic and Operational Risk Registers PR154 Recruitment and Selection Procedure - Ensures, as best as possible, that persons with the appropriate skills are employed LGA Model Behavioural Management Policy PO014 Employee Code of Conduct Policy PO121 External Grant Funding Policy CEO and Director relationships and network opportunities Relationships and communications with LGA, Legatus, ALGA, CEO network forums, RDA, LG Professionals, Yorke Peninsula CEO Alliance | Governance Officer | Low |

| | | | | | | | | |
|------------|---|---|---|----------|------------------------------------|---|--|----------|
| RR-54-2018 | Failure of or inadequate footpath and walking trail management | Inability to manage, maintain and monitor footpaths and Walk the Yorke trail | Legal action Breach of legislation Serious penalties Failure to provide required services Lack of confidence in Council | Moderate | Assets and Infrastructure Services | Annual review of walking trails and WTY as part of Inspections Process (managed by Safety Support Officer as part of the Workplace Monitoring Calendar) SF158 Walking Trails Checklist SF402 Walk the Yorke Walking Trail Checklist Customer Service Requests and other Customer Feedback Monthly reporting to Council on Asset and Infrastructure works (including inspections process) Regional Disability Access and Inclusion Plan (includes strategies on maintaining and monitoring footpaths for access) and Access Advisory Working Party (meets monthly and raises concerns with mainly access issues, however footpath and walking trails suitability and quality is often raised and discussed). A full WTY trail audit was undertaken in 22/23 FY. Outside staff (weed sprayers/street sweepers) report where trails and footpaths require maintenance. | Operations Manager | Low |
| RR-56-2018 | Failure of or inadequate tree management | Inability to manage and maintain trees | Safety of the general public is compromised Legal implications Lack of confidence in Council | Moderate | Assets and Infrastructure Services | Vegetation along Council controlled rural roads throughout the Yorke Peninsula is managed as per the Native Vegetation Council's 'Guidelines for the Management of Roadside Native Vegetation and Regrowth Vegetation'. An informal tree trimming program is in place, guided by Management instruction. Customer Service Requests and other Customer Feedback processes. Council ensures to minimise risk by utilising low growth and local habit vegetation planted roadside. Council staff undertake maintenance of on ground vegetation with maintenance of vegetation requiring elevated platforms contracted out to local businesses including Martin Tree Group, Peninsula Tree and Stump and Peninsula Tree Services. PO162 Tree Management Policy SF397 Application for Roadside Vegetation Clearance on Council Road Reserve SF303 Application for Rural Planting SF302 Visual Tree Risk Assessment | Operations Manager | Low |
| RR-57-2018 | Failure of or inadequate management of Council's different media channels (e.g. website, Facebook, traditional media - journalists) | Ineffective and or inefficient management of Council's media | Legal action Breach of legislation Serious penalties Code of Conduct Inability to adapt to advances in IT Impact on stakeholder relations Incorrect information being communicated | Moderate | Corporate and Community Services | PO020 Social Media Policy is in place. Limited controllers/contributors of Council's social media channels (Manager Economic Development and Business Sustainability, Community Development and Engagement Officer, Visitor Information Servicing Officer). IT access controls also in place to restrict. Council's Facebook page is set up to send automatic replies where direct messages are received to direct to the appropriate communication channel (e.g. email, CSR etc.). Only CEO and Mayor to be quoted in traditional media, approval process for other staff communication. This information is part of the induction processes for staff and training provided. Employment of two experienced media correspondents. PO066 Yorke Peninsula Art Policy Yorke Peninsula Art Festival Working Group representatives (including Council's Arts and Cultural Facilitator) control the Grounded Art Festival's social media channels with oversight from Council staff. | Manager Economic Development and Business Sustainability | Low |
| RR-58-2018 | Failure of or inadequate IT systems | Inappropriate and or effective information technology systems being used | Legal action Breach of legislation Serious penalties Budget implications Impact on service delivery Impact on stakeholder relations | Extreme | Corporate and Community Services | Council's IT infrastructure is primarily located in Maitland with backup infrastructure located at Port Pirie and plans to move towards a cloud based system which will minimise reliance on staff. IT Strategic Plan 2020-2025, outlines a schedule for the replacement of critical infrastructure and is due for review once Council implements a new ERP solution. Critical and shared infrastructure is monitored live for degrading performance and failure. A contractor is used to resolve any failures. Suppliers are available to source and provide replacement equipment or restoration of services where required. Systems have life expectancy and have plans and budgets in place for their replacement when they are end-of-life. Research and planning occurs prior to end-of-life, to ensure the lasted technology and cost effective solutions are considered, training is available to staff and reference material provided and recommendations are put forward to CMT/Council for approval. Forward planning occurs to ensure minimal to no disruption occur during replacement IT Strategic Management Plan PO202 Information Technology Change Management Policy and PR165 Information Technology Change Management Procedure are administrative documents currently in development with a view to be adopted before September 2023. Backup and Disaster Recovery Systems are in place, have been tested and are functional. Disaster recovery and incident management plans are yet to be developed. Information Technology Staff education - are aware of how to identifying failing systems and what action to take. | Leader Systems and Technology | Moderate |
| RR-59-2018 | Lack of effective leadership capability | Leaders lack leadership skills and/or are not aligned with the strategic vision or direction of Council | Failure to realise business objectives Ineffective stakeholder relationships Serious budget implications Failure to meet legislative requirements In effective decision making Service delivery impact/failure Organisational maladministration Council Member Code of Conduct Breach Employee Code of Conduct Breach Increased community dissatisfaction Unhealthy organisational culture Difficulty retaining workforce Legal action Penalties | High | Executive Services | PR154 Recruitment and Selection Procedure - assists in ensuring appropriate and effective employment PO091 Risk Management Policy PO146 Support, Disciplinary and Performance Management Strategic Management Plans in place to set objectives and guide activities Annual Business Plans, Long Term Financial Plan and budgetary processes Policies/Procedures in place to guide activities Regular corporate management team meetings Regular reporting through the Council and Audit and Risk Committees Independent CEO 360 Performance Review undertaken in consultation with the Elected Members Independent Director 360 Performance Reviews undertaken in consultation with the CEO External consultants contracted for recruitment of senior Corporate Management Team roles Performance management processes for all Council staff | CEO | Low |

| | | | | | | | | |
|------------|---|--|---|----------|------------------------------------|--|-----------------------------------|----------|
| RR-60-2018 | Potential conflict or exposure to aggression | Employees exposed to conflict and or aggressive community members and staff | Safety is compromised Legal implications Morale is affected Physical or Psychological Return to Work Claims | Moderate | Executive Services | Customer Service Procedure (PR060) addresses abusive customers. Customer Service Risk Assessment RA0242 Duress Buttons and Alarm Systems IS150 Duress Alarm Information Sheet Mobile Duress Pendants (Minlaton Chambers and YPLO Minlaton Town Hall) CCTV Monitoring (Yorketown Minlaton and Maitland Council Offices and Minlaton Depot) Regulatory Services body cameras Staff Inductions Online Training - Conflict Resolution, Bullying and Harassment SAPOL Personal Threat training for Reception Clerical Officer roles Workplace Emergency Evacuation Plans (WEEPs) PPersonal Threat (Code Black) procedures Discrimination and Harassment Contact Officers Designated Mental Health First Aiders Employee Code of Conduct Policy (PO014) Complaints Handling Policy (PO147) Fair Treatment Policy (PO026) Conflict Procedures (EBAs) and Disciplinary and Performance Management Policy (PO146) | Manager People Culture and Safety | Low |
| RR-61-2018 | Failure of or inadequate water supply schemes - Black Point, Hardwicke Bay, Balgowan Bay, Balgowan and Port Rickaby | Councils inability to supply water to Black Point, Hardwicke Bay, Balgowan and Port Rickaby | Legal action Breach of legislation Serious penalties Environmental impacts Lack of confidence in Council | Moderate | Assets and Infrastructure Services | Alarm system at Hardwicke Bay to notify of issues (this is the only electrical system), the remaining schemes are gravity systems Systems are designed / engineered with backflow prevention devices to stop contamination - this is checked annually Water sampling taken regularly Meter reading (for invoicing purposes) occurs every three months by Infrastructure team - GIS mapping system used to record readings. Customer Service Requests (CSR) and Customer feedback process Water Infrastructure Asset Management Plan in place - endorsed by Council in March 2021 Regular scheduled checks of site - recorded in log books on site. | Infrastructure Manager | Low |
| RR-65-2018 | Ineffective Risk Management Systems | Failure to ensure risk management objectives, responsibilities and processes are adequately documented, implemented and trained across the organisation. | Inconsistent risk rating and management Ineffective risk management Increased risk of organisational failure Increased risk of injury/property damage Budget implications Legislative breach Legal action Increased liability exposure Breach of LGAMLS/LGAWCS rules Service delivery impact/failure Public Officers do not understand their duty of care obligations and Council's organisational risks. | Extreme | Executive Services | PO091 Risk Management Policy in place providing for clear objectives, responsibilities and risk management and assessment framework, including clear consequence and likelihood definitions. Strategic, Organisational Risk Register in place. Operational Risk captured in the Risk Assessment Register - all electronically managed to ensure a consistent approach. Regular reviews undertaken. Electronic risk reporting to facilitate monitoring. Training undertaken for supervisory employees to ensure consistent understanding. Risk management included in Elected Member training. Risk considered in each Council, Audit and Risk Committee and other committee agenda report. Audit & Risk Committee risk reporting. PO156 Internal Financial Control Policy PO005 Emergency Management Policy PO027 Business Continuity Policy PO063 Records Management Policy PO147 Complaints Policy 2021 - 2025 Strategic Risk Register, annual business planning and budgetary processes Risk considered in each Council agenda report Elected Members have adopted Council's Risk Management Policy | Governance Officer | Moderate |
| RR-67-2018 | Contract Management and Monitoring | Ensure documented processes and systems are in place to manage Council suppliers. (RR-20-2018 deleted - duplicate). | Increased financial risk Increased liability risks Ineffective contract management and outcomes Increased risk of injury/property damage Legislative breach Legal action Serious penalties Project failure Service delivery failure/reduction Lack of confidence in Council Breach of LGAMLS/LGAWCS rules | High | Executive Services | PO091 Risk Management Policy PO001 Peak Work Health Safety and Return to Work PO006 Contractor Management Policy. PR114 - WHS Procedure - Contractor Management Procedure currently being updated. LGA tender and contract documentation utilised PO058 Purchasing and Procurement Policy PR137 Evaluating Tenders and Expressions of Interest Preferred supplier register in place and maintained - including up to date WHS documentation, licences etc. External auditing Internal auditing Vendor panel and Contract Monitor software in place | Governance Officer | Moderate |
| RR-93-2018 | Failure of or inadequate road network | Inability to manage, maintain and monitor roads | Legal action Breach of legislation Serious penalties Failure to provide required services Lack of confidence in Council | Extreme | Assets and Infrastructure Services | External Road Funding Annual capital budget allocations Policies/ Procedures Transport Asset Management Plan Reporting Staff Inspections- supervisors, patrol grader operators Training Customer Service Requests Customer complaints - written and verbal Road Grading Schedules External consultant risk analysis of road network (identified risks for road work improvements) External consultants used for surveying, design and valuations of road infrastructure Conquest software utilise for management of assets | Works Manager | Moderate |

8.3 POLICY REVIEW - PO014 EMPLOYEE BEHAVIOURAL STANDARDS POLICY**Document #:** 23/82395**Department:** Executive Services**PURPOSE**

For the Audit and Risk Committee to consider the draft, revised PO014 Employee Behavioural Standards Policy and recommend to Council that it proceed to consultation with employees and registered industrial associations.

RECOMMENDATION

That the Audit and Risk Committee recommend to Council the draft, revised PO014 Employee Behavioural Standards Policy proceeds to consultation with employees and registered industrial associations.

LINK TO STRATEGIC PLAN**Goal:** 5 Responsible Governance and Leadership**Strategy:** 5.2 Effective leadership and informed decision making

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

BACKGROUND

Section 120A of the Local Government Act 1999 (Act) came into effect on 17 November 2022 and provides Council with discretionary power to adopt behavioural standards for Council employees if it wishes to do so.

The Chief Executive Officer (CEO) is still directly empowered by the Act in relation to human resource management and Section 120A does not in any way diminish the CEO's role/responsibilities in relation to the employees. Section 120A does not impact the ability of a CEO to establish and maintain other policies and procedures relating to standards of behaviour to be observed by Council employees.

Any employee behavioural standard adopted, must not diminish a right or employment condition under an Act, award, industrial agreement or contract of employment and employees must be provided with safe and healthy working conditions. Council must undertake formal consultation with the relevant industrial organisation(s) before adopting/altering/substituting any behavioural standard/policy.

The Local Government Association of SA (LGA) has prepared Model Employee Behavioural Standards (Model Standard) which is provided in Attachment 1. The LGA has clarified that the preparation of the Model Standard does not mean that the LGA recommends a behavioural standard be adopted, rather that it is to be used as a resource should Council choose to do so.

DISCUSSION

Prior to the commencement of Section 120A, Section 110 of the Act provided that the Governor, by regulation, could prescribe a code of conduct to be observed by the employees of all councils. The Code of Conduct for Council Employees was set out in Schedule 2A of the Local Government (General) Regulations 2013 (Code).

The Code solely defined the requirements for council employees in relation to gifts and benefits. For this reason Council, like many others, adopted its own policy (PO014 Employee Code of Conduct Policy (Policy) (provided in Attachment 2)) to ensure that there were clear expectations in place regarding the conduct and behaviour of Council employees. The Policy remains in operation.

The intent of the conduct management reforms is to separate behaviour, integrity and criminal matters, similar to those changes made in relation to Elected Member conduct.

Whilst Council is not obligated to adopt employee behavioural standards, it must, within six months after the conclusion of each periodic election:

- Consider whether it should adopt employee behavioural standards; or
- Review the operation of the employee behavioural standards.

That is, the obligation is not to have adopted employee behavioural standards within that timeframe, rather for Council to determine whether it will do so.

A previous decision not to proceed with the adoption of employee behavioural standards does not preclude Council from determining to adopt employee behavioural standards in the future.

At its meeting held 28 June 2023, Council resolved that having considered the requirements of Section 120A of the Local Government Act 1999 and Council's existing PO014 Employee Code of Conduct Policy (that specifies standards of behaviour for Council employees – provided in Attachment 2) Council endorse:

1. Not to adopt separate employee behavioural standards; and
2. To instead, integrate employee behavioural standards into Council's PO014 Employee Code of Conduct Policy and require that a draft, revised PO014 Employee Code of Conduct Policy be prepared and returned to Council to consider for consultation with employees and registered industrial associations.

The Model Policy contains standards consistent with those set out in the existing PO014 Employee Code of Conduct Policy. Therefore, only minor amendments have been made to integrate the Model Policy with the draft revised PO014 Employee Behavioural Standards Policy, including amending the policy title to reflect the above-mentioned legislative changes and other alterations made to simplify the content and improve formatting.

Council will need to follow the relevant process set out in section 120A of the Local Government Act. That is, the draft, revised PO014 Employee Behavioural Standards Policy will first need to proceed to consultation with employees, and relevant industrial organisations prior to being considered for adoption by Council.

A copy of the draft updated Policy is provided in Attachment 3 with the changes shown in colour. A copy without mark-up is also provided in Attachment 4 for ease of reference.

COMMUNITY ENGAGEMENT PLAN

Level 1 - Inform

CONSULTATION PROCESS

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

- Governance Officer
- Manager People, Culture and Safety

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

- LGA SA

POLICY IMPLICATIONS

PO001 Peak Work Health Safety and Return to Work Policy

PO014 Council Employee Code of Conduct Policy

PO026 Fair Treatment Policy

PO146 Support Disciplinary Performance Management Policy

PO148 Fraud Corruption Misconduct and Maladministration Prevention Policy

PO150 Gifts and Benefits Policy
PO171 Public Interest Disclosure Policy
PR152 Public Interest Disclosure Procedure





BUDGET AND RESOURCE IMPLICATIONS

The administrative resources required to develop any employee behavioural standards required will be met within existing budgets.

RISKS/LEGAL/LEGISLATIVE/ IMPLICATIONS

Local Government Act 1999
Independent Commission Against Corruption Act 2012
Ombudsman Act 1972
Public Interest Disclosure Act 2013
Work Health and Safety Act 2012
Fair Work Act 1994
Yorke Peninsula Council Enterprise Agreements (Local Government Employees and Municipal Officers)
Local Government Association Model Employee Behavioural Standards

ATTACHMENTS

1. **Local Government Association - Model Employee Behavioural Standards** [↓](#) 
2. **PO014 Employee Code of Conduct Policy** [↓](#) 
3. **Draft - PO014 Employee Behavioural Standards Policy - Markup** [↓](#) 
4. **Draft - PO014 Employee Behavioural Standards Policy - No Markup** [↓](#) 

Employee Behavioural Standards

These Employee Behavioural Standards have been adopted by [insert council name] in accordance with section 120A of the *Local Government Act 1999* (the Local Government Act).

These Employee Behavioural Standards form part of the conduct management framework for council employees under the Local Government Act. They set out minimum standards of behaviour that are expected of all council employees in the performance of their official duties. The Employee Behavioural Standards are mandatory rules, with which council employees must comply.

Adherence to the Employee Behavioural Standards is essential to upholding the principles of good governance in councils.

These Employee Behavioural Standards are in addition to, and do not derogate from, other standards of conduct and behaviour that are expected of council employees under the Local Government Act, or other legislative requirements. Conduct that constitutes, or is likely to constitute, a breach of the integrity provisions contained in the Local Government Act, maladministration, or which is criminal in nature, is dealt with through alternative mechanisms.

Part 1—Principles

Council employees must comply with these Employee Behavioural Standards in carrying out their functions as public officers. It is the personal responsibility of council employees to ensure that they are familiar with, and comply with, the Employee Behavioural Standards at all times.

Council employees have a responsibility to serve the best interests of the people within the community their Council represents and to discharge their duties conscientiously and to the best of their ability.

Council employees will act honestly in every aspect of their work and comply with all relevant legal obligations and resolutions of council.

Part 2—Behaviour standards

Employees of [insert council name] must:

1. General behaviour

- 1.1 Act honestly in the performance of official duties at all times.
- 1.2 Act with reasonable care and diligence in the performance of official duties.
- 1.3 Discharge duties in a professional manner.
- 1.4 Act in a way that generates community trust and confidence in council.
- 1.5 Act in a reasonable, just, respectful and non-discriminatory way when dealing with all people.
- 1.6 Ensure that personal interests, including financial interests, do not influence or interfere with the performance of their role.

2. *Responsibilities as an employee of council*

- 2.1 Comply with all applicable Council policies, codes, procedures, guidelines and resolutions.
- 2.2 Deal with information received in their capacity as a council employee in a responsible manner.
- 2.3 Take all reasonable steps to provide accurate information to the council and to the public at all times.
- 2.4 Take all reasonable steps to ensure that their decisions or actions are based on information which is factually correct and they have obtained and considered all relevant information.
- 2.5 Not make improper use of information, including confidential information, acquired by virtue of their position.
- 2.6 Ensure that relationships with external parties do not amount to interference by improper influence, affecting judgement, decisions and/or actions.
- 2.7 Comply with all lawful and reasonable directions given by a person with authority to give such directions.
- 2.8 Only make public comment in relation to their duties where specifically authorised to do so and restrict such comment to factual information and professional advice.
- 2.9 Use council resources effectively and prudently when undertaking council work.
- 2.10 Not use council resources, including the services of council staff, for private purposes, unless legally or properly authorised to do so in accordance with Council policy and payments are made where appropriate.

3. *Relationships within Council*

- 3.1 Not make any public criticism of a personal nature of fellow council employees or council members.
- 3.2 Take reasonable care that their acts or omissions do not adversely affect the health and safety of themselves or other persons, as required by the *Work Health and Safety Act 2012*.
- 3.3 Report any reasonable suspicion of a breach of these Employee Behavioural Standards to the chief executive officer or nominee.

Part 3—Procedures

4. *Complaints*

- 4.1 Complaints about an employee's behaviour that is alleged to have breached these behavioural standards are to be brought to the attention of the chief executive officer of the council, or nominee.

DRAFTING NOTE: Consider what additional information should be provided in relation to the lodgement of complaints. This could include reference to an existing policy or procedure that sets out how and where complaints may be lodged.

- 4.2 Complaints about a chief executive officer's behaviour should be brought to the attention of the council's principal member (unless the complaint has been made by the principal member or involves the principal member, and in such case the complaint should be brought to the attention of the deputy principal member or other person appointed by the council).

DRAFTING NOTE: Noting the information relating to delegation and authorisation in the accompanying Guideline, clause 4.2 must have regard to and reflect the arrangements in place relating to behavioural standards for the CEO.

Also consider what additional information should be provided in relation to the lodgement of complaints. This could include reference to an existing policy or procedure that sets out how and where complaints may be lodged.

- 4.3 A complaint may be investigated and resolved according to the disciplinary processes of the council relating to employees.

DRAFTING NOTE: This item may be modified to include details of how complaints will be actioned. This could be addressed by way of reference to a Complaint Handling Procedure, or information on the council website (or available elsewhere) which explains the process.

- 4.4 Nothing in these employee behavioural standards in any way derogates from the rights of an employee or duties of an employer under the *Fair Work Act 1994*, other legislation, an award, an industrial agreement or a contract of employment.



COUNCIL POLICY

Employee Code of Conduct

| | | | |
|---------------------------------|---------------------------------|--------------------------|--------------|
| Policy Number: | PO014 | | |
| Strategic Plan Objective | Goal 5 - Responsible Governance | | |
| Policy Owner: | Chief Executive Officer | Record Number: | 16/13873[v5] |
| Responsible Officer: | | Minute Reference: | 163/2020 |
| Date Adopted: | 08/07/2020 | Next Review Date: | 08/07/2024 |

1. POLICY OBJECTIVES

This policy sets out the standards of behaviour expected of Yorke Peninsula Council (Council) employees and any person who carries out work in any capacity for the Council (Council Work) in the performance of their duties and in carrying out their functions as public officers.

The purpose of this policy is ensure a high level of integrity in the conduct of Council business and to contribute to good organisational culture.

2. SCOPE

Council employees must comply with the provisions of this Employee Code of Conduct (Code of Conduct) in carrying out their functions as public officers.

Other persons working on behalf of Council are also expected to comply with the provisions of the Code of Conduct, including:

- Employees of a labour hire company;
- Apprentices or trainees;
- Student or work experience placements; and
- Volunteers.

3. DEFINITIONS

Definitions are provided in Attachment 1.

4. POLICY STATEMENT

This policy operates in addition to the Code of Conduct for Employees, as per Section 110 of the Local Government Act 1999 (the Act) as provided at Attachment 2 and Local Government (General) Regulations 2013, as provided in Attachment 3.

This policy is based upon the following principles, which are fundamental to ensuring integrity in public administration and good governance:

1. Integrity, impartiality and good decision making;
2. Promotion of the aims and objectives of local government; and
3. Accountability and transparency.

PO014 – Employee Code of Conduct Policy

It is the personal responsibility of Council employees to ensure that they are familiar with, and comply with, this policy at all times.

Nothing in this policy in any way derogates from the rights of an employee or duties of an employer under the Fair Work Act 1994, other legislation, an award, an industrial agreement or contract of employment.

All Council employees have a reporting responsibility to ensure fellow employees are held accountable for inappropriate conduct, if they become aware of such conduct. In addition, in accordance with the Independent Commissioner Against Corruption Act 2012 (ICAC), employees are required to report serious or systemic corruption, misconduct or maladministration that comes to their attention. This policy should be read in conjunction with other Public Officer responsibilities including:

- PO148 Fraud and Corruption Prevention Policy;
- PO150 Gifts and Benefits Policy;
- PO171 Public Interest Disclosure Policy;
- PR152 Public Interest Disclosure Procedure
- PO026 Fair Treatment Policy; and
- PO037 Internal Review of Council Decision Policy.

A failure to comply with this policy, can constitute a ground for disciplinary action against the employee, including dismissal in line with Councils Support, Disciplinary and Performance Management Policy (PO146).

4.1. Integrity, Impartiality and Good Decision Making

The principle of integrity, impartiality and good decision making underpins confidence in the dealings of local government and assists Council in meeting its legislative obligations.

In keeping with this principle, Council employees must:

1. Act honestly, ethically, impartially and with integrity in the performance of their duties by:
 - Ensuring decision making processes are fair, transparent, objective, impartial, justifiable and lawful;
 - Ensuring advice provided is objective, impartial, justifiable and lawful;
 - Not influencing, in an improper manner, the making of decisions by others; and
 - Not seeking or accepting gifts or benefits except as permitted by the Code of Conduct for Employees (Attachment 2) and Council's Gifts and Benefits Policy PO150.
2. Ensure that personal interests, including financial interests, do not influence or interfere with the performance of Council work by:
 - Ensuring that relationships with external parties do not improperly influence, affect judgement, decisions and/or actions;
 - Identifying, disclosing and managing Conflicts of Interest in accordance with the Act (Section 120);

PO014 – Employee Code of Conduct Policy

- Abstaining from carrying out any secondary employment for which a Conflict of Interest exists in line with the Secondary Employment Policy (PO159), unless the CEO determines otherwise.
 - Abstaining from carrying out Council Work in relation to any matter for which a Conflict of Interest exists, unless the CEO determines otherwise.
 - In the case that the CEO has an interest in a matter in relation to which they are required or authorised to act in the course of official duties, the CEO must disclose the interest to the Elected Body and must not, unless the Elected Body otherwise determines during a Council meeting that is open to the public, act in relation to the matter; or
 - Where a Council employee (other than the CEO) has an interest in a matter in relation to which he or she is required or authorised to act in the course of official duties, must disclose the interest to the CEO and must not, unless the CEO otherwise determines, act in relation to the matter; or
 - If an employee or any other person undertaking Council Work is entitled to act in relation to a matter and the employee is providing advice or making recommendations to the Council or a Council committee on the matter, the Council employee must also disclose the relevant interest to the Council or Council committee.
3. Demonstrate reasonable, just, respectful and non-discriminatory behaviour when dealing with all people that:
- Generates and fosters community trust and confidence in the Council;
 - Provides a fair and balanced representation of the decisions and policies of the Council;
 - Supports the decisions and policies of the Council and does not adversely reflect on the reputation of the Council;
 - Does not adversely affect the health and safety of other persons, as required by the Work Health and Safety (WHS) Act 2012 and Council's WHS policies and procedures; and
 - Employees and any other person who carry out Council Work must not publically criticise an Elected Member or any another person who carries out Council Work.

4.2. Promotion of Aims and Objectives of Local Government

The principle supporting the promotion of the aims and objectives of Local Government ensures programs, services and resources are consistently managed and delivered to the community as intended by Council.

Council employees must:

- Comply with all Council resolutions, policies, procedures, processes and codes;
- Remain accountable and responsible for the use and collection of public funds;
- Use their best endeavours to provide accurate information at all times;
- Base decisions or actions on information that is factually correct, and after obtaining and considering all relevant information;

PO014 – Employee Code of Conduct Policy

- Comply with all lawful and reasonable directions;
- Not release or divulge information that the Council or CEO of the Council has ordered be kept confidential, or that the Council employee should reasonably know is information that is confidential, including information that is considered by the Council or the CEO in confidence, subject to the Ombudsman Act 1972 and the ICAC Act 2012 (ICAC Act);
- Only make public comment when specifically authorised to do so by the CEO or the Mayor, and restrict such comment to factual information and professional advice;
- Take responsibility for the health and safety of themselves and others when carrying out their duties and activities, which includes general wellbeing and physical injury;
- Maintain adequate documentation to support important decisions and actions; and
- Commit to the continuous improvement of Council's capacity and performance, its planning, processes and service delivery.

4.3. Accountability and Transparency

The principle supporting accountability and transparency contributes to community trust and confidence and ensures a high level of integrity in the conduct of Council business.

Council Employees will:

- Deal with information received in a responsible manner, including after having carried out the Council Work;
- Not make improper use of information, including confidential information, acquired by virtue of their position;
- Use Council resources effectively and prudently;
- Must not use Council resources, including the services of Council staff, for private purposes, unless legally or properly authorised to do so and payments are made where appropriate; and
- Must not use public funds or resources in a manner that is irregular or unauthorised.

5. CONFIDENTIALITY

The identity of the person(s) making a complaint (Complainant) will be maintained as confidential. The rights of individuals must be protected and all complaints, including any subsequent investigations, will be managed in the strictest confidence.

The identity of a Complainant or the person who is the subject of the complaint may only be divulged where:

- Doing so is necessary for the matter to be properly investigated (but only to the extent necessary to ensure proper investigation);
- The Complainant consents to his/her identity being disclosed;
- There is a legislative requirement for disclosure; and
- The recipient believes on reasonable grounds that it is necessary to divulge the identity of the Complainant in order to prevent or minimise an imminent risk of serious physical injury or death to any person.

PO014 – Employee Code of Conduct Policy

A Complainant may wish to remain anonymous, but in that event must ensure that the allegation is sufficiently supported by the provision of necessary details and evidence to enable the matter to be properly investigated.

The Council will take action as appropriate in the circumstances to protect Complainants from Victimisation.

6. COMPLAINTS

Any person may make a complaint about a Public Officer under this Policy. Complaints must be in writing, identify which provision of this policy is alleged to have been breached and provide all available evidence to support the allegation(s). Complaints will be managed in accordance with Council's Public Interest Disclosure Policy PO171 and Public Interest Disclosure Procedure PR152.

Complaints about a Council volunteer must be made in writing, identify which provision of this policy is alleged to have been breached and provide all available evidence to support the allegation(s). Complaints will be managed in accordance with Council's Volunteer Policy PO137.

In considering the lodgement of a complaint about a breach of this policy, the Independent ICAC Act and Public Interest Disclosure Act 2018 must be considered.

Complaints about this policy that do not relate to behavioural matters will be managed in accordance with Council's Complaints Policy (PO147).

7. RIGHTS TO APPEAL DECISIONS ABOUT COMPLAINTS

A Council employee has the right to appeal decisions about complaints in accordance with Council's Fair Treatment Policy (PO026). This policy does not prevent complaints of unfair treatment being made directly to an appropriate external body or other legal processes at any time.

Members of the community have the right to seek an external review of internal decisions through the OPI, Ombudsman, or other legal processes at any time.

8. RECORDS MANAGEMENT

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

9. REVIEW

This policy will be reviewed every four (4) years, in consultation with employees and/or their nominated representative(s). The policy will also be reviewed as deemed necessary in consideration of any changes to legislation, relevant standards, codes and guidelines or audit findings.

10. TRAINING

Council will ensure that Council employees are aware of their obligations under this policy and provide training to assist in meeting their responsibilities.

Persons responsible for managing complaints under this policy will be appropriately trained in keeping with the nature of complaints they are expected to resolve.

PO014 – Employee Code of Conduct Policy

Training needs will be identified through the performance review, audit and training needs analysis processes. Training will also occur and as necessary in response to changes to legislation and relevant standards, codes and guidelines.

11. RELATED COUNCIL POLICIES AND DOCUMENTS

- PO001 Work Health Safety and Return to Work;
- PO020 Social Media Policy;
- PO026 Fair Treatment Policy;
- PO037 Internal Review of Council Decisions Policy;
- PO063 Records Management Policy;
- PO137 Volunteer Policy;
- PO146 Support, Disciplinary and Performance Management Policy;
- PO147 Complaints Policy;
- PO148 Fraud and Corruption Policy;
- PO150 Gifts and Benefits Policy;
- PO153 Information Systems Access Control Policy;
- PO159 Secondary Employment Policy;
- PO171 Public Interest Disclosures Policy;
- PR152 Public Interest Disclosure Procedure;
- Council’s Training Needs Analysis (elementSTAFF); and
- Yorke Peninsula Council Enterprise Agreements (SA Municipal Officers and Local Government Employees).

12. REFERENCES AND LEGISLATION

- Independent Commissioner Against Corruption Act (SA) 2012;
- Local Government (General) Regulations 2013;
- Local Government Act 1999;
- Local Government Association Model Employee Conduct Policy
- Ombudsman Act 1972;
- Public Interest Disclosure Act 2018; and
- Work Health and Safety Act 2012.

13. COUNCIL DELEGATION

| | |
|-------------------------------|-------------------------|
| Details of Delegation: | Chief Executive Officer |
| Delegate: | Nil |

P0014 – Employee Code of Conduct Policy

14. VERSION HISTORY

| Version No | Issue Date | Description of Change |
|------------|------------|---|
| 1.0 | 07/04/2003 | New Policy |
| 2.0 | 14/09/2010 | Added reference to Section 91a of the Local Government (Elections) Act 1999 and included related documents. |
| 3.0 | 11/07/2012 | Complete rewrite in line with new Policy template. |
| 4.0 | 14/02/2014 | Adopted Code of Conduct for Council Employees as gazetted on 13/02/2014. |
| 5.0 | 08/07/2020 | Complete rewrite incorporating Local Government Associations model documentation. |

PO014 – Employee Code of Conduct Policy

Attachment 1

| | |
|-----------------------------|---|
| <p>Conflict of Interest</p> | <p>Any person who carries out Council Work has an interest in a matter if the person, or another person with whom the person carrying out Council Work is closely associated, would, if the person carrying out Council Work acted in a particular manner in relation to the matter, receive or have a reasonable expectation of receiving a direct or indirect pecuniary benefit or a non-pecuniary benefit or suffer or have a reasonable expectation of suffering a direct or indirect pecuniary detriment or a non-pecuniary detriment.</p> <p>A person is closely associated with a person carrying out Council Work —</p> <p>(a) if that person is a body corporate of which the person carrying out Council Work is a director or a member of the governing body; or</p> <p>(b) if that person is a proprietary company in which the person carrying out Council Work is a shareholder; or</p> <p>(c) if that person is a beneficiary under a trust or an object of a discretionary trust of which the person carrying out Council Work is a trustee; or</p> <p>(d) if that person is a partner of the person carrying out Council Work; or</p> <p>(e) if that person is the employer or an employee of the person carrying out Council Work; or</p> <p>(f) if that person is a person from whom the person carrying out Council Work has received or might reasonably be expected to receive a fee, commission or other reward for providing professional or other services; or</p> <p>(g) if that person is a relative of the person carrying out Council Work.</p> <p>However, a person carrying out Council Work, or a person closely associated with a person carrying out Council Work, will not be regarded as having an interest in a matter—</p> <p>(a) by virtue only of the fact that the a person carrying out Council Work or person closely associated with the person carrying out Council Work —</p> <p>(i) is a ratepayer, elector or resident in the area of the council; or</p> <p>(ii) is a member of a non-profit association, other than where the person carrying out Council Work or person closely associated with the person carrying out Council Work is a member of the governing body of the association or organisation; or</p> <p>(b) in a prescribed circumstance (as per Section 120 of the Act).</p> |
| <p>Public Officer</p> | <p>The officers listed in Schedule 1 of the ICAC Act, which includes “an officer or employee of a local government body”.</p> |
| <p>Council Employee</p> | <p>All Council employees in addition to other persons working on behalf of Council, including:</p> <ul style="list-style-type: none"> • employees of a labour hire company; • Apprentices or trainees; • Student or work experience placements; and • Volunteers. |

PO014 – Employee Code of Conduct Policy

Attachment 2**Extract from the Local Government Act 1999
Section 110**

1.1.2019—Local Government Act 1999
 Council staff—Chapter 7
 Conduct of employees—Part 4
 General duty and code of conduct—Division 1

Part 4—Conduct of employees**Division 1—General duty and code of conduct****108—Interpretation**

In this Division—

employee of a council includes a person working for the council on a temporary basis;

registered industrial association means an industrial association or organisation registered under a law of the State or of the Commonwealth.

109—General duty

- (1) An employee of a council must at all times act honestly in the performance of official duties.
- (2) An employee of a council must at all times act with reasonable care and diligence in the performance of official duties.

110—Code of conduct for employees

- (1) The Governor may, by regulation, prescribe a code of conduct to be observed by the employees of all councils.
- (2) The Minister must consult with any registered industrial association that represents the interests of employees of councils before the regulation is made.
- (3) A code of conduct must not diminish a right or employment condition under an Act, award, industrial agreement or contract of employment.
- (4) Council employees must observe the code of conduct.
- (5) Contravention of or failure to comply with the code of conduct constitutes a ground for suspending, dismissing or taking other disciplinary action against the employee.

110A—Duty to protect confidential information

- (1) An employee or former employee of a council must not disclose information or a document in relation to which there is an order of a council or council committee in effect under section 90 requiring the information or document to be treated confidentially.
 Maximum penalty: \$10 000 or 2 years imprisonment.
- (2) Nothing in subsection (1) prohibits the disclosure of information or a document where the disclosure is required or authorised by law.

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PO014 – Employee Code of Conduct Policy

Attachment 3

Extract from Local Government (General) Regulations 2013

Schedule 2A—Code of conduct for employees**1—Gifts and benefits**

- (1) An employee of a council must not seek out or receive a gift or benefit that is, or could reasonably be taken to be, intended or likely to create a sense of obligation on the part of the employee to a person or influence the employee in the performance or discharge of the employee's functions or duties.
- (2) If an employee of a council receives a gift or benefit of an amount greater than the amount determined by the Minister (from time to time), by notice published in the Gazette, the employee must provide details of the gift or benefit to the chief executive officer of the council in accordance with any requirements of the chief executive officer.
- (3) The chief executive officer of a council must maintain a register of gifts and benefits received by employees of the council and must ensure that the details of each gift and benefit provided under this clause are included in the register.
- (4) A register maintained under this clause must be—
 - (a) made available for inspection at the principal office of the council during ordinary office hours without charge; and
 - (b) published on a website determined by the chief executive officer.
- (5) A register maintained under this clause—
 - (a) need not include information available in another register published by, or available for inspection at, the council or otherwise available under the Act; and
 - (b) may include information by reference to another register or document, provided the register or document is published by, or available for inspection at, the council and the register maintained under this clause identifies that other register or document.
- (6) For the purposes of this clause, a gift or benefit received by a person related to an employee of a council will be treated as a gift or benefit (as the case requires) received by the employee.
- (7) Unless the contrary intention appears, terms and expressions used in this clause and in Schedule 3 of the Act have the same respective meanings in this clause as they have in that Schedule, provided that a reference in Schedule 3 to a *member* will be taken, for the purposes of this clause, to be a reference to an *employee*.

Note—

The Act requires that certain gifts and benefits must be disclosed by employees and recorded on the Register of Interests relating to employees.

PO014 – Employee Code of Conduct Policy

2—Complaints

- (1) A complaint alleging that an employee of a council has contravened or failed to comply with the code set out in this Schedule must be dealt with in accordance with a policy prepared and maintained by the council relating to complaints against employees.
- (2) The policy referred to in subclause (1) must nominate a person or persons to whom complaints are to be given and, in the case of a complaint against the chief executive officer of the council, must provide for the complaint to be given to the principal member of the council, except in circumstances where it would be inappropriate to do so (for example, if the matter to which the complaint relates must be kept confidential under an Act or law).

Note—

- 1 Chapter 13 Part 2 of the Act requires a council to develop and maintain policies, practices and procedures for dealing with (among other things) complaints about the actions of employees of the council.
- 2 The code set out in this Schedule is in addition to and does not—
 - (a) limit the operation of the *Fair Work Act 1994*; or
 - (b) operate to lessen any rights or obligations on employees or employers under the *Fair Work Act 1994* or any award, industrial agreement or contract of employment; or
 - (c) affect the jurisdiction of the South Australian Employment Tribunal conferred under the *Fair Work Act 1994*.



COUNCIL POLICY

Employee Code of Conduct Employee Behavioural Standards

| | | | |
|----------------------------------|--|--------------------------|---|
| Policy Number: | PO014 | | |
| Strategic Plan Objective: | 5. Responsible Governance and Leadership | | |
| Policy Owner: | Chief Executive Officer | Record Number: | 16/13873[v5] <u>16/13873[v6]</u> |
| Responsible Officer: | Chief Executive Officer | Minute Reference: | 163/2020 |
| Date Adopted: | 08/07/2020 <u>08/07/2020</u> | Next Review Date: | July 2024 <u>July 2024</u> |

1. POLICY OBJECTIVES

This policy sets out the standards of behaviour expected of Yorke Peninsula Council (Council) ~~E~~employees and any person who carries out work in any capacity for the Council (Council Work) in the performance of their duties and in carrying out their functions as public officers and are mandatory rules, with which Council Employees must comply.

The purpose of this policy is ensure a high level of integrity in the conduct of Council business and to contribute to good governance and organisational culture.

2. SCOPE

Council ~~E~~employees must comply with this policy provisions of this Employee Code of Conduct (Code of Conduct) in carrying out their functions as public officers. It is the personal responsibility of Council Employees to ensure that they are familiar with, and comply with, this policy at all times.

Other persons working on behalf of Council are also expected to comply with the provisions of the Code of Conduct, including:

- Employees of a labour hire company;
- Apprentices or trainees;
- Student or work experience placements; and
- Volunteers.

3. DEFINITIONS

Refer to Attachment 1.

PO014 – Employee Code of Conduct Employee Behavioural Standards Policy**4. POLICY STATEMENT**

This policy operates in ~~accordance addition to the Code of Conduct for Employees, as per with~~ Section 120A40 of the Local Government Act 1999 (~~the~~ Act) as provided ~~inat~~ Attachment 2.

~~and Local Government (General) Regulations 2013, as provided in Attachment 3.~~

Council Employees have a responsibility to:

- serve the best interests of the people within the community their Council represents;
- to discharge their duties conscientiously and to the best of their ability;
- to act honestly in every aspect of their work;
- comply with all relevant legal obligations and resolutions of Council; and
- report any reasonable suspicion of a breach of this policy to the Chief Executive Officer (CEO).

~~This is~~ policy is based upon the following principles, which are fundamental to ensuring integrity in public administration and good governance:

- a) General Behaviour (Integrity, Impartiality and Good Decision Making);
- b) Promotion of the aims and objectives of local government; and
- c) Accountability and transparency.

~~This policy is in addition to, and does not Nothing in this policy in any way derogates from, other standards of conduct and behaviour that are expected of Council Employees under the Act, the Fair Work Act 1994, other legislative requirement, awards, industrial agreements or contract of employment. -Conduct that constitutes, or is likely to constitute a breach of integrity provisions contained in the Act, maladministration or which is criminal in nature, is dealt with through alternative mechanisms. the rights of an employee or duties of an employer under the Fair Work Act 1994, other legislation, an award, an industrial agreement or contract of employment.~~

All Council Employees have a reporting responsibility to ensure fellow Employees are held accountable for inappropriate conduct, if they become aware of such conduct. In addition, in accordance with the Independent Commissioner Against Corruption Act 2012 (ICAC), Employees are required to report serious or systemic corruption, misconduct or maladministration that comes to their attention. - This policy should be read in conjunction with other Public Officer responsibilities including:

- PO148 Fraud, ~~and~~ Corruption, Misconduct and Maladministration Prevention Policy;
- PO150 Gifts and Benefits Policy;
- PO171 Public Interest Disclosure Policy;
- PR152 Public Interest Disclosure Procedure
- PO026 Fair Treatment Policy; and
- PO037 Internal Review of Council Decision Policy.

A failure to comply with this policy, can constitute a ground for disciplinary action against the Employee, including dismissal in line with Council's Support, Disciplinary and Performance Management Policy (PO146).

PO014 – Employee Code of Conduct/Employee Behavioural Standards Policy**4.1. General Behaviour (Integrity, Impartiality and Good Decision Making)**

The principle of integrity, impartiality and Good Decision Making underpins confidence in the dealings of local government and assists Council in meeting its legislative obligations.

In keeping with this principle, Council Employees must:

1. Act honestly, ethically, impartially and with integrity in the performance of their official duties at all times by:
 - Ensuring decision making processes are fair, transparent, objective, impartial, justifiable and lawful;
 - Ensuring advice provided is objective, impartial, justifiable and lawful;
 - Not influencing, in an improper manner, the making of decisions by others; and
 - Not seeking or accepting gifts or benefits except as permitted by the Code of Conduct for Employees (Attachment 2) and Council's Gifts and Benefits Policy (PO150).
2. Ensure that personal interests, including financial interests, do not influence or interfere with the performance of Council work by:
 - Ensuring that relationships with external parties do not amount to interference by improperly influence, affecting judgement, decisions and/or actions;
 - Identifying, disclosing and managing Conflicts of Interest in accordance with the Act (Section 120);
 - Abstaining from carrying out any secondary employment for which a Conflict of Interest exists in line with the Secondary Employment Policy (PO159), unless the CEO determines otherwise.
 - Abstaining from carrying out Council Work in relation to any matter for which a Conflict of Interest exists, unless the CEO determines otherwise.
 - In the case that the CEO has an interest in a matter in relation to which they are required or authorised to act in the course of official duties, the CEO must disclose the interest to the Elected Body and must not, unless the Elected Body otherwise determines during a Council meeting that is open to the public, act in relation to the matter; or
 - Where a Council Employee (other than the CEO) has an interest in a matter in relation to which he or she is required or authorised to act in the course of official duties, must disclose the interest to the CEO and must not, unless the CEO otherwise determines, act in relation to the matter; or
 - If an Employee or any other person undertaking Council Work is entitled to act in relation to a matter and the Employee is providing advice or making recommendations to the Council or a Council committee on the matter, the Council Employee must also disclose the relevant interest to the Council or Council committee.
3. Demonstrate reasonable, just, respectful and non-discriminatory behaviour when dealing with all people that:

PO014 – Employee Code of Conduct/Employee Behavioural Standards Policy

- Act with reasonable care and diligence in the performance of official duties;
- Discharges duties in a professional manner;
- Act in a way that gGenerates and fosters community trust and confidence in the Council;
- Provides a fair and balanced representation of the decisions and policies of the Council;
- Supports the decisions and policies of the Council and does not adversely reflect on the reputation of the Council;
- Does not adversely affect the health and safety of other persons, as required by the Work Health and Safety (WHS) Act 2012 and Council's WHS policies and procedures; and
- Employees and any other person who carry out Council Work must not make any public criticism of a personal nature of fellow Council Employees, publically criticise an Elected Member or any another person who carries out Council Work.

4.2. Promotion of Aims and Objectives of Local Government

The principle supporting the promotion of the aims and objectives of Local Government ensures programs, services and resources are consistently managed and delivered to the community as intended by Council.

Council Eemployees must:

- Comply with all Council resolutions, policies, procedures, processes and codes;
- Remain accountable and responsible for the use and collection of public funds;
- Take all reasonable steps Use their best endeavours to provide accurate information to the Council and to the public at all times;
- Take all reasonable steps to ensure that their Base decisions or actions on based on information which that is factually correct, and they have after obtaineding and considering all relevant information;
- Comply with all lawful and reasonable directions given by a person with authority to give such directions;
- Not release or divulge information that the Council or CEO of the Council has ordered be kept confidential, or that the Council Eemployee should reasonably know is information that is confidential, including information that is considered by the Council or the CEO in confidence, subject to the Ombudsman Act 1972 and the ICAC Act 2012 (ICAC Act);
- Only make public comment in relation to their duties when specifically authorised to do so by the CEO or the Mayor, and restrict such comment to factual information and professional advice;
- Take responsibility and reasonable care that their acts or omissions do not adversely affect the health and safety of themselves or other persons, as required by the WHS Act 2012, Take responsibility for the health and safety of themselves and others when carrying out their duties and activities, which includes general wellbeing and physical injury;

PO014 – Employee Code of Conduct/Employee Behavioural Standards Policy

- Maintain adequate documentation to support important decisions and actions; and
- Commit to the continuous improvement of Council's capacity and performance, its planning, processes and service delivery.

4.3. Accountability and Transparency

The principle supporting accountability and transparency contributes to community trust and confidence and ensures a high level of integrity in the conduct of Council business.

Council Employees will:

- Deal with information received in a responsible manner, including after having carried out the Council Work;
- ~~Not~~ Not make improper use of information, including confidential information, acquired by virtue of their position;
- Use Council resources effectively and prudently when undertaking Council work;
- Must not use Council resources, including the services of Council staff, for private purposes, unless legally or properly authorised to do so in accordance with Council policy and payments are made where appropriate; and
- Must not use public funds or resources in a manner that is irregular or unauthorised.

5. CONFIDENTIALITY

The identity of the person(s) making a complaint (Complainant) will be maintained as confidential. The rights of individuals must be protected and all complaints, including any subsequent investigations, will be managed in the strictest confidence.

The identity of a Complainant or the person who is the subject of the complaint may only be divulged where:

- Doing so is necessary for the matter to be properly investigated (but only to the extent necessary to ensure proper investigation);
- The Complainant consents to his/her identity being disclosed;
- There is a legislative requirement for disclosure; and
- The recipient believes on reasonable grounds that it is necessary to divulge the identity of the Complainant in order to prevent or minimise an imminent risk of serious physical injury or death to any person.

A Complainant may wish to remain anonymous, but in that event must ensure that the allegation is sufficiently supported by the provision of necessary details and evidence to enable the matter to be properly investigated.

The Council will take action as appropriate in the circumstances to protect Complainants from ~~v~~ victimisation.

6. COMPLAINTS

~~Any person may make a Complaints~~ about an ~~an Eemployee's behaviour that is alleged to have breached this policy~~ Public Officer under this Policy. ~~Complaints~~ must be in writing to the CEO, identifying which provision of this policy is alleged to have been breached and provide all available evidence to support the allegation(s). Complaints will

PO014 – Employee Code of Conduct/Employee Behavioural Standards Policy

be managed in accordance with Council's Public Interest Disclosure Policy (PO171) and Public Interest Disclosure Procedure (PR152).

Complaints about the CEO's behaviour should be brought to the attention of the Mayor (unless the complaint has been made by the Mayor or involves the Mayor, and in such case the complaint should be brought to the attention of the Deputy Mayor).

Complaints about a Council volunteer must be made in writing, identify which provision of this policy is alleged to have been breached and provide all available evidence to support the allegation(s). Complaints will be managed in accordance with Council's Volunteer Policy (PO137).

A complaint may be investigated and resolved according to the disciplinary processes of Council relating to Employees.

In considering the lodgement of a complaint about a breach of this policy, the Independent Commission Against Corruption (GAG Act 2012) and Public Interest Disclosure Act 2018 must be considered.

Complaints about this policy that do not relate to behavioural matters will be managed in accordance with Council's Complaints Policy (PO147).

7. RIGHTS TO APPEAL DECISIONS ABOUT COMPLAINTS

A Council Employee has the right to appeal decisions about complaints in accordance with Council's Fair Treatment Policy (PO026). This policy does not prevent complaints of unfair treatment being made directly to an appropriate external body or other legal processes at any time.

Members of the community have the right to seek an external review of internal decisions through the OPI, Ombudsman, or other legal processes at any time.

8. REVIEW

This policy will be reviewed every four (4) years, in consultation with Employees and/or their nominated representative(s). The policy will also be reviewed as deemed necessary in consideration of any changes to legislation, relevant standards, codes and guidelines or audit findings.

9. TRAINING

Council will ensure that Council Employees are aware of their obligations under this policy and provide training to assist in meeting their responsibilities.

Persons responsible for managing complaints under this policy will be appropriately trained in keeping with the nature of complaints they are expected to resolve.

Training needs will be identified through the performance review, audit and training needs analysis processes. Training will also occur and as necessary in response to changes to legislation and relevant standards, codes and guidelines.

10. RECORDS

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

11. RELATED COUNCIL POLICIES/PROCEDURES AND DOCUMENTS

PO001 Peak Work Health Safety and Return to Work Policy;

PO020 Social Media Policy;

PO014 – Employee Code of Conduct Employee Behavioural Standards Policy

- PO026 Fair Treatment Policy;
- PO037 Internal Review of Council Decisions Policy;
- PO063 Records Management Policy;
- PO137 Volunteer Policy;
- PO146 Support, Disciplinary and Performance Management Policy;
- PO147 Complaints Policy;
- PO148 Fraud, ~~and~~ Corruption, Misconduct and Maladministration Policy;
- PO150 Gifts and Benefits Policy;
- PO153 Information Systems Access Control Policy;
- PO159 Secondary Employment Policy;
- PO171 Public Interest Disclosures Policy;
- PR152 Public Interest Disclosure Procedure;
- Council’s Training Needs Analysis (elementSTAFF); ~~and~~
- Yorke Peninsula Council Enterprise Agreements (SA Municipal Officers and Local Government Employees).

12. REFERENCES AND LEGISLATION

- Independent Commissioner Against Corruption Act (SA) 2012;
- Local Government (General) Regulations 2013;
- Local Government Act 1999;
- Local Government Association Model Employee ~~Conduct~~ Behavioural Standards Policy
- Ombudsman Act 1972;
- Public Interest Disclosure Act 2018; ~~and~~
- Work Health and Safety Act 2012.
- Fair Work Act 1994
- Work Health and Safety Act 2012

13. COUNCIL DELEGATION

Any applicable delegations are available on Councils website via the Delegations register via <https://yorke.sa.gov.au/about-us/forms-plans-and-publications/registers/>

14. VERSION HISTORY

| Version No | Issue Date | Description of Change |
|------------|------------|---|
| 1.0 | 07/04/2003 | New Policy |
| 2.0 | 14/09/2010 | Added reference to Section 91a of the Local Government (Elections) Act 1999 and included related documents. |
| 3.0 | 11/07/2012 | Complete rewrite in line with new Policy template. |

PO014 – Employee Code of Conduct Employee Behavioural Standards Policy

| Version No | Issue Date | Description of Change |
|------------|------------|--|
| 4.0 | 14/02/2014 | Adopted Code of Conduct for Council Employees as gazetted on 13/02/2014. |
| 5.0 | 08/07/2020 | Complete rewrite incorporating Local Government Associations model documentation. |
| <u>6.0</u> | | <u>Aligned LGA Model Employee Behavioural Standards into Policy, updated Complaints, Documents and Legislation sections.</u> |

DRAFT

PO014 – Employee Code of Conduct/Employee Behavioural Standards Policy

ATTACHMENT 1: DEFINITIONS

| Term/Reference | Definition |
|----------------------|--|
| Conflict of Interest | <p>Any person who carries out Council Work has an interest in a matter if the person, or another person with whom the person carrying out Council Work is closely associated, would, if the person carrying out Council Work acted in a particular manner in relation to the matter, receive or have a reasonable expectation of receiving a direct or indirect pecuniary benefit or a non-pecuniary benefit or suffer or have a reasonable expectation of suffering a direct or indirect pecuniary detriment or a non-pecuniary detriment.</p> <p>A person is closely associated with a person carrying out Council Work —</p> <ul style="list-style-type: none"> (a) if that person is a body corporate of which the person carrying out Council Work is a director or a member of the governing body; or (b) if that person is a proprietary company in which the person carrying out Council Work is a shareholder; or (c) if that person is a beneficiary under a trust or an object of a discretionary trust of which the person carrying out Council Work is a trustee; or (d) if that person is a partner of the person carrying out Council Work; or (e) if that person is the employer or an employee of the person carrying out Council Work; or (f) if that person is a person from whom the person carrying out Council Work has received or might reasonably be expected to receive a fee, commission or other reward for providing professional or other services; or (g) if that person is a relative of the person carrying out Council Work. <p>However, a person carrying out Council Work, or a person closely associated with a person carrying out Council Work, will not be regarded as having an interest in a matter—</p> <ul style="list-style-type: none"> (a) by virtue only of the fact that the a person carrying out Council Work or person closely associated with the person carrying out Council Work — <ul style="list-style-type: none"> (i) is a ratepayer, elector or resident in the area of the council; or (ii) is a member of a non-profit association, other than where the person carrying out Council Work or person closely associated with the person carrying out Council |

PO014 – Employee Code of Conduct Employee Behavioural Standards Policy

| Term/Reference | Definition |
|------------------|--|
| | Work is a member of the governing body of the association or organisation; or (b) in a prescribed circumstance (as per Section 120 of the Act). |
| Public Officer | The officers listed in Schedule 1 of the ICAC Act, which includes “an officer or employee of a local government body”. |
| Council Employee | All Council employees in addition to other persons working on behalf of Council, including: <ul style="list-style-type: none"> • employees of a labour hire company; • Apprentices or trainees; • Student or work experience placements; and • Volunteers. |

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PO014 – Employee Code of Conduct Employee Behavioural Standards Policy**ATTACHMENT 2: EXTRACT FROM THE LOCAL GOVERNMENT ACT 1999
SECTION 120A10**

Local Government Act 1999—17.11.2022
 Chapter 7—Council staff
 Part 4—Employee integrity and behaviour
 Division 2—Employee behaviour

Division 2—Employee behaviour**120A—Behavioural standards**

- (1) A council may prepare and adopt standards (the *employee behavioural standards*) that—
 - (a) specify standards of behaviour to be observed by employees of councils; and
 - (b) provide for any other matter relating to behaviour of employees of councils.
- (2) An employee behavioural standard must not diminish a right or employment condition under an Act, award, industrial agreement or contract of employment.
- (3) An employee of a council must comply with the council's employee behavioural standards.
- (4) A council may from time to time alter its employee behavioural standards, or substitute new employee behavioural standards.
- (5) Before a council—
 - (a) adopts employee behavioural standards; or
 - (b) alters, or substitutes, its employee behavioural standards,
 the council must consult with any registered industrial association that represents the interests of employees of councils on the employee behavioural standards, alteration or substituted standards (as the case may be).
- (6) A council must, within 6 months after the conclusion of each periodic election—
 - (a) in the case of a council that has employee behavioural standards in effect under this section—review the operation of the employee behavioural standards; or
 - (b) in any other case—consider whether it should adopt employee behavioural standards.

1.1.2019—Local Government Act 1999
 Council staff—Chapter 7
 Conduct of employees—Part 4
 General duty and code of conduct—Division 1

PO014 – Employee Code of ConductEmployee Behavioural Standards Policy

Part 4—Conduct of employees**Division 1—General duty and code of conduct****108—Interpretation**

In this Division—

employee of a council includes a person working for the council on a temporary basis;

registered industrial association means an industrial association or organisation registered under a law of the State or of the Commonwealth.

109—General duty

- (1) An employee of a council must at all times act honestly in the performance of official duties.
- (2) An employee of a council must at all times act with reasonable care and diligence in the performance of official duties.

110—Code of conduct for employees

- (1) The Governor may, by regulation, prescribe a code of conduct to be observed by the employees of all councils.
- (2) The Minister must consult with any registered industrial association that represents the interests of employees of councils before the regulation is made.
- (3) A code of conduct must not diminish a right or employment condition under an Act, award, industrial agreement or contract of employment.
- (4) Council employees must observe the code of conduct.
- (5) Contravention of or failure to comply with the code of conduct constitutes a ground for suspending, dismissing or taking other disciplinary action against the employee.

110A—Duty to protect confidential information

- (1) An employee or former employee of a council must not disclose information or a document in relation to which there is an order of a council or council committee in effect under section 90 requiring the information or document to be treated confidentially.
Maximum penalty: \$10 000 or 2 years imprisonment.
- (2) Nothing in subsection (1) prohibits the disclosure of information or a document where the disclosure is required or authorised by law.



PO014 – Employee Code of Conduct/Employee Behavioural Standards Policy**Attachment 3: EXTRACT FROM LOCAL GOVERNMENT (GENERAL) REGULATIONS 2013****Schedule 2A—Code of conduct for employees****1—Gifts and benefits**

- (1) An employee of a council must not seek out or receive a gift or benefit that is, or could reasonably be taken to be, intended or likely to create a sense of obligation on the part of the employee to a person or influence the employee in the performance or discharge of the employee's functions or duties.
- (2) If an employee of a council receives a gift or benefit of an amount greater than the amount determined by the Minister (from time to time), by notice published in the Gazette, the employee must provide details of the gift or benefit to the chief executive officer of the council in accordance with any requirements of the chief executive officer.
- (3) The chief executive officer of a council must maintain a register of gifts and benefits received by employees of the council and must ensure that the details of each gift and benefit provided under this clause are included in the register.
- (4) A register maintained under this clause must be—
 - (a) made available for inspection at the principal office of the council during ordinary office hours without charge; and
 - (b) published on a website determined by the chief executive officer.
- (5) A register maintained under this clause—
 - (a) need not include information available in another register published by, or available for inspection at, the council or otherwise available under the Act; and
 - (b) may include information by reference to another register or document, provided the register or document is published by, or available for inspection at, the council and the register maintained under this clause identifies that other register or document.
- (6) For the purposes of this clause, a gift or benefit received by a person related to an employee of a council will be treated as a gift or benefit (as the case requires) received by the employee.
- (7) Unless the contrary intention appears, terms and expressions used in this clause and in Schedule 3 of the Act have the same respective meanings in this clause as they have in that Schedule, provided that a reference in Schedule 3 to a *member* will be taken, for the purposes of this clause, to be a reference to an *employee*.

Note—

The Act requires that certain gifts and benefits must be disclosed by employees and recorded on the Register of Interests relating to employees.



COUNCIL POLICY

Employee Behavioural Standards

| | | | |
|----------------------------------|--|--------------------------|--------------|
| Policy Number: | PO014 | | |
| Strategic Plan Objective: | 5. Responsible Governance and Leadership | | |
| Policy Owner: | Chief Executive Officer | Record Number: | 16/13873[v6] |
| Responsible Officer: | Chief Executive Officer | Minute Reference: | |
| Date Adopted: | 08/07/2020 | Next Review Date: | July 2024 |

1. POLICY OBJECTIVES

This policy sets out the standards of behaviour expected of Yorke Peninsula Council (Council) Employees and any person who carries out work in any capacity for the Council (Council Work) in the performance of their duties and in carrying out their functions as public officers and are mandatory rules, with which Council Employees must comply.

The purpose of this policy is ensure a high level of integrity in the conduct of Council business and to contribute to good governance and organisational culture.

2. SCOPE

Council Employees must comply with this policy in carrying out their functions as public officers. It is the personal responsibility of Council Employees to ensure that they are familiar with, and comply with, this policy at all times.

Other persons working on behalf of Council are also expected to comply with the provisions of the Code of Conduct, including:

- Employees of a labour hire company;
- Apprentices or trainees;
- Student or work experience placements; and
- Volunteers.

3. DEFINITIONS

Refer to Attachment 1.

PO014 – Employee Behavioural Standards Policy

4. POLICY STATEMENT

This policy operates in accordance with Section 120A of the Local Government Act 1999 (Act) as provided in Attachment 2.

Council Employees have a responsibility to:

- serve the best interests of the people within the community their Council represents;
- to discharge their duties conscientiously and to the best of their ability;
- to act honestly in every aspect of their work;
- comply with all relevant legal obligations and resolutions of Council; and
- report any reasonable suspicion of a breach of this policy to the Chief Executive Officer (CEO).

This policy is based upon the following principles, which are fundamental to ensuring integrity in public administration and good governance:

- a) General Behaviour (Integrity, Impartiality and Good Decision Making);
- b) Promotion of the aims and objectives of local government; and
- c) Accountability and transparency.

This policy is in addition to, and does not derogate from, other standards of conduct and behaviour that are expected of Council Employees under the Act, the Fair Work Act 1994, other legislative requirement, awards, industrial agreements or contract of employment. Conduct that constitutes, or is likely to constitute a breach of integrity provisions contained in the Act, maladministration or which is criminal in nature, is dealt with through alternative mechanisms.

All Council Employees have a reporting responsibility to ensure fellow Employees are held accountable for inappropriate conduct, if they become aware of such conduct. In addition, in accordance with the Independent Commissioner Against Corruption Act 2012 (ICAC), Employees are required to report serious or systemic corruption, misconduct or maladministration that comes to their attention. This policy should be read in conjunction with other Public Officer responsibilities including:

- PO148 Fraud, Corruption, Misconduct and Maladministration Prevention Policy;
- PO150 Gifts and Benefits Policy;
- PO171 Public Interest Disclosure Policy;
- PR152 Public Interest Disclosure Procedure
- PO026 Fair Treatment Policy; and
- PO037 Internal Review of Council Decision Policy.

A failure to comply with this policy, can constitute a ground for disciplinary action against the Employee, including dismissal in line with Council's Support, Disciplinary and Performance Management Policy (PO146).

4.1. General Behaviour (Integrity, Impartiality and Good Decision Making)

The principle of integrity, impartiality and Good Decision Making underpins confidence in the dealings of local government and assists Council in meeting its legislative obligations.

In keeping with this principle, Council Employees must:

1. Act honestly, ethically, impartially and with integrity in the performance of their official duties at all times by:

PO014 – Employee Behavioural Standards Policy

- Ensuring decision making processes are fair, transparent, objective, impartial, justifiable and lawful;
 - Ensuring advice provided is objective, impartial, justifiable and lawful;
 - Not influencing, in an improper manner, the making of decisions by others; and
 - Not seeking or accepting gifts or benefits except as permitted by Council's Gifts and Benefits Policy (PO150).
2. Ensure that personal interests, including financial interests, do not influence or interfere with the performance of Council work by:
- Ensuring that relationships with external parties do not amount to interference by improper influence, affecting judgement, decisions and/or actions;
 - Identifying, disclosing and managing Conflicts of Interest in accordance with the Act (Section 120);
 - Abstaining from carrying out any secondary employment for which a Conflict of Interest exists in line with the Secondary Employment Policy (PO159), unless the CEO determines otherwise.
 - Abstaining from carrying out Council Work in relation to any matter for which a Conflict of Interest exists, unless the CEO determines otherwise.
 - In the case that the CEO has an interest in a matter in relation to which they are required or authorised to act in the course of official duties, the CEO must disclose the interest to the Elected Body and must not, unless the Elected Body otherwise determines during a Council meeting that is open to the public, act in relation to the matter; or
 - Where a Council Employee (other than the CEO) has an interest in a matter in relation to which he or she is required or authorised to act in the course of official duties, must disclose the interest to the CEO and must not, unless the CEO otherwise determines, act in relation to the matter; or
 - If an Employee or any other person undertaking Council Work is entitled to act in relation to a matter and the Employee is providing advice or making recommendations to the Council or a Council committee on the matter, the Council Employee must also disclose the relevant interest to the Council or Council committee.
3. Demonstrate reasonable, just, respectful and non-discriminatory behaviour when dealing with all people that:
- Act with reasonable care and diligence in the performance of official duties;
 - Discharges duties in a professional manner;
 - Act in a way that generates and fosters community trust and confidence in the Council;
 - Provides a fair and balanced representation of the decisions and policies of the Council;

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- Supports the decisions and policies of the Council and does not adversely reflect on the reputation of the Council;
- Does not adversely affect the health and safety of other persons, as required by the Work Health and Safety (WHS) Act 2012 and Council's WHS policies and procedures; and
- Employees and any other person who carry out Council Work must not make any public criticism of a personal nature of fellow Council Employees, an Elected Member or any another person who carries out Council Work.

4.2. Promotion of Aims and Objectives of Local Government

The principle supporting the promotion of the aims and objectives of Local Government ensures programs, services and resources are consistently managed and delivered to the community as intended by Council.

Council Employees must:

- Comply with all Council resolutions, policies, procedures, processes and codes;
- Remain accountable and responsible for the use and collection of public funds;
- Take all reasonable steps to provide accurate information to the Council and to the public at all times;
- Take all reasonable steps to ensure that their decisions or actions are based on information which is factually correct, and they have obtained and considered all relevant information;
- Comply with all lawful and reasonable directions given by a person with authority to give such directions;
- Not release or divulge information that the Council or CEO of the Council has ordered be kept confidential, or that the Council Employee should reasonably know is information that is confidential, including information that is considered by the Council or the CEO in confidence, subject to the Ombudsman Act 1972 and the ICAC Act 2012 (ICAC Act);
- Only make public comment in relation to their duties when specifically authorised to do so by the CEO or the Mayor, and restrict such comment to factual information and professional advice;
- Take responsibility and reasonable care that their acts or omissions do not adversely affect the health and safety of themselves or other persons, as required by the WHS Act 2012, which includes general wellbeing and physical injury;
- Maintain adequate documentation to support important decisions and actions; and
- Commit to the continuous improvement of Council's capacity and performance, its planning, processes and service delivery.

4.3. Accountability and Transparency

The principle supporting accountability and transparency contributes to community trust and confidence and ensures a high level of integrity in the conduct of Council business.

Council Employees will:

PO014 – Employee Behavioural Standards Policy

- Deal with information received in a responsible manner, including after having carried out the Council Work;
- Not make improper use of information, including confidential information, acquired by virtue of their position; Use Council resources effectively and prudently when undertaking Council work;
- Must not use Council resources, including the services of Council staff, for private purposes, unless legally or properly authorised to do so in accordance with Council policy and payments are made where appropriate; and
- Must not use public funds or resources in a manner that is irregular or unauthorised.

5. CONFIDENTIALITY

The identity of the person(s) making a complaint (Complainant) will be maintained as confidential. The rights of individuals must be protected and all complaints, including any subsequent investigations, will be managed in the strictest confidence.

The identity of a Complainant or the person who is the subject of the complaint may only be divulged where:

- Doing so is necessary for the matter to be properly investigated (but only to the extent necessary to ensure proper investigation);
- The Complainant consents to his/her identity being disclosed;
- There is a legislative requirement for disclosure; and
- The recipient believes on reasonable grounds that it is necessary to divulge the identity of the Complainant in order to prevent or minimise an imminent risk of serious physical injury or death to any person.

A Complainant may wish to remain anonymous, but in that event must ensure that the allegation is sufficiently supported by the provision of necessary details and evidence to enable the matter to be properly investigated.

The Council will take action as appropriate in the circumstances to protect Complainants from victimisation.

6. COMPLAINTS

Complaints about an Employee's behaviour that is alleged to have breached this policy must be in writing to the CEO identifying which provision of this policy is alleged to have been breached and provide all available evidence to support the allegation(s). Complaints will be managed in accordance with Council's Public Interest Disclosure Policy (PO171) and Public Interest Disclosure Procedure (PR152).

Complaints about the CEO's behaviour should be brought to the attention of the Mayor (unless the complaint has been made by the Mayor or involves the Mayor, and in such case the complaint should be brought to the attention of the Deputy Mayor).

Complaints about a Council volunteer must be made in writing, identify which provision of this policy is alleged to have been breached and provide all available evidence to support the allegation(s). Complaints will be managed in accordance with Council's Volunteer Policy (PO137).

A complaint may be investigated and resolved according to the disciplinary processes of Council relating to Employees.

PO014 – Employee Behavioural Standards Policy

In considering the lodgement of a complaint about a breach of this policy, the Independent Commission Against Corruption Act 2012 and Public Interest Disclosure Act 2018 must be considered.

Complaints about this policy that do not relate to behavioural matters will be managed in accordance with Council's Complaints Policy (PO147).

7. RIGHTS TO APPEAL DECISIONS ABOUT COMPLAINTS

A Council Employee has the right to appeal decisions about complaints in accordance with Council's Fair Treatment Policy (PO026). This policy does not prevent complaints of unfair treatment being made directly to an appropriate external body or other legal processes at any time.

Members of the community have the right to seek an external review of internal decisions through the OPI, Ombudsman, or other legal processes at any time.

8. REVIEW

This policy will be reviewed every four (4) years, in consultation with Employees and/or their nominated representative(s). The policy will also be reviewed as deemed necessary in consideration of any changes to legislation, relevant standards, codes and guidelines or audit findings.

9. TRAINING

Council will ensure that Council Employees are aware of their obligations under this policy and provide training to assist in meeting their responsibilities.

Persons responsible for managing complaints under this policy will be appropriately trained in keeping with the nature of complaints they are expected to resolve.

Training needs will be identified through the performance review, audit and training needs analysis processes. Training will also occur and as necessary in response to changes to legislation and relevant standards, codes and guidelines.

10. RECORDS

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

11. RELATED COUNCIL POLICIES/PROCEDURES AND DOCUMENTS

PO001 Peak Work Health Safety and Return to Work Policy

PO020 Social Media Policy

PO026 Fair Treatment Policy

PO037 Internal Review of Council Decisions Policy

PO063 Records Management Policy

PO137 Volunteer Policy

PO146 Support, Disciplinary and Performance Management Policy

PO147 Complaints Policy

PO148 Fraud, Corruption, Misconduct and Maladministration Policy

PO150 Gifts and Benefits Policy

PO153 Information Systems Access Control Policy

PO014 – Employee Behavioural Standards Policy

PO159 Secondary Employment Policy
 PO171 Public Interest Disclosures Policy
 PR152 Public Interest Disclosure Procedure
 Council's Training Needs Analysis (elementSTAFF)
 Yorke Peninsula Council Enterprise Agreements (SA Municipal Officers and Local Government Employees).

12. REFERENCES AND LEGISLATION

Independent Commissioner Against Corruption Act (SA) 2012
 Local Government (General) Regulations 2013
 Local Government Act 1999
 Local Government Association Model Employee Behavioural Standards Policy
 Ombudsman Act 1972
 Public Interest Disclosure Act 2018
 Work Health and Safety Act 2012
 Fair Work Act 1994
 Work Health and Safety Act 2012

13. COUNCIL DELEGATION

Any applicable delegations are available on Councils website via the Delegations register via <https://yorke.sa.gov.au/about-us/forms-plans-and-publications/register/>

14. VERSION HISTORY

| Version No | Issue Date | Description of Change |
|------------|------------|---|
| 1.0 | 07/04/2003 | New Policy |
| 2.0 | 14/09/2010 | Added reference to Section 91a of the Local Government (Elections) Act 1999 and included related documents. |
| 3.0 | 11/07/2012 | Complete rewrite in line with new Policy template. |
| 4.0 | 14/02/2014 | Adopted Code of Conduct for Council Employees as gazetted on 13/02/2014. |
| 5.0 | 08/07/2020 | Complete rewrite incorporating Local Government Associations model documentation. |
| 6.0 | | Aligned LGA Model Employee Behavioural Standards into Policy, updated Complaints, Documents and Legislation sections. |

PO014 – Employee Behavioural Standards Policy

ATTACHMENT 1: DEFINITIONS

| Term/Reference | Definition |
|----------------------|--|
| Conflict of Interest | <p>Any person who carries out Council Work has an interest in a matter if the person, or another person with whom the person carrying out Council Work is closely associated, would, if the person carrying out Council Work acted in a particular manner in relation to the matter, receive or have a reasonable expectation of receiving a direct or indirect pecuniary benefit or a non-pecuniary benefit or suffer or have a reasonable expectation of suffering a direct or indirect pecuniary detriment or a non-pecuniary detriment.</p> <p>A person is closely associated with a person carrying out Council Work —</p> <ul style="list-style-type: none"> (a) if that person is a body corporate of which the person carrying out Council Work is a director or a member of the governing body; or (b) if that person is a proprietary company in which the person carrying out Council Work is a shareholder; or (c) if that person is a beneficiary under a trust or an object of a discretionary trust of which the person carrying out Council Work is a trustee; or (d) if that person is a partner of the person carrying out Council Work; or (e) if that person is the employer or an employee of the person carrying out Council Work; or (f) if that person is a person from whom the person carrying out Council Work has received or might reasonably be expected to receive a fee, commission or other reward for providing professional or other services; or (g) if that person is a relative of the person carrying out Council Work. <p>However, a person carrying out Council Work, or a person closely associated with a person carrying out Council Work, will not be regarded as having an interest in a matter—</p> <ul style="list-style-type: none"> (a) by virtue only of the fact that the a person carrying out Council Work or person closely associated with the person carrying out Council Work — <ul style="list-style-type: none"> (i) is a ratepayer, elector or resident in the area of the council; or (ii) is a member of a non-profit association, other than where the person carrying out Council Work or person closely associated with the person carrying out Council |

PO014 – Employee Behavioural Standards Policy

| Term/Reference | Definition |
|----------------|--|
| | Work is a member of the governing body of the association or organisation; or (b) in a prescribed circumstance (as per Section 120 of the Act). |
| Public Officer | The officers listed in Schedule 1 of the ICAC Act, which includes “an officer or employee of a local government body”. |
| Employee | All Council employees in addition to other persons working on behalf of Council, including: <ul style="list-style-type: none"> • employees of a labour hire company; • Apprentices or trainees; • Student or work experience placements; and • Volunteers. |

DRAFT

PO014 – Employee Behavioural Standards Policy

**ATTACHMENT 2: EXTRACT FROM THE LOCAL GOVERNMENT ACT 1999
SECTION 120A**

Local Government Act 1999—17.11.2022
Chapter 7—Council staff
Part 4—Employee integrity and behaviour
Division 2—Employee behaviour

Division 2—Employee behaviour**120A—Behavioural standards**

- (1) A council may prepare and adopt standards (the *employee behavioural standards*) that—
 - (a) specify standards of behaviour to be observed by employees of councils; and
 - (b) provide for any other matter relating to behaviour of employees of councils.
- (2) An employee behavioural standard must not diminish a right or employment condition under an Act, award, industrial agreement or contract of employment.
- (3) An employee of a council must comply with the council's employee behavioural standards.
- (4) A council may from time to time alter its employee behavioural standards, or substitute new employee behavioural standards.
- (5) Before a council—
 - (a) adopts employee behavioural standards; or
 - (b) alters, or substitutes, its employee behavioural standards,the council must consult with any registered industrial association that represents the interests of employees of councils on the employee behavioural standards, alteration or substituted standards (as the case may be).
- (6) A council must, within 6 months after the conclusion of each periodic election—
 - (a) in the case of a council that has employee behavioural standards in effect under this section—review the operation of the employee behavioural standards; or
 - (b) in any other case—consider whether it should adopt employee behavioural standards.



8.4 AUDIT AND RISK COMMITTEE WORK PLAN 2023**Document #:** 23/75397**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 (ToR), 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 ToR 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 final revaluation report by Council staff and presentation to the Committee for endorsement at the September 2023 meeting.

- Item 2.1 has been refreshed to reflect completion of a full review of the internal control library and updated risk assessments which has been undertaken by Council staff ready for testing in September 2023.
- Item 3.1 has been updated to reflect Council's participation in Local Government Risk Services (LGRS) Risk Profiling Review pilot project commencing in August 2023, previously Risk External Audit.
- Item 3.2 date for assessment of LGRS findings brought forward from February 2024 to December 2023 meeting due to changes detailed at item 3.1 above.
- Item 3.3 correction to reporting dates to align with item commentary.
- Item 7.1 amended to reflect deferral of six-month self-assessment report pending further Committee discussion and receipt of updated model terms of reference documentation for Council Audit and Risk Committees from the Local Government Association which are currently being developed.
- Item 8.2 updated to note presentation of the draft Long Term Financial Plan at the February 2023 Committee 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 - Update**  

| Yorke Peninsula Council Audit and Risk Committee Work Plan 2023 | | | | | | |
|--|----------------------------|---------------|---------------|----------------|---------------|---|
| Activity | Timeframe | | | | | Notes |
| | Completed Current Deferred | | | | | |
| | Feb-23 21st | Jun-23 7th | Sep-23 5th | Oct-23 31st | Dec-23 5th | |
| 1. Financial Reporting | | | | | | |
| 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). The final valuation report has been received and review by Council staff and is to be presented for adoption at the September 2023 meeting. |
| 1.2 Review asset revaluations | | X | X | | | Ensure up to date and soundly based, including having particular regard to local conditions:- > whether land values reflect current local market; > whether infrastructure asset values reflect local replacement costs and the condition of existing assets; > in accordance with policies PO124 Asset Accounting Policy & PO128 Asset Management Policy; > whether an infrastructure asset condition audit has been undertaken recently to assist in making this judgement. |
| 1.3 Review methodology and approach to Depreciation | | | | X | | As part of asset revaluations and financial statements |
| 1.4 Quarterly Budget Reviews - information only | X | X | | | X | For information only generally after adoption by Council due to timing |
| 2. Internal controls | | | | | | |
| 2.1 Review progress on Council's Internal Financial controls self-assessment testing | | X | | X | | Status report provided on internal controls self assessment testing. A full review of the internal control library and updated risk assessments has been undertaken by Council staff ready for testing in September 2023. |
| 2.2 Review Council's internal control policies and procedures | X | | | | | 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. |

| Yorke Peninsula Council Audit and Risk Committee Work Plan 2023 | | | | | | |
|--|----------------------------|---------------|---------------|----------------|---------------|--|
| Activity | Timeframe | | | | | Notes |
| | Completed Current Deferred | | | | | |
| | Feb-23 21st | Jun-23 7th | Sep-23 5th | Oct-23 31st | Dec-23 5th | |
| 3. Risk Management Systems | | | | | | |
| 3.1 Risk Profiling Review | | | X | | | Council is participating in the Local Government Risk Services Risk Profiling Review pilot project with the first meeting scheduled for Thursday 24 August 2023. |
| 3.2 Assess the appropriateness of the Council's response to the risk profile review's findings and recommendations | | | | | X | |
| 3.3 Review Council's Risk Management Implementation Plan | | | | | X | Plan to be created once 2023 risk profile review is undertaken in November 2023. Report on progress to commence 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 | | | | | | |
| 4. Public Interest Disclosure (previously Whistleblowers) | | | | | | |
| 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. |

| Yorke Peninsula Council Audit and Risk Committee Work Plan 2023 | | | | | | |
|---|----------------------------|---------------|---------------|----------------|---------------|---|
| Activity | Timeframe | | | | | Notes |
| | Completed Current Deferred | | | | | |
| | Feb-23 21st | Jun-23 7th | Sep-23 5th | Oct-23 31st | Dec-23 5th | |
| 5. Internal Audit | | | | | | |
| 5.1 Review proposed annual internal audit work program and outcomes of past work | | | | | X | Proposed upcoming Internal Audit Plan to be presented to the Committee for consideration |
| 5.2 Consider any internal audits conducted | X | X | X | X | X | |
| 5.3 Review the status and follow up work of any outstanding audit actions (relating to internal audit, internal control self-assessments and external audit management letters) | X | X | X | X | X | Reports provided on progress made against matters raised by Council's external and internal auditor |
| 6. External Audit | | | | | | |
| 6.1 Meet with Council's external auditor to: > invite presentation of their audit methodology and risk assessments within the audit plan; > discuss any qualifications raised in the most recent audit or comments made in the accompanying audit management letter; > assess the appropriateness of the proposed Council response to matters so raised; and > invite comment on the financial systems and affairs of the Council having regard to comparable benchmarks. | | | | X | | |
| 6.2 Review effectiveness of external audit | | | | X | | |
| 6.3 Review audit findings/ management representation letters | | | X | X | | |
| 6.4 Assess the appropriateness of the Council's response to the auditor's findings and recommendations | | | X | X | | |
| 6.5 Oversee action to follow up on matters raised by the external auditor | | | X | X | | |

| Yorke Peninsula Council Audit and Risk Committee Work Plan 2023 | | | | | | |
|--|----------------------------|---------------|---------------|----------------|---------------|---|
| Activity | Timeframe | | | | | Notes |
| | Completed Current Deferred | | | | | |
| | Feb-23 21st | Jun-23 7th | Sep-23 5th | Oct-23 31st | Dec-23 5th | |
| 7. Reporting | | | | | | |
| 7.1 Report annually to Council: > activities of the Committee's work program and the results of a self-assessment of performance for the preceding 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 | | | 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. Review covering the 6 month period January 2023 to June 2023 has been deferred pending further Committee discussion and provision of updated model terms of reference documentation for Council Audit and Risk Committee by the Local Government Association. |
| 8. Strategic, Financial and Management Planning | | | | | | |
| 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 | | | | | Updated annually in conjunction with adoption of Annual Business Plan and Budget. Presentation provided by Manager Financial Services at the February 2023 meeting. |
| 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 |
| 9. Other matters | | | | | | |
| 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 |

8.5 BUDGET ROLL OVER - 2022-2023**Document #:** 23/75377**Department:** Corporate and Community Services**PURPOSE**

To inform the Independent Committee members about Council's adopted 2022/2023 Budget roll overs for projects not commenced, or completed, as at 30 June 2023.

RECOMMENDATION

That the report be received.

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

5.2 Effective leadership and informed decision making

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

5.5 Undertake effective risk management

BACKGROUND

At the close of the financial year on 30 June 2023 some operating and capital projects scheduled for completion in that financial year remained incomplete (work in progress) or had not commenced. As a result, the budget for these projects was not spent (whole or part) in 2022/2023 and will need to be rolled over into the 2023/2024 financial year to enable completion of these projects.

This action is in accordance with Council's PO142 Budget Reporting and Amendment Policy which requires that the scope and funding requirements of such projects be reviewed and considered by Council each year at its August meeting.

The list of projects requiring budgets to be rolled over from 2022/2023 to 2023/2024 had been compiled after consultation with all Budget Managers and members of the Corporate Management Team.

As part of this process the scope of each project, and its associated funding were reviewed. Any variations have been explained in Attachment 1 of this report which contains a full list of all projects recommended for roll over.

The total expenditure budget requested for roll over is \$5,134,052 of which \$3,489,169 constitutes capital expenditure with the remainder being operating expenditure. \$1,226,066 in income (grants, contributions and trade-ins) is expected to assist in funding this total expenditure. The net cash impact to Council's bottom line is anticipated to be \$4,115,796 after grant income received in advance has been accounted for.

Council considered and adopted the proposed 2022/2023 Budget roll overs at the meeting on Wednesday 9 August 2023.

DISCUSSION

As mentioned above, the budget funds being rolled over were available in the 2022/2023 financial year but remained unspent as at 30 June 2023. They will be included in the 2023/2024 operating and capital budget and will be included in future monthly financial reports to Council.

The indicative impact on the 2023/2024 Budget is likely to be as follows:

- net decrease to operating result: \$1,281,080;
- increase in budgeted capital expenditure: \$3,489,169;
- increase in budgeted income (operating and capital): \$1,226,066;
- no expected change to forecast cash as the budgets being rolled over will only result in a shift in net expenditure between the 2022/2023 and 2023/2024 financial years;
- change to forecast Operating Surplus Ratio;
- change to forecast Net Financial Liabilities Ratio; and
- change to Asset Renewal Funding Ratio.

It should be noted that as these funds were not expended in the 2022/2023 financial year there will be an impact to the 2022/2023 Financial Statements currently being prepared for audit.

While the list of roll over projects (and subsequent budgets) were adopted by Council via this report in accordance with Council's policy, the impacts listed above are indicative only and a detailed impact on Council's 2023/2024 financial position and performance will be determined and considered as part of the September quarterly budget review and amendments due to the incorporation of 2022/2023 audited financial results.

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
- Accountant Financial Operations
- Accountant Financial Management
- Budget Managers

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

- Nil

POLICY IMPLICATIONS

PO142 Budget Reporting and Amendment Policy

BUDGET AND RESOURCE IMPLICATIONS

Financial implications are as detailed in this report.

RISKS/LEGAL/LEGISLATIVE/ IMPLICATIONS

Failure to roll over the recommended budget amounts for inclusion in the 2023/2024 Budget would have resulted in projects, in progress or not commenced in 2022/2023, remaining incomplete and without an authorised budget, leading to financial and potential legal ramifications due to existing contractual and grant agreements.

Local Government Act 1999

Local Government (Financial Management) Regulations 2011

ATTACHMENTS

1. **Budgets Rolled Over To 2023-2024**  

| BUDGETS ROLLED OVER TO 2023/24 | | | | | | | | | | |
|--------------------------------|---|----------------|------------|----------------------|----------------|---|---------------------|--------------------------|--------------------------|--|
| # | Project Name | Classification | Department | Original Budget Year | Project Status | Budget Available | Invoices Paid 22/23 | Budget Roll Over Amount | Forecast External Income | Comments |
| 1 | Revaluation of Land, Buildings and Other Structures | Operating | AIS | 2022-23 | In Progress | \$ 59,164 | \$ - | \$ 59,164 | \$ - | Awaiting final report, total cost is \$65,000 with balance to be funded from 23/24 budget. |
| 2 | Clinton Road Heavy Vehicle Access Design | Operating | AIS | 2021-22 | On Hold | \$ 51,175 | \$ 25,300 | \$ 25,875 | \$ - | Request rollover of remaining budget. Designs presently on hold in relation to triple road trains. |
| 3 | Boat Ramps - Dredging Strategy | Operating | AIS | 2022-23 | Not Started | \$ 30,000 | \$ - | \$ 30,000 | \$ - | Budget allocation for 2023/2023 to combined with \$50,000 boat ramp management strategy 2023/2024 budget item to ensure delivery on all strategic requirements. |
| 4 | Boat Ramps - Dredging allocation | Operating | AIS | 2022-23 | Not Started | \$ 70,000 | \$ - | \$ 70,000 | \$ - | Request rollover of 2022/2023 budget allocation to facilitate potential works in 2023/2024 pending Council consideration Balgowan alternative management strategies report scheduled for October Council meeting. |
| 5 | Weed Control - Crown Lands [Northern And Yorke Landscape Board Grants] | Operating | AIS | 2022-23 | Not Started | \$ 21,000 | \$ 7,000 | \$ 14,000 | \$ - | Weed management and land rehabilitation project. Grant received in 2023/2024 request rollover to assist with project delivery. |
| 6 | Coastal Defence Structures - Pt Clinton, James Well, Coobowie and Pine Point [CPB Grant] | Operating | AIS | 2021-22 | In Progress | \$ 90,920 | \$ 45,571 | \$ 45,349 | \$ 55,000 | Project was delayed at Coastal Protection Board assessment stage. Presently undertaking community consultation for completion in 2023/2024. Grant funding received in advance. |
| 7 | Adaptation Options - Foul Bay [CPB Grant] | Operating | AIS | 2021-22 | In Progress | \$ 32,628 | \$ 25,670 | \$ 6,958 | \$ 20,000 | Project was delayed at Coastal Protection Board assessment stage. Presently undertaking community consultation in order to complete project in 2023/2024. Grant funding received in advance. |
| 8 | Coastal Management - Resilient Coast [Northern & Yorke Landscape Board] | Operating | AIS | 2021-22 | In Progress | \$ 122,800 | \$ 15,483 | \$ 107,317 | \$ 48,000 | Work in progress at year end. Reclassified as operating project on rollover. Project to be completed before September 2024. |
| 9 | Community Grant - Price Progress Association | Operating | CCS | 2022-23 | In Progress | \$ 5,000 | \$ - | \$ 5,000 | \$ - | |
| 10 | Community Grant - The Pines Community Association | Operating | CCS | 2022-23 | In Progress | \$ 4,500 | \$ - | \$ 4,500 | \$ - | Extension of Community and Business grants into 2023/2024 as endorsed by Council to date. |
| 11 | Business Enhancement Programme Grant - Port Vincent Oysters | Operating | CCS | 2022-23 | In Progress | \$ 5,000 | \$ - | \$ 5,000 | \$ - | |
| 12 | Water Tower Murals - SA Water Contribution | Operating | CCS | 2022-23 | Not Started | \$ 20,000 | \$ - | \$ 20,000 | \$ - | SA Water provided unsolicited contribution to water tower project in 2022/2023. Request rollover to fund possible project(s) in 2023/2024. |
| 13 | Walk the Yorke Strategy | Operating | CCS | 2022-23 | In Progress | \$ 33,319 | \$ 29,670 | \$ 3,649 | \$ - | Rollover remaining budget to fund final costs in relation to project. |
| 14 | Business Enhancement Programme | Operating | CCS | 2022-23 | In Progress | \$ 26,681 | \$ 9,612 | \$ 17,069 | \$ - | Rollover of remaining budget allocation to facilitate additional community business program opportunities in 2023/2024. |
| 15 | Art & Cultural Facilitator | Operating | CCS | 2022-23 | In Progress | \$ 142,200 | \$ 61,332 | \$ 80,868 | \$ - | Rollover of remaining budget to cover prepaid Council contribution towards Arts and Cultural Officer position for period July-23 to January-24 per current Country Arts SA agreement. Grant income recognised in 2022/2023. |
| 16 | Bush camping - New booking system | Operating | CCS | 2022-23 | In Progress | \$ 22,912 | \$ 2,225 | \$ 20,687 | \$ - | Rollover remaining budget to fund implementation of a new booking system for Council's bush camping network. |
| 17 | Cybersecurity - SaaS Security Management Platform | Operating | CCS | 2022-23 | In Progress | \$ 31,600 | \$ - | \$ 31,600 | \$ - | Partner with a Cybersecurity SaaS organisation to develop a Security Management Platform. Deliverables to include: multi-year employee engagement/training strategy for staff, generate control maturity assessments & risk mitigation strategies, third party risk management framework. Request rollover of remaining 2022/2023 budget to fund initiative. |
| 18 | ERP Replacement | Operating | CCS | 2021-22 | In Progress | \$ 1,009,300 | \$ 7,481 | \$ 1,001,819 | \$ - | Balance of project budget to be rolled to cover implementation of ERP replacement project once final design and costing are approved. |
| 19 | Yorktown Office - Dishwasher and filter tap | Operating | DS | 2022-23 | In Progress | \$ 4,344 | \$ - | \$ 4,344 | \$ - | Order raised for works to be completed in 2023/2024 |
| 20 | Cemetery Design - Port Vincent | Operating | DS | 2021-22 | In Progress | \$ 4,700 | \$ - | \$ 4,700 | \$ - | Consultant engaged to develop design plans to be completed in 2023/2024. |
| 21 | Access Advisory Working Party | Operating | DS | 2021-22 | In Progress | \$ 28,716 | \$ 21,508 | \$ 7,208 | \$ - | Rollover of remaining 2022/2023 budget to combined with 2023/2024 allocation to fund additional projects. |
| 22 | Cormorant Control Program | Operating | DS | 2022-2023 | | \$ 62,500 | \$ 58,720 | \$ 3,780 | \$ - | Request rollover of remaining allocation to further control efforts in 2023/2024. |
| 23 | Port Vincent Institute Salt Damp Repairs | Operating | DS | 2019-2020 | In Progress | \$ 16,021 | \$ 8,168 | \$ 7,853 | \$ - | Funded from land sales income held in reserve. |
| 24 | Incomplete operating projects [LRCP 3] - Minlaton Rest Centre Exterior Upgrades - Yorktown Area School Entrance - Public Library | Operating | Various | 2021-2022 | In Progress | \$ 263,000 | \$ 194,857 | \$ 68,143 | \$ 240,803 | Request rollover of remaining combined 2022/2023 operating budget allocation for LRCP 3 projects to enable completion in 2023/2024. Note: project construction time period has been extended by the funding body to 30 June 2024. Income represents balance of LRCP 3 grant income which is yet to be received. |
| 25 | Edinburgh Swimming / Tidal Pool Upgrade | Capital | AIS | 2021-22 | In Progress | \$ 16,735 | \$ 1,722 | \$ 15,013 | \$ - | Request rollover of remaining budget allocation to fund future improvement works to pool area. |
| 26 | Maitland Plane Tree Root Control (Robert Street Concept Design) | Capital | AIS | 2018-19 | In Progress | \$ 159,523 | \$ 23,092 | \$ 136,431 | \$ - | Budget includes \$0.1m proceeds of 21/22 Glen Street Maitland sale. |
| 27 | Sealed Road - Reseals | Capital | AIS | 2022-23 | In Progress | \$ 1,945,697 | \$ 1,909,795 | \$ 35,902 | \$ - | Reseal budget allocation for 2022/2023 not fully exhausted. Request rollover to combine with 2023/2024 allocation. |
| 28 | Unsealed Roads Intersection Upgrades | Capital | AIS | 2022-23 | In Progress | \$ 193,000 | \$ - | \$ 193,000 | \$ - | Project in planning phase. Intend to combine with 2023/2024 budget allocation. |
| 29 | Minlaton Depot Stormwater Works | Capital | AIS | 2021-22 | In Progress | \$ 50,000 | \$ 12,939 | \$ 37,061 | \$ - | Design plans completed, quotations to be sourced in relation to works for completion in 2023/2024. |
| 30 | Stormwater Drainage - Conry Point Road | Capital | AIS | 2022-2023 | In Progress | \$ 40,000 | \$ 1,900 | \$ 38,100 | \$ - | Seeking appropriate consultant to develop design plans. |
| 31 | Yorktown Airstrip - Runway Lighting Upgrade [Support Regional Aviation Program] | Capital | AIS | 2022-23 | In Progress | \$ 194,180 | \$ - | \$ 194,180 | \$ 96,738 | Contractor engaged with works to be completed in 2023/2024. Grant funding received in advance. |
| 32 | Port Rickaby CP - Water Supply Development & Augmentation | Capital | CCS | 2021-22 | In Progress | \$ 77,795 | \$ 38,850 | \$ 38,945 | \$ - | Work in progress at year end, request rollover of remaining 2022/2023 budget to be combined with 2023/2024 allocation. |
| 33 | Point Turton CP - Upper Level Amenities | Capital | CCS | 2021-22 | Not Started | \$ 325,656 | \$ 4,900 | \$ 320,756 | \$ - | Contractor appointed to undertake project in 2023/2024. Funded by Park Management Strategy allocation. |
| 34 | Fleet Vehicle - Ranger (South) | Capital | CCS | 2021-22 | In Progress | \$ 45,984 | \$ - | \$ 45,984 | \$ 25,445 | Plant on order and awaiting delivery. Trade-in income estimate based on 2022/2023 budget allocation. |
| 35 | Minlaton Town Hall - Automated Doors | Capital | CCS | 2022-2023 | In Progress | \$ 16,920 | \$ 8,070 | \$ 8,850 | \$ - | Contractor engaged and work in progress at year end, request rollover to complete in 2023/2024. |
| 36 | Interment Wall - Port Vincent Cemetery | Capital | DS | 2022-2023 | In Progress | \$ 25,400 | \$ - | \$ 25,400 | \$ - | Project delayed due to contractor availability. |
| 37 | Bushfire Preparedness Signage [BSBR] | Capital | DS | 2021-22 | In Progress | \$ 40,080 | \$ 15,878 | \$ 24,202 | \$ 40,080 | BSBR Grant. Project to be completed in 2023/2024. Portion of grant funding received in advance. |
| 38 | Yorktown Main Street Beautification (formerly Charles Street Land Purchase) | Capital | DS | 2019-20 | In Progress | \$ 100,000 | \$ - | \$ 100,000 | \$ - | Budget allocation to be retained for potential contribution towards future Main Street beautification works |
| 39 | Minlaton Child Care Centre [BSBR] | Capital | ES | 2021-22 | In Progress | \$ 4,450,000 | \$ 2,401,561 | \$ 2,048,439 | \$ 675,000 | Work in progress at year end, anticipated completion by December 2023. Remaining grant funds totalling \$675,000 to be claimed in 2023/2024. |
| 40 | Incomplete capital projects [LRCP 3] - Maitland West Terrace (Western) Dam - Various Coastal Management Strategy Projects - Walk The Yorke Walking Trail - Hardwicke Bay Look Out and Shelter - Port Moorowie Beach Shelters - Arthurton Main Street Upgrade - Salt Lake Tourist Trail | Capital | Various | 2021-2022 | In Progress | \$ 1,579,193 | \$ 1,352,287 | \$ 226,906 | \$ 25,000 | Request rollover of remaining combined 2022/2023 capital budget allocation for LRCP 3 projects to enable completion in 2023/2024. Note: project construction time period has been extended by the funding body to 30 June 2024. Income represents contribution from Hardwicke Bay Progress Association yet to be invoiced. |
| | | | | | | Total Operating \$ 1,644,883 | | Expenditure \$ 1,644,883 | | Income \$ 363,803 |
| | | | | | | Total Capital \$ 3,489,169 | | Income \$ 862,263 | | |
| | | | | | | TOTAL ROLL OVER BUDGET AMOUNT \$ 5,134,052 | | \$ 1,226,066 | | |

Note: Totals may not add due to rounding.

8.6 EXTERNAL INTERIM AUDIT REPORT - 2022/2023**Document #:** 23/75404**Department:** Corporate and Community Services**PURPOSE**

To consider the interim external audit management report for the year ending 30 June 2023 and responses provided by management.

RECOMMENDATION

That the Interim Audit Report for 2022/2023 from Bentleys be received and the Audit and Risk Committee endorse management's responses to the matters raised in the report.

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

5.2 Effective leadership and informed decision making

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

5.5 Undertake effective risk management

5.8 Continuous improvement of Council processes

BACKGROUND

Every year, as part of the annual audit program, Council's external auditors visit Council's offices ahead of the production of the Annual Financial Statements. This visit forms an integral part of the annual audit program and serves to identify any issues prior to the preparation of the Annual Financial Statements and their end of year final audit visit.

DISCUSSION

Bentley's audit team visited Council in April 2023.

As part of their 2022/2023 Audit Program the team undertook reviews and requested information in relation to several areas including but not limited to:

- Annual business plan
- Long term financial plan
- Grant funding
- Delegations of authority
- Asset management plans
- Internal controls and audit
- Rates and property
- Controls testing conducted by staff
- Asset registers and revaluations
- Procurement and contracting
- Policies, procedures and processes

- Contractor management
- Accounting standards
- Employee leave and entitlements
- ICT systems and access
- Accounts payable and receivable
- Payroll and taxation

The Auditors raised six (6) internal control matters. The internal control matters raised, including management's responses, are detailed in the attached Interim Audit Management Report (refer Attachment 1). The report also includes commentary on identified audit risks relating to the financial statements for 2022/2023 which will be examined through the year end audit process.

Following formal receipt of the interim report of audit findings and endorsement of management's responses to the matters raised in the report outstanding items will be added to the Committee's register of agreed actions.

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
- Business Improvement Officer
- Assets Manager
- Accountant – Financial Management
- Accountant – Financial Operations

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

- Bentleys

POLICY IMPLICATIONS

Audit and Risk Committee Terms of Reference.

BUDGET AND RESOURCE IMPLICATIONS

Funding required for actions to address the issues raised in the interim audit report is available in Council's current operating budget.

RISKS/LEGAL/LEGISLATIVE/ IMPLICATIONS

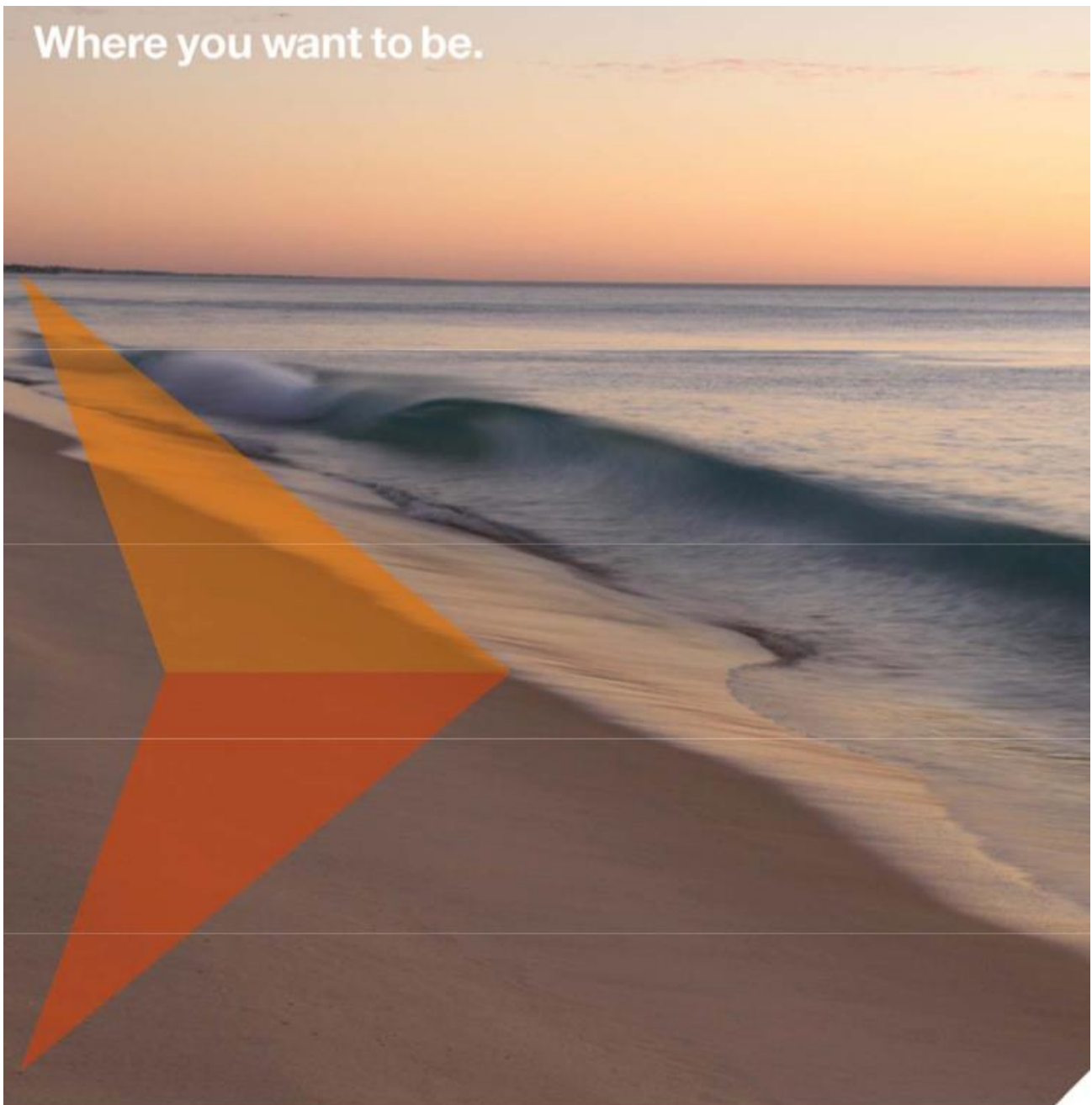
Failure to address identified matters may result in an internal control framework that is weak and ineffective and could lead to a qualified audit opinion.

Local Government Act 1999

Local Government (Financial Management) Regulations 2011

ATTACHMENTS

1. **Interim Audit Management Report 2022-2023**  



Where you want to be.



August 2023

Yorke Peninsula Council

Interim Report of Audit Finding

David Papa, Partner
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Telephone +61 8 8372 7900
dpapa@adel.bentleys.com.au | bentleys.com.au

➤ Advisors ➤ Accountants ➤ Auditors

Yorke Peninsula Council // August 2023

Executive summary

We are providing our interim report on the audit of Yorke Peninsula Council for the year ending 30 June 2023.

Dear Mr Rob Reiman,

We have conducted our interim audit of Yorke Peninsula Council for the year ending 30 June 2023 and report to management and those charged with governance the following matters for information purposes and for consideration of implementation or corrective action.

At the conclusion of our testing, using the information obtained we determined if there were any material matters or concerns that would impact the decision-making ability of the users of the financial report.

No material matters have been raised, and the following matters reported to management are immaterial and will not impact on your opinion of the control environment:

- General ledger reconciliations
- Lack of historical data for suppliers
- Basis for evaluation criteria in tendering
- Contract register
- Contractor management
- Outdated policies

We intend to issue an unmodified audit opinion over the internal control environment of Yorke Peninsula Council, pending any outstanding information.

Sincerely,



David Papa

Partner,

+61 8 8372 7900

dpapa@adel.bentleys.com.au



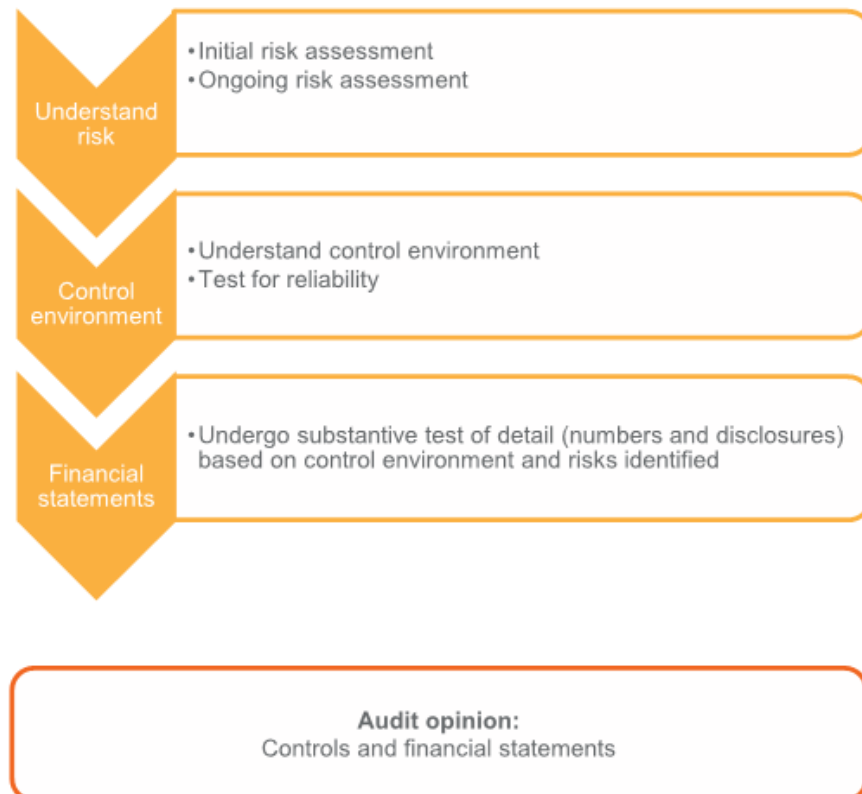


Audit approach

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. The benefits of this approach are:

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





Identified audit risks

As your auditor, our requirement to identify risk commences at the planning phase of our audit and continues throughout the audit process until complete and the audit report is signed. Below we have detailed identified risks relating to the financial statements.

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

Risks identified at planning

Area

Opening Balances

Risk

There is a risk that the opening balances from the previous period are materially misstated.

Audit Approach

Upon discussion with management, it was agreed that our team will perform testing over the comparative figures at an additional cost. This will enable us to gain comfort on the opening balances and comply with the requirements of the Auditing Standards.

Outcome

Pending. A significant portion of the testing has been completed, however there are some documents yet to be received.

Area

Asset revaluation

Risk

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

Audit Approach

This will be tested as part of our year end testing since Fixed Asset modules are update at the yearend along with revaluations.

Outcome

Pending





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.

Audit Approach

We performed testing over the control environment based on the testing cycle in our audit plan.

Outcome

Satisfactory. Refer to the matters below for further details on issues identified.

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.

Audit Approach

We will perform testing over material grants received at our year end visit. This testing will also address the classification risk above.

Outcome

Pending



Yorke Peninsula Council // August 2023

Identified audit risks

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.

Audit Approach

The testing for the capital WIP will be performed as part of our year end testing.

Outcome

Pending



€



Internal control matters

We bring the following internal control matters identified in this year’s audit to your attention for consideration.

Issue

General ledger reconciliations

Observation

We identified that the independent review of the monthly general ledger reconciliations, such as aged receivable and aged payables, was not always performed by finance.

We acknowledge there was a changeover of the Manager of Financial Services earlier this financial year.

Requirement

It is a requirement under the better practice model that an independent review of aged receivables and payables is performed.

Significance

Whilst we confirmed there is no final review by the Manager of Financial Services, we do not believe this matter is material as the reconciliations were prepared by the AP/AR officer.

Therefore, this will not impact our opinion in our assurance report over internal controls.

Recommendation

We recommend ensuring these independent reviews completed monthly.

Management response

Independent reviews of monthly general ledger reconciliations by the Manager Financial Services were reinstated as of March 2023 month end.

Outstanding independent reviews for the 2022-2023 financial year which were identified at the time of interim audit site visit have since been completed by the Manager Financial Services.

All independent reviews confirmed reconciled balances per initial finance staff month end reconciliation.

Issue

Lack of historical data for suppliers

Observation

We noted that Management is not maintaining information regarding previous purchases from suppliers.





Internal control matters

We understand that Council tried to maintain the monitoring of suppliers via INTRANET, however it is difficult to use. Only one month of data can be reviewed, so when a single supplier is engaged for multiple purchases, management cannot obtain data older than one month.

Requirement

Per the Purchasing and Procurement Policy, one of the considerations for determining the method of purchase when there are multiple purchases from a single supplier, the aggregated total, or total estimate, of all purchases (GST exclusive) within the current financial year across Council from that supplier.

Significance

As there are also other considerations applied when determining the method of procurement, such as potential benefits, specific circumstances, size of the market, etc., the risk of inappropriate procurement is considered low. As such, this matter is not considered material and therefore will no impact our audit opinion.

Recommendation

Management determine how they will compile the required supplier history for use in future procurement activities.

Management response

Council's finance system(s) hold information regarding previous purchases from suppliers but, to the best of our knowledge, do not hold this information in a form that facilitates quick tracking of cumulative spend for the current financial year. Comments regarding prior attempts to address cumulative spend tracking through our Intranet site are also correct.

At present, full data is unable to be accessed through this means consistently. Management is aware of this issue and have recently allocated resources to begin to address this matter. Further to additional resourcing Council is currently evaluating a tender for replacement of its Enterprise Resource Planning software which may potentially enable 'real-time' tracking of aggregated spend.

In the interim, management will take steps to determine how supplier history is compiled for use in future procurement activities to enable compliance with policy and is presently trialling options to assist in compliance.





Internal control matters

Issue

Basis for evaluation criteria in tendering

Observation

There is insufficient evidence showing that the Tender Manager provided sufficient and clear explanation for evaluation criteria and weighting to evaluation members. There was also insufficient evidence that the Tender Panel members acknowledged and accepted the reasoning behind the evaluation criteria before the tender was advertised.

In discussions with management, it was understood that the basis for the evaluation criteria is sometimes discussed and agreed verbally.

Requirement

Per the Evaluating Tenders and Expressions of Interest Procedure, once the Tender Manager has finalised the proposed evaluation criteria and subsequent weightings and entered them into the Matrix, it must be emailed to all members of the Panel. The reasoning behind the criteria and weightings must be explained and must be agreed to by the majority of the Panel via email prior to any advertising of the Tender/EOI.

All records regarding this matter should be registered in Council’s EDRMS.

Significance

As there is evidence of an evaluation matrix being applied to the tender applicants, as well as sign off by the CEO, the risk of an inappropriate decision being made is considered low and, therefore, this matter is not considered material.

Recommendation

Basis for evaluation criteria be appropriately documented and saved in the Content Manager in accordance with the policy. All related correspondence relating to acknowledgement and acceptance of the criteria should also be maintained in the Content Manager.

Management response

Management intends to address this recommendation through the provision of further education to tender panel members, budget managers and project managers on the contents and requirements of Council’s Evaluating Tenders and Expressions of Interest Policy.

Additional guidance materials may be developed to assist with compliance.



Yorke Peninsula Council // August 2023

Internal control matters

Issue

Contract register

Observation

The contract register has not been maintained.

We understand management has commenced work on creation of a contracts register, however staff turnover and resourcing issues have delayed effective implementation of this process.

Requirement

Per the Purchasing and Procurement Policy, once a supplier has been selected, all executed contracts/agreements must be registered in Council's EDRM System and details recorded in the Contracts Register.

Significance

As each Project Manager is responsible for monitoring their own project, we do not consider this matter material and, therefore, will not impact our audit opinion.

However, where there is a change over in Project Managers, there is a risk that adequate monitoring of contract terms and conditions may not be met, which may result in less than adequate service standards from the supplier.

Recommendation

It is recommended management maintain its contract register.

Management response

Management is aware of this issue and have recently allocated resources to address this matter.

In addition to additional resourcing, Council is currently evaluating a tender for replacement of its Enterprise Resource Planning software which will most likely include provisions for improved procurement capabilities through systems software integration.



Yorke Peninsula Council // August 2023

Internal control matters

Issue**Contractor management****Observation**

There was insufficient evidence around contractor management and monitoring activities.

We noted the following in discussion with Management:

- there are no formal/standard procedures to monitor the milestone and quality/service standards for contractors.
- Supplier/contractor performance is managed by the relevant Project Manager who assesses work completed against project deliverables and makes recommendations for or against payment of invoices (when received) based on the quantity and quality of work performed. The level of process and procedure utilised by Project Managers vary based upon the size and complexity of the project, and from time to time involve the assessment of invoices and works by external parties prior to payment.
- All supporting documents are kept by the Project Manager. Each quarter, a budget review should be provided for each project and significant variances should be explained.

However, no evidence of project management was provided for our testing, or quarterly budget reviews.

Risk

Poor service standards or quality of goods provided to Council, or delays in project timelines.

Significance

While we understand there is contractor management in place, we cannot verify this is happening as there is insufficient documentation.

As there are sufficient controls around the selection of the contractor before they are engaged, we believe this to be a documentation issue. As such, this matter is not considered material and therefore will no impact our audit opinion.

Recommendation

Project Managers document and maintain evidence of monitoring activities.



Internal control matters

Management response

Council holds a strong commitment to appropriate contractor management practices. There is ample evidence of documented contractor management and quality achievement on the large high-risk projects like Gardiner Road/ Fowler Terrace Heavy Vehicle Road upgrade, North Coast Road Stage 1 and the Minlaton Childcare Centre building projects.

Management notes external audit observations and their classification as an immaterial documentation issue. Management will take steps to implement the recommendation for Project Managers to document and maintain evidence of monitoring activities, taking into account the size and scale of Council operations and resource limitations.

Issue

Outdated policies

Observation

We noted that there is no formal policy or procedure in relation to the General Ledger.

We also reviewed the controlled document register and noted the Asset Management Policy is overdue for review. Date of review was November 2022.

Risk

Lack of policy and procedures increases the risk that new employees would not be aware of the processes and controls.

Significance

The formal general ledger policy should provide instructions on what the process is for making amendments to the general ledger and details of the reconciliations process.

As these are not considered material weaknesses in controls, this will not impact our opinion on the internal control environment.

Recommendation

We recommend an establishment and review of those policies.

Management response

Management will seek to develop a general ledger policy/procedure which provides instruction on the processes is for making amendments to the general ledger and details of reconciliations processes.

Where you want to be

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➤ Advisors ➤ Accountants ➤ Auditors

8.7 BALANCE DATE EXTERNAL AUDIT ATTENDANCE 2023**Document #:** 23/75343**Department:** Corporate and Community Services**PURPOSE**

To inform the Audit and Risk Committee about the balance date external audit attendance and scope for 2022/2023.

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

External audit of Council's 2022/2023 Annual Financial Statements by Bentleys is scheduled for 25 to 28 September 2023 at Council's Maitland office.

DISCUSSION

Bentleys have confirmed dates for the balance date audit with Council staff and have issued requests for information via their online systems which will be used to conduct the audit. Attached is the initial audit scope downloaded from the online portal. Upload of the requested information and supporting documentation will be required to the online portal for Bentleys to undertake the audit.

As required, the Management Representation letter will be completed and supplied to Bentleys once the Annual Financial Statements have been audited. A copy will be provided to the Audit and Risk Committee at its October 2023 meeting. Solicitor representation and bank confirmation letters have already been prepared and forwarded onto Council's solicitors and banks.

COMMUNITY ENGAGEMENT PLAN

Level 1 - Inform

CONSULTATION PROCESS

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

- Manager Financial Services
- Accountant Financial Operations

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

- Nil

POLICY IMPLICATIONS

Audit Committee Terms of Reference and Work Plan

BUDGET AND RESOURCE IMPLICATIONS

Nil

RISKS/LEGAL/LEGISLATIVE/ IMPLICATIONS

Failure to provide adequate documentation to Council's external Auditors in a timely manner may result in a delay in finalisation of the Annual Financial Statements.

ATTACHMENTS

1. **Audit Scope - Balanced Date Audit 2023** [↓](#) 

Awaiting response

7 days overdue

Instructions

Find below a list of items required for the audit period. Mark individual requests as complete when all documentation is provided for a specific request. Once marked complete it will be removed from your request list. If you have accidentally marked a request as complete, it will lock you out but we are able to enable it again for you. Please comment if you have any questions underneath individual requests and we will be notified and respond accordingly.

General

Awaiting Response

Final Trial Balance at 30 June 2023 in excel format, including all zero balances and account numbers.

Please notify if any changes have been made subsequent to uploading this TB, we will need to process the same journals on our end.

File upload

Awaiting Response

Draft financials in PDF and excel format

File upload

Financial implications of COVID-19 workings (If applicable)

Awaiting Response

File upload

Budget verse actual data and comments on significant variances

Awaiting Response

Prior year final numbers verse current year data at 30 June with comments on significant movements

File upload

Related Parties

Related parties register in excel format

Awaiting Response

File upload

Cash and Cash Equivalents

Bank reconciliations for all bank accounts at 30 June 2020

Awaiting Response

File upload

Awaiting Response

June 2023 bank statements for all bank accounts

File upload

Awaiting Response

Bank statements for all bank accounts after 30 June - date of year end audit (or as close to)

File upload

Trade and Other Receivables

Awaiting Response

Aged debtor report at 30 June and reconciliation

File upload

Awaiting Response

Provision for doubtful debts calculation, including AASB 9 assessment (ECL model)

File upload

Awaiting Response

Reconciliation of loans to communities (if applicable)

File upload

Awaiting Response

Reconciliation of accrued revenue

File upload

Awaiting Response

June BAS statement

File upload

Inventories

Awaiting Response

Inventory reconciliations at 30 June with stock takes performed to confirm balances (If applicable)

File upload

Financial Assets

Awaiting Response

Audited financial reports as at 30 June 2023 for all equity accounted investments

File upload

Property Plant & Equipment

Awaiting Response

All fixed asset registers in excel

File upload

Awaiting Response

Insurance policy through to 2023 financial year, batch payment listing when paid and bank statement

File upload

Awaiting Response

Note 4 reconciliation

File upload

Awaiting Response

Expenditure on new/upgraded assets listing

File upload

Awaiting Response

Expenditure on renewal/replacement of assets listing (system extract)

File upload

Awaiting Response

All revaluation reports, including dates of revaluation

Date

Select Date



File upload

Awaiting Response

Asset revaluation schedule, including year of revaluation for each asset category

File upload

Other Assets

Awaiting Response

WIP report in excel format

File upload

Trade and Other Payable

Awaiting Response

Aged creditors listing and reconciliation at 30 June

File upload

Awaiting Response

Reconciliation for amounts received in advance at 30 June

File upload

Awaiting Response

List of payments made after 30 June in excel format

File upload

Awaiting Response

Listing of accrued expenditure (if any) at 30 June

File upload

Financial Liabilities

Awaiting Response

Loans register at 30 June (both current and non-current splits)

File upload

Awaiting Response

Loan reconciliations at 30 June

File upload

Awaiting Response

Loan statements at 30 June

File upload

Provisions

Awaiting Response

Up to date list of employees in excel format

File upload

Awaiting Response

Annual leave workings at 30 June in excel format

File upload

Awaiting Response

Long service leave workings at 30 June in excel format

File upload

Contingencies and Commitments

Awaiting Response

Solicitor confirmations recieved

File upload

Awaiting Response

List of legal expenses from 1 July - 30 June in excel format. Please produce the report with creditor name.

File upload

Awaiting Response

Leases Register (where council is the lessee), detailing all leases held, the asset market value, expiry date of the lease, and further lease terms

File upload

Awaiting Response

Workings behind leases AASB 16 standard. This should show balances for ROU assets and liabilities and amortisation and interest

File upload

Revenue

Awaiting Response

Revenue data on a month by month basis in excel format from 1 July - 30 June. Can this be split in categories in line with the financials? i.e. rates, statutory/user charges, user income, grants income

File upload

Expenses

Awaiting Response

Depreciation expense data on a month by month basis in excel format from 1 July - 30 June

File upload

Awaiting Response

Interest expenses GL on a month by month basis and loan balances on a month by month basis in excel format for the period of 1 July - 30 June

File upload

Awaiting Response

Materials, contracts and other expenses data on a month by basis from 1 July - 30 June in excel format

File upload

Payroll

Awaiting Response

Payroll data on a month by month basis in excel format for accounts of salaries, overtime, superannuation and workers comp

File upload

Acquittals

Awaiting Response

Supporting documentation for grant acquittals requiring an audit

File upload

Subsequent Events

Awaiting Response

Management accounts after 30 June to date close to signing


File upload

Going Concern

Response Submitted

2024 budget and business plan

File upload

 Yorke Peninsula Council - Annual Business Plan 2023-2024.pdf
Uploaded: July 17, 2023

July 17, 2023

3:06 pm DG Annual business plan including budget for 2023-2024 uploaded.

Response submitted

8.8 TREASURY MANAGEMENT PERFORMANCE 2022-2023**Document #:** 23/71802**Department:** Corporate and Community Services**PURPOSE**

Review of Council's treasury management (investments and borrowings) activity and performance for 2022/2023 in accordance with legislation and PO139 Treasury Management Policy.

RECOMMENDATION

That the Audit and Risk Committee receive the report and recommend to Council that it be endorsed as presented.

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

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

5.5 Undertake effective risk management

BACKGROUND

The Local Government Act 1999 section 140 requires that Council undertake a review of its investments at least once each year. Furthermore, section 4(d) of Council's policy, PO139 Treasury Management, requires Council to consider a report on treasury management performance inclusive of borrowings annually.

DISCUSSION**Investments**

Sections 139 and 140 of the Act provide the framework for investment of money under Council's control, stipulating investment performance to be reviewed at least once in each year. Council's Treasury Management Policy builds on the legislative framework to ensure financial and other risks are managed when investing public funds, sets parameters and limits, details investment types permitted, determines the authorised officers and what strategy and process should be followed.

Council currently invests surplus funds in 24 hour "at call" accounts and fixed term deposits with the Local Government Finance Authority (LGFA) at market competitive interest rates. Working funds for day-to-day operations are held with the ANZ Bank (being Council's 'transaction account') and are kept to the minimal level required to support day-to-day operations. Surplus funds are transferred to the 24 hour "at call" account in the short term in accordance with the policy.

This report provides a summary of investments for the 2022/2023 financial year to enable Council to review the performance of its investments in accordance with the Act and policy PO139 Treasury Management.

The following table shows the investments and cash held with the LGFA and ANZ Bank at the end of each quarter during the 2022/2023 financial year.

| Type | Sep 2022 (\$) | Dec 2022 (\$) | Mar 2023 (\$) | Jun 2023 (\$) |
|---|------------------------|------------------------|------------------------|-----------------------|
| LGFA | | | | |
| 24 Hour "at Call" | 5,918,561.32 | 4,728,074.50 | 2,728,140.27 | 3,942,264.37 |
| Term Deposits | 11,500,000 | 10,500,000 | 11,500,000 | 3,000,000 |
| Minlaton Library Equipment | 16,294.98 | 16,407.15 | 16,542.61 | 16,704.12 |
| Yorke town Library Equipment | 30,045.71 | 30,252.41 | 30,502.44 | 30,800.38 |
| Maitland Community Library Equipment | 15,750.53 | 15,585.83 | 15,989.84 | 16,145.96 |
| Ardrossan Library Equipment | 51,379.79 | 51,733.31 | 52,160.76 | 52,669.78 |
| Land Sales | 157,599.08 | 157,599.08 | 157,599.08 | 157,599.08 |
| Erichsen Heritage Trust | 29,276.94 | 29,478.46 | 29,722.03 | 30,012.03 |
| Minlaton RSL Trust | 2,093.22 | 2,107.74 | 2,125.16 | 2,145.90 |
| Warooka RSL Trust | 5,923.49 | 5,964.31 | 6,013.55 | 6,072.25 |
| Curramulka RSL Trust | 2,012.21 | 2,025.98 | 2,042.63 | 2,062.52 |
| Open Space & Recreation | 131,267.46 | 131,267.46 | 131,267.46 | 131,267.46 |
| Warooka Land Sale | 17,777.17 | 17,777.17 | 17,777.17 | Nil |
| Yorke Peninsula Leisure Options | 31,316.82 | 31,316.82 | 31,316.82 | 31,316.82 |
| ANZ | | | | |
| Operating Account | 96,402.04 | 417,473.03 | 100,475.84 | 533,134.91 |
| Rates Account | 103,563.50 | 294,166.03 | 37,993.84 | 51,544.45 |
| Point Turton Caravan Park Operating account | 33,466.71 | 57,642.49 | 4,423.24 | 18,051.93 |
| Marion Bay Caravan Park Operating account | 38,550.37 | 39,860.12 | 4,940.99 | 11,023.48 |
| Port Vincent Caravan Park Operating account | 34,190.17 | 75,983.44 | 8,606.15 | 14,035.58 |
| Yorke town Caravan Park Operating account | 3,582.43 | 4,962.96 | 704.08 | 2,344.43 |
| Black Point Caravan Park | 2,368.64 | 5,878.17 | 994.09 | 1,792.35 |
| Port Rickaby Caravan Park | 10,725.33 | 34,230.64 | 1,946.86 | 13,480.71 |
| Total | \$18,232,147.91 | \$16,649,787.10 | \$14,881,284.91 | \$8,064,468.51 |

Performance

Total interest income earned from working capital held (ANZ) and investments (LGFA) for the period of 1 July 2022 to 30 June 2023 was \$490,922.06 (2021/2022: \$81,021.44). \$490,878.50 of the total interest was from the LGFA (including the bonus payment of \$43,179.09) with the balance of \$43.56

from ANZ. A further \$7,303.91 in interest was generated through internal borrowings (refer Cash Advance Debenture (CAD) – Port Rickaby Caravan Park section below).

The increase in total interest in 2022/2023 compared to the previous year can be attributed to the following:

- Higher cash balances due to increased one-off grant funding for incomplete projects.
- Increasing interest rates (especially in comparison to the previous financial year).
- Increased revenue from user charges, in particular bush camping and caravan parks.

Interest rates on investments, in particular the 24 hour “at call” account, are heavily influenced by the Reserve Bank of Australia (RBA) cash rate. The interest rate of the LGFA was 1.05% at the 1st July 2022, of which regularly increased throughout the year reaching a high of 4.30% at 30 June 2023.

Interest rates offered by LGFA are comparable to rates offered by other authorised deposit-taking institutions (ADI’s) for similar investment products. In addition to the payment of interest on amounts deposited the LGFA also provide an annual bonus payment depending on the total quantum of funds invested with them throughout the year. This last financial year (2022/2023) Council received an annual bonus of \$43,179.09.

The table below shows the quarterly change in the LGFA’s interest rates throughout 2022/2023.

| Interest Rates | Sep 2022 | Dec 2022 | Mar 2023 | Jun 2023 |
|----------------------------------|----------|----------|----------|----------|
| 24 Hour at Call | 2.55% | 3.30% | 3.80% | 4.30% |
| Term Deposits (average of terms) | 2.10% | 3.17% | 3.77% | 4.14% |

In addition to investing funds in the 24 hour “at call” account, Council also invests funds surplus to immediate working capital requirements, in term deposits. Term deposits are generally for periods of 30, 60 or 90 days. Terms in excess of 90 days are available on request.

Interest rates for term deposits offered by LGFA are determined by the financial market and driven by prevailing economic conditions. That is, the interest rate can change daily as the financial markets respond to current, and speculate on future, economic conditions. As a result, the differential between the 24 hour “at call” rate and the term deposit rate can fluctuate daily.

The use of fixed term deposits is a risk management strategy to maximise interest rate returns. Given fixed term deposits have a higher interest rate than the 24 hour “at call” account, surplus cash requirements are constantly monitored to maximise investment returns.

It should be noted that the end of financial year 24 hour “at call” account balance also included funds received on 29 June 2023 for the advance payment of Council’s 2023/2024 Financial Assistance Grant of approximately \$2.15m.

Borrowings

Council’s outstanding loan principal at 30 June 2023 was \$6.7m a decrease of \$1.3m on the prior year end balance of \$8.3m. The table below details the movement against each type of loan and the closing balance of Council’s loan portfolio;

| Loan Type | 2021/2022 Principal Remaining \$ | 2021/2022 Interest Paid \$ | 2022/2023 Principal Remaining \$ | 2022/2023 Interest Paid \$ |
|---------------------|---|-------------------------------------|---|-------------------------------------|
| Council Loans | 7,301,843 | 246,451 | 6,203,045 | 301,135 |
| Community Loans | 432,653 | 24,148 | 184,658 | 19,161 |
| Special Rates Loans | 224,890 | 10,818 | 185,658 | 9,195 |

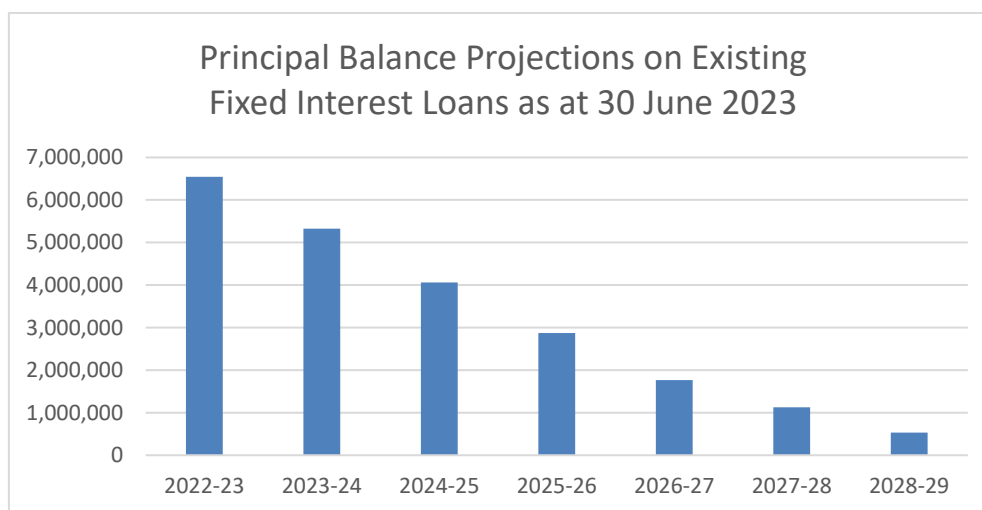
| Loan Type | 2021/2022 | 2021/2022 | 2022/2023 | 2022/2023 |
|------------------------------|---------------------|------------------|---------------------|------------------|
| | Principal Remaining | Interest Paid | Principal Remaining | Interest Paid |
| | \$ | \$ | \$ | \$ |
| Cash Advance Debenture (CAD) | 314,717 | 4,379 | Nil | Nil |
| Total | \$8,274,103 | \$285,795 | \$6,730,081 | \$329,491 |

The movements in the table above can be explained as follows:

- One Community Loan (54 – Stansbury Sewer Scheme Final Variations) ended in 2022/2023.
- Council’s Community Loan threshold as per the policy still has capacity as at 30 June 2023 for a further \$1,158,621 to be borrowed.

All existing Community Loans are scheduled to be paid out by the end of financial year 2028/2029.

Council’s portfolio consists of both fixed and variable interest rate borrowings, which comply with Council’s current Treasury Management Policy (PO139) requirements. The Policy sets a minimum of 80% of all loans to be fixed, and no more than 20% to be variable in any given year. The maximum term for loans in Council’s portfolio is currently 10 years; except for the Office Building and Road Acceleration Program borrowing which was approved by Council for a 15-year term. Council has spread its exposure to interest rate movement by ensuring a variety of maturity dates for its loans. This is demonstrated by the graph below, which shows year-end balances as Council’s current fixed loans expire.



Cash Advance Debenture (CAD) – Port Rickaby Caravan Park

In 2020/2021, Council chose to use the CAD to the value of \$350,814 to facilitate the purchase and setup of the Port Rickaby Caravan Park. At the time of draw down (August and October 2020) this special COVID discounted CAD had a net interest rate of 0.45% (including the COVID discount of 0.75%). This CAD facility, with its discounted interest rate, was due to expire in July 2023, after which the CAD interest rate (at that time) was forecast to increase by 0.75%.

Following the July 2022 cash rate increase resulting in the CAD interest rate increasing to 2.55% (inclusive of COVID discount) a decision was made to pay down the CAD in full (\$314,717) and convert it to an internal borrowing to the park from general revenue. This decision was based on the following:

- Council having cash reserves of \$13.4m at the time earning 1.55% at call or 2.31% on a 90-day term deposit.
- Interest rate on the CAD being up to a full 1% higher than the interest rate on Council’s surplus cash at call.

- Ongoing increases to the monthly cash rate resulting in subsequent increases to the CAD interest rate. Since the CAD was paid down on 7 July 2022 the cash rate and the CAD interest rate have increased by a further 2.75%; and
- The 0.75% COVID discount expiring in July 2023.

The internal loan amount for the park currently stands at \$156,545.82 (2021/2022 Balance: \$266,877) following application of the 2022/2023 park surplus to the internal loan. An interest rate, equivalent to that foregone by Council not keeping that cash in it's at call account, will be applied to the internal loan on a monthly basis. The current interest rate for Council's LGFA 24hr at call account was 4.30% at the 30th June 2023.

COMMUNITY ENGAGEMENT PLAN

Level 1 - Inform

CONSULTATION PROCESS

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

- Manager Financial Services
- Accountant Financial Management

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

- Nil

POLICY IMPLICATIONS

PO139 Treasury Management Policy

BUDGET AND RESOURCE IMPLICATIONS

Efficient cash flow reporting and treasury management practices ensure financial resources are available in support of and as per Council's Budget and return on public funds is maximised.

RISKS/LEGAL/LEGISLATIVE/ IMPLICATIONS

Local Government Act 1999

Local Government (Financial Management) Regulations 2011

ATTACHMENTS

Nil

8.9 PO166 RELATED PARTY DISCLOSURES POLICY AND PR166 RELATED PARTY DISCLOSURES PROCEDURE**Document #:** 23/80476**Department:** Corporate and Community Services**PURPOSE**

To seek Audit and Risk Committee's endorsement of the updated PO166 Related Party Disclosures Policy and new PR166 Related Party Disclosures Procedure.

RECOMMENDATION

That the Audit and Risk Committee receive the updated PO166 Related Party Disclosures Policy and new PR166 Related Party Disclosure Policy, as presented, and recommend to Council that both documents be adopted as presented.

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

5.2 Effective leadership and informed decision making

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

5.5 Undertake effective risk management

BACKGROUND

The Local Government Act 1999 and the associated Local Government (Financial Management) Regulations 2011 require Council to prepare its Annual General Purpose Financial Statements in compliance with Australian Accounting Standards and the Model Financial Statements.

The objective of AASB124 Related Party Disclosures is to ensure that an entity's financial statements contain the disclosures necessary to draw attention to the possibility that its financial position, and profit or loss, may have been affected by the existence of related parties, and by transactions and outstanding balances, including commitments, with such parties.

As part of the regular review of Council's policies, the Related Party Disclosures Policy has been reviewed and updated to maintain compliance.

DISCUSSION

The review of the Related Party Disclosures Policy and creation of the Related Party Disclosure Procedure has sought to remove procedural information from the existing policy whilst making minor adjustments to these procedural items to provide clarity to the reader and aid compliance.

The revised, draft Policy is provided in two formats; a clean copy (attachment 1) without track changes to provide a more reader friendly version, and a version with the changes tracked (attachment 2) to allow easy identification of the modifications made.

Key updates include:

- Removal of procedural information, standard forms and example information.
- Clarification on scope of application.
- Clarification of policy statement.

The new, draft procedure is also provided as a clean copy (attachment 3) the procedure contains information previously contained within the policy which has been updated to provide greater clarity for the reader.

Key information updates include:

- Criteria for Identification of Key Management Personnel clarified to also include acting personnel depending on time in acting role.
- Procedural items which mirror revised policy commitments
- Creation of a register for related party transactions
- Removal of unnecessary scenario example information on the basis that examples are provided within AASB124.

New standard forms, SF527 Related Party Declaration by Key Management Personnel and SF528 Related Party Transactions Declaration by Key Management Personnel have been created and included as attachments to this report for reference (attachment 4 and 5). These forms were previously contained within the policy document and are available for use in collecting and confirming information regarding related parties and related party transactions.

COMMUNITY ENGAGEMENT PLAN

Level 1 – Inform.

CONSULTATION PROCESS

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

- Director Corporate and Community Services
- Manager People, Culture, Safety and Risk
- Manager Financial Services

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

- Nil

POLICY IMPLICATIONS

- 1 Code of Conduct for Council Members
- 2 Code of Conduct for Council Employees
- 3 PO091 – Risk Management
- 4 PO156 – Internal Financial Control
- 5 PO015 – Code of Practice for Access to Council Meetings and Council Documents

BUDGET AND RESOURCE IMPLICATIONS

There are no direct financial management implications associated with this report, however it is worth noting the additional time and effort required to research, document and implement the financial reporting requirements imposed on Council to comply with AASB124.

RISKS/LEGAL/LEGISLATIVE/ IMPLICATIONS

Failure to implement the requirements of the standard may result in adverse auditing comments which may lead to a reputational risk to Council. This risk has been mitigated through the development of a comprehensive policy and procedure and through education of the staff required to prepare the disclosures and persons required to submit related party information.

ATTACHMENTS

1. Draft PO166 Related Party Disclosures Policy - Clean Copy [↓](#) 
2. Draft PO166 Related Party Disclosures Policy - Tracked Changes Copy [↓](#) 
3. Draft PR166 Related Party Disclosures Procedure [↓](#) 
4. Draft SF527 Related Party Declaration by Key Management Personnel [↓](#) 
5. Draft SF528 Related Party Transactions Declaration by Key Management Personnel [↓](#) 



COUNCIL POLICY

Related Party Disclosures

| | | | |
|----------------------------------|--|--------------------------|--------------|
| Policy Number: | PO166 | | |
| Strategic Plan Objective: | 5. Responsible Governance and Leadership | | |
| Policy Owner: | Director of Corporate & Community Services | Record Number: | 18/69276[v2] |
| Responsible Officer: | Manager Financial Services | Minute Reference: | 058/2019 |
| Date Adopted: | 13/03/2019 | Next Review Date: | March 2023 |

1. POLICY OBJECTIVES

The Yorke Peninsula Council (Council) is committed to ensuring that “related party transactions” are properly identified and appropriately disclosed within Council’s annual General Purpose Financial Statements in accordance with the ‘Australian Accounting Standard AASB124 – Related Party Disclosures (AASB 124)’ (referred to as AABS 123’.

2. SCOPE

This policy applies to:

- All Councillors
- The Chief Executive Officer
- The Director of Asset and Infrastructure Services
- The Director of Corporate & Community Services
- The Director of Development Services, and
- Any other persons identified by Council as meeting the definition of Key Management Personnel.

3. DEFINITIONS

Refer to Attachment 1.

4. POLICY STATEMENT

Through the identification and disclosure of Related Party Transactions, this Policy and the Related Party Disclosure Procedure (PR166) will assist Council to prepare Annual General Purpose Financial Statements in compliance with the Local Government Act 1999 (Section

PO166 – Related Party Disclosures Policy

127) and associated Local Government (Financial Management) Regulations 2011, which align with the Australian Accounting Standards and the Model Financial Statements.

To comply with the requirements of the AASB 124 Council will:

- Identify Key Management Personnel;
- Identify related party relationships and related party transactions excluding ordinary citizen transactions;
- Establish and maintain systems to identify and capture related party transactions, including the required information about those transactions;
- Identify the circumstances in which disclosures of identified transactions is required;
- Assess the materiality of identified transactions, and
- Determine the category of disclosure to be made about transactions in Council's General Purpose Financial Statements for the purpose of complying with AASB 124.

5. COMPLAINTS

Complaints about this policy can be made in writing to the Director Corporate Community Services. All complaints will be managed in accordance with Council's Complaints Policy PO147.

6. REVIEW

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

7. TRAINING

Council is committed to supporting Council/Committee Members and Employees in complying with this Policy. Training needs will be reviewed, as necessary, in consideration of any changes to legislation, relevant standards, codes and guidelines and audit findings.

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

Code of Conduct for Council Employees Policy (PO014)

Code of Practice for Access to Council Meetings and Council Documents (PO015)

Internal Financial Control Policy (PO156)

Related Party Declaration by Key Management Personnel Standard Form (SF527)

Related Party Disclosures Procedure (PR166)

Related Party Transactions Declaration by Key Management Personnel Standard Form (SF528)

Risk Management Policy (PO091)

10. REFERENCES AND LEGISLATION

AASB 10 Consolidated Financial Statements

PO166 – Related Party Disclosures Policy

AASB 11 Joint Arrangements

AASB 124 Related Party Disclosures

AASB 128 Investments in Associates and Joint Ventures

Behavioural Standards for Council Members (section 75E of the Local Government Act 1999)

Local Government (Financial Management) Regulations 2011

Local Government Act 1999

Local Government Association South Australia Model Financial Statements

11. COUNCIL DELEGATION

Any applicable delegations are available on Councils website via the Delegations register via <https://yorke.sa.gov.au/about-us/forms-plans-and-publications/registers/>

12. VERSION HISTORY

| Version No | Issue Date | Description of Change |
|------------|------------|--|
| 1 | 13/03/2019 | New Policy |
| 2 | TBC | Full Revision with majority of document moved to new Procedure (PR166) and Standard Forms (SF527 and SF528). |

PO166 – Related Party Disclosures Policy**ATTACHMENT 1: DEFINITIONS**

| Term/Reference | Definition |
|---------------------------------|---|
| Close Family Member of a person | Are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include: <ol style="list-style-type: none"> a) that person's children and spouse or domestic partner; b) children of that person's spouse or domestic partner; and c) dependants of that person or that person's spouse or domestic partner. |
| Control | An investor controls an investee when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. |
| Joint Control | The contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. |
| Key Management Personnel | Are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity |
| Material | Information is material to financial statements if omitting it or misstating it could influence decisions that users make on the basis of financial information. |
| Ordinary Citizen Transaction | Transactions which occur on terms and conditions no different to those applying to the general public and have been provided in the course of delivering public service objectives. |
| Related Party | Is a person or entity that is related to the entity that is preparing its financial statements (also known as the 'reporting entity') is: <ul style="list-style-type: none"> • A person or a close family member of that person's family is related to a reporting entity if that person: <ul style="list-style-type: none"> ○ has control or joint control of the reporting entity; ○ has significant influence over the reporting entity; or ○ is a member of the key management personnel of the reporting entity or of a parent of the reporting entity. |
| Related Party Transaction | Is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged. |
| Significant Influence | is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies. |



COUNCIL POLICY

Related Party Disclosures

| | | | |
|----------------------------------|--|--------------------------|---|
| Policy Number: | PO166 | | |
| Strategic Plan Objective: | 5. Responsible Governance and Leadership | | |
| Policy Owner: | Director of Corporate & Community Services | Record Number: | 48/69276[v4] / 18/69276[v2] |
| Responsible Officer: | Manager Financial Services | Minute Reference: | TBA058/2019 |
| Date Adopted: | 13/03/2019 | Next Review Date: | March 2023 |

1. POLICY OBJECTIVES

~~The Yorke Peninsula Council (Council) is committed to ensuring that This policy aims to ensure "related party transactions" as provided for are properly identified and appropriate disclosed within Council's annual General Purpose Financial Statements in accordance with the 'Australian Accounting Standard AASB124 – Related Party Disclosures (AASB 124)' (referred to as AABS 123) are properly identified and appropriately disclosed in Yorke Peninsula Council's (Council) annual General Purpose Financial Statements.~~

2. SCOPE

This policy applies to:

- All Councillors
- The Chief Executive Officer
- The Director of Asset and Infrastructure Services
- The Director of Corporate & Community Services
- The Director of Development Services, and
- Any other persons identified by Council as meeting the definition of Key Management Personnel. This policy has been developed to provide guidance in complying with the Local Government Act 1999 and the associated Local Government (Financial Management) Regulations 2011, which collectively require Council to prepare its Annual General Purpose Financial Statements in compliance with Australian Accounting Standards and the Model Financial Statements. The policy directs appropriately authorised Council employees to ensure compliance

PO166 – Related Party Disclosures Policy

~~with AASB124 and applies to all Key Management Personnel (KMP), as defined in this policy.~~

3. DEFINITIONS

Refer to Attachment 1.

4. POLICY STATEMENT

~~Through the identification and disclosure of Related Party Transactions, this Policy and the Related Party Disclosure Procedure (PR166) will assist Council to prepare Annual General Purpose Financial Statements in compliance with the This policy has been developed to provides guidance in complying with the Local Government Act 1999 (Section 127) and and the associated Local Government (Financial Management) Regulations 2011, which align, which collectively require Council to prepare its Annual General Purpose Financial Statements in compliance with- with the Australian Accounting Standards and the Model Financial Statements.~~

~~The objective To comply with the requirements of the AASB 124 Council will:~~

- ~~• Identify Key Management Personnel;~~
- ~~• Identify related party relationships and related party transactions excluding ordinary citizen transactions;~~
- ~~• Establish and maintain systems to identify and capture related party transactions, including the required information about those transactions;~~
- ~~• Identify the circumstances in which disclosures of identified transactions is required;~~
- ~~• Assess the materiality of identified transactions, and~~
- ~~• Determine the category of disclosure to be made about transactions in Council's General Purpose Financial Statements for the purpose of complying with AASB 124. of AASB124 is to ensure that an entity's financial statements contain the disclosures necessary to draw attention to the possibility that its financial position and performance may have been affected by the existence of related parties and by transactions and outstanding balances, including commitments, with such parties.~~
- ~~• There are four types of related parties Council must consider when seeking to ensure compliance with AASB 124:~~
 - ~~• Entities related to council;~~
 - ~~• Key Management Personnel (KMP);~~
 - ~~• Close family members of KMP; and~~
 - ~~• Entities that are controlled or jointly controlled by either 2 or 3 above.~~
- ~~• For further information on Council's related parties refer to Attachment 2.~~
- ~~• A related party transaction is any transaction between Council and the above related parties, whether monetary or not. For Council purposes, ordinary citizen transactions are excluded (refer to Attachment 3).~~
- ~~• Disclosure in Council's annual financial statements will only be made where a transaction has occurred between Council and a related party of Council, and the transaction is material in nature or size, when considered individually or collectively (refer to Attachment 3).~~

PO166 – Related Party Disclosures Policy

- ~~In order to meet the disclosure requirements, all KMP must periodically provide a related party declaration identifying any close family members and entities controlled or jointly controlled by KMP or their close family members (refer to Attachment 5).~~
- ~~Related party declarations will be requested by appropriately authorised Council employees at least annually but may be requested more frequently depending on circumstances. An annual list of any related party transactions for review and confirmation will be forwarded to KMPs in July in relation to the prior financial year (refer to Attachment 5).~~
- ~~The information collected in the declarations will be used for the purposes of preparing Council's financial statement note disclosures. Appropriately authorised Council employees will maintain appropriate records to assess the related parties and related party transactions. The declarations and related party records are subject to audit as part of the annual external audit by Council's external auditors (refer to Attachment 7).~~
- ~~The notification requirements listed above are different from and in addition to:~~
- ~~The notifications a Prescribed Officer must make for the purposes of Council maintaining a Register of Interests in accordance sections 112 to 115 of the Local Government Act 1999; and~~
- ~~The notifications an elected member must make for the purposes of Council maintaining the Register of Interests in accordance with sections 64 to 67 of the Local Government Act 1999~~

5. COMPLAINTS

Complaints about this policy can be made in writing to the Director Corporate Community Services. All complaints will be managed in accordance with Council's Complaints Policy [PO147](#).

6. REVIEW

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

7. TRAINING

Council is committed to supporting Council/Committee Members and Employees in complying with this Policy/Procedure.

Training needs will be reviewed, as necessary, in consideration of any changes to legislation, relevant standards, codes and guidelines and audit findings.

~~KMP and staff are provided with appropriate training to enable them to meet the requirements of this policy.~~

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

Code of Conduct for Council Employees [Policy \(PO014\)](#)

~~Code of Conduct for Council Members~~

PO166 – Related Party Disclosures Policy

~~PO015—Code of Practice for Access to Council Meetings and Committee Meetings and Council Documents (PO015) Code of Practice~~

~~PO156—Internal Financial Control Policy (PO156)~~

~~SF527—Related Party Declaration by Key Management Personnel Standard Form (SF527)~~

~~PR166—Related Party Disclosures Procedure (PR166)~~

~~SF528—Related Party Transactions Declaration by Key Management Personnel Standard Form (SF528)~~

~~PO091—Risk Management Policy (PO091)~~

10. REFERENCES AND LEGISLATION

[AASB 10 Consolidated Financial Statements](#)

[AASB 11 Joint Arrangements](#)

AASB 124 Related Party Disclosures

[AASB 128 Investments in Associates and Joint Ventures](#)

[Behavioural Standards for Council Members \(section 75E of the Local Government Act 1999\)](#)

Local Government (Financial Management) Regulations 2011

Local Government Act 1999

[Local Government Association South Australia Model Financial Statements](#)

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| <u>2</u> | <u>TBC</u> | <u>Full Revision with majority of document moved to new Procedure (PR166) and Standard Forms (SF527 and SF528).</u> |

PO166 – Related Party Disclosures Policy**ATTACHMENT 1: DEFINITIONS**

| <u>Term/Reference</u> | <u>Definition</u> |
|--|---|
| <u>Close Family Member of a person</u> | <p>Are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:</p> <p>a) <u>that person's children and spouse or domestic partner;</u></p> <p>b) <u>children of that person's spouse or domestic partner; and</u></p> <p>c) <u>dependants of that person or that person's spouse or domestic partner.</u></p> |
| <u>Control</u> | <p>An investor controls an investee when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.</p> |
| <u>Joint Control</u> | <p>The contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.</p> |
| <u>Key Management Personnel</u> | <p>Are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity</p> |
| <u>Material</u> | <p>Information is material to financial statements if omitting it or misstating it could influence decisions that users make on the basis of financial information.</p> |
| <u>Ordinary Citizen Transaction</u> | <p>Transactions which occur on terms and conditions no different to those applying to the general public and have been provided in the course of delivering public service objectives.</p> |
| <u>Related Party</u> | <p>Is a person or entity that is related to the entity that is preparing its financial statements (also known as the 'reporting entity') is:-</p> <ul style="list-style-type: none"> • <u>A person or a close family member of that person's family is related to a reporting entity if that person:</u> <ul style="list-style-type: none"> ○ <u>has control or joint control of the reporting entity;</u> ○ <u>has significant influence over the reporting entity; or</u> ○ <u>is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.</u> |
| <u>Related Party Transaction</u> | <p>A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.</p> |
| <u>Significant Influence</u> | <p>is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies.</p> |
| <u>Term/Reference</u> | <u>Definition</u> |
| <u>Control</u> | <p>An investor controls an investee when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.</p> |

PO166 – Related Party Disclosures Policy

| <u>Term/Reference</u> | <u>Definition</u> |
|-----------------------|---|
| Joint control | The contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. |
| Material | Information is material to financial statements if omitting it or misstating it could influence decisions that users make on the basis of financial information. |

DRAFT

PO166 – Related Party Disclosures Policy

~~related parties~~

~~There are four types of related parties Council must consider when seeking to ensure compliance with AASB 124 which are elaborated on below:~~

~~**Entities related to council**~~

~~Entities controlled by Council, jointly controlled by Council or over which Council has significant influence are related parties of Council.~~

~~The terms "control", "joint control" and "significant influence" are defined in AASB 10, AASB 11 and AASB 128 respectively and are used in this Standard with the meanings specified in those Australian Accounting Standards.~~

~~**Key Management Personnel (KMP)**~~

~~KMPs are persons having authority and responsibility for planning, directing and controlling the activities of Council, directly or indirectly.~~

~~For Council, KMPs currently include the:~~

~~Elected Members (including the Mayor);
Chief Executive Officer; and
Directors.~~

~~In future upon review additional persons may be identified as KMPs.~~

~~**Close family members of KMP**~~

~~Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:~~

~~That person's children and spouse or domestic partner;
Children of that person's spouse or domestic partner; and
Dependents of that person or that person's spouse or domestic partner.~~

~~Under AASB 124, close family members could include extended members of a family (such as, without limitation, a parent, grandparent, siblings, etc.) if they could be expected to influence, or be influenced by, the KMP in their dealings with Council.~~

~~The following table provides assistance in identifying close family members of KMP:~~

PO166 – Related Party Disclosures Policy

| Definitely a close family member | Maybe a close family member |
|---|--|
| Your spouse/domestic partner | Your brothers and sisters, if they could be expected to influence, or be influenced by you in their dealing with Council |
| Your children | Your aunts, uncles and cousins, if they could be expected to influence, or be influenced by you in their dealing with Council |
| Your dependents | Your parents and grandparents, if they could be expected to influence, or be influenced by you in their dealing with Council |
| Children of your spouse/domestic partner | Your nieces and nephews, if they could be expected to influence, or be influenced by you in their dealing with Council |
| Dependents of your spouse/domestic partner | Any other member of your family if they could be expected to influence, or be influenced by you in their dealing with Council |

~~There may be relationships that a council has which are not identified in this attachment but still meet the definition of a related party.~~

Example: Cousin of Councillor

~~A Councillor for the Sunny Shire Council has lived in the Shire her whole life. In fact her family has been in the area for generations.~~

~~The Councillor’s cousin, owns and operates the local newsagent through a company ABC Pty Ltd, in which she owns 100% of the shares. The Councillor and her cousin have always been close and regularly socialise together.~~

~~From these facts it would appear that the Councillor’s cousin is a close family member of the Councillor because she would be expected to influence, or be influenced by, that person in her dealings with Council.~~

~~Both the cousin and the company she controls, ABC Pty Ltd would therefore be related parties of Council.~~

~~Any transactions that the Council makes with the newsagent would need to be separately identified and may need to be disclosed.~~

Entities that are controlled or jointly controlled by either 2 or 3 above

~~Entities include companies, trusts, incorporated and unincorporated associations such as clubs and charities, joint ventures and partnerships.~~

PO166 – Related Party Disclosures Policy

You control an entity if you have:

Power over the entity;

Exposure, or rights, to variable returns from your involvement with the entity; and

The ability to use your power over the entity to affect the amount of your returns.

Example of control

Fred is the Mayor of Sunny Shire Council and owns 100% of the ordinary shares in Sunny Development Company Pty Ltd (the company). The ordinary shares are the only shares in the company that have voting rights.

Fred controls the company because he has the power to affect the company's decisions and the return that he will get from the company.

Fred will need to include the company on his related party declaration.

To jointly control an entity there must be contractually agreed sharing of control of the entity, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Example of joint control

Fred is the Mayor of Sunny Shire Council and owns 50% of the ordinary shares in Sunny Development Company Pty Ltd (the company). Fred's brother Stan owns the other 50% of ordinary shares. Fred and Stan are the only Directors of the company and have equal voting rights on the board.

Fred and Stan have joint control of the company because any decisions require the unanimous consent of them both.

Fred will need to include the company on his related party declaration.

In some cases it will be obvious that you or a family member control or have joint control over an entity. In other cases it will be less clear.

If you are unsure whether you, or a close family member, has control or joint control of an entity then you should contact the Manager Financial Services for a confidential discussion.

Example: Clubs or other incorporated bodies

PO166 – Related Party Disclosures Policy

A Sunny Shire Council Councillor is the President of Sunny Shire Football Club Inc, the local football club. This club is overseen by a committee which comprises the President and four other committee members. Each member has a single vote when making decisions at meetings. The committee members are not related and do not have agreements to vote with one another. The club has over 100 members that each have a vote in electing the committee members at the club's annual general meeting.

From these facts it would appear that the Councillor does not control or jointly control the football club so it will not be a related party of Council just because the Councillor is the president of the club.

Example: Audit committee member

Sunny Shire Council's audit committee comprises two Councillors and a local retired accountant, Fred. Fred has no other connection with the council.

The audit committee attends to the functions as required under the Audit Regulations. It does not make any decisions on behalf of the council but simply provides reports, with recommendations, for the Mayor and councillors to consider.

Based on the facts outlined Fred would not be a KMP of council.

Example: Son of CFO employed by council

Sunny Shire Council has recently employed Paul's son (George) in the Council's parks and garden's area. Paul is Council's Deputy Chief Executive Officer but was not involved in hiring George. This process was managed by the Director of Parks and Gardens and included an independent assessment process. Paul did not have any influence in George securing the job.

Paul has been identified as a KMP of council, which makes him a related party.

George will also be a related party of Council because he is a close family member of Paul. The recruitment process that was undertaken for George's position is irrelevant when assessing whether George is a related party.

Example: Cousin of Mayor – related party commonly known but omitted from declaration

Shelley, the Mayor of Sunny Shire Council forgets to include her cousin Mavis, and Mavis' company, when she completes her KMP declaration.

It is commonly known in the community that Shelley and Mavis are close and that Shelley would be expected to influence, or be influenced by, Mavis in her dealings with Council and vice versa.

PO166 – Related Party Disclosures Policy

Mavis and her company are related parties of Council, even though Shelley omitted them from her declaration.

A related party transaction is a transfer of resources, services or obligations between the Council and a related party, regardless of whether a price is charged.

AASB 124 lists the following examples of related party transactions:

Purchases or sales of goods;
 Purchases or sales of property and other assets;
 Rendering or receiving of services;
 Rendering or receiving of goods;
 Leases;
 Transfers under licence agreements;
 Transfers under finance arrangements (example: loans);
 Provision of guarantees (given or received);
 Commitments to do something if a particular event occurs or does not occur in the future;
 Settlement of liabilities on behalf of Council or by Council on behalf of that related party.

To assist in determining whether a related party transaction with Council has occurred, the following transactions or provision of services have been identified as meeting this criteria (please note this list is not exhaustive):

Paying rates;
 Fines;
 Use of Council owned facilities such as [town halls, libraries, parks, ovals and other public open spaces (whether charged a fee or not)];
 Attending council functions that are open to the public;
 Employee compensation whether it is for KMP or close family members of KMP;
 Application fees paid to the Council for licences, approvals or permits;
 Lease agreements for housing rental (whether for a Council owned property or property sub-leased by the Council through a Real Estate Agent);
 Lease agreements for commercial properties;
 Monetary and non-monetary transactions between the Council and any business or associated entity owned or controlled by the related party (including family) in exchange for goods and/or services provided by/to the Council (trading arrangement);
 Sale or purchase of any property owned by the Council, to a person identified above;
 Sale or purchase of any property owned by a person identified above, to the Council;
 Loan Arrangements; and
 Contracts and agreements for construction, consultancy or services.

Ordinary Citizen Transactions

Some of the transactions listed above, occur on terms and conditions no different to those applying to the general public and have been provided in the course of delivering public service objectives. These transactions are those that an ordinary citizen would undertake with council and are referred to as an Ordinary Citizen Transaction (OCT).

Where Council can determine that an OCT was provided at arm's length, and in similar terms and conditions to other members of the public and that the nature of the transaction is immaterial, no disclosure in the annual financial report will be required.

PO166 – Related Party Disclosures Policy

Generally OCTs are not material transactions because of their nature. These transactions are unlikely to influence the decisions that users of Council's financial statements make, having regard to both the extent of the transactions, and that the transactions have occurred within a public service provider / taxpayer relationship.

For example, if a Councillor were to walk their dog in a council owned park, then that would be a related party transaction. However, it is unlikely that users of the financial statements would be interested in this transaction. It is a taxpayer / government entity transaction that may be undertaken by any ordinary citizen.

Unless there are indications that such transactions have occurred on terms and conditions significantly different to those offered to the general public, OCTs will be excluded from being captured and reported as related party transactions at Council.

Examples of OCTs at Council include:

Rates and utility charges;
 Use of Council facilities, equipment and services in accordance with Council's fees, charges and policies (e.g. visiting a Council park, library or swimming pool);
 Fines and other penalties on normal terms and conditions;
 Attendance at a Council function or activity open to the public;
 Any other transaction occurring during the course of delivering Council's public service objectives and which occur on no different terms to that of the general public.

Examples of transactions that are not considered OCTs for Council purposes include:

Procurement related transactions (e.g. KMP's company supplies materials or services to Council)
 Infrastructure charges (e.g. KMP's company pays an infrastructure charge to Council).
 Development charges (e.g. KMP and/or close family member lodge planning and building applications with Council).

Identification of Related Party Transactions

Related party transactions will be identified by appropriately authorised Council employees via the following high-level process:

Collate information from Council's financial systems;
 Review of other relevant documentation;
 Obtain declarations from KMP that identified related party transactions are complete and accurate, including confirmation of terms and conditions of transactions (refer Attachment 6).

Records of related party transactions (excluding OCTs) will be maintained by appropriately authorised Council employees for the purposes of assessment and may be disclosed in Council's annual financial statements, depending on materiality disclosure requirements

Under AASB 124, Council is required to disclose in its Annual Financial Statements compensation to KMPs in total and for each of the following categories:

- a) Short term employee benefits;
- b) Post-employment benefits;
- c) Other long term benefits;
- d) Termination benefits; and
- e) Share based payment.

The standard also requires disclosure of certain amounts received from KMPs.

PO166 – Related Party Disclosures Policy

~~If the Council has had related party transactions during the relevant period covered by the annual financial statements, it is required to disclose in those financial statements the nature of the related party relationship as well as information about those transactions and outstanding balances, including commitments. At a minimum, disclosures shall include:~~

~~The value of the transaction(s);~~

~~The value of outstanding balance(s), including commitments, and;~~

~~Their terms and conditions, including whether they are secured, and the nature of consideration to be provided in settlements;~~

~~Details of any guarantees given or received.~~

~~Provisions for doubtful debts related to the amount of outstanding balances; and~~

~~The expense recognised during the period in respect of bad or doubtful debts due from related parties.~~

~~Disclosures made as above shall be made separately for the following categories:~~

~~a) — Subsidiaries[^];~~

~~b) — Associates[^];~~

~~c) — Joint ventures in which Council is a joint venturer[^];~~

~~d) — KMP; and~~

~~e) — Other related parties.~~

~~[^] These entities will, typically, be identified as part of the financial statement preparation process in accordance with the relevant accounting standards and will most likely be disclosed in the notes relating to interests in other entities where deemed to be material.~~

PO166 – Related Party Disclosures Policy

related-party declaration by key management personnel

This form is to be completed by Council's key management personnel (KMP) pursuant to PO166 – Related Party Disclosures. The information collected in this declaration will be used for the purposes of identifying related party transactions in order to ensure appropriate disclosure is made in the annual financial statements of Council and its controlled entities in accordance with Australian Accounting Standard AASB 124 Related Party Disclosures, and is subject to audit by Council's external auditor.

Please refer to Council's PO166 – Related Party Disclosure when completing this form. Return completed form to the admin@yorke.sa.gov.au

| | |
|--------------------------|--|
| Reporting Period: | |
| Your Details | |
| Full Name | |
| Position | |

| | |
|----------------------------------|----------------------------|
| Your Close Family Members | |
| Name of Close Family | Relationship to You |
| | |
| | |
| | |
| | |
| | |

| | | |
|---|-----------------------------|--|
| Entities Controlled or Jointly Controlled by You and / or Close Family Members | | |
| Name of Entity | ABN or ACN of Entity | Period-Related (If not for full period) |
| | | |
| | | |
| | | |

| | | | |
|--|--|-------------|--|
| Declaration | | | |
| I declare that, to the best of my knowledge, the above information is a complete and accurate record of my close family members and the entities controlled, or jointly controlled, by myself or my close family members. I make this declaration after reading the PO166 – Related Party Disclosures Policy which details the purposes for which this information will be used and disclosed. | | | |
| Signature | | Date | |

PO166 – Related Party Disclosures Policy

RELATED PARTY TRANSACTIONS DECLARATION BY KEY MANAGEMENT PERSONNEL
 This form has been pre-populated by appropriately authorised Council employees pursuant to PO166 – Related Party Disclosures and is based on information provided in the related party declarations by key management personnel (KMP) and information from Council's records. Related party transactions identified in this declaration may be used for the purposes of preparing Council's financial statement disclosures in accordance with Australian Accounting Standards, and are subject to audit by Council's external auditor.

KMP should review the information below for completeness and accuracy and make any necessary updates prior to signing the declaration. Please refer to PO166 – Related Party Disclosure Policy when completing this form. Return completed form to admin@yorke.sa.gov.au

Reporting Period:

Your Details

| | |
|------------------|-----------------|
| Full Name | Position |
|------------------|-----------------|

Related Party Transactions with Council

| Details of Transaction | Details and Nature of Relationship | Total Value of Transactions for Period (GST Incl.) | Outstanding Balances as at Year End (30 th June) | Commitment as at Year End (30 th June) | Comments / Terms and Conditions of Transaction |
|--|--|--|---|---|--|
| <i>e.g. Provision of electrical services</i> | <i>e.g. Sparky Pty Ltd – company wholly owned by my son <name of son ></i> | <i>e.g. \$25,000</i> | <i>e.g. \$7,500 receivable from Council</i> | <i>e.g. Nil</i> | <i>e.g. awarded through request for quote, standard terms and conditions</i> |
| | | | | | |
| | | | | | |
| | | | | | |

Declaration

I declare that, to the best of my knowledge, the above information is a complete and accurate record of related party transactions with Council involving myself, close family members or entities controlled or jointly controlled by myself or close family members. For any close family members noted above, I have informed them about the purpose of this declaration and how the information will be used and disclosed. I have also informed you of any updates to my related parties since my last declaration. I make this declaration after reading PO166 – Related Party Disclosures Policy.

| | |
|------------------|-------------|
| Signature | Date |
|------------------|-------------|

PO166 – Related Party Disclosures Policy

CONFIDENTIALITY

Confidentiality applies to documents and information collected for the purposes of this policy in accordance with the Local Government Act 1999.

The following persons are permitted to access, use and disclose the information for the purposes of compiling Council's financial statements:

Chief Executive Officer;
Executive Assistant to the CEO and Mayor
Director Corporate & Community Services;
Appropriately authorised Finance Services employees responsible for the preparation and review of financial statements;
Governance Officer;
Internal Audit Staff;
Records staff;
An auditor of Council; and
Other officers as delegated by the Chief Executive Officer



COUNCIL PROCEDURE

Related Party Disclosures

| | | | |
|----------------------------------|--|--------------------------|--------------|
| Policy Number: | PR166 | | |
| Strategic Plan Objective: | 5. Responsible Governance and Leadership | | |
| Policy Owner: | Director of Corporate & Community Services | Record Number: | 23/77356[v1] |
| Responsible Officer: | Manager Financial Services | Minute Reference: | TBA |
| Date Adopted: | TBA | Next Review Date: | TBA |

1. PROCEDURE OBJECTIVES

The Yorke Peninsula Council (Council) is committed to ensuring that "related party transactions" are properly identified and appropriately disclosed within Council's Annual General Purpose Financial Statements in accordance with the Australian Accounting Standard AASB124 – Related Party Disclosures (AASB 124) (referred to as AASB 123).

2. SCOPE

This policy applies to:

- All Councillors
- The Chief Executive Officer
- The Director of Asset and Infrastructure Services
- The Director of Corporate & Community Services
- The Director of Development Services, and
- Any other persons identified by Council as meeting the definition of Key Management Personnel.

3. DEFINITIONS

Refer to Attachment 1.

4. PROCEDURE

Through the identification and disclosure of Related Party Transactions, this Procedure and the Related Party Disclosure Policy (PO166) will assist Council to prepare Annual General Purpose Financial Statements in compliance with the Local Government Act 1999 (Section 127) and associated Local Government (Financial Management) Regulations 2011, which align with the Australian Accounting Standards and the Model Financial Statements.

PR166 – Related Party Disclosures PROCEDURE

4.1. Identification of Key Management Personnel (KMP)

AASB 124 provides the formal definition of KMP (refer definitions). It should be noted in considering each possible related party relationship, attention is directed to the substance of the relationship and not merely the legal form.

For Council, KMPs currently include:

- All Councillors - The elected members are the equivalent of the directors of a for-profit entity and are specifically included by the phrase "including any director (whether executive or otherwise)".
- Chief Executive Officer - The Chief Executive Officer is entrusted by the Local Government Act 1999 (especially section 99) with the responsibility for "planning, directing and controlling the activities of the" Council.
- Other Senior Officers - Senior officers with management responsibilities who report direct to the CEO (i.e. – Directors) are regarded as being members of the KMP. Prescribed officers as defined in Section 112 of the Local Government Act 1999 are also included.

Where an employee of Council acts in the capacity of any of the above positions for a single period equal to or exceeding four (4) weeks they will be deemed to be KMP of Council for that period.

4.2. Identification of Related Party Relationships

To meet the disclosure requirements, all KMP must provide a related party declaration by completing the SF527 Related Party Declaration by Key Management Personnel Standard Form (SF527). This paperwork will identify any close family members (also known as a related party) and/or entities that are controlled or jointly controlled by KMP or their close family members on an annual basis. The terms "control", "joint control" and "significant influence" are defined in AASB 10, AASB 11 and AASB 128 respectively and are used in this procedure with the meanings specified in those Australian Accounting Standards (refer definitions).

Council will request KMP complete the SF527 at least once per annum.

4.3. Identification of Related Party Transactions

A related party transaction is a transfer of resources, services or obligations between the Council and a related party, regardless of whether a price is charged. For Council purposes, ordinary citizen transactions are excluded.

AASB 124 lists the following examples of related party transactions:

- a) Purchases or sales of goods;
- b) Purchases or sales of property and other assets;
- c) Rendering or receiving of services;
- d) Rendering or receiving of goods;
- e) Leases;
- f) Transfers under licence agreements;
- g) Transfers under finance arrangements (i.e. loans);
- h) Provision of guarantees (given or received);
- i) Commitments to do something if a particular event occurs or does not occur in the future;

PR166 – Related Party Disclosures PROCEDURE

- j) Settlement of liabilities on behalf of Council or by Council on behalf of that related party.

To assist in determining whether a related party transaction with Council has occurred, the following transactions or provision of services have been identified as meeting this criteria (please note this list is not exhaustive):

- Paying rates;
- Fines;
- Use of Council owned facilities such as [town halls, libraries, parks, ovals and other public open spaces (whether charged a fee or not)];
- Attending Council functions that are open to the public;
- Employee compensation whether it is for KMP or close family members of KMP;
- Application fees paid to the Council for licences, approvals or permits;
- Lease agreements for housing rental (whether for a Council owned property or property sub-leased by the Council through a Real Estate Agent);
- Lease agreements for commercial properties;
- Monetary and non-monetary transactions between the Council and any business or associated entity owned or controlled by the related party (including family) in exchange for goods and/or services provided by/to the Council (trading arrangement);
- Sale or purchase of any property owned by the Council, to a person identified above;
- Sale or purchase of any property owned by a person identified above, to the Council;
- Loan Arrangements; and
- Contracts and agreements for construction, consultancy or services.

4.4. Ordinary Citizen Transactions

Some of the transactions listed above, occur on terms and conditions no different to those applying to the general public and have been provided in the course of delivering public service objectives. These transactions are those that an ordinary citizen would undertake with Council and are referred to as an Ordinary Citizen Transaction (OCT).

Where Council can determine that an OCT was provided at arm's length, and in similar terms and conditions to other members of the public and that the nature of the transaction is immaterial, no disclosure in the annual financial report will be required.

Generally, OCTs are not material transactions because of their nature. These transactions are unlikely to influence the decisions that users of Council's Financial Statements make, having regard to both the extent of the transactions, and that the transactions have occurred within a public service provider / taxpayer relationship.

For example, if a Councillor were to purchase a boat ramp permit to enable the launch of their boat from a Council owned boat ramp, that would be a related party transaction. However, it is unlikely that users of the financial statements would be interested in this transaction. It is a ratepayer / government entity transaction that may be undertaken by any ordinary citizen.

PR166 – Related Party Disclosures PROCEDURE

Unless there are indications that such transactions have occurred on terms and conditions significantly different to those offered to the general public, OCTs will be excluded from being captured and reported as related party transactions at Council.

Examples of OCTs at Council include:

- Rates and utility charges;
- Use of Council facilities, equipment and services in accordance with Council's fees, charges and policies (e.g. visiting a Council park, library or caravan park);
- Fines and other penalties on normal terms and conditions;
- Attendance at a Council function or activity open to the public;
- Any other transaction occurring during the course of delivering Council's public service objectives and which occur on no different terms to that of the general public.

Examples of transactions that are not considered OCTs for Council purposes include:

- Procurement related transactions (e.g. KMP's company supplies materials or services to Council)
- Infrastructure charges (e.g. KMP's company pays an infrastructure charge to Council).
- Development charges (e.g. KMP and/or close family member lodge planning and building applications with Council).

Related party transactions will be identified by appropriately authorised Council employees via the following high-level process:

- Collate information from Council's financial systems;
- Review of other relevant documentation; and
- Obtaining declarations from KMP that identified related party transactions are complete and accurate, including confirmation of terms and conditions of transactions.

4.5. Recording Related Party Transactions

Records of related party transactions (excluding OCTs) will be maintained by Council for the purposes of assessment and a register will be created for this purpose. Identified transactions may be disclosed in Council's Annual Financial Statements, depending on materiality.

An annual list of any related party transactions for review and confirmation will be forwarded to relevant KMPs in July/August in relation to the prior financial year (SF528). The information collected in the declarations will be used for the purposes of preparing Council's financial statement note disclosures. Council will maintain appropriate records to assess the related parties and related party transactions and these records are subject to audit as part of the annual external audit by Council's External Auditors.

The notification requirements listed above are different from and in addition to:

- a) The notifications a Prescribed Officer must make for the purposes of Council maintaining a Register of Interests in accordance Sections 112 to 115 of the Local Government Act 1999; and

PR166 – Related Party Disclosures PROCEDURE

- b) The notifications an Elected Member must make for the purposes of Council maintaining the Register of Interests in accordance with Sections 64 to 67 of the Local Government Act 1999.

4.6. Disclosure of Related Party Transactions

Under AASB 124, Council is required to disclose in its Annual Financial Statements compensation to KMPs in total and for each of the following categories:

- a) Short term employee benefits;
- b) Post-employment benefits;
- c) Other long term benefits;
- d) Termination benefits; and
- e) Share based payment.

The standard also requires disclosure of certain amounts received from KMPs.

If the Council has had related party transactions during the relevant period covered by the Annual Financial Statements, it is required to disclose in those financial statements the nature of the related party relationship as well as information about those transactions and any outstanding balances, including commitments. At a minimum, disclosures shall include:

- a) The value of the transaction(s);
- b) The value of outstanding balance(s), including commitments:
 - Their terms and conditions, including whether they are secured, and the nature of consideration to be provided in settlements;
 - Details of any guarantees given or received.
- c) Provisions for doubtful debts related to the amount of outstanding balances; and
- d) The expense recognised during the period in respect of bad or doubtful debts due from related parties.

Disclosures made as above shall be made separately for the following categories:

- a) Subsidiaries[^];
- b) Associates[^];
- c) Joint ventures in which Council is a joint venturer[^];
- d) KMP; and
- e) Other related parties.

[^] These entities will, typically, be identified as part of the financial statement preparation process in accordance with the relevant accounting standards and will most likely be disclosed in the notes relating to interests in other entities where deemed to be material.

Disclosure in Council's Annual Financial Statements will only be made where a transaction has occurred between Council and a related party of Council, and the transaction is material in nature or size, when considered individually or collectively.

4.7. Information Access and Privacy Considerations

Confidentiality applies to documents and information collected for the purposes of this procedure in accordance with the Local Government Act 1999.

PR166 – Related Party Disclosures PROCEDURE

The following persons are permitted to access, use and disclose the information for the purposes of compiling Council's financial statements:

- a) Chief Executive Officer;
- b) Executive Assistant to the CEO and Mayor;
- c) Director Corporate & Community Services;
- d) Council's Finance staff responsible for the preparation and review of financial statements;
- e) Governance Officer;
- f) Internal Audit staff;
- g) Records staff;
- h) An authorised Auditor of Council; and
- i) Other officers as approved by the Chief Executive Officer.

5. COMPLAINTS

Complaints about this policy can be made in writing to the Director Corporate Community Services. All complaints will be managed in accordance with Council's Complaints Policy PO147.

6. REVIEW

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

7. TRAINING

Council is committed to supporting Council/Committee Members and Employees in complying with this Policy/Procedure. Training needs will be reviewed, as necessary, in consideration of any changes to legislation, relevant standards, codes and guidelines and audit findings.

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

Code of Conduct for Council Employees

Code of Conduct for Council Members

Code of Practice for Access to Council Meetings and Council Documents Policy (PO015)

Internal Financial Control Policy (PO156)

Related Party Declaration by Key Management Personnel Standard Form (SF527)

Related Party Disclosures Policy (PO166)

Related Party Transactions Declaration by Key Management Personnel (SF528)

Risk Management Policy (PO091)

PR166 – Related Party Disclosures PROCEDURE**10. REFERENCES AND LEGISLATION**

AASB 10 Consolidated Financial Statements
 AASB 11 Joint Arrangements
 AASB 124 Related Party Disclosures
 AASB 128 Investments in Associates and Joint Ventures
 Local Government (Financial Management) Regulations 2011
 Local Government Act 1999
 Local Government Association South Australia Model Financial Statements

11. COUNCIL DELEGATION

Any applicable delegations are available on Councils website via the Delegations register via <https://yorke.sa.gov.au/about-us/forms-plans-and-publications/registers/>

12. VERSION HISTORY

| Version No | Issue Date | Description of Change |
|------------|------------|--|
| 1 | TBC | New Procedure (previously contained within PO166 – Related Party Disclose Policy and with some expansion). |

PR166 – Related Party Disclosures PROCEDURE**ATTACHMENT 1: DEFINITIONS**

| Term/Reference | Definition |
|---------------------------------|--|
| Close Family Member of a person | Are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include: <ul style="list-style-type: none"> (a) that person's children and spouse or domestic partner; (b) children of that person's spouse or domestic partner; and (c) dependants of that person or that person's spouse or domestic partner. |
| Control | An investor controls an investee when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. |
| Joint control | The contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. |
| Key Management Personnel | Are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity. |
| Material | Information is material to financial statements if omitting it or misstating it could influence decisions that users make on the basis of financial information. |
| Ordinary Citizen Transaction | Transactions which occur on terms and conditions no different to those applying to the general public and have been provided in the course of delivering public service objectives. |
| Prescribed Officers | As defined in section 112 of the Local Government Act 1999 |
| Related Party | Is a person or entity that is related to the entity that is preparing its financial statements (the 'reporting entity'). A person or a close family member of that person's family is related to a reporting entity if that person: <ul style="list-style-type: none"> (a) has control or joint control of the reporting entity; (b) has significant influence over the reporting entity; or (c) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity. |
| Related Party Transaction | A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged. |
| Significant Influence | is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies. |



| | |
|--|--|
| <h2>RELATED PARTY DECLARATION BY KEY MANAGEMENT PERSONNEL</h2> | SF527 |
| | Responsible Officer: Manager Financial Services |
| | Issue Date: Click to insert issue date. |
| | Next Review Date: Click to insert date – to be determined by the Form Owner. |

This form is to be completed by Council’s key management personnel (KMP) pursuant to PR166 Related Party Disclosures Procedure. The information collected in this declaration will be used for the purposes of identifying related party transactions in order to ensure appropriate disclosure is made in the annual financial statements of Council and its controlled entities in accordance with Australian Accounting Standard AASB 124 Related Party Disclosures and is subject to audit by Council’s external auditor.

Please refer to Council’s PR166 - Related Party Disclosure Procedure when completing this form. Return completed form to the admin@yorke.sa.gov.au

| | |
|--------------------------|--|
| Reporting Period: | |
| Your Details | |
| Full Name: | |
| Position: | |

| Your Close Family Members | |
|-----------------------------|---------------------|
| Name of Close Family Member | Relationship to You |
| | |
| | |
| | |
| | |
| | |

| Entities Controlled or Jointly Controlled by You and/or Close Family Members | | |
|--|----------------------|-------------------------------------|
| Name of Entity | ABN or ACN of Entity | Period Related (If not full period) |
| | | |
| | | |
| | | |

| | | | |
|---|--|--------------|--|
| Declaration | | | |
| I declare that, to the best of my knowledge, the above information is a complete and accurate record of my close family members and the entities controlled, or jointly controlled, by myself or my close family members. I make this declaration after reading the PR166 - Related Party Disclosures Procedure which details the purposes for which this information will be used and disclosed. | | | |
| Signature: | | Date: | |

Printed copies are considered uncontrolled. Before using a printed copy, verify that it is the current version. Updated: [Click to insert issue date](#)

YORKE PENINSULA COUNCIL

PRINCIPAL OFFICE:
8 Elizabeth Street, Maitland
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



| | |
|--|--|
| <p>RELATED PARTY TRANSACTIONS DECLARATION BY KEY MANAGEMENT PERSONNEL</p> | SF528 |
| | Responsible Officer: Manager Financial Services |
| | Issue Date: Click to insert issue date. |
| | Next Review Date: Click to insert date – to be determined by the Form Owner. |

This form has been pre-populated by appropriately authorised Council employees pursuant to PR166 - Related Party Disclosures Procedure and is based on information provided in the related party declarations by key management personnel (KMP) and information from Council’s records. Related party transactions identified in this declaration may be used for the purposes of preparing Council’s financial statement disclosures in accordance with Australian Accounting Standards and are subject to audit by Council’s external auditor. KMP should review the information below for completeness and accuracy and make any necessary updates prior to signing the declaration. Please refer to PR166 - Related Party Disclosure Procedure when completing this form. Return completed form to admin@yorke.sa.gov.au

| Related Party Transactions with Council | | | | | |
|---|--|--|---|---|--|
| Details of Transaction | Details and Nature of Relationship | Total Value of Transactions for Period (GST Incl.) | Outstanding Balances as at Year End (30 th June) | Commitment as at Year End (30 th June) | Comments / Terms and Conditions of Transaction |
| <i>e.g., Provision of electrical services</i> | <i>e.g., Sparky Pty Ltd – company wholly owned by my son <name of son></i> | <i>e.g., \$25,000</i> | <i>e.g., \$7,500 receivable from Council</i> | | <i>e.g., awarded through request for quote, standard terms, and conditions</i> |
| | | | | | |
| | | | | | |
| | | | | | |

| Declaration | | | |
|--|--|--------------|--|
| <p>I declare that, to the best of my knowledge, the above information is a complete and accurate record of related party transactions with Council involving myself, close family members or entities controlled or jointly controlled by myself or close family members. For any close family members noted above, I have informed them about the purpose of this declaration and how the information will be used and disclosed. I have also informed you of any updates to my related parties since my last declaration. I make this declaration after reading PR166 - Related Party Disclosures Procedure.</p> | | | |
| Signature: | | Date: | |

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8.10 POLICY REVIEW - PO184 BUSINESS ENHANCEMENT PROGRAM**Document #:** 23/77838**Department:** Corporate and Community Services**PURPOSE**

To seek Audit and Risk Committee endorsement of the updated PO184 Business Enhancement Program.

RECOMMENDATION

That the Audit and Risk Committee receive the updated PO184 Business Enhancement Program and recommend to Council that it be adopted as presented.

LINK TO STRATEGIC PLAN**Goal:** 1 Economically Prosperous Peninsula

5 Responsible Governance and Leadership

Strategy: 1.5 Partner and build positive relationships with key stakeholders to progress tourism and business growth

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

5.6 Continuous improvement of Council processes

BACKGROUND

Yorke Peninsula Council is committed to supporting economic growth and job creation and is motivated to make a positive impact on the local business environment and the local economy. Accordingly, the policy PO184 Business Grants has been developed and endorsed by Council in October 2020.

As part of the renewal of Council's current suite of business support programs, the PO184 Business Enhancement Program, formerly known as Business Grants, has been reviewed and updated.

DISCUSSION

Council's Business Enhancement Program Policy (PO184) sets guidelines for implementing the Business Enhancement Program (BEP), an initiative designed to provide both non-financial and financial support to local businesses and aims to ensure that transparent decision-making on any business support decisions is made based upon consistent criteria.

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

- The Yorke Peninsula Economic Development and Tourism Strategy 2022-2026.
- Feedback received from the business community regarding the business grant application and guidelines.

Key updates to the policy include:

- Policy name.
- Dollar matching conditions for business grants.
- Grant cap applied for business grant applications.
- Redefine the ineligible projects for those applying for business grants.
- Simplify access to non-financial support by direct communication to the Council's Economic Development team instead of current application requirements.

- Update all supporting documents (Business Grant Application Form, BEP Guidelines, Business Grant Evaluation Matrix, Business Grant Acquittal form, BEP's introduction on Council's website)

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 Economic Development and Business Sustainability
- Economic Development Advisor

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

- Nil

POLICY IMPLICATIONS

PO 184 Business Grants

BUDGET AND RESOURCE IMPLICATIONS

The Policy update keeps the Business Enhancement Program, including Council Business Grants, in line with the current budget and staffing requirements.

RISKS/LEGAL/LEGISLATIVE/ IMPLICATIONS

Nil

ATTACHMENTS

1. Draft PO 184 Business Grants - Mark Up [!\[\]\(756eade09b08efefcc543f4385f4974e_img.jpg\) !\[\]\(bf69dade86aedd3ee141d80de0a42092_img.jpg\)](#)
2. Draft PO 184 Business Grants - No Mark Up [!\[\]\(2e311dc2c2bc9a43710036588edd9c8e_img.jpg\) !\[\]\(cca3874393213ffa5f71abc5c353c941_img.jpg\)](#)



COUNCIL POLICY

Business GrantsBusiness Enhancement Program

| | | | |
|----------------------------------|--|--------------------------|-------------------------------------|
| Policy Number: | PO184 | | |
| Strategic Plan Objective: | 1. Economically Prosperous Peninsula | | |
| Policy Owner: | <u>Chief Executive Officer</u> <u>Director Corporate and Community Services</u> | Record Number: | <u>20/89160</u> <u>20/89160[v2]</u> |
| Responsible Officer: | <u>Manager Economic Development and Business Sustainability</u> <u>Manager Business & Public Relations</u> | Minute Reference: | <u>225/2020</u> |
| Date Adopted: | <u>14/10/2020</u> | Next Review Date: | <u>October 2024</u> |

1. POLICY OBJECTIVES

Yorke Peninsula Council (YPC Council) is committed to supporting business development, economic growth and job creation and ~~wants~~ to make a positive impact on the local business environment and ~~the local~~ economy.

~~This Business Enhancement Program (BEP) was established to specifically support local businesses (established or new).~~

2. SCOPE

This policy applies to:

- ~~• bBusinesses needing requiring Council's assistance and support support to either set-up their business, improve or expand their operations-venture within the Yorke Peninsula Council's region.district.~~

~~— Council employees and Elected Members, when considering and assessing business grant applications made under this policy, and related documentation.~~

~~•~~

3. DEFINITIONS

Refer to Attachment 1.

PO184 – Business Grants Business Enhancement Program Policy**4. POLICY STATEMENT**

4. The Business Enhancement Program (BEP) includes non-financial assistance and business grants.

YPC will provide funding for the BEP annually, capped at \$20,000 per financial year (to be reviewed by Council annually as part of the budget formulation process each year).

The BEP provides the opportunity for both new and established businesses to either set up in the YPC district or expand and grow their existing enterprise.

The BEP includes not only financial grants but other means of assistance to bring business ideas to reality. The funding may be used for investment in new equipment or infrastructure, training or conference attendance, mentoring and networking opportunities, rent assistance, relocation costs etc.

4.1. The non-financial assistance

The BEP provides businesses with access to assistance and support from Council staff employees in the areas of with:-

- Planning/-development approvals;
- Developing business plans;
- Assistance with seeking/other grant opportunities;
- Writing grant applications;
- Local knowledge, such as community profile, labour force information, market data, business directory, contacts/connections etc. contacts/connections or demographic information;
- Marketing;
- Policy compliance;
- Human resource management/-recruitment;
- Risk/-WHS;
- Financial/-accounting;
- Conducting business with Council.

4.2. The business grants

Council allocates funding for the business grants, capped at \$20,000 per financial year. This budget is subject to annual review by Council, as part of the budget formulation process.

The business grant offers three streams:

a) Quick response stream

- Aims at simple, low-cost, quick-actioned applications.
- Business grants are limited to \$2,500 (GST exclusive) for each application.

b) Start-up stream

- Aims to accelerate the establishment of a new business and/or booster its infancy stage.
- Business grants are limited to \$10,000 (GST exclusive) for each application.

c) Expansion stream

- Aims to assist the growth of an established business.
- Business grants are limited to \$10,000 (GST exclusive) for each application.

PO184 – Business Grants Business Enhancement Program Policy

- ~~• Have a registered Australian Business Number (ABN) or provide evidence of intent to register;~~

~~• Be located or committed to locate within the YPC district;~~

~~Have evidence of an appropriate legal structure such as a sole trader, Australian registered company or company limited by guarantee (or have written evidence that you are moving towards becoming one of the above);~~

4.3. Eligible projects for the business grants

- The acquisition of small plant and equipment;
- Purchasing new infrastructure, machinery, etc.;
- IT equipment installation and software development;
- Production of marketing and promotion activities and materials;
- Mentoring, training, conference attendance and networking opportunities (where not eligible for other available programs);
- Hosting an event where a majority of the event's benefits are delivered to the business community, local economy or the community rather than the host's profit;
- Waiver of Council charges and/or Council rates relief (in compliance with PO060 Rates Relief Policy) (applicable for Start-up stream only);
- Rent assistance for a fixed period (associated with business hardship due to unexpected, beyond-control circumstances) (applicable for Start-up stream only).;

4.4. Ineligible projects for business grants

- Retrospective investments;
- Payment of debt (e.g. rates and bills) or outstanding loans;
- Operational expenditure, such as wages, salaries, utilities and other variable costs for business operation;
- Routine or cyclical maintenance and repairs;
- Charitable fundraising;
- Activities that could be perceived as benefitting a political organisation or political party campaign;
- Religious functions;
- Activities that create, encourage or perpetuate militarism;
- Activities that create, encourage or promote discrimination;
- Activities that will exploit people through the payment of below-award wages or poor working conditions;
- Gift vouchers, prizes or trophies;
- Items funded by other Council grants;
- Projects/objectives which are more appropriately funded by the Australian or State Governments or other industry sources;
- Projects that do not have a clearly identifiable benefit to the businesses and community of the district;
- Projects that directly contravene Council policies and By-Laws.

4.4. 4.5. Conditions of funding for the business grants Funding

~~Any proposal that can demonstrate a boost to the local economy will be considered under this program.~~

~~To be eligible for support, an applicant must:~~

~~Have a registered Australian Business Number (ABN) or provide evidence of intent to register;~~

- ~~• Be located or committed to locate within the YPC district;~~

PO184 – Business Grants Business Enhancement Program Policy

- ~~Have evidence of an appropriate legal structure such as a sole trader, Australian registered company or company limited by guarantee (or have written evidence that you are moving towards becoming one of the above);~~
- ~~Evidence of a bank account in the name of the applicant;~~
- ~~Be able to demonstrate why and how their application will have a positive impact on the local business environment;~~
- ~~Be able to demonstrate long-term financial viability which may include evidence via business plans/ projected financial statements, including key assumptions underpinning cash flow projections;~~
- ~~Be able to complete the stated grant objectives within 12 months following approval of the grant;~~
- ~~Be a business that will enhance (not compete with to the detriment of) existing businesses; and~~
- ~~Have no outstanding debts of any kind to the YPC.~~

All applicants should demonstrate a high degree of self-help, by providing a contribution towards the total project cost as follows:

- ~~For grants up to \$5,000 (GST exclusive) for each \$1 granted, the applicant is expected to contribute a matching \$1 towards the project (e.g. \$2,500 applicant: \$2,500 grant – total of project \$5,000 (GST exclusive));~~
- ~~For grants over \$5,000 (GST exclusive) for each \$1 granted, the applicant is expected to contribute a minimum of \$1 towards the project, however a greater co-contribution may be required.~~

~~In line with Council's PO058 Purchasing and Procurement Policy, applicants are strongly encouraged to use local goods and services where possible.~~

~~Additionally, where the applicant is procuring goods or services through BEP funding, the online application form will require quotes to be provided. To be eligible for support, an applicant must:~~

- Have a registered Australian Business Number (ABN);
- Have business located or committed to locate within the Council region;
- Have evidence of an appropriate legal structure such as a sole trader, trust, Australian registered company or company limited by guarantee (or have written evidence that you are moving towards becoming one of the above);
- Evidence of a bank account in the name of the applicant;
- Have no outstanding debts of any kind to Council;
- Secure appropriate permissions and approvals for the project (e.g. Development Approval, property owner approval) or a statement of intent to secure such permissions.

All applicants should demonstrate a high degree of self-help, by providing a contribution towards the total project cost as follows:

- Grants up to \$2,500 (GST exclusive)
For each \$1 granted, applicants are expected to contribute a matching \$1 towards the project. E.g., the applicant contributes \$2,000 and seeks \$2,000 from the business grant for the project's total costs of \$4,000 (GST exclusive).
- Grants over \$2,500 (capped at \$5,000) (GST exclusive)
For each \$1 granted, applicants are expected to contribute a minimum of \$1 towards the project, however, a greater co-contribution may be required (e.g., \$1 granted for \$2 contribution from applicants for \$1 granted). This will be assessed on a case by case basis by Council.

PO184 – Business Grants Business Enhancement Program Policy

In line with Council's PO058 Purchasing and Procurement Policy, applicants are strongly encouraged to use local goods and services where possible.

Additionally, where the applicant is procuring goods and/or services through the business grant funding, quotes are to be provided.

4.2. ~~Ineligible Applications~~

~~The BEP has been developed specifically to help grow businesses within the YPC district in order to support ongoing employment opportunities.~~

~~Therefore, the funding cannot be used for:~~

- ~~• Retrospective funding,~~
- ~~• Payment of debt (e.g. rates and bills) or outstanding loans,~~
- ~~• Charitable fundraising,~~
- ~~• Activities that could be perceived as benefitting a political party or party political campaign,~~
- ~~• Religious functions,~~
- ~~• Activities that create, encourage or perpetuate militarism,~~
- ~~• Activities that will exploit people through the payment of below-award wages or poor working conditions,~~
- ~~• Gift vouchers, prizes or trophies,~~
- ~~• Items funded by other grants,~~
- ~~• Projects/objectives which are more appropriately funded by State, Commonwealth or other industry sources,~~
- ~~• Projects that do not have a clearly identifiable benefit to the YPC business district and community, and~~
- ~~• Projects that directly contravene YPC policies and By-Laws.~~

4.6. Confidentiality

If an applicant believes that any information provided in their application is confidential, the applicant must clearly identify such information and state the reason for its confidentiality.

Applicants should be aware that Council is subject to certain legislative requirements relating to public information, including the Freedom of Information Act 1991.

Council will treat all information provided by applicants sensitively. However, information contained in, or relating to, a business grant application, including information identified by an applicant as confidential, may need to be disclosed by Council:

- For the purposes of application assessment;
- Where information is authorised or permitted by law to be disclosed.

If a business grant application is successful, and upon written consent approved by the grant recipient and/or where the information is already in the public domain, brief information about the funded projects can be used for Council's publicity purposes.

PO184 – Business Grants Business Enhancement Program Policy**4.3. 4.7. Application Process How to access the BEP****Step 1 – Identify business and assistance needs**

Businesses, in any stage of their lifecycle can contact Call YPC Council on via telephone 08 8832 0000 or via email admin@yorke.sa.gov.au -and ask to ~~spea~~ speak with ~~to~~ the Business and Economic Officer-Development team about the BEP.

The Economic Development team can ~~S~~ set up a mutually convenient meeting time (in person ~~to~~ person ~~or~~ via phone or ~~other electronic means e.g. 'Zoom' virtually~~) to discuss your business needs and determine what level of assistance can be offered.

For requests for non-financial assistance, the Economic Development team will follow-up the request and/or liaise businesses with other Council's employees in charge of the services. There is no application needed to access this in-kind support.

For requests for the business grant, the Economic Development team will assist businesses to go through the business grant guidelines and the application.

Step 2 – Submit a business grant application

Business grant applications are open all-year-round. The grant applications will close when all of the \$20,000 has been allocated for the financial year. However, all applications must be submitted at least six weeks before the starting date of the project to allow sufficient time for assessing the applications and notifying the application'snt aboutof the -outcomes.

Applications must be submitted using the online application form on Council's website (www.yorke.sa.gov.au)Complete an online BEP grant application via YPC's website.

Step 3 - Application assessment

Once an application is received, providing that funds are available, the application will be assessed against the following criteria:

All applications will be assessed on a case by case basis. Applications will be assessed using the following criteria:

- All eligibility criteria has been met;All information required under the conditions of funding has been met;
- The quality of the application (e.g. well-developed, clear and realistic goals, accurate financial breakdowns, relevant supporting documents provided, etc.);
- Ability to demonstrate why the funding is required for the project and the scale of economic impact likely to be achieved (e.g. creating the conditions for business success, industry or business development, investment attraction, expansion of employment opportunities, activation of a vacant site or revitalisation of an underused premises etc.);
- Ability to demonstrate how the project will have a positive impact on the local business community and contribute to the local economic growth;
- Ability to demonstrate adequate considerations on sustainability practices (e.g., environmental conservation commitment, innovation in waste management, accessibility and reconciliation practices);
- Ability to demonstrate the capacity to deliver the project successfully (e.g., business's experience in similar successful projects, the project's feasibility

PO184 – Business Grants Business Enhancement Program Policy

study and risk management plan, business plan, clear financial breakdowns, etc.);

- Ability to demonstrate the funding's value for money, which may include evidence via projected financial statements, key assumptions underpinning cash flow projections;
- The request funding being appropriately matched by business's co-contribution;
- Ability to demonstrate the capacity to complete the stated grant activities within 12 months following approval of the grant.
- Be a business that will enhance (not compete with) existing businesses.

The scale of the economic impact likely to be achieved (e.g. creating the conditions for business success, industry or business development, investment attraction, expansion of employment opportunities, activation of a vacant site or revitalisation of an underused premises etc.);

The extent to which the application meets the funding conditions (e.g. well developed, clear and realistic goals, accurate financial/business plan etc.), and

Demonstration of adequate considerations of any environmental impacts.

Each applications will be consistently assessed using YPC's Council's BEP Evaluation Matrix (SF,496).

Council staff employees are delegated to undertake this assessment and approve applications for business amount grants s < up to \$5,000k. Any requests greater than \$5k,000 will be assessed by Council employees prior to being assessed by staff and presented to a Council meeting for approval consideration.

Dependent upon what specifically is requested in the grant application, an assessment may be made directly by Council staff, or if the application is asking for more than \$5k cash, a report will be presented to the next available Council meeting for adoption (or not) of staff's recommendation.

In both circumstances, the grant request will be assessed using the YPC's BEP Evaluation Matrix as detailed in section 4.4 of this policy.

If considered necessary and appropriate, some applications may be assessed using with the assistance of external parties, who have the relevant skills and professional expertise that will benefit the assessment process.

Step 4 - Application outcome notification

Within six weeks of the application's receipt, an outcome notification of the application will be issued.

If the application is successful, a Letter of Offer or a /Funding Agreement (Agreement), will be generated which must be signed by both Council and the grant recipient. Specific terms of the grant funding, including the acquittal process will be outlined in this Letter Agreement / Agreement.

Additionally,

Once the grants has been approved, high-levelled information of the successful applications will be published in the a next Council meeting agenda.

PO184 – Business Grants Business Enhancement Program Policy

~~A Letter of Offer or a Funding Agreement will be generated which must be signed by both Council and the grant recipient. Specific terms of the grant funding, including the acquittal process will be outlined in this Letter / Agreement.~~

Step 5 - Acquittal

~~Within three months of completing~~At the completion of the project, the grant recipient will provide Council a funding acquittal report as per the Agreement. The funding acquittal report must be submitted online on Council's website. ~~acquit the grant as per the Letter of Offer or Funding Agreement.~~

4.4. Assessment Process

~~All applications will be assessed on a case by case basis. Applications will be assessed using the following criteria:~~

- ~~● All eligibility criteria has been met,~~
- ~~● The scale of the economic impact likely to be achieved (e.g. creating the conditions for business success, industry or business development, investment attraction, expansion of employment opportunities, activation of a vacant site or revitalisation of an underused premises etc.),~~
- ~~● The extent to which the application meets the funding conditions (e.g. well developed, clear and realistic goals, accurate financial/business plan etc.), and~~
- ~~● Demonstration of adequate considerations of any environmental impacts.~~

~~Each application will be consistently assessed using YPC's BEP Evaluation Matrix.~~

~~Council staff are delegated to undertake this assessment and approve applications for amounts <\$5k. Any requests greater than \$5k will be assessed by staff and presented to a Council meeting for approval.~~

4.5. Risk Assessment

~~An appropriate risk assessment must be applied to all project activities. The risks must be clearly identified, assessed and managed in line with the International Risk Management – Principles and Guidelines ISO 31000:2009.~~

~~A risk assessment template has been built into the on-line BEP application form.~~

4.6. Acquittal

~~The grant recipient will provide Council an acquittal of funds and reconciliation report consistent with the grant provision within three months of completing the project or incurring the relevant expenditure as outlined in the Letter of Offer / Funding Agreement.~~

~~Acquittal reports maybe subject to Council review and may require to be certified by an independent auditor audit requirements, dependent upon the original value of the business grant.~~

~~Grant Grant recipients who do not provide an acquittal report within the timeliness stipulated in the Letter of Offer / Funding Agreement will be required to seek a time extension from Council or not have the approved funds paid ~~be required to repay the grant or seek a time extension from Council.~~~~

PO184 – Business Grants Business Enhancement Program Policy

4.7. 4.8. Publicity Acknowledgement of Council funding

Grant recipients agree to acknowledge the funding-financial support from Council in any materials or displays relevant to the provision of the business grant.

5. COMPLAINTS

Complaints relating to this policy can be made in writing to the Chief Executive Officer. Complaints will be managed in accordance with Council’s Complaints Policy (PO147).

6. REVIEW

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

7. TRAINING

Council is committed to supporting employees in complying with this policy. Training needs requirements will be 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

- PO058 Purchasing and Procurement Policy
- PO091 Risk Management Policy
- PO147 Complaints Policy
- PO060 Rates Relief Policy
- YPC Strategic Management Plan
- YPC Business Enhancement Program BEP and Business Grant Brochure
- SF497 Business Grant Online Application Form
- SF498 Business Grant Online Acquittal Form

10. REFERENCES AND LEGISLATION

Local Government Act 1999 (SA)

11. COUNCIL DELEGATION

| | |
|-------------------------------|---|
| Details of Delegation: | Chief Executive Officer |
| Delegate: | Director Corporate and Community Services |

PO184 – Business Grants Business Enhancement Program Policy

| | |
|--|--|
| | Manager Business and Public Relations <u>Economic Development and Business Sustainability</u> |
|--|--|

12. VERSION HISTORY

| Version No | Issue Date | Description of Change |
|------------|------------|-----------------------|
| 1 | 14/10/2020 | New Policy |
| | | |
| | | |

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PO184 – Business Grants Business Enhancement Program Policy**ATTACHMENT 1: DEFINITIONS**

| Term/Reference | Definition |
|---|--|
| <u>Australian Business Number ABN</u> | An Australian Business Number (ABN) is a unique identifier used for tax purposes. |
| Acquittal | The process of evaluating and reporting on the outcomes and expenditure of funds provided by Council. All necessary documents should demonstrate that an organisation has spent grant monies as specified in the Grant Agreement. |
| Business | An entity with a registered Australian Business Number (ABN) or evidence of intent to register and evidence of an appropriate legal structure such as a sole trader, Australian registered company or company limited by guarantee (or have written evidence of becoming one of the above). |
| Evaluation Matrix | A consistent tool used for evaluating each application. Specifically, it is a table with one column for each evaluation criteria and rows that show a numerical score. |
| GST Exclusive | GST exclusive is the total cost of each item, without the GST charges included. |
| Letter of Offer or Funding Agreement | A signed agreement between both parties (i.e., <u>YPC Council</u> and the grant recipient) and clearly outlines the terms and conditions of the funding or support requested. |
| Risk Assessment <u>Management</u> | An overall process of risk identification, risk analysis and risk evaluation <u>to identify suitable treatments/controls to mitigate the risks.</u> |
| <u>Project feasibility</u> | <u>Is an analysis that considers all of a project's relevant factors to ascertain the likelihood of competing the project successfully.</u> |
| <u>Business plan</u> | <u>Defines the direction and goals of a business and outlines the methods, strategies and timeframe to achieve those goals.</u> |



COUNCIL POLICY

Business Enhancement Program

| | | | |
|----------------------------------|--|--------------------------|--------------|
| Policy Number: | PO184 | | |
| Strategic Plan Objective: | 1. Economically Prosperous Peninsula | | |
| Policy Owner: | Director Corporate and Community Services | Record Number: | 20/89160[v2] |
| Responsible Officer: | Manager Economic Development and Business Sustainability | Minute Reference: | |
| Date Adopted: | | Next Review Date: | |

1. POLICY OBJECTIVES

Yorke Peninsula Council (Council) is committed to supporting business development, economic growth and job creation and to make a positive impact on the local business environment and economy.

2. SCOPE

This policy applies to:

- Businesses requiring Council's assistance and support to either set-up their business, improve or expand their venture within Council's region.
- Council employees and Elected Members, when considering and assessing business grant applications made under this policy, and related documentation.

3. DEFINITIONS

Refer to Attachment 1.

4. POLICY STATEMENT

The Business Enhancement Program (BEP) includes non-financial assistance and business grants.

4.1. The non-financial assistance

The BEP provides businesses with access to assistance and support from Council employees with:

- Planning/development approvals;
- Developing business plans;
- Seeking grant opportunities;

PO184 – Business Enhancement Program Policy

- Writing grant applications;
- Local knowledge, such as community profile, labour force information, market data, business directory, contacts/connections etc. ;
- Policy compliance;
- Human resource management/recruitment;
- Risk/WHS;
- Finance/accounting;
- Conducting business with Council.

4.2. The business grants

Council allocates funding for business grants, capped at \$20,000 per financial year. This budget is subject to annual review by Council, as part of the budget formulation process.

The business grant offers three streams:

- a) Quick response stream
 - Aims at simple, low-cost, quick-actioned applications.
 - Business grants are limited to \$2,500 (GST exclusive) for each application.
- b) Start-up stream
 - Aims to accelerate the establishment of a new business and/or boost its infancy stage.
 - Business grants are limited to \$10,000 (GST exclusive) for each application.
- c) Expansion stream
 - Aims to assist the growth of an established business.
 - Business grants are limited to \$10,000 (GST exclusive) for each application.

4.3. Eligible projects for business grants

- The acquisition of small plant and equipment;
- Purchasing new infrastructure, machinery, etc;
- IT equipment installation and software development;
- Production of marketing and promotion activities and materials;
- Mentoring, training, conference attendance and networking opportunities (where not eligible for other available programs);
- Hosting an event where a majority of the event's benefits are delivered to the business community, local economy or the community rather than the host's profit;
- Waiver of Council charges and/or Council rates relief (in compliance with PO060 Rates Relief Policy) (applicable for Start-up stream only);
- Rent assistance for a fixed period (associated with business hardship due to unexpected, beyond-control circumstances) (applicable for Start-up stream only).

4.4. Ineligible projects for business grants

- Retrospective investments;
- Payment of debt (e.g. rates and bills) or outstanding loans;
- Operational expenditure, such as wages, salaries, utilities and other variable costs for business operation;
- Routine or cyclical maintenance and repairs;
- Charitable fundraising;
- Activities that could be perceived as benefitting a political organisation or political campaign;
- Religious functions;
- Activities that create, encourage or perpetuate militarism;
- Activities that create, encourage or promote discrimination;

PO184 – Business Enhancement Program Policy

- Activities that will exploit people through the payment of below-award wages or poor working conditions;
- Gift vouchers, prizes or trophies;
- Items funded by other Council grants;
- Projects/objectives which are more appropriately funded by the Australian or State Governments or other industry sources;
- Projects that do not have a clearly identifiable benefit to the businesses and community of the district;
- Projects that directly contravene Council policies and By-Laws.

4.5. Conditions of funding for business grants

To be eligible for support, an applicant must:

- Have a registered Australian Business Number (ABN);
- Have business located or committed to locate within the Council region;
- Have evidence of an appropriate legal structure such as a sole trader, trust, Australian registered company or company limited by guarantee (or have written evidence that you are moving towards becoming one of the above);
- Evidence of a bank account in the name of the applicant;
- Have no outstanding debts of any kind to Council;
- Secure appropriate permissions and approvals for the project (e.g. Development Approval, property owner approval) or a statement of intent to secure such permissions.

All applicants should demonstrate a high degree of self-help, by providing a contribution towards the total project cost as follows:

- Grants up to \$2,500 (GST exclusive)
For each \$1 granted, applicants are expected to contribute a matching \$1 towards the project. E.g., the applicant contributes \$2,000 and seeks \$2,000 from the business grant for the project's total costs of \$4,000 (GST exclusive).
- Grants over \$2,500 (GST exclusive)
For each \$1 granted, applicants are expected to contribute a minimum of \$1 towards the project, however, a greater co-contribution may be required (e.g., \$2 contribution from applicants for \$1 granted). This will be assessed on a case by case basis by Council.

In line with Council's PO058 Purchasing and Procurement Policy, applicants are strongly encouraged to use local goods and services where possible.

Additionally, where the applicant is procuring goods and/or services through the business grant funding, quotes are to be provided.

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4.6. Confidentiality

If an applicant believes that any information provided in their application is confidential, the applicant must clearly identify such information and state the reason for its confidentiality.

Applicants should be aware that Council is subject to certain legislative requirements relating to public information, including the Freedom of Information Act 1991.

Council will treat all information provided by applicants sensitively. However, information contained in, or relating to, a business grant application, including information identified by an applicant as confidential, may need to be disclosed by Council:

- For the purposes of application assessment;
- Where information is authorised or permitted by law to be disclosed.

If a business grant application is successful, and upon written consent approved by the grant recipient and/or where the information is already in the public domain, brief information about the funded projects can be used for Council's publicity purposes.

4.7. How to access the BEP**Step 1 – Identify business and assistance needs**

Businesses, in any stage of their lifecycle can contact Council via telephone 08 8832 0000 or via email admin@yorke.sa.gov.au and ask to speak with the Economic Development team about the BEP.

The Economic Development team can set up a mutually convenient meeting time (in person, via phone or virtually) to discuss your business needs and determine what level of assistance can be offered.

For requests for non-financial assistance, the Economic Development team will follow-up the request and/or liaise businesses with other Council employees in charge of the services. There is no application needed to access this in-kind support.

For requests for the business grant, the Economic Development team will assist businesses to go through the business grant guidelines and the application.

Step 2 – Submit a business grant application

Business grant applications are open all-year-round. The grant applications will close when all of the \$20,000 has been allocated for the financial year. However, all applications must be submitted at least six weeks before the starting date of the project to allow sufficient time for assessing the applications and notifying the applicant of the outcome.

Applications must be submitted using the online application form on Council's website (www.yorke.sa.gov.au)

Step 3 - Application assessment

Once an application is received, providing that funds are available, the application will be assessed against the following criteria:

- All information required under the conditions of funding has been met;
- The quality of the application (e.g. well-developed, clear and realistic goals, accurate financial breakdowns, relevant supporting documents provided, etc.);
- Ability to demonstrate why the funding is required for the project and the scale of economic impact likely to be achieved (e.g. creating the conditions for

PO184 – Business Enhancement Program Policy

business success, industry or business development, investment attraction, expansion of employment opportunities, activation of a vacant site or revitalisation of an underused premises etc.);

- Ability to demonstrate how the project will have a positive impact on the local business community and contribute to the local economic growth;
- Ability to demonstrate adequate considerations on sustainability practices (e.g., environmental conservation commitment, innovation in waste management, accessibility and reconciliation practices);
- Ability to demonstrate the capacity to deliver the project successfully (e.g., business's experience in similar successful projects, the project's feasibility study and risk management plan, business plan, clear financial breakdowns, etc.);
- Ability to demonstrate the funding's value for money, which may include evidence via projected financial statements, key assumptions underpinning cash flow projections;
- The request funding being appropriately matched by business's co-contribution;
- Ability to demonstrate the capacity to complete the stated grant activities within 12 months following approval of the grant.
- Be a business that will enhance (not compete with) existing businesses.

Applications will be consistently assessed using Council's BEP Evaluation Matrix (SF496).

Council employees are delegated to undertake this assessment and approve applications for business grants up to \$5,000. Any requests greater than \$5,000 will be assessed by Council employees prior to being presented to a Council meeting for consideration.

If considered necessary and appropriate, some applications may be assessed with the assistance of external parties, who have the relevant skills and professional expertise.

Step 4 - Application outcome notification

Within six weeks of the application's receipt, an outcome notification of the application will be issued.

If the application is successful, a Letter of Offer/Funding Agreement (Agreement), will be generated which must be signed by both Council and the grant recipient. Specific terms of the grant funding, including the acquittal process will be outlined in this Agreement.

Additionally, high-levelled information of the successful applications will be published in a Council meeting agenda.

Step 5 - Acquittal

Within three months of completing the project, the grant recipient will provide Council a funding acquittal report as per the Agreement. The funding acquittal report must be submitted online on Council's website.

Acquittal reports maybe subject to audit requirements, dependent upon the value of the business grant.

Grant recipients who do not provide an acquittal report within the timelines stipulated in the Letter of Offer/Funding Agreement will be required to seek a time extension from Council or not have the approved funds paid.

PO184 – Business Enhancement Program Policy

4.8. Acknowledgement of Council funding

Grant recipients agree to acknowledge the financial support from Council in any materials or displays relevant to the provision of the business grant.

5. COMPLAINTS

Complaints relating to this policy can be made in writing to the Chief Executive Officer. Complaints will be managed in accordance with Council’s Complaints Policy (PO147).

6. REVIEW

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

7. TRAINING

Council is committed to supporting employees in complying with this policy. Training requirements will be 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

- PO058 Purchasing and Procurement Policy
- PO091 Risk Management Policy
- PO147 Complaints Policy
- PO060 Rates Relief Policy
- YPC Strategic Management Plan
- BEP and Business Grant Brochure
- SF497 Business Grant Online Application Form
- SF498 Business Grant Online Acquittal Form

10. REFERENCES AND LEGISLATION

Local Government Act 1999 (SA)

11. COUNCIL DELEGATION

| | |
|-------------------------------|---|
| Details of Delegation: | Chief Executive Officer |
| Delegate: | Director Corporate and Community Services Manager Economic Development and Business Sustainability |

PO184 – Business Enhancement Program Policy

12. VERSION HISTORY

| Version No | Issue Date | Description of Change |
|------------|------------|-----------------------|
| 1 | 14/10/2020 | New Policy |
| | | |
| | | |

DRAFT

PO184 – Business Enhancement Program Policy**ATTACHMENT 1: DEFINITIONS**

| Term/Reference | Definition |
|-----------------------------------|---|
| Australian Business Number | is a unique identifier used for tax purposes. |
| Acquittal | The process of evaluating and reporting on the outcomes and expenditure of funds provided by Council. All necessary documents should demonstrate that an organisation has spent grant monies as specified in the Grant Agreement. |
| Evaluation Matrix | A consistent tool used for evaluating each application. Specifically, it is a table with one column for each evaluation criteria and rows that show a numerical score. |
| GST Exclusive | GST exclusive is the total cost of each item, without the GST charges included. |
| Letter of Offer/Funding Agreement | A signed agreement between both parties (i.e., Council and the grant recipient) and clearly outlines the terms and conditions of the funding or support requested. |
| Risk Management | An overall process of risk identification, risk analysis and risk evaluation to identify suitable treatments/controls to mitigate the risks |
| Project feasibility | Is an analysis that considers all of a project's relevant factors to ascertain the likelihood of completing the project successfully. |
| Business plan | Defines the direction and goals of a business and outlines the methods, strategies and timeframe to achieve those goals. |

8.11 LAND, BUILDINGS AND STRUCTURES VALUATION**Document #:** 23/81216**Department:** Assets and Infrastructure Services**PURPOSE**

To receive and endorse the Land, Buildings and Structures Valuation Report prepared by AssetVal.

RECOMMENDATION

That the Audit and Risk Committee receive and endorse the Land, Buildings and Structures Valuation Report prepared by AssetVal.

LINK TO STRATEGIC PLAN**Goal:** 2 Community Connected through Infrastructure**Strategy:** 2.1 Develop and deliver on Asset Management Plans for all asset classes**Goal:** 5 Responsible Governance and Leadership**Strategy:** 5.3 Meet all legislative requirements and compliance with Council's internal controls**BACKGROUND**

Section 11(1) of the Local Government (Financial Management) Regulations 2011 (the Regulations), require a council to "ensure that all accounting records, accounts and financial statements are prepared and maintained in accordance with all relevant Australian Accounting Standards".

Pursuant to Section 12 of the Regulations all material noncurrent assets are to be revalued "in accordance with the requirements of Australian Accounting Standard AASB 116". The South Australian Model Financial Statements advise that such revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date. In general circumstances these requirements necessitate the revaluation of material asset classes every three (3) to four (4) years.

To ensure compliance with the Regulations, Council engaged AssetVal to provide valuations of Council's land, buildings and structures as at 1 July 2022.

DISCUSSION

The valuations provided by AssetVal have been prepared in compliance with Australian Accounting Standard AASB 116 – Property, Plant and Equipment and AASB 13 – Fair Value Measurement on the basis of fair value.

The objective of AASB 116 is to prescribe the accounting treatment for property, plant and equipment so that users of the financial report can discern information about Council's investment in its property, plant and equipment and the changes in such investment.

The principal issues in accounting for property, plant and equipment are the recognition of the assets, the determination of their carrying amounts and the depreciation charges and impairment losses to be recognised in relation to them.

Where an entity, such as Council, adopts the revaluation model (as distinct from the cost model) an item of property, plant and equipment whose fair value can be measured reliably shall be carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Fair Value Measurement is dealt with in AASB 13, the objective of which is "to estimate the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date."

AASB 13 further states that:

“An entity shall use valuation techniques that are appropriate in circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.”

These valuation techniques are as follows:

- Market Approach;
- Cost Approach; and
- Income Approach.

AssetVal adopted the Cost Approach for Building and Structure assets, and therefore they have all been assessed as Level 3 inputs on the fair value hierarchy.

The Market Approach was applied to the revaluation of Council land, as it is the only valuation technique available for the valuation of this asset type. When undertaking a Market Approach valuation of Council’s land, AssetVal undertook a Direct Comparison Method of Valuation, which requires that the valuer collates, inspects and analyses a wide cross section of land sales throughout the Council district in recent times, and then references the full range of attributes inclusive of location, land area, development potential (if any) and general market appeal using the market research as evidence from which to draw conclusions regarding Market Value.

The valuation has increased the Replacement Cost and Fair Value for this asset class (Land, Buildings and Structures), which has therefore increased the Annual Depreciation expense, as shown in Tables 1 and 2 below.

Table 1: Valuation as at 1 July 2022 (AssetVal)

| Asset Class | 2022 Replacement Cost | Accumulated Depreciation to 2022 | 2022 Fair Value | Annual Depreciation Expense |
|---------------------------|------------------------------|---|------------------------|------------------------------------|
| Land | N/A | N/A | \$86,739,200 | N/A |
| Buildings | \$101,244,400 | \$60,010,503 | \$41,233,897 | \$2,918,382 |
| Structures | \$14,703,700 | \$8,733,645 | \$5,970,055 | \$485,228 |
| TOTAL | \$115,948,100 | \$68,744,148 | \$133,943,152 | \$3,403,610 |
| Overall % Increase | 17.25% | 11.60% | 17.25% | 34.80% |

Table 2: Valuation as at 30 June 2022 (Financial Statements)

| Asset Class | 2022 Replacement Cost | Accumulated Depreciation to 2022 | 2022 Fair Value | Annual Depreciation Expense |
|--------------------|------------------------------|---|------------------------|------------------------------------|
| Land | N/A | N/A | \$76,948,970 | N/A |
| Buildings | \$87,206,433 | \$54,545,551 | \$32,660,882 | \$2,138,682 |
| Structures | \$11,679,323 | \$7,055,163 | \$4,624,159 | \$386,172 |
| TOTAL | \$98,885,756 | \$61,600,714 | \$114,234,011 | \$2,524,854 |

The increases can be attributed to valuation assumptions and methodology, which include:

- the continuing increase in construction prices.
- an increase to the value of asset components with a shorter useful life (i.e. building services and internal finishes components in buildings that have been componentised).
- reassessment of remaining life.
- condition assessment.
- improvements made to various buildings and structures increasing value.
- approximately \$900K of fully depreciated assets being revalued.
- new assets being included in the register.

The Land, Buildings and Structures Valuation Report prepared by AssetVal is provided in Attachment 1.

COMMUNITY ENGAGEMENT PLAN

Level 1 - Inform

CONSULTATION PROCESS

- Corporate Management Team
- Manager Financial Services
- Financial Operations Accountant

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

- AssetVal

POLICY IMPLICATIONS

PO124 Asset Accounting Policy

PO128 Asset Management Policy

BUDGET AND RESOURCE IMPLICATIONS

The continued review of Council's asset management data provides Council with a guide as to the estimated level of expenditure required to ensure that assets are maintained to an appropriate level. Failure to revalue assets in accordance with relevant standards or frequency may also lead to an Audit qualification.

RISKS/LEGAL/LEGISLATIVE/ IMPLICATIONS

Australian Accounting Standards – AASB 116 Property, Plant and Equipment

Australian Accounting Standards – AASB 113 Fair Value Measurement

Local Government Act 1999

Local Government (Financial Management) Regulations 2011

ATTACHMENTS

1. **Financial Reporting - Valuation of Land, Buildings and Structures - AssetVal** [↓](#) 



YORKE PENINSILA COUNCIL

Land, Buildings and Structures
Valuation for Financial Reporting

01 JULY 2022

Reference Number: VSP0084833

Revision Number: 2.0

Issue Date: 21 August 2023

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VALUATION SUMMARY

INSTRUCTIONS

In accordance with instructions received from Michael McCauley, Asset Manager we have provided an assessment of Yorke Peninsula Council's Land, Building and Structure Assets for Financial Reporting purposes on the basis of Fair Value as at 01 July 2022.

We have valued the specified building and land on the basis of Fair Value in accordance with:

- Australian Accounting Standards – Fair Value Methodology;
- International Valuation Standards.

In adopting the Fair Value of the assets contained within this report for Financial Reporting purposes, the entity should have regard to the Australian and International Accounting Standards and in particular satisfy the following criteria:

- The presumption that the entity does not have any intention or need to liquidate, to curtail the scale of its operations or to undertake a transaction on adverse terms;
- The entity intends to retain the assets for continuous use for the purposes of the enterprise for the foreseeable future.

PROPERTY ADDRESSES

The valuation encompasses 'Land, Building and Structure Assets' at various locations throughout the Yorke Peninsula Council area.

BRIEF DESCRIPTION

The Yorke Peninsula Council local authority area administers approximately 5,834 square kilometres of land, with over 700 kilometres of coastline. Within this report, we have assessed specified building and land assets owned by Yorke Peninsula Council situated within the towns and localities of:

| | | |
|---------------|-------------------|---------------|
| Ardrossan | Daly Head | Maitland |
| Arthurton | Dowlingville | Marion Bay |
| Balgowan | Edithburgh | Minlaton |
| Black Point | Foul Bay | Nalyappa |
| Bluff Beach | Gleeson's Landing | Parsons Beach |
| Brentwood | Hardwicke Bay | Pine Point |
| Coobowie | Honiton | Point Souttar |
| Corny Point | James Well | Point Turton |
| Couches Beach | Kainton | Port Clinton |
| Cunningham | Koolywurtie | Port Julia |
| Curramulka | Lake Fowler | Port Moorowie |

| | | |
|---------------|-------------------|-----------|
| Port Rickaby | South Kilkerran | Warooka |
| Port Victoria | Stansbury | Wauraltee |
| Port Vincent | Sultana Point | Weetulta |
| Price | Sunbury | White Hut |
| Ramsay | The Gap | Wool Bay |
| Rogues Point | The Pines | Yorketown |
| Sandilands | Tiddy Widdy Beach | |
| Sheoak Flat | Urania | |

DATES OF INSPECTION

February 2023 to March 2023

DATE OF VALUATION

01 July 2022

CURRENCY

All values are in Australian Dollars and exclusive of Goods and Services Tax

NOT SUBJECT TO CHANGE

This valuation has been made on the basis that there was no material change to the assets, their features, or market conditions, between the dates of inspection and the date of valuation.

VALUATION

Our assessment of the value of the specified properties on the basis of Fair Value, exclusive of GST and subject to the overriding stipulations contained within the body of this report, as 01 July 2022, is as follows:

| DESCRIPTION | REPLACEMENT COST | FAIR VALUE |
|--------------|----------------------|----------------------|
| Buildings | \$101,244,400 | \$41,233,897 |
| Structures | \$14,703,700 | \$5,970,055 |
| Land | N/A | \$86,739,200 |
| TOTAL | \$115,948,100 | \$133,943,152 |

VALUATION DECLARATION

We declare that:

- The valuer has provided an unbiased valuation;
- The valuer does not have a pecuniary interest in the subject properties;
- The valuer has satisfied the professional requirements of the Australian Property Institute and is an Associate member of this Organisation;
- This valuation has been carried out in accordance with International Valuation Standards 2022
- This valuation has been carried out in accordance with the Australian Accounting Standards;
 - Australian Accounting Standards – AASB 116 Property, Plant and Equipment;
 - Australian Accounting Standards – AASB 13 Fair Value Measurement;
- The valuer has experience in the location and category of the property being valued;
- The valuer has made a personal inspection of the assets;
- The statements of fact represented in the report are correct to the best of the knowledge of the valuer;
- The analysis and conclusions of the valuer are limited only by the reported assumptions and conditions;
- This report is a full scope valuation report as per out instructions by PTA.
- The fee for the valuation is not contingent upon any aspect of this report

VALUER'S INTEREST

We hereby certify that the valuer:

- Has no interest, financial or otherwise, in the properties subject to appraisal;
- Is suitably qualified to carry out the valuation;
- Is authorized under the law of the state or territory where the valuation takes place to act as a valuer; and
- Confirms that the valuation has been prepared for accounting compliance purposes.

VALUER/S

The AssetVal valuation professionals have assisted and provided advice in completing the valuation are outlined below:

Amy Thamm AAPI
Certified Practising Valuer

Brooke Smith FAPI
Certified Practising Valuer

EXPERIENCE AND CAPABILITY

Marsh Valuation Services values over 10,000 assets annually with values in excess of \$100billion including over 50 Local Government Authorities across Australia.

We have successfully undertaken over 1,000 individual financial reporting and/or insurance valuation projects without receiving an audit qualification.

INTERNAL VALUATION REVIEW

The internal valuation review comprised a suitably qualified, objective and unbiased review of the primary valuer's valuation. The internal review participants read the client proposal, tender response and any client correspondence in conjunction with the primary valuer's written valuation report and any accompanying documents.

APPROACH & METHODOLOGY

TERMINOLOGY

FAIR VALUE

Fair Value is defined in IFRS 13 and Australian Accounting Standards 116 and 13 as follows:

'The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date'.

MARKET VALUE

In accordance with the definition set out in the Australian Accounting Standards and adopted by the Australian Property Institute, Market Value is defined as:

'The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.'

FAIR VALUE APPROACH

The Australian Accounting Standards Board (AASB) has adopted the Australian Equivalent to International Financial Reporting Standards (IFRS) for implementation by entities from 1 January 2005.

The standards that are most relevant for the valuation of building and land are as follows:

| STANDARD | DESCRIPTION |
|----------|---|
| AASB 5 | NON-CURRENT ASSETS HELD FOR SALE & DISCONTINUED OPERATIONS |
| | This standard provides guidelines on the grouping and accounting of assets held for resale. Assets that are classified as held for sale are to be measured at the lower of carrying amount and fair value less costs to sell. |
| AASB 13 | FAIR VALUE MEASUREMENT |
| | This standard defines Fair Value, sets out in a single standard framework for measuring Fair Value and required disclosure regarding approach to measurement. This standard also defines a hierarchy of inputs to be disclosed. Under this standard there are three defined levels of Fair Value measurement: Level 1 – Fair Values that reflect the unadjusted quoted prices in active markets for identical assets or liabilities. Level 2 – Fair Values that are based on inputs other than quoted prices included within Level 1 that are directly or indirectly observable for the asset or liability. Level 3 – Fair Values that are derived from data unobservable in the market. |
| AASB 16 | LEASES |
| | This standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for uses of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an |

| STANDARD | DESCRIPTION |
|----------|---|
| | entity. This standard is applicable to annual reporting periods beginning on or after 1 January 2019. |
| AASB 116 | PROPERTY, PLANT & EQUIPMENT |
| | This is the standard most relevant to the valuation of property, plant and equipment and is applicable to all entities including not-for-profit entities. The objective is to prescribe the accounting treatment so that users of the financial report can obtain information about the entity's property, plant and equipment investments. The standard excludes assets held for sale (AASB 5). The standard defines fair value and the frequency and suggested approach to be taken in the revaluation of property, plant and equipment assets. |
| AASB 136 | IMPAIRMENT OF ASSETS |
| | This standard is to ensure that assets are carried at no more than their recoverable amount. This standard does not apply to investment property that is measured at fair value (AASB 140 Investment Property). An impairment loss is the amount by which the carrying amount of an asset or a cash generating unit exceeds its recoverable amount. This loss may be for various reasons including a decline in the asset's market value that is more significant than expected or adverse changes to the entity or the market in which it operates. |
| AASB 140 | INVESTMENT PROPERTY |
| | Investment Property is property that is held to earn rentals or capital appreciation on both rather than for production or supply of goods and services or for administrative purposes or for sale in ordinary course of business. This standard prescribes the accounting treatment for investment property including those asset partially held for rental or capital appreciation. This standard requires all entities to determine the fair value of investment property for the purpose of either measurement (if the entity uses the fair value model) or disclosure (if it uses the cost model). |

VALUATION PREMISE

The highest and best use of each asset may be derived from its use in combination with other assets and liabilities or on a stand-alone basis.

Market participants may maximise the value of an asset (or group of assets) by using the asset in combination with other assets or with other assets and liabilities. When considering the valuation premise, AASB 13 clarifies that the fair value of the asset should be measured from the perspective of market participants who are presumed to hold the complementary assets and liabilities.

As the land and building would transfer in one line in a hypothetical transaction, it is considered that the property provides maximum value to market participants on an 'in combination' basis (i.e. the land and building assets associated with the subject property) and then apportioned on a summation basis for each asset class being land and buildings.

VALUATION PROCESS AND ASSUMPTIONS

Where there is an active and liquid market as evidenced by sales transactions of similar property types, a Market Approach by way of Direct Comparison or Income Capitalisation methods can be utilised. These are accepted valuation methodologies under AASB13. If a Market Approach is adopted, the valuation is deemed to be based on Level 2 inputs.

The Direct Comparison method, which is generally considered a Level 2 input on the Fair Value Hierarchy, involves the analysis of sales evidence and comparisons with the subject land, taking into account matters such as whether an active market can be established and there are no unreasonable restrictions as to use and/or sale, area, location and other general site characteristics. We note the Direct Comparison approach has been utilised in our assessment for all Excluded/Revoked and Operational land, however our Fair Value measurement has been based on either Level 2 or 3 inputs, depending on our additional assumptions as to:

- Whether the land is subject to restrictions as to use and/or sale;
- Whether there is an active market or not.

If these assumptions apply to any land or buildings, we have measured the Fair Value based on Level 3 inputs. We note that assets having a Parkland zoning, land that is utilised for footpath or access restriction purposes, land that is a volumetric title, or due to its general characteristics land that has no observable active market, have been assessed based on Level 3 inputs.

The valuation techniques used to measure Fair Value maximise the use of observable data where it is available and relies as little as possible on entity specifics. The disclosure of valuation estimates is designed to provide users with an insight into the judgements that have been made in the determination of Fair Values.

PRINCIPAL (OR MOST ADVANTAGEOUS) MARKET AND MARKET PARTICIPANT

AASB 13 discusses the concepts of principal market and most advantageous market. In accordance with these concepts, a market transaction takes place either in:

- The principal market, the market with the greatest volume and level of activity for the asset or liability; or
- In the absence of a principal market, the most advantageous market. The most advantageous market is the market that maximises the amount that would be received to sell the asset or minimizes the amount that would be paid to transfer the liability, after taking into account transaction costs and transportation costs. However, although transaction costs are taken into account when determining which market is the most advantageous, the price used to measure the asset's fair value is not adjusted for those costs (although it is adjusted for transport costs).

A market must be accessible to the entity at the measurement date to be considered under AASB 13. The entity is not required to have the ability to sell the asset at that date but rather it should be able to access the market.

When measuring fair value, the entity must identify characteristics of market participants in the principal (or most advantageous) market. Market participants are buyers and sellers who are independent of each other, have knowledge or an understanding of the asset, have the ability to transact within the market and are willing to enter into a transaction without being compelled to do so. The underlying assumptions of a fair value measurement are determined by the position of market participants and so it is important for an entity to understand the forces driving their decisions to transact.

In the circumstances when there are no identifiable principal markets for an asset and it does not normally transact with enough frequency or transparency to draw meaningful comparisons the fair value measurement must assume a transaction takes place between hypothetical market participants from the perspective of a market participant that holds the asset (AASB 13.21).

FAIR VALUE METHODOLOGY

Under AASB 116 the value of property is to be recorded at Fair Value. This is usually determined using a sales based market value approach. However, the methodology adopted in determining the Fair Value of the asset will depend on the level of specialisation of the asset, the existence of a market for the asset and the existence of market evidence. There are instances where assets are not sold except as part of

a continuing business. Where a Market Value approach is not suitable, an alternative approach is depreciated replacement cost. These approaches are referenced below:

MARKET VALUE APPROACH

The Australian Accounting Standards Board and the Australian Property Institute define Market Value as:

'The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.'

This approach is based on available sales evidence using either the direct comparison, summation or income approaches.

Assets valued using the Market Value approach are deemed to have been assessed using Level 2 and / or Level 3 inputs.

CURRENT GROSS REPLACEMENT COST APPROACH (CGRC)

There are circumstances where the market approach is not suitable as the asset is rarely sold. Under these circumstances, the most appropriate method is CGRC.

Assets for which the CGRC approach may be suitable include specialised assets such as community halls, toilet blocks, showgrounds, roads, water and sewer infrastructure or other assets that cannot be reliably estimated due to a lack of market evidence. The CGRC approach is deemed to be based on Level 3 inputs.

For the purpose of this assessment, we have adopted a direct cost valuation methodology. This ensures consistency in pricing and assumptions and facilitates a like-for-like comparison between structures and replacement cost.

The estimate of direct costs include all labour, plant, equipment, materials and subcontractor works necessary to construct an asset. The estimate of direct costs assumes construction would take place in a single/staged phase with unimpeded access to the site.

INPUTS

To meet the Fair Value hierarchy requirements, our process of valuation will maximise the use of observable inputs and minimise the use of unobservable input as much as possible.

Observable inputs include market-based evidence of sales prices for land and buildings. Unobservable inputs include the valuer's choice of a \$/m² replacement cost and the valuer's opinion of condition. The nature of Building assets requires that they are valued using the application of unit rates. Unit rates are developed by summing each component which goes into producing a unit (be it metres, square metres, tonnes, etc) of an asset. The major components of any asset are the raw materials, plant, labour and overheads. These unit costs are then applied to known measurements of the assets to produce a replacement cost.

Below is a list of the data inputs that we use to determine building values:

- Recent construction data (unobservable)
- Rawlinsons cost data & cost indices for different regions (observable / publicly available). The Rawlinson's cost data selected is then subject to review by engineers and valuer's taking into account site specifics
- Consideration on building size, material, type, and structure to derive the unit rate (unobservable)

- Condition assessment (unobservable)
- Useful life and remaining useful (unobservable)
- Restrictions associated with each site (unobservable)
- Valuer's professional judgement (unobservable).

The developed inputs were subsequently adjusted for the attributes of each specific asset as determined by the valuer through the data collected on site, the information provided by PTA and publically available information. Asset attributes that impacted the adjusted rates included elements such as:

- Location,
- Size and/or quantity,
- Site specific factors such as access, slope and neighbouring properties,
- Building materials,
- Configuration and layout,
- Inclusions and exclusions,
- Extent and type of services, and
- Footprint.

Where there is a significant level of professional judgement used in determining the valuation due to the level of unobservable data relied upon, the valuation will be based on Level 3 inputs.

DETERMINATION OF QUANTITIES

The quantities of each assets, including area, was determined via a mixture of:

- The physical collection of data through the inspection process,
- Provision of areas, plans and documents from the Council, and
- Aerial mapping.

DEPRECIATION METHODOLOGY

Straight line depreciation was used for all building asset components.

USEFUL LIVES

Useful lives for building assets are a measure of the estimated time an asset or asset component is expected to be available for use by an entity. It should be noted that in reality, no two assets provide the same useful life due to varying usage, actual construction (versus assumed) and maintenance factors.

Generally structural assets have longer lives and mechanical and electrical assets have shorter lives, to further specify an estimated useful life, inputs such as climate, maintenance, usage and special factors including obsolescence are used to refine generic lives based on broad range acceptable values.

The useful lives we have adopted are not prescribed in any journal or building guide; however they are consistent with the range of lives that are being used by other professionals in the valuation industry and are supported by data from IPWEA'S Asset Management & Financial Management Guidelines –

Practise Note 12 2017 – Useful Life of Infrastructure for assets of the type and construction that form the subject of this report.

ESTIMATED USEFUL REMAINING LIFE

The estimated remaining life of the asset having regard to Physical Deterioration, Functional Obsolescence and Economic Obsolescence.

PHYSICAL DETERIORATION:

This may be due to wear, inadequate maintenance, dry rot, damage by termites or borers, or normal weathering and decay. Any one or more of these causes of depreciation might relate only to a part or to parts of an improvement, e.g. flooring, plumbing components, fence posts, and other items less durable than the main structure.

FUNCTIONAL OBSOLESCENCE:

This exists in respect of older type assets that are no longer fully functional in accordance with current requirements. Causes may include inconvenience of interior layout, outdated and inefficient lifts, fixtures and fittings, or where an existing machine is no longer compatible with new systems within a process.

ECONOMIC OBSOLESCENCE:

A lessening of economic utility may be caused by extrinsic circumstances beyond the control of an owner. For example, non-conforming use under a town-planning scheme, changes in the character of the locality, technological advances for which the building cannot readily be adapted or large increases in land values. The effect of any one such change might be that a building or other improvement, formerly economic, no longer contributes adequately to the highest and best use of the land.

ESTIMATED USEFUL REMAINING LIFE CALCULATION

The remaining lives used in the depreciation calculations are estimated using three different methods:

- Condition;
- Known Age; and
- Estimated Age.

Where the condition was able to be determined from the valuer's inspection or where detailed condition reports have been prepared, the remaining life is dependent on the recorded condition, using a sliding scale. Where detailed condition is not available and the age of the asset is known, the remaining life is estimated using the current age of the assets, adjusted for obsolescence after visual inspection.

Where neither the condition nor the age are known, assumptions are made as to the age and condition of the assets in collaboration with Yorke Peninsula Council staff, in order to obtain a depreciated replacement cost which reasonably reflects the value of the asset.

If building works were ongoing at the date of inspection but were to be completed by the valuation date then an assumption has been made in the valuation whereby the valuation figure is based on the works being complete. Where such assumption has been made a comments have been placed in the valuation document. If works were ongoing and the information from Yorke Peninsula Council stated the works were not to be completed by the date of valuation then these works have not been included in the valuation.

In calculating the condition rating given to the asset on a straight line basis, a condition rating of 0 (zero) is new, a condition rating of 5 reflects an asset half way through its useful life and a condition rating of 10 reflects an asset at the end of its useful life. As an example, an asset with an estimated life of 50 years that is given a condition rating of 5 will have an estimated remaining useful life of 25 years.

ELEMENT BREAKDOWN OF BUILDING ASSETS

AASB 116.43 requires that each part of an asset that has a significant cost component relevant to the total cost, should be treated separately. The intention of this standard is to recognise that the significant parts of larger assets are likely to have different useful lives.

An example of separating components is where each part of a building has a cost that is significant in relation to the total cost of the item such as the roof, lifts and escalators, or mechanical services such as air conditioning and hot water systems.

Separating these assets allows for improved recording and analysis of renewal need, replacement timing and useful life.

Buildings have been separated into components where appropriate. Please see the accompanying building valuation spreadsheet for specific componentisation breakdowns.

We have provided elemental breakdowns of major building assets. The components that have been adopted for buildings with a replacement cost above \$150,000 are described as follows:

| COMPONENT | COMPONENT BREAKDOWN |
|---------------------------|------------------------------------|
| External Structure | Preliminaries |
| | Substructure |
| | Columns (External) |
| | External Walls |
| External Structure (Roof) | Roof Frame |
| | Roof Cladding |
| Internal Structure | Columns (Internal) |
| | Upper Floors |
| | Staircase |
| | Internal Walls |
| | Windows |
| | Contingency |
| External Finishes | External Fittings |
| | External Doors |
| | External Finishes (e.g. Paintwork) |
| | External Screens |
| Internal Finishes | Wall Finishes |
| | Floor Finishes/Coverings |
| | Ceiling Finishes |
| | Internal Fittings |
| | Internal Doors |
| | Internal Screens |
| Building Services | Plumbing |
| | Mechanical |
| | Fire |
| | Electrical |

| BUILDING COMPONENTS | % OF TOTAL VALUE (RANGE) | % OF TOTAL VALUE (AVERAGE) |
|---------------------------|--------------------------|----------------------------|
| External Structure | 9% - 50% | 26% |
| External Structure (Roof) | 0% - 30% | 10% |
| Internal Structure | 0% - 56% | 11% |
| External Finishes | 0% - 9% | 1% |
| Internal Finishes | 2% - 34% | 17% |
| Building Services | 13% - 67% | 34% |

CONDITION RATING

| RATING 0 -10 | RATING 1 - 5 | DESCRIPTION | PERCENTAGE OF LIFE REMAINING |
|-----------------|-----------------|---|------------------------------|
| 0 | 1 | Brand new or rehabilitated to new | 100% |
| 1 | | Near new with no visible deterioration | 90% |
| 2 | | Excellent overall condition early stages of deterioration | 80% |
| 3 | 2 | Very good overall condition with obvious deterioration evident | 70% |
| 4 | | Good overall condition, obvious deterioration serviceability impaired very slightly | 60% |
| 5 | 3 | Fair overall condition obvious deterioration, serviceability loss | 50% |
| 6 | | Fair to poor overall condition, obvious deterioration | 40% |
| 7 | 4 | Poor overall condition, obvious deterioration, some serviceability loss, high maintenance costs | 30% |
| 8 | | Very poor overall condition, severe deterioration very high maintenance costs. Consider renewal | 20% |
| 9 | 5 | Extremely poor condition, sever serviceability problems, renewal required immediately | 10% |
| 10 | | Failed asset, no longer serviceable. Should nor remain in service | 0% |

PROPERTY DETAILS

LOCATION

The subject 'Land, Buildings and Structures Assets' are located within and surrounding the following towns and localities situated within the Yorke Peninsula Council Local Authority Area.

| | | |
|-------------------|---------------|-------------------|
| Ardrossan | Honiton | Port Victoria |
| Arthurton | James Well | Port Vincent |
| Balgowan | Kainton | Price |
| Black Point | Koolywurtie | Ramsay |
| Bluff Beach | Lake Fowler | Rogues Point |
| Brentwood | Maitland | Sandilands |
| Coobowie | Marion Bay | Sheoak Flat |
| Corny Point | Minlaton | South Kilkerran |
| Couches Beach | Nalyappa | Stansbury |
| Cunningham | Parsons Beach | Sultana Point |
| Curramulka | Pine Point | Sunbury |
| Daly Head | Point Souttar | The Gap |
| Dowlingville | Point Turton | The Pines |
| Edithburgh | Port Clinton | Tiddy Widdy Beach |
| Foul Bay | Port Julia | Urania |
| Gleeson's Landing | Port Moorowie | |
| Hardwicke Bay | Port Rickaby | |

REGISTERED OWNER

We understand all the assets as noted within this report are registered to Yorke Peninsula Council.

Individual certificates of title have not been obtained or provided and we have based the valuation on the assumption that all assets are owned by Yorke Peninsula Council.

TOWN PLANNING

This valuation is based upon the PlanSA Planning and Design Code (the Code), being the current planning scheme for all Local Government Areas within the state of South Australia. The commencement date for the Code was 1 July 2019.

ROAD SYSTEM, ACCESS AND EXPOSURE

Access to the specific properties ranges significantly in the number of street frontages, the ease with which they can be accessed, and the degree to which access roads are sealed, kerbed and channelled. Where specified assets have been identified as landlocked, we have viewed the property from aerial photos, site plans and/or via adjoining properties.

SERVICES AND AMENITIES

Yorke Peninsula Council areas have reticulated town water, sewerage, electricity and telephone services available or connected. We note some assets that are slightly removed from the town centres do not have services attached.

ENVIRONMENTAL ISSUES

In the absence of an environmental site assessment of each property, we have assumed that the portfolio of properties is free of elevated levels of contaminants. Our visual inspection of the subject properties and immediate surrounding properties revealed no obvious signs of site contamination. Furthermore, we have made no allowance in our valuation for site remediation works.

We can confirm that we are not qualified to:

- Detect contaminants such as asbestos, chemicals, toxic wastes or other hazardous materials nor confirm that the property complies with current noise and air pollution requirements, estimate the cost of remediating such contaminants, or quantify the impact of such contaminants on the value of the items assessed.
- Detect the presence of termites or any other pests or vermin which may have an impact on the condition or remaining life of the asset.
- Detect rising damp, dry rot, corrosion, inferior workmanship and any other factors which are often concealed which may impact the useful life and current condition of the asset.

Our estimates assume there are no contaminants, or other factors, at any of the locations assessed. If you or your consultants have advised us of, or if subsequent enquiries reveal the presence of environmental issues – such as those listed above; we recommend a specialist consultant be engaged to determine the likely additional cost of remediation, demolition and/or removal.

VALUATION CONSIDERATIONS

OVERVIEW

Council land assets comprise sites of various uses including;

- Community Purposes;
- Residential;
- Industrial;
- Retail;
- Commercial Offices;
- Special Purpose.

Various zoning of the Council's land assets includes;

| | |
|--|----------------------------|
| Caravan and Tourist Park | Open Space |
| Coastal Waters and Offshore Islands | Productive Rural Landscape |
| Community Facilities | Rural |
| Conservation | Rural Living |
| Deferred Urban | Rural Settlement |
| Employment | Rural Shack Settlement |
| Infrastructure | Strategic Employment |
| Infrastructure (Ferry and Marina Facilities) | Suburban Business |
| Neighbourhood | Township Activity Centre |

Council land assets are classified as Community Land, Excluded/Revoked, or Operational.

The land is held for resale and sites vary widely in size, location and general physical characteristics.

To assist with the identification of the assets we have relied on plans, mapping and directions provided by Council. As required, further advice in relation to the assets was sought from Council staff.

EXTENT OF INSPECTIONS AND OTHER LIMITATIONS

We confirm that the valuer and the assistant valuer inspected all building assets that were accessible, with relevant details recorded.

MARKET VALUE CONSIDERATIONS

The following Assets are situated on Excluded/Revoked Land.

Minlaton Senior Citizens Clubrooms and Rest Centre
 Maitland Council Offices
 Minlaton Council Depot
 Former Stansbury CFS Station
 Yorketown Masonic Hall

Due to the scarcity of market evidence in Yorke Peninsula, in particular sales of improved commercial properties, 'market based' values are considered to be more subjective than usual, and as such we have adopted the cost approach for all Building and Structure Assets. Therefore, all Building and Structure Assets have been assessed as Level 3 inputs on the fair value hierarchy. We highlight that the commercial properties within Yorke Peninsula Council, from a cost approach valuation perspective, have inherent obsolescence factors greater than just the physical condition of the building.

We note there have been no relevant sales of commercial properties to our knowledge in the Yorke Peninsula Council Area in the past 2 years that have had a formal marketing campaign. We have disregarded all other sales due to credibility concerns from an arm's length transaction perspective.

IMPACT ON GOVERNMENT LAND HOLDINGS

Government landholdings are unique in nature given the desired outcomes for the properties differ significantly compared to other properties on the open market. Relevant sales for this type of property are rarely available and as a result sales of non-community use properties must be considered. In undertaking valuations on government properties the starting point for determining value is based on sales of properties in the surrounding area which are generally not for a similar community use. These values are then adjusted to reflect the higher level of constraint placed on the properties. So by default the adjusted value of the land holdings also increases in line with the surrounding area.

ENVIRONMENTAL CONSIDERATIONS

In the absence of an environmental site assessment of each property, we have assumed that the portfolio of properties is free of elevated levels of contaminants. Our visual inspection of the subject properties and immediate surrounding properties revealed no obvious signs of site contamination. Furthermore, we have made no allowance in our valuation for site remediation works.

We can confirm that we are not qualified to:

- Detect contaminants such as asbestos, chemicals, toxic wastes or other hazardous materials nor confirm that the property complies with current noise and air pollution requirements, estimate the cost of remediating such contaminants, or quantify the impact of such contaminants on the value of the items assessed.
- Detect the presence of termites or any other pests or vermin which may have an impact on the condition or remaining life of the asset.
- Detect rising damp, dry rot, corrosion, inferior workmanship and any other factors which are often concealed which may impact the useful life and current condition of the asset.

Our estimates assume there are no contaminants, or other factors, at any of the locations assessed. If you or your consultants have advised us of, or if subsequent enquiries reveal the presence of environmental issues – such as those listed above; we recommend a specialist consultant be engaged to determine the likely additional cost of remediation, demolition and/or removal.

MARKET COMMENTARY

This valuation report has been written in 2023, however the following market commentary is at 1 July 2022 to reflect the market as at the date of valuation.

MARKET UNCERTAINTY

Market uncertainty comes about when a market, as at the valuation date, is disrupted by current or very recent events such as sudden economic or political crisis.

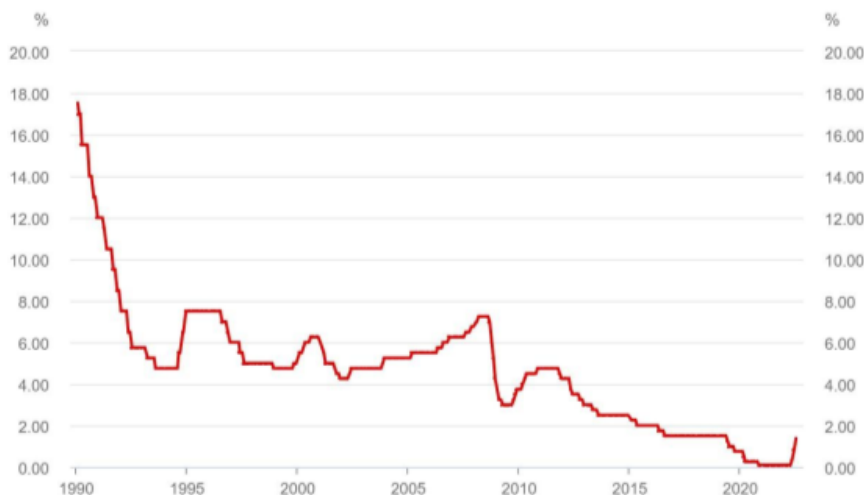
The event(s) that cause market uncertainty may be macroeconomic, for example the current COVID-19 outbreak, or microeconomic such as a change to a law or regulation which resets or disrupts a market sector.

In the real estate market, both microeconomic and macroeconomic events may result in valuation uncertainties as the only evidence available to be considered by the valuer is most likely to have taken place before the event occurred and the impact of which was not reflected in market evidence. The impact on sale prices and volumes will not be known until the market has stabilised and a new normal is in the market place.

AUSTRALIAN ECONOMY

The Reserve Bank of Australia raised the cash rate by 50 bps to 1.35% during its July 2022 meeting. The move followed June's 50-bps hike and a 25-bps increase in May, bringing the cash rate to a level not seen since May 2019. The board reiterated huge monetary support was no longer needed due to the strength of the economy and the current inflation pressures, adding that it was committing to take further tightening with the size and timing being guided by the incoming data. The central bank also viewed that the labour market stayed strong, as employment remained at its lowest in near 50 years while a further drop in unemployment is expected ahead. The committee reaffirmed its commitment to doing what is necessary to ensure inflation returns to target while paying attention to the global outlook, which stays clouded by the war in Ukraine and its effect on prices of energy and commodities. The board increased the interest rate on Exchange Settlement balances by 50 bps to 1.25%.

Graph of the Cash Rate Target



Source: RBA

Australian Cash Rate. Source: Trading Economics

GDP GROWTH

Australian Gross Domestic Product (GDP) rose 3.4 per cent in seasonally adjusted chain volume terms in the December quarter 2021, according to figures released by the Australian Bureau of Statistics (ABS) in March 2022.

Sean Crick, acting head of National Accounts at the ABS, said: "After experiencing a fall of 1.9 per cent in the September quarter due to a number of state lockdowns, the Australian economy recovered in the December quarter, growing 3.4 per cent and surpassing the pre-Delta June quarter 2021 level."

Private demand contributed 3.0 percentage points to GDP, with a 6.3 per cent rise in household final consumption expenditure. Household spending on both goods and services rose, with recreation and culture, cafes and restaurants and clothing and footwear experiencing strong rises.

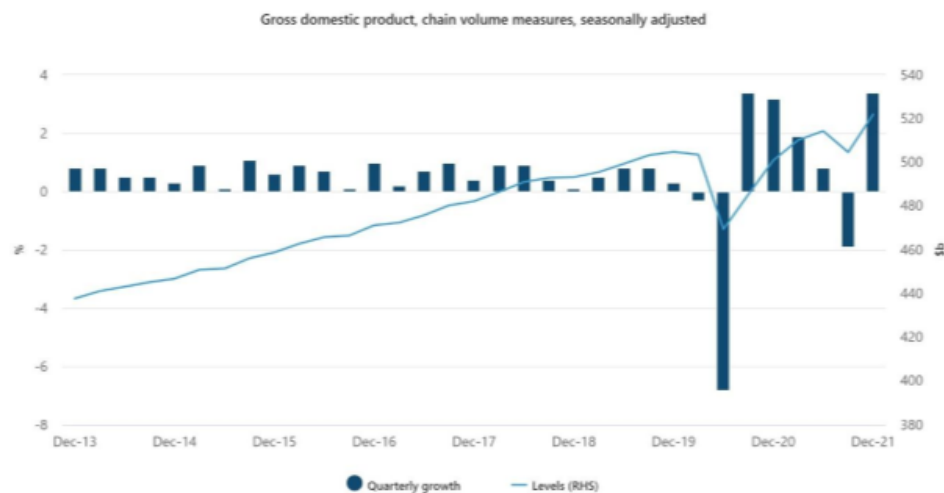
"Domestic demand drove the growth this quarter, with high levels of household spending, particularly in the states that emerged from COVID-19 lockdowns. Household spending in NSW, Victoria and the ACT rose 9.6 per cent, compared to the rest of Australia which rose 1.6 per cent," Mr Crick added.

The rise in household final consumption expenditure was partly offset by a 1.4 per cent fall in private investment. Private investment was impacted by shortages of labour and construction materials, which saw dwelling investment decline 2.2 per cent despite high levels of dwelling approvals in recent quarters.

Net trade detracted 0.2 percentage points from GDP this quarter. Exports of mining commodities and travel services fell which was partly offset by increases in rural goods exports. Imports of goods fell 0.4 per cent, driven by consumption and capital goods. The Terms of Trade fell 5.1 per cent, the largest decline since June quarter 2009, driven by strong growth in import prices.

The household saving to income ratio fell from 19.8 per cent to 13.6 per cent. The fall in household saving was driven by increased household spending, coupled with a decline in household income. Household gross disposable income fell 0.5 per cent with the reduction of government support payments to households and unincorporated businesses affected by COVID-19.

"The household saving ratio of 13.6 per cent was higher than the pre-Delta COVID-19 ratio in June quarter 2021 of 11.8 per cent." Mr Crick said.



Source: Australian Bureau of Statistics, Economic activity increased 3.4% in December quarter 2/03/2022

Australian GDP Growth. Source: Trading Economics

REAL ESTATE MARKET

The Adelaide property market is currently experiencing very strong growth across all sectors, with demand exceeding supply and as such prices rising significantly in many locations. Selling agents report strong levels of buyer inquiry from both owner occupiers and investors. Retailers of market transaction data and statistics (such as Corelogic) report reduced listing times together with strong auction clearance rates in Adelaide and typically mimicked around the country for not just metropolitan but also regional property as a follow on effect from rising prices.

The downward pressure on yields being seen across all property markets is due to a combination of interstate investment, the current record low interest rate environment and abolishment of commercial stamp duty 2019. It appears the current market has plenty of capital needing to be placed with investors willing to purchase investment properties with returns as low as 4%.

Adelaide has positioned itself as a leading defence, bio-med and manufacturing investment hub with a new wave of demand for industrial and logistics real estate is being driven by businesses expanding operations into Adelaide from Melbourne, or choosing Adelaide as their primary base.

The COVID-19 pandemic has resulted in major economic disruption at both a local and global level with the Australian economy supported and subject to government economic stimulus. The location of outbreaks and associated government response measures are taking a variety of forms and proving unpredictable. Whilst the residential real estate market in metropolitan Adelaide is typically stable, it is considered that due to these unprecedented times, it may be susceptible to market volatility.

The regional real estate market, across most sectors has experienced appreciation over the last 12-24 months on the back of historically low interest rates (albeit on the rise), good commodity prices and strong seasons. Metropolitan Adelaide residential property has experience significant growth making ownership unachievable with a renewed regional market being perceived as affordable and a greater working from home trend on the back of the pandemic.

YORKE PENINSULA COUNCIL PROPERTY MARKET

Since the Covid-19 pandemic, regional house prices in South Australia have increased substantially, with Yorke Peninsula Council following this trend. However, as the local market is historically thinly traded, with the average tenure period exceeding ten years, properties are scarcely offered to the open market for sale. When listed, residential properties generally experience a selling period that is within three months from the date of the initial listing. There appears to be less demand for commercial properties, with very few transactions having occurred within the past two years. Of the limited transactions recorded, it appears that extended selling periods exceeding 12 months have been

DEMOGRAPHICS

The population of Yorke Peninsula Council was recorded at approximately 26,652 in published statistics as at 2021.

CONSTRUCTION MARKET

The Rawlinsons Australian Construction Handbook provides the follow South Australian construction market update for the July 2022 quarter:

"All sectors are still maintaining steady growth, in particular the residential sector, notwithstanding the challenges associated with material supply and labour constraints. It is anticipated that increasing construction costs for all sectors will continue into 2023, where it is expected to moderate. Bank funding for the small to medium residential projects is still very strong. The increase in interest rates will impact on residential activity, but this will not be obvious until early 2023, due to the backlog of work still to commence / complete. It is anticipated that the new State Government will implement a strong capital works programme, particularly in the health sector. Geo/political, energy supply, inflation and ongoing interest rate rises will add further to the challenges/cost pressures confronting all sectors of the economy going forward".

Continued levelling of material escalation was experienced across all sectors in the construction industry over the past quarter, with border restrictions continuing to ease and supply chain procurement routes opening. However, these moderate material and commodity price increases have been offset by significant increases in labour costs, driven largely by a shortage of skilled labour across South Australia, and across Australia more broadly. These labour constraints have seen tender pricing increase across all sectors. With border opening since COVID-19 not doing much to alleviate the skilled labour shortage, it is forecast that tender and construction prices will remain elevated for the remainder of 2022, and continue into 2023.

Costs escalation for the 2021/2022 reporting period, has recorded a 5.79% an increase in construction costs.

HIGHEST AND BEST USE

For financial reporting purposes in Australia the definition of Highest and Best Use in accordance to the Australian Accounting Standards Board (AASB13) is:

- 27. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.
- 28. The highest and best use of a non-financial asset takes into account the use of the asset that is physically possible, legally permissible and financially feasible, as follows:
 - A use that is physically possible takes into account the physical characteristics of the asset that market participants would take into account when pricing the asset (e.g. the location or size of a property).
 - A use that is legally permissible takes into account any legal restrictions on the use of the asset that market participants would take into account when pricing the asset (e.g. the zoning regulations applicable to a property).
 - A use that is financially feasible takes into account whether a use of the asset that is physically possible and legally permissible generates adequate income or cash flows (taking into account the costs of converting the asset to that use) to produce an investment return that market participants would require from an investment in that asset put to that use.
- 29. Highest and best use is determined from the perspective of market participants, even if the entity intends a different use. However, an entity's current use of a non-financial asset is presumed to be its highest and best use unless market or other factors suggest that a different use by market participants would maximise the value of the asset.

Council assets are valued on the basis that the entity intends to retain the assets for a continuous use for the purposes of the enterprise and for the foreseeable future. Therefore we have had regard to assessing the value of the assets on its existing use ensuring that the highest and best use noting that the current use of an asset is presumed to be its highest and best use unless market or other factors suggest a different use would maximise its value.

VALUATION METHODOLOGY

INTRODUCTION

In arriving at our opinion of value, we have considered relevant market information and economic factors.

We have valued the specified land on the basis of Fair Value in accordance with:

- Australian Accounting Standards – Fair Value Methodology; and
- International Valuation Standards.

The valuation of Yorke Peninsula Council's building and land assets has been completed in accordance with guidance notes and background papers issued by the Australian Accounting Standards Board and the International Assets Valuation Standards Committee of which the Australian Property Institute is a member. Please note that we have provided the Fair Value of the assets having regard to accounting standards, in particular AASB 13 and 116. However, it is the responsibility of the entity to comply with accounting standards. There may be issues that have to be considered in relation to these and other accounting standards prior to adopting the valuations contained within this report as Fair Value for Financial Reporting purposes.

Underlying the definition of Fair Value for Financial Reporting purposes is a presumption that the entity is a not-for-profit concern that does not have any intention or need to liquidate or otherwise wind up its operations or undertake a transaction on adverse terms. An asset's Fair Value should be regarded as the maximum value the entity would rationally pay to acquire the asset if it did not currently hold it. It excludes an estimated price inflated or deflated by special terms or circumstances such as financing or sale and leaseback arrangements that are on non-commercial terms.

ASSESSMENT OF LAND VALUES

Valuations have been based on sales of land in the locality and standard valuation principles have been adopted whereby the direct comparison method for each individual parcel has been utilised. We have relied upon the most relevant sales available and where necessary, adjustments have been made to the sales evidence to account for differences between sold properties and the subject property.

Due regard has also been given to zoning, size, shape, location, topography and exposure characteristics for each lot, as well as overall market conditions as at the date of valuation. Research of the various submarkets has been undertaken through the analysis of sales evidence.

It should be noted that there is often a lack of appropriate comparable sales evidence in certain geographic locations and also for properties of certain specific comparable land use and/or area classification. In such cases, regard is given to the closest comparable sales and the subject properties' characteristics in relation to those sales.

It should be noted that there was often a lack of appropriate comparable sales evidence in certain geographic locations and also for properties of certain specific comparable land use and/or area classification. In such cases, regard was given to the closest comparable sales and the subject properties' characteristics in relation to those sales.

Issues taken into consideration in determining values, include:

- The Zoning Classification of each parcel under the relevant Town Planning Scheme.
- Characteristics which adversely affect the usefulness of a lot (e.g. narrow width, whether it has been cleared, access restrictions, topography, use etc.) have been considered in assigning a value.
- The Grid Adjustment Method, where necessary adjustments are made for differences between sold properties before comparing them with the property being valued. Adjustments to the value

of the property are made in terms of a percentage. The type of adjustments made to the property includes attributes such as flooding, access, slope, vegetation and environmental factors to name a few.

For land parcels with significantly compromised shape, size and/ or zoning, a nominal land value has been applied.

LAND SALE ANALYSIS

In analysing the sales evidence we have provided, it is noted we have attempted to ascertain if the sales price is inclusive or exclusive of GST. With regard to sales evidence, it is emphasised that the Valuer General's office does not differentiate between or record, if the sale price is inclusive or exclusive of GST.

Where we have not been able to verify if GST is included in the sale price, we have assumed the Valuer General's office record and subsequent users of this information of sales price is inclusive of GST.

Should it eventuate the assumptions we have made regarding GST are not correct, AssetVal reserves the right to re-assess any effect on the value stated in this report.

ASSESSMENT OF BUILDING VALUES

Where buildings have been valued using Level 2 inputs, we have had regard to sales of similar assets in the locality and standard valuation principles have been adopted whereby the direct comparison method for each asset has been utilised. Due regard has been given to zoning, size, shape, location topography and exposure characteristics for each asset; as well as overall market conditions as at the date of valuation.

It should be noted that there is often a lack of appropriate comparable sales evidence in certain geographic locations and also for properties of certain specific comparable land use and/or area classification. In such cases, regard is given to the closest comparable sales and the subject properties' characteristics in relation to those sales (refer also Assumptions, Conditions and Limitations).

Where buildings have been assessed using the CGRC approach we have utilised data from contemporary cost databases including Rawlinsons Construction Cost Handbook 2023, Costweb and the AIQS.

VALUATION

Subject to the assumptions and qualifications contained within the body of this report (and individual values as referred to in the Appendices), we have assessed the combined Fair Value of the specified portfolio as at 01 July 2022 to be:

| DESCRIPTION | REPLACEMENT COST | FAIR VALUE |
|--------------|----------------------|----------------------|
| Buildings | \$101,244,400 | \$41,233,897 |
| Structures | \$14,703,700 | \$5,970,055 |
| Land | N/A | \$86,739,200 |
| TOTAL | \$115,948,100 | \$133,943,152 |

This valuation is for the use only of Yorke Peninsula Council to whom it is addressed and for financial reporting and no other purpose. No responsibility is extended to any third party who may use or rely on the whole or any part of the content of this valuation in any way and neither the valuer nor AssetVal shall have any liability to any third party who does. No responsibility will be accepted for photocopied signatures.

The figures listed above is the combined, aggregate of the individual category values assessed on an individual valuation basis as contained in the Appendix.

Only a signed original of this valuation should be relied upon and no responsibility will be accepted for photocopies of the report.

Neither the whole nor any part of this valuation or any reference thereto may be included in any published documents, circular or statement, nor published in part or full in any way, without written approval of the form and context in which it may appear.

No liability is accepted for any loss or damage (including consequential or economic loss) suffered as a consequence of fluctuations in the property market subsequent to the date of valuation.

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For and on behalf of

ASSETVAL

*Co-signature



Amy Thamm AAPI
 Certified Practising Valuer
 14 August 2023



Brooke Smith FAPI
 Certified Practising Valuer
 14 August 2023

*Whilst not having inspected the subject property, I the counter-signatory, acting in the capacity as a Supervising Member, have reviewed the draft Valuation Report and working papers, and based upon that review and questioning of the Primary Valuer (as appropriate), I am satisfied there is a reasonable basis for the valuation process undertaken and the methodology adopted by the Primary Valuer.
 Liability limited by a scheme approved under Professional Standard Legislation.

QUALIFICATIONS

ASSUMPTIONS, CONDITIONS, LIMITATIONS

Assumptions are a necessary part of this valuation. AssetVal adopts assumptions because some matters are not capable of accurate calculation, or fall outside of the scope of our expertise, or our instructions. The risk that any of the assumptions adopted in this document may be incorrect should be taken into account. AssetVal does not warrant or represent that the assumptions on which this valuation is based are accurate or correct.

- Title searches have not been undertaken. In some instances it would appear the titles are subject to dealings. The issuing of Titles may have an effect on values. We recommend updating your register if and when new information becomes available.
- Should any of the land included in this valuation be released to the market we would anticipate an extended marketing period well above that in more densely populated areas of South Australia.

CONFIDENTIAL DOCUMENT FOR AUTHORISED USERS ONLY

This confidential document is for the sole use of persons directly provided with it by AssetVal a business of Marsh Pty Ltd (AssetVal). Use by, or reliance upon this document by anyone other than Yorke Peninsula Council is not authorised and AssetVal is not liable for any loss arising from such unauthorised use or reliance. The document should not be reproduced without our written authority. This valuation has been assessed for accounting compliance purposes only.

GOODS AND SERVICES TAX

The market value for financial reporting purposes stated within this report is exclusive of GST with the exception for newly created residential real estate where we have assumed the market value is inclusive of GST.

In analysing the sales and leasing evidence we have provided, it is noted we have attempted to ascertain if the sales price and rentals is/are inclusive or exclusive of GST. With regard to sales or rental evidence, it is emphasised that statutory reporting of either sales or rental values does not differentiate between or record, if the sale price or rental amount is inclusive or exclusive of GST.

Where we have not been able to verify if GST is included in the sale price or rental, we have assumed the sale price and the rental is inclusive of GST.

OUR INVESTIGATIONS

This valuation is conducted on the basis that we are not engaged to carry out all possible investigations in relation to the property. We have identified certain limitations to our investigations to enable you to instruct further investigations if you consider this appropriate. AssetVal is not liable for any loss occasioned by a decision not to instruct further investigations.

INFORMATION SUPPLIED BY OTHERS

This document contains a significant volume of information that is directly derived from other sources, without verification by us including, but not limited to planning documents and environmental or other expert reports. We confirm that we are not instructed to verify that information. Further, the information is not adopted by AssetVal as our own, even when it is used in our calculations. Where the contents of this document has been derived, in whole or in part, from other sources, AssetVal does not warrant or represent that such information is accurate or correct. We believe that the information supplied is within a level of accuracy tolerance and that material facts have not been intentionally withheld. For the purpose of our valuation assessment, we have assumed that this information is correct.

FUTURE MATTERS

To the extent that this document includes any statement as to a future matter, that statement is provided as an estimate and/or opinion based on the information known to AssetVal at the date of this document. AssetVal does not warrant that such statements are accurate or correct.

CONTAMINATION ISSUES

Contaminants such as asbestos, chemicals, toxic wastes, or other potentially hazardous materials could, if present, adversely affect the value of the property. Unless otherwise stated in this report, the extent of hazardous substances, which may or may not be represented on or in the property, was not considered by the valuer in the conclusion of value. The stated value estimated is on the assumption that there is no material on or in the property that would cause loss in value. No responsibility is assumed for any such conditions, and the recipient of this report is advised that the valuer is not qualified to detect such substances, quantify the impact on values, or estimate the remedial cost.

EXTERNAL / INTERNAL BUILDING CLADDING

Where a building comprise external or internal cladding and we are unable to identify from our visual inspection whether the cladding used, or method of attachment, is compliant/ conforming or non-compliant/ non-conforming the following forms part of this Valuation Report.

- This valuation report has been prepared under the assumption that the building materials used as well as the application and installation of those materials, comply with all approvals, relevant law, legislation, legal codes and or standards. Should this not be the case, we reserve the right to review our valuation.
- We are not experts in 'cladding' or methods of attachment and are not qualified to determine the existence of non-conforming or non-compliant cladding. We do not accept responsibility or liability for any losses whatsoever arising from the valuer failing to identify non-conforming or non-compliant cladding.
- Prior to any reliance on the Valuation Report by any client and any other party nominated in the report as being entitled by the valuer to rely upon the report, those parties must make their own enquiries regarding cladding used, including the application, installation, specification and utilisation of the cladding, and its compliance with all approvals, relevant law, legislation, legal codes and or standards.

VALUATION DATE

This valuation is current as at the date of valuation only. The value assessed herein may change significantly and unexpectedly over a relatively short period of time (including as a result of general market movements or factors specific to the particular property). Liability for losses arising from such subsequent changes in value is excluded as is liability where the valuation is relied upon after the date of the valuation.

APPENDIX 1 - SCHEDULE OF LAND, BUILDING AND STRUCTURE VALUES

As noted in the attached Valuation spreadsheets.

CONFIDENTIAL AGENDA**9 CONFIDENTIAL ITEMS****9.1 INDEPENDENT MEMBER APPOINTMENT TO AUDIT AND RISK COMMITTEE****RECOMMENDATION****Section 90 Order**

That pursuant to Section 90(2) and (3)(a),(j)(ii) of the Local Government Act 1999, the Council orders, that the public be excluded from the meeting relating to Item 9.1 Independent Member Appointment to Audit and Risk Committee, with the exception of the following persons:

- Acting Chief Executive Officer
- Executive Assistant to Director Corporate and Community Services
- Director Corporate and Community Services
- Director Development Services
- Manager Financial Services

The Council is satisfied that, pursuant to Section 90(2) and (3)(a),(j)(ii) of the Act, the information to be received, discussed or considered in relation to report Item 9.1 Independent Member Appointment to Audit and Risk Committee, is confidential information relating to:

- (a) information the disclosure of which would involve the unreasonable disclosure of information concerning the personal affairs of any person (living or dead)
- (j)(ii) information the disclosure of which would, on balance, be contrary to the public interest.

Accordingly, on this basis, the principle that meetings of the Council should be conducted in a place open to the public has been outweighed by the need to keep the information or matter confidential.

RESUMPTION OF PUBLIC MEETING

10 NEW AND EMERGING RISKS / ISSUES

11 GENERAL BUSINESS

12 NEXT MEETING

Tuesday 31 October 2023

13 CLOSURE