



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

**Date:** Tuesday, 31 October 2023  
**Time:** 3:00pm  
**Location:** Council Chambers  
Minlaton Town Hall  
57 Main Street  
Minlaton

# **AGENDA**

## **Audit and Risk Committee Meeting**

**31 October 2023**

A handwritten signature in black 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

<b>1</b>	<b>Welcome by Chairperson</b> .....	<b>5</b>
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<b>3</b>	<b>Leave of Absence</b> .....	<b>5</b>
<b>4</b>	<b>Apologies</b> .....	<b>5</b>
<b>5</b>	<b>Conflict of Interest</b> .....	<b>5</b>
<b>6</b>	<b>Minutes of Previous Meeting – for Confirmation</b> .....	<b>5</b>
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<b>11</b>	<b>Next Meeting</b> .....	<b>132</b>
	Tuesday 5 December 2023	
<b>12</b>	<b>Closure</b> .....	<b>132</b>





**1 WELCOME BY CHAIRPERSON**

Meeting declared open

**2 PRESENT**

**3 LEAVE OF ABSENCE**

Nil

**4 APOLOGIES**

Amanda Pitt (Business Improvement Officer)

**5 CONFLICT OF INTEREST**

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

Audit and Risk Committee Meeting - 5 September 2023

Confidential Audit and Risk Committee Meeting - 5 September 2023

**7 VISITORS TO THE MEETING**

David Papa and Matthew Brunato – Bentleys

# REPORTS

## REPORTS

### 8 NEW BUSINESS

#### 8.1 AUDITED GENERAL PURPOSE FINANCIAL STATEMENTS 2022/2023

**Document #:** 23/100421

**Department:** Corporate and Community Services

#### PURPOSE

To present Council's 2022/2023 audited General Purpose Financial Statements and management representation letter for the Committee's information and consideration.

#### RECOMMENDATION

That the Audit and Risk Committee:

1. Endorse the Chief Executive Officer and the Presiding Member of the Audit and Risk Committee to sign the Certification of Auditor Independence;
2. Receive and note the Management Representation Letter to be signed by the Chief Executive Officer and the Manager Financial Services and provide to the Auditor;
3. Recommend to Council that the audited General Purpose Financial Statements for the year ended 30 June 2023 be endorsed; and
4. Receive and note the Audit Management Letter provided by Bentleys SA Audit Partnership for the year ended 30 June 2023.

#### 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

As required by the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011, the General Purpose Financial Statements (Statements) for the year ended 30 June 2023 have been prepared and audited.

The Statements have been prepared using Model Financial Statement templates and comply with the Australian Accounting Standards.

#### DISCUSSION

The attached Statements and Notes provided under separate cover (attachment 1) to this report have been audited by Council's external auditors, Bentleys SA Audit Partnership (Bentleys). Council has received confirmation from Bentleys that no further changes are required to the Statements and they are happy with the Statements as presented.

The Audit Management Letter provided by Bentleys is attached to this report (Attachment 5) and confirms, that subject to finalisation of minor administrative matters, Bentleys expect to provide unmodified audit opinions.

The Management Representation letter (Attachment 2) has also been finalised and is attached for the Audit and Risk Committee’s information.

During the Audit, Bentleys raised with Council staff inquiries and amendments relating to formatting, disclosures, grant funding, classifications, accrued leave balances, asset capitalisation, asset additions, asset disposals, asset revaluations and presentation. These amendments have been actioned to the satisfaction of the auditors and did not have any material impact on the Statements.

A brief financial analysis of the Statements is as follows;

**Operating Result**

Council’s Operating Result in 2022/2023 is a surplus of \$2.96m, which is an increase of \$1.62m in comparison to its 2021/2022 results. The 2021/2022 operating result was a surplus of \$1.34m.

The key drivers behind the improved 2022-2023 operating result are increases to grants, subsidies and contributions income of \$2.36m, rate income of \$1.24m, investment income \$0.41m and user charge income \$0.33m being offset by increased expenditure of materials, contracts and other expenses \$1.42m, depreciation \$0.82m and employee costs of \$0.81m.

A more detailed analysis of the movements (compared to 2021/2022) in Council’s various income and expenditure streams as shown on the Statement of Comprehensive Income for 2022/2023 is presented in the table below.

It should be noted that Council continues to receive a significant level of income from available one-off and stimulus grants, such as the Local Roads and Community Infrastructure Program which inflate the income line. In real terms the operating surplus, if adjusted for additional stimulus grants would be significantly lower once corresponding expenditure is accounted for.

	<b>Change (\$)</b>	<b>Change (%)</b>	<b>Comments</b>
<b>Income</b>			
Rates & Service Charges	+\$1.24m	+5%	<u>Major Increases:</u> ➤ General Rates: \$970k ➤ Waste Charges: \$197k
Statutory Charges	+\$22,000	+3%	<u>Major Increases:</u> ➤ Development Fees: \$29k ➤ Septic Application and Inspection Fees: \$39k <u>Major Decreases:</u> ➤ Other registration fees: \$47k
User Charges	+\$0.33m	+6%	<u>Major Increases:</u> ➤ Bush Camping: \$234k ➤ YP Leisure Options: \$94k
Grants, Subsidies and Contributions	+\$2.36m	+53%	<u>Major Increases:</u> ➤ LRCIP grants: \$2.2m

	Change (\$)	Change (%)	Comments
			➤ Financial Assistance Grants: \$200k (note timing)
Investment Income	+\$0.41m	+393%	Due to increased average cash balance and increased interest rates.
Reimbursements	+\$0.28m	+154%	<u>Major Increases:</u> ➤ Insurance reimbursements: \$160k (change in accounting treatment of Income Protection and Workers Compensation reimbursement with corresponding increase to employee costs)
Other	+\$59,000	+36%	<u>Major Decreases:</u> ➤ Risk Incentive funding and award: \$41k
<b>TOTAL INCOME VARIANCE</b>	<b>+\$4.70m</b>	<b>+13%</b>	
<b>Expenses</b>			
Employee Costs	+\$0.81m	+8%	<u>Major Increases:</u> ➤ Salaries and Wages: \$882k (of which \$160k relates to change in accounting treatment of Income Protection and Workers Compensation reimbursements with corresponding increase to reimbursement income plus \$55k for additional part-time ranger position) <u>Major Decreases:</u> ➤ Employee Leave: \$62k
Materials, Contracts & Other	+1.42m	+10%	<u>Major Increases:</u> ➤ Leased jetty maintenance: \$299k ➤ Fuel: \$206k ➤ Waste management: \$136k ➤ SA Water tower mural project: \$105k ➤ Plant and machinery maintenance contracts: \$90k ➤ Energy costs: \$73k ➤ Cleaning: \$60k ➤ Professional services (cormorant eradication): \$55k ➤ Insurances: \$46k

	Change (\$)	Change (%)	Comments
			<ul style="list-style-type: none"> <li>➤ ESCOSA Local Government Advice: \$40k</li> <li>➤ Local Government election expenses: \$39k</li> <li>➤ Water usage: \$30k</li> </ul>
Depreciation, Amortisation & Impairment	+\$0.82m	8%	<u>Major Increases:</u> <ul style="list-style-type: none"> <li>➤ Buildings &amp; Structures: \$821k (NB: revaluation)</li> <li>➤ Plant Equipment &amp; Other: \$219k</li> </ul> <u>Major Decreases:</u> <ul style="list-style-type: none"> <li>➤ Transport Infrastructure: \$234k</li> </ul>
Finance Costs	+\$37,000	13%	Repayment of outstanding loans as per loan schedules.
<b>TOTAL EXPENDITURE VARIANCE</b>	<b>+\$3.08m</b>	<b>+9%</b>	
<b>NET IMPACT TO OPERATING SURPLUS/ (DEFICIT)</b>	<b>+\$1.62m</b>	<b>+121%</b>	

For more detail on Council's Operating Result (actual and adjusted), income and expenditure please refer to the Statement of Comprehensive Income, Notes 2 and 3, in Attachment 1.

### Capital Expenditure

In 2022/2023 Council capital works and projects expenditure totalled \$21.4m (2021/2022: \$12.1m), of which \$15.2m was spent on renewal and replacement of existing assets, while \$6.2m was spent on upgrades and new assets. It should be noted that a number of 2022/2023 projects remained unstarted or incomplete at year end and were rolled over to 2023/2024 for completion, impacting the total spent on capital expenditure. Delays in project completion were due to various factors such as pressures created through increased construction activity leading to non-availability of materials and a shortage of contractors and increases to the number of projects required to be completed due to the receipt of one-off stimulus grant funding.

While \$4.9m in grants, contributions and subsidies were received specifically for new/upgraded assets in 2022/2023, Council received additional one-off grants totalling \$2.1m which were used to undertake capital works but have been classified as operating income in accordance with Accounting Standards.

For more detail on Council's capital expenditure, change in depreciation, assets and revaluations please refer to the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Notes 1, 3, 4 and 7 in Attachment 1.

### Cash Flows

Council's net decrease in cash held as at 30 June 2023 was \$6.0m compared to 30 June 2022, resulting in a closing cash and cash equivalents position of \$8.0m.

Of the \$8.0m cash and cash equivalents as at 30<sup>th</sup> June 2023, approximately \$0.3m represents grant funding received in advance for projects not completed in 2022/2023. The cash balance as at 30

June 2023 also includes \$0.2m in restricted cash balances relating to Open Space Contributions and amounts held by Council on behalf of certain community trust funds.

For more detail on Council's cash flows please refer to the Statement of Cash Flows and Notes 2(h) and 11 in Attachment 1.

### **Financial Indicators**

#### Operating Surplus Ratio

Council's Operating Surplus Ratio (OSR) (Indicator 1 in Note 15 of Attachment 1) is 7.3%, an increase of 3.5% compared to 2021/2022. As mentioned earlier in this report the key drivers behind this decline can be attributed to the net impact of increases to grants, subsidies and contributions income of \$2.4m, rate income of \$1.2m, investment income \$0.4m and user charge income \$0.3m being offset by increased expenditure of materials, contracts and other expenses \$1.4m, depreciation \$0.8m and employee costs of \$0.8m.

Through its Long Term Financial Plan (LTFP) and annual budgets, Council's emphasis will continue to be on maintaining a surplus position in line with sector targets. Council's LTFP is updated annually to get a better understanding of how its current financial performance will impact future financial performance.

#### Net Financial Liabilities Ratio

Council's Net Financial Liabilities Ratio (NFLR) of 2% (Indicator 2 in Note 15 of Attachment 1) is 4% higher than the previous year and continues to remain well below Council's maximum allowable ceiling of 100%.

Council continues to retain capacity to borrow funds for capital expenditure in future years should the need arise. The impact of increased borrowings and associated repayment obligations on operating results and financial assets must be considered in any new financing arrangement.

#### Asset Renewal Funding Ratio

Council's Asset Renewal Funding Ratio (ARFR) is 60% which is a 33% decrease on the previous year and far below its target of at least 100%. Despite a \$5m increase in capital renewal expenditure in 2022/2023 when compared to the prior year the ARFR ratio result declined due to an increased capital renewal expenditure target, being \$13.9m higher than the target for 2021/2022. Annual capital renewal expenditure targets are set with reference to Council's asset management plans and as such the required level of expenditure fluctuates from year to year.

Through its LTFP, up to date Asset Management Plans, annual budgets and capital works programs, Council's emphasis should be on having a ratio greater than 100% in line with its LTFP target.

For more detail on Council's financial indicators please refer to Note 15 in Attachment 1.

### **Report on Financial Results Compared to Adopted Budget**

Regulation 10 of the Local Government (Financial Management) Regulations requires the preparation in each year, for the previous financial year, a report showing the audited financial results compared with Council's adopted budget.

This report has been prepared in the format required by the Regulations and recommended in section 3 of the LGA's Financial Sustainability Information Paper 25 – Monitoring Council Budget Performance. The Report on Financial Results is attached (Attachment 3) for the Committee's consideration, with reasons provided for any variances generally greater than 5%.

### **Comparison to Long Term Financial Plan (LTFP)**

The 2022/2023 audited Statements have been compared to Council's 2022/2023 LTFP and the comparison is attached to this report (Attachment 4) with reasons stated for significant variations (generally > 5%).

## **COMMUNITY ENGAGEMENT PLAN**

Level 1 – Inform

The Audited Statements and Auditor's Report will be made publicly available via Council's website as part of Council's 2022/2023 Annual Report.

### **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

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

- Bentleys SA Audit Partnership

### **POLICY IMPLICATIONS**

Not applicable

### **BUDGET AND RESOURCE IMPLICATIONS**

Financial implications are as detailed in the body of this report and the attached Statements, Notes and reports.






### **RISKS/LEGAL/LEGISLATIVE/ IMPLICATIONS**

Local Government Act 1999

Local Government (Financial Management) Regulations 2011

Model Financial Statements

### **ATTACHMENTS**

1. **Audited General Purpose Financial Statements and Notes 2022-2023** [↓](#) 
2. **Management Representation Letter 2022-2023** [↓](#) 
3. **Report on Financial Results Compared to Adopted Budget 2022-2023** [↓](#) 
4. **Report on Financial Results Compared to Long Term Financial Plan 2022-2023** [↓](#) 
5. **Audit Management Letter 2022-2023** [↓](#) 



# Yorke Peninsula Council

GENERAL PURPOSE FINANCIAL STATEMENTS  
for the year ended 30 June 2023

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*Agriculturally rich - Naturally beautiful*



## Yorke Peninsula Council

Financial Statements 2023

General Purpose Financial Statements  
for the year ended 30 June 2023

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## Yorke Peninsula Council

Financial Statements 2023

General Purpose Financial Statements  
for the year ended 30 June 2023

## Certification of Financial Statements

We have been authorised by the Council to certify the financial statements in their final form.

## In our opinion:

- the accompanying financial statements comply with the *Local Government Act 1999, Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards,
- the financial statements present a true and fair view of the Council's financial position at 30 June 2023 and the results of its operations and cash flows for the financial year,
- internal controls implemented by the Council provide a reasonable assurance that the Council's financial records are complete, accurate and reliable and were effective throughout the financial year,
- the financial statements accurately reflect the Council's accounting and other records.

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Andrew Cameron  
Chief Executive Officer

Date:

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Darren Braund  
Mayor

Date:

## Yorke Peninsula Council

Financial Statements 2023

Statement of Comprehensive Income  
for the year ended 30 June 2023

\$ '000	Notes	2023	2022
<b>Income</b>			
Rates	2a	25,668	24,431
Statutory charges	2b	653	631
User charges	2c	5,980	5,654
Grants, subsidies and contributions - Capital	2g	2,108	-
Grants, subsidies and contributions - Operating	2g	4,674	4,425
Investment income	2d	518	105
Reimbursements	2e	469	185
Other income	2f	222	163
<b>Total income</b>		<u>40,292</u>	<u>35,594</u>
<b>Expenses</b>			
Employee costs	3a	10,511	9,706
Materials, contracts and other expenses	3b	14,967	13,547
Depreciation, amortisation and impairment	3c	11,532	10,717
Finance costs	3d	323	286
<b>Total expenses</b>		<u>37,333</u>	<u>34,256</u>
<b>Operating surplus / (deficit)</b>		<u>2,959</u>	<u>1,338</u>
Physical resources received free of charge	2i	-	39
Asset disposal and fair value adjustments	4	(848)	(23)
Amounts received specifically for new or upgraded assets	2g	4,936	1,506
<b>Net surplus / (deficit)</b>		<u>7,047</u>	<u>2,860</u>
<b>Other comprehensive income</b>			
<b>Amounts which will not be reclassified subsequently to operating result</b>			
Changes in revaluation surplus - I,PP&E	9a	19,709	-
<b>Total amounts which will not be reclassified subsequently to operating result</b>		<u>19,709</u>	<u>-</u>
<b>Total other comprehensive income</b>		<u>19,709</u>	<u>-</u>
<b>Total comprehensive income</b>		<u>26,756</u>	<u>2,860</u>

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

## Yorke Peninsula Council

Financial Statements 2023

## Statement of Financial Position

as at 30 June 2023

\$ '000	Notes	2023	2022
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalent assets	5a	8,061	14,096
Trade and other receivables	5b	2,647	1,646
Inventories	5c	658	347
<b>Total current assets</b>		<u>11,366</u>	<u>16,089</u>
<b>Non-current assets</b>			
Trade and other receivables	6	246	341
Infrastructure, property, plant and equipment	7	304,470	276,286
<b>Total non-current assets</b>		<u>304,716</u>	<u>276,627</u>
<b>TOTAL ASSETS</b>		<u>316,082</u>	<u>292,716</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	8a	2,593	4,402
Borrowings	8b	1,260	1,548
Provisions	8c	2,326	2,300
<b>Total current liabilities</b>		<u>6,179</u>	<u>8,250</u>
<b>Non-current liabilities</b>			
Trade and other payables	8a	161	155
Borrowings	8b	5,479	6,742
Provisions	8c	121	183
<b>Total non-current liabilities</b>		<u>5,761</u>	<u>7,080</u>
<b>TOTAL LIABILITIES</b>		<u>11,940</u>	<u>15,330</u>
<b>Net assets</b>		<u>304,142</u>	<u>277,386</u>
<b>EQUITY</b>			
Accumulated surplus		(7,134)	(13,424)
Asset revaluation reserves	9a	306,409	286,700
Other reserves	9b	4,867	4,110
<b>Total council equity</b>		<u>304,142</u>	<u>277,386</u>
<b>Total equity</b>		<u>304,142</u>	<u>277,386</u>

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Yorke Peninsula Council

Financial Statements 2023

Statement of Changes in Equity  
for the year ended 30 June 2023

\$ '000	Notes	Accumulated surplus	Asset revaluation reserve	Other reserves	Total equity
<b>2023</b>					
Balance at the end of previous reporting period		(13,424)	286,700	4,110	277,386
Net surplus / (deficit) for year		7,047	-	-	7,047
<b>Other comprehensive income</b>					
- Gain (Loss) on Revaluation of I,PP&E	7a	-	19,709	-	19,709
<b>Other comprehensive income</b>		-	19,709	-	19,709
<b>Total comprehensive income</b>		<b>7,047</b>	<b>19,709</b>	<b>-</b>	<b>26,756</b>
Transfers between reserves		(757)	-	757	-
<b>Balance at the end of period</b>		<b>(7,134)</b>	<b>306,409</b>	<b>4,867</b>	<b>304,142</b>
<b>2022</b>					
Balance at the end of previous reporting period		(15,526)	286,700	3,352	274,526
Net surplus / (deficit) for year		2,860	-	-	2,860
<b>Total comprehensive income</b>		<b>2,860</b>	<b>-</b>	<b>-</b>	<b>2,860</b>
Transfers between reserves		(758)	-	758	-
<b>Balance at the end of period</b>		<b>(13,424)</b>	<b>286,700</b>	<b>4,110</b>	<b>277,386</b>

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

## Yorke Peninsula Council

Financial Statements 2023

Statement of Cash Flows  
for the year ended 30 June 2023

\$ '000	Notes	2023	2022
<b>Cash flows from operating activities</b>			
<u>Receipts</u>			
Rates receipts		25,125	24,478
Statutory charges		653	631
User charges		5,980	5,654
Grants, Subsidies and Contributions (Operating purpose)		2,899	5,759
Investment receipts		518	105
Reimbursements		469	185
<u>Payments</u>			
Finance payments		(323)	(286)
Payments to employees		(10,426)	(9,617)
Payments for materials, contracts and other expenses		(15,658)	(12,816)
<b>Net cash provided by (or used in) operating activities</b>	11b	<u>9,237</u>	<u>14,093</u>
<b>Cash flows from investing activities</b>			
<u>Receipts</u>			
Grants, Subsidies and Contributions (Capital purpose)		2,108	–
Amounts Received Specifically for New/Upgraded Assets		4,936	1,506
Sale of replaced assets		449	385
Sale of surplus assets		3	150
Repayments of loans by community groups		91	103
<u>Payments</u>			
Expenditure on renewal/replacement of assets		(15,114)	(10,110)
Expenditure on new/upgraded assets		(6,193)	(1,986)
<b>Net cash provided (or used in) investing activities</b>		<u>(13,720)</u>	<u>(9,952)</u>
<b>Cash flows from financing activities</b>			
<u>Receipts</u>			
Proceeds from Borrowings		–	2,194
Proceeds from bonds and deposits		–	1
<u>Payments</u>			
Repayments of Borrowings		(1,551)	(889)
Repayment of Lease Liabilities		–	(4)
Repayment of bonds and deposits		(1)	–
<b>Net cash provided by (or used in) financing activities</b>		<u>(1,552)</u>	<u>1,302</u>
<b>Net increase (decrease) in cash held</b>		<b>(6,035)</b>	<b>5,443</b>
plus: cash & cash equivalents at beginning of period		14,096	8,653
<b>Cash and cash equivalents held at end of period</b>	11a	<u>8,061</u>	<u>14,096</u>

Additional information:

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

## Yorke Peninsula Council

Financial Statements 2023

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2023

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## Yorke Peninsula Council

Financial Statements 2023

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2023

## Note 1. Summary of Significant Accounting Policies

The principal accounting policies adopted by Council in the preparation of these consolidated financial statements are set out below.

These policies have been consistently applied to all the years presented, unless otherwise stated.

**(1) Basis of preparation****1.1 Compliance with Australian Accounting Standards**

This general purpose financial report has been prepared on a going concern basis using the historical cost convention in accordance with Australian Accounting Standards as they apply to not-for-profit entities, other authoritative pronouncements of the Australian Accounting Standards Board, Interpretations and relevant South Australian legislation.

The financial report was authorised for issue by certificate under regulation 14 of the *Local Government (Financial Management) Regulations 2011*.

**1.2 Historical cost convention**

Except as stated below, these financial statements have been prepared in accordance with the historical cost convention.

**1.2 Critical accounting estimates**

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates and requires management to exercise its judgement in applying Council's accounting policies.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are specifically referred to in the relevant sections of these Notes.

**1.3 Rounding**

All amounts in the financial statements have been rounded to the nearest thousand dollars (\$'000).

**(2) The local government reporting entity**

Yorke Peninsula Council is incorporated under the South Australian Local Government Act 1999 and has its principal place of business at 8 Elizabeth Street, Maitland. These financial statements include the Council's direct operations and all entities through which Council controls resources to carry on its functions. In the process of reporting on the Council as a single unit, all transactions and balances between activity areas and controlled entities have been eliminated.

**(3) Income recognition**

The Council recognises revenue under AASB 1058 Income of Not-for-Profit Entities (AASB 1058) or AASB 15 Revenue from Contracts with Customers (AASB 15) when appropriate.

In cases where there is an 'enforceable' contract with a customer with 'sufficiently specific' performance obligations, the transaction is accounted for under AASB 15 where income is recognised when (or as) the performance obligations are satisfied (i.e. when it transfers control of a product or service to a customer). Revenue is measured based on the consideration to which the Council expects to be entitled in a contract with a customer.

In other cases, AASB 1058 applies when a not-for-profit (NFP) entity enters into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives. The excess of the asset recognised (at fair value) over any 'related amounts' is recognised as income immediately, except in the case where a financial asset has been received to enable the council to acquire or construct a recognisable non-financial asset that is to be controlled by the council. In this case, the council recognises the excess as a liability that is recognised over time in profit and loss when (or as) the entity satisfies its obligations under the transfer.

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## Yorke Peninsula Council

Financial Statements 2023

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2023

## Note 1. Summary of Significant Accounting Policies (continued)

In recent years the payment of untied financial assistance grants has varied from the annual allocation as shown in the table below:

	Cash Payment Received	Annual Allocation	Difference
2020/21	\$2,123,951	\$2,197,042	-\$73,091
2021/22	\$2,718,562	\$2,114,805	+\$603,757
2022/23	\$2,952,964	\$2,447,142	+\$505,822

Because these grants are untied, the Australian Accounting Standards require that payments be recognised upon receipt. Accordingly, the operating results of these periods have been distorted compared to those that would have been reported had the grants been paid in the year to which they were allocated.

The Operating Surplus Ratio disclosed in Note 15 has also been calculated after adjusting for the distortions resulting from the differences between the actual grants received and the grants entitlements allocated.

**Construction contracts**

Construction works undertaken by Council for third parties are generally on an agency basis where the third party reimburses Council for actual costs incurred, and usually do not extend beyond the reporting period. Reimbursements not received are recognised as receivables and reimbursements received in advance are recognised as "payments received in advance".

For works undertaken on a fixed price contract basis, revenues are recognised over time using the input method, with costs incurred compared to total expected costs used as a measure of progress. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

**(4) Cash, cash equivalents and other financial instruments**

Cash Assets include all amounts readily convertible to cash on hand at Council's option with an insignificant risk of changes in value with a maturity of three months or less from the date of acquisition.

Receivables for rates and annual charges are secured over the subject land, and bear interest at rates determined in accordance with the *Local Government Act 1999*. Other receivables are generally unsecured and do not bear interest.

All receivables are reviewed as at the reporting date and adequate allowance made for amounts the receipt of which is considered doubtful.

All financial instruments are recognised at fair value at the date of recognition, except for trade receivables from a contract with a customer, which are measured at the transaction price. A detailed statement of the accounting policies applied to financial instruments forms part of Note 13.

**(5) Inventories**

Inventories held in respect of stores have been valued by using the weighted average cost on a continual basis, after adjustment for loss of service potential. Inventories held in respect of business undertakings have been valued at the lower of cost and net realisable value.

**(6) Infrastructure, property, plant and equipment****6.1 Initial recognition**

All assets are initially recognised at cost. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition.

All non-current assets purchased or constructed are capitalised as the expenditure is incurred and depreciated as soon as the asset is held "ready for use". Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including architects' fees and engineering design fees and all other costs incurred. The cost of non-current assets constructed by the Council includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overhead.

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## Yorke Peninsula Council

Financial Statements 2023

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2023

## Note 1. Summary of Significant Accounting Policies (continued)

**6.2 Materiality**

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by Council for each type of asset. In determining (and in annually reviewing) such thresholds, regard is had to the nature of the asset and its estimated service life.

Examples of capitalisation thresholds applied during the year are given below. No capitalisation threshold is applied to the acquisition of land or interests in land.

Office Furniture & Equipment	\$1,000
Other Plant & Equipment	\$1,000
Buildings - new construction/extensions	\$5,000
Park & Playground Furniture & Equipment	\$2,000
Paving & footpaths, Kerb & Gutter	\$5,000
Drains & Culverts	\$5,000
Road construction & reconstruction	\$10,000
Computer software	\$5,000
All other assets	\$1,000

**6.3 Subsequent recognition**

All material asset classes are revalued on a regular basis such that the carrying values are not materially different from fair value. Significant uncertainties exist in the estimation of fair value of a number of asset classes including land, buildings and associated structures and infrastructure. Further detail of these uncertainties, and of existing valuations, methods and valuers are provided at Note 7.

**6.4 Depreciation of non-current assets**

Other than land, all infrastructure, property, plant and equipment assets recognised are systematically depreciated over their useful lives on a straight-line basis which, in the opinion of Council, best reflects the consumption of the service potential embodied in those assets.

Depreciation methods, useful lives and residual values of classes of assets are reviewed annually.

Major depreciation periods for each class of asset are listed below. Depreciation periods for infrastructure assets have been estimated based on the best information available to Council, but appropriate records covering the entire life cycle of these assets are not available, and extreme care should be used in interpreting financial information based on these estimates.

Useful life estimates:

*Building & Other Structures*

Buildings (with components)	10 to 100 years
Buildings (no components)	20 to 100 years
Structures	5 to 100 years

*Stormwater Drainage*

Concrete Stormwater Pipes	100 years
Plastic Stormwater Pipes	70 years
Stormwater Box Culverts	80 years
Stormwater Spoon Drains	50 years
Stormwater Open Drain Surfaces	30 to 50 years
Stormwater Nodes	75 years
Headwalls	70 years
Civil Assets at Pump Stations and Storage Sites	50 years
Safety Equipment at Pump Stations	25 years
Electrical Assets at Pump Stations	10 to 25 years
Mechanical Assets at Pump Stations	20 to 25 years
Pumps at Pumping and Reuse Sites	15 years
Hardstand areas at pump station sites	Non-depreciable

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## Yorke Peninsula Council

Financial Statements 2023

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2023

## Note 1. Summary of Significant Accounting Policies (continued)

*Community Wastewater Management Schemes*

Collection Nodes	50 to 70 years
Collection Pipes	50 to 80 years
Pumping Station Civil Assets	25 to 50 years
Pumping Station Electrical Assets	10 to 25 years
Pumping Station Pumps & Valves	15 to 20 years
Wastewater Treatment Plant Civil Assets	25 to 50 years
Wastewater Treatment Plant Electrical Assets	10 to 25 years
Wastewater Treatment Plant Pumps, Other Mechanical & Safety Assets	15 to 25 years

*Transport Infrastructure*

Sealed Roads (Upper Surface)	17 to 30 years
Sealed Roads (Lower Surface)	102 to 180 years
Sealed Roads (Pavement)	80 to 90 years
Unsealed Roads (Wearing Surface)	15 to 30 years
Unsealed Roads (Low Base & Earthworks)	90 to 240 years
Paving & Footpaths	30 to 60 years
Drains, Kerb & Gutter	80 years
Walking Trails	30 years
Airfields	20 to 80 years

*Water Scheme Infrastructure*

Potable Water Nodes	25 to 60 years
Potable Water Pipes	60 to 100 years
Potable Water Pumping, Storage & Treatment	10 to 50 years

*Plant, Equipment & Other Assets*

Fleet Vehicles	2 years (Residual 55%)
Major Plant	5 to 25 years (Residual 5-35%)
Minor Plant	5 to 60 years
Information Technology	3 to 20 years
Furniture & Other Equipment	5 to 100 years
Other Assets	5 to 100 years
Carparks	30 to 60 years

**6.5 Impairment**

Assets whose future economic benefits are not dependent on the ability to generate cash flows, and where the future economic benefits would be replaced if Council were deprived thereof, are not subject to impairment testing.

Other assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount (which is the higher of the present value of future cash inflows or value in use).

Where an asset that has been revalued is subsequently impaired, the impairment is first offset against such amount as stands to the credit of that class of assets in Asset Revaluation Reserve, any excess being recognised as an expense.

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## Yorke Peninsula Council

Financial Statements 2023

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2023

## Note 1. Summary of Significant Accounting Policies (continued)

**6.6 Borrowing costs**

Borrowing costs in relation to qualifying assets (net of offsetting investment revenue) have been capitalised in accordance with AASB 123 *Borrowing Costs*. The amounts of borrowing costs recognised as an expense or as part of the carrying amount of qualifying assets are disclosed in Note 3, and the amount (if any) of interest revenue offset against borrowing costs in Note 2.

**(7) Payables****7.1 Goods & Services**

Creditors are amounts due to external parties for the supply of goods and services and are recognised as liabilities when the goods and services are received. Creditors are normally paid in the month following the invoice date unless terms and conditions of the supply dictate otherwise. No interest is payable on these amounts.

**7.2 Payments Received in Advance & Deposits**

Amounts other than grants received from external parties in advance of service delivery, and security deposits held against possible damage to Council assets, are recognised as liabilities until the service is delivered or damage reinstated, or the amount is refunded as the case may be.

**(8) Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred and are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are carried at their principal amounts which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period to which it relates, and is recorded as part of "Payables".

**(9) Employee benefits****9.1 Salaries, Wages & Compensated Absences**

Liabilities for employees' entitlements to salaries, wages and compensated absences expected to be paid or settled within 12 months of reporting date are accrued at nominal amounts (including payroll based oncosts) measured in accordance with AASB 119.

Liabilities for employee benefits not expected to be paid or settled within 12 months are measured as the present value of the estimated future cash outflows (including payroll based oncosts) to be made in respect of services provided by employees up to the reporting date. Present values are calculated using government guaranteed securities rates with similar maturity terms.

No accrual is made for sick leave as Council experience indicates that, on average, sick leave taken in each reporting period is less than the entitlement accruing in that period, and this experience is expected to recur in future reporting periods. Council does not make payment for untaken sick leave.

**9.2 Superannuation**

The Council makes employer superannuation contributions in respect of its employees to the Hostplus Superannuation Scheme. The Scheme has two types of membership, each of which is funded differently. Details of the accounting policies applied and Council's involvement with the schemes are reported in Note 18.

**(10) Provisions for reinstatement, restoration and rehabilitation**

Council has a recorded Provision for future restoration liability which facilitates the rehabilitation of the three closed landfill sites at Arthurton, Ramsey and Warooka. The licence for the landfill at Wool Bay has been approved for cancellation by the EPA during the 2020/21 Financial Year and the provision has been adjusted accordingly. Council will annually review and update where deemed necessary the liability recorded to ensure the liability disclosed in Note 8 accurately reflects the future landfill monitoring obligations of the Council.

Future estimates are based on historical rehabilitation and monitoring expenditure patterns, and are subject to environmental requirements which may change. Significant uncertainty exists in relation to estimated timeframe for which Council remains responsible for rehabilitation of the closed landfill sites.

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## Yorke Peninsula Council

Financial Statements 2023

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2023

## Note 1. Summary of Significant Accounting Policies (continued)

**(11) Leases****Accounting policy applicable from 01 July 2019**

The Council assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

**11.1 Council as a lessee**

The Council recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

**i) Right-of-Use-Assets**

The Council recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and the estimate of costs to be incurred to restore the leased asset. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. At present right-of-use assets are depreciated between 2-30 years.

The right-of-use assets are also subject to impairment. Refer to the accounting policies above - Impairment of non-financial assets.

**ii) Lease Liabilities**

At the commencement date of the lease, the Council recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Council uses its incremental borrowing rate or the interest rate implicit in the lease.

**iii) Short-term leases and leases of low-value assets**

The Council applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date). It also applies the low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

**(12) GST implications**

In accordance with UIG Abstract 1031 "Accounting for the Goods & Services Tax"

- Receivables and Creditors include GST receivable and payable.
- Except in relation to input taxed activities, revenues and operating expenditures exclude GST receivable and payable.
- Non-current assets and capital expenditures include GST net of any recoupment.
- Amounts included in the Statement of Cash Flows are disclosed on a gross basis.

**(13) New accounting standards and UIG interpretations**

The Council applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2022. New standards and amendments relevant to the Council are listed below. The Council has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

**Standards issued by the AASB not yet effective**

The AASB has issued Australian Accounting Standards and Interpretations which are not effective at 30 June 2023, these standards have not been adopted by Council and will be included in the financial statements on their effective date. Where the standard is expected to have a significant impact for Council then further information has been provided in this note.

The following list identifies all the new and amended Australian Accounting Standards, and Interpretation, that were issued but not yet effective at the time of compiling these illustrative statements that could be applicable to Councils.

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## Yorke Peninsula Council

Financial Statements 2023

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2023

## Note 1. Summary of Significant Accounting Policies (continued)

**Effective for NFP annual reporting periods beginning on or after 1 January 2023**

- *AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-Current* (amended by *AASB 2020-6 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-Current - Deferral of Effective Date*, *AASB 2022-6 Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants*)
- *AASB 2022-10 Amendments to Australian Accounting Standards - Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities* (This Standard makes amendments to *AASB 13 Fair Value Measurement*, August 2015 for application by not-for profit public sector)

**Effective for NFP annual reporting periods beginning on or after 1 January 2026 for public sector**

- *AASB 2022-9 Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector*

**(14) Comparative figures**

To ensure comparability with the current reporting period's figures, some comparative period line items and amounts may have been reclassified or individually reported for the first time within these financial statements and/or the notes.

**(15) Disclaimer**

Nothing contained within these statements may be taken to be an admission of any liability to any person under any circumstance.

## Yorke Peninsula Council

Financial Statements 2023

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2023

## Note 2. Income

\$ '000	2023	2022
<b>(a) Rates</b>		
<b>General rates</b>		
General rates	20,262	19,292
Less: mandatory rebates	(113)	(117)
Less: discretionary rebates, remissions and write-offs	(24)	(26)
<b>Total general rates</b>	<b>20,125</b>	<b>19,149</b>
<b>Other rates (including service charges)</b>		
Landscape levy	1,200	1,171
Waste collection	2,322	2,125
Water supply	179	176
Community wastewater management systems	1,706	1,669
Separate and special rates	48	48
<b>Total other rates (including service charges)</b>	<b>5,455</b>	<b>5,189</b>
<b>Other charges</b>		
Penalties for late payment	88	93
<b>Total other charges</b>	<b>88</b>	<b>93</b>
<b>Total rates</b>	<b>25,668</b>	<b>24,431</b>
<b>(b) Statutory charges</b>		
Development Act fees	353	324
Health and septic tank inspection fees	70	31
Animal registration fees and fines	116	119
Parking fines / expiation fees	46	42
Other registration fees	24	49
Sundry	44	66
<b>Total statutory charges</b>	<b>653</b>	<b>631</b>
<b>(c) User charges</b>		
Cemetery Fees	25	30
Commercial activity revenue	587	353
Hall & Equipment Hire / Property Lease	43	43
Sundry	98	93
Commercial Activity Revenue (Caravan Parks)	4,461	4,463
Boat Ramp Fees	157	164
Refuse Disposal	11	9
Water	248	243
YP Leisure Options	350	256
<b>Total user charges</b>	<b>5,980</b>	<b>5,654</b>

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## Yorke Peninsula Council

Financial Statements 2023

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2023

## Note 2. Income (continued)

\$ '000	2023	2022
<b>(d) Investment income</b>		
Interest on Investments		
- Local Government Finance Authority	491	81
- Banks and other	8	-
- Loans to community groups	19	24
<b>Total investment income</b>	<b>518</b>	<b>105</b>
<b>(e) Reimbursements</b>		
Community Group Reimbursements	41	32
Insurance Reimbursements	242	42
Administration Reimbursements	22	-
Government Agencies Reimbursements	77	33
Other	87	78
<b>Total reimbursements</b>	<b>469</b>	<b>185</b>
<b>(f) Other income</b>		
Rebates received	117	120
Sundry	88	25
Other (Writeback of Land Rehabilitation Provision)	17	18
<b>Total other income</b>	<b>222</b>	<b>163</b>
<b>(g) Grants, subsidies and contributions</b>		
Amounts received specifically for new or upgraded assets	4,936	1,506
<b>Total</b>	<b>4,936</b>	<b>1,506</b>
<b>Other grants, subsidies and contributions - Capital</b>		
Untied - Local roads and community	2,108	-
<b>Total Other grants, subsidies and contributions - Capital</b>	<b>2,108</b>	<b>-</b>
<b>Other grants, subsidies and contributions - Operating</b>		
Untied - Financial Assistance Grant	2,953	2,719
Roads to Recovery	822	822
Sundry	899	884
<b>Total other grants, subsidies and contributions - Operating</b>	<b>4,674</b>	<b>4,425</b>
<b>Total grants, subsidies and contributions</b>	<b>11,718</b>	<b>5,931</b>
The functions to which these grants relate are shown in Note 12.		
<b>(i) Sources of grants</b>		
Commonwealth Government	5,849	2,226
State Government	5,542	3,625
Other	327	80
<b>Total</b>	<b>11,718</b>	<b>5,931</b>

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Yorke Peninsula Council

Financial Statements 2023

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2023

Note 2. Income (continued)

\$ '000	2023	2022
<b>(h) Conditions over grants and contributions</b>		
Grants and contributions which were obtained on the condition that they be expended for specified purposes or in a future period, but which are not yet expended in accordance with those conditions, are as follows:		
<b>Unexpended at the close of the previous reporting period</b>	<u>2,697</u>	<u>1,969</u>
<b>Less:</b>		
<i>Expended during the current period from revenues recognised in previous reporting periods</i>		
Supplementary Local Road Funding (Paid in Advance)	(406)	–
Municipal Services Program South Australia - Point Pearce	–	(16)
Untied - Financial Assistance Grants	(1,745)	(1,177)
Local Roads & Community Infrastructure Program	–	(230)
<b>Subtotal</b>	<u>(2,151)</u>	<u>(1,423)</u>
<b>Plus:</b>		
<i>Amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions</i>		
Other	2	–
Supplementary Local Road Funding (Paid in Advance)	–	406
Untied - Financial Assistance Grants (Paid in Advance)	2,150	1,745
<b>Subtotal</b>	<u>2,152</u>	<u>2,151</u>
<b>Unexpended at the close of this reporting period</b>	<u>2,698</u>	<u>2,697</u>
<b>Net increase (decrease) in assets subject to conditions in the current reporting period</b>	<u>1</u>	<u>728</u>
<b>(i) Physical resources received free of charge</b>		
Plant, Equipment and Other Assets	–	39
<b>Total physical resources received free of charge</b>	<u>–</u>	<u>39</u>

## Yorke Peninsula Council

Financial Statements 2023

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2023

## Note 3. Expenses

\$ '000	Notes	2023	2022
<b>(a) Employee costs</b>			
Salaries and wages		9,265	8,383
Employee leave expense		729	791
Superannuation - defined contribution plan contributions	18	646	565
Superannuation - defined benefit plan contributions	18	328	373
Workers' compensation insurance		303	301
Other employee related costs		331	341
Less: capitalised and distributed costs		(1,091)	(1,048)
<b>Total operating employee costs</b>		<b>10,511</b>	<b>9,706</b>
Total number of employees (full time equivalent at end of reporting period)		117	117
<b>(b) Materials, contracts and other expenses</b>			
<b>(i) Prescribed expenses</b>			
Auditor's remuneration			
- Auditing the financial reports		38	25
Bad and doubtful debts		-	3
Elected members' expenses		336	292
Election expenses		49	10
Operating lease rentals - cancellable leases		3	1
Operating lease rentals - non-cancellable leases			
- Minimum Lease Payments/Low Value Assets/Short Term Leases	17	68	74
<b>Subtotal - prescribed expenses</b>		<b>494</b>	<b>405</b>
<b>(ii) Other materials, contracts and expenses</b>			
Contractors		4,447	3,851
Energy		907	833
Maintenance		10	10
Legal expenses		61	39
Levies paid to Government - NRM levy		1,199	1,169
Levies - other		37	37
Parts, accessories and consumables		1,598	1,497
Professional services		403	345
Sundry		741	576
Water		633	602
Insurance		553	506
Professional Services - Waste Management		2,532	2,396
Community Grants / Donations / Sponsorship		343	302
License Fees - Information Technology		290	316
Subscriptions		98	72
Telecommunications - Phones, Internet, Wireless Area Network		197	213
Contribution - Yorke Peninsula Community Transport		109	76
Plant & Machinery - Registration		130	132
Contribution - Regional Development Australia		34	33
Contribution - Yorke Peninsula Tourism		52	51
Bank Charges		99	86
<b>Subtotal - Other material, contracts and expenses</b>		<b>14,473</b>	<b>13,142</b>
<b>Total materials, contracts and other expenses</b>		<b>14,967</b>	<b>13,547</b>

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## Yorke Peninsula Council

Financial Statements 2023

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2023

## Note 3. Expenses (continued)

\$ '000	Notes	2023	2022
<b>(c) Depreciation, amortisation and impairment</b>			
<b>(i) Depreciation and amortisation</b>			
Buildings and other structures		3,346	2,525
Stormwater Drainage		204	202
CWMS		571	569
Transport Infrastructure		5,671	5,905
Water Scheme Infrastructure		88	83
Right-of-use assets	17	3	3
Plant, Equipment & Other Assets		1,606	1,430
<b>Subtotal</b>		<b>11,489</b>	<b>10,717</b>
<b>(ii) Impairment</b>			
Plant, Equipment & Other Assets		43	-
<b>Subtotal</b>		<b>43</b>	<b>-</b>
<b>Total depreciation, amortisation and impairment</b>		<b>11,532</b>	<b>10,717</b>
<b>(d) Finance costs</b>			
Interest on loans		323	286
<b>Total finance costs</b>		<b>323</b>	<b>286</b>

## Note 4. Asset disposal and fair value adjustments

\$ '000	2023	2022
<b>Infrastructure, property, plant and equipment</b>		
<b>(i) Assets renewed or directly replaced</b>		
Proceeds from disposal	449	385
Less: carrying amount of assets sold	(864)	(485)
<b>Gain (loss) on disposal</b>	<b>(415)</b>	<b>(100)</b>
<b>(ii) Assets surplus to requirements</b>		
Proceeds from disposal	3	150
Less: carrying amount of assets sold	(436)	(73)
<b>Gain (loss) on disposal</b>	<b>(433)</b>	<b>77</b>
<b>Net gain (loss) on disposal or revaluation of assets</b>	<b>(848)</b>	<b>(23)</b>

## Yorke Peninsula Council

Financial Statements 2023

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2023

## Note 5. Current assets

\$ '000	2023	2022
<b>(a) Cash and cash equivalent assets</b>		
Cash on hand and at bank	642	164
Deposits at call	7,419	13,932
<b>Total cash and cash equivalent assets</b>	<b>8,061</b>	<b>14,096</b>
<b>(b) Trade and other receivables</b>		
Rates - general and other	744	676
Council rates postponement scheme	12	23
Accrued revenues	46	27
Debtors - general	900	437
GST recoupment	429	203
Prepayments	420	188
Loans to community organisations	96	92
<b>Subtotal</b>	<b>2,647</b>	<b>1,646</b>
<b>Total trade and other receivables</b>	<b>2,647</b>	<b>1,646</b>
<b>(c) Inventories</b>		
Stores and materials	653	341
Trading stock	5	6
<b>Total inventories</b>	<b>658</b>	<b>347</b>

## Note 6. Non-current assets

\$ '000	2023	2022
<b>Trade and other receivables</b>		
<b>Receivables</b>		
Loans to community organisations	246	341
<b>Subtotal</b>	<b>246</b>	<b>341</b>
<b>Total receivables</b>	<b>246</b>	<b>341</b>
<b>Total financial assets</b>	<b>246</b>	<b>341</b>

Yorke Peninsula Council

Financial Statements 2023

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2023

Note 7. Infrastructure, Property, Plant & Equipment

Infrastructure, property, plant and equipment

\$ '000	Fair Value Level	as at 30/06/22				Asset movements during the reporting period							as at 30/06/23			
		At Fair Value	At Cost	Accumulated Depreciation	Carrying amount	Asset Additions New / Upgrade	Asset Additions Renewals	WDV of Asset Disposals	Depreciation Expense (Note 3c)	Impairment Loss (recognised in P/L) (Note 3c)	WIP Transfers	Revaluation Increments to Equity (ARR) (Note 9)	At Fair Value	At Cost	Accumulated Depreciation	Carrying amount
Capital work in progress		-	4,289	-	4,289	2,534	302	-	-	(43)	(4,215)	-	-	2,867	-	2,867
Land	2	76,864	85	-	76,949	-	-	-	-	-	-	(67,087)	9,862	-	-	9,862
Land	3	-	-	-	-	-	-	(242)	-	-	-	76,877	76,635	-	-	76,635
Buildings and other structures	2	482	-	(481)	1	-	-	-	-	-	-	(1)	-	-	-	-
Buildings and other structures	3	95,974	2,429	(61,120)	37,283	385	466	(193)	(3,346)	-	132	9,920	114,047	1,226	(70,625)	44,648
Stormwater Drainage	3	14,048	696	(4,778)	9,966	493	222	(42)	(204)	-	-	-	13,970	1,411	(4,947)	10,434
CWMS	3	27,494	694	(11,594)	16,594	22	188	(27)	(571)	-	-	-	27,396	904	(12,093)	16,207
Transport Infrastructure	3	221,026	23,545	(131,906)	112,665	2,033	11,946	(434)	(5,671)	-	4,049	-	213,908	41,573	(130,893)	124,588
Water Scheme Infrastructure	3	4,479	309	(1,377)	3,411	44	15	(3)	(88)	-	-	-	4,470	368	(1,458)	3,380
Right-of-use assets		-	22	(9)	13	-	-	-	(3)	-	-	-	-	22	(12)	10
Plant, Equipment & Other Assets		-	28,464	(13,349)	15,115	682	2,014	(358)	(1,606)	-	34	-	-	30,077	(14,238)	15,839
<b>Total infrastructure, property, plant and equipment</b>		<b>440,367</b>	<b>60,533</b>	<b>(224,614)</b>	<b>276,286</b>	<b>6,193</b>	<b>15,153</b>	<b>(1,299)</b>	<b>(11,489)</b>	<b>(43)</b>	<b>-</b>	<b>19,709</b>	<b>460,288</b>	<b>78,448</b>	<b>(234,266)</b>	<b>304,470</b>
Comparatives		442,695	49,632	(216,905)	275,422	2,029	10,111	(558)	(10,717)	-	-	-	440,367	60,533	(224,614)	276,286

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## Yorke Peninsula Council

Financial Statements 2023

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2023

## Note 7. Infrastructure, Property, Plant &amp; Equipment (continued)

## Valuation of Infrastructure, Property, Plant &amp; Equipment

## Valuation of assets

The fair value of assets and liabilities must be estimated in accordance with various Accounting Standards for either recognition and measurement requirements or for disclosure purposes.

AASB 13 *Fair Value Measurement* requires all assets and liabilities measured at fair value to be assigned to a "level" in the fair value hierarchy as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Refer to Note 7(a) for the disclosure of the Fair Value Levels of Infrastructure, Property, Plant and Equipment Assets.

## Information on valuations

*Fair Value Hierarchy Level 2 Valuations*

Certain land are shown above as being based on fair value hierarchy level 2 valuation inputs. They are based on prices for similar assets in an active market, with directly or indirectly observable adjustments for specific advantages or disadvantages attaching to the particular asset.

*Fair Value Hierarchy Level 3 Valuations of Buildings, Infrastructure and Other Assets*

There is no known market for buildings, infrastructure and other assets. These assets are valued at depreciated current replacement cost. This method involves:

- The determination of the cost to construct the asset (or its modern engineering equivalent) using current prices for materials and labour, the quantities of each being estimated based on recent experience of this or similar Councils, or on industry construction guides where these are more appropriate.
- The calculation of the depreciation that would have accumulated since original construction using current estimates of residual value and useful life under the prime cost depreciation method adopted by Council.

This method has significant inherent uncertainties, relying on estimates of quantities of materials and labour, residual values and useful lives, and the possibility of changes in prices for materials and labour, and the potential for development of more efficient construction techniques.

## Highest and best use

The following non financial assets of Council are being utilised at other than their highest and best use:

For land which Council has an unfettered right to sell, the "highest and best use" recognises the possibility of the demolition or substantial modification of some or all of the existing buildings and structures affixed to the land.

Much of the land under Council's care and control is Crown land or has been declared as community land under the provisions of the Local Government Act 1999. Other types of restrictions also exist.

For land subject to these restrictions, the highest and best use is taken to be the "highest and best use" available to Council, with a rebuttable presumption that the current use is the "highest and best use". The reason for the current use of a large proportion of Council's assets being other than the "highest and best use" relates to Council's principal role as the provider of services to the community, rather than the use of those assets for the generation of revenue.

For buildings and other structures on and in the land, including infrastructure, "highest and best use" is determined in accordance with the land on and in which they are situated.

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## Yorke Peninsula Council

Financial Statements 2023

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2023

## Note 7. Infrastructure, Property, Plant &amp; Equipment (continued)

**Land**

- Basis of valuation: Fair Value
- Date of valuation: 01 July 2022
- Date of next valuation: 01 July 2026
- Valuer: AssetVal (Marsh Valuation Services)

**Buildings & Other Structures**

- Basis of valuation: Fair Value
- Date of valuation: 01 July 2022
- Date of next valuation: 01 July 2026
- Valuer: AssetVal (Marsh Valuation Services)

**Infrastructure****Transport Infrastructure**

- Basis of valuation: Written down current replacement cost
- Date of valuation: 1 July 2019
- Date of next valuation: 01 July 2023
- Valuer: Tonkin Consulting

**Stormwater Drainage**

- Basis of valuation: Written down current replacement cost
- Date of valuation: 1 July 2019
- Date of next valuation: 01 July 2023
- Valuer: Tonkin Consulting

**Community Wastewater Management Schemes**

- Basis of valuation: Written down current replacement cost
- Date of valuation: 1 July 2019
- Date of next valuation: 01 July 2023
- Valuer: Tonkin Consulting

**Water Supply Schemes**

- Basis of valuation: Written down current replacement cost
- Date of valuation: 1 July 2019
- Date of next valuation: 01 July 2023
- Valuer: Tonkin Consulting

**Plant, Equipment and Other Assets**

These assets are recognised on the cost basis.



## Yorke Peninsula Council

Financial Statements 2023

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2023

## Note 8. Liabilities

\$ '000	2023		2022	
	Current	Non Current	Current	Non Current
<b>(a) Trade and other payables</b>				
Goods and services	816	–	1,531	–
- Amounts held on trust	378	–	39	–
- CWMS Land Management Agreements	–	161	–	155
- Grants, subsidies, contributions - operating	331	–	2,106	–
Accrued expenses - employee entitlements	557	–	472	–
Accrued expenses - other	502	–	244	–
Deposits, retentions and bonds	9	–	10	–
<b>Total trade and other payables</b>	<b>2,593</b>	<b>161</b>	<b>4,402</b>	<b>155</b>

**(b) Borrowings**

Loans	1,256	5,474	1,544	6,730
Lease Liabilities	4	5	4	12
<b>Total Borrowings</b>	<b>1,260</b>	<b>5,479</b>	<b>1,548</b>	<b>6,742</b>

All interest bearing liabilities are secured over the future revenues of the Council

**(c) Provisions**

Future reinstatement / restoration, etc	6	54	7	70
Employee Entitlements - Annual Leave	887	–	883	–
Employee Entitlements - Long Service Leave	1,433	67	1,411	113
Other	–	–	(1)	–
<b>Total provisions</b>	<b>2,326</b>	<b>121</b>	<b>2,300</b>	<b>183</b>

## Yorke Peninsula Council

Financial Statements 2023

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2023

## Note 9. Reserves

\$ '000	as at 30/06/22		Transfers	Impairments	as at 30/06/23	
	Opening Balance	Increments (Decrements)			Closing Balance	
<b>(a) Asset revaluation reserve</b>						
Land	77,059	9,790	-	-	-	86,849
Buildings and other structures	50,676	9,919	-	-	-	60,595
Infrastructure						
Stormwater Drainage	11,109	-	-	-	-	11,109
CWMS	17,068	-	-	-	-	17,068
Transport Infrastructure	128,147	-	-	-	-	128,147
Water Scheme Infrastructure	2,641	-	-	-	-	2,641
<b>Total asset revaluation reserve</b>	<b>286,700</b>	<b>19,709</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>306,409</b>
Comparatives	286,700	-	-	-	-	286,700

\$ '000	as at 30/06/22		Tfrs to Reserve	Tfrs from Reserve	Other Movements	as at 30/06/23	
	Opening Balance					Closing Balance	
<b>(b) Other reserves</b>							
Combined Water Supply Reserve	682	255	(144)	-	-	793	
Combined Effluent Reserve	3,255	1,705	(1,059)	-	-	3,901	
Hardwicke Bay Effluent Augmentation	132	-	-	-	-	132	
Hardwicke Bay Water Augmentation	41	-	-	-	-	41	
<b>Total other reserves</b>	<b>4,110</b>	<b>1,960</b>	<b>(1,203)</b>	<b>-</b>	<b>-</b>	<b>4,867</b>	
Comparatives	3,352	758	-	-	-	4,110	

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Yorke Peninsula Council

Financial Statements 2023

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2023

Note 9. Reserves (continued)

**Purposes of reserves**

**Asset revaluation reserves**

The asset revaluation reserve is used to record increments and decrements arising from changes in fair value of non current assets (less any subsequent impairment losses, where applicable).

**Combined Water Supply Reserve**

Balance of historic cash flows associated with operation of Council's water supply schemes in Balgowan, Black Point and Hardwicke Bay. This balance does not represent the under or over-recovery of costs for the scheme. This reserve is not cash backed and has not been adjusted for the cost of capital return to Council.

**Combined Effluent Reserve**

Balance of historic cash flows associated with operation of Council's combined Community Wastewater Management Schemes (CWMS). This balance does not represent the under or over-recovery of costs for the combined schemes. This reserve is not cash backed and has not been adjusted for the cost of capital return to Council.

**Hardwicke Bay Effluent Augmentation**

Contribution from land division (as condition of approval) to assist future effluent infrastructure installation/upgrade. This reserve is not cash backed.

**Hardwicke Bay Water Augmentation**

Contribution from land division (as condition of approval) quarantined for potential expansion/upgrade of water supply infrastructure to specific properties in Hardwicke Bay. This reserve is not cash backed.

Note 10. Assets subject to restrictions

\$ '000	2023	2022
<p>The uses of the following assets are restricted, wholly or partially, by legislation or other externally imposed requirements. The assets are required to be utilised for the purposes for which control was transferred to Council, or for which the revenues were originally obtained.</p>		
<b>Cash and financial assets</b>		
Open space contributions	117	131
RSL Trust Funds	10	10
Erichsen Heritage Trust Fund	27	29
<b>Total cash and financial assets</b>	<b>154</b>	<b>170</b>

## Yorke Peninsula Council

Financial Statements 2023

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2023

## Note 11. Reconciliation to Statement of Cash Flows

\$ '000	Notes	2023	2022
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## (a) Reconciliation of cash

Cash assets comprise highly liquid investments with short periods to maturity subject to insignificant risk of changes of value. Cash at the end of the reporting period as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

Total cash and equivalent assets	5	8,061	14,096
<b>Balances per Statement of Cash Flows</b>		<u>8,061</u>	<u>14,096</u>

## (b) Reconciliation of change in net assets to cash from operating activities

<b>Net surplus/(deficit)</b>		7,047	2,860
<b>Non-cash items in income statements</b>			
Depreciation, amortisation and impairment		11,532	10,717
Non-cash asset acquisitions		–	(39)
Grants for capital acquisitions treated as investing activity		(7,044)	(1,506)
Net (gain)/loss on disposals		848	23
		<u>12,383</u>	<u>12,055</u>
<b>Add (less): changes in net current assets</b>			
Net (increase)/decrease in receivables		(997)	(67)
Net (increase)/decrease in inventories		(311)	26
Net increase/(decrease) in trade and other payables		(1,802)	2,157
Net increase/(decrease) in other provisions		(36)	(78)
<b>Net cash provided by (or used in) operations</b>		<u>9,237</u>	<u>14,093</u>

## (c) Non-cash financing and investing activities

**Acquisition of assets by means of:**

Physical resources received free of charge		–	39
Amounts recognised in income statement		–	39
<b>Total non-cash financing and investing activities</b>		<u>–</u>	<u>39</u>

## (d) Financing arrangements

**Unrestricted access was available at balance date to the following lines of credit:**

Bank overdrafts		100	100
Corporate credit cards		37	37
LGFA cash advance debenture facility		3,000	3,000

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice.

Yorke Peninsula Council

Financial Statements 2023

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2023

Note 12(a). Functions

Income, Expenses and Assets have been directly attributed to the following Functions / Activities.  
Details of these Functions/Activities are provided in Note 12(b).

\$ '000	INCOME		EXPENSES		OPERATING SURPLUS (DEFICIT)		GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT AND NON-CURRENT)	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
<b>Functions/Activities</b>										
Business Undertakings	5,220	4,848	3,907	3,742	1,313	1,106	84	90	23,693	21,567
Community Services	530	405	4,073	3,412	(3,543)	(3,007)	664	20	26,712	21,978
Community Wastewater Management	1,706	1,669	1,413	1,459	293	210	-	-	17,328	17,622
Council Administration	23,833	19,904	7,358	6,392	16,475	13,512	1,980	174	19,341	21,778
Culture	133	93	279	305	(146)	(212)	146	84	3,225	2,716
Environment	1,200	1,171	2,759	2,416	(1,559)	(1,245)	383	-	15,111	13,889
Recreation	378	290	3,164	2,545	(2,786)	(2,255)	517	86	70,374	62,344
Regulatory Services	625	602	1,828	1,634	(1,203)	(1,032)	-	11	-	-
Tourism	78	74	309	191	(231)	(117)	310	-	188	300
Transport & Communication	3,763	3,947	9,309	9,347	(5,546)	(5,400)	2,528	3,946	135,483	125,999
Waste Management	2,399	2,173	2,601	2,488	(202)	(315)	45	14	1,187	1,112
Water Supply	427	418	333	325	94	93	125	-	3,440	3,411
<b>Total Functions/Activities</b>	<b>40,292</b>	<b>35,594</b>	<b>37,333</b>	<b>34,256</b>	<b>2,959</b>	<b>1,338</b>	<b>6,782</b>	<b>4,425</b>	<b>316,082</b>	<b>292,716</b>

## Yorke Peninsula Council

Financial Statements 2023

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2023

## Note 12(b). Components of functions

The activities relating to Council functions are as follows:

**Business undertakings**

Caravan Parks, Electricity Supply, Gravel Pits / Quarries, Marinas / Boat Havens, Private Works, Property Portfolio, and Other.

**Community services**

Public Order and Safety, Crime Prevention, Emergency Services, Other Fire Protection, Other Public Order and Safety, Health Services, Pest Control – Health, Immunisation, Nursing Homes, Preventive Health Services, Other Health Services, Community Support, Elderly Citizens Facilities, Home Assistance Scheme, Other Services for the Aged and Disabled, Child Care Centres, Children and Youth Services, Community Assistance, Family and Neighbourhood Support, Other Community Support, Community Amenities, Bus Shelters, Cemeteries / Crematoria, Public Conveniences, Car Parking – non-fee-paying, Telecommunications Networks, and Other Community Amenities.

**Culture**

Library Services, Mobile Libraries and Housebound Services, Static Libraries, Other Library Services, Cultural Services, Cultural Venues, Heritage, Museums and Art Galleries, and Other Cultural Services.

**CWMS**

Community Wastewater Management Schemes.

**Environment**

Agricultural Services, Agricultural Water, Animal/Plant Boards, Landcare, Other Agricultural Services, Other Environment, Coastal Protection, Stormwater and Drainage, Street Cleaning, Street Lighting, Streetscaping, Natural Resource Management Levy, and Other Environment.

**Recreation**

Jetties, Other Marine Facilities, Parks and Gardens, Sports Facilities – Indoor, Sports Facilities – Outdoor, Swimming Centres – Indoor, Swimming Centres – Outdoor, and Other Recreation.

**Regulatory services**

Dog and Cat Control, Building Control, Town Planning, Clean Air/Pollution Control, Litter Control, Health Inspection, Parking Control, and Other Regulatory Services.

**Transport**

Aerodrome, Bus Service, Footpaths and Kerbing, Roads – sealed, Roads – formed, Roads – natural formed, Roads – unformed, Traffic Management, LGGC – roads (formula funded), and Other Transport.

**Waste Management**

Waste Management, Domestic Waste, Green Waste, Recycling, Transfer Stations, Waste Disposal Facility and Other Waste Management.

**Water Supply**

Water Supply - domestic.

**Council administration**

Governance, Administration n.e.c., Elected Members, Organisational, Support Services, Accounting/Finance, Payroll, Housing for Council Employees, Human Resources, Information Technology, Communication, Rates Administration, Records, Occupancy, Contract Management, Customer Service, Other Support Services, Revenues, LGGC – General Purpose, and Separate and Special Rates.

**Tourism**

Bush Camping Amenities expenses, Various Contributions related to Tourism, Water Towers, YP Visitor Information Services, Shelters at various locations, Tourism Singage and other.

## Yorke Peninsula Council

Financial Statements 2023

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2023

## Note 13. Financial instruments

**Recognised financial instruments****Bank, deposits at call, short term deposits****Accounting Policy:**

Initially recognised at fair value and subsequently measured at amortised cost; interest is recognised when earned.

**Terms & Conditions:**

Deposits are returning fixed interest rates between 0.69% and 4.30% (2022: 0.30% and 2.31%). Short term deposits have an average maturity of 72 days and an average interest rate of 3.09% (2022: 56 days and 0.55%).

**Carrying Amount:**

Approximates fair value due to the short term to maturity.

**Receivables - rates and associated charges****Accounting Policy:**

Initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method.

**Terms & Conditions:**

Secured over the subject land, arrears attract interest. Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State.

**Carrying Amount:**

Approximates fair value (after deduction of any allowance).

**Receivables - fees and other charges****Accounting Policy:**

Initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method.

**Terms & Conditions:**

Unsecured, and do not bear interest. Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries.

**Carrying Amount:**

Approximates fair value (after deduction of any allowance).

**Receivables - other levels of government****Accounting Policy:**

Initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method.

**Terms & Conditions:**

Amounts due have been calculated in accordance with the terms and conditions of the respective programs following advice of approvals, and do not bear interest. All amounts are due by Departments and Agencies of State and Federal Governments.

**Carrying Amount:**

Approximates fair value.

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## Yorke Peninsula Council

Financial Statements 2023

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2023

## Note 13. Financial instruments (continued)

**Liabilities - creditors and accruals****Accounting policy:**

Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Council.

**Terms and conditions:**

Liabilities are normally settled on 30 day terms.

**Carrying amount:**

Approximates fair value.

**Liabilities - interest bearing borrowings****Accounting Policy:**

Initially recognised at fair value and subsequently at amortised cost using the effective interest rate.

**Terms & Conditions:**

Secured over future revenues, borrowings are repayable on a six monthly instalment basis; interest is charged at fixed rates between 3.95% and 7.95% (2022: 3.49% and 7.95%).

**Carrying Amount:**

Approximates fair value.

\$ '000	Due < 1 year	Due > 1 year and ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
<b>Financial assets and liabilities</b>					
<b>2023</b>					
<b>Financial assets</b>					
Cash and cash equivalents	8,061	–	–	8,061	8,061
Receivables	2,650	264	13	2,927	1,998
<b>Total financial assets</b>	<b>10,711</b>	<b>264</b>	<b>13</b>	<b>10,988</b>	<b>10,059</b>
<b>Financial liabilities</b>					
Payables	1,534	–	161	1,695	1,695
Current borrowings	1,531	–	–	1,531	1,260
Non-current borrowings	–	4,913	1,185	6,098	5,479
<b>Total financial liabilities</b>	<b>3,065</b>	<b>4,913</b>	<b>1,346</b>	<b>9,324</b>	<b>8,434</b>
<b>Total financial assets and liabilities</b>	<b>13,776</b>	<b>5,177</b>	<b>1,359</b>	<b>20,312</b>	<b>18,493</b>
<b>2022</b>					
<b>Financial assets</b>					
Cash and cash equivalents	14,096	–	–	14,096	14,096
Receivables	1,665	380	29	2,074	1,569
<b>Total financial assets</b>	<b>15,761</b>	<b>380</b>	<b>29</b>	<b>16,170</b>	<b>15,665</b>
<b>Financial liabilities</b>					
Payables	3,686	–	155	3,841	3,841
Current borrowings	1,873	–	–	1,873	1,548
Non-current borrowings	–	5,724	3,555	9,279	6,742
<b>Total financial liabilities</b>	<b>5,559</b>	<b>5,724</b>	<b>3,710</b>	<b>14,993</b>	<b>12,131</b>

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Notes to and forming part of the Financial Statements  
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Note 13. Financial instruments (continued)

<u>Total financial assets and liabilities</u>	<u>21,320</u>	<u>6,104</u>	<u>3,739</u>	<u>31,163</u>	<u>27,796</u>
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The following interest rates were applicable to Council's borrowings at balance date:

\$ '000	2023		2022	
	Weighted Avg Interest Rate	Carrying Value	Weighted Avg Interest Rate	Carrying Value
Fixed interest rates	4.45%	6,739	4.58%	8,290
		<u>6,739</u>		<u>8,290</u>

**Net fair value**

All carrying values approximate fair value for all recognised financial instruments. There is no recognised market for the financial assets of the Council.

**Risk exposures**

**Credit Risk** represents the loss that would be recognised if counterparties fail to perform as contracted. The maximum credit risk on financial assets of the Council is the carrying amount, net of any impairment. All Council investments are made with the SA Local Government Finance Authority and are guaranteed by the SA Government. Except as detailed in Notes 5 and 6 in relation to individual classes of receivables, exposure is concentrated within the Council's boundaries, and there is no material exposure to any individual debtor.

**Market Risk** is the risk that fair values of financial assets will fluctuate as a result of changes in market prices. All of Council's financial assets are denominated in Australian dollars and are not traded on any market, and hence neither market risk nor **currency risk** apply.

**Liquidity Risk** is the risk that Council will encounter difficulty in meeting obligations with financial liabilities. In accordance with the model Treasury Management Policy (LGA Information Paper 15), liabilities have a range of maturity dates. Council also has available a range of bank overdraft and standby borrowing facilities that it can access.

**Interest Rate Risk** is the risk that future cash flows will fluctuate because of changes in market interest rates. Council has a balance of both fixed and variable interest rate borrowings and investments. Cash flow fluctuations are managed holistically in seeking to minimise interest costs over the longer term in a risk averse manner.

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Yorke Peninsula Council

Financial Statements 2023

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2023

Note 13. Financial instruments (continued)

**Expected credit losses (ECL)**

Council uses an allowance matrix to measure expected credit losses for receivables from individual customers, which comprise a large number of small balances. As rates and annual charges are secured over subject land no allowance for such receivables is made. The following table provides information about Council's ECLs from receivables (excluding secured rates and charges, GST and other amounts held in trust). Impairment analysis is performed each reporting date. ECLS are based on credit history adjusted for forward looking estimates and economic conditions.

\$ '000	ECL Rate	Gross carrying amount	Expected Loss
<b>2023</b>			
Current (not past due)	0.0%	63	-
Past due 1-30 days	0.0%	676	-
Past due 31-60 days	0.0%	9	-
Past due 61-90 days	0.0%	7	-
Past due 91 days +	0.2%	54	-
		<b>809</b>	<b>-</b>
<b>2022</b>			
Current (not past due)	0.0%	49	-
Past due 1-30 days	0.0%	16	-
Past due 31-60 days	0.0%	4	-
Past due 61-90 days	0.0%	119	-
Past due 91 days +	0.2%	54	-
		<b>242</b>	<b>-</b>

## Yorke Peninsula Council

Financial Statements 2023

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2023

## Note 14. Capital and Other Expenditure Commitments

\$ '000	2023	2022
<b>Capital commitments</b>		
<b>Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:</b>		
Transport Infrastructure	284	815
Buildings & Other Structures	1,804	96
Plant and equipment	100	439
Water Infrastructure	–	12
Other Assets	–	43
Stormwater Assets	108	56
	<u>2,296</u>	<u>1,461</u>
<b>These expenditures are payable:</b>		
Not later than one year	2,296	1,461
	<u>2,296</u>	<u>1,461</u>

## Yorke Peninsula Council

Financial Statements 2023

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2023

## Note 15. Financial indicators

\$ '000	Amounts	Indicator	Indicators	
	2023	2023	2022	2021

## Financial Indicators overview

These Financial Indicators have been calculated in accordance with Information paper 9 - Local Government Financial Indicators prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia.

**1. Operating Surplus Ratio**

Operating surplus	2,959	7.3%	3.8%	8.4%
Total operating income	40,292			

This ratio expresses the operating surplus as a percentage of total operating revenue.

**Adjusted Operating Surplus Ratio**

Operating surplus	2,861	7.1%	2.1%	8.6%
Total operating income	40,194			

**2. Net Financial Liabilities Ratio**

Net financial liabilities	986	2%	(2)%	3%
Total operating income	40,292			

Net Financial Liabilities are defined as total liabilities less financial assets (excluding equity accounted investments in Council businesses). These are expressed as a percentage of total operating revenue.

**Adjusted Net Financial Liabilities Ratio**

Net financial liabilities	1,492	4%	(2)%	3%
Total operating income	40,194			

**Adjustments to Ratios**

In recent years the Federal Government has made advance payments prior to 30th June from future year allocations of financial assistance grants, as explained in Note 1. These Adjusted Ratios correct for the resulting distortion in key ratios for each year and provide a more accurate basis for comparison.

**3. Asset Renewal Funding Ratio**

Asset renewals	14,665	60%	93%	80%
Asset Renewal Commitments per AMP	24,337			

Net asset renewals expenditure is defined as net capital expenditure on the renewal and replacement of existing assets, and excludes new capital expenditure on the acquisition of additional assets.

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Yorke Peninsula Council

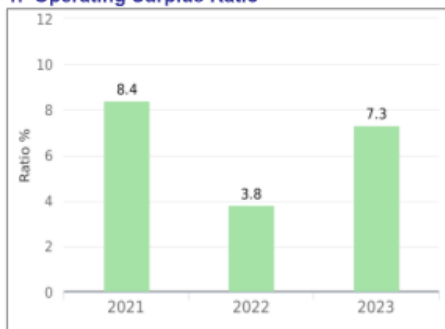
Financial Statements 2023

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2023

Note 15. Financial indicators (continued)

Financial indicators - graphs

1. Operating Surplus Ratio



**Purpose of operating surplus ratio**

This indicator is to determine the percentage the operating revenue varies from operating expenditure

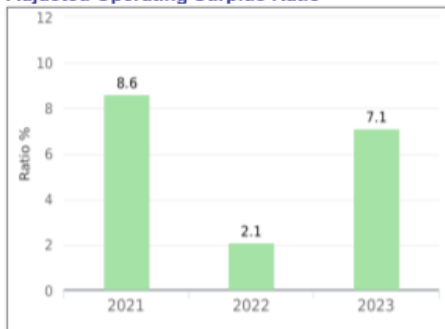
**Commentary on 2022/23 result**

**2022/23 ratio 7.3%**

The Council's Operating Surplus Ratio (OSR) has increased to 7.3%, reflecting a substantial 3.5% rise compared to the preceding financial year. This noteworthy improvement can be attributed to several key drivers:

- 5% increase in rates
- 6% uptick in fees and charges
- 53% growth in grants, subsidies, and contributions
- 154% boost in reimbursements
- 36% increase in other income.

Adjusted Operating Surplus Ratio



**Purpose of adjusted operating surplus ratio**

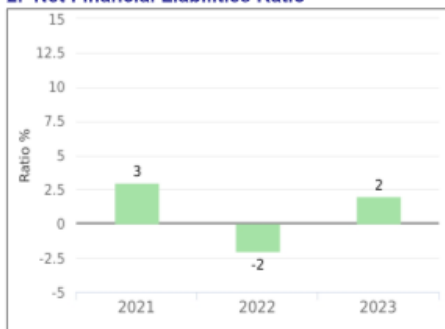
This indicator is to determine the percentage the operating revenue (adjusted for timing differences in the Financial Assistance Grant) varies from operating expenditure

**Commentary on 2022/23 result**

**2022/23 ratio 7.1%**

The Adjusted Operating Ratio (AOSR) stands at 7.1%, reflecting an increase of 5.0% compared to the previous financial year. This increase can be attributed to the factors mentioned in the OSR analysis earlier, and it is further influenced by a substantial payment of grants received during the 2022/2023 financial year.

2. Net Financial Liabilities Ratio



**Purpose of net financial liabilities ratio**

This indicator shows the significance of the net amount owed to others, compared to operating revenue

**Commentary on 2022/23 result**

**2022/23 ratio 2%**

The Council's Net Financial Liabilities Ratio (NFLR) has risen to 2%, marking a 4% increase compared to the preceding financial year. This upturn can be attributed to a \$5 million boost in revenue, even in light of a \$1 million increase in financial liabilities.

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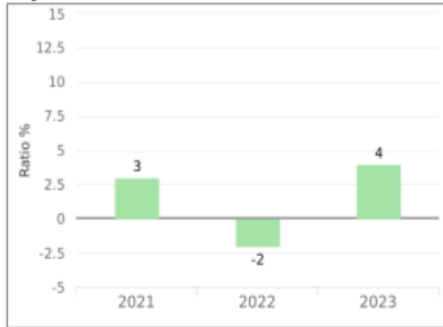
Yorke Peninsula Council

Financial Statements 2023

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2023

Note 15. Financial indicators (continued)

**Adjusted Net Financial Liabilities Ratio**



**Purpose of adjusted net financial liabilities ratio**

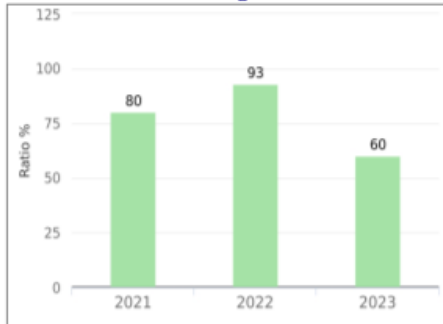
This indicator is to determine the percentage the operating revenue (adjusted for timing differences in the Financial Assistance Grant) varies from operating expenditure

**Commentary on 2022/23 result**

2022/23 ratio 4%

The adjusted Net Financial Liabilities Ratio is subject to the same influences mentioned in the NFLR analysis earlier. Moreover, it reflects the impact of receiving \$2.1 million in financial assistance grants in advance during the financial year 2022/2023.

**3. Asset Renewal Funding Ratio**



**Purpose of asset renewal funding ratio**

This indicator aims to determine if assets are being renewed and replaced in an optimal way

**Commentary on 2022/23 result**

2022/23 ratio 60%

The Council's Asset Renewal Funding Ratio (ARFR) currently stands at 60%, indicating a 33% decrease from the preceding financial year. This decline is primarily attributed to a \$14 million increment in the capital renewal expenditure target and an additional \$5 million in capital renewal spending during the present financial year.

## Yorke Peninsula Council

Financial Statements 2023

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2023

## Note 16. Uniform presentation of finances

\$ '000	2023	2022
The following is a high level summary of both operating and capital investment activities of the Council prepared on a simplified Uniform Presentation Framework basis.		
All Councils in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis.		
The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances.		
<b>Income</b>		
Rates	25,668	24,431
Statutory charges	653	631
User charges	5,980	5,654
Grants, subsidies and contributions - capital	4,536	929
Grants, subsidies and contributions - operating	2,246	3,496
Investment income	518	105
Reimbursements	469	185
Other income	222	163
<b>Total Income</b>	<b>40,292</b>	<b>35,594</b>
<b>Expenses</b>		
Employee costs	10,511	9,706
Materials, contracts and other expenses	14,967	13,547
Depreciation, amortisation and impairment	11,532	10,717
Finance costs	323	286
<b>Total Expenses</b>	<b>37,333</b>	<b>34,256</b>
<b>Operating surplus / (deficit)</b>	<b>2,959</b>	<b>1,338</b>
Timing adjustment for grant revenue	(98)	(604)
<b>Adjusted Operating surplus / (deficit)</b>	<b>2,861</b>	<b>734</b>
<b>Net outlays on existing assets</b>		
Capital expenditure on renewal and replacement of existing assets	(15,114)	(10,110)
Add back depreciation, amortisation and impairment	11,532	10,717
Add back proceeds from sale of replaced assets	449	385
	<b>(3,133)</b>	<b>992</b>
<b>Net outlays on new and upgraded assets</b>		
Capital expenditure on new and upgraded assets (including investment property and real estate developments)	(6,193)	(1,986)
Add back amounts received specifically for new and upgraded assets	4,936	1,506
Add back proceeds from sale of surplus assets (including investment property, real estate developments and non-current assets held for resale)	3	150
	<b>(1,254)</b>	<b>(330)</b>
<b>Annual net impact to financing activities (surplus/(deficit))</b>	<b>(1,526)</b>	<b>1,396</b>

## Yorke Peninsula Council

Financial Statements 2023

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2023

## Note 17. Leases

## (i) Council as a lessee

Council has elected to apply the modified retrospective approach to accounting for leases under AASB 16. Under this approach comparative year information is not restated, and the right-of-use asset is initially stated at an amount equal to the lease liability.

Further to this election, Council has also elected to access the temporary relief available under *AASB 2018-8 Amendments to Australian Accounting Standards – Right-of-Use Assets of Not-for-Profit Entities* to enable it to initially recognise right-of-use assets at cost as opposed to fair value.

Council leases 11 jetties and 1 wharf from the State Government principally to enable it to further its objectives. Council is dependent on these leases to further its objective of delivering infrastructure services to the community. Council is restricted to use these jetties as public jetties and for any other purpose determined by Council to be in the best interest of the community. Lease terms range from 45 to 50 years and the lease payments per jetty are \$1 per annum (if requested).

Council also has right of use in relation to three separate parcels of land for annual lease payments ranging between \$800 to \$2,500. Lease terms in relation to these each of these parcels of land are 5 years. Leased land is utilised for the provision of communication services and the deposit and treatment of effluent under the terms of the individual leases.

## Notes

Set out below are the carrying amounts of right-of-use assets recognised within Infrastructure, Property, Plant and Equipment and the movements during the period:

## (a) Right of use assets

\$ '000	Right of Use Assets	Total
<b>2023</b>		
Opening balance	13	13
Additions to right-of-use assets	–	–
Depreciation charge	(3)	(3)
<b>Balance at 30 June</b>	<b>10</b>	<b>10</b>
<b>2022</b>		
Opening balance	12	12
Additions to right-of-use assets	5	5
Depreciation charge	(4)	(4)
<b>Balance at 30 June</b>	<b>13</b>	<b>13</b>

continued on next page ...

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## Yorke Peninsula Council

Financial Statements 2023

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2023

## Note 17. Leases (continued)

## (b) Lease liabilities

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

\$ '000	2023	2022
Balance at 1 July	16	14
Additions	–	4
Payments	(7)	(2)
<b>Balance at 30 June</b>	<b>9</b>	<b>16</b>
<b>Classified as:</b>		
Current	4	4
Non-current	5	12

The maturity analysis of lease liabilities is included in Note 13.

The Group had total cash outflows for leases of \$68k.

The following are the amounts recognised in profit or loss:

Depreciation expense of right-of-use assets	3	3
Expense relating to short term leases	8	3
Expense relating to leases of low-value assets	60	55
<b>Total amount recognised in profit or loss</b>	<b>71</b>	<b>61</b>

## (ii) Council as a lessor

Council owns various buildings, plant and other facilities that are available for hire or lease (on a non-cancellable basis wherever practicable) in accordance with the published revenue policy. Rentals received from such leases are disclosed as rent and hire of non-investment property in Note 2.

\$ '000	2023	2022
<b>Future minimum rentals receivable under non-cancellable operating leases as at 30 June, are as follows:</b>		
Not later than one year	159	86
Later than one year and not later than 5 years	223	306
Later than 5 years	49	54
	<b>431</b>	<b>446</b>

## Yorke Peninsula Council

Financial Statements 2023

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2023

## Note 18. Superannuation

The Council makes employer superannuation contributions in respect of its employees to Hostplus (formerly Local Government Superannuation Scheme and Statewide Super). There are two types of membership, each of which is funded differently. Permanent and contract employees of the South Australian Local Government sector with Salarylink benefits prior to 24 November 2009 have the option to contribute to the Accumulation section and/or Salarylink. All other employees (including casuals) have all contributions allocated to the Accumulation section.

**Accumulation only members**

Accumulation only members receive both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of ordinary time earnings in accordance with superannuation guarantee legislation (10.50% in 2022/23; 10.00% in 2021/22). No further liability accrues to the Council as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

**Salarylink (Defined Benefit Fund) members**

Salarylink is a defined benefit scheme where the benefit payable is based on a formula determined by the member's contribution rate, number of years and level of contribution and final average salary. Council makes employer contributions to Salarylink as determined by the Fund's Trustee based on advice from the appointed Actuary. The rate is currently 6.3% (6.3% in 2021/22) of "superannuation" salary.

In addition, Council makes a separate contribution of 3% of ordinary time earnings for Salarylink members to their Accumulation account. Employees also make member contributions to the Salarylink section of the Fund. As such, assets accumulate in the Salarylink section of the Fund to meet the member's benefits, as defined in the Trust Deed, as they accrue.

The Salarylink section is a multi-employer sponsored plan. As the Salarylink section's assets and liabilities are pooled and are not allocated by each employer, and employees may transfer to another employer within the local government sector and retain membership of the Fund, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided by AASB 119.34(a), Council does not use defined benefit accounting for these contributions.

The most recent actuarial investigation was conducted by the Fund's actuary, Louise Campbell, FIAA, of Willis Towers Watson as at 30 June 2021. The Trustee has determined that the current funding arrangements are adequate for the expected Salarylink liabilities. However, future financial and economic circumstances may require changes to Council's contribution rates at some future time.

**Contributions to other superannuation schemes**

Council also makes contributions to other superannuation schemes selected by employees under the "choice of fund" legislation. All such schemes are of the accumulation type, where the superannuation benefits accruing to the employee are represented by their share of the net assets of the scheme, and no further liability attaches to the Council.

## Yorke Peninsula Council

Financial Statements 2023

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2023**Note 19. Contingencies and assets/liabilities not recognised in the balance sheet**

The following assets and liabilities do not qualify for recognition in the Statement of Financial Position, but knowledge is considered relevant to the users of the financial report in making and evaluating decisions about the allocation of scarce resources.

**1. Land under roads**

As reported in the Financial Statements, Council is of the opinion that it is not possible to attribute a value sufficiently reliably for these assets to qualify for recognition, and accordingly land under roads has not been recognised in the reports. Land acquired for road purposes during the year is initially recognised at cost, but transferred to fair value at reporting date, effectively writing off the expenditure.

At reporting date, Council controlled approximately 3,890km of road reserve with an average carriageway width of 4-8 metres.

**2. Potential insurance losses**

Council is a multi-purpose organisation providing a large range of building, parks infrastructure, playgrounds and other facilities accessible to the public. At any time, it is likely that claims will have been made against Council that remain unsettled.

Council insures against all known insurable risks using a range of insurance policies, each of which is subject to deductible "insurance excesses", the amount of which varies according to the class of insurance.

Council has recognised the potential losses arising from claims known at reporting date based on average historical net cost (including insurance excess) of similar types of claims. Other potential claims not reported to Council may have existed at reporting date.

**3. Community seawall loans funded by separate rate request**

During the 2016/17 financial year Council resolved to contribute towards the construction of seawalls for two separate groups of ratepayers. It was resolved that these contributions were to be funded by new loans to be taken out by Council with both principal and interest to be repaid to Council by the affected ratepayers via a separate rate levied against their properties over the next 10 years (being the term of the loan). Council is confident that all amounts owed under the agreement will be recovered.

The value of loans (inclusive of principal and interest) to be repaid via separate rate over 10 year period are listed below:

- Chinaman Wells Seawall \$94,213 (2022: \$115,419)
- Point Turton Seawall \$91,445 (2022: \$109,471)

**4. Remediation of illegal dumping sites**

Council has recently been made aware of unsanctioned community dumping sites at Marion Bay and Berry Bay South which have been used by the public without the knowledge of Council senior management or Elected Members. No historical agreement exists for this dumping, which started before the amalgamation of separate Councils into what is now Yorke Peninsula Council. Through investigation of these sites, it has been revealed that bonded, non-friable asbestos is contained among the waste at Marion Bay with no such material being identified at Berry Bay South to date. Being non-friable (not airborne) this asbestos poses a very low hazard in its current condition; however, if disturbed in a manner causing fibres to become airborne it could present a health risk. Council intends to have all asbestos removed as soon as possible and is committed to completely rehabilitating the Marion Bay and Berry Bay South sites. The cost of this work is not yet known requiring further investigation and eventual procurement to determine.

**Note 20. Events after the balance sheet date**

Events that occur after the reporting date of 30 June 2023, up to and including the date when the financial statements are "authorised for issue" have been taken into account in preparing these statements.

Council has adopted the date of receipt of the Auditors' Report as the appropriate "authorised for issue" date relating to these General Purpose Financial Statements.

Yorke Peninsula Council

Financial Statements 2023

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2023

Note 21. Related party transactions

Key management personnel

Transactions with key management personnel

The Key Management Personnel of the Council include the Mayor, Councillors, CEO and certain prescribed officers under section 112 of the Local Government Act 1999 . In all, 21 persons were paid the following total compensation:

\$ '000	2023	2022
<b>The compensation paid to key management personnel comprises:</b>		
Short-term employee benefits	1,101	1,006
Post-employment benefits	108	95
<b>Total</b>	<b>1,209</b>	<b>1,101</b>

Amounts paid as direct reimbursement of expenses incurred on behalf of Council have not been included above.

Key management personnel or close family members (including related parties) lodged a total of four planning and building application during the year. These persons took no part in the assessment or approval process for these applications.

One planning and building approval, with and without conditions, was granted during the year. Total fees for this application (all of which was payable subsequent to lodgement) amounted to \$694.00 of which Council's portion amounted \$250.00.

A member of Council's key management personnel is the director of a business from which services were purchased as required on account in accordance with Council's Purchasing and Procurement Policy. Total purchases amounted to \$28,994.00 (GST Inclusive) for the financial year. Amounts unpaid at the end of year was \$251.00, paid in July 2023.

A close relative of a member of Council's key management personnel is the director of a business from which services were purchased as required on account in accordance with Council's Purchasing and Procurement Policy. During the financial year, the total purchases equaled \$194,929.62 (including GST), while total sales from the Council to this company amounted to \$108,035.88 (including GST). No amounts remained unpaid at the end of year.

No key management personnel or parties related to them had any transactions during the year on terms more favourable than those available to the general public.

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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YORKE PENINSULA COUNCIL

### Opinion

We have audited the accompanying financial report of Yorke Peninsula Council, which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the Certification of the Financial Statements.

In our opinion, the financial report gives a true and fair view of the financial position of Yorke Peninsula Council as of 30 June 2023, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards and the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011*.

### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of Management and Those Charged with Governance for the Financial Report

Management is responsible for the preparation of the financial report, which gives a true and fair view in accordance with Australian Accounting Standards and the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011*, and for such internal control as the committee and management determines is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity's financial reporting process.



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**Auditor's Responsibilities for the Audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>). This description forms part of our auditor's report.

**BENTLEYS SA AUDIT PARTNERSHIP**

DAVID PAPA  
PARTNER

Dated at Adelaide this xx day of November 2023

**Bentleys SA Audit Partnership**

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## INDEPENDENT ASSURANCE REPORT ON INTERNAL CONTROLS OF YORKE PENINSULA COUNCIL

### Opinion

We have audited the compliance of Yorke Peninsula Council (the Council) with the requirements of *Section 125 of the Local Government Act 1999* in relation to the Internal Controls established by the Council to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities for the period 1 July 2022 to 30 June 2023 are in accordance with legislative provisions.

In our opinion, the Council has complied, in all material respects, with *Section 125 of the Local Government Act 1999* in relation to Internal Controls, established by the Council in relation to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities so as to provide reasonable assurance that the financial transactions of the Council have been conducted properly and in accordance with legislative provisions for the period 1 July 2022 to 30 June 2023.

### Limitation on Use

This report has been prepared for the members of the Council in accordance with *Section 129 of the Local Government Act 1999* in relation to Internal Controls specified above. We disclaim any assumption of responsibility for any reliance on this report to any persons or users other than the members of the Council, or for any purpose other than that for which it was prepared.

### Limitations of Controls

Because of the inherent limitations of any internal control structure it is possible that, even if the controls are suitably designed and operating effectively, the control objectives may not be achieved so that fraud, error, or non-compliance with laws and regulations may occur and not be detected.

An assurance engagement on internal controls is not designed to detect all instances of controls operating ineffectively as it is not performed continuously throughout the period and the tests performed are on a sample basis. Any projection of the outcome of the evaluation of controls to future periods is subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

### Independence

In conducting our engagement, we have complied with the independence requirements of the Australian professional accounting bodies.



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### **The Council's Responsibility for the Internal Controls**

The Council is responsible for implementing and maintaining an adequate system of internal controls, in accordance with *Section 125 of the Local Government Act 1999* in relation to Internal Controls, to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and incurring of liabilities are in accordance with legislative provisions.

### **Our Responsibility**

Our responsibility is to express an opinion on the Council's compliance with *Section 125 of the Local Government Act 1999* in relation only to the Internal Controls established by the Council to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities, based on our procedures. Our engagement has been conducted in accordance with applicable Australian Standards on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and ASAE 3150 *Assurance Engagement on Controls*, issued by the Australian Auditing and Assurance Standards Board, in order to state whether, in all material respects, the Council has complied with *Section 125 of the Local Government Act 1999* in relation only to the Internal Controls specified above for the period 1 July 2022 to 30 June 2023. ASAE 3000 also requires us to comply with the relevant ethical requirements of the Australian professional accounting bodies.

Our procedures included obtaining an understanding of internal controls in relation to the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities, evaluating management's assessment of these internal controls, assessing the risk that a material weakness exists, and testing and evaluating the design and implementation of controls on a sample basis on the assessed risks.

### **BENTLEYS SA AUDIT PARTNERSHIP**

DAVID PAPA  
PARTNER

Dated at Adelaide this xx day of November 2023



## Yorke Peninsula Council

Financial Statements 2023

**General Purpose Financial Statements**  
for the year ended 30 June 2023**Certification of Auditor Independence**

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Yorke Peninsula Council for the year ended 30 June 2023, the Council's Auditor, Dean Newbery has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22(3) *Local Government (Financial Management) Regulations 2011*.

---

Andrew Cameron  
Chief Executive Officer

Date:

---

Rob Reiman  
Presiding Member, Audit Committee

Date:



**Bentleys SA Audit Partnership**

Level 5  
63 Pirie Street  
Adelaide SA 5000

GPO Box 939  
Adelaide SA 5001

ABN 43 877 091 903

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bentleys.com.au

**Certification of Auditor Independence**

I confirm that, for the audit of the financial statements of Yorke Peninsula Council for the year ended 30 June 2023, I have maintained my independence in accordance with the requirements of APES 110 – *Code of Ethics for Professional Accountants (including Independence Standards)*, Part 4A, published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22 (5) *Local Government (Financial Management) Regulations 2011*.

**Bentleys SA Audit Partnership**

David Papa  
Partner

**Dated at Adelaide this 20<sup>th</sup> day of October 2023**



A member of Bentleys, a network of independent advisory and accounting firms located throughout Australia, New Zealand and China that trade as Bentleys. All members of the Bentleys Network are affiliated only, are separate legal entities and not in partnership. Liability limited by a scheme approved under Professional Standards Legislation. A member of Allinial Global – an association of independent accounting and consulting firms.

- ▶ Advisors
- ▶ Accountants
- ▶ Auditors

## 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](mailto:admin@yorke.sa.gov.au)  
Website: [www.yorke.sa.gov.au](http://www.yorke.sa.gov.au)



24 October 2023

Our Ref: 23/101579

Bentleys SA Audit Partnership  
Level 5, 63 Pirie Street  
ADELAIDE SA 5000

Dear Mr Papa

**RE: AUDIT FOR YORKE PENINSULA COUNCIL FOR THE YEAR ENDED 30 JUNE 2023**

This representation letter is provided in connection with your audit of the financial statements of Yorke Peninsula Council for the year ended 30 June 2023 for the purpose of forming an opinion whether, in all material respects, the financial statements are presented fairly in accordance with the Local Government Act 1999, Local Government (Financial Management) Regulations 1999 and Australian Accounting Standards so as to present a view which is consistent with your understanding of Yorke Peninsula Council's financial position, the results of its operations and its cash flows.

We acknowledge our responsibility for the preparation of the financial statements including adequate disclosure. We also acknowledge our responsibility for the implementation and operation of accounting and internal control systems that are designed to prevent and detect fraud and error.

We confirm, to the best of our knowledge and belief, the following representations:

- We have implemented and maintained sufficient internal controls and processes within the Council and ensure all elected controls regarded as 'core' have been complied with.
- There have been no irregularities involving management or employees who have a significant role in the accounting and internal control systems or that could have a material effect on the financial statements;
- We have disclosed to you all significant facts relating to any frauds or suspected frauds known to us that may have affected the entity;
- We have disclosed to you the results of our assessment of the risk that the financial report may be materially misstated as a result of fraud;
- We have made available to you all books of account and supporting documentation and all minutes of meetings. Where minutes have not been prepared for recent meetings, a summary of decisions taken at those meetings has been made available to you;
- We confirm the completeness of the information provided regarding the identification of related parties, and balances and transactions with related parties;
- The financial statements are free of material misstatements, including omissions;
- We believe the effects of those uncorrected financial report misstatements noted by you or your staff during the audit are immaterial, both individually and in aggregate to the financial report taken as a whole;
- The Council has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance;

**BRANCH OFFICES**  
MINLATON  
YORKETOWN

- We have disclosed to you all known incidences of possible or actual non-compliance with laws and regulations whose effects should be considered when preparing the financial report;
- The following have been properly recorded and, when appropriate, adequately disclosed in the financial statements:
  - The identity of, and balances and transactions with, related parties;
  - Losses arising from sale and purchase commitments;
  - Agreements and options to buy back assets previously sold;
  - Assets pledged as collateral.
  
- We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements;
- The Council has satisfactory title to all assets and there are no liens or encumbrances on the company's assets, except for those that are disclosed in notes to the financial statements;
- We have recorded or disclosed, as appropriate, all liabilities, both actual and contingent;
- There have been no events subsequent to period end which require adjustment of or disclosure in the financial statements or Notes thereto;
- All claims that have been received in connection with litigation do not require adjustment of or disclosure in the financial statements or Notes thereto;
- There are no formal or informal set-off arrangements with any of our cash and investment accounts. We have no other line of credit arrangements;
- There are reasonable grounds to believe that the Council will be able to pay its debts as and when they become due and payable.

\_\_\_\_\_  
**CEO**

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Finance Manager**

\_\_\_\_\_  
**Date**

<b>Yorke Peninsula Council</b> <b>2022/2023 Report on Financial Results - Audited Results Compared to Adopted Budget</b> <b>STATEMENT OF COMPREHENSIVE INCOME</b>					
	2022/23 Audited Actual \$('000)	2022/23 Original Budget \$('000)	Variance \$('000)	Variance (%)	Comment
<b>INCOME</b>					
Rates	25,668	25,597	71	0.3%	<u>Increases:</u> > Sanitation & Garbage: \$32k > CWMS \$15k > Fines Raised: \$4k > Landscape Levy \$6k > General Rates: \$13k > Rebates Mandatory: \$8k (lower) <u>Decrease:</u> > Rebates Discretionary: \$7k (higher)
Statutory Charges	653	394	259	66%	<u>Increases:</u> > Development Application Fees: \$105k > Fines & Expiations: \$12k > Other Statutory charges: \$5k > Animal Control: \$13k > Septic Tank Administration Fee: \$39k
User Charges	5,980	4,641	1,339	29%	<u>Increases:</u> > Caravan Parks: \$877k > YP Leisure Options: \$96k > Bush Camping Permits: \$347k > Sundry User Charges: \$12k > Water Usage Charges: \$35k <u>Decreases:</u> > Refuse Collection & Disposal: \$19k
Grants, subsidies, contributions - Capital	2,108	3,567	3,215	90%	<u>Increases:</u> > Local Roads & Community Infrastructure Partnerships: \$2.1M > Local Government Infrastructure Partnership: \$770k > Financial Assistance Grants (General Purpose and Identified Local Roads): \$439k
Grants, subsidies, contributions - Operating	4,674				
Investment Income	518	103	415	403%	<u>Increases:</u> > Loans to Community Groups: \$2k > LGFA investment income: \$405k > Bank and other: \$8k
Reimbursements	469	139	330	237%	<u>Increases:</u> > Income protection reimbursed wages and salaries: \$121k > Workers compensation reimbursed wages and salaries: \$39k > Insurance reimbursements: \$87k
Other Income	222	108	114	106%	<u>Increases:</u> > Workers Compensation Special Distribution: \$13k > YP Leisure Options Sundry Income: \$18k > ATO Fuel Rebate: \$7k > Asset Valuation Rebate: \$10k > Sundry income: \$30k
<b>Total Revenues</b>	<b>40,292</b>	<b>34,549</b>	<b>5,743</b>	<b>17%</b>	

<b>Yorke Peninsula Council</b>					
<b>2022/2023 Report on Financial Results - Audited Results Compared to Adopted Budget</b>					
	2022/23 Audited Actual \$('000)	2022/23 Original Budget \$('000)	Variance \$('000)	Variance (%)	Comment
<b>EXPENSES</b>					
Employee costs	10,511	10,472	39	0%	<u>Increases:</u> > Leave: \$39k > Salaries and wages: \$155k (note: capitalised wages \$221k less than budgeted) <u>Decreases:</u> > Superannuation: \$45k > Other employee costs: \$80k (includes reclassification provision allocated to salaries and wages)
Materials, contracts & other expenses	14,967	14,229	738	5%	<u>Increases:</u> > Audit fees: \$14k > Caravan park management fees: \$217k (corresponding to increase in caravan park income) > Port Vincent Foreshore Caravan Park building maintenance: \$40k > Energy costs: \$82k > Fuel: \$205k > Jetty maintenance: \$227k > SA Water Tower Mural Project: \$114k > Footpath maintenance: \$35k > Contractual plant and machinery maintenance: \$75k > Prior expenditure from capital work in progress reclassified as operating expense: \$60k > Foreshore maintenance: \$48k > Contractual cleaning: \$46k > Computer equipment: \$22k > Contribution to Care in Motion (formerly YP Community Transport): \$18k <u>Decreases:</u> > Plant and Machinery Parts: \$14k > Equipment leases: \$17k > Boat ramp dredging: \$70k > Boat ramp dredging strategy: \$30k > ERP Replacement Program: \$495k (rolled to 2023/2024)
Depreciation	11,532	11,115	417	4%	<u>Increases:</u> > Buildings & Structures: \$666k > Plant, Equipment, and Other Assets: \$69K > Impairment: \$43k <u>Decreases:</u> > Transport Infrastructure: \$370K
Finance Costs	323	314	9	3%	Regular repayment of outstanding loans as per schedule
<b>Total Expenses</b>	<b>37,333</b>	<b>36,130</b>	<b>1,203</b>	<b>3%</b>	
<b>OPERATING SURPLUS/(DEFICIT) BEFORE CAPITAL AMOUNTS</b>	<b>2,959</b>	<b>(1,581)</b>	<b>4,540</b>	<b>287%</b>	
Physical resources free of charge	0	0	0	100%	
Asset disposal and fair value adjustments	(848)	0	(848)	(100)%	\$506k of asset write-offs and loss of \$432k on Land and Building disposal have reduced by gains of \$82k of Motor Vehicles & Major plants, \$9k of Minor Plant.
Amounts specifically for new assets	4,936	756	4,180	553%	<u>Increases:</u> > North Coast Road: \$1.1M > SYP Childcare: \$1.6M > Heavy Vehicle Safety and Productivity program round 7: \$605k > Regional Commodities & Freight Routes: \$770k
<b>NET SURPLUS/(DEFICIT)</b>	<b>7,047</b>	<b>(825)</b>	<b>7,872</b>	<b>(954)%</b>	
<b>Other Comprehensive Income</b>					
Changes in revaluation surplus - IPP&E	19,709	0	19,709	(100)%	Land and Building revaluation conducted on 01/07/2022.
<b>Total Other Comprehensive Income</b>	<b>19,709</b>	<b>0</b>	<b>19,709</b>	<b>(100)%</b>	
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>26,756</b>	<b>(825)</b>	<b>27,581</b>	<b>(3,343)%</b>	



<b>Yorke Peninsula Council</b>					
<b>2022/2023 Report on Financial Results - Audited Results Compared to Adopted Budget</b>					
<b>STATEMENT OF FINANCIAL POSITION</b>					
	2022/23 Audited Actual \$('000)	2022/23 Original Budget \$('000)	Variance (\$)	Variance (%)	Comment
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash & Equivalent Assets	8,061	3,170	4,891	154%	Higher closing cash balance due to: > Increased levels of grant funding received at the year end: \$2.1m > Flow on effects of higher than anticipated closing balance at 21/22 year end
Trade & Other Receivables	2,647	1,726	921	53%	<u>Increases:</u> > Rates - General and other: \$68k > Debtors - general: \$463k > Accrued Revenue: \$23k > Prepayments: \$232k > GST recoupment: \$226k <u>Decreases:</u> > Loans to community organisations: \$8k > Council rates postponement scheme: \$11k
Inventories	658	424	234	55%	Increased inventory due to \$300k in rubble stockpiled.
<b>Total Current Assets</b>	<b>11,366</b>	<b>7,046</b>	<b>4,320</b>	<b>61%</b>	
<b>Non-Current Assets</b>					
Financial Assets	246	245	1	0.4%	
Infrastructure, Property, Plant & Equipment	304,470	286,416	18,054	6%	Net impact of asset additions, disposals, depreciation and revaluation.
<b>Total Non-Current Assets</b>	<b>304,716</b>	<b>286,661</b>	<b>18,055</b>	<b>6%</b>	
<b>Total Assets</b>	<b>316,082</b>	<b>293,707</b>	<b>22,375</b>	<b>8%</b>	
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Trade & Other Payables	2,593	2,250	343	15%	Reflects carry over grant income for future period recognised as receive in advance.
Borrowings	1,260	1,520	(260)	(17)%	Decreased due to no new borrowings and repayment of existing loans.
Provisions	2,326	2,342	(16)	(1)%	<u>Decreases:</u> > Retirements and resignation of long term employees
<b>Total Current Liabilities</b>	<b>6,179</b>	<b>6,112</b>	<b>67</b>	<b>1%</b>	
<b>Non-Current Liabilities</b>					
Trade & Other Payables	161	22	139	100%	CWMS land management agreement liability was not reflected in 2022/23 budget
Borrowings	5,479	6,364	(885)	(14)%	<u>Decreases:</u> Decreased due to being no new borrowings during the period and reclassifying existing loans from Non current to current.
Provisions	121	220	(99)	(45)%	<u>Decreases:</u> > Retirements and resignation of long term employees and reclassifying existing provisions from Non current to current.
<b>Total Non-Current Liabilities</b>	<b>5,761</b>	<b>6,606</b>	<b>(845)</b>	<b>(13)%</b>	
<b>Total Liabilities</b>	<b>11,940</b>	<b>12,718</b>	<b>(778)</b>	<b>(6)%</b>	
<b>NET ASSETS</b>					
<b>EQUITY</b>					
Accumulated Surplus	(7,134)	(10,789)	3,655	(34)%	Refer to reasons in Statement of Comprehensive Income
Asset Revaluation Reserve	306,409	286,700	19,709	7%	Due to revaluations undertaken on Land and Building on 01/07/2022.
Other Reserves	4,867	3,352	1,515	45%	Budget estimate was only an indicative figure based on best estimates. Year end figure is actual amount in reserve based on actual income received and operating and capital expenditure undertaken during 2022/23.
<b>TOTAL EQUITY</b>	<b>304,142</b>	<b>279,263</b>	<b>24,879</b>	<b>9%</b>	

<b>Yorke Peninsula Council</b>					
<b>2022/2023 Report on Financial Results - Audited Results Compared to Adopted Budget</b>					
<b>UNIFORM PRESENTATION OF FINANCES</b>					
	2022/23 Audited Actual \$('000)	2022/23 Original Budget \$('000)	Variance (\$)	Variance (%)	Comment
Operating Revenues	40,292	34,549	5,743	17%	Refer to reasons in Statement of Comprehensive Income
<i>less Operating Expenses</i>	(37,333)	(36,130)	(1,203)	3%	Refer to reasons in Statement of Comprehensive Income
<b>Operating Surplus/(Deficit) before Capital Amounts</b>	<b>2,959</b>	<b>(1,581)</b>	<b>4,540</b>	<b>287%</b>	
<i>Less: Timing adjustment for grant revenue</i>	(98)	0	(98)	0%	Opening and closing balance difference of the Financial Assistance Grant received in advance.
<b>Adjusted Operating Surplus/(Deficit) before Capital Amounts (a)</b>	<b>2,861</b>	<b>(1,581)</b>	<b>4,442</b>	<b>(281)%</b>	
<b>Less: Net Outlays on Existing Assets</b>					
Capital Expenditure on Renewal/Replacement of Existing Assets	(15,114)	(11,375)	(3,739)	33%	Increases: > Land, Buildings & Structures: \$446k > Plant & Equipment and other assets: \$557k > CWMS: \$27K > Transport: \$2.2M > Stormwater: \$167k > Water: \$15k > Work in Progress: \$302k
<i>add back Depreciation, Amortisation &amp; Impairment</i>	11,532	11,115	417	4%	Refer to reasons in Statement of Comprehensive Income
<i>add back Proceeds from Sale of Replaced Assets</i>	449	343	106	31%	Reflective of additional vehicle trades unbudgeted in the adopted 2022/23 budget and better than estimated trade-in values on major plant.
<b>Net Outlays on Existing Assets (b)</b>	<b>(3,133)</b>	<b>83</b>	<b>(3,216)</b>	<b>(3,875)%</b>	
<b>Less: Net Outlays on New and Upgraded Assets</b>					
Capital Expenditure on New/Upgraded Assets	(6,193)	(660)	(5,533)	838%	Increases: > Plant & Equipment and other assets: \$183k > CWMS: \$2k > Stormwater: \$393k > Water Scheme: \$44k > Land, Buildings & Structures: \$345k > Transport: \$2M > Work in Progress: \$2.5M
<i>add back Amounts Specifically for New/Upgraded Assets</i>	4,936	756	4,180	553%	Refer to reasons in Statement of Comprehensive Income
<i>add back Proceeds from Sale of Surplus Assets</i>	3	0	3	100%	Sale of surplus property assets was not envisaged as part of the 2022/23 budget
<b>Net Outlays on New and Upgrade Assets (c)</b>	<b>(1,254)</b>	<b>96</b>	<b>(1,350)</b>	<b>(1,406)%</b>	
<b>Net Lending / (Borrowing) for Financial Year (a) - (b) - (c)</b>	<b>(1,526)</b>	<b>(1,402)</b>	<b>(124)</b>	<b>9%</b>	
<b>KEY FINANCIAL INDICATORS</b>					
Financial Indicator	2022/23 Audited Actual \$('000)	2022/23 Original Budget \$('000)	Variance (\$)	Variance (%)	Comment
<b>Operating Surplus Ratio - %</b>	7.3%	(4.6%)	N/A	11.9%	Result of better than forecast operating result
<b>Net Financial Liabilities Ratio - %</b>	2%	22%	N/A	(19%)	Result of higher closing cash and equivalents and lower loan balances. Refer to comments in Statement of Financial Position above.
<b>Asset Renewal Funding Ratio - %</b>	60%	43%	N/A	17%	Actual result achieved reflects completion of a significant portion of projects rolled over from 2021/2022 into 2022/2023.

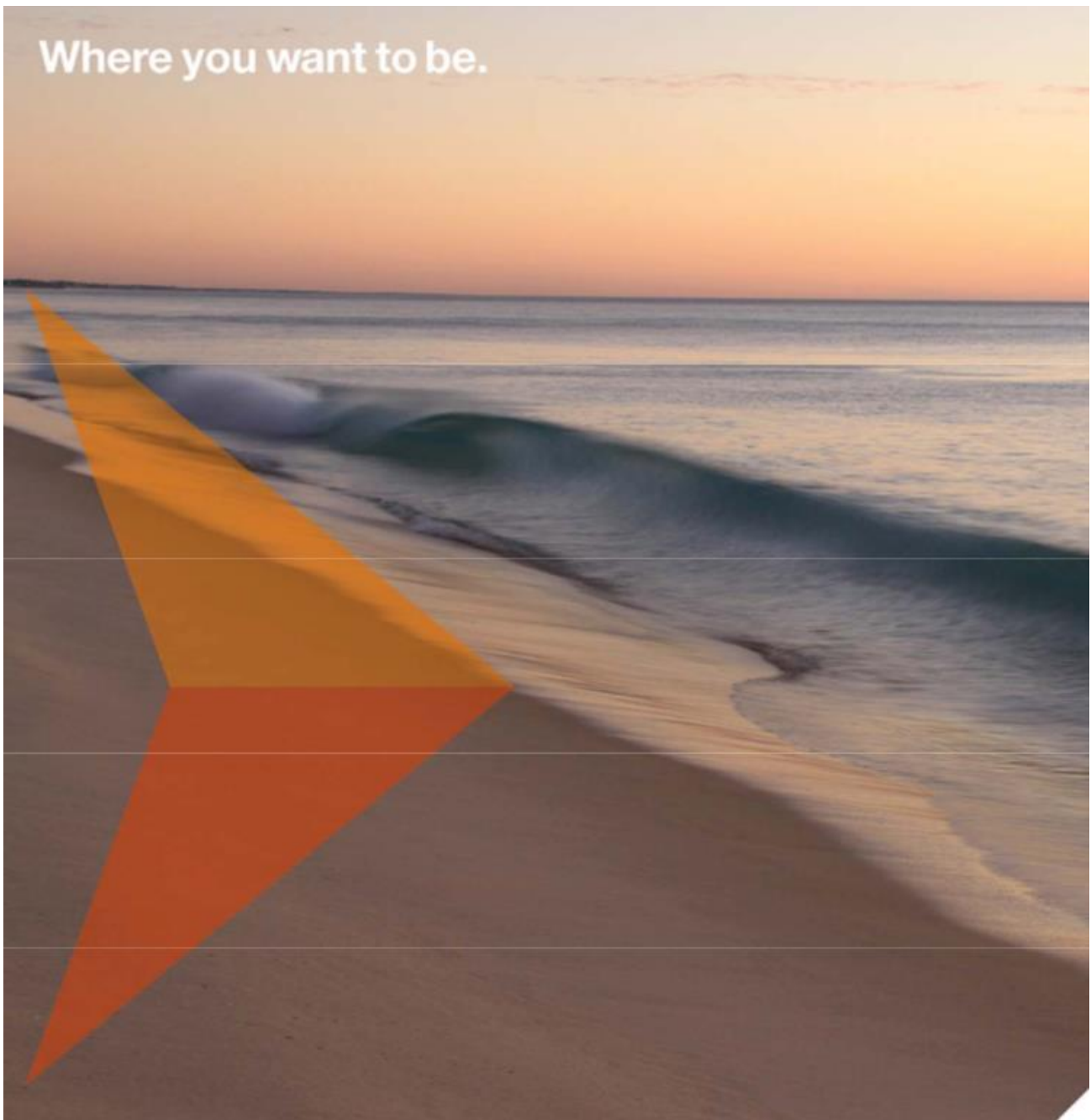


<b>Yorke Peninsula Council</b>					
<b>2022/2023 Comparison of Audited Financial Results to Long Term Financial Plan</b>					
<b>STATEMENT OF COMPREHENSIVE INCOME</b>					
	2022/23 Audited Actual \$('000)	2022/23 LTFP Forecast \$('000)	Variance \$('000)	Variance (%)	Comment
<b>INCOME</b>					
Rates	25,668	25,155	513	2%	Increases: > Waste collection: \$185k > General Rates: \$210k > CWMS: \$17k > Fines Raised: \$88k > Landscape Levy \$12k
Statutory Charges	653	390	263	67%	Increases: > Building/Planning Fees: \$139k > Sundry (Property search fees): \$9k > Fines & Expiations: \$12k > Septic tank applications/inspections: \$57k > Animal Control: \$13k <i>(Building Inspections: \$33k included in the Building/Planning fees above, is classified as Reimbursements in Budget)</i>
User Charges	5,980	4,595	1,385	30%	Increases: > Hall & Equipment Hire/ Property Lease Fees: \$7k > Commercial activity revenue (Bush camping and rentals): \$322k > Caravan Parks: \$950k > Cemetery Fees: \$2k > Water Usage Charges: \$64k > YPLO: \$72k Decreases: > Refuse Collection & Disposal: \$13k > Sundry: \$18k > Boat Ramp Fees: \$2k
Grants, Subsidies and Contributions - Capital	2,108	3,177	3,605	113%	Increases (not forecast): > Local Roads and Community Infrastructure Program: \$2.1m > Special Local Roads - North Coast Road (Stage 1): \$1.2m
Grants, Subsidies and Contributions - Operating	4,674				
Investment Income	518	104	414	398%	Increases: > Higher than anticipated cash balance and interest rate.
Reimbursements	469	147	322	219%	Increases: > Insurance Reimbursements: \$242k > Other Reimbursements: \$40k > Community Group Reimbursements: \$3k > Govt Agencies Reimbursements: \$47k > Administrative Reimbursements: \$22k <i>(Building Inspections: \$33k included in the Budget under reimbursements, is classified as Statutory charges in Actual figures)</i>
Other Income	222	142	80	56%	Increases: > Sundry Expenses: \$86k > Writeback of Land Rehabilitation Provision: \$17k Decreases: > ATO Fuel Rebates: \$23k
<b>Total Revenues</b>	<b>40,292</b>	<b>33,710</b>	<b>6,582</b>	<b>20%</b>	

<b>Yorke Peninsula Council</b>					
<b>2022/2023 Comparison of Audited Financial Results to Long Term Financial Plan</b>					
	2022/23 Audited Actual \$('000)	2022/23 Original Budget \$('000)	Variance \$('000)	Variance (%)	Comment
<b>EXPENSES</b>					
Employee costs	10,511	10,223	288	3%	Increases: > Additional 0.37 FTE Ranger position: \$55k > Change in accounting treatment of income protection, workers compensation and paid parent leave (previously netted off, corresponding increase to income lines): \$212k
Materials, contracts & other expenses	14,967	13,860	1,107	8%	Increases: > Fuel: \$293k > Jetty maintenance: \$242k > Caravan Park Management Fees: \$239k (associated with increased user charges income) > Contractual maintenance for major plant and fleet vehicles: \$130k > SA Water Tower Mural Project: \$120k > Energy: \$76k
Depreciation	11,532	11,115	417	4%	Increases: > Buildings & Structures: \$666k > Plant, Equipment and Other Assets: \$69k > Impairment: \$43k Decreases: > Transport Infrastructure: \$370k
Finance Costs	323	309	14	5%	Regular repayment of outstanding loans as per schedule
<b>Total Expenses</b>	<b>37,333</b>	<b>35,507</b>	<b>1,826</b>	<b>5%</b>	
<b>OPERATING SURPLUS/(DEFICIT) BEFORE CAPITAL AMOUNTS</b>	<b>2,959</b>	<b>(1,797)</b>	<b>4,756</b>	<b>-265%</b>	
Physical resources free of charge	0	0	0	100%	Not forecast in the LTFP due to the inability to accurately estimate value prior to receipt of assets
Asset disposal and fair value adjustments	(848)	0	(848)	(100)%	Not forecast in the LTFP due to the inability to accurately estimate adjustment value prior to being undertaken
Amounts specifically for new and upgraded assets	4,936	756	4,180	100%	Increases: > Special Local Roads - North Coast Road (Stage 1): \$1.2m > Local Government Infrastructure Partnership Program (Upgrade of regional commodity and freight roads): \$768k > Airstrip Grants (Maitland, Minlaton and Yorketown): \$600k > SYP Community Child Care Centre: \$1.6M
<b>NET SURPLUS/(DEFICIT)</b>	<b>7,047</b>	<b>(1,041)</b>	<b>8,088</b>	<b>-777%</b>	
<b>Other Comprehensive Income</b>					
Changes in revaluation surplus - IPP&E	19,709	0	19,709	0%	Land and Building revaluation conducted on 01/07/2022.
<b>Total Other Comprehensive Income</b>	<b>19,709</b>	<b>0</b>	<b>19,709</b>	<b>-100%</b>	
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>26,756</b>	<b>(1,041)</b>	<b>27,797</b>	<b>-2670%</b>	

<b>Yorke Peninsula Council</b>					
<b>2022/2023 Comparison of Audited Financial Results to Long Term Financial Plan</b>					
<b>STATEMENT OF FINANCIAL POSITION</b>					
	2022/23 Audited Actual \$('000)	2022/23 LTFP Forecast \$('000)	Variance (\$)	Variance (%)	Comment
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash & Equivalent Assets	8,061	2,922	5,139	176%	Higher closing cash balance due to: > Increased levels of grant funding received at the year end: \$2.1m > Flow on effects of higher than anticipated closing balance at 21/22 year end
Trade & Other Receivables	2,647	1,687	960	57%	<u>Increases:</u> > General Debtors: \$786k > GST Recoupment: \$234k > Prepayments: \$112k <u>Decreases:</u> > Rates Debtors: \$173k > Accrued Revenue: \$1k
Inventories	658	411	247	60%	<u>Increases:</u> > Stores & Materials: \$249k <u>Decreases:</u> > Trading Stock: \$2k
<b>Total Current Assets</b>	<b>11,366</b>	<b>5,020</b>	<b>(5,020)</b>	<b>-100%</b>	
<b>Non-Current Assets</b>					
Financial Assets	246	245	1	0%	
Infrastructure, Property, Plant & Equipment	304,470	282,187	22,283	8%	Net impact of capital additions, disposals, depreciation and revaluation impacts.
<b>Total Non-Current Assets</b>	<b>304,716</b>	<b>282,432</b>	<b>22,284</b>	<b>8%</b>	
<b>Total Assets</b>	<b>316,082</b>	<b>287,452</b>	<b>17,264</b>	<b>6%</b>	
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Trade & Other Payables	2,593	2,201	392	18%	<u>Increases:</u> > Grants in Advance: \$138k > Accrued Employee Expenses: \$68k > Amounts held in Trust: \$378k > Accrued Expenses - Other: \$238k <u>Decreases:</u> > Goods and Services: \$350k > Payments received in advance other: \$79k
Borrowings	1,260	1,511	(251)	-17%	Repayments of Loans
Provisions	2,326	2,341	(15)	-0.6%	<u>Decreases:</u> > Remediation Provision: \$3k > Employee Provisions: \$12k
<b>Total Current Liabilities</b>	<b>6,179</b>	<b>6,053</b>	<b>126</b>	<b>2%</b>	
<b>Non-Current Liabilities</b>					
Trade & Other Payables	161	30	131	100%	CWMS land management agreement liability excluded from LTFP modelling.
Borrowings	5,479	6,357	(878)	(14)%	Repayments of Loans
Provisions	121	219	(98)	(45)%	<u>Decreases:</u> > Employee Provisions: \$66k > Remediation Provisions: \$32k
<b>Total Non-Current Liabilities</b>	<b>5,761</b>	<b>6,606</b>	<b>(845)</b>	<b>(13)%</b>	
<b>Total Liabilities</b>	<b>11,940</b>	<b>12,659</b>	<b>(719)</b>	<b>(6)%</b>	
<b>NET ASSETS</b>					
<b>NET ASSETS</b>	<b>304,142</b>	<b>274,793</b>	<b>17,983</b>	<b>7%</b>	
<b>EQUITY</b>					
Accumulated Surplus	(7,134)	(15,216)	8,082	(53)%	Refer to reasons in Statement of Comprehensive Income
Asset Revaluation Reserve	306,409	286,700	19,709	7%	Due to revaluations undertaken on Land and Building on 01/07/2022.
Other Reserves	4,867	3,309	1,558	47%	Budget estimate was only an indicative figure based on best estimates. Year end figure is actual amount in reserve based on actual income received and operating and capital expenditure undertaken during 2022/23.
<b>TOTAL EQUITY</b>	<b>304,142</b>	<b>274,793</b>	<b>29,349</b>	<b>11%</b>	

Yorke Peninsula Council					
2022/2023 Comparison of Audited Financial Results to Long Term Financial Plan					
UNIFORM PRESENTATION OF FINANCES					
	2022/23 Audited Actual \$('000)	2022/23 LTFP Forecast \$('000)	Variance (\$)	Variance (%)	Comment
Operating Revenues	40,292	33,710	6,582	20%	Refer to reasons in Statement of Comprehensive Income.
<i>less Operating Expenses</i>	<i>(37,333)</i>	<i>(35,507)</i>	<i>(1,826)</i>	<i>5%</i>	Refer to reasons in Statement of Comprehensive Income.
<b>Operating Surplus/(Deficit) before Capital Amounts</b>	<b>2,959</b>	<b>(1,797)</b>	<b>4,756</b>	<b>(265)%</b>	
<i>Less: Timing adjustment for grant revenue</i>	<i>(98)</i>	<i>-</i>	<i>(98)</i>	<i>0%</i>	Opening and closing balance difference of the Financial Assistance Grant received in advance.
<b>Adjusted Operating Surplus/(Deficit) before Capital Amounts (a)</b>	<b>2,861</b>	<b>(1,797)</b>	<b>4,658</b>	<b>(259)%</b>	
<b>Less: Net Outlays on Existing Assets</b>					
Capital Expenditure on Renewal/Replacement of Existing Assets	(15,114)	(11,550)	(3,564)	31%	Increased capital projects completed in 2022/2023 with 2021/2022 roll over projects completed and grant funded works undertaken.
<i>add back Depreciation, Amortisation &amp; Impairment</i>	<i>11,532</i>	<i>11,115</i>	<i>417</i>	<i>4%</i>	Refer to reasons in Statement of Comprehensive Income
<i>add back Proceeds from Sale of Replaced Assets</i>	<i>449</i>	<i>292</i>	<i>157</i>	<i>54%</i>	Reflective of additional vehicle trades unbudgeted in the adopted 2022/23 budget and better than estimated trade-in values on major plant.
<b>Net Outlays on Existing Assets (b)</b>	<b>(3,133)</b>	<b>(143)</b>	<b>(2,990)</b>	<b>2,091%</b>	
<b>Less: Net Outlays on New and Upgraded Assets</b>					
Capital Expenditure on New/Upgraded Assets	(6,193)	(255)	(5,938)	2,329%	Increased capital projects completed in 2022/2023 with 2021/2022 roll over projects completed and grant funded works undertaken.
<i>add back Amounts Specifically for New/Upgraded Assets</i>	<i>4,936</i>	<i>756</i>	<i>4,180</i>	<i>100%</i>	Refer to reasons in Statement of Comprehensive Income
<i>add back Proceeds from Sale of Surplus Assets</i>	<i>3</i>	<i>0</i>	<i>3</i>	<i>100%</i>	Sale of surplus property assets was not envisaged as part of the 2022/23 budget
<b>Net Outlays on New and Upgraded Assets (c)</b>	<b>(1,254)</b>	<b>501</b>	<b>(1,755)</b>	<b>(350)%</b>	
<b>Net Lending / (Borrowing) for Financial Year (a) - (b) - (c)</b>	<b>(1,526)</b>	<b>(1,439)</b>	<b>(87)</b>	<b>6%</b>	
KEY FINANCIAL INDICATORS					
Financial Indicator	2022/23 Audited Actual \$('000)	2022/23 LTFP Forecast \$('000)	Variance (\$)	Variance (%)	Comment
<b>Operating Surplus Ratio - %</b>	7.3%	(5.3%)	N/A	12.7%	Result of better than forecast operating result
<b>Net Financial Liabilities Ratio - %</b>	2%	23%	N/A	(21%)	Result of higher closing cash and equivalents and lower loans. Refer to comments in Statement of Financial Position above.
<b>Asset Renewal Funding Ratio - %</b>	60%	45%	N/A	15%	Positively impacted by completion roll over of unfinished 2021/22 projects rolled into 2023/24.



Where you want to be.



**October 2023**

## Yorke Peninsula Council

Final Report of Audit Findings

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➤ Advisors    ➤ Accountants    ➤ Auditors



Yorke Peninsula Council // October 2023

## Executive summary

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

Dear Mr Rob Reiman

We have conducted our year end audit of Yorke Peninsula Council for the year ended 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 opinions:

### Financial statement matters –

1. Transfer of assets from Capital WIP to IPPE
2. High level of annual leave accrued

We intend on issuing an unmodified audit opinion over the financial report of Yorke Peninsula Council.

We would like to take this opportunity to thank management and staff for the assistance provided to us during the course of our audit.

Sincerely,



David Papa

Partner,

+61 8 8372 7900

[dpapa@adel.bentleys.com.au](mailto:dpapa@adel.bentleys.com.au)

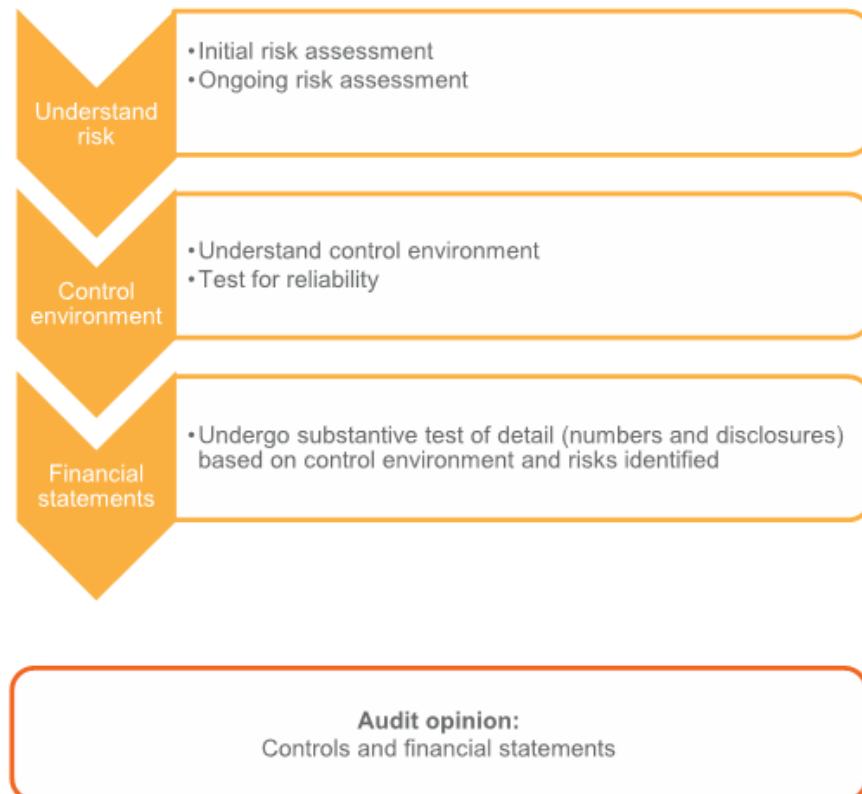


### Audit approach

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**

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**

Satisfactory

**Area**

**Asset revaluation**

**Risk**

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

**Audit Approach**

Obtained the independent valuations for buildings and infrastructure and reconcile back to the movement in the fixed asset registers and asset revaluation reserve.

**Outcome**

Satisfactory







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.

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 have reviewed selected grant agreements and based on the AASB 15 and AASB 1058 we made an assessment if grant had been accurately classified as revenue in advance.

Outcome

Satisfactory





Identified audit risks

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Area

**Capital WIP and Project Costs**

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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

Obtained an understanding of key processes and performed audit procedure to ensure controls in place were operating effectively.

Performed substantive testing over a sample of capitalised costs during the year and ensured the cost allocation to the projects was accurate.

Selected a sample of projects that had been capitalised during the year and compared the date the asset was ready for use to the date it was entered into the fixed asset register and depreciated from.

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Outcome

Satisfactory. We found the allocation of capitalised costs to relevant project codes to be accurate and the allocation of overheads to be reasonable.

Refer to the matter on page 7 for matters identified relating to the transfer of assets to the fixed asset register.

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## Financial statement matters for the year

We bring the following financial statement matters to your attention in relation to your financial statements

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### Issue

#### 1. Transfer of assets from Capital WIP to IPPE

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### Observation

During our testing of capital WIP and the transfer of completed assets to their respective Infrastructure, Property, Plant and Equipment (IPPE) categories, we identified several assets that had been commissioned and were ready for use during the financial year but were not transferred from Capital WIP until 30 June 2023.

### Risk

Material understatement in depreciation expense.

### Significance

We performed an assessment for the understatement in depreciation in the current year and found the amount to be immaterial. As such, this will not impact our audit opinion over the financial report.

However, this may become material in future periods depending on the value of assets capitalised in the year and the operating surplus.

### Recommendation

We recommend assets be transferred from capital WIP to IPPE and depreciated from the date the asset is deemed ready for use.

### Management response

The audit team have correctly identified Council's historical practice of transferred Capital Work in Progress (WIP) to Infrastructure, Property, Plant and Equipment (IPPE) at 30 June instead of when commissioned and ready for use. This practice excludes motor vehicles and heavy plant and machinery which have been capitalised from date of purchase historically.

We acknowledge that for the 2022-2023 financial year this approach has been assessed as having an immaterial impact but presents a potential risk for future periods. In consideration of this assessment Council staff will take steps to ensure the date at which capital WIP is added to its asset register and subsequently depreciated corresponds with the point in time the asset is commissioned and identified ready for use or at the least correlates with the month at which the asset is commissioned and identified ready for use in Councils monthly capital projects update report for all capital WIP projects from 1 July 2023 onwards.

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## Financial statement matters for the year

### Issue

#### 2. High level of annual leave accrued

### Observation

We identified 7 employees who have accrued over 304 hours of annual leave.

### Implications

There are several implications of excessive leave balances, including:

- Higher employee costs in the future due to salary increases
- Work, health and safety implications
- Disruptions to service delivery when employees eventually take lengthy periods of leave; and
- Employee fraud remaining undetected

### Significance

As this matter does not result in a material misstatement, it will not impact our audit opinion over the financial report.

However, management should still put procedures in place to encourage staff to take their leave on a regular basis.

### Recommendation

Employees should be encouraged to use their entitlements to allow them to stay refreshed and allow for some rotation of duties. Monitoring of high leave balances should take place on a regular basis.

### Management response

Council policy (PO173) Leave Management (the policy) provides guidance to staff in relation to the management of employee leave entitlements and has been attached for your reference.

The audit team have correctly identified the existence of seven (7) Council employees with annual leave entitlement balances over 304 hours limit established by the policy.

In accordance with the policy employees with a leave balance exceeding the allowable thresholds are required, in consultation with their manager/supervisor to discuss and document their future leave arrangements using the standard form (SF395) Individual Leave Management Plan. The policy has a requirement for the CEO to approve any delay in the taking of leave beyond twelve (12) months from the start of the plan.

## Financial statement matters for the year

Should an employee be unable to agree upon an individual leave management plan or fail to comply with an approved plan the CEO may direct the employee to take leave providing a minimum of 60 days' notice to the employee.

Of the seven (7) employees identified to have an annual leave entitlement balance exceeding the 304 hours limit at 30 June 2023, only five (5) continue to have a leave balance exceeding 304 hours as at 20 October 2023.

Of these employees, four (4) have provided notice of intention to take annual leave during the next 12 months and/or have a leave management plan in place. The final staff member who had an excessive leave balance at year end had subsequently reduced their annual leave balance in August and has now, only recently, exceeded the threshold again. As such, this staff member's supervisor will be notified to implement a new plan following the next pay period.

Managers and Supervisors are notified of excessive leave balances periodically to ensure enforcement of policy requirements. We believe no further action is required in relation to this audit finding.

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## Matters for those charged with governance

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### Fraud

Whilst fraud is not the primary consideration when conducting an external audit, we have not identified any fraud as a result of our audit.

We believe it is important for management to continually consider and assess the control environment of the entity to identify areas where fraud can occur and ensure that those opportunities are removed and or monitored to reduce the risk and impact of fraud.

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### Legal compliance

Through our audit procedures we have not become aware of any non-compliance with applicable laws and regulations.

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### Financial reporting and accounting policies

We believe the accounting policies elected for the Council are reasonable and their application provides sufficient information for use of the decision makers.

---

### Going concern

As part of our assessment, we considered the appropriateness of the going concern assumption concluded by the Council and management. Our procedures indicate that this assumption is fair and that the going concern convention is appropriate.

---

### Cooperation with management

The management team has been helpful and cooperative throughout the conduct of this year's audit.

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## Where you want to be

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**8.2 AUDIT AND RISK COMMITTEE WORK PLAN 2023****Document #:** 23/100420**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 (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, 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 the dates of meetings.

The following changes are being proposed:

- Item 2.1 has been updated to reflect completion of September 2023 testing of internal controls.



- Item 3.1 has been updated to advise of Council action in relation to risk profiling exercise.
- Item 4.3 updated to reflect the appointment of Mrs. Sarah Beesley to the role of independent member of Council's Audit and Risk Committee.
- Item 7.1 amended to inform of plans to conduct annual committee self-assessment and review of its ToR at the December 2023 meeting.

**COMMUNITY ENGAGEMENT PLAN**

Level 1 - Inform

**CONSULTATION PROCESS**

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

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

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

- Nil

**POLICY IMPLICATIONS**

Audit and Risk Committee Terms of Reference

**BUDGET AND RESOURCE IMPLICATIONS**

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

**RISKS/LEGAL/LEGISLATIVE/ IMPLICATIONS**

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

The orderly and timely review of Council's major financial timetable and associated 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 - October 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	
<b>1. Financial Reporting</b>						
1.1 Review General Purpose Financial Statements				X		Following external audit but prior to Council endorsement Land, Buildings and Structures Revaluation as at 1 July 2022 to be undertaken with final report delayed to August 2023 (originally March 2023). 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
<b>2. Internal controls</b>						
2.1 Review progress on Council's Internal Financial controls self-assessment testing		X		X		Status report provided on internal controls self assessment testing. A full review of the internal control library and updated risk assessments has been undertaken by Council staff. Self assessment testing undertaken in September 2023.
2.2 Review Council's internal control policies and procedures	X					Updates to the Internal Control Policy (PO156) and Procedure (PR150) were 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	Jun-23	Sep-23	Oct-23	Dec-23	
	21st	7th	5th	31st	5th	
<b>3. Risk Management Systems</b>						
3.1 Risk Profiling Review			X			Council is participating in the Local Government Risk Services Risk Profiling Review pilot project and is presently providing feedback on the process to the scheme.
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			
3.5 Mandated Update to Strategic Risk Register						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).
<b>4. Public Interest Disclosure (previously Whistleblowers)</b>						
4.1 Review Council's Public Interest Disclosure requirements						Public Interest Disclosure Policy PO171 and Procedure PR152 were endorsed at December 2022 Council meeting. Next review due December 2026.
4.2 Ensure staff are informed of and trained in these policies						Training has been provided to Council Staff and Elected Members (through new term induction) to ensure compliance. Further training to be provided should further amendments to legislation or policy require.
4.3 Review Independent Member Appointments						Mr. Rob Reiman - appointment expiry 30 November 2024 Mr. Hussain Rafeeu - appointment expiry 30 November 2024
4.4 Appoint Additional Independent Member to Committee	X		X			Mrs. Sarah Beesley - appointment to commence 30 November 2023, expiry 30 November 2027

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

Yorke Peninsula Council Audit and Risk Committee Work Plan 2023						
Activity	Timeframe					Notes
	Completed Current Deferred					
	Feb-23	Jun-23	Sep-23	Oct-23	Dec-23	
	21st	7th	5th	31st	5th	
<b>7. Reporting</b>						
7.1 Report annually to Council: > activities of the Committee's work program and the results of a self-assessment of performance for the preceding financial year including whether it believes any changes to its Terms of Reference are needed; > outlining any training needs; > advising future work program proposals; and > inviting comment from Council on all of the above.	X		X			X Committee decision at February 2022 meeting was to align reporting with the financial year (and Council's Annual Report legislative reporting requirements) with the change to be reflected in Terms of Reference at next review.  A review covering the 6 month period January 2023 to June 2023 has been deferred pending further Committee discussion. Due to the timeframe an annual review will now be conducted for 2023 to be reported at the December 2023. We continue to await provision of updated model terms of reference documentation for Council Audit and Risk Committee by the Local Government Association.
<b>8. Strategic, Financial and Management Planning</b>						
8.1 Review Strategic Management Plan						Due for review following November 2022 LG Elections. Review due within 2 years after LG Election (i.e. - before November 2024, date TBA, current SMP spans period 2021-2025).
8.2 Review Long Term Financial Plan	X					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's policies and strategies	X	X	X	X	X	As per review timeframes and legislative requirements - ongoing
8.5 Review Annual business plan, budget and fees and charges		X				In conjunction with public consultation period
<b>9. Other matters</b>						
9.1 Adopt/review the Committee annual workplan	X	X	X	X	X	Updated for each meeting
9.2 Reports on other relevant matters	X	X	X	X	X	Ongoing as the need arises

### 8.3 CYBER SECURITY - PENETRATION TESTING OCTOBER 2023

**Document #:** 23/99866

**Department:** Corporate and Community Services

#### PURPOSE

To inform the Audit and Risk Committee of the outcomes, and subsequent remediation actions, relating to Council's recent independent cyber security penetration testing and risk assessment.

#### RECOMMENDATION

That the report be received.

#### 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

Council engaged an external cyber security consultant (MyEmpire) in September 2023 to undertake cyber security penetration testing and risk assessment against Council's external and internal information and communication technology systems and infrastructure.

The review was designed to assist Council with identifying any underlying vulnerabilities and provide remediation recommendations to ensure that the information passing over Council's network and communication environment is secure. This was a very technical review performed by experts in the industry. The information contained in the report is highly sensitive and confidential in nature, therefore this report contains a high-level summary of the information received and remediation completed to-date.

#### DISCUSSION

MyEmpire tested the security of the targets of evaluation listed below, utilising industry best standards, to meet the objectives of the review:

- External Infrastructure Vulnerabilities
- Internal Infrastructure Vulnerabilities

#### External Testing

This included the testing of Council's website, intranet, firewall and credentials found on the internet. Testing identified vulnerabilities centred around leaked credentials, cryptographic misconfigurations and vulnerable libraries.

The following number of risks were identified:

- High 2
- Medium 5
- Low 3

#### Internal Testing

This included testing of the infrastructure within Council's corporate network. Identified vulnerabilities centred around software, network service misconfigurations and aging network infrastructure.

The following number of risks were identified:

- Critical            11
- High                44
- Medium            30

**Remediation**

An action plan has been documented by Council’s IT team to address all the identified Vulnerabilities. All critical and high-risk vulnerabilities relating to Internal Testing have been prioritised accordingly and have either been resolved, or will be addressed in the coming months, as part of scheduled contractor works and replacement of aging network devices. Those high and medium level risks associated with external processes have been addressed through security education and creation of stronger cryptographic configurations. An ongoing action table (see below) will be reported to the Audit and Risk Committee as part of the Internal Audit Activity report.

<b>Vulnerabilities</b>	<b>Number identified</b>	<b>Remediated</b>	<b>In progress</b>
External Infrastructure	High – 2	1	1
	Medium – 5	1	4
	Low – 3	0	3
Internal Infrastructure	Critical – 11	5	6
	High – 44	8	36
	Medium - 30	3	27

**COMMUNITY ENGAGEMENT PLAN**

Level 1 - Inform

**CONSULTATION PROCESS**

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

- Chief Executive Officer
- Leader Systems and Technology
- Senior Systems Analyst

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

- MyEmpire Group

**POLICY IMPLICATIONS**

PO156 Internal Financial Controls Policy

PO152 Information Systems Acceptable Use Policy

**BUDGET AND RESOURCE IMPLICATIONS**

Nil

**RISKS/LEGAL/LEGISLATIVE/ IMPLICATIONS**

Council’s website contains public information and will only cause minor reputational damage if access is gained by hackers. Internal resources which contain sensitive information are critical and therefore gaining access through the firewall via outdated systems or by human error of clicking on malicious links in emails or other messaging systems, remains to be the biggest threat. Recovery times will be excessive, loss of productivity could be significant and reputational damage will be high.

**ATTACHMENTS**

Nil

## 8.4 INTERNAL AUDIT ACTIVITY REPORT

**Document #:** 23/95190

**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's 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 September 2023 to October 2023. The following activities have occurred:

- Completed a round of testing over the Internal Financial Controls Library. 77 controls were self-assessed and reviewed, and a report is provided in attachment 1.
- Cyber Security penetration testing has been undertaken by an external supplier. A separate report has been provided to the Audit and Risk Committee within this agenda, summarising the findings and outcome of the review. Ongoing status updates relating to these findings will be reported to the Audit and Risk Committee.
- 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 2 and 3, detailing actions 'In Progress' and 'Completed' since the September 2023 Audit and Risk Committee meeting. The action updates have been provided by those staff members responsible for the implementation of those actions.

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



	<b>Project</b>	<b>Description</b>	<b>Status</b>	<b>Proposed Timing for Audit and Risk Committee Reporting</b>
1	WHS Legislation	To meet requirements of the Work, Health and Safety (WHS) Act 2012, a project will be undertaken to review and assess performance against the Strategic Risk Management Plan and WHS program objectives and compliance with policies, procedures and processes.  Specific scope was developed in consultation with the Manager People, Culture & Safety.	Consultation and Communication  <b>Completed</b> (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 was focussed on role analysis, authorisation, recruitment processes and remuneration determination.	<b>Completed</b> (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.	<b>Completed</b> (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.	<b>Completed</b> (May 2023)	N/A
5	Cyber Security	Cyber Security Penetration Testing was conducted by an 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 was provided to the Audit and Risk Committee.	<b>Completed</b> (October 2023)	N/A
6	Internal Financial Controls	Manage the Internal Controls self-assessment process and report to Audit and Risk Committee. Perform independent verification of staff self-assessment of internal financial controls.	<b>Completed</b> (October 2023)	N/A
7	Corporate Purchase Card and Employee Expense Reimbursement Compliance	Select a sample of corporate purchase card transactions and general staff reimbursements and verify that they are in accordance with PO084 Corporate Purchase Card Policy, PR115 Corporate Purchase Card Procedure and other relevant policies and procedures.	<b>Completed</b> (Feb 2023) (Sept 2023)	N/A
8	Follow Up Agreed Actions	Continued follow up, and reporting of, agreed actions resulting from internal and external audits, internal control self-assessments and other external bodies.	Ongoing	Ongoing

	<b>Project</b>	<b>Description</b>	<b>Status</b>	<b>Proposed Timing for Audit and Risk Committee Reporting</b>
9	Chief Executive Officer (CEO) Requests	Allowance for special projects, investigations, follow-ups and requests by the CEO that may arise during the year.	Expiation Review Completed (May 2023)  Summary Ombudsman SA Report (May 2023)	Ongoing

**COMMUNITY ENGAGEMENT PLAN**

Level 1 - Inform

**CONSULTATION PROCESS**

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

- Chief Executive Officer
- Director Corporate and Community Services
- Director Assets and Infrastructure Services
- 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
- 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 - Internal Financial Controls Self Assessment - October 2023 [↓](#) 

2. **Audit Actions Register - In Progress - October 2023**  
3. **Audit Actions Register - Completed - October 2023**  



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## Internal Audit Report

### Internal Financial Controls Self-Assessment

October 2023

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#### For Distribution:

Andrew Cameron	Chief Executive Officer
Ben Thompson	Director Corporate and Community Services
Daniel Griffin	Manager Financial Services

### 1. Background

Section 125(1) of the Local Government Act 1999 (Act) provides that a council must ensure that appropriate policies, practices and procedures of internal control are implemented and maintained in order to assist the council to carry out its activities in an efficient and orderly manner to achieve its objectives, to ensure adherence to management policies, to safeguard the council's assets, and to secure (as far as possible) the accuracy and reliability of council records.

Further, section 126(4)(c) of the Act states that the functions of an Audit Committee include the review of internal controls.

To meet these legislative requirements, Yorke Peninsula Council's (Council) PO156 Internal Financial Control Policy (Policy) outlines Council compliance with the Better Practice Model framework – Financial Internal Control for South Australian Councils (BPM). The BPM identifies standard internal controls for each financial risk identified and Council is required to demonstrate that controls are effective, through a regular self-assessment process.

The Audit and Risk Committee's (Committee) Terms of Reference provides that the Committee shall review the adequacy and effectiveness of Council's internal controls.

### 2. Objective

The objective of this project is to ensure key controls have been implemented, monitored and updated to maintain an effective control environment in compliance with the relevant section of the Act and Policy.

### 3. Scope

For this round of self-assessment testing, 77 controls were reviewed and assessed by responsible officers, within the following risk categories:

- Strategic financial planning
- Assets
- Liabilities
- Expenses
- Financial governance

The self-assessment and risk assessment process of BPM controls are managed and recorded through a spreadsheet and results are manually calculated by the Business Improvement Officer. This report documents the self-assessment approach and the results from this testing.

**4. Approach**

Step 1 – Identify Risks

Council's financial control library, managed within a manual spreadsheet, underwent a full review in 2023 in accordance with the BPM Internal Financial Controls. There are a total of 92 risks and 220 corresponding controls within Council's library across the following risk categories:

- Strategic financial planning
- Assets
- Liabilities
- Revenue
- Expenses
- External services
- Financial governance

Step 2 – Assess Inherent Risk

The inherent risk ratings of all 92 risks were reviewed by the Business Improvement Officers in consultation with the Manager Financial Services, Accountant – Financial Management and Accountant – Financial Operations in accordance with Council's PO091 Risk Management Policy. A summary of the inherent risk ratings is provided in the table below:

Inherent Risk Rating	Number of Risks
Extreme	31
High	44
Moderate	17
Low	0

A testing schedule for 2023-2026 was developed to ensure that all 220 controls will be tested at least once within the three (3) year period, in consideration of the corresponding risks inherent risk rating.

Step 3 – Evaluate Control Activities

As noted within the scope section, 77 controls were reviewed and assessed by responsible officers in this round of testing across multiple categories. As per the Policy, controls were reviewed and assessed using the following rating scale:

Rating Score	Description of Control Effectiveness Rating
1. Ineffective	During the period, the control has not been implemented as described. Urgent management action is required to implement the described control processes.
2. Requires significant improvement	During the period, the control has been implemented as described, but with significant deficiencies in the consistency or effectiveness of implementation. Significant management action required to implement processes to improve the effectiveness of the control.
3. Partially effective	During the period, the control has been implemented as described, but with some deficiencies in the consistency.
4. Majority effective	During the period, the control has been implemented as described and in the majority of cases has been consistently.
5. Effective	During the period, the control as described has been fully implemented and has in all cases has been consistently and/or effectively applied.

Step 4 – Assess Residual Risk

Following assessment, the residual risk ratings for risks corresponding to the controls included in this round of testing were determined to be as below. The 77 controls tested during this round of testing addressed 34 BPM risks.

Residual Risk Rating	Number of Risks
Extreme	0
High	0
Moderate	7
Low	27

Step 5 – Treat Risks and Control Activities

Any control effectiveness rating that is assessed as a rating 3 or below by a Reviewer, an action plan has been developed to address this internal control improvement. These are documented as part of the Key Findings section below.

Step 6 – Ongoing Monitoring

All action plans identified to address an improvement as part of this testing have been included on the Internal Audit Agreed Actions Register which is reported at each Audit and Risk Committee meeting.

If requested, results of the self-assessment will be made available to the External Auditors who also undertake their own independent assessment of Council’s internal control environment as part of providing their audit opinion on the effectiveness of Council’s internal controls.

**5. Key Findings**

The categories that were tested were rated out of 5.0 (rating of 5.0 being “Effective”), the average category results are highlighted below:

- Strategic financial planning – 4.4
- Assets – 4.5
- Liabilities – 4.5
- Expenses – 4.9
- Financial governance – 4.5

The overall average effectiveness of those tested internal controls for this round has been reviewed at 4.6 from a possible score of 5.0, demonstrating that controls are being maintained at a high level.

The Business Improvement Officer undertook independent testing over 15 controls (out of the 77 tested for this round), verifying approximately 20% of the sample. The independent verification found that controls and self-assessment testing documented were adequate and effective.

Three controls were assessed as a ‘3’ effectiveness score by the Reviewer. The agreed action to address these have been documented as part of the table below and included in the Internal Audit Agreed Actions Register.

Category	Sub-Category	Controls Tested	Agreed Actions Resulting from Self-Assessment
Strategic financial planning	Budgets	2	N/A
	Statutory Reporting	8	N/A
	Management Reporting	5	Ensure that PR002 Banking and Cash Handling Procedure (due August 2023) is reviewed and updated.

			<b>Responsible Officer:</b> Manager Financial Services <b>Due Date:</b> 31 December 2023
Assets	Investments	12	N/A
	Inventory	6	Implement an Inventory Policy to ensure processes are in place for ongoing inventory management (i.e. month end, year-end stocktakes) and to assist in addressing BPM internal control requirements.  <b>Responsible Officer:</b> Manager Financial Services <b>Due Date:</b> 30 April 2024
	Loans / Grants to Clubs and Community Grants	7	N/A
Liabilities	Borrowings	7	Develop simple Loan Register which meets requirements of the BPM to ensure full records are easily accessible and referenced in Council's Records Management system.  <b>Responsible Officer:</b> Manager Financial Services <b>Due Date:</b> 31 March 2024
	Employee Provisions	3	N/A
	Taxation	3	N/A
Expenses	Payroll	20	N/A
Financial Governance	Governance	4	N/A
<b>Total</b>		<b>77</b>	

**6. Internal Audit Opinion**

Based on the testing performed, Internal Audit is of the opinion that the current Internal Financial Controls environment is effective.

**Amanda Pitt and Brianna Wood**  
 Business Improvement Officer's

Activity Category	Report Title	Finding Title	Risk Rating	Agreed Action	Responsible Officer	Due Date	Revised Due Date	Status	Action Update
Internal Controls Self-Assessment	<b>Internal Controls Self-Assessment - October 2023</b>	Financial Policies & Procedures Update	Low	Ensure that PR002 Banking and Cash Handling Procedure (due August 2023) is reviewed and updated.	MANAGER FINANCIAL SERVICES	31/12/2023	31/12/2023	In Progress	
Internal Controls Self-Assessment	<b>Internal Financial Controls Self-Assessment - October 2023</b>	Inventory Policy	Moder...	Implement an Inventory Policy to ensure processes are in place for ongoing inventory management (i.e. month end, year-end stocktakes) and to assist in addressing BPM internal control requirements.	MANAGER FINANCIAL SERVICES	30/04/2024	30/04/2024	In Progress	
Internal Controls Self-Assessment	<b>Internal Financial Controls Self-Assessment - October 2023</b>	Develop Loan Register	Low	Develop simple Loan Register which meets requirements of the BPM to ensure full records are easily accessible and referenced in Council's Records Management system.	MANAGER FINANCIAL SERVICES	31/03/2024	31/03/2024	In Progress	
External Audit Activities	<b>External Audit - Interim Report</b>	Outdated Policies	Low	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. We recommend an establishment and review of those policies.	MANAGER FINANCIAL SERVICES	30/06/2024	30/06/2024	In Progress	Management will seek to develop a general ledger policy/procedure which provides instruction on what the process is for making amendments to the general ledger and details of reconciliations processes. PO128 Asset Management Policy was reviewed and adopted July 2023.



Activity Category	Report Title	Finding Title	Risk Rating	Agreed Action	Responsible Officer	Due Date	Revised Due Date	Status	Action Update
External Audit Activities	External Audit - Interim Report	Contractor management	Moder...	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. 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.	BUSINESS IMPROVEMENT OFFICER	30/06/2024	30/06/2024	In Progress	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.
External Audit Activities	External Audit - Interim Report	Contract register	Moder...	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. It is recommended management maintain its contract register.	BUSINESS IMPROVEMENT OFFICER	30/06/2024	30/06/2024	In Progress	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

Activity Category	Report Title	Finding Title	Risk Rating	Agreed Action	Responsible Officer	Due Date	Revised Due Date	Status	Action Update
External Audit Activities	External Audit - Interim Report	Basis for evaluation criteria in tendering	Low	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. 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 acceptable of the criteria should also be maintained in the Content Manager	MANAGER FINANCIAL SERVICES	30/06/2024	30/06/2024	In Progress	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.
External Audit Activities	External Audit - Interim Report	Lack of historical data for suppliers	Moder...	We noted that Management is not maintaining information regarding previous purchases from suppliers. 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. Recommended management determine how they will compile the required supplier history for use in future procurement activities.	BUSINESS IMPROVEMENT OFFICER	30/06/2024	30/06/2024	In Progress	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 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	

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	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	An updated ToR has been drafted. The ToR is now out for consultation with staff.
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	An updated ToR has been drafted. The ToR is now out for consultation with staff.
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	31/03/2024	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.

Activity Category	Report Title	Finding Title	Risk Rating	Agreed Action	Responsible Officer	Due Date	Revised Due Date	Status	Action Update
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	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	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.
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 18 of 18 entries (filtered from 135 total entries)

Activity Category	Report Title	Finding Title	Risk Rating	Agreed Action	Responsible Officer	Due Date	Revised Due Date	Status	Action Update
External Audit Activities	<b>External Audit - Interim Audit Report</b>	General Ledger Reconciliations	Low	The independent review of the monthly general ledger reconciliations, such as aged receivable and aged payables, was not always performed by finance. It is a requirement under the better practice model that an independent review of aged receivables and payables is performed. We recommend ensuring these independent reviews completed monthly.	MANAGER FINANCIAL SERVICES	30/06/2024		Completed	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.
Internal Audit Activities	<b>WHS Consultation and Communication Review</b>	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		Completed	AIS briefings have been scheduled and calendar invites sent up to 31 December 2024.
External Audit Activities	<b>Dean Newbury - Audit Completion Report - Financial Year Ended 30 June 2022</b>	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	31/12/2024	Completed	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, was reviewed by staff and findings discussed with Council's auditors prior to its finalisation. The final version of the valuation was endorsed at the September 2023 meeting of the Audit and Risk Committee. The valuation report will now be used to review the Buildings & Structure AMP and LTFP.
Internal Audit Activities	<b>Internal Financial Controls Self-Assessment - September 2022</b>	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	Completed	Following investigation, an independent review process has been implemented commencing in 2023-2024. A work instruction is to be created, however a periodic independent review of receipt reversals is undertaken by Finance Officer.
Internal Controls Self-Assessment	<b>Internal Financial Controls Self-Assessment - September 2022</b>	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	31/12/2023	Completed	Review and update of the Grants Register has been completed. Appropriate staff have been schedule to receive training in related to the new register and requirements in early 2023-2024. However, the finalised Grants Register is in operation for the 2023-24 financial year.

**8.5 POLICY REVIEW - PO008 BAD DEBTS - DELEGATION OF AUTHORITY****Document #:** 23/98905**Department:** Corporate and Community Services**PURPOSE**

To seek endorsement for the proposed updated PO008 Bad Debts – Delegation of Authority Policy.

**RECOMMENDATION**

That the Audit and Risk Committee endorse the proposed updated PO008 Bad Debts – Delegation of Authority Policy with an increase to the Chief Executive Officer write off limit to \$1,150 and recommend to Council that it be adopted as presented.

or

**RECOMMENDATION**

That the Audit and Risk Committee endorse the proposed updated PO008 Bad Debts – Delegation of Authority Policy with an increase to the Chief Executive Officer write off limit to \$1,300 and recommend to Council that it be adopted as presented.

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

5.6 Continuous improvement of Council processes

**BACKGROUND**

PO008 Bad Debts – Delegation of Authority Policy (Policy) outlines Council's delegate authority to the Chief Executive Officer (CEO) to write off individual bad debts under the conditions detailed in Section 143 of the Local Government Act 1999.

**DISCUSSION**

A complete update and review of this Policy has recently been conducted in line with its scheduled periodic review.

Changes include:

- CEO debt write-off limit as delegated by Council to be increased to consider the effects of inflation since it was first set in March 2013
- Update to training section
- Update to delegation section

The \$1,000 CEO debt write-off limit delegated by Council was set at 13 March 2013 and has not been adjusted since despite the effects of inflation. It was determined by staff and the Corporate Management Team that an adjustment to the maximum write-off limit be considered for approval by the Audit and Risk Committee of either \$1,150 (representing the effect of inflation since the Policy was last endorsed in December 2019) or \$1,300 (representing the effect of inflation since the original CEO debt write off limit was set in March 2013) before recommending to Council for endorsement. A copy of the proposed updated Policy with changes shown in markup is provided in Attachment 1 and a copy without markup for ease of reference is provided in Attachment 2.

**COMMUNITY ENGAGEMENT PLAN**

Level 1 - Inform

**CONSULTATION PROCESS**

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

- Corporate Management Team
- Manager Financial Services

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

- Nil

**POLICY IMPLICATIONS**

PO008 Bad Debts – Delegation of Authority

**BUDGET AND RESOURCE IMPLICATIONS**

Nil

**RISKS/LEGAL/LEGISLATIVE/ IMPLICATIONS**

Local Government Act 1999

Without appropriate policies, procedures and delegations in place, Council is placed at risk of non-compliance with legislation, particularly in the internal financial controls and/or the inability to write off bad debts in a timely and efficient manner.

**ATTACHMENTS**

1. Draft - PO008 Bad Debts - Delegation of Authority - Mark Up [↓](#) 
2. Draft - PO008 Bad Debts - Delegation of Authority - No Mark Up [↓](#) 





## COUNCIL POLICY

### Bad Debts – Delegation of Authority

<b>Policy Number:</b>	PO008		
<b>Strategic Plan Objective:</b>	5. Responsible Governance and Leadership		
<b>Policy Owner:</b>	Chief Executive Officer	<b>Record Number:</b>	16/13846[v3]
<b>Responsible Officer:</b>	Director Corporate and Community Services	<b>Minute Reference:</b>	295/2019 (11/12/2019)
<b>Date Adopted:</b>	11/12/2019	<b>Next Review Date:</b>	November 2023

#### 1. POLICY OBJECTIVES

To expedite the write off of debts where the individual debt does not exceed \$1,300,000:

- If Council has no reasonable prospect of recovering the debt; or
- If the costs of recovery are likely to equal or exceed the amount to be recovered.

#### 2. SCOPE

This Policy applies to all sundry debts raised by Council.

#### 3. POLICY STATEMENT

That pursuant to Section 44 of the Local Government Act 1999, Council delegate authority to the Chief Executive Officer to write off individual bad debts not exceeding \$1,300,000 under the conditions detailed in Section 143 (Writing off Bad Debts) of the Local Government Act 1999

#### 4. COMPLAINTS

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

#### 5. 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.

#### 6. TRAINING

Council is committed to supporting employees in complying with this Policy/Procedure. Training will be developed by the responsible officer in consultation with the Training Administration Officer.



**PO008 – Bad Debts – Delegation of Authority Policy**

Training needs will be reviewed, as necessary, in consideration of any changes to legislation, relevant standards, codes and guidelines, audit findings or corrective actions/controls arising from risk assessments/ hazard or incident reports.

~~Training will be provided to employees as deemed necessary.~~

**7. RECORDS**

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

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

PO139 Treasury Management Policy

PO027 ~~Expiation Notices – Not Paid~~ Business Continuity Policy

PO048 Management and Recovery of Outstanding Debts Policy

PO147 Complaints Policy

**9. REFERENCES AND LEGISLATION**

Local Government Act 1999

**10. COUNCIL DELEGATION**

**10.** 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/>

<b>Details of Delegation:</b>	
<b>Delegate:</b>	

**11. VERSION HISTORY**

Version No	Issue Date	Description of Change
1	08/06/2010	Full Revision.
2	29/10/2019	Minor Revision.
3	11/12/2019	Minor Revision.
4		<u>Minor Revision.</u>



## COUNCIL POLICY

### Bad Debts – Delegation of Authority

<b>Policy Number:</b>	PO008		
<b>Strategic Plan Objective:</b>	5. Responsible Governance and Leadership		
<b>Policy Owner:</b>	Chief Executive Officer	<b>Record Number:</b>	16/13846[v3]
<b>Responsible Officer:</b>	Director Corporate and Community Services	<b>Minute Reference:</b>	295/2019 (11/12/2019)
<b>Date Adopted:</b>	11/12/2019	<b>Next Review Date:</b>	November 2023

#### 1. POLICY OBJECTIVES

To expedite the write off of debts where the individual debt does not exceed \$1,300:

- If Council has no reasonable prospect of recovering the debt; or
- If the costs of recovery are likely to equal or exceed the amount to be recovered.

#### 2. SCOPE

This Policy applies to all sundry debts raised by Council.

#### 3. POLICY STATEMENT

That pursuant to Section 44 of the Local Government Act 1999, Council delegate authority to the Chief Executive Officer to write off individual bad debts not exceeding \$1,300 under the conditions detailed in Section 143 (Writing off Bad Debts) of the Local Government Act 1999

#### 4. COMPLAINTS

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

#### 5. 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.

#### 6. TRAINING

Council is committed to supporting employees in complying with this Policy/Procedure. Training will be developed by the responsible officer in consultation with the Training Administration Officer.

**PO008 – Bad Debts – Delegation of Authority Policy**

Training needs will be reviewed, as necessary, in consideration of any changes to legislation, relevant standards, codes and guidelines, audit findings or corrective actions/controls arising from risk assessments/ hazard or incident reports.

**7. RECORDS**

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

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

PO139 Treasury Management Policy

PO027 Business Continuity Policy

PO048 Management and Recovery of Outstanding Debts Policy

PO147 Complaints Policy

**9. REFERENCES AND LEGISLATION**

Local Government Act 1999

**10. COUNCIL DELEGATION**

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

**11. VERSION HISTORY**

Version No	Issue Date	Description of Change
1	08/06/2010	Full Revision.
2	29/10/2019	Minor Revision.
3	11/12/2019	Minor Revision.
4		Minor Revision.

## 8.6 POLICY REVIEW - PO089 ELECTED MEMBER ALLOWANCES AND BENEFITS POLICY

**Document #:** 23/98535

**Department:** Corporate and Community Services

### PURPOSE

To seek Audit and Risk Committee's endorsement of the updated PO089 Elected Member Allowances and Benefits Policy.

### RECOMMENDATION

That the Audit and Risk Committee endorse the updated PO089 Elected Member Allowances and Benefits Policy, and recommend to Council that it be adopted as presented.

### LINK TO STRATEGIC PLAN

**Goal:** 5 Responsible Governance and Leadership

**Strategy:** 5.3 Meet all legislative requirements and compliance with Council's internal controls  
5.6 Continuous improvement of Council processes

### BACKGROUND

PO089 Elected Member Allowances and Benefits Policy (the Policy) outlines the process and instance by which Council will reimburse reasonable expenses incurred by Elected Members.

A complete update and review of this Policy and SF095 Elected Member Expense Reimbursement Form was undertaken in December 2022 when the newly elected council was endorsed.

### DISCUSSION

Elected Member incurred expenses for accommodation costs have been updated to reflect the current Taxation Determination TD2023/3. The Policy has been amended to reflect these recommendations (Attachment 1).

Other small changes and insertions include:

- Updated meal allowances
- Removed incidentals to be in line with PR126 Allowances and Benefits Procedure
- Updated Council delegations
- Updated definitions table

A copy of the proposed changes is provided in Attachment 1 and a clean version 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
- EA to the CEO and Mayor
- Manager Financial Services
- Executive Services Support Officer

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

- Nil

**POLICY IMPLICATIONS**

PO013 Elected Members Training and Development Policy

PO015 Code of Practice for Access to Council and Committee Meetings

PO088 Elected Members Use of Council Supplied Electronic Equipment Policy

PO091 Risk Management Policy

PFC123 Process for Managing Complaints and Breaches under the Code of Conduct for Council Members PR148

PO135 Elected Members Training and Development Policy

PO138 Caretaker Policy

PO147 Complaints Policy

PO156 Internal Financial Control Policy

PO171 Public Interest Disclosure Policy

**BUDGET AND RESOURCE IMPLICATIONS**

It is not anticipated that these changes will impact Council's budget in the foreseeable future.

**RISKS/LEGAL/LEGISLATIVE/ IMPLICATIONS**

It is essential that Council has the appropriate policies and delegations in place to ensure consistency, probity and legislative compliance.

Local Government Act 1999

Local Government (Elections) Act 1999

Statutes Amendment (Local Government Review) Act 2021

Independent Commission Against Corruption Act 2012

Ombudsman Act 1972

Public Interest Disclosure Act 2018

Commonwealth Income Tax Assessment Act 1997

Freedom of Information Act 1991

Determination of the Remuneration Tribunal Allowances for Members of Local Government Councils

ATO's Taxation Determination

**ATTACHMENTS**

1. **PO089 Elected Member Allowances and Benefits Policy - Track Changes**  
2. **PO089 Elected Member Allowances and Benefits Policy - No Track Changes**  



## COUNCIL POLICY

### Elected Member Allowances and Benefits

<b>Policy Number:</b>	PO089		
<b>Strategic Plan Objective:</b>	5. Responsible Governance and Leadership		
<b>Policy Owner:</b>	Director Corporate and Community Services	<b>Record Number:</b>	<a href="#">16/6361[v8]</a> / <a href="#">16/6361[v9]</a>
<b>Responsible Officer:</b>	Manager Financial Services	<b>Minute Reference:</b>	250/2022
<b>Date Adopted:</b>	14/12/2022	<b>Next Review Date:</b>	November 2026

#### 2.1. POLICY OBJECTIVES

The Yorke Peninsula Council (Council) will ensure that the payment of Elected Members' allowances, the reimbursements of expenses and the provision of benefits by ~~the~~ Council is accountable and transparent and in accordance with the Local Government Act 1999 (~~the~~ Act) and the Local Government (Members Allowances and Benefits) Regulations 2021~~10~~ (~~the~~ Regulations).

This policy sets out the provisions of the Act and Regulations in respect of Elected Member allowances, expenses, benefits, the provision of facilities and support to ensure consistency and legislative compliance. This Policy also specifies, in accordance with Section 77-(1)(b) of the ~~Local Government~~ Act, the types of expenses that will be reimbursed without the need for specific Council approval every time a claim is made.

#### 3.2. SCOPE

This policy applies to all Elected Members, including the Mayor of Council.

#### 4.3. DEFINITIONS

Refer to Attachment 1.

#### 5.4. POLICY STATEMENT

##### 5.4.1. Policy Principles

- Elected Members should not be out of pocket as a result of performing and discharging their Council functions/duties.
- To assist Elected Members in performing or discharging their official functions and duties they are entitled to a range of necessary facilities, services and support and to be reimbursed for expenses as specified in this policy.



**PO089 – Elected Member Allowances and Benefits Policy**

- Elected Members expenses, reimbursements, facilities, services and support must be actually and necessarily incurred in performance and discharge of their official functions/duties, which will be assessed in accordance with their defined role in the Act.
- Continued professional training and development for Elected Members.
- Accountability to the community for the use of public monies.

**5.2.4.2. Allowances**

- Elected Member allowances are determined by the Remuneration Tribunal on a four-yearly basis before the designated day in relation to each set of periodic elections held under the Local Government (Elections) Act 1999. ~~Yorke Peninsula~~ Council falls within Group 3 in the current Remuneration Tribunal Determination with an initial Elected Member allowance of \$15,381.
- The allowance for the Mayor is equal to four (4) times the annual allowance for Elected Members.
- Deputy Mayor or Deputy Chairperson or an Elected Member who is the presiding member of one or more prescribed committees is equal to one and a quarter (1.25) times the annual allowance for Elected Members. The level of allowance is payable at a maximum of one and a quarter times only once and does not multiply for each of the qualifying criteria.
- An allowance determined by the Tribunal will take effect from ~~the first ordinary meeting of the Council held after~~ the conclusion of the relevant periodic election. Elected Member allowances are to be adjusted on the first, second and third anniversaries of the relevant periodic elections to reflect changes in the Consumer Price Index (All groups index for Adelaide) as published by the Australia Bureau of Statistics.
- Council has determined that these allowances be paid quarterly in arrears starting from the election date. Payments are made to Elected Members on or before the 23<sup>rd</sup> day of February, May, August and November. The allowance paid to the Mayor is paid monthly in advance.
- An additional allowance, in the form of a sitting fee, is also payable for Elected Members who are Chairpersons of other Council committees (who are not a deputy mayor or presiding member of a prescribed committee that is required by legislation) in accordance with the Determination of the Remuneration Tribunal Allowances for Members of Local Government Councils. An allowance of \$188 per meeting limited to an aggregate amount of \$1,129 per annum.
- An allowance under this section is to be paid in accordance with any requirement set out in the Regulations (unless the Elected Members declines to accept payment of an allowance in accordance with section 76(12) of the Act).
- A statement of earnings will be provided upon request to Elected Members at the conclusion of each financial year.

**5.3.4.3. Mandatory Reimbursements (Section 77(1)(a))**

- Elected Members are entitled to receive reimbursement for travelling expenses actually and necessarily incurred by the Elected Member for travel within the Council area and associated with attendance at a 'prescribed meeting'.
- Elected Members are entitled to reimbursements for child/dependant care expenses actually or necessarily incurred by the Elected Member as a consequence of the Elected Member's attendance at a prescribed meeting.

**PO089 – Elected Member Allowances and Benefits Policy**

Child/dependant care is not reimbursed if the care is provided by a person who ordinarily resides with the Elected member.

**5.4.4.4. Council Approved Reimbursements (under Section 77(1)(b))**

The additional prescribed expenses incurred by Elected Members, which do not fall within the categories of allowances or mandatory reimbursements outlined above, but which have been approved by Council for reimbursement under section 77(1)(b) of the Act are as follows:

- Reasonable travelling expenses incurred by Elected Members both within and outside the Council area as a consequence of the Elected Member’s attendance at a function or activity on the business of Council other than for which the Member is reimbursed under section 77(1)(a).
- Travelling expenses incurred where the Member has been invited or officially appointed as Council’s delegate or as a representative of Council.
- A travel time allowance is provided for Elected Members (excluding the Mayor) of non-metropolitan Councils in relation to the distance between the Elected Member’s usual place of residence within the Council area and the Council’s principal office at Maitland, via the most direct route by road. This allowance is in addition to any expense reimbursement.
- Expenses incurred for accommodation costs where Elected Members are attending approved meetings, conferences, seminars, training courses or similar activity. The nightly limits for accommodation are:

City	Maximum Limit per person
Adelaide	\$ <del>235208</del> .00
Brisbane	\$257.00
Canberra	\$246.00
Darwin	\$293.00
Hobart	\$ <del>235496</del> .00
Melbourne	\$ <del>26528</del> .00
Perth	\$ <del>26545</del> .00
Sydney	\$ <del>2654</del> .00
Rural	Refer to the ATO guidelines at the time
International	Refer to the ATO guidelines at the time

- Expenses for meals ~~and~~ refreshments ~~and incidentals~~ where Elected Members are attending approved meetings, conferences and seminars where meals are not provided. The maximum daily limits for meals are:

Breakfast:	\$ <del>35.00</del> <del>25</del> .00
Lunch:	\$ <del>40.00</del> <del>30</del> .00
Dinner:	\$ <del>60.00</del> <del>50</del> .00
Incidentals:	<del>—</del> \$20.00

(These limits are roughly based on the guidelines set out in the ATO’s Taxation Determination TD2023/3 and should be reviewed annually).

**Please note: the limits above apply per item, per day and these items cannot be aggregated to enable an overspend on an individual item(s) due to**



**PO089 – Elected Member Allowances and Benefits Policy**

underspend on another individual item(s). For example: spending \$10 on breakfast plus \$10 on lunch does not entitle a person to claim a dinner limit of \$105. (These limits are roughly based on the guidelines set out in the ATO's Taxation Determination TD2022/10 and should be reviewed annually).

- Elected Members are to make a reasonable attempt to use Council vehicles as a priority when undertaking official functions/duties or car pool with other Elected Members/staff utilising Council vehicles.
- Whilst travelling on Council business, the driver is personally responsible for all traffic infringement notices or parking fines incurred.

To ensure that Elected Members remain accountable to the community for the use of public monies, the following types of allowances and expenditure is **not** considered appropriate ~~for Yorke Peninsula Council~~:

- Providing gifts to Elected Members for special occasions or service recognition (for example birthdays, Christmas and other occasional gifts).
- Non business related expenses include, but are not limited to:
  - Mini bar;
  - In-house movies;
  - Valet parking (unless there are no other cheaper parking alternatives available);
  - Travel expenses incurred during any personal element of a business trip (i.e. trip has been approved and extended to allow for some personal leave on either side of the trip); and
  - Meals, accommodation and other incidental expenses incurred by 'other people' not associated with Council or relevant to the business portion of the trip (i.e. a partner joins you for all or part of the trip).

**5.6.4.5. Process for Approval, Booking and Reimbursement**

- All travel and accommodation that incurs expenses must be approved prior to the travel/accommodation being booked and/or undertaken. The Chief Executive Officer (CEO) must approve all intrastate travel. Council must approve all interstate and international travel taking into account PO135 Elected Members Training and Development Policy for training/development requests.
- All approved travel/accommodation must be booked through the EA to the CEO and Mayor, who will ensure that the travel is booked in an economical manner.
- If suitable accommodation is unable to be sourced through the EA to the CEO and Mayor within the rate limits, approval will be sought from the CEO to book higher priced accommodation with the reasons/rationale documented. If an Elected Member decides to stay at a higher priced establishment without the approval of the CEO, then they are responsible for those extra costs, Council should not be charged for these additional costs.
- Airline tickets are not transferable and cannot be used to offset any other costs, including the cost of other persons accompanying the Elected Member.
- Elected Members intending to claim travel reimbursement, must complete and sign Council's SF095 Elected Members Expense Reimbursement Form.

**PO089 – Elected Member Allowances and Benefits Policy**

Elected Members are responsible for submitting these claims and they must be received by the EA to the CEO and Mayor for processing each quarter, to tie in with budget and budget review requirements.

- Where appropriate, reimbursements must be supported by a tax invoice/receipt that meets ATO requirements. These requirements are outlined below:
  1. The receipt is intended to be a tax invoice – i.e. it should have the words Tax Invoice printed on the document.
  2. The supplier's identity is clear.
  3. The supplier's Australian Business Number (ABN) is clear.
  4. The date the invoice was issued is clear.
  5. A brief description of the items or services sold, including the quantity (if applicable) and the price.
  6. The GST amount (if any) payable, this can be shown separately, or, if the GST amount is exactly one eleventh of the total price, a statement such as 'total price includes GST' is acceptable.
  7. The extent to which each sale on the invoice is a taxable sale (that is, the extent to which each sale includes GST).
  8. For sale amounts over \$1,000, Council's identity and/or ABN should be reflected on the invoice.
  9. If the supplier is not registered for GST, such as a charity or overseas supplier, then a general receipt outlining date, supplier's identity, purpose and amount is sufficient. EFTPOS receipts are not acceptable as a tax invoice. Unclaimed travel expenses cannot be offset against some other expense or facility.

**5.7.4.6. Facilities, Services and Support**

In addition to allowances and the reimbursement of expenses, Council have determined the following facilities, services and forms of support are appropriate for use by Elected Members, to assist them to perform or discharge their official functions and duties (pursuant to Section 78 of the Act):

- Information Technology services and equipment including a personal computing device and associated software; electronic communications services (email and internet access); and technical and maintenance support.
- Meals and refreshments where appropriate whilst attending Council meetings, Council committee meetings, briefings, training and workshops.
- Name badge.
- Council business cards.
- Insurance – Section 80 of the Act requires that Council insures its Elected Members against risk associated with the performance or discharge of their official duties. Elected Members and their partners/spouses are covered under the following Council insurance policies while engaged in or on any activity directly or indirectly connected with or on behalf of Council, travelling to and from such activity (cover is subject to policy limitations and applicable excess(s)):
  - Journey and Personal Accident Insurance – provides cover for Elected Members (and their accompanying partners/spouse) Civil Liability.

**PO089 – Elected Member Allowances and Benefits Policy**

In addition to the facilities and support outlined above, Council has resolved to make available to the Mayor (and any Acting Mayor appointed during the Mayor's absence) the following to assist them in performing and discharging their official functions and duties:

- A suitable Council owned and maintained vehicle to be used to undertake official Council functions/duties, including to attend functions and other meetings. Council acknowledges the geographical area of the Yorke Peninsula will involve incidental, minor, infrequent and irregular limited private use of the Council vehicle within South Australia when on Council business.
- A mobile phone.
- Office space.
- Provision of executive clerical support.
- Provision of media and communications support.

The provision of these facilities, services and support will be made available to all Elected Members, including the Mayor, on the following basis:

- Such provision is necessary or expedient for the Elected Member to perform ~~his/her~~ their official functions/duties.
- The facilities remain the Council's property regardless of whether they are used off site or not, and will be returned to Council at the end of each term in office.
- Each Elected Member is solely responsible for those facilities released into their care/control for the duration of their term in office – if the facility is damaged or lost, the Elected Member should provide a written report to the CEO.
- They are not to be used for a private purpose or any other purpose unrelated to the official Council functions and duties, unless such usage has been specifically pre-approved by the Council and the Elected Member has agreed to reimburse Council for any additional cost or expenses associated with that usage.
- These facilities or services must not be used for campaign or election purposes.

**5.8.4.7. Register of Allowances and Benefits**

Pursuant to Section 79(1) and (2) of the Act, the CEO must maintain a Register (R003 Elected Members Allowances and Benefits Register) ~~in which he or she will to~~ ensure on a quarterly basis that a record is kept of:

- The annual allowance payable to an Elected Member.
- Any expenses reimbursed under Section 77(1)(b).
- Other benefits paid or provided for the benefit of the Elected Member by the Council.
- Any changes in the allowance or benefit payable to or provided for the benefit of Elected Members.
- Provisions of a reimbursement of benefit not previously recorded in the register.
- The mandatory travel and care reimbursements paid under Section 77(1)(a) of the Act are not required to be recorded in the register, however to provide full transparency these amounts are included.

The register is available on Council's website or for inspection, free of charge, at Council's offices. Copies or extracts of the Register are available for purchase upon payment of a fixed fee (as detailed in Council's Fees and Charges Register).

**PO089 – Elected Member Allowances and Benefits Policy**

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**6.5. COMPLAINTS**

Complaints about this policy or non-compliance with [this](#) policy can be made in writing to the CEO. Complaints will be managed in accordance with Council's Complaints Policy (PO147).

**7.6. REVIEW**

This policy will lapse at a general election at which time the newly elected Council will be required to adopt a policy dealing with Elected Member allowances, reimbursements and benefits for their term in office at the Inaugural Council Meeting. The policy will also be reviewed as necessary in consideration of any changes to legislation and relevant standards, codes and guidelines, audit findings, any corrective actions/controls arising from risk assessment and/or hazard/incident reports, audit findings and stakeholder feedback.

**8.7. TRAINING**

Elected Members are provided with appropriate training to enable them to meet the requirements of this policy. Training needs will be reviewed annually as part of Council's Elected Member Training Plan and as necessary in consideration of any changes to legislation and relevant standards, codes, guidelines and audit findings.

**9.8. RECORDS**

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

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

PO015 Access to Council and committee Meetings and Documents Code of Practice

PO091 Risk Management Policy

PO088 Elected Members Use of Council Supplied Electronic Equipment Policy

PO135 Elected Members Training and Development Policy

PO138 Caretaker Policy

PO147 Complaints Policy

PR148 Code of Conduct for Council Members Complaints

PO156 Internal Financial Control

R003 Elected Members Allowances and Benefits Register

SF095 Elected Members Expense Reimbursement Form

**11.10. REFERENCES AND LEGISLATION**

Local Government Act 1999

Local Government (Elections) Act 1999

Statutes Amendment (Local Government Review) Act 2021

Independent Commission Against Corruption Act 2012

Ombudsman Act 1972

Public Interest Disclosure Act 2018

Public Interest Disclosure Regulations 2019



**PO089 – Elected Member Allowances and Benefits Policy**

Commonwealth Income Tax Assessment Act 1997  
 Freedom of Information Act 1991  
 Determination of the Remuneration Tribunal Allowances for Members of Local Government Councils  
 ATO's Taxation Determination  
 Behavioural Standards for Council Members  
 Local Government Equip Model [Council Members' Allowances and Benefits](#) Policy  
 Local Government (Member Allowance and Benefits) Regulations 2010

**11. COUNCIL DELEGATION**

12. [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/](https://yorke.sa.gov.au/about-us/forms-plans-and-publications/register/)

<b>Details of Delegation:</b>	Chief Executive Officer
<b>Delegate:</b>	Director Corporate and Community Services

**19.12. VERSION HISTORY**

Version No	Issue Date	Description of Change
1	08/05/2013	Revised and Updated
2	13/05/2015	Revised and Updated
3	13/07/2016	Revised and Updated
4	14/12/2016	Revised and Updated
5	13/02/2019	Revised and Updated
6	085/09/2021	Legislative Update
7	09/03/2022	Legislative Update
8	14/12/2022	Legislative Update
<u>9</u>		<a href="#">Legislative Minor Revision Update</a>

**PO089 – Elected Member Allowances and Benefits Policy****ATTACHMENT 1: DEFINITIONS**

Term/Reference	Definition
ABN	Australian Business Number
ATO	Australian Taxation Office
CEO	Chief Executive Officer
Dependant	A dependant of the Elected Member requiring full time care
EA to CEO and Mayor	Executive Assistant to the CEO and Mayor
<del>Eligible Journey</del>	<del>A journey (in either direction) between the principal place of residence or a place of work, of an Elected Member, and the place of the prescribed meeting</del>
Council functions/duties	In accordance with the Elected Member role as defined within the Act and includes, but is not limited to, attendance at Council functions e.g. Mayoral functions, citizenship ceremonies, meetings of community groups, official visits and organisations as an appointed delegate of Council (but not to attend meetings of community groups, individuals or organisations when fulfilling the role of a local representative)
<del>Incidentals</del>	<del>An incidental travel expense can be claimed via the claim reimbursement process. An incidental is only permitted where travel involves at least one night away from home. Examples of the types of incidentals that may be claimed up to the daily limit are: newspapers, morning and/or afternoon tea expenses and snacks</del>
Prescribed meeting	A meeting of the Council or Council Committee, or an informal gathering, discussion, workshop, briefing, training course or similar activity which is directly related to the performance or discharge of the roles or duties of the member (section 77(1)(a) of the Act)



## COUNCIL POLICY

### Elected Member Allowances and Benefits

<b>Policy Number:</b>	PO089		
<b>Strategic Plan Objective:</b>	5. Responsible Governance and Leadership		
<b>Policy Owner:</b>	Director Corporate and Community Services	<b>Record Number:</b>	16/6361[v9]
<b>Responsible Officer:</b>	Manager Financial Services	<b>Minute Reference:</b>	250/2022
<b>Date Adopted:</b>	14/12/2022	<b>Next Review Date:</b>	November 2026

#### 1. POLICY OBJECTIVES

The Yorke Peninsula Council (Council) will ensure that the payment of Elected Members' allowances, the reimbursements of expenses and the provision of benefits by Council is accountable and transparent and in accordance with the Local Government Act 1999 (Act) and the Local Government (Members Allowances and Benefits) Regulations 2010 (Regulations).

This policy sets out the provisions of the Act and Regulations in respect of Elected Member allowances, expenses, benefits, the provision of facilities and support to ensure consistency and legislative compliance. This Policy also specifies, in accordance with Section 77(1)(b) of the Act, the types of expenses that will be reimbursed without the need for specific Council approval every time a claim is made.

#### 2. SCOPE

This policy applies to all Elected Members, including the Mayor of Council.

#### 3. DEFINITIONS

Refer to Attachment 1.

#### 4. POLICY STATEMENT

##### 4.1. Policy Principles

- Elected Members should not be out of pocket as a result of performing and discharging their Council functions/duties.
- To assist Elected Members in performing or discharging their official functions and duties they are entitled to a range of necessary facilities, services and support and to be reimbursed for expenses as specified in this policy.

**PO089 – Elected Member Allowances and Benefits Policy**

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- Elected Members expenses, reimbursements, facilities, services and support must be actually and necessarily incurred in performance and discharge of their official functions/duties, which will be assessed in accordance with their defined role in the Act.
- Continued professional training and development for Elected Members.
- Accountability to the community for the use of public monies.

**4.2. Allowances**

- Elected Member allowances are determined by the Remuneration Tribunal on a four-yearly basis before the designated day in relation to each set of periodic elections held under the Local Government (Elections) Act 1999. Council falls within Group 3 in the current Remuneration Tribunal Determination with an initial Elected Member allowance of \$15,381.
- The allowance for the Mayor is equal to four (4) times the annual allowance for Elected Members.
- Deputy Mayor or Deputy Chairperson or an Elected Member who is the presiding member of one or more prescribed committees is equal to one and a quarter (1.25) times the annual allowance for Elected Members. The level of allowance is payable at a maximum of one and a quarter times only once and does not multiply for each of the qualifying criteria.
- An allowance determined by the Tribunal will take effect from the conclusion of the relevant periodic election. Elected Member allowances are to be adjusted on the first, second and third anniversaries of the relevant periodic elections to reflect changes in the Consumer Price Index (All groups index for Adelaide) as published by the Australia Bureau of Statistics.
- Council has determined that these allowances be paid quarterly in arrears starting from the election date. Payments are made to Elected Members on or before the 23<sup>rd</sup> day of February, May, August and November. The allowance paid to the Mayor is paid monthly in advance.
- An additional allowance, in the form of a sitting fee, is also payable for Elected Members who are Chairpersons of other Council committees (who are not a deputy mayor or presiding member of a prescribed committee that is required by legislation) in accordance with the Determination of the Remuneration Tribunal Allowances for Members of Local Government Councils. An allowance of \$188 per meeting limited to an aggregate amount of \$1,129 per annum.
- An allowance under this section is to be paid in accordance with any requirement set out in the Regulations (unless the Elected Member declines to accept payment of an allowance in accordance with section 76(12) of the Act).
- A statement of earnings will be provided upon request to Elected Members at the conclusion of each financial year.

**4.3. Mandatory Reimbursements (Section 77(1)(a))**

- Elected Members are entitled to receive reimbursement for travelling expenses actually and necessarily incurred by the Elected Member for travel within the Council area and associated with attendance at a 'prescribed meeting'.
- Elected Members are entitled to reimbursements for child/dependant care expenses actually or necessarily incurred by the Elected Member as a consequence of the Elected Member's attendance at a prescribed meeting.



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Child/dependant care is not reimbursed if the care is provided by a person who ordinarily resides with the Elected member.

**4.4. Council Approved Reimbursements (under Section 77(1)(b))**

The additional prescribed expenses incurred by Elected Members, which do not fall within the categories of allowances or mandatory reimbursements outlined above, but which have been approved by Council for reimbursement under section 77(1)(b) of the Act are as follows:

- Reasonable travelling expenses incurred by Elected Members both within and outside the Council area as a consequence of the Elected Member's attendance at a function or activity on the business of Council other than for which the Member is reimbursed under section 77(1)(a).
- Travelling expenses incurred where the Member has been invited or officially appointed as Council's delegate or as a representative of Council.
- A travel time allowance is provided for Elected Members (excluding the Mayor) of non-metropolitan Councils in relation to the distance between the Elected Member's usual place of residence within the Council area and the Council's principal office at Maitland, via the most direct route by road. This allowance is in addition to any expense reimbursement.
- Expenses incurred for accommodation costs where Elected Members are attending approved meetings, conferences, seminars, training courses or similar activity. The nightly limits for accommodation are:

City	Maximum Limit per person
Adelaide	\$235.00
Brisbane	\$257.00
Canberra	\$246.00
Darwin	\$293.00
Hobart	\$235.00
Melbourne	\$265.00
Perth	\$265.00
Sydney	\$265.00
Rural	Refer to the ATO guidelines at the time
International	Refer to the ATO guidelines at the time

- Expenses for meals and refreshments where Elected Members are attending approved meetings, conferences and seminars where meals are not provided. The maximum daily limits for meals are:

Breakfast:	\$35.00
Lunch:	\$40.00
Dinner:	\$60.00

(These limits are roughly based on the guidelines set out in the ATO's Taxation Determination TD2023/3 and should be reviewed annually).

**Please note: the limits above apply per item, per day and these items cannot be aggregated** to enable an overspend on an individual item(s) due to underspend on another individual item(s). For example: spending \$10 on

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breakfast plus \$10 on lunch does not entitle a person to claim a dinner limit of \$105.

- Elected Members are to make a reasonable attempt to use Council vehicles as a priority when undertaking official functions/duties or car pool with other Elected Members/staff utilising Council vehicles.
- Whilst travelling on Council business, the driver is personally responsible for all traffic infringement notices or parking fines incurred.

To ensure that Elected Members remain accountable to the community for the use of public monies, the following types of allowances and expenditure is **not** considered appropriate:

- Providing gifts to Elected Members for special occasions or service recognition (for example birthdays, Christmas and other occasional gifts).
- Non business related expenses include, but are not limited to:
  - Mini bar;
  - In-house movies;
  - Valet parking (unless there are no other cheaper parking alternatives available);
  - Travel expenses incurred during any personal element of a business trip (i.e. trip has been approved and extended to allow for some personal leave on either side of the trip); and
  - Meals, accommodation and other incidental expenses incurred by 'other people' not associated with Council or relevant to the business portion of the trip (i.e. a partner joins you for all or part of the trip).

**4.5. Process for Approval, Booking and Reimbursement**

- All travel and accommodation that incurs expenses must be approved prior to the travel/accommodation being booked and/or undertaken. The Chief Executive Officer (CEO) must approve all intrastate travel. Council must approve all interstate and international travel taking into account PO135 Elected Members Training and Development Policy for training/development requests.
- All approved travel/accommodation must be booked through the EA to the CEO and Mayor, who will ensure that the travel is booked in an economical manner.
- If suitable accommodation is unable to be sourced through the EA to the CEO and Mayor within the rate limits, approval will be sought from the CEO to book higher priced accommodation with the reasons/rationale documented. If an Elected Member decides to stay at a higher priced establishment without the approval of the CEO, then they are responsible for those extra costs, Council should not be charged for these additional costs.
- Airline tickets are not transferable and cannot be used to offset any other costs, including the cost of other persons accompanying the Elected Member.
- Elected Members intending to claim travel reimbursement, must complete and sign Council's SF095 Elected Members Expense Reimbursement Form. Elected Members are responsible for submitting these claims and they must be received by the EA to the CEO and Mayor for processing each quarter, to tie in with budget and budget review requirements.

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- Where appropriate, reimbursements must be supported by a tax invoice/receipt that meets ATO requirements. These requirements are outlined below:
  1. The receipt is intended to be a tax invoice – i.e. it should have the words Tax Invoice printed on the document.
  2. The supplier's identity is clear.
  3. The supplier's Australian Business Number (ABN) is clear.
  4. The date the invoice was issued is clear.
  5. A brief description of the items or services sold, including the quantity (if applicable) and the price.
  6. The GST amount (if any) payable, this can be shown separately, or, if the GST amount is exactly one eleventh of the total price, a statement such as 'total price includes GST' is acceptable.
  7. The extent to which each sale on the invoice is a taxable sale (that is, the extent to which each sale includes GST).
  8. For sale amounts over \$1,000, Council's identity and/or ABN should be reflected on the invoice.
  9. If the supplier is not registered for GST, such as a charity or overseas supplier, then a general receipt outlining date, supplier's identity, purpose and amount is sufficient. EFTPOS receipts are not acceptable as a tax invoice. Unclaimed travel expenses cannot be offset against some other expense or facility.

**4.6. Facilities, Services and Support**

In addition to allowances and the reimbursement of expenses, Council have determined the following facilities, services and forms of support are appropriate for use by Elected Members, to assist them to perform or discharge their official functions and duties (pursuant to Section 78 of the Act):

- Information Technology services and equipment including a personal computing device and associated software; electronic communications services (email and internet access); and technical and maintenance support.
- Meals and refreshments where appropriate whilst attending Council meetings, Council committee meetings, briefings, training and workshops.
- Name badge.
- Council business cards.
- Insurance – Section 80 of the Act requires that Council insures its Elected Members against risk associated with the performance or discharge of their official duties. Elected Members and their partners/spouses are covered under the following Council insurance policies while engaged in or on any activity directly or indirectly connected with or on behalf of Council, travelling to and from such activity (cover is subject to policy limitations and applicable excess(s)):
  - Journey and Personal Accident Insurance – provides cover for Elected Members (and their accompanying partners/spouse) Civil Liability.

In addition to the facilities and support outlined above, Council has resolved to make available to the Mayor (and any Acting Mayor appointed during the Mayor's absence) the following to assist them in performing and discharging their official functions and duties:

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- A suitable Council owned and maintained vehicle to be used to undertake official Council functions/duties, including to attend functions and other meetings. Council acknowledges the geographical area of the Yorke Peninsula will involve incidental, minor, infrequent and irregular limited private use of the Council vehicle within South Australia when on Council business.
- A mobile phone.
- Office space.
- Provision of executive clerical support.
- Provision of media and communications support.

The provision of these facilities, services and support will be made available to all Elected Members, including the Mayor, on the following basis:

- Such provision is necessary or expedient for the Elected Member to perform their official functions/duties.
- The facilities remain the Council's property regardless of whether they are used off site or not, and will be returned to Council at the end of each term in office.
- Each Elected Member is solely responsible for those facilities released into their care/control for the duration of their term in office – if the facility is damaged or lost, the Elected Member should provide a written report to the CEO.
- They are not to be used for a private purpose or any other purpose unrelated to the official Council functions and duties, unless such usage has been specifically pre-approved by the Council and the Elected Member has agreed to reimburse Council for any additional cost or expenses associated with that usage.
- These facilities or services must not be used for campaign or election purposes.

**4.7. Register of Allowances and Benefits**

Pursuant to Section 79(1) and (2) of the Act, the CEO must maintain a Register (R003 Elected Members Allowances and Benefits Register) to ensure on a quarterly basis that a record is kept of:

- The annual allowance payable to an Elected Member.
- Any expenses reimbursed under Section 77(1)(b).
- Other benefits paid or provided for the benefit of the Elected Member by the Council.
- Any changes in the allowance or benefit payable to or provided for the benefit of Elected Members.
- Provisions of a reimbursement of benefit not previously recorded in the register.
- The mandatory travel and care reimbursements paid under Section 77(1)(a) of the Act are not required to be recorded in the register, however to provide full transparency these amounts are included.

The register is available on Council's website or for inspection, free of charge, at Council's offices. Copies or extracts of the Register are available for purchase upon payment of a fixed fee (as detailed in Council's Fees and Charges Register).

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**5. COMPLAINTS**

Complaints about this policy or non-compliance with this policy can be made in writing to the CEO. Complaints will be managed in accordance with Council's Complaints Policy (PO147).

**6. REVIEW**

This policy will lapse at a general election at which time the newly elected Council will be required to adopt a policy dealing with Elected Member allowances, reimbursements and benefits for their term in office at the Inaugural Council Meeting. The policy will also be reviewed as necessary in consideration of any changes to legislation and relevant standards, codes and guidelines, audit findings, any corrective actions/controls arising from risk assessment and/or hazard/incident reports, audit findings and stakeholder feedback.

**7. TRAINING**

Elected Members are provided with appropriate training to enable them to meet the requirements of this policy. Training needs will be reviewed annually as part of Council's Elected Member Training Plan and as necessary in consideration of any changes to legislation and relevant standards, codes, 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**

PO015 Access to Council and committee Meetings and Documents Code of Practice

PO091 Risk Management Policy

PO088 Elected Members Use of Council Supplied Electronic Equipment Policy

PO135 Elected Members Training and Development Policy

PO138 Caretaker Policy

PO147 Complaints Policy

PR148 Code of Conduct for Council Members Complaints

PO156 Internal Financial Control

R003 Elected Members Allowances and Benefits Register

SF095 Elected Members Expense Reimbursement Form

**10. REFERENCES AND LEGISLATION**

Local Government Act 1999

Local Government (Elections) Act 1999

Statutes Amendment (Local Government Review) Act 2021

Independent Commission Against Corruption Act 2012

Ombudsman Act 1972

Public Interest Disclosure Act 2018

Public Interest Disclosure Regulations 2019

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Commonwealth Income Tax Assessment Act 1997

Freedom of Information Act 1991

Determination of the Remuneration Tribunal Allowances for Members of Local Government Councils

ATO's Taxation Determination

Behavioural Standards for Council Members

Local Government Equip Model Council Members' Allowances and Benefits Policy

Local Government (Member Allowance and Benefits) Regulations 2010

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Prescribed meeting	A meeting of the Council or Council Committee, or an informal gathering, discussion, workshop, briefing, training course or similar activity which is directly related to the performance or discharge of the roles or duties of the member (section 77(1)(a) of the Act)

**9 NEW AND EMERGING RISKS / ISSUES**

**10 GENERAL BUSINESS**

**11 NEXT MEETING**

Tuesday 5 December 2023

**12 CLOSURE**