



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

**Date:** Tuesday, 27 February 2024  
**Time:** 3:00pm  
**Location:** Council Chamber  
Minlaton Town Hall  
57 Main Street  
Minlaton

# **AGENDA**

## **Audit and Risk Committee Meeting**

**27 February 2024**

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

**Ben Thompson**  
**DIRECTOR CORPORATE & COMMUNITY SERVICES**

### **CONFLICT OF INTEREST**

Members are reminded of the requirement for disclosure by Members of general conflicts of interest relating to private interests that might be considered to result in the Member acting in a manner that is contrary to their public duty in accordance with Section 74 of the Local Government Act 1999 (Act), or a material conflict of interest being any benefit or loss (direct or indirect, personal or pecuniary in nature) to any persons identified within Section 75(1), in accordance with Section 75 of the Act, in items listed for consideration on the Agenda.

Section 75B of the Act requires that Members inform the meeting of any general conflict of interest in any matter to be discussed at a meeting, whether or not the Member proposes to participate in the meeting in relation to the matter and if the member proposes to participate in the meeting in relation to the matter, how the Member intends to deal with the interest and the Members reasons for participating in relation to the matter.

Section 75C of the Act requires that Members inform the meeting of material conflicts of interest in any matters to be discussed at a meeting and leave the meeting room (such that the member cannot view or hear any discussion or voting at the meeting) and stay out of the meeting room while the matter is being discussed and voted on.

These requirements do not apply where a Member is not regarded as having a conflict of interest in accordance with Section 75A of the Act.

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 conflict of interest.

## Agenda

<b>1</b>	<b>Welcome by Chairperson</b> .....	<b>5</b>
<b>2</b>	<b>Present</b> .....	<b>5</b>
<b>3</b>	<b>Leave of Absence</b> .....	<b>5</b>
<b>4</b>	<b>Apologies</b> .....	<b>5</b>
<b>5</b>	<b>Conflict of Interest</b> .....	<b>5</b>
<b>6</b>	<b>Minutes of Previous Meeting – for Confirmation</b> .....	<b>5</b>
<b>7</b>	<b>Visitors to the Meeting</b> .....	<b>5</b>
	<b>REPORTS</b> .....	<b>7</b>
<b>8</b>	<b>New Business</b> .....	<b>7</b>
8.1	Audit and Risk Committee New Reporting Requirements.....	7
8.2	Terms of Reference Review .....	21
8.3	Consultation Report on Appointing Person Primarily Responsible for the Internal Audit Function .....	38
8.4	Scheduled Policy and Procedure Review Register .....	40
8.5	Internal Audit Activity Report .....	44
8.6	New Global Internal Audit Standards.....	58
8.7	Cyber Security - Penetration Testing February 2024 .....	60
8.8	Audit and Risk Committee Work Plan 2024-2025.....	62
8.9	December Quarterly Budget Review 2023-2024 .....	67
8.10	Policy Review - PO088 Elected Member Use of Council Supplied Electronic Equipment Policy .....	83
8.11	Policy Review - PO124 Asset Accounting Policy .....	93
8.12	Report on Excess Annual Leave Entitlements - February 2024.....	127
8.13	Policy Review - PO177 YP Leisure Options Worker Screening Requirements .....	130
8.14	Policy Review - PO173 Leave Management Policy .....	144
8.15	Policy Review - PO014 Employee Behavioural Standards Policy .....	159
8.16	Long Term Financial Plan - Annual Review.....	182
<b>9</b>	<b>New and Emerging Risks / Issues</b> .....	<b>192</b>
<b>10</b>	<b>General Business</b> .....	<b>192</b>
<b>11</b>	<b>Next Meeting</b> .....	<b>192</b>
	Tuesday 28 May 2024	
<b>12</b>	<b>Closure</b> .....	<b>192</b>



**1 WELCOME BY CHAIRPERSON**

Meeting declared open

**2 PRESENT**

**3 LEAVE OF ABSENCE**

Nil

**4 APOLOGIES**

**5 CONFLICT OF INTEREST**

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

Audit and Risk Committee Meeting - 5 December 2023

**7 VISITORS TO THE MEETING**

# REPORTS

## REPORTS

### 8 NEW BUSINESS

#### 8.1 AUDIT AND RISK COMMITTEE NEW REPORTING REQUIREMENTS

**Document #:** 24/13093

**Department:** Corporate and Community Services

#### PURPOSE

To inform the Audit and Risk Committee of the introduction of a new reporting requirement introduced into the Local Government Act 1999, effective from 30 November 2023, that requires a report to Council summarising the work performed after each Audit and Risk Committee meeting and also on an annual basis.

#### RECOMMENDATION

That the Committee endorse:

1. The reporting methodology as outlined in this report; and
2. The draft Audit and Risk Committee report to Council for the period 30 November 2023 to 26 February 2024 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

#### BACKGROUND

Changes to the Local Government Act 1999 (Act), that came into effect from 30 November 2023, under Section 126 (8) of that Act, states a Council Audit and Risk Committee (Committee) must provide a report to the council after each meeting summarising the work of the Committee during the period preceding the meeting and outcomes of the meeting.

Extract of Section 126(8) of the Local Government Act:

(8) A council audit and risk committee must –

- a) provide a report to the Council after each meeting summarising the work of the committee during the period preceding the meeting and the outcomes of the meeting; and
- b) provide an annual report to the Council on the work of the committee during the period to which the report relates.

#### DISCUSSION

Although not a legislative requirement, staff has followed best practice in presenting to Council the minutes of the Audit and Risk Committee meeting after each meeting with detailed commentary contained within the minutes. The new legislation does not specify a prescribed format or timeframe for the report, nor does it provide guidance in relation to the content of the report. It is believed however, that that only providing the minutes of the meeting is not enough to satisfy the intent of the legislation.

To ensure compliance with the new reporting requirements, a new report format has been developed which will be presented at future Council meetings after each Audit and Risk Committee meeting. The report will contain a brief summary of the meeting, along with the following attachments:

- order of business;
- Audit and Risk Committee Work Plan; and
- the minutes of the meeting (subject to confirmation).

The proposed Committee report to Council for the period 30 November 2023 to 26 February 2024 has been provided in Attachment 1 for endorsement and to serve as an example of the future report format that will be presented to Council for inclusion in the Information Report section of its agenda. The annual report content will be similar in nature and will be contained within the Council Annual Report.

## **COMMUNITY ENGAGEMENT PLAN**

Level 1 - Inform

## **CONSULTATION PROCESS**

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

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

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

- Nil

## **POLICY IMPLICATIONS**

Nil

## **BUDGET AND RESOURCE IMPLICATIONS**

Nil

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

Local Government Act 1999

## **ATTACHMENTS**

1. Report - Summary of Audit and Risk Committee Meeting - 5 December 2023 [↓](#) 



---

**ORDINARY COUNCIL MEETING AGENDA**

---

**SUMMARY OF AUDIT AND RISK COMMITTEE MEETING - 5 DECEMBER 2023****Document #:** 24/13139**Department:** Corporate and Community Services**PURPOSE**

To provide Elected Members with a report summarising the meeting of the Audit and Risk Committee meeting that was held on 5 December 2023 and to receive the minutes.

**RECOMMENDATION**

That the report be received.

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

Changes to the Local Government Act 1999 (Act), that came into effect from 30 November 2023, under Section 126 (8) of that Act, states a council Audit and Risk Committee (Committee) must provide a report to the council after each meeting summarising the work of the Committee during the period preceding the meeting and outcomes of the meeting.

**DISCUSSION****Order of Business**

The Audit and Risk Committee meeting held on 5 December 2023 Order of Business (Attachment 1) contained six reports, being;

- 8.1 Audit and Risk Committee Work Plan 2023
- 8.2 Audit and Risk Committee Annual Review and Self Assessment 2023
- 8.3 September Quarterly Budget Review 2023-2024
- 8.4 Internal Audit Planning 2024-2026
- 8.5 Asset Management Update
- 8.6 Report on Excess Annual Leave Entitlements

**Audit and Risk Committee Work Plan 2023**

The Audit and Risk Committee Work Plan 2023 (Attachment 2) was presented to the Audit and Risk Committee December 2022 and was endorsed for action, targeting 31 tasks for completion during 2023, the majority of these are programmed to be reported on either a quarterly or annual basis.

The Work Plan is updated each meeting to reflect the work scheduled and 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 were proposed at the 5 December 2023:

- Item 1.2 updated to reflect endorsement of Land, Buildings and Structures revaluation at the September 2023 Committee meeting.

**ORDINARY COUNCIL MEETING AGENDA****12 JUNE 2024**

- Items 1.3 and 1.4 marked as deferred for December 2023 meeting. These items are not reported on at the December meeting with the focus of reporting being consideration of the proposed Internal Audit Plan for the new year.
- Item 3.3 deferred pending further consideration in the formation of the Committee's 2024 work plan.
- Item 7.1 amended to reflect submission of annual self-assessment report to the Committee at the current meeting.
- Item 8.3 marked as deferred with work to commence on review of Asset Management Plans in 2024.

**Minutes of the Audit and Risk Committee Meeting**

A copy of the Minutes of the Audit and Risk Committee meeting held 5 December 2023 are provided in Attachment 3 for Council's consideration.

There were no reports with recommendations made for Council consideration.

The full Audit and Risk Committee Agenda and Minutes for the meeting held 5 December 2023 can be viewed on Council's website.

**ATTACHMENTS**

1. **Order of Business - Audit and Risk Committee Meeting - 5 December 2023**
2. **Audit and Risk Committee Work Plan 2023**
3. **Minutes - Audit and Risk Committee Meeting - 5 December 2023 (subject to confirmation)**

ORDINARY COUNCIL MEETING

---

AUDIT AND RISK COMMITTEE MEETING AGENDA

5 DECEMBER 2023

**Agenda**

<b>1</b>	<b>Welcome by Chairperson</b> .....	<b>5</b>
<b>2</b>	<b>Present</b> .....	<b>5</b>
<b>3</b>	<b>Leave of Absence</b> .....	<b>5</b>
<b>4</b>	<b>Apologies</b> .....	<b>5</b>
<b>5</b>	<b>Conflict of Interest</b> .....	<b>5</b>
<b>6</b>	<b>Minutes of Previous Meeting – for Confirmation</b> .....	<b>5</b>
<b>7</b>	<b>Visitors to the Meeting</b> .....	<b>5</b>
	<b>REPORTS</b> .....	<b>7</b>
<b>8</b>	<b>New Business</b> .....	<b>7</b>
8.1	Audit and Risk Committee Work Plan 2023 .....	7
8.2	Audit and Risk Committee Annual Review and Self Assessment 2023 .....	12
8.3	September Quarterly Budget Review 2023-2024 .....	40
8.4	Internal Audit Planning 2024-2026 .....	52
8.5	Asset Management Update .....	64
8.6	Report on Excess Annual Leave Entitlements .....	66
<b>9</b>	<b>New and Emerging Risks / Issues</b> .....	<b>69</b>
<b>10</b>	<b>General Business</b> .....	<b>69</b>
<b>11</b>	<b>Next Meeting</b> .....	<b>69</b>
	Tuesday 27 February 2024 (to be confirmed)	
<b>12</b>	<b>Closure</b> .....	<b>69</b>

ORDINARY COUNCIL MEETING

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 was endorsed by the Committee at its September 2023 meeting.
1.2 Review asset revaluations		X	X			
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.
<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	Deferred for further consideration in formation of the Committee's 2024 Work Plan.
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).

ORDINARY COUNCIL MEETING

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>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			Mrs. Sarah Beesley - appointment to commence 30 November 2023, expiry 30 November 2027
<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		
5.3 Review the status and follow up work of any outstanding audit actions (relating to internal audit, internal control self-assessments and external audit management letters)	X	X	X	X		Reports provided on progress made against matters raised by Council's external and internal auditor
<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		

ORDINARY COUNCIL MEETING

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	
6.5 Oversee action to follow up on matters raised by the external auditor			X	X		
<b>7. Reporting</b>						
7.1 Report annually to Council: > activities of the Committee's work program and the results of a self-assessment of performance for the preceding financial year including whether it believes any changes to its Terms of Reference are needed; > outlining any training needs; > advising future work program proposals; and > inviting comment from Council on all of the above.	X		X		X	A review covering the 6 month period January 2023 to June 2023 was deferred pending further Committee discussion. Instead an annual review has been conducted for 2023 to be reported at the December 2023 meeting. Council continues to await provision of updated model Terms of Reference documentation for Council's Audit and Risk Committee from 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	Review of Council's Asset Management Plans to commence in 2024. Plans are due for review due within 2 years after LG Election (i.e. - before November 2024).
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

ORDINARY COUNCIL MEETING

---



# MINUTES

## Audit and Risk Committee Meeting

(Subject to confirmation)

**5 December 2023**

---

**ORDINARY COUNCIL MEETING**

---

**AUDIT AND RISK COMMITTEE MEETING MINUTES****5 DECEMBER 2023**

**MINUTES OF YORKE PENINSULA COUNCIL  
AUDIT AND RISK COMMITTEE MEETING  
HELD AT THE COUNCIL CHAMBER , MINLATON TOWN HALL, 57 MAIN STREET, MINLATON  
AND VIA MICROSOFT TEAMS ON TUESDAY, 5 DECEMBER 2023 AT 3:04PM**

**1 WELCOME BY CHAIRPERSON**

Chair Rob Reiman welcomed everyone to the meeting, specifically Independent Member Sarah Beesley to her first meeting on the Audit and Risk Committee, and declared the meeting open.

**2 PRESENT**

Via Microsoft Teams - Chair Rob Reiman, Cr Tania Stock, Member Hussain Rafeeu, Member Sarah Beesley. At the Council Chamber – Cr Adam Meyer.

**In Attendance**

Via Microsoft Teams - Mayor Darren Braund, Andrew Cameron (CEO), Daniel Griffin (Manager Financial Services), Michael McCauley (Asset Manager), Bobbi Pertini (Manager People, Culture and Safety). At the Council Chamber - Ben Thompson (Director Corporate and Community Services) and Lauren McSkimming (Minute Secretary).

**3 LEAVE OF ABSENCE**

Nil

**4 APOLOGIES**

Amanda Pitt (Business Improvement Officer)

**5 CONFLICT OF INTEREST**

Chair Rob Reiman reminded all Members of the requirement to disclose any conflict of interest in relation to any matters before Council.

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

Moved: Member Hussain Rafeeu  
Seconded: Cr Adam Meyer

That the minutes of the Audit and Risk Committee Meeting held on 31 October 2023 be confirmed.

**CARRIED 051/2023 (5/12/2023)**

**7 VISITORS TO THE MEETING**

Nil

---

Page 2



---

**ORDINARY COUNCIL MEETING**

---

**AUDIT AND RISK COMMITTEE MEETING MINUTES****5 DECEMBER 2023****REPORTS****8 NEW BUSINESS****8.1 AUDIT AND RISK COMMITTEE WORK PLAN 2023****PURPOSE**

To consider and endorse an updated work plan for 2023.

**COMMITTEE RESOLUTION**

Moved: Cr Tania Stock  
Seconded: Member Hussain Rafeeu

That the Audit and Risk Committee endorse the updated 2023 Work Plan.

**CARRIED 052/2023 (5/12/2023)**

**8.2 AUDIT AND RISK COMMITTEE ANNUAL REVIEW AND SELF ASSESSMENT 2023****PURPOSE**

For the Audit and Risk Committee to review and self-assess its performance for the 2023 calendar year, in accordance with clause 13 of the Audit and Risk Committee Terms of Reference.

**COMMITTEE RESOLUTION**

Moved: Cr Tania Stock  
Seconded: Member Sarah Beesley

That the Audit and Risk Committee endorse:

1. The 2023 Audit and Risk Committee self-assessment results as presented; and
2. The 2024 Audit and Risk Committee work plan as presented.

**CARRIED 053/2023 (5/12/2023)**

*Member Sarah Beesley commented that the self-assessment was really positive and good comments were provided. Sarah queried what the process was for any issues that might arise from the self-assessment process and Chair Rob Reiman explained that the self-assessment comments will be presented to Council for review at its next meeting.*

*The committee noted Councillor Tania Stock's response to comments in the self-assessment regarding the timing of the appointment of a third independent member to the committee*

*Chair Rob Reiman queried activity 3.3 Results of LGRS Risk Profiling Review, in the Audit and Risk Committee Work Plan 2024-2025 as there wasn't a particular timeline marked. Manager People Culture and Safety advised a report on this activity will be presented to the Audit and Risk Committee (Committee). The Chair requested staff to mark a meeting date on the Work Plan and not leave it blank so that the committee can follow up on its progress*

---

Page 3

---

**ORDINARY COUNCIL MEETING**

---

**AUDIT AND RISK COMMITTEE MEETING MINUTES****5 DECEMBER 2023**

*Considerable discussion ensued around the new legislation requirements of an Internal Audit Function under section 125A of the Local Government Act 1999.*

*Manager Financial Services advised the committee that he had attended the Local Government Financial Management Group Conference where this matter was discussed. There is no definition in the legislation as to specifically what an internal audit function is and there has been limited information and guidance from the LGA as to how Councils proceed with the new requirements. Chair Rob Reiman also commented and raised concerns on the process as to how reports from an internal auditor made directly to the committee would be handled as he has seen no guidance or information from the LGA regarding this issue.*

*Chief Executive Officer advised the Committee if they wanted to go down this path and appoint someone, it would have to be either an independent external function or Council will need to hire a person to fill this role as, based on current staffing resources, there's no one to fill the role on a full time basis.*

*Member Hussain Rafeeu advised the committee that his main concern was that Council was not in breach of the legislation and he would circulate to members a recent LGA communication on the reforms.*

*Chair Rob Reiman stated there has been limited guidance, information and direction from the LGA at this time, and as there could be no resolution or conclusion to the matter, wound up discussion on this issue and suggested it be followed up at the next meeting pending further guidance and information from the LGA.*

**8.3 SEPTEMBER QUARTERLY BUDGET REVIEW 2023-2024****PURPOSE**

To receive Council's endorsed September quarterly budget review (as at 30 September 2023) for Council's 2023/2024 budget and associated financial statements, ratios and changes.

**COMMITTEE RESOLUTION**

Moved: Member Hussain Rafeeu  
Seconded: Member Sarah Beesley

That the Audit and Risk Committee receive Council's endorsed 2023/2024 September Budget Review changes as presented in the attached Summary of Changes, Statement of Comprehensive Income and Uniform Presentation of Finances and receive the updated Statement of Financial Position, Statement of Cash Flows, Statement of Changes in Equity and Financial Indicators (Ratios).

**CARRIED 054/2023 (5/12/2023)**

*Member Hussain Rafeeu sought clarification on the major impact in reference to the Financial Assistance Grant (FAG) in the report. Manager Financial Services provided comment that it's hard to estimate the FAG and they're recognised as income on receipt.*

*Member Sarah Beesley asked staff for history on this report. Manager Financial Services, Director Corporate and Community Services and Chair Rob Reiman to meet and discuss the history with Member Sarah Beesley preceding the Audit and Risk Committee meeting in February 2024.*

---

Page 4

---

**ORDINARY COUNCIL MEETING**

---

**AUDIT AND RISK COMMITTEE MEETING MINUTES****5 DECEMBER 2023****8.4 INTERNAL AUDIT PLANNING 2024-2026****PURPOSE**

To seek endorsement of the Internal Audit Plan for 2024 – 2026.

**COMMITTEE RESOLUTION**

Moved: Cr Adam Meyer

Seconded: Cr Tania Stock

That the Audit and Risk Committee endorses the three-year Internal Audit Plan for 2024 - 2026.

**CARRIED 055/2023 (5/12/2023)**

**8.5 ASSET MANAGEMENT UPDATE****PURPOSE**

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

**COMMITTEE RESOLUTION**

Moved: Member Hussain Rafeeu

Seconded: Cr Adam Meyer

That the report be received.

**CARRIED 056/2023 (5/12/2023)**

**8.6 REPORT ON EXCESS ANNUAL LEAVE ENTITLEMENTS****PURPOSE**

To provide an update to the Audit and Risk Committee on the current annual leave management processes.

**COMMITTEE RESOLUTION**

Moved: Cr Tania Stock

Seconded: Member Sarah Beesley

That the report be received.

**CARRIED 057/2023 (5/12/2023)**

*Member Sarah Beesley queried the dollar value on the liability of staff having excess leave. Manager Financial Services provided the Committee with dollar figures for the last two financial years. Chair Rob Reiman commented that there is assurance and confidence that the issue is being addressed.*

---

Page 5

## ORDINARY COUNCIL MEETING

12 JUNE 2024

## AUDIT AND RISK COMMITTEE MEETING MINUTES

5 DECEMBER 2023

*Councillor Adam Meyer suggested a solution following an effective operation within his workforce, where management have a meeting with staff and work out their leave for the following year so it's arranged and not conflicting with other staff. This ensures the build-up of leave does not occur. Staff to consider.*

**9 NEW AND EMERGING RISKS / ISSUES**

- Sustainability Standards – The Australian Accounting Standards Board (AASB) have recently released draft Australian Accounting Sustainability Reporting Standards (ASRS) which will likely require system and process changes for Council in the future.
- New Technology (Artificial Technology in Finance Teams) – presentation highlighting the benefits and cautions in relation to use of this new technology for Council Finance Teams.
- Optus outage and Westpac (communications and banking) – large reliance on technology for business continuity.

**10 GENERAL BUSINESS**

*Chair Rob Reiman advised the Committee and staff that the reporting requirements, as per Section 126 of the Local Government Act 1999, have changed and a report is to be provided to the Council after each meeting summarising the work of the Committee during the period preceding the meeting and the outcome of the meeting. Chair Rob Reiman suggested that due to no guidance as to what detail is to be included in such report, that the report staff currently provide to Council, which includes the minutes of the meeting and commentary, is sufficient. Members were in agreement that unless further guidance comes from the LGA, staff will continue to provide the minutes, with commentary, to Council as per current practice.*

*Chair Rob Reiman extended season's greetings to everyone and wished all the very best for the festive season.*

**11 NEXT MEETING**

Tuesday 27 February 2024

**12 CLOSURE**

The Meeting closed at 4.10pm

The minutes of this meeting were confirmed at the Audit and Risk Committee Meeting held on 27 February 2024.

.....  
CHAIRPERSON

---

Page 6

## 8.2 TERMS OF REFERENCE REVIEW

**Document #:** 24/14813

**Department:** Corporate and Community Services

### PURPOSE

For the Audit and Risk Committee to review its Terms of Reference for recommendation to Council and in response to recent legislative changes to the Local Government Act 1999.

### RECOMMENDATION

That the Audit and Risk Committee recommend the proposed updated Terms of Reference for the endorsement of Council as presented.

### LINK TO STRATEGIC PLAN

**Goal:** 5 Responsible Governance

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

5.2 Effective leadership and informed decision making

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

### BACKGROUND

Sections of the Local Government Act 1999 (the Local Government Act) relevant to audit and risk committees have been extensively updated as part of the suite of financial and governance accountability changes arising from the passage of the Statutes Amendment (Local Government Review) Act 2021. These changes came into effect on 30 November 2023.

The Audit and Risk Committee (Committee) has recently undertaken an annual review and self-assessment for the 2023 calendar year. A review of the Committee's Terms of Reference (ToR) usually occurs in concert with the self-assessment process. However, considering the timing of legislative changes and due to a lack of specific guidance material being available at the time, it was determined to postpone review of the ToR until the February 2024 meeting.

### DISCUSSION

Section 126 of the Local Government Act has, for some time, required that a Council must have an Audit Committee. As part of the reforms, the scope of activity of the Committee as required under section 126 has been expanded to include risk management and functions relating to internal controls and internal audit. The description of the Committee has been changed to 'Audit and Risk Committee' to reflect its broader role. In addition, changes to the committee membership requirements have also been introduced.

Following on from these changes, the Committee's ToR has undergone a complete review to address these new requirements. A proposed draft ToR has been provided (Attachment 1) along with a copy of the current ToR for reference (Attachment 2).

Should the Committee endorse the proposed draft ToR, it will be considered for endorsement by Council at the 13 March 2024 Ordinary Council meeting.

### COMMUNITY ENGAGEMENT PLAN

Not applicable

**CONSULTATION PROCESS**

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

- Director Corporate and Community Services
- Manager Financial Services

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

- Nil

**POLICY IMPLICATIONS**

Audit and Risk Committee Terms of Reference

**BUDGET AND RESOURCE IMPLICATIONS**

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

**RISKS/LEGAL/LEGISLATIVE/ IMPLICATIONS**

Failure to update the ToR to address recent legislative changes would render this governing document non-compliant with several sections of the Local Government Act 1999.

Local Government Act 1999

Local Government (Financial Management) Regulations 2011

**ATTACHMENTS**

1. **Proposed Draft - Terms of Reference - Audit and Risk Committee** [!\[\]\(9cc0308e647881098efb3200229312e5\_img.jpg\)](#) 
2. **Current Version - Terms of Reference - Audit and Risk Committee** [!\[\]\(179e382470cc4a1e93751df0ede6136e\_img.jpg\)](#) 



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

### 1. Establishment and Purpose

- 1.1 The purpose of the Audit and Risk Committee (the Committee) is to provide independent assurance and advice to Council on accounting, financial management, internal controls, risk management and governance matters.
- 1.2 The Committee is established in accordance with the requirements of sections 126 and 41 of the *Local Government Act 1999* (the Local Government Act).

### 2. Functions

- 2.1 The Local Government Act assigns the following functions to audit and risk committees:
  - (a) Review annual financial statements to ensure that they present fairly the state of affairs of the council.
  - (b) Propose and provide information relevant to, a review of the council's strategic management plans or annual business plan.
  - (c) Monitor the responsiveness of the Council to recommendations for improvement based on previous audits and risk assessments, including those raised by the Council's auditor.
  - (d) Propose and review the exercise of powers under section 130A.
  - (e) Liaise with the Council's auditor in accordance with any requirements prescribed by the regulations.
  - (f) Review the adequacy of the accounting, internal control, reporting and other financial management systems and practices of the Council on a regular basis.
  - (g) If the council has an internal audit function, provide oversight of planning and scoping of the internal audit work plan and review and comment on reports provided by the person primarily responsible for the internal audit function on at least a quarterly basis.  
If the council does not have an internal audit function, review and comment on an annual report provided by the chief executive officer in relation to the policies and processes adopted by the Council to evaluate and improve the effectiveness of its internal control practices and procedures.
  - (h) Review and evaluate the effectiveness of policies, systems and procedures established and maintained for the identification, assessment, monitoring, management and review of strategic, financial and operational risks on a regular basis.
  - (i) Review any prudential report obtained by the council under section 48(1).

- (j) Make recommendations to the Council on the appointment of the Auditor pursuant to section 128 of the Local Government Act.
  - (j) Perform any other function referred to it by the Council, another Council Committee or prescribed by the regulations.
- 2.2 Consistent with the legislative functions assigned to audit and risk committees, the Committee will undertake the following activities:
- 2.3 **Financial Reporting**
- 2.3.1 Monitor the integrity of the financial statements of the Council, reviewing significant financial reporting issues and judgements which they contain.
  - 2.3.2 Review and challenge where necessary:
    - The consistency of, and/or any changes to, accounting policies.
    - The methods used to account for significant or unusual transactions where different approaches are possible.
    - Whether the Council has followed appropriate accounting standards and made appropriate estimates and judgements, taking into account the views of the external auditor.
    - The clarity of disclosure in the Council's financial reports and the context in which statements are made.
    - All material information presented with the financial statements.
  - 2.3.3 Provide advice to Council relevant to budget reviews undertaken in accordance with the Local Government Act and Regulation 9 of the *Local Government (Financial Management) Regulations 2011*, including in relation to any revisions to the forecast Key Financial Indicators.
- 2.4 **Management plans and business plans**
- 2.4.1 At the time of preparation or scheduled review, provide advice relevant to the scope of the Committees functions on the Council's strategic management plans, which may include:
    - Strategic Plan
    - Long Term Financial Plan
    - Annual Business Plan and Budget
    - Infrastructure and Asset Management Plan.
- 2.5 **Internal controls**
- 2.5.1 Review the adequacy of Council's internal controls framework, processes and systems.
  - 2.5.2 Review and consider the approval, where appropriate, of any material to be included in the annual report concerning internal controls and risk management.
- 2.6 **Risk management**
- 2.6.1 Review the effectiveness of policies, systems and procedures established and maintained for the identification, assessment, monitoring, management and review of strategic, financial and operational risks on a regular basis.



- 2.6.2 Monitor responsiveness to recommendations for improvement based on previous audits and risk assessments, including those raised by Council's auditor.

**2.7 Internal audit**

- 2.7.1 Liaise with the CEO in relation to the appointment of a person, or the assignment of responsibility to an employee of the council, to be primarily responsible for the internal audit function.
- 2.7.2 Receive and comment on reports provided by the person primarily responsible for the internal audit function.
- 2.7.3 Provide oversight of planning and scoping of the internal audit work plan.
- 2.7.4 Review internal audit reports on the council operations.
- 2.7.5 Review and monitor management's responsiveness to internal audit findings and recommendations.

**2.8 External audit**

- 2.8.1 Make recommendations to the Council in relation to the selection, appointment and removal of the Council's external auditor.
- 2.8.2 Assess the quality and effectiveness of the external audit conducted and evaluate the performance of the auditor, including:
- Review the scope and terms of the audit and the audit fee, including a review on non-audit services provided by the external auditor.
  - Review the audit plan for coverage of material risks and financial reporting requirements.
  - Monitor and review the auditors independence and objectivity.
  - Discuss matters relating to the conduct of the audit, including any difficulties encountered, any restrictions on scope of activities or access to information, significant disagreements with management and the adequacy of management response.
- 2.8.3 Review the findings of the audit with the external auditor, including:
- A discussion of any major issues which arose during the external audit.
  - Any accounting and audit judgements.
  - Levels of errors identified during the external audit.
- 2.8.4 Review any representation letter requested by the external auditor before they are signed by management.
- 2.8.5 Review the subsequent audit management letter from the external auditor and management's proposed response, by the Council, to the external auditor's findings and recommendations in that audit management letter.
- 2.8.6 Meet with the external auditor on at least one occasion each year on a confidential basis, ensuring that a majority of members of the Committee are present for the meeting and that no members or employees of the council are present (other than council members who are members of the Committee).

### 2.9 Public Interest Disclosure

- 2.9.1 Review the Council's arrangements for making and dealing with appropriate Disclosures of Public Interest, financial reporting and other financial matters.
- 2.9.2 Ensure these arrangements allow independent investigation of such matters and appropriate follow up action.

### 2.10 Other matters

- 2.10.1 Review any report obtained by Council under section 48(1) of the Act in accordance with Council's Prudential Management Policy.
- 2.10.2 Propose and review the exercise of powers under section 130A of the *Local Government Act 1999* to examine and report on any matter relating to financial management or the efficiency and economy of resource use to achieve council objectives not otherwise addressed as part of an annual audit and of such significance to warrant specific consideration.
- 2.10.3 Make recommendations to Council in relation to development of new, and review of existing, policies within the scope of the Committee's functions.

## 3. Membership

- 3.1 The Committee shall comprise five members appointed by the Council, with three being independent members and two Council Members.
- 3.2 When considered as a whole, the Committee must have skills, knowledge and experience relevant to the functions of the Committee, including in financial management, risk management, governance and any other prescribed matter.
- 3.3 Independent member(s) of the Committee:
  - Shall be individuals (not corporations or an organisation);
  - Have recent and relevant financial, business, accounting, risk management, corporate governance or internal audit skills and experience;
  - Have no conflicts of interest (as per Chapter 5, Part 4, Division 1 of the Act);
  - Preferably have experience in formal meeting procedures; and
  - Have an understanding of the Act and supporting regulations
- 3.4 A selection panel comprising of four persons shall review and make recommendation for endorsement to Council of the independent member to be appointed. The panel will comprise of two Elected Members (preferably those on the Committee), the Director Corporate and Community Services and the CEO (or Proxy).
- 3.5 The term of appointment for independent members will be up to four years and appointment timing will be managed such that it does not align with council elections, to provide for continuity of Committee membership across terms of Council. Appointees may be reappointed by Council.
- 3.6 Nominations for membership, from the Elected Members, shall be sought by the Council and where the number of nominations is greater than the number of positions available, a vote by secret ballot shall be undertaken using a preferential voting system.

- 3.7 The term of appointment for Council Members will be for the period of the current Council term.
- 3.8 All members of the Committee shall be subject to the Register of Interests provisions of the Act, Chapter 5, Part 4, Subdivision 2.
- 3.9 Independent members of the Committee are Public Officers for the purpose of the Independent Commission Against Corruption Act 2012 and are subject to the provisions of the Criminal Law Consolidation Act 1935, Ombudsman Act 1972 and Public Interest Disclosure Act 2018, including reporting requirements.
- 3.10 All members of the Committee shall act honestly and with reasonable care and diligence, not make improper use of information acquired as a result of being a member of the Committee and must disclose an interest if they have an interest in a matter that is before the Committee (as per Chapter 5, Part 4, Division 1 of the Act).
- 3.11 All members of the Committee must comply with the integrity and behavioural requirements set out in Chapter 5, Part 4, Division 1 of the Act.
- 3.12 Where a member resigns or decides not to continue as a member of the Committee, a new member shall be appointed consistent with this ToR.

#### 4. Presiding Member

- 4.1 The Council shall appoint the Presiding Member from amongst the Independent Members.
- 4.2 The role of the Presiding Member is to:
  - 4.2.1 Oversee the orderly conduct of meetings in accordance with the Local Government Act, the *Local Government (Procedures at Meetings) Regulations 2013* and other procedures relevant to the Committee.
  - 4.2.2 Ensure that the Guiding Principles at Regulation 4 of the *Local Government (Procedures at Meetings) Regulations 2013* are observed and that all Committee members have an opportunity to participate in deliberations of the Committee.
  - 4.2.3 Certify, along with the CEO and in accordance with Regulation 22 of the *Local Government (Financial Management) Regulations 2001*, the 'Independence of External Auditor' as part of the end of financial year audit process.
  - 4.2.4 If the Presiding Member of the Committee is absent from a meeting of the Committee, then a member of the Committee will be appointed by those Committee members who are present to preside until the Presiding Member is present.

#### 5. Meetings

- 5.1 The Committee will meet at least once in each quarter, with meeting dates and times determined by the Committee.
- 5.2 Meetings will be held at times and places determined by Council or, subject to a decision by Council or the Committee.

- 5.3 The Presiding Member shall call a meeting at the written request of the Council's external auditor or any three Members of the Committee.
- 5.4 Notice confirming the venue, time and date, together with an agenda of items to be discussed shall be provided to each member of the Committee no later than three clear days before the meeting. Supporting papers shall be sent to Committee members (and to other attendees as appropriate) at the same time.
- 5.5 Subject to the operation of section 90 of the Local Government Act, and in accordance with the requirements of section 132 of the Local Government Act, the agenda and minutes of the Committee will be published on a website determined by the CEO.
- 5.6 In accordance with section 88 of the Local Government Act, notice of meetings of the committee must be displayed at the principal office of the Council and on a website determined by the CEO, and must continue to be published and kept on display until the completion of the relevant meeting.
- 5.7 The CEO is authorised to adjourn a scheduled meeting, in circumstances where sufficient apologies have been received to indicate a quorum will not be achieved for the scheduled meeting.
- 5.8 The CEO and other employees as directed by the CEO may attend any meeting as observers and/or be responsible for preparing and presenting papers for the Committee.
- 5.9 **Meeting procedures**
- 5.9.1 Meetings of the Committee will be held in accordance with:
- Local Government Act 1999
  - Local Government (Procedures at Meetings) Regulations 2013, specifically Part 1—Preliminary, Part 3—Meetings of other committees and Part 4--Miscellaneous
- 5.10 **Attendance at Committee meetings electronically**
- 5.10.1 Committee members may participate in a Committee meeting by electronic means.
- 5.10.2 A member of the Committee participating in a committee meeting by electronic means is taken to be present at the committee meeting provided that the member:
- (a) can hear all other members present at the committee meeting; and
  - (b) can be heard by all other members present at the committee meeting.
- 5.11 **Form of participation by electronic means**
- 5.11.1 Where:
- (a) a Committee member is to participate in an Committee meeting by electronic means; and

(b) the electronic means has the functionality to allow the member to participate in the Committee meeting by being **both** seen and heard; and

(c) the electronic means of the Council has the functionality to allow the Committee member to be **both** seen and heard,

the member **must** participate by being **both** seen and heard.

#### 5.12 Public access to electronic committee meetings

5.12.1 Council will provide public access to electronic Committee meetings by having at least one staff member physically present at the Council chamber to ensure members of the public can hear the discussion between all Committee members.

#### Definitions

Electronic means includes a telephone, computer or other electronic device used for communication.

#### 5.13 Voting

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

5.13.2 The Presiding Member will have a deliberative vote and does not, in the event of an equality of votes, have a casting vote.

#### 5.14 Quorum

5.14.1 A quorum for the Committee will be ascertained by dividing the total number of members of the Committee by 2, ignoring any fraction resulting from the division and adding one (in accordance with regulation 26, *Local Government (Procedures at Meetings) Regulations 2013*).

### 6. Reporting

6.1 As required by section 126(8)(a) of the Local Government Act, the Committee will provide a report to the Council after each meeting summarising the work of the Committee during the period preceding the meeting and the outcomes of the meeting.

6.2 As required by section 126(8)(b) of the Local Government Act, the Committee will provide an annual report to the Council on the work of the Committee. The Council must include this report in its Annual Report.

6.3 As required by section 99(1)(ib) of the Local Government Act, the CEO will provide an annual report to the Committee on the council's internal audit processes.

6.4 As part of the preparation of the annual report, the Committee will evaluate its performance, which may include consideration of these ToR, to ensure the Committee is operating at maximum effectiveness with recommendations for any changes presented to the Council for consideration.

**7. Administrative support**

7.1 The CEO shall provide sufficient administrative resources to the Committee to enable it to adequately carry out its functions.

Document reference:	16/27927[v6]
Responsible department:	Corporate and Community Services
Responsible officer:	Manager Financial Services
Date adopted:	TBC
Next review date:	TBC
Applicable legislation:	<i>Local Government Act 1999</i> <i>Local Government (Financial Management) Regulations 2011</i> <i>Local Government (Procedures at Meetings) Regulations 2011</i>

DRAFT



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

**1. Establishment**

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

**2. Objective**

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

The Committee will:

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

**3. Authority**

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

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

The Committee has the authority to require any information, it sees as relevant to its activities, from any Elected Member, the CEO or Council's external auditor, each of whom are required to respond to such enquiries.

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

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

#### 4. Membership

- 4.1. Members of the Committee are appointed by Council. The Committee shall consist of five (5) members, with three (3) Elected Members of Council and two (2) independent members.
- 4.2. Nominations for membership, from the Elected Members shall be sought by the Council and where the number of nominations is greater than the number of positions available, a vote by secret ballot shall be undertaken using a preferential voting system.
- 4.3. Independent member(s) of the Committee:
- shall be individuals (not corporations or an organisation);
  - have recent and relevant financial, business, accounting, risk management, corporate governance or internal audit skills and experience;
  - have no conflicts of interest (as per Chapter 5, Part 4, Division 1 of the Act);
  - preferably have experience in formal meeting procedures; and
  - have an understanding of the Act and supporting regulations
- A selection panel comprising of four (4) persons shall review and make recommendation for endorsement to Council of the independent member to be appointed. The panel will comprise of two (2) Elected Members (preferably those on the Committee), the Director Corporate and Community Services and the CEO (or Proxy).
- 4.4. Only members of the Committee are entitled to vote in Committee meetings. Unless otherwise required by the Act not to vote, each Committee member must vote on every matter that is before the Committee for a decision.
- The Chairperson has a deliberative vote but in the event of an equality of votes, does not have a casting vote.
- The CEO and other employees as directed by the CEO may attend any meeting as observers and/or be responsible for preparing and presenting papers for the Committee.
- 4.5. The Council's external auditor may be invited to attend meetings of the Committee.
- 4.6. The appointment of Elected Members to the Committee shall be for the period of the current Council term.
- 4.7. Independent members shall be appointed for a period of up to four (4) years, commencing part-way through an election cycle, so that their terms overlap each Council election and provide some continuity. Appointees may be reappointed by Council.
- 4.8. The Council shall appoint the Chairperson of the Committee from the endorsed members of the Committee. The Principal Member/Mayor of Council cannot be Chairperson/Presiding Member of the Committee.
- 4.9. In the event that the Chairperson is not present at the meeting (or part thereof) an Acting Chairperson will be appointed by those Committee members who are present at the meeting.
- 4.10. All members of the Committee shall be subject to the Register of Interests provisions of the Act, Chapter 5, Part 4, Subdivision 2.
- 4.11. Independent members of the Committee are Public Officers for the purpose of the Independent Commission Against Corruption Act 2012 and are subject to the provisions of the Criminal Law Consolidation Act 1935, Ombudsman Act 1972 and Public Interest Disclosure Act 2018, including reporting requirements.



- 4.12. All members of the Committee shall act honestly and with reasonable care and diligence, not make improper use of information acquired as a result of being a member of the Committee and must disclose an interest if they have an interest in a matter that is before the Committee(as per Chapter 5, Part 4, Division 1 of the Act).
- 4.13. All members of the Committee must comply with the integrity and behavioural requirements set out in Chapter 5, Part 4, Division 1 of the Act.
- 4.14. Where a member resigns or decides not to continue as a member of the Committee, a new member shall be appointed consistent with this TOR.

## **5. Administration and Resources**

- 5.1. The CEO shall provide sufficient administrative resources to the Committee to enable it to adequately carry out its functions.

## **6. Quorum**

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

## **7. Meetings**

- 7.1. The Committee shall meet at least four (4) times a year at appropriate times in the reporting and audit cycle and otherwise as required.
- 7.2. The Chairperson shall call a meeting at the written request of the Council's external auditor or any three (3) Members of the Committee.
- 7.3. In accordance with the principles of open, transparent and informed decision making, Committee meetings must be conducted in a place open to the public. The agenda and minutes of the Committee meetings, subject to any items that are discussed in confidence under Section 90 of the Act, are also required to be made available to the public.

## **8. Notice of meetings**

- 8.1. Ordinary meetings of the Committee will be held at times and places determined by Council or, subject to a decision by Council or the Committee.
- 8.2. Notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the Committee no later than three (3) clear days before the date of the meeting. Supporting papers shall be sent to Committee members (and to other attendees as appropriate) at the same time.
- 8.3. A special meeting of the Committee may be called in accordance with the Act.

## **9. Minutes of Meetings**

- 9.1. The CEO shall ensure that the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance are minuted and that the minutes otherwise comply with the requirements of the Act and supporting regulations.
- 9.2. Minutes of Committee meetings shall be circulated within five (5) days after a meeting to all members of the Committee and will (as appropriate) be available to the public.

**10. Role of the Committee****10.1. Strategic, Financial and Management Planning**

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

**10.2. Financial reporting**

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

10.2.2. The Committee shall review and challenge where necessary:

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

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

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

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

10.2.2.5. all material information presented with the financial statements;

**10.3. Internal controls and risk management systems**

The Committee shall:

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

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

**10.4. Public Interest Disclosure**

The Committee shall:

10.4.1. review the Council's arrangements for making and dealing with appropriate Disclosures of Public Interest, financial reporting and other financial matters; and

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

**10.5. Internal audit**

The Committee shall:

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

**10.6. External audit**

The Committee shall:

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

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

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

10.6.5.2. any accounting and audit judgements; and

10.6.5.3. levels of errors identified during the external audit.

10.6.6. review the effectiveness of the external audit.

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

### **11. Reporting responsibilities**

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

11.2. A copy of the Committee minutes shall be provided by way of an information report to Council at the next Ordinary Meeting of Council.

### **12. Other matters**

The Committee shall:

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

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

12.3. give due consideration to the Act and supporting regulations;

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

### **13. Review and Self-Assessment**

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

13.2. The review shall be conducted following the completion of the annual external audit and the outcome reported to Council.

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

13.4. The CEO is to furnish the Committee with the information necessary to perform the review.

**14. Fee**

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

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

### 8.3 CONSULTATION REPORT ON APPOINTING PERSON PRIMARILY RESPONSIBLE FOR THE INTERNAL AUDIT FUNCTION

**Document #:** 24/16824

**Department:** Corporate and Community Services

#### PURPOSE

To facilitate consultative consideration of the appointment of the Chief Executive Officer (CEO) as the “person primarily responsible for the Internal Audit Function” by the Audit and Risk Committee (Committee) in accordance with section 125A of the Local Government Act 1999.

#### RECOMMENDATION

That the Audit and Risk Committee note, in accordance with the requirement of section 125A of the Local Government Act 1999, that the CEO intends to self-appoint as the “person primarily responsible for the Internal Audit Function”, in consideration of feedback from the Audit and Risk Committee.

#### 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

Section 83 of the Statutes Amendment (Local Government Review) Act 2021 introduced a new section (s125A) to the Local Government Act 1999 requiring the CEO to consult the Committee on the appointment of a “person primarily responsible for the Internal Audit Function” or assignment of such responsibility, prior to such appointment. This section commenced on 30 November 2023.

#### DISCUSSION

Yorke Peninsula Council’s (Council) internal audit function is administered by the Executive Services department, under the direct supervision of Council’s CEO, with internal audit duties distributed across several part-time staff members who also have responsibility for other Council business. Oversight and responsibility for the internal audit function has historically rested with the CEO, prior to enactment of section 125A, and it is the intention of the CEO to retain responsibility for Council’s internal audit function into the future.

The CEO is appropriately experienced and presently delivers Council’s internal audit function, with the assistance of an appropriately qualified and experienced team, subject to Audit and Risk Committee oversight, in accordance with the Local Government Act 1999 and relevant regulations.

Guidance material issued by the Local Government Association in November 2023 recommends, in relation to CEO consultation with the Committee, that “where existing appointments are in place (prior to the commencement of this section) it is not expected that retrospective consultation with the audit and risk committee will occur. However, for the avoidance of doubt, following commencement it would be prudent for the CEO to confirm the details of the person primarily responsible for the internal audit function with the audit and risk committee for the purposes of this provision.”

Therefore, considering any potential feedback from the Audit and Risk Committee and Council, the CEO intends to self-appoint as the “person primarily responsible for the Internal Audit Function” to ensure the legislative requirements section 125A of the Local Government Act 1999 have been met.

**COMMUNITY ENGAGEMENT PLAN**

Level 1 - Inform

**CONSULTATION PROCESS**

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

- Chief Executive Officer
- Director Corporate and Community Services
- Manager Financial Services
- Business Improvement Officer

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

- Nil

**POLICY IMPLICATIONS**

PO091 Risk Management Policy

PO148 Fraud Corruption Misconduct and Maladministration Prevention Policy

PO156 Internal Financial Control Policy

Local Government Code of Conduct for Council Employees

**BUDGET AND RESOURCE IMPLICATIONS**

Cost associated with the delivery of Council’s Internal Audit Function are located 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**

Compliance with Section 125A of the Local Government Act 1999 would not be achieved without the CEO consulting with the Audit and Risk Committee on the appointment of a “person primarily responsible for the Internal Audit Function” prior to such appointment.

**ATTACHMENTS**

**Nil**

## 8.4 SCHEDULED POLICY AND PROCEDURE REVIEW REGISTER

**Document #:** 23/120477

**Department:** Executive Services

### PURPOSE

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

### RECOMMENDATION

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

### LINK TO STRATEGIC PLAN

**Goal:** 5 Responsible Governance and Leadership

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

### BACKGROUND

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

The Internal Audit Plan 2024-2026 was approved at the December 2023 Committee meeting. The Plan includes the Register which is to be updated annually and presented to the Committee.

### DISCUSSION

To create the Register, information relating to the policies and procedures that require review by the Committee was extracted from Council's R078 Controlled Documents Register. From this information two lists were created, being policies and procedures due for review in 2024 and policies and procedures due for review from 2025 to 2027.

In consultation with relevant document owners, proposed dates for reporting to the Committee have been assigned to those policies and procedures that are due for review throughout 2024. Proposed reporting dates have not been assigned to policies and procedures due for review in 2025 to 2027 as Committee meeting dates for these calendar years have not yet been set.

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

The Register for 2024 is provided as attachment 1 to this report and, as a guide, the Register for 2025 to 2027 is provided as attachment 2.

### COMMUNITY ENGAGEMENT PLAN

Level 1 - Inform



**CONSULTATION PROCESS**

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

- Chief Executive Officer
- Director Corporate and Community Services
- Manager Financial Services
- Governance Officer
- Senior Compliance Officer
- Caravan Parks Coordinator
- Senior Records Officer
- Leader Systems and Technology
- Executive Assistant to CEO and Mayor
- Manager People, Culture and Safety
- Yorke Peninsula Leisure Options Coordinator

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

- Nil

**POLICY IMPLICATIONS**

Nil

**BUDGET AND RESOURCE IMPLICATIONS**

Nil

**RISKS/LEGAL/LEGISLATIVE/ IMPLICATIONS**

Nil

**ATTACHMENTS**

1. **Scheduled Policy and Procedure Review Register - 2024** [↓](#) 
2. **Scheduled Policy and Procedure Review Register - 2025 to 2027** [↓](#) 

**SCHEDULED POLICY AND PROCEDURE REVIEW REGISTER**



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

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

No.	Title	Date Current Policy Adopted	Next Scheduled Review Date	Approval Required by Council	Responsible Department	Proposed Audit and Risk Committee Report Date
<b>2024</b>						
PO088	Elected Members use of Council Supplied Electronic Equipment	21/09/2022	1/03/2024	YES	Corporate & Community Services	27/02/2024
PO177	YP Leisure Options Worker Screening Requirements	14/05/2020	1/05/2024	YES	People Culture and Safety	27/02/2024
PO173	Leave Management Policy	14/05/2020	14/05/2024	YES	People Culture and Safety	27/02/2024
PO014	Employee Code of Conduct Policy	8/07/2020	8/07/2024	YES	Executive Services	27/02/2024
PO124	Asset Accounting Policy	11/12/2019	11/12/2023	YES	Corporate & Community Services	27/02/2024
PO135	Elected Members Training and Development Policy	13/05/2020	1/05/2024	YES	Executive Services	28/05/2024
PO035	Property Numbering Policy	12/06/2019	1/07/2024	YES	Corporate & Community Services	28/05/2024
PO072	Disposal of Land and Other Assets Policy	9/09/2020	1/07/2024	YES	Corporate & Community Services	28/05/2024
PO091	Risk Management	10/04/2019	10/04/2023	YES	Executive Services	28/05/2024
PO058	Purchasing and Procurement Policy	11/09/2019	1/09/2023	YES	Corporate & Community Services	28/05/2024
PO060	Rates Relief Policy	13/05/2020	1/11/2023	YES	Corporate & Community Services	28/05/2024
PO037	Internal Review of a Council Decision	13/05/2020	13/05/2024	YES	Executive Services	28/05/2024
PO051	Council Caravan Parks Policy	8/09/2021	11/08/2024	YES	Corporate & Community Services	28/05/2024
PO178	Community Emergency Management and Disaster Recovery	8/07/2020	8/07/2024	YES	People Culture and Safety	28/05/2024
PO176	YP Leisure Options Feedback Complaint Management and Resolution Policy	23/12/2020	1/12/2024	YES	People Culture and Safety	24/09/2024
PO040	Commercial Use of Footpaths Policy	9/12/2021	9/06/2024	YES	Development Services	24/09/2024
PO150	Gifts and Benefits Policy	9/09/2020	1/11/2024	YES	Executive Services	22/10/2024

**SCHEDULED POLICY AND PROCEDURE REVIEW REGISTER**



Policies and procedures listed below are due for review in future calendar years.

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

No.	Title	Date Current Policy Adopted	Next Scheduled Review Date	Approval Required by Council	Responsible Department
<b>2025</b>					
PO001	Peak Work Health Safety and Return to Work Policy	10/03/2021	1/03/2025	YES	People Culture and Safety
PO048	Management & Recovery of Outstanding Debts	9/12/2020	1/12/2025	YES	Corporate & Community Services
PO057	Community Engagement Policy	10/11/2021	1/07/2025	YES	Executive Services
PO063	Records Management Policy	20/09/2021	20/09/2025	YES	Corporate & Community Services
PO084	Corporate Purchase Card Policy	8/09/2021	8/09/2025	YES	Corporate & Community Services
PO095	Financial Institutions Authority Policy	8/09/2021	8/09/2025	YES	Corporate & Community Services
PO098	Waiving Development Application Fees	14/04/2021	1/06/2025	YES	Development Services
PO116	Reserve Funds – Objectives and Use	11/11/2020	11/10/2025	YES	Corporate & Community Services
PO139	Treasury Management Policy	8/09/2021	8/09/2025	YES	Corporate & Community Services
PO142	Budget Reporting & Amendment Policy	8/09/2021	8/09/2025	YES	Corporate & Community Services
PO149	Community Grants Scheme Policy	9/06/2021	1/06/2025	YES	Corporate & Community Services
PO161	Prudential Management	9/12/2020	1/12/2025	YES	Corporate & Community Services
PO183	YP Leisure Options Dignity of Risk and Duty of Care Policy	17/06/2021	1/06/2025		People Culture and Safety
PR150	Internal Control Audit Procedure	26/05/2020	1/05/2025		Executive Services
<b>2026</b>					
PO018	Hardship Policy for Residential Customers of Minor and Intermedia	9/03/2022	1/03/2026	YES	Corporate & Community Services
PO020	Social Media Policy	14/12/2022	1/09/2026	YES	Corporate & Community Services
PO089	Elected Member Allowances and Benefits	8/11/2023	1/11/2026	YES	Corporate & Community Services
PO094	Annual Allocations to Progress Associations	9/03/2022	1/01/2026	YES	Corporate & Community Services
PO121	External Grant Funding Policy	9/03/2022	1/03/2026	YES	Corporate & Community Services
PO148	Fraud Corruption Misconduct and Maladministration Prevention Po	9/03/2022	1/03/2026	YES	Executive Services
PO171	Public Interest Disclosure Policy	14/12/2022	1/12/2026	YES	Executive Services
PO174	YP Leisure Options Member Incident Management and Reportable	14/10/2022	1/10/2026		People Culture and Safety
PO184	Business Enhancement Program	13/09/2023	1/09/2026	YES	Executive Services
PO187	Sponsorship and Donation Policy	14/12/2022	1/12/2026	YES	Corporate & Community Services
PO199	YP Leisure Options (YPL0) - Confidentiality and Privacy Policy	8/09/2022	1/09/2026		People Culture and Safety
PO201	YP Leisure Options (YPL0) - Monitoring Compliances with National	8/09/2022	1/09/2026		People Culture and Safety
PR152	Public Interest Disclosure Procedure	14/12/2022	1/12/2026	YES	Executive Services
PR121	Capture of Elected Members Records	13/07/2022	13/07/2026	YES	Corporate & Community Services
<b>2027</b>					
PO015	Access to Council and Committee Meetings and Documents Code of	24/05/2023	1/03/2027	YES	Executive Services
PO027	Business Continuity Policy	8/03/2023	1/03/2027	YES	Corporate & Community Services
PO008	Bad Debts – Delegation of Authority	8/11/2023	1/11/2027	YES	Corporate & Community Services
PO122	Loans to Community Groups	14/12/2022	1/10/2027	YES	Corporate & Community Services
PO128	Asset Management Policy	12/07/2023	1/07/2027	YES	Assets & Infrastructure Services
PO156	Internal Financial Control Policy	10/05/2023	1/05/2027	YES	Corporate & Community Services
PO166	Related Party Disclosures	13/09/2023	1/09/2027	YES	Corporate & Community Services
PO203	Council Member Behavioural Management Policy	11/10/2023	11/10/2027	YES	Executive Services
<b>Unscheduled</b>					
PO204	Inventory Policy	new policy	new policy	YES	Corporate & Community Services
PO205	General Ledger Policy	new policy	new policy	YES	Corporate & Community Services
PO165	Workplace Surveillance Policy	new policy	new policy		Corporate & Community Services
PR167	Purchasing and Procurement Procedure	new policy	new policy		Corporate & Community Services

## 8.5 INTERNAL AUDIT ACTIVITY REPORT

**Document #:** 24/11098

**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, the Better Practice Model (BPM) and recommends improvements to enhance the effectiveness and efficiency of systems and processes.

The 2024 Internal Audit Plan (Plan) was approved at the December 2023 Audit and Risk Committee meeting. The Plan includes 12 projects as outlined in the table below whilst also allowing for flexibility throughout the year.

### DISCUSSION

This report provides an update on recent Internal Audit activity performed against the approved Plan. The following activities have occurred:

- Commenced testing of the Internal Financial Controls Library. 71 controls have been included in the self-assessment testing, a final report will be provided to the 28 May 2024 Audit and Risk Committee meeting.
- Completed a spot check of Employee Expense Reimbursements and Corporate Purchase Card Reconciliations. A final report is provided in attachment 1.
- The Chief Executive Officer (CEO) Corporate Purchase Card Transaction Report for July 2023 – December 2023 is provided in attachment 2.
- 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 3 and 4, detailing actions 'In Progress' and 'Completed' since the October 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>Brief Description</b>	<b>Status</b>	<b>Proposed Timing for Audit and Risk Committee Reporting</b>
<b>1</b>	Financial Management – On boarding and Payroll Processing	A review of key payroll procedures and internal controls (relating to the Better Practice Model) including new payroll additions, terminations, pay rate changes, payroll changes and deductions. In addition, the scope will extend to assessing Council’s new employee on-boarding process, outlined in PR116 Induction and Training Procedure.	Scoping Commenced	May
<b>2</b>	Expiation Waiver Process	Following on from an investigation undertaken in 2023 relating to Expiation Notice legislative references, this project will assess the policy and processes in place to apply and withdraw an Expiation Notice.	Not started	September
<b>3</b>	Community Grants Scheme and Business Enhancement Program (BEP)	A review to assess the procedures related to Community Grants and BEP paid by Council, including the assessment and allocation of grants and follow up requirements. This will consider compliance with Council’s PO149 Community Grants Scheme Policy and PO184 Business Enhancement Program Policy and Guidelines.	Scoping Commenced	May
<b>4</b>	Minlagawi Gum Flat Reserve Management Plan	2024 will be the halfway point of this five-year Plan and this review will provide an update on progress towards achieving the outlined objectives. This will include assessment of effectiveness of implemented management actions in consideration of the outlined timeframe and alignment with identified management principles.	Not started	September
<b>5</b>	WHS Legislation	To meet requirements of the Work, Health and Safety (WHS) Act 2012, a project will be undertaken annually to review and assess performance against the Strategic Risk Management Plan and WHS program objectives and compliance with policies, procedures and processes. Specific scope will be developed in consultation with the Manager People, Culture & Safety.	Not started	October
<b>6</b>	Yorke Peninsula Leisure Options Program (YPLO)	To ensure YPLO meets the quality management framework (National Disability Insurance Scheme), a project in this area will be undertaken annually. Specific scope will be developed in consultation with the Manager People, Culture & Safety.	Not started	November
<b>7</b>	Network Penetration Testing (Formally called Cyber Security)	Network penetration testing to be conducted annually by external consultant. The engagement and management of this review is performed by Council’s Leader Systems and Technology and Information Technology Team. A summary report, action items and action status will be provided to the Committee.	Not started	October

	<b>Project</b>	<b>Brief Description</b>	<b>Status</b>	<b>Proposed Timing for Audit and Risk Committee Reporting</b>
<b>8</b>	Internal Financial Controls	Manage the Internal Controls self-assessment process and report results to the Committee. Perform independent verification of staff's self-assessment of internal financial controls.	Testing Commenced	May & November
<b>9</b>	Corporate Purchase Card, Employee Expense Reimbursement Compliance and CEO Corporate Card Transactions	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. Furthermore, provide the Committee with the CEO's corporate card transactions on a six-monthly basis.	<b>Completed</b> (Feb 2024)	February & October
<b>10</b>	Scheduled Policy and Procedure Review Register	To inform the Committee about the relevant policies and procedures that are upcoming for review, including the proposed dates that draft documents will be provided to the Committee.	<b>Completed</b> (Feb 2024)	February
<b>11</b>	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 (where required).	Ongoing	Ongoing
<b>12</b>	CEO Requests	Allowance for special projects, investigations, follow ups and requests by the CEO that may arise during the year.	Ongoing	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 CEO and Mayor
- Executive Assistant to the Director Corporate and Community Services
- Governance Officer
- Manager People, Culture and Safety
- Manager Financial Services
- Team Leader HR and People Experience
- Payroll Officer
- Senior Safety Advisor
- Leader Systems and Technology
- Assets Manager
- Executive Services Support Officer
- Accountant – Financial Operations
- Accountant – Financial Management
- Property Tenure Officer
- Senior Rates Officer

- Senior Records Officer
- Manager Economic Development and Business Sustainability
- ICT Systems Administrator

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. Report - Corporate Purchase Card and Employee Expense Reimbursements [!\[\]\(91353dea0600335a09362f69ea4eac2b\_img.jpg\) !\[\]\(8ac20398c2287d97d8335789f07d6827\_img.jpg\)](#)
2. CEO Corporate Purchase Card Transactions - July 2023 to December 2023 [!\[\]\(daca9a4d00e9f19f8f336b2402f4e0ae\_img.jpg\) !\[\]\(45520d641a7f77c65284f8c2646200ab\_img.jpg\)](#)
3. Audit Actions Register - In Progress - February 2024 [!\[\]\(ec8bf3176ceebe46a0857c99d258cdb7\_img.jpg\) !\[\]\(e9357a27c6d60212afd13b0a9d5a3f3d\_img.jpg\)](#)
4. Audit Actions Register - Completed - February 2024 [!\[\]\(4496b8af0327b6b92c36d1ca50c7a324\_img.jpg\) !\[\]\(bc1f8e8b73d97c24c57029d7bde3bbdb\_img.jpg\)](#)



---

## Internal Audit Report – Corporate Purchase Card Reconciliation and Employee Expense Reimbursement Spot Check January 2024

---

### For Distribution

Andrew Cameron                      Chief Executive Officer  
Daniel Griffin                         Manager Financial Services

### Background

As part of the Internal Audit Plan 2024, sample testing of corporate purchase card reconciliations and employee expense reimbursements are conducted six-monthly to ensure compliance with the following policies and procedures:

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

This testing was conducted in January 2024.

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

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

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

Both SF118 and SF200 forms require details such as:

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

The corporate purchase card testing examined all 9 cardholders, with 20 reconciliation statements randomly selected between the months of July 2023 and December 2023 inclusive. Corporate purchase card expenditure for this period totalled \$37,178.43.



To undertake the employee expense reimbursement testing, the Finance Team extracted data from Authority (Council’s financial management system) containing all reimbursements paid to employees for the period July 2023 to December 2023 inclusive. This data report had 91 reimbursement transactions totalling \$15,634.60. From this, a sample of 20 transactions were selected for testing.

A summary of the key findings is provided below.

**Key Findings**

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

- Reconciliations and reimbursements were appropriately signed off and approved within a timely manner.
- Expenditure was in accordance with PO084, PO089, PR115, PR089 and PR126.
- There was one transaction that was minimally over the allocated accommodation limit as per PO089, however was supported by CEO approval.
- Two personal purchases were accidentally charged to a corporate purchase card, a SF050 Non-Compliance Declaration Form was completed and reimbursed to Council.
- Supporting documentation (tax invoices, receipts, or where required, SF050C Missing Documentation Declaration Forms) were attached.
- We noted two meals purchased during attendance at the Roads Conference in Port Lincoln (30 August to 1 September 2023) that, individually, were in excess of meal allowance limits. However, the total meal allowance spend was acceptable. Council was to meet the reasonable costs of main meals for the 5 attendees as outlined in PO089 and PR126. Meal allowance and actual spend for the two-day event are shown in the table below:

Meal	Allowance	Total Allowance (5 people)	Actual Spend	Comments
Breakfast	\$25	\$250.00 (2 days)	\$223.00	
Lunch	\$30	\$450.00 (3 days)	\$372.79	<ul style="list-style-type: none"> <li>• For lunch on day two, there was one (1) meal in excess of the \$30 individual allowance (total of \$8 over allowance limit).</li> <li>• For lunch on day three, there was one (1) meal in excess of the \$30 individual allowance (total of \$4 over the allowance limit).</li> </ul>
Dinner	\$50	\$250.00 (1 day)	\$206.00	
Incidentals	\$20	\$300.00 (3 days)	\$0	
<b>Total</b>		<b>\$1,250.00</b>	<b>\$801.79</b>	\$448.21 below total allowance

- We note that PR126 and PO089 were both reviewed in October and November 2023 (please note this review was subsequent to the findings above) with changes including:
  - Increases to meal allowances in accordance with the 2022/2023 tax determination.
  - Specifically defining that individual meal allowances cannot be aggregated across multiple meals during a period of travel.

**Internal Audit Opinion**

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

**Amanda Pitt**

Business Improvement Officer

**Adele Wyatt**

Executive Services Support Officer

**Chief Executive Officer (CEO) – Corporate Purchase Card Transactions  
July 2023 – December 2023**

Please note: During the report period, the CEO’s corporate purchase card was incorrectly cancelled by the financial institution. To reissue a new corporate purchase card required a lengthy authorisation and identification process by the financial institution. This resulted in minimal CEO corporate purchase card transactions for this period.

Purchase Date	Supplier	Amount Charged	Description of Goods	Purpose of Expenditure
26-Oct-23	SQ * MASCAVADO ADELAIDE Adelaide	\$32.50	Lunch (x2)	Attendance at Coastal Protection Board CEO Forum and LGFA & LGA OGM – Adelaide – 25 & 26 October 2023 – Andrew Cameron and Cr Richard Carruthers
26-Oct-23	Live Payments Barangaroo	\$15.50	Taxi from accommodation to Forum	Attendance at Coastal Protection Board CEO Forum and LGFA & LGA OGM – Adelaide – 25 & 26 October 2023 – Andrew Cameron and Cr Richard Carruthers
26-Oct-23	CITY OF ADELAIDE ADELAIDE	\$10.20	Parking	Attendance at Coastal Protection Board CEO Forum and LGFA & LGA OGM – Adelaide – 25 & 26 October 2023 – Andrew Cameron and Cr Richard Carruthers
25-Oct-23	OTR PT WAKEFIELD RD 7709 BOLIVAR	\$11.90	Coffee (x2)	Attendance at Coastal Protection Board CEO Forum and LGFA & LGA OGM – Adelaide – 25 & 26 October 2023 – Andrew Cameron and Cr Richard Carruthers
25-Oct-23	CITY OF ADELAIDE ADELAIDE	\$10.20	Parking	Attendance at Coastal Protection Board CEO Forum and LGFA & LGA OGM – Adelaide – 25 & 26 October 2023 – Andrew Cameron and Cr Richard Carruthers
26-Oct-23	ADELAIDE CONVENTION ADELAIDE	\$33.00	Overnight Parking (25/10)	Attendance at Coastal Protection Board CEO Forum and LGFA & LGA OGM – Adelaide – 25 & 26 October 2023 – Andrew Cameron and Cr Richard Carruthers
27-Oct-23	ADELAIDE CONVENTION ADELAIDE	\$33.00	Overnight Parking (26/10)	Attendance at Coastal Protection Board CEO Forum and LGFA & LGA OGM – Adelaide – 25 & 26 October 2023 – Andrew Cameron and Cr Richard Carruthers
26-Oct-23	BOARD OF THE BOTANIC ADELAIDE	\$16.00	Parking	Attendance at Coastal Protection Board CEO Forum and LGFA & LGA OGM – Adelaide – 25 & 26 October 2023 – Andrew Cameron and Cr Richard Carruthers

<b>Purchase Date</b>	<b>Supplier</b>	<b>Amount Charged</b>	<b>Description of Goods</b>	<b>Purpose of Expenditure</b>
1-Dec-23	ADELAIDE CONVENTION ADELAIDE	\$33.00	Car Parking	Attend Emerging Leaders Graduation (Adele Wyatt and Georgina Halman) at UniSA City West Campus
6-Dec-23	TICKETEK PTY LTD WEB SYDNEY	\$69.00 \$78.55	Tickets – Guuranda Adelaide Festival	2x tickets for Reconciliation Action Plan Working Party to attend Guuranda Festival at Her Majesty's Theatre – Mayor Braund (\$78.55) and Kerry Braund (\$69 reimbursed by Mayor)
6-Dec-23	TICKETEK PTY LTD WEB SYDNEY	\$630.55	Tickets – Guuranda Adelaide Festival	9x tickets for Reconciliation Action Plan Working Party to attend Guuranda Festival at Her Majesty's Theatre – Ian Yarrow, Cr Naomi Bittner, Ben Thompson, Carina Congdon, Sue Beech, Tanya Walsh, Adele Wyatt, Letitia Dahl-Helm

Activity Category	Report Title	Finding Title	Risk Rating	Agreed Action	Responsible Officer	Due Date	Revised Due Date	Status	Action Update
Internal Controls Self-Assessment	Internal Financial Controls Self-Assessment - October 2023	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	A draft Inventory Policy has been created in the records management system. This will be developed in line with better practice model requirements.
Internal Controls Self-Assessment	Internal Financial Controls Self-Assessment - October 2023	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	Work has commenced to collate information from LGFA
External Audit Activities	External Audit - Interim Report	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.
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.

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	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. An draft Contract Register is in development. 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.
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 IT Team have updated the intranet tool for cumulative spend that was started some years ago. This tool has been redeveloped and tested and it is now showing cumulative supplier spend, extracting data directly from the Authority finance application. Finance are still required to check the validity and accuracy of the report. Once this has been confirmed, this will be communicated to the organisation.
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	31/03/2024	In Progress	The Procedure has been updated, consulted and presented to the February Safety Committee meeting. The Procedure includes the importance and timing of departmental meetings.
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	31/03/2024	In Progress	An updated ToR has been drafted ensuring clarity around voting rights, members composition, attendance requirements and also proxy representation. This was consulted on with staff and the Safety Committee during October 2023. The updated ToR was presented at the February 2024 Safety Committee meeting.

Activity Category	Report Title	Finding Title	Risk Rating	Agreed Action	Responsible Officer	Due Date	Revised Due Date	Status	Action Update
Internal Audit Activities	<b>WHS Consultation and Communication Review</b>	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	31/03/2024	In Progress	An updated ToR has been drafted ensuring clarity around voting rights, members composition, attendance requirements and also proxy representation. This was consulted on with staff and the Safety Committee during October 2023. The updated ToR was presented at the February 2024 Safety Committee meeting.
Internal Audit Activities	<b>WHS Consultation and Communication Review</b>	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	31/03/2024	In Progress	An updated ToR has been drafted ensuring clarity around voting rights, members composition, attendance requirements and also proxy representation. This was consulted on with staff and the Safety Committee during October 2023. The updated ToR was presented at the February 2024 Safety Committee meeting.
Internal Audit Activities	<b>Accounts Receivable</b>	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	<b>Accounts Receivable</b>	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	Senior Rate Officer has reviewed and subsequently re-written this policy to better align with our current procedures. The whole exercise has however been written using procedures dictated by the Authority database. We will therefore need to re-visit this exercise once our new ERP has rolled-out & we become aware of its functionality & any limitations. The revision is currently with Manager Financial Services for review, it will then got to CMT and the Audit & Risk Committee.

Activity Category	Report Title	Finding Title	Risk Rating	Agreed Action	Responsible Officer	Due Date	Revised Due Date	Status	Action Update
Internal Audit Activities	<b>WHS PR048 Corrective Preventative Action Procedure - September 2022</b>	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	Pulse Software project implementation is about to kick off. Compliance and Risk are part of the implementation process and compliance will manage the internal corrective actions electronically.
Internal Audit Activities	<b>WHS PR048 Corrective Preventative Action Procedure</b>	2.1 Online CAR System Useability, Functionality and Security	Low	This recommendation has multiple layers, however a management decision needs to be made relating to the future support and development of the online CAR system. 1. We understand that Council is currently undertaking an assessment of a new ERP system, however it needs to be clear whether the scope of a new ERP extends to a CAR system (or a process to manage this). Furthermore, we understand that the Local Government (LG) Risk Services group, is working with representatives from Council's through an LG Safe working group to possibly require Council's to implement a sector wide uniform system. The outcomes of both these projects have significant impact on the management decision regarding future planning for development of the current in-house online CAR system. 2. If the decision is made to continue with the current online CAR system, there are a number of improvements that should be developed to increase the usability and functionality of the system. These improvements should be documented as part of a 'user group' and form part of a project to develop the online system and roll out use of the online system to the entire workforce. Resourcing impacts need to be considered as to whether a project team can be run in-house or external consultant assistance is required.	LEADER SYSTEMS AND TECHNOLOGY	30/12/2023	30/06/2024	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	<b>Internal Financial Controls Self-Assessment - May 2022</b>	IT Disaster Recovery Plan	Low	Complete documentation relating to the IT Disaster Recovery Plan	LEADER SYSTEMS AND TECHNOLOGY	31/08/2022	31/12/2023	In Progress	No further progress to the document at this stage. The ERP replacement project (and preparation for Request for Tender document) has priority. When this is completed IT staff will be resuming the Disaster Recovery Plan document. The new expected completion date is end of December 2023.



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	Completed	Banking and cash handling procedure has been reviewed and updated by the Finance team.
Internal Audit Activities	<b>WHS Consultation and Communication Review</b>	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	20/02/2024	Completed	Rather than an Organisational wide email, the following actions were completed - An item was included in Feb 2024 CMT meeting to remind Directors that departmental team meetings should include safety discussions. - Each department Executive Assistant has been assigned responsibility against their role to ensure that all sections of their department hold regular quarterly team meetings.

Showing 1 to 2 of 2 entries (filtered from 135 total entries)

## 8.6 NEW GLOBAL INTERNAL AUDIT STANDARDS

**Document #:** 24/11454

**Department:** Executive Services

### PURPOSE

To inform the Audit and Risk Committee members of the new Global Internal Audit Standards and the transition period for implementation.

### 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

5.6 Continuous improvement of Council processes

### BACKGROUND

The Institute of Internal Auditors' (IIA) Global Internal Audit Standards (Standards) guide the internal audit profession across the world and serve as a basis for evaluating and ensuring quality of internal audit functions.

The Standards were last updated in 2017, previously named 'International Standards for the Professional Practice of Internal Auditing'. The IIA advised the release of updated Standards on 9 January 2024 following several years of consultation, through which the International Internal Audit Standards Board researched and gained input from stakeholders and practitioners around the world.

At the December 2023 Audit and Risk Committee meeting, there was discussion during General Business in relation to Section 125A of the Local Government Act 1999, which was introduced as part of the Local Government reforms. Therefore, the release of the Standards is timely, to enable Council to align to best practice.

### DISCUSSION

The IIA have advised that organisations will have 12 months (being January 2025) to transition to the new Standards, however early adoption is encouraged.

The new Standards are simplified and designed to assist Internal Auditors, and their organisations, respond better to complex and rapidly changing business environments. The Standards include 15 guiding principles that enable effective internal auditing. Each principle is supported by Standards that contain requirements, considerations for implementation, and examples of evidence of conformance.

The Standards can be accessed via <https://www.theiia.org/en/standards/2024-standards/global-internal-audit-standards/>.

The Standards include a specific section relating to 'Applying the Global Internal Audit Standards in the Public Sector', which provides examples on how the Standards apply in the local government context.

It is important to note that while the Standards apply to all internal audit functions, internal auditors in the public sector work in a political environment under governance, organisational and funding structures. The nature of these structures and related conditions may be affected by the jurisdiction and level of government in which the internal audit function operates.

The IIA is supporting the Standards transition phase by providing resources, training courses, ongoing detailed information and webinars.

Planning for the transition is underway with relevant Council resources participating in introductory webinars and actively engaging with resources available. Any guidance provided by the Local Government Association including templates / procedures for internal audit functions operating within the new legislative requirements and Standards will be utilised.

**ATTACHMENTS**

Nil

**8.7 CYBER SECURITY - PENETRATION TESTING FEBRUARY 2024****Document #:** 24/16257**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. The below table has been updated since the 31 October 2023 meeting, where it was first presented.

<b>Vulnerabilities</b>	<b>Number Identified</b>	<b>Remediated</b>	<b>Planned Remediation</b>
External Infrastructure	High – 2	1	1
	Medium – 5	1	4
	Low - 3	0	3
Internal Infrastructure	Critical – 11	5	6
	High – 44	10	34
	Medium - 30	14	16

**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

**8.8 AUDIT AND RISK COMMITTEE WORK PLAN 2024-2025****Document #:** 24/14749**Department:** Corporate and Community Services**PURPOSE**

To consider and endorse the updated Work Plan for 2024-2025.

**RECOMMENDATION**

That the Audit and Risk Committee endorse the updated 2024-2025 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 (CEO) in relation to these matters.

**DISCUSSION**

The 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 2024-2025 Work Plan was first endorsed by the Committee at its meeting on 5 December 2023. Adoption and regular review of the Work Plan assists the Committee to achieve its objectives.

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 6.1 amended to reflect information presented to the Committee at the current meeting regarding new reporting requirements;

- Item 7.1 amended to note commencement of Strategic Management Plan review in early 2024;
- Item 7.3 removal of November 2024 reporting on updated Asset Management Plans as reviews should be conducted prior to second anniversary of Local Government Elections; and
- Item 8.1 amended to note process commencement in May 2024 with recommendation of appointments to be completed by September 2024.

**COMMUNITY ENGAGEMENT PLAN**

Level 1 - Inform

**CONSULTATION PROCESS**

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

- Corporate Management Team
- Manager Financial Services
- Business Improvement Officer
- Assets Manager
- 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 2024-2025 - February 2024 Update** [↓](#) 

**Yorke Peninsula Council  
Proposed Audit and Risk Committee Work Plan 2024-2025**

Activity	Link to Legislation, TOR	Timeframe								Notes
		Completed Current Deferred								
		Feb-24	May-24	Sep-24	Oct-24	Nov-24	Feb-25	May-25		
		27th	28th	24th	22nd	26th	27th	28th		
		Q1	Q2	Q3	F5	Q4	Q1	Q2		
<b>1. Financial Reporting</b>										
<b>§126(4)(a)</b>										
1.1 Review General Purpose Financial Statements	"				X					Following external audit but prior to Council endorsement.
1.2 Review asset revaluations	"		X						X	Revaluations as at 1 July 2023 to be undertaken for the following infrastructure asset classes: > Transport; > Community Wastewater Management Scheme (CWMS); > Water; and > Stormwater Infrastructure. Ensure values are up to date and soundly based, including having particular regard to local conditions: > Whether infrastructure asset values reflect local replacement costs and the condition of existing assets; > In accordance with relevant Accounting Standards and Council policies PO124 Asset Accounting Policy & PO128 Asset Management Policy; > Whether any infrastructure asset condition information is available to assist in determining revaluation.
1.3 Review methodology and approach to Depreciation	"		X		X				X	As part of asset revaluations and financial statements.
1.4 Review of Budget - information only	"	X	X			X	X	X		For information only, generally reported after adoption by Council due to timing.
<b>2. Internal Controls</b>										
<b>§126(4)(f)</b>										
2.1 Review Better Practice Model Self-Assessment (External Auditor reviews as part of Controls certification).	"		X		X				X	Status report provided on internal controls self assessment testing.
<b>3. Risk Management</b>										
<b>§126(4)(c)</b>										
3.1 Mandated Update to Strategic Risk Register	"			X						Due for review following November 2022 LG Elections in line with review of Strategic Management Plan. Review SMP within 2 years LG Election (i.e. - before November 2024, current SMP spans period 2021-2025).
3.2 Annual Review of Risk Management Systems (including strategic, financial and operational risks and Emergency Management/Business Continuity Plan)	S99(1)(ia) §126(4)(c,h) §125(3)					X				
3.3 Results of LGRS Risk Profiling Review	"									Initial assessment undertaken in October 2023, awaiting final results to be approved by the LGRS Board. Unsure of future timeline for reviews, so ad hoc until determined.
<b>4. Internal Audit</b>										
<b>§126(4)(c)</b>										
4.1 Adopt/review planning and scoping of internal audit plan	"			X						Proposed Internal Audit Plan updated annually for consideration by the Committee.
4.2 Review the status of the internal audit plan and any internal audit reports presented	"	X	X	X		X	X	X		Presented at quarterly meetings.



**Yorke Peninsula Council  
Proposed Audit and Risk Committee Work Plan 2024-2025**

Activity	Link to Legislation, TOR	Timeframe								Notes
		Completed		Current		Deferred				
		Feb-24	May-24	Sep-24	Oct-24	Nov-24	Feb-25	May-25		
		27th	28th	24th	22nd	26th	27th	28th		
		Q1	Q2	Q3	F5	Q4	Q1	Q2		
4.3 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	X		Reports provided on progress made against matters raised by Council's external and internal auditor
<b>5. External Audit</b>										
s126(4)(b)										
5.1 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.	ToR				X					To include confidential meeting to satisfy requirements of Local Government (Financial Management) Regulation 17B.
5.2 Review effectiveness of external audit.	s126(4)(b)				X					
5.3 Review audit findings/ management representation letters.	"			X	X					
5.4 Assess the appropriateness of the Council's response to the auditor's findings and recommendations.	"			X	X					
5.5 Oversee action to follow up on matters raised by the external auditor.	"			X	X					
<b>6. Reporting</b>										
6.1 Regular Reporting to Council > summary of the work of the committee during the period preceding the meeting; and > outcomes of the last committee meeting (through presentation of meeting minutes to Council).	s126(8)(a)	X	X	X	X	X	X	X	X	A report to Council which summarises the work of the Committee and outcomes of the meeting to be developed following each sitting of the Committee to fulfill the requirements of Local Government Act s.126(8)(a)
6.2 Annual Report of the Audit and Risk Committee functions for inclusion in Council annual report: > 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.	s126(8)(b) s126(9)			X						Timing of Committee annual report re-scheduled to align with Council annual reporting requirements (i.e. - financial year) to satisfy requirements of Local Government Act s.126(8)(b). New legislative requirement effective 30 November 2023
6.3 CEO annual report on Council's internal audit processes	599(1)(ib)			X						Tentative timing of the report proposed. Format and timing of the report subject to further consideration of prescribed requirements. To satisfy requirements of Local Government Act s.99(1)(b). New legislative requirement effective 30 November 2023

**Yorke Peninsula Council  
Proposed Audit and Risk Committee Work Plan 2024-2025**

Activity	Link to Legislation, TOR	Timeframe								Notes
		Completed		Current		Deferred				
		Feb-24	May-24	Sep-24	Oct-24	Nov-24	Feb-25	May-25		
		27th	28th	24th	22nd	26th	27th	28th		
		Q1	Q2	Q3	F5	Q4	Q1	Q2		
<b>7. Strategic, Financial and Management Planning</b>										
s126(4)(ac)										
7.1 Review Strategic Management Plan	"			X						Due for review following November 2022 LG Elections (current SMP spans period 2021-2025). Contractor EOI / RFQ completed (Nov-23) with preferred vendor selected. Review commenced early 2024.
7.2 Review Long Term Financial Plan	"		X					X		Updated annually in conjunction with adoption of Annual Business Plan and Budget.
7.3 Review Asset Management Plans/Strategy	"			X	X					Review of Council's Asset Management Plans to commence in 2024. Plans are due for review due within 2 years after LG Election (i.e. - before November 2024). Asset Management Plans are to be reviewed for the following asset classes: > Buildings and Structures; > Transport Infrastructure; > CWMS Infrastructure; > Water Infrastructure; > Stormwater Infrastructure; and > Major Plant
7.4 Review appropriateness of the range and content of Council's policies and strategies	"	X	X	X	X	X	X	X	X	As per review timeframes and legislative requirements - ongoing
7.5 Review Annual business plan, budget and fees and charges	"		X						X	In conjunction with public consultation period
<b>8. Other matters</b>										
8.1 Review Independent Member Appointments			X	X						Mr. Rob Reiman (appointment expiry 30 November 2024) Mr. Hussain Rafeeu (appointment expiry 30 November 2024) Mrs. Sarah Beesley (appointment expiry 30 November 2027) Independent Member Candidate EOI process to commence 4th QTR FY 23/24 with recommendation of appointments to be completed by September 2024.
8.2 Adopt/review the Committee annual workplan	s126(4)(ac)	X	X	X	X	X	X	X	X	Updated for each meeting
8.3 Reports on other relevant matters		X	X	X	X	X	X	X	X	Ongoing as the need arises

**8.9 DECEMBER QUARTERLY BUDGET REVIEW 2023-2024****Document #:** 24/14771**Department:** Corporate and Community Services**PURPOSE**

To receive Council's endorsed December quarterly budget review (as at 31 December 2023) for Council's 2023/2024 Budget and associated financial statements, ratios and changes.

**RECOMMENDATION**

That the Audit and Risk Committee receive the endorsed 2023/2024 December Budget Review changes as presented in the attached Summary of Changes, Statement of Comprehensive Income and Uniform Presentation of Finances and receive the updated Statement of Financial Position, Statement of Cash Flows, Statement of Changes in Equity and Financial Indicators (Ratios).

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

5.2 Effective leadership and informed decision making

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

5.5 Undertake effective risk management

**BACKGROUND**

Regulation 9 of the Local Government (Financial Management) Regulations 2011 sets out the requirements relating to the review of budgets for Council.

Council's Budget Reporting and Amendment Policy (PO142) requires quarterly budget reviews i.e. September, December and March. This is the second (as at 31 December 2023) of the three quarterly budget reviews for the 2023/2024 financial year.

This budget review was endorsed by Council at its meeting on Wednesday, 14 February 2023.

**DISCUSSION**

Budget managers in all directorates have completed a review of their 2023/2024 budgets as at 31 December 2023 and all adjustments allowed in accordance with PO142 have been included in the attached documents (Attachments 1 - 7).

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

- Additional income likely to be generated or received;
- Income and expenditure to date and forecasts for the remainder of the year;
- New grants and contributions;
- Changes to user and statutory fee income forecasts;
- Review of staffing levels to those originally budgeted;
- Changes due to amendments in legislation;
- Changes to Government fees and charges;
- Council decisions made since the adoption of the original budget; and

- Status of capital projects including consideration of projects rolled over from 2022/2023 for completion in the current financial year (refer Council decision in August 2023).

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

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

As a result of proposed adjustments in this review, previously endorsed adjustments from the first quarter (September 2023) budget review and unspent budgets rolled over from 2022/2023, Council's forecast Operating Deficit for 2023/2024 is \$1.5m. This is a decline of \$2.0m to the adopted 2023/2024 forecast Operating Surplus of \$0.5m.

The decrease to Council's budgeted operating bottom line is due to a forecast operating expenditure increase of \$2.6m which is only partially offset by an increase to operating income of \$0.6m. The key drivers behind the expenditure increase are \$1.6m in operating projects which were rolled over from 2022/2023 and \$0.8m increase to forecast depreciation expense.

It should be noted that the portion of Financial Assistance Grant (FAG) allocations for the current year which were paid in advance in 2022/2023 have not been removed from the current year budget under the assumption that, as in previous years, the advance payment of FAG will continue. Should this assumption prove incorrect, a significant increase to Council's operating deficit for 2023/2024 is to be expected. In such circumstances the resulting deficit would be due to a timing difference as the grant will be received and recognised as income either in June 2024 (2023/2024) or July 2024 (2024/2025). Adjusted operating results and ratios are presented in Note 15 of Council's annual financial statements to account for the impact of such timing difference for the understanding of the reader.

### **Major Impacts**

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

- **Remote airstrip upgrade program (Maitland) – operating income** – \$71,952 increase representing the final instalment of grant funding for prior year Maitland Airstrip project (rollover request not made).
- **Remote airstrip upgrade program (Yorketown) – amounts received for new/upgrade assets** – \$54,466 increase representing grant funding for upgrade to fencing and amenities at the Yorketown airstrip previously unbudgeted.
- **Remote airstrip upgrade program (Yorketown) – capital expenditure (new/upgrade)** – \$130,548 increase representing total budget for upgrade to airstrip fencing and amenities for unbudgeted grant project.
- **Physical assets received free of charge (various) – income below the line** – \$270,569 increase reflecting the fair value of physical assets formally received by Council free of charge from local community groups and organisations for the year to date.
- **Council endorsed free of charge assets (various) – capital expenditure (new/upgrade)** – \$270,569 increase to capital expenditure on additional assets, representing the fair value of physical assets formally received by Council free of charge from local community groups and organisations.
- **Special Local Roads Grant (North Coast Road Stage 2) – amounts received for new/upgrade assets** – \$43,000 decrease to budget due to variance between budget estimate and actual grant awarded.
- **CWMS pump station switchboard replacement (Stansbury) – capital renewal expenditure** – \$31,430 increase to project budget funded by equivalent reduction to Yorketown CWMS budget for switchboard replacement due to reprioritised replacement of pump station switchboard at Stansbury. Nil impact to financial position, budget transferred and balanced within financial statements category.

- **Northern patch sheeting – capital renewal budget** – \$295,528 increase to project budget funded by transfer of \$253,232 in savings on completed Melton South Road capital renewal project and \$42,296 in savings from completed Gleeson Road capital renewal project. Nil impact to financial position, budget transferred and balanced within financial statements category.
- **Dust suppression project (various locations Southern Yorke Peninsula) – capital renewal expenditure** – \$42,000 increase to project budget funded by savings on completed Melton South Road capital renewal project. Nil impact to financial position, budget transferred and balanced within financial statements category.
- **Southern patch work – capital renewal budget** – \$25,911 increase to project budget funded by transfer of savings on completed Corny Point Road capital renewal project. Nil impact to financial position, budget transferred and balanced within financial statements category.
- **Cultural burns education grant – operating expense** – \$46,095 increase to facilitate completion of prior year project (rollover request not made). Increased expenditure partially offset by \$8,000 increase to income for final instalment of related grant funding (rollover request for income was not made).
- **Waste management service charge – operating income and expenditure** – \$39,518 increase due to additional revenue raised through charges for increased number of services provided. Corresponding increase to waste management expenditure to cover the cost of additional collections and bins provided. Waste management service charge income is quarantined for application to related expenditure. Nil impact to financial performance as balanced adjustment.
- **Arthurton Main Street – capital renewal expenditure** – \$33,656 increase to project budget funded by savings on completed projects: Edith Street median strip extension \$18,000, and James Well kerb and road repair \$15,656. Nil impact to financial position, budget transferred and balanced within financial statements category.
- **YP Leisure Options – operating income** – \$26,951 increase based on receipt of grant funding above the original budget allocation.

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

### **Budgeted Capital Expenditure**

Council's proposed capital expenditure budget after this budget review, previously endorsed quarter one budget adjustments and previously adopted budgets for projects/expenditure rolled over from 2022/2023, is \$20.8m. This includes the initially adopted budget of \$16.9m to which projects/expenditure rolled over from 2022/2023 adopted by Council worth \$3.5m were added in August 2023. Adjustments of \$40,000 were added through the September quarter budget review and a further adjustment of \$420,000 is proposed in this budget review (inclusive of \$270,000 in free of charge assets received).

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

Of the proposed budget of \$20.8m, \$10.6m is budgeted for renewal and replacement of existing assets, while \$10.2m (inclusive of \$270,000 in free of charge assets received) is budgeted for the upgrade of existing assets and/or acquisition of new assets.

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

Following the proposed adjustments in this budget review, previously endorsed quarter one budget adjustments, roll over expenditure being included in this year's budget and adjustment of opening balances in line with 2022/2023 audited General Purpose Financial Statements, Council's forecast closing cash and cash equivalents as at 30 June 2024 is \$3.6m which is an increase of approximately

\$2.5m to the original adopted budget. This increase can be attributed to a better-than-expected closing cash position as at 30 June 2023 which was primarily due to the net impact of grants received but not spent, including advance payment of FAGs, and incomplete projects rolled over to 2023/2024.

The proposed end of year Net Borrowing position has increased from the originally adopted \$1.8m to \$5.5m. This is primarily due to the impact of budgets rolled over from 2022/2023 for incomplete or unstarted projects.

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

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

As a result of proposed changes in this budget review, previously endorsed September quarter adjustments and inclusion of expenditure rolled over from 2022/2023, Council's Financial Indicators have had some movement.

Council's Operating Surplus Ratio is forecast to be -3.8%, which is a decline of 5.1% compared to the original adopted Budget. The reasons for this have been detailed earlier in this report. The forecast ratio is below Council's LTFP minimum target of 0%.

The Net Financial Liabilities Ratio has decreased from 24% forecast originally to 17%. The positive variance is due to the higher-than-expected closing cash position as at 30 June 2023 following finalisation of the 2022/2023 Financial Statements. The forecast ratio remains well within Council's LTFP target of 100%.

Council's Asset Renewal Funding Ratio is forecast to be 60%, a 4% increase to the original forecast. The increase is primarily due to projects/expenditure rolled over from 2022/2023 for completion in 2023/2024 and the decision to budget for \$9.8m in new/upgrade capital projects in 2023/2024. The forecast Asset Renewal Funding Ratio will be achieved if Council completes all budgeted capital renewal projects in 2023/2024. The forecast ratio is well below Council's current LTFP minimum target of 100%.

It should also be noted that Council's asset renewal target per asset management plans for 2023/2024 is \$17.6m. This target is higher than the average target over the last four years of \$14.6m. Over the last four years Council has averaged an Asset Renewal Funding Ratio of 82%. It should be further noted that several asset classes are undergoing revaluation in 2023/2024 and that all Council Asset Management Plans (AMPs) are due for review prior to November 2024. Revaluations and updates to AMPs may drastically alter Council's annual renewal targets.

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

## **COMMUNITY ENGAGEMENT PLAN**

Level 1 - Inform

### **CONSULTATION PROCESS**

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

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

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

- Nil

**POLICY IMPLICATIONS**

PO142 Budget Reporting and Amendment Policy

**BUDGET AND RESOURCE IMPLICATIONS**

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








**RISKS/LEGAL/LEGISLATIVE/ IMPLICATIONS**

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

Local Government Act 1999

Local Government (Financial Management) Regulations 2011

**ATTACHMENTS**

1. **Endorsed Summary of Changes - December 2023 Budget Review** [↓](#) 
2. **Budgeted Statement of Comprehensive Income 2023-2024** [↓](#) 
3. **Budgeted Statement of Financial Position 2023-2024** [↓](#) 
4. **Budgeted Statement of Cash Flows 2023-2024** [↓](#) 
5. **Budgeted Statement of Changes in Equity 2023-2024** [↓](#) 
6. **Budgeted Uniform Presentation of Finances 2023-2024** [↓](#) 
7. **Budgeted Statement of Financial Indicators (Ratios) 2023-2024** [↓](#) 

<b>YORKE PENINSULA COUNCIL 2023/2024 BUDGET SUMMARY OF PROPOSED CHANGES - DECEMBER (QUARTER 2) BUDGET REVIEW</b>			
Type	Note #	Amount Increase/ (Decrease)	Reason for Variance
<b>OPERATING INCOME</b>			
<b>Rates</b>	1	\$11,893	Reduction to budget for remitted rates based upon actual rates remitted, utilised saving to fund additional audit costs on first year of contract with new auditors. [Refer note 28]
	2	\$39,518	Increase to waste management service charge budget due to increased number of services provided. This represents a timing difference between number of services calculated at budget formation and number of services at end of December quarter. Income quarantined for application to waste collection costs. [Refer note 29]
	3	\$7,397	Increase budget for CWMS service charge income to match actual amount raised for year to date, apply additional income to CWMS expenditure budget to assist with transition from 3G to 4G system monitoring. [Refer note 36]
<b>Statutory Charges</b>	4	\$2,500	Increase septic tank inspection income on higher than anticipated wastewater applications. [Refer note 5]
<b>User Charges</b>	5	(\$2,500)	Reduce food inspection income budget in anticipation of limitations around staff availability to conduct inspections. [Refer note 4]
	6	(\$25,287)	Reduce budget for YP Leisure Options holiday program due to reclassification, positively offset by increases to grant funding and other program income in excess of \$52,000. [Refer notes 14, 19 and 33]
	7	\$2,500	Increased budget for boat ramp expiation income. Utilisation of increased income to fund addition boat ramp maintenance expenditure and signage. [Refer note 34]
<b>Grants, subsidies and contributions</b>	8	\$71,952	Final grant payment for Maitland airstrip capital project was anticipated in May-23 but not received. Project was extended and rollover of income was not requested. Funding received will now cover Council contribution towards Yorketown airstrip grant project for renewal of fencing and amenities block. [Refer note 39 and 56]
	9	(\$24,665)	Decrease budget allocation for Roads to Recovery funding by \$24,665. Budget estimate based on 3% indexation of prior year grant, however the eventual Roads to Recovery grant was not indexed in 2023/2024.
	10	\$8,000	Increase requested for the final instalment of Cultural Burns Education grant which was not requested for rollover at the end of the previous financial year. [Refer note 25]
	11	\$8,000	Receipt of Australia Day grant funding to be allocated to celebrations and ceremonies. [Refer note 27]
	12	\$10,000	Increase grant income budget to account for receipt of Grassroots Grant for Coobowie Beach Road Reserve Rehabilitation. [Refer note 30]
	13	\$6,000	Various adjustments to human resources and risk budgets to account for receipt of unbudgeted incentive funding, reduced wage expenditure and increased external labour hire, training and recruitment expenditure. [Refer note 17, 20 and 32]



<b>YORKE PENINSULA COUNCIL 2023/2024 BUDGET SUMMARY OF PROPOSED CHANGES - DECEMBER (QUARTER 2) BUDGET REVIEW</b>			
Type	Note #	Amount Increase/ (Decrease)	Reason for Variance
<b>Grants, subsidies and contributions (continued...)</b>	14	\$25,075	Increase income budget for YP Leisure Options based upon receipt of additional grant funding. [Refer note 6, 19 and 33]
	15	\$10,000	Increase income budget on receipt of contribution from Landscapes SA Northern and Yorke to assist in transition of Bush Camping booking system to Bookeasy online platform. [Refer note 37]
<b>Investment income</b>	-	\$0	Nil adjustments requested.
<b>Reimbursements</b>	16	\$3,630	Reimbursement of various road valuation expenditure associated with proposed sale of road reserves. [Refer note 22]
	17	\$724	Various adjustments to human resources and risk budgets to account for receipt of unbudgeted incentive funding, reduced wage expenditure and increased external labour hire, training and recruitment expenditure. [Refer note 17, 20 and 32]
	18	\$750	Increase income due to additional sales of dog faeces bags to community groups, offset by increased expenditure to replace Council stocks. [Refer note 35]
<b>Other Income</b>	19	\$27,163	Increase other income budget for YP Leisure Options. Note: this request may require reclassification to user charges as part of third quarter budget review. Increase relates to individual support programs. [Refer note 6, 14 and 33]
<b>OPERATING EXPENDITURE</b>			
<b>Employee Costs</b>	20	(\$4,900)	Various adjustments to human resources and risk budgets to account for receipt of unbudgeted incentive funding, reduced wage expenditure and increased external labour hire, training and recruitment expenditure. [Refer note 17, 20 and 32]
	21	(\$8,659)	Reduce budget for human resources reclassification provision to fund minor buildings works and office furniture renewal. [Refer note 55]
<b>Materials, contracts &amp; other expenses</b>	22	\$3,630	Increase budget for road valuation expenditure associated with proposed sale of various road reserves, fully reimbursed by interested parties. [Refer note 16]
	23	(\$5,500)	Decrease operations and foreshore protection budgets to fund additional expenditure on Port Vincent kiosk access and stairs. [Refer note 41]
	24	(\$5,037)	Reduce unallocated hall maintenance budget to fund budget for grease trap installation at Port Vincent kiosk. [Refer note 60]
	25	\$46,095	Increase to facilitate remaining expenditure budget for Cultural Burns Education grant program. A rollover for this project was not requested at the end of the previous financial year. [Refer note 25]
	26	\$12,984	Increase budget for Port Vincent Institute salt damp repair project, funded through Port Vincent land sale proceeds.
	27	\$8,000	Increase budget for Australia Day celebrations and ceremonies due to receipt of grant funding. [Refer note 11]

<b>YORKE PENINSULA COUNCIL 2023/2024 BUDGET SUMMARY OF PROPOSED CHANGES - DECEMBER (QUARTER 2) BUDGET REVIEW</b>			
Type	Note #	Amount Increase/ (Decrease)	Reason for Variance
<b>Materials, contracts &amp; other expenses (continued...)</b>	28	\$11,893	Increase external audit budget to cover additional costs on first year of contract with new auditors. Funded through savings on quantum of rates remitted. [Refer note 1]
	29	\$39,518	Increase to waste management expenditure budget due to increased number of services provided. Fully funded by increase to service charge income. [Refer note 2]
	30	\$10,000	Increase weed spraying budget to enable works associated with Grassroots Grant for Coobowie Beach Road Reserve Rehabilitation. [Refer note 12]
	31	\$5,000	Increase expenditure budget for Narungga (Nharangga) Cultural Day funded by contribution from Northern and Yorke Landscapes received and recognised in previous financial year.
	32	\$11,624	Various adjustments to human resources and risk budgets to account for receipt of unbudgeted incentive funding, reduced wage expenditure and increased external labour hire, training and recruitment expenditure. [Refer note 17, 20 and 32]
	33	\$1,110	Increase expenditure budget for YP Leisure Options program budgets associated with increased income and program savings. [Refer note 6, 14 and 19]
	34	\$2,500	Increase budget for boat ramp maintenance expenditure and signage, funded through increased expiation income. [Refer note 7]
	35	\$750	Increase expenditure on dog faeces bags, offset by increased income due to sales of dog faeces bags to community groups. [Refer note 18]
	36	\$7,397	Increase CWMS expenditure budget to assist with transition from 3G to 4G system monitoring, fully funded by increased service charge income. [Refer note 3]
	37	\$10,000	Increase budget for costs involved in transition of Bush Camping booking system to Bookeasy online platform. Funded by unbudgeted contribution from Landscapes SA Northern and Yorke to assist in this project. [Refer note 15]
<b>Depreciation</b>	-	\$0	Nil adjustments requested.
<b>Finance Costs</b>	-	\$0	Nil adjustments requested.
<b>CAPITAL INCOME</b>			
<b>Physical Assets Received Free of Charge</b>	38	\$270,569	Include notional income for Physical assets received free of charge for financial year to date as per Council decisions: 1. Edithburgh tidal pool shark deterrent net - \$10,000.00 (Council Resolution - 248/2023) 2. Shelter at the Maitland Cemetery - \$17,993.00 (Council Resolution - 250/2023) 3. Ardrossan Pump Track - \$150,000.00 (Council Resolution - 251/2023) 4. Price Nature Play Area - \$92,576 (Council Resolution 293/2023) [Refer note 57]
<b>Asset Disposals</b>	-	\$0	Nil adjustments requested.

<b>YORKE PENINSULA COUNCIL 2023/2024 BUDGET SUMMARY OF PROPOSED CHANGES - DECEMBER (QUARTER 2) BUDGET REVIEW</b>			
Type	Note #	Amount Increase/ (Decrease)	Reason for Variance
<b>Amounts Received Specifically for New/Upgrade Assets</b>	39	\$58,466	Increase represents grant income for Yorketown Airstrip renewal of fencing and amenities block. This project was not included at budget formation due to an oversight despite grant funding being awarded. An associated increase to Yorketown airstrip capital renewal expenditure has been requested. [Refer note 8 and 56]
	40	(\$43,000)	Decrease to grant income budget for Special Local Roads Grant (North Coast Road - Stage 2). Council budgeted for \$1,200,000 in grant funding but received \$1,157,000.
<b>CAPITAL EXPENDITURE - RENEWAL</b>			
<b>Capital Expenditure - Renewal</b>	41	\$5,500	Increase budget for Port Vincent Kiosk project to deliver shared stairs, beach access and access to services Kiosk infrastructure. Funded by decrease to operations and foreshore protection budgets. [Refer note 23]
	42	\$31,430	Increase Stansbury CWMS renewal budget for pump station switchboard replacement funded by reduction to Yorketown CWMS budget allocation. Experiencing ongoing problems with an old switchboard in Pitt Street, Stansbury. [Refer note 43, 58 and 59]
	43	(\$31,430)	Reduce Yorketown CWMS renewal budget to fund pump station switchboard replacement at Stansbury CWMS. [Refer note 42, 58 and 59]
	44	\$253,232	Increase Patch sheeting (North) capital renewal budget funded by transfer of remaining budget allocation for wages, contractual, materials and plant hire on completion of Melton South Road. [Refer note 45 and 46]
	45	(\$295,232)	Reduce Melton South Road capital renewal budget. Transfer remaining budget allocation for wages, contractual, materials and plant hire on completion of works to Patch Sheeting (North) and Dust Suppression project. [Refer note 44 and 46]
	46	\$42,000	Increase Dust Suppression capital renewal budget funded by transfer of remaining budget allocation for materials on completion of Melton South Road. [Refer note 44 and 45]
	47	\$42,296	Increase Patch sheeting (North) capital renewal budget funded by transfer of remaining budget allocation for wages, contractual, and plant hire on completion of Gleeson Road. [Refer note 48]
	48	(\$42,296)	Reduce Gleeson Road capital renewal budget. Transfer remaining budget allocation for wages, contractual and plant hire on completion works to Patch Sheeting (North). [Refer note 47]
	49	(\$13,000)	Reduce budget for Township Rehabilitation South project to fund purchase of pad foot shell kit for roller. [Refer note 61]
	50	(\$25,911)	Reduce Corny Point Road capital renewal budget. Transfer remaining budget allocation for wages and plant hire on completion of works to Patch Work (South). [Refer note 51]
	51	\$25,911	Increase Patch work (South) capital renewal budget funded by transfer of remaining budget allocation for wages and plant hire on completion of Corny Point Road. [Refer note 50]

<b>YORKE PENINSULA COUNCIL 2023/2024 BUDGET SUMMARY OF PROPOSED CHANGES - DECEMBER (QUARTER 2) BUDGET REVIEW</b>			
Type	Note #	Amount Increase/ (Decrease)	Reason for Variance
<b>Capital Expenditure - Renewal (continued...)</b>	52	\$33,656	Increase budget for Arthurton Main Street project, funded by savings on Edith Street median strip extension and James Well kerb and road repairs project budgets. [Refer note 53 and 54]
	53	(\$18,000)	Reduce budget for Edith Street median strip extension completed under budgeted, transfer remaining allocation to Arthurton Main Street project. [Refer note 52 and 54]
	54	(\$15,656)	Reduce budget for James Well kerb and road repairs project completed under budgeted, transfer remaining allocation to Arthurton Main Street project. [Refer note 52 and 53]
	55	\$8,659	Increase budget for minor building works and office furniture renewal, funded by reduction to budget for human resources reclassification provision. [Refer note 21]
<b>CAPITAL EXPENDITURE - NEW/UPGRADE</b>			
<b>Capital Expenditure - New/Upgrade</b>	56	\$130,548	Increase budget for total cost of fencing and amenities block works at Yorketown Airstrip, previously unbudgeted. [Refer note 8 and 39]
	57	\$270,569	Include Physical assets received free of charge for financial year to date as per Council decisions at 08 November 2023 Ordinary Meeting. 1. Edithburgh tidal pool shark deterrent net - \$10,000.00 (Council Resolution - 248/2023) 2. Shelter at the Maitland Cemetery - \$17,993.00 (Council Resolution - 250/2023) 3. Ardrossan Pump Track - \$150,000.00 (Council Resolution - 251/2023). [Refer note 38]
	58	\$12,160	Increase Stansbury CWMS renewal budget for pump station switchboard replacement funded by reduction to Yorketown CWMS budget allocation. [Refer note 42, 43 and 59]
	59	(\$12,160)	Reduce Yorketown CWMS renewal budget to fund pump station switchboard replacement at Stansbury CWMS. [Refer note 42, 43 and 59]
	60	\$5,037	Grease trap installation at Port Vincent Kiosk funded by unallocated hall maintenance budget. [Refer note 24]
	61	\$13,000	Increase budget to enable purchase of pad foot shell kit for roller funded through reduction to budget for Township Rehabilitation South project. [Refer note 49]

<b>YORKE PENINSULA COUNCIL 2023/2024 BUDGET BUDGETED STATEMENT OF COMPREHENSIVE INCOME</b>						
	2023/2024	2023/2024	2023/2024	2023/2024	2023/2024	
	Revised Budget	December Budget Adjustments	September Budget Adjustments	Rolled Over Budget Adjustments	Adopted Budget	Notes
	\$(’000)	\$(’000)	\$(’000)	\$(’000)	\$(’000)	
<b>INCOME</b>						
Rates	28,482	59			28,423	1-3
Statutory Charges	411	3			408	4
User Charges	5,074	(26)	(1)		5,101	5-7
Grants, subsidies, contributions - Capital	1,974	(17)		241	1,750	
Grants, subsidies, contributions - Operating	2,775	131	36	123	2,485	8-15
Investment Income	168	1			167	
Reimbursements	178	5	2		171	16-18
Other Income	151	27			124	19
<b>Total Income</b>	<b>39,213</b>	<b>183</b>	<b>37</b>	<b>364</b>	<b>38,629</b>	
<b>EXPENSES</b>						
Employee costs	11,251	(7)	(32)		11,290	20-21
Materials, contracts and other expenses	16,900	153	9	1,645	15,093	22-37
Depreciation	12,292		831		11,461	
Finance Costs	275			(4)	279	
<b>Total Expenses</b>	<b>40,718</b>	<b>146</b>	<b>808</b>	<b>1,641</b>	<b>38,123</b>	
<b>OPERATING SURPLUS/(DEFICIT) BEFORE CAPITAL AMOUNTS</b>	<b>(1,505)</b>	<b>37</b>	<b>(771)</b>	<b>(1,277)</b>	<b>506</b>	
Physical resources free of charge	270	270				38
Asset disposal and fair value adjustments	0				0	
Amounts received specifically for New or Upgrade assets	3,804	16		835	2,952	39-40
<b>NET SURPLUS/(DEFICIT)</b>	<b>2,569</b>	<b>323</b>	<b>(771)</b>	<b>(442)</b>	<b>3,458</b>	
<b>Other Comprehensive Income</b>						
Changes in revaluation surplus - IPP&E	0				0	
<b>Total Other Comprehensive Income</b>	<b>0</b>		<b>0</b>	<b>0</b>	<b>0</b>	
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>2,569</b>	<b>323</b>	<b>(771)</b>	<b>(442)</b>	<b>3,458</b>	

Note: Totals may not add due to rounding

<b>YORKE PENINSULA COUNCIL 2023/2024 BUDGET BUDGETED STATEMENT OF FINANCIAL POSITION</b>						
	<b>2023/2024 Revised Budget \$('000)</b>	<b>2023/2024 December Budget Adjustments \$('000)</b>	<b>2023/2024 September Budget Adjustments \$('000)</b>	<b>2023/2024 Rolled Over Budget Adjustments \$('000)</b>	<b>2023/2024 Adopted Budget \$('000)</b>	<b>Notes</b>
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash & Equivalent Assets	3,626	2,269	58	190	1,109	
Trade & Other Receivables	1,900	(118)	1	196	1,821	
Inventories	563	(10)	1	127	445	
<b>Total Current Assets</b>	<b>6,089</b>	<b>2,141</b>	<b>60</b>	<b>513</b>	<b>3,375</b>	
<b>Non-Current Assets</b>						
Financial Assets	146	(5)		5	146	
Infrastructure, Property, Plant & Equipment	312,775	420	(825)	17,804	295,376	
<b>Total Non-Current Assets</b>	<b>312,921</b>	<b>415</b>	<b>(825)</b>	<b>17,809</b>	<b>295,522</b>	
<b>Total Assets</b>	<b>319,010</b>	<b>2,556</b>	<b>(765)</b>	<b>18,322</b>	<b>298,897</b>	
<b>LIABILITIES</b>						
<b>Current Liabilities</b>						
Trade & Other Payables	3,363	245	5	(25)	3,138	
Borrowings	1,371	60		(60)	1,371	
Provisions	2,290	1			2,289	
<b>Total Current Liabilities</b>	<b>7,024</b>	<b>305</b>	<b>5</b>	<b>(25)</b>	<b>6,798</b>	
<b>Non-Current Liabilities</b>						
Trade & Other Payables	246	189		(5)	62	
Borrowings	4,872	(63)		(255)	5,190	
Provisions	157	(37)		1	193	
<b>Total Non-Current Liabilities</b>	<b>5,275</b>	<b>89</b>	<b>0</b>	<b>(259)</b>	<b>5,445</b>	
<b>Total Liabilities</b>	<b>12,299</b>	<b>394</b>	<b>5</b>	<b>(284)</b>	<b>12,243</b>	
<b>NET ASSETS</b>	<b>306,711</b>	<b>2,162</b>	<b>(770)</b>	<b>18,606</b>	<b>286,654</b>	
<b>EQUITY</b>						
Accumulated Surplus	(4,565)	322	(770)	39	(4,156)	
Asset Revaluation Reserve	306,409		19,709		286,700	
Other Reserves	4,867			757	4,110	
<b>TOTAL EQUITY</b>	<b>306,711</b>	<b>322</b>	<b>18,939</b>	<b>796</b>	<b>286,654</b>	

Note: Totals may not add due to rounding

YORKE PENINSULA COUNCIL 2023/2024 BUDGET BUDGETED STATEMENT OF CASH FLOWS						
	2023/2024 Revised Budget \$('000)	2023/2024 December Budget Adjustments \$('000)	2023/2024 September Budget Adjustments \$('000)	2023/2024 Rolled Over Budget Adjustments \$('000)	2023/2024 Adopted Budget \$('000)	Notes
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
<i>Receipts</i>						
Rates Receipts	28,300	99		(127)	28,328	1-3
Statutory Charges	445	(11)		42	414	4
User Charges	5,335	(143)	(1)	370	5,109	5-7
Grants, subsidies, contributions (Operating Purpose)	3,407	(100)	40	(464)	3,931	8-15
Investment Receipts	189	(4)		26	167	
Reimbursements	200	(1)	2	27	172	16-18
Other Income	73	5		17	51	19
<i>Payments</i>						
Employee Costs	(11,171)	(4)	31	56	(11,254)	20-21
Materials, contracts & other expenses	(16,289)	296	(9)	(1,411)	(15,165)	22-37
Finance Costs	(275)			4	(279)	
<b>Net Cash provided by (or used in) Operating Activities</b>	<b>10,214</b>	<b>137</b>	<b>63</b>	<b>(1,460)</b>	<b>11,474</b>	
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
<i>Receipts</i>						
Grants utilised for capital purposes	2,055	2,055			0	
Amounts Specifically for New/Upgraded Assets	4,022	234		836	2,952	39-40
Sale of Renewed/Replaced Assets	174			25	149	
Sale of Surplus Assets	35		35		0	
Repayments of Loans by Community Groups	95				95	
<i>Payments</i>						
Expenditure on Renewal/Replacement of Assets	(10,600)	(14)	(40)	(648)	(9,898)	
Expenditure on New/Upgraded Assets	(9,935)	(136)		(2,840)	(6,959)	
<b>Net Cash Provided by (or used in) Investing Activities</b>	<b>(14,153)</b>	<b>2,139</b>	<b>(5)</b>	<b>(2,627)</b>	<b>(13,661)</b>	
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
<i>Receipts</i>						
Proceeds from Borrowings	760				760	
<i>Payments</i>						
Repayments of Borrowings	(1,256)				(1,256)	
Repayment of Finance Lease Liabilities	0	(7)		7		
<b>Net Cash provided by (or used in) Financing Activities</b>	<b>(496)</b>	<b>(7)</b>	<b>0</b>	<b>7</b>	<b>(496)</b>	
<b>Net Increase/(Decrease) in cash held</b>	<b>(4,435)</b>	<b>2,269</b>	<b>58</b>	<b>(4,080)</b>	<b>(2,683)</b>	
<b>Opening cash, cash equivalents or (bank overdraft)</b>	<b>8,061</b>			<b>4,270</b>	<b>3,791</b>	
<b>Closing cash, cash equivalents or (bank overdraft)</b>	<b>3,626</b>	<b>2,269</b>	<b>58</b>	<b>190</b>	<b>1,109</b>	

Note: Totals may not add due to rounding

<b>YORKE PENINSULA COUNCIL 2023/2024 BUDGET BUDGETED STATEMENT OF CHANGES IN EQUITY</b>					
2023/2024 Revised Budget	Accumulated Surplus \$('000)	Asset Revaluation Reserve \$('000)	Other Reserves \$('000)	Total Equity \$('000)	Notes
Balance at end of previous reporting period	(7,134)	306,409	4,867	277,386	
Net Surplus/ Deficit for Year	2,569	0	0	2,569	
<b>Total Comprehensive Income</b>	<b>2,569</b>	<b>0</b>	<b>0</b>	<b>2,569</b>	
<b>Balance at end of period</b>	<b>(4,565)</b>	<b>306,409</b>	<b>4,867</b>	<b>306,711</b>	
2023/2024 Budget Adjustments	Accumulated Surplus \$('000)	Asset Revaluation Reserve \$('000)	Other Reserves \$('000)	Total Equity \$('000)	Notes
Balance at end of previous reporting period	480	19,709	757	(5,810)	
Net Surplus/ Deficit for Year		0	0	0	
<b>Total Comprehensive Income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Balance at end of period</b>	<b>480</b>	<b>19,709</b>	<b>757</b>	<b>(5,810)</b>	
2023/2024 Adopted Budget	Accumulated Surplus \$('000)	Asset Revaluation Reserve \$('000)	Other Reserves \$('000)	Total Equity \$('000)	Notes
Balance at end of previous reporting period	(7,614)	286,700	4,110	283,196	
Net Surplus/ Deficit for Year	3,458	0	0	3,458	
<b>Total Comprehensive Income</b>	<b>3,458</b>	<b>0</b>	<b>0</b>	<b>3,458</b>	
<b>Balance at end of period</b>	<b>(4,156)</b>	<b>286,700</b>	<b>4,110</b>	<b>286,654</b>	

Note: Totals may not add due to rounding



<b>YORKE PENINSULA COUNCIL 2023/2024 BUDGET BUDGETED UNIFORM PRESENTATION OF FINANCES</b>						
	2023/2024 Revised Budget	2023/2024 December Budget Adjustments	2023/2024 September Budget Adjustments	2023/2024 Rolled Over Budget Adjustments	2023/2024 Adopted Budget	Notes
<b>Income</b>						
Rates	28,482	59	0	0	28,423	
Statutory Charges	411	3	0	0	408	
User Charges	5,074	(26)	(1)	0	5,101	
Grants, subsidies, contributions - Capital	1,974	(17)	0	241	1,750	
Grants, subsidies, contributions - Operating	2,775	131	36	123	2,485	
Investment Income	168	1	0	0	167	
Reimbursements	178	5	2	0	171	
Other Income	151	27	0	0	124	
<b>Total Income</b>	<b>39,213</b>	<b>183</b>	<b>37</b>	<b>364</b>	<b>38,629</b>	
<b>Expenses</b>						
Employee costs	11,251	(7)	(32)	0	11,290	
Materials, contracts and other expenses	16,900	153	9	1,645	15,093	
Depreciation	12,292	0	831	0	11,461	
Finance Costs	275	0	0	(4)	279	
<b>Total Expenses</b>	<b>40,718</b>	<b>146</b>	<b>808</b>	<b>1,641</b>	<b>38,123</b>	
<b>Operating Surplus/(Deficit) before Capital Amounts</b>	<b>(1,505)</b>	<b>37</b>	<b>(771)</b>	<b>(1,277)</b>	<b>506</b>	
<b>Net Outlays on Existing Assets</b>						
Capital Expenditure on Renewal/Replacement of Existing Assets	(10,600)	(14)	(40)	(648)	(9,898)	
<i>Add back Depreciation, Amortisation &amp; Impairment</i>	12,292	0	831	0	11,461	
<i>Add back Proceeds from Sale of Replaced Assets</i>	174	0	0	25	149	
	<b>1,865</b>	<b>(14)</b>	<b>791</b>	<b>(623)</b>	<b>1,712</b>	
<b>Net Outlays on New and Upgraded Assets</b>						
Capital Expenditure on New/Upgraded Assets	(9,935)	(136)	0	(2,840)	(6,959)	
<i>Add back Amounts Specifically for New/Upgraded Assets</i>	4,022	16	0	835	2,952	
<i>Add back Proceeds from Sale of Surplus Assets</i>	35	0	35	0	0	
	<b>(5,878)</b>	<b>(120)</b>	<b>35</b>	<b>(2,005)</b>	<b>(4,007)</b>	
<b>Net Lending / (Borrowing) for Financial Year</b>	<b>(5,518)</b>	<b>(97)</b>	<b>55</b>	<b>(3,905)</b>	<b>(1,789)</b>	

Note: Totals may not add due to rounding

<b>YORKE PENINSULA COUNCIL                      2023/2024 BUDGET                      BUDGETED FINANCIAL INDICATORS (RATIOS)</b>					
	2023/2024	2023/2024	2023/2024	2023/2024	
	Revised Budget	December Budget Adjustments	September (including roll overs) Budget Adjustments	Adopted Budget	Notes
Operating Surplus Ratio (OSR)	(3.8%)	0.2%	(5.3%)	1.3%	1-37
<i>Operating Surplus - \$'000</i>	<i>(1,505)</i>				
<i>Total Operating Income - \$'000</i>	<i>39,213</i>				
Net Financial Liabilities Ratio (NFLR)	17%	(5%)	(2%)	24%	41-61
<i>Net Financial Liabilities - \$'000</i>	<i>6,627</i>				
<i>Total Operating Income - \$'000</i>	<i>39,213</i>				
Asset Renewal Funding Ratio (ARFR)	60%	0%	4%	56%	41-61
<i>Asset Renewals - \$'000</i>	<i>10,600</i>				
<i>Asset Renewal Commitments per AMP - \$'000</i>	<i>17,639</i>				

Note: Totals may not add due to rounding

**8.10 POLICY REVIEW - PO088 ELECTED MEMBER USE OF COUNCIL SUPPLIED ELECTRONIC EQUIPMENT POLICY****Document #:** 24/16447**Department:** Corporate and Community Services**PURPOSE**

To seek endorsement of the proposed updated PO088 Elected Member Use of Council Supplied Electronic Equipment Policy.

**RECOMMENDATION**

That the Audit and Risk Committee endorse the proposed updated PO088 Elected Member Use of Council Supplied Electronic Equipment Policy and recommend to Council that it be adopted as presented.

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

Council's PO088 Elected Member Use of Council Supplied Electronic Equipment Policy (Policy) has recently been reviewed in line with its scheduled periodic review.

**DISCUSSION**

The proposed updated Policy is presented with recommendations including:

- Minor grammatical changes;
- Update to Training and Council Delegation section; and
- Update to Definitions table in Attachment 1 of the Policy.

The proposed updated Policy (Attachment 1) is shown with track changes and a copy with no track changes (Attachment 2) is provided for ease of reference.

Council's current fleet of devices are managed and supported through the connectivity of existing office infrastructure. As elected member's devices are not connected to the same automated management and support systems, physical support of devices is required.

In times of increased cyber and similar threats, devices may be required to be checked to ensure that appropriate security updates and access controls are being applied, that security restrictions are in place to protect the device and information, that antivirus and firewall is active and that the devices have not been compromised. During this time, the devices will also be checked to ensure functionality is optimal.

**COMMUNITY ENGAGEMENT PLAN**

Level 1 - Inform

**CONSULTATION PROCESS**

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

- Director Corporate and Community Services
- Executive Assistant to the CEO and Mayor
- Leader Systems and Technology

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

- Nil

**POLICY IMPLICATIONS**

PO015 Code of Practice for Access to Council and Committee Meetings

PO063 Records Management

PO089 Elected Member Allowances and Benefits Policy

PO135 Elected Members Training and Development Policy

PO123 Statutory - Code of Conduct for Council Members

PO152 Information Systems Acceptable Use Policy

PO153 Information Systems Access Control Policy

PO154 Password and Authentication Policy

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

**BUDGET AND RESOURCE IMPLICATIONS**

Nil

**RISKS/LEGAL/LEGISLATIVE/ IMPLICATIONS**

Local Government Act 1999

Local Government (Elected Member's Allowances and Benefits Regulations) 2010

Freedom of Information Act 1991

**ATTACHMENTS**

1. **Draft - PO088 Elected Member Use of Council Supplied Electronic Equipment - Track Changes** [↓](#) 
2. **Draft - PO088 Elected Member Use of Council Supplied Electronic Equipment - No Track Changes** [↓](#) 



## COUNCIL POLICY

### Elected Members Use of Council Supplied Electronic Equipment

<b>Policy Number:</b>	PO088		
<b>Strategic Plan Objective:</b>	5. Responsible Governance and Leadership		
<b>Policy Owner:</b>	Director Corporate & Community Services	<b>Record Number:</b>	16/6371[v76]
<b>Responsible Officer:</b>	Leader Systems & Technology	<b>Minute Reference:</b>	186/2022 (21/09/2022)
<b>Date Adopted:</b>	21/09/2022	<b>Next Review Date:</b>	March 2024

#### 1. POLICY OBJECTIVES

The Yorke Peninsula Council will provide Elected Members with facilities and support (pursuant to Section 78 of the Local Government Act 1999) in the form of Information Technology Services and Equipment which is intended to:

- facilitate electronic communications with key stakeholders
- enable effective and efficient communication between staff of the Yorke Peninsula Council, Elected Members and members of the community
- enable informed decision-making
- enable Elected Members to perform their role effectively and efficiently
- increase productivity in the provision of services to the Yorke Peninsula Council community

#### 2. SCOPE

This policy applies to the Elected Members of Yorke Peninsula Council.

#### 3. DEFINITIONS

Refer to Attachment 1.

#### 4. POLICY STATEMENT

Elected Members will be provided with Information Technology Services and Equipment for the duration of their term of office. These Information Technology Services and Equipment, determined by the Leader Systems and Technology (in consultation with the CEO), comprise:

- personal electronic devices and associated software;
- electronic communications services, including email and internet access;

**PO088 – Elected Members Use of Council Supplied Electronic Equipment Policy**

---

- technical and maintenance support-

**4.1 Provision of Information Technology Services and Equipment**

Information Technology Services and Equipment provided to an Elected Member remains the property of the Yorke Peninsula Council and, as such, are to be returned at the completion of the term of office of an Elected Member or upon request.

**4.2 Use of Information Technology Services and Equipment**

Elected Members' use of the provided Services and Equipment is to be in accordance with the following policies

PO123 Statutory - Code of Conduct for Council Members

PO152 Information Systems Acceptable Use Policy

PO153 Information Systems Access Control Policy

PO154 Password and Authentication Policy

**4.3 Maintenance of Information Technology Services and Equipment**

Access to the provided Services and Equipment may be required by Council IT staff every six (6) months or as requested, to ensure optimal functionality and that adequate access controls are in place.

**5. COMPLAINTS**

Complaints under this policy must be in writing to the CEO (including any person acting in the office of CEO) and will be managed in accordance with the Process for Managing Complaints and Breaches under the Code of Conduct for Elected Members.

**6. REVIEW**

This policy will be reviewed biennially of the release of this policy and as necessary in consideration of any changes to technology, legislation and relevant standards, codes and guidelines.

**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 and guidelines.

**8. RECORDS**

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

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

PO015 Code of Practice for Access to Council and Committee Meetings

PO063 Records Management

PO089 Elected Member Allowances and Benefits Policy

PO135 Elected Members Training and Development Policy

**PO088 – Elected Members Use of Council Supplied Electronic Equipment Policy**

- PO123 Statutory - Code of Conduct for Council Members
- PO152 Information Systems Acceptable Use Policy
- PO153 Information Systems Access Control Policy
- PO154 Password and Authentication Policy
- PFC123 Process for Managing Complaints and Breaches under the Code of Conduct for Elected Members

**10. REFERENCES AND LEGISLATION**

- Local Government Act 1999
- Local Government (Member’s Allowances and Benefits Regulations) 2010
- Freedom of Information Act 1991

**11. COUNCIL DELEGATION**

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

~~11.~~

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

**18.12. VERSION HISTORY**

Version No	Issue Date	Description of Change
2	02/11/2003	Minor Revision.
3	13/07/2016	Minor Revision.
4	10/03/2021	Minor Revision.
5	29/09/2021	Minor Revision.
6	21/09/2022	Minor Revision
<u>7</u>	<u>19/02/2024</u>	<u>Minor Revision</u>

**PO088 – Elected Members Use of Council Supplied Electronic Equipment Policy**

**ATTACHMENT 1: DEFINITIONS**

Term/Reference	Definition
CEO	Chief Executive Officer
Email	A service that enables people to exchange documents or messages in electronic form where messages are sent and received using computer technology.
Internet	A global research, information and communication network providing services such as file transfer and electronic mail.
<u>Computing Electronic</u> Device	A device such as a laptop or tablet used to run software systems used for communication and the manipulation and interpretation of data.

DRAFT





## COUNCIL POLICY

### Elected Members Use of Council Supplied Electronic Equipment

<b>Policy Number:</b>	PO088		
<b>Strategic Plan Objective:</b>	5. Responsible Governance and Leadership		
<b>Policy Owner:</b>	Director Corporate & Community Services	<b>Record Number:</b>	16/6371[v7]
<b>Responsible Officer:</b>	Leader Systems & Technology	<b>Minute Reference:</b>	186/2022 (21/09/2022)
<b>Date Adopted:</b>	21/09/2022	<b>Next Review Date:</b>	March 2024

#### 1. POLICY OBJECTIVES

The Yorke Peninsula Council will provide Elected Members with facilities and support (pursuant to Section 78 of the Local Government Act 1999) in the form of Information Technology Services and Equipment which is intended to:

- facilitate electronic communications with key stakeholders
- enable effective and efficient communication between staff of the Yorke Peninsula Council, Elected Members and members of the community
- enable informed decision-making
- enable Elected Members to perform their role effectively and efficiently
- increase productivity in the provision of services to the Yorke Peninsula Council community

#### 2. SCOPE

This policy applies to the Elected Members of Yorke Peninsula Council.

#### 3. DEFINITIONS

Refer to Attachment 1.

#### 4. POLICY STATEMENT

Elected Members will be provided with Information Technology Services and Equipment for the duration of their term of office. These Information Technology Services and Equipment, determined by the Leader Systems and Technology (in consultation with the CEO), comprise:

- personal electronic devices and associated software
- electronic communications services, including email and internet access

**PO088 – Elected Members Use of Council Supplied Electronic Equipment Policy**

---

- technical and maintenance support

**4.1 Provision of Information Technology Services and Equipment**

Information Technology Services and Equipment provided to an Elected Member remains the property of the Yorke Peninsula Council and, as such, are to be returned at the completion of the term of office of an Elected Member or upon request.

**4.2 Use of Information Technology Services and Equipment**

Elected Members' use of the provided Services and Equipment is to be in accordance with the following policies

PO123 Statutory - Code of Conduct for Council Members

PO152 Information Systems Acceptable Use Policy

PO153 Information Systems Access Control Policy

PO154 Password and Authentication Policy

**4.3 Maintenance of Information Technology Services and Equipment**

Access to the provided Services and Equipment may be required by Council IT staff every six (6) months or as requested, to ensure optimal functionality and that adequate access controls are in place.

**5. COMPLAINTS**

Complaints under this policy must be in writing to the CEO (including any person acting in the office of CEO) and will be managed in accordance with the Process for Managing Complaints and Breaches under the Code of Conduct for Elected Members.

**6. REVIEW**

This policy will be reviewed biennially of the release of this policy and as necessary in consideration of any changes to technology, legislation and relevant standards, codes and guidelines.

**7. TRAINING**

Elected Members are provided with appropriate training to enable them to meet the requirements of this policy. Training needs will be reviewed as necessary in consideration of any changes to legislation and relevant standards, codes and guidelines.

**8. RECORDS**

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

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

PO015 Code of Practice for Access to Council and Committee Meetings

PO063 Records Management

PO089 Elected Member Allowances and Benefits Policy

PO135 Elected Members Training and Development Policy

PO123 Statutory - Code of Conduct for Council Members

**PO088 – Elected Members Use of Council Supplied Electronic Equipment Policy**

- PO152 Information Systems Acceptable Use Policy
- PO153 Information Systems Access Control Policy
- PO154 Password and Authentication Policy
- PFC123 Process for Managing Complaints and Breaches under the Code of Conduct for Elected Members

**10. REFERENCES AND LEGISLATION**

- Local Government Act 1999
- Local Government (Member’s Allowances and Benefits Regulations) 2010
- Freedom of Information Act 1991

**11. COUNCIL DELEGATION**

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

**12. VERSION HISTORY**

Version No	Issue Date	Description of Change
2	02/11/2003	Minor Revision.
3	13/07/2016	Minor Revision.
4	10/03/2021	Minor Revision.
5	29/09/2021	Minor Revision.
6	21/09/2022	Minor Revision
7	19/02/2024	Minor Revision

**PO088 – Elected Members Use of Council Supplied Electronic Equipment Policy**

**ATTACHMENT 1: DEFINITIONS**

Term/Reference	Definition
CEO	Chief Executive Officer
Email	A service that enables people to exchange documents or messages in electronic form where messages are sent and received using computer technology.
Internet	A global research, information and communication network providing services such as file transfer and electronic mail.
Electronic Device	A device such as a laptop or tablet used to run software systems used for communication and the manipulation and interpretation of data.

DRAFT

**8.11 POLICY REVIEW - PO124 ASSET ACCOUNTING POLICY****Document #:** 24/14787**Department:** Corporate and Community Services**PURPOSE**

To seek endorsement of the proposed updated PO124 Asset Accounting Policy.

**RECOMMENDATION**

That the Audit and Risk Committee endorse the proposed updated PO124 Asset Accounting Policy and recommend to Council that it be adopted as presented.

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

5.2 Effective leadership and informed decision making

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

5.5 Undertake effective risk and emergency management

5.6 Continuous improvement of Council processes

**BACKGROUND**

Council's PO124 Asset Accounting Policy (Policy) has recently been reviewed in line with its scheduled periodic review.

**DISCUSSION**

The Policy is presented with recommendations for minor amendments having previously received a substantial overhaul as its last revision. The proposed updated Policy (Attachment 1) is shown with track changes and a copy with no track changes (Attachment 2) are attached for reference.

Minor amendments proposed include:

- Updated dates for the revaluation of non-current assets;
- Amended information regarding capitalisation of work in progress to ensure non-current assets are depreciated from the date the asset is deemed ready to use (or as close as practically possible) per representation to Council's external auditors;
- Removal of the paragraph relating to attractive assets for revision and inclusion in the new Council policy for inventory which is presently under development;
- Expansion to number of related Council policies and procedures listed;
- Expansion to number of references listed;
- Updated Council delegations referencing;
- Additional definitions provided in appendix 1;
- Removal of expenditure classification example for computer software in appendix 2. Annual software licences including software as a service (SaaS) are treated as operating expenditure; and

- Removal of appendix 4 table for estimated useful lives. The useful lives of non-current assets are required to be reviewed annually in accordance with the Australian Accounting Standards. The useful lives of Council's non-current assets are reported annually in its audited general purpose financial statements.

If endorsed by the Audit and Risk Committee, this proposed updated Policy will be considered by Council at its 13 March 2024 meeting.

## **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
- Asset Manager
- Accountant – Financial Operations

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

- Nil

## **POLICY IMPLICATIONS**

PO128 Asset Accounting Policy

## **BUDGET AND RESOURCE IMPLICATIONS**

Nil.

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

Without appropriate policies, procedures and delegations in place, Council is placed at risk of non-compliance with legislation, accounting standards and its internal financial controls.

## **ATTACHMENTS**

1. **Proposed Draft PO124 Asset Accounting Policy - Track Changes** [!\[\]\(2810827b83541c0dce997fe5e3a41ea5\_img.jpg\) !\[\]\(9b38fd330684f8274547a99fb73352cf\_img.jpg\)](#)
2. **Proposed Draft PO124 Asset Accounting Policy - No Track Changes** [!\[\]\(0e0f5523781a9e5967475c3609d00882\_img.jpg\) !\[\]\(b70288cd2671ab1c9d6c7c30be7a476b\_img.jpg\)](#)



## COUNCIL POLICY

### Asset Accounting

<b>Policy Number:</b>	PO124		
<b>Strategic Plan Objective:</b>	5. Responsible Governance		
<b>Policy Owner:</b>	Director Corporate and Community Services	<b>Record Number:</b>	<a href="#">16/14189[v2]</a> / <a href="#">16/14189[v3]</a>
<b>Responsible Officer:</b>	Manager Financial Services	<b>Minute Reference:</b>	297/2019 (11/12/2019)
<b>Date Adopted:</b>	11/12/2019	<b>Next Review Date:</b>	December 2027

#### 1. POLICY OBJECTIVES

To provide a framework that ensures robust management and accounting for Council's non-current assets ~~are accounted for~~ in accordance with Australian Accounting Standards and Legislation.

#### 2. SCOPE

This policy applies to all non-current assets ~~(i.e. Infrastructure, Property, Plant and Equipment)~~, intangible assets and assets held for resale as disclosed in Council's Statement of Financial Position.

This policy impacts all Council employees. Specifically, the policy directly applies to Council officers who have responsibility for the management of non-current Council assets and those officers with asset management and asset accounting responsibilities.

This policy (read in conjunction with PO128 Asset Management Policy) is applicable but not limited to the following functions:

- Acquiring, constructing or developing a non-current asset;
- Accounting for costs incurred in maintaining a non-current asset;
- Renewing, replacing or enhancing the service potential of a non-current asset;
- Revaluing non-current assets;
- Disposal of non-current assets;
- Accounting for the depreciation or amortisation of non-current assets;
- Reporting and disclosing non-current assets;
- Establishing the useful life and residual value of non-current assets; and
- Testing non-current assets for impairment.

**PO124 – Asset Accounting Policy**

---

**3. DEFINITIONS**

Refer to Attachment 1.

**4. POLICY STATEMENT****EXPENDITURE CLASSIFICATIONS**

Expenditure by Council in providing services through infrastructure is to be classified into two major categories: operating expenditure and capital expenditure.

Operating expenditure encompasses all costs associated with general maintenance and operations of an asset. These costs are to be expensed when incurred. Operating expenditure falls outside the scope of this policy.

Capital expenditure is expenditure which either renews or upgrades an existing non-current asset or is applied to the creation of a new non-current asset. Capital expenditure for the renewal and replacement of assets is required to be distinguished from capital expenditure for new and upgraded assets by Council in its financial statements in accordance with South Australian Model Financial Statements guidance.

For further guidance in relation to the distinction between operating and capital expenditure refer to Appendix 2.

**RECOGNITION OF A NON-CURRENT ASSET**

A non-current asset is recognised in Council's Statement of Financial Position (Balance Sheet) when all of the following criteria are met:

- Council has control over the non-current asset;
- It is probable that the future economic benefits associated with the non-current asset will flow to Council;
- The non-current asset has a cost or value that can be measured reliably; and
- The cost or fair value exceeds Council's capitalisation threshold.

Activities associated with the acquisition/creation of new assets are detailed in Appendix 3

**MEASUREMENT AT RECOGNITION**

Expenditure which qualifies for recognition as a non-current asset shall be measured initially at its cost. Where an asset is acquired at no cost or for a nominal cost, the cost is its fair value, which is to be determined consistent with the requirements of Australian Accounting Standard Board (AASB) 13 as at the date of acquisition. The cost of non-current assets constructed by the Council includes the cost of all materials used in construction, contractual services and other expenditure incurred in construction, direct labour and plant costs of the project and an appropriate proportion of variable and fixed overhead.

**DONATED NON-CURRENT ASSETS**

Ownership and/or care and control of a donated non-current asset will not transfer to Council until a formal decision of Council has been made to accept the non-current asset.



**PO124 – Asset Accounting Policy**

**CLASSIFICATION OF NON-CURRENT ASSETS**

The following asset classes are reported by Council:

- ~~Buildings and Other Structures~~
- ~~CWMS Infrastructure~~
- Land
- ~~Plant, Equipment and Other Assets~~
- ~~Buildings and Other Structures~~
- Stormwater Infrastructure
- ~~CWMS Infrastructure~~
- Transport Infrastructure
- Water Infrastructure
- ~~Plant, Equipment and Other Assets~~

**CAPITALISATION THRESHOLDS**

Assets should have a useful life of greater than one year in order for the expenditure to be capitalised and have a value above the capitalisation threshold as stated in the table below. Capitalisation thresholds are set so as not to misstate Financial Statements and to provide a guide as to whether it is practical from an administrative perspective that expenditure is capitalised.

<u>Expenditure</u>	<u>Threshold</u>
<u>Road construction and reconstruction</u>	<u>\$10,000</u>
<u>Buildings &amp; Other Structures</u>	<u>\$5,000</u>
<u>Paving, footpaths, kerb and gutter</u>	<u>\$5,000</u>
<u>Drains and Culverts</u>	<u>\$5,000</u>
<u>Computer software</u>	<u>\$5,000</u>
<u>Park Furniture and Playground Equipment</u>	<u>\$2,000</u>
<u>Office Furniture &amp; Equipment</u>	<u>\$1,000</u>
<u>Other Plant and Equipment</u>	<u>\$1,000</u>
<u>All other assets</u>	<u>\$1,000</u>
<u>Expenditure</u>	<u>Threshold</u>
<u>Office Furniture &amp; Equipment</u>	<u>\$1,000</u>
<u>Other Plant and Equipment</u>	<u>\$1,000</u>
<u>Buildings &amp; Other Structures</u>	<u>\$5,000</u>
<u>Park Furniture and Playground Equipment</u>	<u>\$2,000</u>
<u>Paving, footpaths, kerb and gutter</u>	<u>\$5,000</u>

**PO124 – Asset Accounting Policy**

Drains and Culverts	\$5,000
Read construction and reconstruction	\$10,000
Computer software	\$5,000
All other assets	\$1,000

No capitalisation threshold is applied to the acquisition of land or interests in land. Land under roads is not capitalised.

Assets that have been determined to form part of a network can still be capitalised. These items fall below the capitalisation threshold ~~individually, but~~ individually but operate together as a cohesive whole to form a significant total value - for example the computer network.

**DEPRECIATION OF NON-CURRENT ASSETS**

All non-current assets have a limited useful life and are systematically depreciated over their useful lives (excluding land). The ~~straight line~~ straight-line depreciation method is adopted by Council to reflect consumption of the service potential embodied in its non-current asset. All non-current assets are depreciated from the date (or at least within the month) that the asset is deemed ready for use.

~~For more~~ Current information in relation to the useful lives of Council's non-current assets is provided in Council Annual Financial Statements, ~~refer to Appendix 4.~~

**REVALUATION OF NON-CURRENT ASSETS**

Pursuant to the Local Government (Financial Management) Regulations 2011 all material non-current assets are to be revalued in accordance with the requirements of AASB 116. Revaluation of non-current assets is to occur with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at reporting date. Council will annually review the movement in internal non-current road asset unit rates (pending a sufficient level of internal works for the asset class) to determine whether a material movement has occurred since last revaluation.

All assets subject to a revaluation process are to be revalued at fair value as determined in accordance with AASB 13. ~~(AASB 13 has replaced the fair value definition and specific guidance in AASB 116).~~ Under AASB 13 non-current assets may be revalued at fair value through use of one of the following methods:

Method	Explanation
Market Approach	Uses prices and other relevant information generated by market transactions involving identical or comparable (similar) assets, liabilities, or a group of assets and liabilities.
Income Approach	Converts future amounts (cash flows or income and expenses) to a single current (Discounted) amounts, reflecting current market expectations about those future amounts.
Cost Approach	Reflects the amount that would be required currently to replace the service capacity of an asset (current replacement cost of a substitute asset of comparable utility and condition, <u>i.e.</u> , the depreciated replacement cost of a new asset).

**PO124 – Asset Accounting Policy**

Council does not control any asset or group of assets where it is appropriate for the income approach to be adopted for asset revaluation purposes. As such, all assets subject to a revaluation are to be revalued at fair value based on the following criteria:

- Market approach if there is a readily available market; or
- Cost approach if there is no readily available market.

AASB 13 requires that valuation techniques employed to measure fair value shall maximize the use of relevant inputs and minimise the use of unobservable inputs. To aid users of Council’s financial statements to make their own assessment about how much reliance they place on reported revaluations Council will ensure asset classes are segregated according to the type of inputs used to arrive at a valuation. In accordance with AASB 13 the hierarchy for this segregation is provided in the table below:

Fair Value Hierarchy	Explanation
Level 1 inputs	Are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
Level 2 inputs	Are inputs other than quoted prices included within Level 1 that are directly or indirectly observable for the asset or liability.
Level 3 inputs	Are unobservable inputs for the asset or liability.

At a minimum the following classes of assets will be independently revalued, by suitably qualified personnel, in accordance with the timetable below:

Asset Class	Last Revaluation	Next revaluation
Land	<del>2018</del> <u>2022</u> / <del>2019</del> <u>2023</u>	<del>2021</del> <u>2026</u> / <del>2022</del> <u>2027</u>
Buildings & Other Structures	<del>2018</del> <u>2022</u> / <del>2019</del> <u>2023</u>	<del>2021</del> <u>2026</u> / <del>2022</del> <u>2027</u>
Transport Infrastructure	<del>2018</del> <u>2019</u> / <del>2019</del> <u>2020</u>	<del>2019</del> <u>2023</u> / <del>2020</del> <u>2024</u>
Stormwater Infrastructure	<del>2014</del> <u>2019</u> / <del>2015</del> <u>2020</u>	<del>2019</del> <u>2023</u> / <del>2020</del> <u>2024</u>
Water Infrastructure	<del>2014</del> <u>2019</u> / <del>2015</del> <u>2020</u>	<del>2019</del> <u>2023</u> / <del>2020</del> <u>2024</u>
CWMS Infrastructure	<del>2015</del> <u>2019</u> / <del>2016</del> <u>2020</u>	<del>2019</del> <u>2023</u> / <del>2020</del> <u>2024</u>

Each asset class in the table above must be independently revalued at least once every four (4) years. Independent revaluations will, along with other relevant considerations, take into account the most recent condition assessment data (where available) in arriving at fair value.

As the total written down value of the Plant, Equipment and Other Assets class is not material this asset class will remain valued at cost and will not be subject to revaluation.

**ASSET REGISTER**

A register of all recognised non-current assets shall be maintained in an appropriate Asset Management System (~~i.e. — Conquest~~) and shall record individual assets in sufficient detail as to permit their identification and control. The asset registers shall be updated at least

**PO124 – Asset Accounting Policy**

---

annually each financial year. The asset registers shall be used for the purpose of revaluing, depreciating assets and stocktaking.

**IMPAIRMENT OF NON-CURRENT ASSETS**

In accordance with AASB 136 Impairment of Assets, an annual assessment will be made at 30<sup>th</sup> June each year, as to whether there is any indication that a non-current asset (or a class of assets) is 'impaired'. This assessment can also be informed by any indications of impairment highlighted during the process of revaluing a class of Council assets. A non-current asset is impaired when its carrying amount exceeds its recoverable amount.

This assessment will be documented and recorded as part of the annual financial statements working papers, for review by the external auditor.

Where a non-current asset is determined to be impaired, Council staff will estimate the recoverable amount of the non-current asset. If the non-current assets carrying amount exceeds the amount to be recovered through the use or sale of the non-current asset, it will be written down and an impairment loss recorded in the accounts, unless the non-current asset is carried at a revalued amount. Where a non-current asset has been revalued, the impairment loss will be offset against the asset revaluation reserve to the extent available. An impairment loss can be reversed for physical non-current assets in subsequent years.

**PO124 – Asset Accounting Policy****NON-CURRENT ASSET DISPOSAL**

A non-current asset is to be removed from the asset register whenever:

- The asset is destroyed, abandoned or decommission with no future economic benefit expected to be generated from its use;
- The asset is scrapped, sold or traded;
- The asset is lost or stolen; or
- Control of the asset is transferred to another entity.

Partial removal of a non-current asset is to occur whenever:

- A significant component or section of an infrastructure asset is destroyed, abandoned or decommissioned with no future economic benefit expected to be generated from its use; or
- Major renewal works have been undertaken resulting in a significant component or section of an infrastructure asset being replaced.

All decisions to remove/dispose of an asset should be appropriately documented and authorised.

**ACCOUNTING FOR DISPOSAL OF NON-CURRENT ASSETS**

The gain or loss on disposal is the difference between net consideration received by Council and the carrying amount of the portion disposed within the asset register. Net consideration includes cash, trades, land swaps, any other type of asset received, liabilities transferred or extinguished less any costs associated with disposing the asset. Cost of disposal can include real estate commission fees, dismantling costs, dumping fees and associated legal costs.

Depreciation is to be processed up to the date the asset is removed from service (or identified as being no longer in service when the actual date is not known) to ensure the appropriate carrying value is used in the calculation of the gain or loss on disposal.

**WORK IN PROGRESS**

Capital work in progress balances are to be reviewed monthly with at least annually to ensure that completed capital works are transferred to the appropriate asset register annually within Council's Asset Management System and with the resultant movements and balances reflected in the appropriate asset class in the Financial Statements.

**ATTRACTIVE ASSETS**

~~Minor assets are those items acquired for a cost less than \$1,000. The acquisition of minor assets is treated as an expense. Minor assets with a cost greater than \$500 are recorded in an Attractive Assets Register for the purpose of controlling and safeguarding items which by their nature are at risk of loss.~~

~~The Attractive Assets Register will be subject to a random audit. The register will be in a common format and include description, details of location, responsible officer, serial numbers, acquisition and disposal or transfer details. Items in this Register are to be identified by marking or engraving to reduce the likelihood of theft or aid police recovery where cost effective.~~

**PO124 – Asset Accounting Policy****5. COMPLAINTS**

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

**6. REVIEW**

This Policy will be reviewed every four (4) years or as deemed necessary in consideration of any changes to legislation and relevant standards, codes and guidelines. Elected Members and employees will have the opportunity to participate in the review process.

**7. TRAINING**

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

**8. RECORDS**

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

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

PO072 ~~Sale and~~ Disposal of Land & Other Assets Policy

[PO091 Risk Management Policy](#)

PO128 Asset Management Policy

PO147 Complaints Policy

[PO161 Prudential Management Policy](#)

[Asset Management Plans](#)

[Annual Business Plan](#)

[Long Term Financial Plan](#)

[Strategic Management Plan](#)

[Strategic Risk Register](#)

**10. REFERENCES AND LEGISLATION**

Local Government Act 1999

Local Government (Financial Management) Regulations 2011

AASB 13 Fair Value Measurement

AASB 116 Property, Plant and Equipment

AASB 136 Impairment of Assets

South Australian Model Financial Statements

~~IPWEA~~ Australia Infrastructure Financial Management Manual ([AIFMM](#))

**PO124 – Asset Accounting Policy**

[International Infrastructure Management Manual \(IIMM\)](#)  
[Institute of Public Works Engineering Australasia \(IPWEA\) – NAMS.PLUS](#)

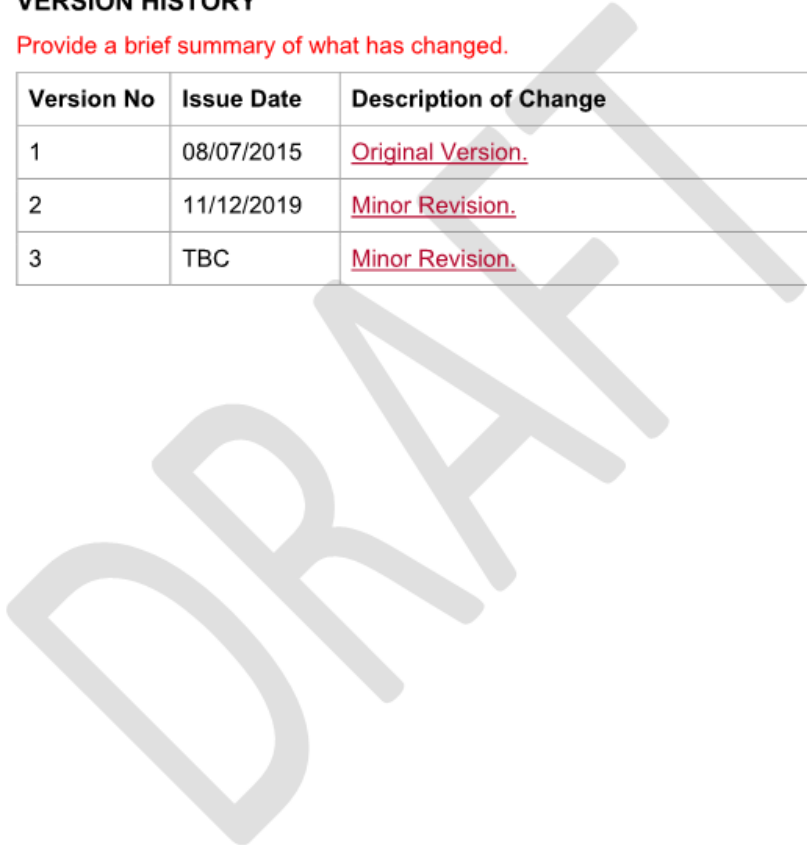
**11. COUNCIL DELEGATION**

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

**12. VERSION HISTORY**

Provide a brief summary of what has changed.

Version No	Issue Date	Description of Change
1	08/07/2015	<a href="#">Original Version.</a>
2	11/12/2019	<a href="#">Minor Revision.</a>
3	TBC	<a href="#">Minor Revision.</a>



**PO124 – Asset Accounting Policy****ATTACHMENT 1: DEFINITIONS**

Term/Reference	Definition
Asset	Future economic benefits controlled by the entity as a result of past transactions or other past events.
Asset Class	An asset class is a group of non-current assets having a similar nature or function in the operations of Council. The asset class is the unit of reporting of assets in Council's financial statements.
Assets held for resale	<p>When these criteria are met, an asset can be classified as held for sale and should be measured at the lower of its carrying amount and fair value less costs to sell. Additionally, assets classified as held for sale are presented separately on the balance sheet.</p> <ul style="list-style-type: none"> <li>- The asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets.</li> <li>- The sale is highly probable, meaning that it's expected to occur within one year from the date of classification.</li> <li>- The asset is actively marketed for sale at a price that is reasonable in relation to its current fair value.</li> <li>- Actions required to complete the sale indicate that it's unlikely that significant changes to the plan to sell the asset will be made or that the plan will be withdrawn.</li> </ul>
Capital Expenditure (New)	A new asset is additional to Council's previous asset complement.
Capital Expenditure (Renewal or Replacement)	Renewal or replacement of an asset occurs where a previously existing asset is replaced - giving a new asset with a new useful life - without enhancement of the service capability except where this is incidental and unavoidable.
Capital Expenditure (Upgrade)	An upgraded asset replaces a previously existing asset with enhanced capability or functionality, where an option existed for replacement without the enhanced capability or functionality.
Capitalisation Threshold	The capitalisation threshold sets the expenditure limit, below which an outlay is expensed <del>as maintenance</del> and above which it is recognised as capital expenditure.
Cost	Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition and all other costs incurred in getting the asset ready for use. Where an asset is acquired for no cost or nominal cost such as a contributed asset, then the fair value at the time of its acquisition or construction will be considered as the cost.
Council	Yorke Peninsula Council
Depreciated Current Replacement Cost	Current cost of replacement or reproduction of an asset, less deductions for physical deterioration of the asset.
Depreciation	Systematic allocation of the value of an asset over its useful life.
Fair Value	The amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction.



**PO124 – Asset Accounting Policy**

Term/Reference	Definition
	Where no active market exists for an asset fair value is taken to be the depreciated current replacement cost.
Impairment	The decline in the future economic benefits or service potential of an asset over and above the consumption reported through depreciation. An asset is said to be impaired when its carrying amount exceeds its recoverable amount.
Intangible Asset	Intangible asset is an identifiable non-monetary asset without physical substance. Examples of intangible assets as per include patents, copyrights, trademarks, franchises, brand names, computer software, licenses, goodwill.
Maintenance	Maintenance of an asset is periodic expenditure required to ensure that the asset continues to provide future economic benefits or expenditure on non-current assets that do not meet the capitalisation criteria. Maintenance costs are expensed annually as they are incurred. This does not upgrade or renew the asset but enables the asset to attain its planned lifespan – e.g. pothole repair, crack sealing and bitumen patching.
Materiality	Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity. Omissions or misstatements of items are material if they could, individually or collectively, influence the economic decisions that users make on the basis of the financial statements. Materiality depends on the size and nature of the omission or misstatement judged in the surrounding circumstances. The size or nature of the item, or a combination of both, could be the determining factor.
Non- Current Asset	An asset is a resource controlled by Council as a result of past events and from which future economic benefits/service potential are expected to flow to Council. Assets include physical assets which provide future economic benefits/service potential for more than 12 months. Any items which has a life less than 12 months is expenses under a- maintenance/ operational budget and cannot be classified as an asset.
Recoverable Amount	The higher of its fair value less costs to sell or its value in use. Costs to sell are the direct incremental costs specifically attributable to the disposal of the asset, such as legal fees, transportation, or any other costs directly associated with the sale. Value in use is the present value of the future cash flows expected to be derived from the continued use of the asset. It involves estimating the future cash flows the asset will generate and discounting them to their present value.
Residual Value	Residual value of an asset is the estimated amount that a council would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

**PO124 – Asset Accounting Policy**

Term/Reference	Definition
Useful Life	The period over which an asset is expected to be available for use by a council; or the number of production or similar units expected to be obtained from the asset by an entity.

DRAFT

**PO124 – Asset Accounting Policy**

**ATTACHMENT 2: ACTIVITIES ASSOCIATED WITH ASSET ACQUISITION / CREATION**

Operating Expenditure	Capital Expenditure
<p>All activities prior to decision made to proceed with investment including:</p> <ul style="list-style-type: none"> <li>• Strategic planning reports</li> <li>• Project scoping and investigation, valuation reports, planning approvals</li> </ul>	<p>All activities following decision made to proceed with investment including:</p> <ul style="list-style-type: none"> <li>• Borrowing costs</li> <li>• Survey and design</li> <li>• Professional fees</li> <li>• Site preparation</li> <li>• Construction</li> <li>• Contract payments</li> <li>• Council direct costs, wages, salaries, plant hire, materials, on-costs</li> <li>• Overheads</li> <li>• Supervision</li> <li>• Transport, installation, assembly and testing</li> <li>• Project Management</li> <li>• Future dismantling and removing item and site restoration (where applicable)</li> </ul>

DRAFT

**PO124 – Asset Accounting Policy**

**ATTACHMENT 3: EXPENDITURE CLASSIFICATION EXAMPLES (NOT EXHAUSTIVE)**

Item	Operating Expenditure	Capital Expenditure
<b>Fleet and Plant Assets</b>	<ul style="list-style-type: none"> <li>• Expenditure &lt;\$1,000 for individual assets or assets that cannot be easily grouped</li> </ul>	<ul style="list-style-type: none"> <li>• Expenditure &gt;\$1,000 for individual assets, or assets that can be easily grouped</li> </ul>
<b>Sealed Roads (including Kerb &amp; Gutter)</b>	<ul style="list-style-type: none"> <li>• Expenditure &lt;\$10,000 for individual assets, or assets that cannot be easily grouped.</li> <li>• Minor road patching</li> <li>• Shoulder grading</li> <li>• Line marking</li> <li>• Road cleaning and sweeping</li> <li>• General kerb maintenance</li> <li>• Condition assessment</li> </ul>	<ul style="list-style-type: none"> <li>• Expenditure &gt;\$10,000 for individual assets, or assets that can be easily grouped including:                             <ul style="list-style-type: none"> <li>• Road patching</li> <li>• Road construction</li> <li>• Resealing</li> <li>• Reconstruction</li> </ul> </li> </ul>
<b>Unsealed Roads</b>	<ul style="list-style-type: none"> <li>• Expenditure &lt;\$10,000 for individual assets, or assets that cannot be easily grouped.</li> <li>• Grading</li> <li>• Sweeping</li> <li>• Vegetation Clearing</li> </ul>	<ul style="list-style-type: none"> <li>• Expenditure &gt;\$10,000 for individual assets, or assets that can be easily grouped including:                             <ul style="list-style-type: none"> <li>• Road patching</li> <li>• Road construction</li> <li>• Resealing</li> <li>• Reconstruction</li> </ul> </li> </ul>
<b>Information Technology</b>	<ul style="list-style-type: none"> <li>• Expenditure &lt;\$1,000 for individual assets or assets that cannot be easily grouped</li> <li>• Minor repairs</li> </ul>	<ul style="list-style-type: none"> <li>• Expenditure &gt;\$1,000 for individual assets, or assets that can be easily grouped</li> </ul>
<b>CWMS Infrastructure</b>	<ul style="list-style-type: none"> <li>• Expenditure &lt;\$1,000 for individual assets or assets that cannot be easily grouped.</li> <li>• Minor repairs</li> <li>• Inspections/condition assessments</li> </ul>	<ul style="list-style-type: none"> <li>• Expenditure &gt;\$1,000 for individual assets, or assets that can be easily grouped including:                             <ul style="list-style-type: none"> <li>• Pipe and structure replacement</li> <li>• New pipes and structures</li> <li>• Purchase or replacement of Pump and Bore</li> </ul> </li> </ul>
<b>Office Furniture and Equipment</b>	<ul style="list-style-type: none"> <li>• Asset purchases &lt;\$1,000</li> </ul>	<ul style="list-style-type: none"> <li>• Asset purchases &gt;\$1,000</li> </ul>

**PO124 – Asset Accounting Policy**

	Item	Operating Expenditure	Capital Expenditure
<b>Signs</b>		<ul style="list-style-type: none"> <li>Expenditure &lt;\$1,000 for individual assets, or assets that cannot be easily grouped.</li> <li>Repairs to existing signs and posts</li> </ul>	<ul style="list-style-type: none"> <li>Expenditure &gt;\$1,000 for individual assets, or assets that can be easily grouped including:                             <ul style="list-style-type: none"> <li>New signs and/or posts</li> <li>Replacement of existing signs</li> </ul> </li> </ul>
<b>Footpaths</b>		<ul style="list-style-type: none"> <li>Expenditure &lt;\$2,000 for individual assets, or assets that cannot be easily grouped.</li> <li>Footpath maintenance (pothole repair, joint grinding, segment paving resetting)</li> </ul>	<ul style="list-style-type: none"> <li>Expenditure &gt;\$2,000 for individual assets, or assets that can be easily grouped including:                             <ul style="list-style-type: none"> <li>Footpath replacement</li> <li>Footpath construction</li> </ul> </li> </ul>
<b>Research, Design and Project Management Costs</b>		<ul style="list-style-type: none"> <li>All research, design and project management costs incurred on projects which have not proceeded.</li> </ul>	<ul style="list-style-type: none"> <li>Subject to the tests of AASB 136 Impairment of assets.</li> </ul>
<b>Playground Equipment &amp; Park Furniture</b>		<ul style="list-style-type: none"> <li>Expenditure &lt;\$2,000 for individual assets, or assets that cannot be easily grouped.</li> <li>All maintenance to existing playground equipment</li> </ul>	<ul style="list-style-type: none"> <li>Expenditure &gt;\$2,000 for individual assets, or assets that can be easily grouped including:                             <ul style="list-style-type: none"> <li>All new playground equipment/park furniture</li> <li>Repairs/replacement to existing equipment/park furniture</li> </ul> </li> </ul>
<b>Buildings</b>		<ul style="list-style-type: none"> <li>Any structural addition to the buildings &lt;\$5,000</li> <li>Repairs/renewal of building &lt;\$5,000</li> <li>Building/shelter construction &lt;\$5,000</li> </ul>	<ul style="list-style-type: none"> <li>Any structural addition to the buildings &gt;\$5,000</li> <li>Repairs/renewal of building &gt;\$5,000</li> <li>Building/shelter construction &gt;\$5,000</li> </ul>

**PO124 – Asset Accounting Policy**

<b>Computer Software</b>	<ul style="list-style-type: none"> <li>• Computer software with an initial cost of &lt;\$5,000</li> <li>• Relocation Costs</li> <li>• Report development</li> <li>• Annual software and license agreement charges</li> <li>• Ongoing staff training</li> <li>• General admin costs</li> <li>• Decommissioning cost</li> </ul>	<ul style="list-style-type: none"> <li>• Computer software with an initial cost &gt;\$5,000</li> <li>• Purchases (including initial software licenses) &gt; \$5,000</li> <li>• Testing, development and implementation costs associated with purchased software</li> <li>• Additional concurrent user licenses for installed software</li> </ul>
--------------------------	---	--

Item	Operating Expenditure	Capital Expenditure
<b>Irrigation</b>	<ul style="list-style-type: none"> <li>• Expenditure &lt;\$1,000 for individual assets, or assets that cannot be easily grouped</li> <li>• Maintenance to existing irrigation equipment</li> </ul>	<ul style="list-style-type: none"> <li>• Expenditure &gt;\$1,000 for individual assets, or assets that can be easily grouped including:                             <ul style="list-style-type: none"> <li>• New irrigation equipment</li> <li>• Major repairs/ replacement of irrigation equipment</li> </ul> </li> </ul>
<b>Sporting Ovals and Playing Courts</b>	<ul style="list-style-type: none"> <li>• Expenditure &lt;\$5,000 for individual assets, or assets that cannot be easily grouped</li> <li>• Line Marking</li> <li>• Lawn mowing</li> <li>• Light tower bulb replacements</li> <li>• Utilities</li> </ul>	<ul style="list-style-type: none"> <li>• Expenditure &gt;\$5,000 for individual assets, or assets that can be easily grouped including:                             <ul style="list-style-type: none"> <li>• Major Earthworks</li> <li>• Court construction and resurfacing</li> <li>• Light tower construction</li> </ul> </li> </ul>
<b>Stormwater Infrastructure</b>	<ul style="list-style-type: none"> <li>• Expenditure &lt;\$5,000 for individual assets or assets that cannot be easily grouped</li> <li>• Minor repairs</li> </ul>	<ul style="list-style-type: none"> <li>• Expenditure &gt;\$5,000 for individual assets, or assets that can be easily grouped</li> <li>• Pipe and structure replacement</li> <li>• New pipes and structures</li> <li>• Purchase or replacement of Pump and Bore</li> </ul>

**PO124 – Asset Accounting Policy****ESTIMATED USEFUL LIVES CURRENT AS AT 30 JUNE 2019~~2023~~**

<b>Buildings &amp; Other Structures</b>	
Buildings (with components)	10 – 100 years
Buildings (no components)	20 – 100 years
Structures	5 to 100 years
<b>Stormwater Infrastructure</b>	
Nodes	25 – 70 years
Pipes/Drains	30 – 100 years
Reuse & Storage	10 – 50 years
<b>Community Wastewater Management Scheme Infrastructure</b>	
Nodes	20 – 70 years
Pipes	50 – 70 years
Pumping Stations	15 – 50 years
Wastewater Treatment Plants & Storage	10 – 100 years
<b>Transport Infrastructure</b>	
Sealed Roads (Upper Surface)	17 – 30 years
Sealed Roads (Lower Surface)	80 – 90 years
Sealed Roads (Pavement)	80 – 90 years
Unsealed Roads (Wearing Surface)	15 – 50 years
Unsealed Roads (Low-Base & Earthworks)	90 – 400 years
Paving & Footpaths	30 – 60 years
Drains, Kerb & Gutter	80 years
Walking Trails	30 years
Airfields	20 – 80 years
<b>Water Infrastructure</b>	
Nodes	25 – 60 years
Pipes	60 – 100 years
Pumping, Storage and Treatment	15 – 50 years
<b>Plant, Equipment &amp; Other Assets</b>	
Fleet Vehicles	2 years (Residual 55%)
Major Plant	5 – 25 years (Residual 5% – 35%)
Minor Plant	5 – 60 years
Information Technology	3 – 20 years
Furniture & Other Equipment	5 – 100 years
Other Assets	5 – 100 years
Carparks	30 – 60 years

Useful lives shall be reviewed at the end of each financial year and adjusted where required in accordance with Australian Accounting Standard requirements.



## COUNCIL POLICY

### Asset Accounting

<b>Policy Number:</b>	PO124		
<b>Strategic Plan Objective:</b>	5. Responsible Governance		
<b>Policy Owner:</b>	Director Corporate and Community Services	<b>Record Number:</b>	16/14189[v3]
<b>Responsible Officer:</b>	Manager Financial Services	<b>Minute Reference:</b>	297/2019 (11/12/2019)
<b>Date Adopted:</b>	11/12/2019	<b>Next Review Date:</b>	December 2027

#### 1. POLICY OBJECTIVES

To provide a framework that ensures robust management and accounting for Council's non-current assets in accordance with Australian Accounting Standards and Legislation.

#### 2. SCOPE

This policy applies to all non-current assets, intangible assets and assets held for resale as disclosed in Council's Statement of Financial Position.

This policy impacts all Council employees. Specifically, the policy directly applies to Council officers who have responsibility for the management of non-current Council assets and those officers with asset management and asset accounting responsibilities.

This policy (read in conjunction with PO128 Asset Management Policy) is applicable but not limited to the following functions:

- Acquiring, constructing or developing a non-current asset;
- Accounting for costs incurred in maintaining a non-current asset;
- Renewing, replacing or enhancing the service potential of a non-current asset;
- Revaluing non-current assets;
- Disposal of non-current assets;
- Accounting for the depreciation or amortisation of non-current assets;
- Reporting and disclosing non-current assets;
- Establishing the useful life and residual value of non-current assets; and
- Testing non-current assets for impairment.



**PO124 – Asset Accounting Policy**

---

**3. DEFINITIONS**

Refer to Attachment 1.

**4. POLICY STATEMENT****EXPENDITURE CLASSIFICATIONS**

Expenditure by Council in providing services through infrastructure is to be classified into two major categories: operating expenditure and capital expenditure.

Operating expenditure encompasses all costs associated with general maintenance and operations of an asset. These costs are to be expensed when incurred. Operating expenditure falls outside the scope of this policy.

Capital expenditure is expenditure which either renews or upgrades an existing non-current asset or is applied to the creation of a new non-current asset. Capital expenditure for the renewal and replacement of assets is required to be distinguished from capital expenditure for new and upgraded assets by Council in its financial statements in accordance with South Australian Model Financial Statements guidance.

For further guidance in relation to the distinction between operating and capital expenditure refer to Appendix 2.

**RECOGNITION OF A NON-CURRENT ASSET**

A non-current asset is recognised in Council's Statement of Financial Position (Balance Sheet) when all of the following criteria are met:

- Council has control over the non-current asset;
- It is probable that the future economic benefits associated with the non-current asset will flow to Council;
- The non-current asset has a cost or value that can be measured reliably; and
- The cost or fair value exceeds Council's capitalisation threshold.

Activities associated with the acquisition/creation of new assets are detailed in Appendix 3

**MEASUREMENT AT RECOGNITION**

Expenditure which qualifies for recognition as a non-current asset shall be measured initially at its cost. Where an asset is acquired at no cost or for a nominal cost, the cost is its fair value, which is to be determined consistent with the requirements of Australian Accounting Standard Board (AASB) 13 as at the date of acquisition. The cost of non-current assets constructed by the Council includes the cost of all materials used in construction, contractual services and other expenditure incurred in construction, direct labour and plant costs of the project and an appropriate proportion of variable and fixed overhead.

**DONATED NON-CURRENT ASSETS**

Ownership and/or care and control of a donated non-current asset will not transfer to Council until a formal decision of Council has been made to accept the non-current asset.

**PO124 – Asset Accounting Policy****CLASSIFICATION OF NON-CURRENT ASSETS**

The following asset classes are reported by Council:

- Buildings and Other Structures
- CWMS Infrastructure
- Land
- Plant, Equipment and Other Assets
- Stormwater Infrastructure
- Transport Infrastructure
- Water Infrastructure

**CAPITALISATION THRESHOLDS**

Assets should have a useful life of greater than one year in order for the expenditure to be capitalised and have a value above the capitalisation threshold as stated in the table below. Capitalisation thresholds are set so as not to misstate Financial Statements and to provide a guide as to whether it is practical from an administrative perspective that expenditure is capitalised.

<b>Expenditure</b>	<b>Threshold</b>
Road construction and reconstruction	\$10,000
Buildings & Other Structures	\$5,000
Paving, footpaths, kerb and gutter	\$5,000
Drains and Culverts	\$5,000
Computer software	\$5,000
Park Furniture and Playground Equipment	\$2,000
Office Furniture & Equipment	\$1,000
Other Plant and Equipment	\$1,000
All other assets	\$1,000

No capitalisation threshold is applied to the acquisition of land or interests in land. Land under roads is not capitalised.

Assets that have been determined to form part of a network can still be capitalised. These items fall below the capitalisation threshold individually but operate together as a cohesive whole to form a significant total value - for example the computer network.

**DEPRECIATION OF NON-CURRENT ASSETS**

All non-current assets have a limited useful life and are systematically depreciated over their useful lives (excluding land). The straight-line depreciation method is adopted by Council to reflect consumption of the service potential embodied in its non-current asset. All non-current assets are depreciated from the date (or at least within the month) that the asset is deemed ready for use.

Current information in relation to the useful lives of Council's non-current assets is provided in Council Annual Financial Statements.

**PO124 – Asset Accounting Policy****REVALUATION OF NON-CURRENT ASSETS**

Pursuant to the Local Government (Financial Management) Regulations 2011 all material non-current assets are to be revalued in accordance with the requirements of AASB 116. Revaluation of non-current assets is to occur with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at reporting date. Council will annually review the movement in internal non-current road asset unit rates (pending a sufficient level of internal works for the asset class) to determine whether a material movement has occurred since last revaluation.

All assets subject to a revaluation process are to be revalued at fair value as determined in accordance with AASB 13. Under AASB 13 non-current assets may be revalued at fair value through use of one of the following methods:

Method	Explanation
Market Approach	Uses prices and other relevant information generated by market transactions involving identical or comparable (similar) assets, liabilities, or a group of assets and liabilities.
Income Approach	Converts future amounts (cash flows or income and expenses) to a single current (Discounted) amounts, reflecting current market expectations about those future amounts.
Cost Approach	Reflects the amount that would be required currently to replace the service capacity of an asset (current replacement cost of a substitute asset of comparable utility and condition, i.e., the depreciated replacement cost of a new asset).

Council does not control any asset or group of assets where it is appropriate for the income approach to be adopted for asset revaluation purposes. As such, all assets subject to a revaluation are to be revalued at fair value based on the following criteria:

- Market approach if there is a readily available market; or
- Cost approach if there is no readily available market.

AASB 13 requires that valuation techniques employed to measure fair value shall maximize the use of relevant inputs and minimise the use of unobservable inputs. To aid users of Council's financial statements to make their own assessment about how much reliance they place on reported revaluations Council will ensure asset classes are segregated according to the type of inputs used to arrive at a valuation. In accordance with AASB 13 the hierarchy for this segregation is provided in the table below:

Fair Value Hierarchy	Explanation
Level 1 inputs	Are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
Level 2 inputs	Are inputs other than quoted prices included within Level 1 that are directly or indirectly observable for the asset or liability.
Level 3 inputs	Are unobservable inputs for the asset or liability.

**PO124 – Asset Accounting Policy**

At a minimum the following classes of assets will be independently revalued, by suitably qualified personnel, in accordance with the timetable below:

Asset Class	Last Revaluation	Next revaluation
Land	2022/2023	2026/2027
Buildings & Other Structures	2022/2023	2026/2027
Transport Infrastructure	2019/2020	2023/2024
Stormwater Infrastructure	2019/2020	2023/2024
Water Infrastructure	2019/2020	2023/2024
CWMS Infrastructure	2019/2020	2023/2024

Each asset class in the table above must be independently revalued at least once every four (4) years. Independent revaluations will, along with other relevant considerations, take into account the most recent condition assessment data (where available) in arriving at fair value.

As the total written down value of the Plant, Equipment and Other Assets class is not material this asset class will remain valued at cost and will not be subject to revaluation.

**ASSET REGISTER**

A register of all recognised non-current assets shall be maintained in an appropriate Asset Management System and shall record individual assets in sufficient detail as to permit their identification and control. The asset registers shall be updated at least annually each financial year. The asset registers shall be used for the purpose of revaluing, depreciating assets and stocktaking.

**IMPAIRMENT OF NON-CURRENT ASSETS**

In accordance with AASB 136 Impairment of Assets, an annual assessment will be made at 30 June each year, as to whether there is any indication that a non-current asset (or a class of assets) is 'impaired'. This assessment can also be informed by any indications of impairment highlighted during the process of revaluing a class of Council assets. A non-current asset is impaired when its carrying amount exceeds its recoverable amount.

This assessment will be documented and recorded as part of the annual financial statements working papers, for review by the external auditor.

Where a non-current asset is determined to be impaired, Council staff will estimate the recoverable amount of the non-current asset. If the non-current assets carrying amount exceeds the amount to be recovered through the use or sale of the non-current asset, it will be written down and an impairment loss recorded in the accounts, unless the non-current asset is carried at a revalued amount. Where a non-current asset has been revalued, the impairment loss will be offset against the asset revaluation reserve to the extent available. An impairment loss can be reversed for physical non-current assets in subsequent years.

**PO124 – Asset Accounting Policy**

---

**NON-CURRENT ASSET DISPOSAL**

A non-current asset is to be removed from the asset register whenever:

- The asset is destroyed, abandoned or decommissioned with no future economic benefit expected to be generated from its use.
- The asset is scrapped, sold or traded.
- The asset is lost or stolen; or
- Control of the asset is transferred to another entity.

Partial removal of a non-current asset is to occur whenever:

- A significant component or section of an infrastructure asset is destroyed, abandoned or decommissioned with no future economic benefit expected to be generated from its use; or
- Major renewal works have been undertaken resulting in a significant component or section of an infrastructure asset being replaced.

All decisions to remove/dispose of an asset should be appropriately documented and authorised.

**ACCOUNTING FOR DISPOSAL OF NON-CURRENT ASSETS**

The gain or loss on disposal is the difference between net consideration received by Council and the carrying amount of the portion disposed within the asset register. Net consideration includes cash, trades, land swaps, any other type of asset received, liabilities transferred or extinguished less any costs associated with disposing the asset. Cost of disposal can include real estate commission fees, dismantling costs, dumping fees and associated legal costs.

Depreciation is to be processed up to the date the asset is removed from service (or identified as being no longer in service when the actual date is not known) to ensure the appropriate carrying value is used in the calculation of the gain or loss on disposal.

**WORK IN PROGRESS**

Capital work in progress balances are to be reviewed monthly with completed capital works transferred to the appropriate asset register annually within Council's Asset Management System with the resultant movements and balances reflected in the appropriate asset class in the Financial Statements.

**5. COMPLAINTS**

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

**6. REVIEW**

This Policy will be reviewed every four (4) years or as deemed necessary in consideration of any changes to legislation and relevant standards, codes and guidelines. Elected Members and employees will have the opportunity to participate in the review process.

**PO124 – Asset Accounting Policy**

---

**7. TRAINING**

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

**8. RECORDS**

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

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

PO072 Disposal of Land & Other Assets Policy

PO091 Risk Management Policy

PO128 Asset Management Policy

PO147 Complaints Policy

PO161 Prudential Management Policy

Asset Management Plans

Annual Business Plan

Long Term Financial Plan

Strategic Management Plan

Strategic Risk Register

**10. REFERENCES AND LEGISLATION**

Local Government Act 1999

Local Government (Financial Management) Regulations 2011

AASB 13 Fair Value Measurement

AASB 116 Property, Plant and Equipment

AASB 136 Impairment of Assets

South Australian Model Financial Statements

Australia Infrastructure Financial Management Manual (AIFMM)

International Infrastructure Management Manual (IIMM)

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

**11. COUNCIL DELEGATION**

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

**PO124 – Asset Accounting Policy**

---

**12. VERSION HISTORY**

Provide a brief summary of what has changed.

Version No	Issue Date	Description of Change
1	08/07/2015	Original Version.
2	11/12/2019	Minor Revision.
3	TBC	Minor Revision.

**PO124 – Asset Accounting Policy****ATTACHMENT 1: DEFINITIONS**

Term/Reference	Definition
Asset	Future economic benefits controlled by the entity as a result of past transactions or other past events.
Asset Class	An asset class is a group of non-current assets having a similar nature or function in the operations of Council. The asset class is the unit of reporting of assets in Council's financial statements.
Assets held for resale	<p>When these criteria are met, an asset can be classified as held for sale and should be measured at the lower of its carrying amount and fair value less costs to sell. Additionally, assets classified as held for sale are presented separately on the balance sheet.</p> <ul style="list-style-type: none"> <li>- The asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets.</li> <li>- The sale is highly probable, meaning that it's expected to occur within one year from the date of classification.</li> <li>- The asset is actively marketed for sale at a price that is reasonable in relation to its current fair value.</li> <li>- Actions required to complete the sale indicate that it's unlikely that significant changes to the plan to sell the asset will be made or that the plan will be withdrawn.</li> </ul>
Capital Expenditure (New)	A new asset is additional to Council's previous asset complement.
Capital Expenditure (Renewal or Replacement)	Renewal or replacement of an asset occurs where a previously existing asset is replaced - giving a new asset with a new useful life - without enhancement of the service capability except where this is incidental and unavoidable.
Capital Expenditure (Upgrade)	An upgraded asset replaces a previously existing asset with enhanced capability or functionality, where an option existed for replacement without the enhanced capability or functionality.
Capitalisation Threshold	The capitalisation threshold sets the expenditure limit, below which an outlay is expensed and above which it is recognised as capital expenditure.
Cost	Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition and all other costs incurred in getting the asset ready for use. Where an asset is acquired for no cost or nominal cost such as a contributed asset, then the fair value at the time of its acquisition or construction will be considered as the cost.
Council	Yorke Peninsula Council
Depreciated Current Replacement Cost	Current cost of replacement or reproduction of an asset, less deductions for physical deterioration of the asset.
Depreciation	Systematic allocation of the value of an asset over its useful life.
Fair Value	The amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction.



**PO124 – Asset Accounting Policy**

Term/Reference	Definition
	Where no active market exists for an asset fair value is taken to be the depreciated current replacement cost.
Impairment	The decline in the future economic benefits or service potential of an asset over and above the consumption reported through depreciation. An asset is said to be impaired when its carrying amount exceeds its recoverable amount.
Intangible Asset	Intangible asset is an identifiable non-monetary asset without physical substance. Examples of intangible assets as per include patents, copyrights, trademarks, franchises, brand names, computer software, licenses, goodwill.
Maintenance	Maintenance of an asset is periodic expenditure required to ensure that the asset continues to provide future economic benefits or expenditure on non-current assets that do not meet the capitalisation criteria. Maintenance costs are expensed annually as they are incurred. This does not upgrade or renew the asset but enables the asset to attain its planned lifespan – e.g. pothole repair, crack sealing and bitumen patching.
Materiality	Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity. Omissions or misstatements of items are material if they could, individually or collectively, influence the economic decisions that users make on the basis of the financial statements. Materiality depends on the size and nature of the omission or misstatement judged in the surrounding circumstances. The size or nature of the item, or a combination of both, could be the determining factor.
Non- Current Asset	An asset is a resource controlled by Council as a result of past events and from which future economic benefits/service potential are expected to flow to Council. Assets include physical assets which provide future economic benefits/service potential for more than 12 months. Any items which has a life less than 12 months is expenses under a maintenance/ operational budget and cannot be classified as an asset.
Recoverable Amount	The higher of its fair value less costs to sell or its value in use. Costs to sell are the direct incremental costs specifically attributable to the disposal of the asset, such as legal fees, transportation, or any other costs directly associated with the sale. Value in use is the present value of the future cash flows expected to be derived from the continued use of the asset. It involves estimating the future cash flows the asset will generate and discounting them to their present value.
Residual Value	Residual value of an asset is the estimated amount that a council would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

**PO124 – Asset Accounting Policy**

---

Term/Reference	Definition
Useful Life	The period over which an asset is expected to be available for use by a council; or the number of production or similar units expected to be obtained from the asset by an entity.

**PO124 – Asset Accounting Policy**

**ATTACHMENT 2: ACTIVITIES ASSOCIATED WITH ASSET ACQUISITION / CREATION**

Operating Expenditure	Capital Expenditure
<p>All activities prior to decision made to proceed with investment including:</p> <ul style="list-style-type: none"> <li>• Strategic planning reports</li> <li>• Project scoping and investigation, valuation reports, planning approvals</li> </ul>	<p>All activities following decision made to proceed with investment including:</p> <ul style="list-style-type: none"> <li>• Borrowing costs</li> <li>• Survey and design</li> <li>• Professional fees</li> <li>• Site preparation</li> <li>• Construction</li> <li>• Contract payments</li> <li>• Council direct costs, wages, salaries, plant hire, materials, on-costs</li> <li>• Overheads</li> <li>• Supervision</li> <li>• Transport, installation, assembly and testing</li> <li>• Project Management</li> <li>• Future dismantling and removing item and site restoration (where applicable)</li> </ul>

**PO124 – Asset Accounting Policy**

**ATTACHMENT 3: EXPENDITURE CLASSIFICATION EXAMPLES (NOT EXHAUSTIVE)**

Item	Operating Expenditure	Capital Expenditure
<b>Fleet and Plant Assets</b>	<ul style="list-style-type: none"> <li>• Expenditure &lt;\$1,000 for individual assets or assets that cannot be easily grouped</li> </ul>	<ul style="list-style-type: none"> <li>• Expenditure &gt;\$1,000 for individual assets, or assets that can be easily grouped</li> </ul>
<b>Sealed Roads (including Kerb &amp; Gutter)</b>	<ul style="list-style-type: none"> <li>• Expenditure &lt;\$10,000 for individual assets, or assets that cannot be easily grouped.</li> <li>• Minor road patching</li> <li>• Shoulder grading</li> <li>• Line marking</li> <li>• Road cleaning and sweeping</li> <li>• General kerb maintenance</li> <li>• Condition assessment</li> </ul>	<ul style="list-style-type: none"> <li>• Expenditure &gt;\$10,000 for individual assets, or assets that can be easily grouped including:                             <ul style="list-style-type: none"> <li>• Road patching</li> <li>• Road construction</li> <li>• Resealing</li> <li>• Reconstruction</li> </ul> </li> </ul>
<b>Unsealed Roads</b>	<ul style="list-style-type: none"> <li>• Expenditure &lt;\$10,000 for individual assets, or assets that cannot be easily grouped.</li> <li>• Grading</li> <li>• Sweeping</li> <li>• Vegetation Clearing</li> </ul>	<ul style="list-style-type: none"> <li>• Expenditure &gt;\$10,000 for individual assets, or assets that can be easily grouped including:                             <ul style="list-style-type: none"> <li>• Road patching</li> <li>• Road construction</li> <li>• Resealing</li> <li>• Reconstruction</li> </ul> </li> </ul>
<b>Information Technology</b>	<ul style="list-style-type: none"> <li>• Expenditure &lt;\$1,000 for individual assets or assets that cannot be easily grouped</li> <li>• Minor repairs</li> </ul>	<ul style="list-style-type: none"> <li>• Expenditure &gt;\$1,000 for individual assets, or assets that can be easily grouped</li> </ul>
<b>CWMS Infrastructure</b>	<ul style="list-style-type: none"> <li>• Expenditure &lt;\$1,000 for individual assets or assets that cannot be easily grouped.</li> <li>• Minor repairs</li> <li>• Inspections/condition assessments</li> </ul>	<ul style="list-style-type: none"> <li>• Expenditure &gt;\$1,000 for individual assets, or assets that can be easily grouped including:                             <ul style="list-style-type: none"> <li>• Pipe and structure replacement</li> <li>• New pipes and structures</li> <li>• Purchase or replacement of Pump and Bore</li> </ul> </li> </ul>
<b>Office Furniture and Equipment</b>	<ul style="list-style-type: none"> <li>• Asset purchases &lt;\$1,000</li> </ul>	<ul style="list-style-type: none"> <li>• Asset purchases &gt;\$1,000</li> </ul>

**PO124 – Asset Accounting Policy**

	Item	Operating Expenditure	Capital Expenditure
<b>Signs</b>		<ul style="list-style-type: none"> <li>Expenditure &lt;\$1,000 for individual assets, or assets that cannot be easily grouped.</li> <li>Repairs to existing signs and posts</li> </ul>	<ul style="list-style-type: none"> <li>Expenditure &gt;\$1,000 for individual assets, or assets that can be easily grouped including:                             <ul style="list-style-type: none"> <li>New signs and/or posts</li> <li>Replacement of existing signs</li> </ul> </li> </ul>
<b>Footpaths</b>		<ul style="list-style-type: none"> <li>Expenditure &lt;\$2,000 for individual assets, or assets that cannot be easily grouped.</li> <li>Footpath maintenance (pothole repair, joint grinding, segment paving resetting)</li> </ul>	<ul style="list-style-type: none"> <li>Expenditure &gt;\$2,000 for individual assets, or assets that can be easily grouped including:                             <ul style="list-style-type: none"> <li>Footpath replacement</li> <li>Footpath construction</li> </ul> </li> </ul>
<b>Research, Design and Project Management Costs</b>		<ul style="list-style-type: none"> <li>All research, design and project management costs incurred on projects which have not proceeded.</li> </ul>	<ul style="list-style-type: none"> <li>Subject to the tests of AASB 136 Impairment of assets.</li> </ul>
<b>Playground Equipment &amp; Park Furniture</b>		<ul style="list-style-type: none"> <li>Expenditure &lt;\$2,000 for individual assets, or assets that cannot be easily grouped.</li> <li>All maintenance to existing playground equipment</li> </ul>	<ul style="list-style-type: none"> <li>Expenditure &gt;\$2,000 for individual assets, or assets that can be easily grouped including:                             <ul style="list-style-type: none"> <li>All new playground equipment/park furniture</li> <li>Repairs/replacement to existing equipment/park furniture</li> </ul> </li> </ul>
<b>Buildings</b>		<ul style="list-style-type: none"> <li>Any structural addition to the buildings &lt;\$5,000</li> <li>Repairs/renewal of building &lt;\$5,000</li> <li>Building/shelter construction &lt;\$5,000</li> </ul>	<ul style="list-style-type: none"> <li>Any structural addition to the buildings &gt;\$5,000</li> <li>Repairs/renewal of building &gt;\$5,000</li> <li>Building/shelter construction &gt;\$5,000</li> </ul>

**PO124 – Asset Accounting Policy**

Item	Operating Expenditure	Capital Expenditure
<b>Irrigation</b>	<ul style="list-style-type: none"> <li>• Expenditure &lt;\$1,000 for individual assets, or assets that cannot be easily grouped</li> <li>• Maintenance to existing irrigation equipment</li> </ul>	<ul style="list-style-type: none"> <li>• Expenditure &gt;\$1,000 for individual assets, or assets that can be easily grouped including:                             <ul style="list-style-type: none"> <li>• New irrigation equipment</li> <li>• Major repairs/ replacement of irrigation equipment</li> </ul> </li> </ul>
<b>Sporting Ovals and Playing Courts</b>	<ul style="list-style-type: none"> <li>• Expenditure &lt;\$5,000 for individual assets, or assets that cannot be easily grouped</li> <li>• Line Marking</li> <li>• Lawn mowing</li> <li>• Light tower bulb replacements</li> <li>• Utilities</li> </ul>	<ul style="list-style-type: none"> <li>• Expenditure &gt;\$5,000 for individual assets, or assets that can be easily grouped including:                             <ul style="list-style-type: none"> <li>• Major Earthworks</li> <li>• Court construction and resurfacing</li> <li>• Light tower construction</li> </ul> </li> </ul>
<b>Stormwater Infrastructure</b>	<ul style="list-style-type: none"> <li>• Expenditure &lt;\$5,000 for individual assets or assets that cannot be easily grouped</li> <li>• Minor repairs</li> </ul>	<ul style="list-style-type: none"> <li>• Expenditure &gt;\$5,000 for individual assets, or assets that can be easily grouped</li> <li>• Pipe and structure replacement</li> <li>• New pipes and structures</li> <li>• Purchase or replacement of Pump and Bore</li> </ul>

**8.12 REPORT ON EXCESS ANNUAL LEAVE ENTITLEMENTS - FEBRUARY 2024****Document #:** 24/15419**Department:** Corporate and Community Services**PURPOSE**

To provide an update to the Audit and Risk Committee on the current annual leave management processes.

**RECOMMENDATION**

That the report be received.

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

Council will provide a regular update on excess annual leave entitlements to the Audit and Risk Committee on a regular basis.

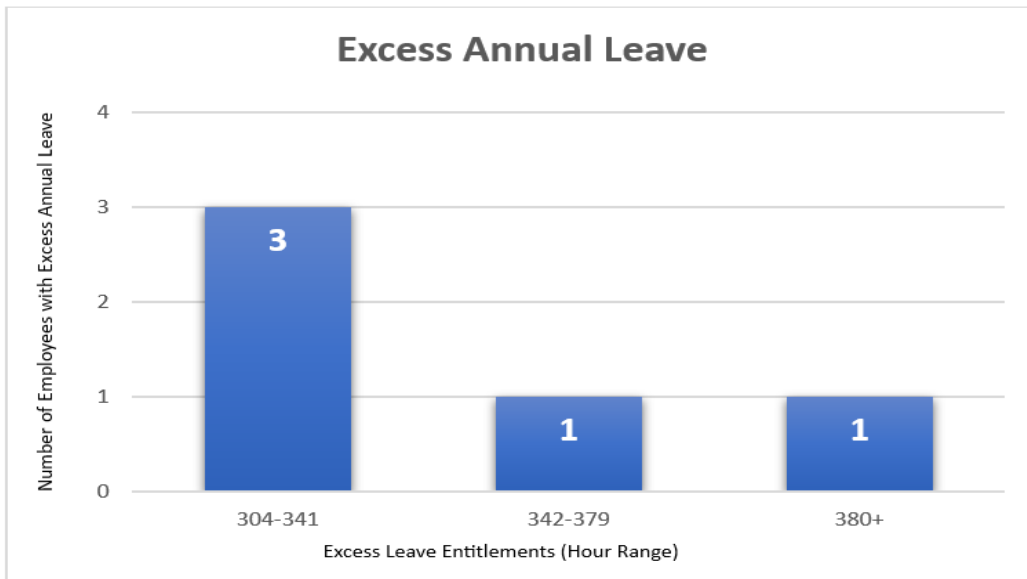
**DISCUSSION**

Council's current PO173 Leave Management Policy (Policy) defines excess leave as an employee accruing leave credits that accumulate beyond an acceptable level at any time during their employment lifecycle. The current acceptable level for accrued annual leave is eight weeks or 304 hours. The Policy provides Council with a consistent approach in managing employee leave entitlements to prevent accumulation which is above the allowable limit.

It is recognised that excess leave entitlements will alter during the year as balances naturally increase and decrease as employees accrue and access their annual leave entitlements. This natural fluctuation of balances is monitored by management on a regular basis with fortnightly excess leave reports being reviewed, which ensures excess entitlements are managed appropriately. This regular reporting is initially provided to the Corporate Management Team (CEO and Directors) which highlights when an employee has a balance greater than the allowable limit. The relevant Director, in consultation with the Manager, will then discuss the excess leave balance with the affected employee(s) to ascertain their future planned leave arrangements. To ensure appropriate risk management strategies are put in place, a Leave Management Plan is created and monitored.

The following graph shows the number of Council employees who, being employed under an Award, hold annual leave entitlements in excess of the Policy as at Friday 9 February 2024. All employees listed have leave management plans in place.

Five employees having excess annual leave balances, equating to 3.7% of all employees. This is a reduction from the previous report to the Audit and Risk Committee in December 2023, whereby ten employees (7% of all employees) held excess annual leave entitlements.



**COMMUNITY ENGAGEMENT PLAN**

Level 1 - Inform

**CONSULTATION PROCESS**

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

- Corporate Management Team
- Manager People Culture and Safety
- Team Leader, HR and People Experience

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

- Nil

**POLICY IMPLICATIONS**

PO173 Leave Management Policy

**BUDGET AND RESOURCE IMPLICATIONS**

Council’s annual budget deals with annual leave in two different ways. The outside staff have a separate budget line for annual leave in which the assumption is made that the four full weeks entitlement will be taken during the year. For inside staff, the four full weeks allowance is incorporated into the annual salary which is allocated into the appropriate budget area. Should the four week allowance not be taken, or additional leave above the four weeks is taken in that financial year, an end of year balance sheet adjustment is completed to ensure that Council’s accurately reflects the leave liability as at 30 June of the relevant year.

**RISKS/LEGAL/LEGISLATIVE/ IMPLICATIONS**

Fair Work Act 1994

Local Government 1999

Work Health and Safety Act 2012

YPC Local Government Employees Enterprise Agreement 2023

YPC Municipal Officers Enterprise Agreement 2023



**ATTACHMENTS**

Nil

**8.13 POLICY REVIEW - PO177 YP LEISURE OPTIONS WORKER SCREENING REQUIREMENTS****Document #:** 24/15420**Department:** Corporate and Community Services**PURPOSE**

To seek endorsement on the proposed updated PO177 YP Leisure Options Worker Screening Requirements Policy.

**RECOMMENDATION**

That the Audit and Risk Committee endorse the proposed updated PO177 YP Leisure Options Worker Screening Requirements Policy and recommend to Council that it be adopted as presented.

**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

5.5 Undertake effective risk and emergency management

**BACKGROUND**

Council's PO177 YP Leisure Options Worker Screening Requirements Policy (Policy) has recently been reviewed in line with its scheduled periodic review.

**DISCUSSION**

The proposed updated Policy is presented with recommendations including:

- Grammatical changes;
- Reference to National Disability Insurance Scheme (NDIS) and Aged Care quality and safeguard arrangements;
- Aligned to legislation and grant funding requirements as a result of the Aged Care Reforms aligning with the NDIS legislation;
- Updated Risk Assessment process;
- Reduced to two types of screenings removing vulnerable screenings as NDIS/ Aged Care Worker Screenings are comprehensive and cover this category;
- Removed Acceptable Disability Sector Checks in South Australia as no Risk Assessed Roles have this old screening in place; and
- Referenced Aged Care Act 1997.

The proposed updated Policy is attached with changes shown in colour (Attachment 1) and a copy without track changes is provided for ease of reference (Attachment 2)

If endorsed by the Audit and Risk Committee, this proposed updated Policy will be considered by Council at the 13 March 2024 meeting.

**COMMUNITY ENGAGEMENT PLAN**

Level 1 - Inform

**CONSULTATION PROCESS**

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

- Corporate Management Team
- Manager People Culture and Safety
- YP Leisure Options Coordinator
- All Staff

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

- Nil

**POLICY IMPLICATIONS**

PO193 YP Leisure Options Practice Standards Policy

PO195 YP Leisure Options Philosophy and Objectives Policy

PO201 YP Leisure Options Monitoring, Compliance and National Standards Policy

**BUDGET AND RESOURCE IMPLICATIONS**

Aged Care Act 1997



National Disability Insurance Scheme Act 2013

Risk assessed roles within Council that are required to undertake Worker Screenings are monitored and managed within Council current YP Leisure Options budget allocation. Key Personnel including Elected Members are deemed volunteers and there is no cost associated with the worker screening process.

**RISKS/LEGAL/LEGISLATIVE/ IMPLICATIONS**

Engaging personnel in 'risk assessed roles' that have not commenced the process of obtaining a Worker Screening would be in breach of the National Disability Insurance Scheme Service Provider registration conditions resulting in a non-compliance and possible cancellation of our registration.

**ATTACHMENTS**

1. **Proposed Draft - PO177 YP Leisure Options Worker Screening Requirements Policy - Track Changes** [↓](#) 
2. **Proposed Draft - PO177 YP Leisure Options Worker Screening Requirements Policy - No Track Changes** [↓](#) 



## COUNCIL POLICY

### YP Leisure Options Worker Screening Requirements

<b>Policy Number:</b>	PO177		
<b>Strategic Plan Objective:</b>	4. Community Engaged and Supported		
<b>Policy Owner:</b>	Director Corporate and Community Services	<b>Record Number:</b>	<a href="#">20/93032[v1]</a> <a href="#">20/93032[v2]</a>
<b>Responsible Officer:</b>	YP Leisure Options Coordinator	<b>Minute Reference:</b>	<a href="#">097/2020</a>
<b>Date Adopted:</b>	<a href="#">14/05/2020xx/xx/2024</a>	<b>Next Review Date:</b>	<a href="#">May 2024xx 2028</a>

#### 1. POLICY OBJECTIVES

Yorke Peninsula Leisure Options (YPLO) has a responsibility to protect and remove unreasonable risk from the following groups:

- the [elderlyaged](#);
- vulnerable adults (including people with disabilities); and
- workers.

In meeting this responsibility, YPLO must be satisfied that all workers and key personnel of the programme meet the highest standard of integrity and suitability so that the risk of placing anyone in an unsafe environment is minimised. Worker screening checks help to ensure that workers and key personnel with a known history of violent or abusive behaviour do not work or make key decisions relating to our vulnerable clients.

#### 2. SCOPE

This policy applies to key personnel and workers of YPLO.

#### 3. DEFINITIONS

Refer to Attachment 1.

#### 4. POLICY STATEMENT

YPLO will undertake screening clearances to:

- Establish the suitability of workers working with vulnerable adults;
- Establish the suitability of key personnel; and
- Ensure that all workers and clients are protected from working with personnel who do not meet the requirements of satisfactory screening.

**PO177 – YP Leisure Options Worker Screening Requirements Policy**

Under quality and safeguards arrangements within the National Disability Insurance Scheme (NDIS) and Aged Care, YPLO will risk assess all workers and key personnel to determine the applicable clearance requirements. All workers in a 'risk assessed' role must have a clearance (or make an application for a clearance) before they can start work.

All roles risk assessed will consider:

- Key personnel;
- A role whose normal duties includes the direct delivery of a specified support or services; and
- A role in which the normal duties are likely to involve more than incidental contact with our YPLO members/clients.

As such, compliance with this policy is a condition of appointment for all persons engaged to provide services or make decisions on behalf of YPLO.

Worker Screenings for all risk assessed roles is a mandatory requirement for YPLO to keep grant funding arrangements and the NDIS registration to remain in place and valid.

**4.1. IDENTIFYING ROLES**

A risk assessment will be undertaken to determine which type of screening will be required for all roles within YPLO. Risk assessed roles will be required to have an appropriate check.

Roles performed in the course of working with YPLO clients-members include direct workers such as employees, volunteers, consultants and other personnel such as subcontractors.

Section 11A of the NDIS Act defines key personnel as:

- a) 'A member of the group of persons who is responsible for the executive decisions of the NDIS provider (which includes but is not limited to a member of the NDIS provider's governing body); and
- b) Any other person who has authority or responsibility for (or significant influence over) planning, directing or controlling the activities of the NDIS provider.'

The Aged Care Act 1997 defines key personnel as:

- a) Staff who make executive decision;
- b) Have authority, influence or responsibility for planning, directing or controlling the activities of the services; and
- a)c) Are responsible for day to day operations.

As outlined above, kKey Personnel roles includes those persons that are responsible for the executive decision making, planning, directing or controlling the activities of YPLO. While these roles may not involve more than incidental contact with YPLO members/clients, due to the nature of these roles, they still need to be categorised as a risk assessed role. These roles include the Corporate Management Team, Elected Members (referred to as Board Members in the NDIS legislation), the Manager and YPLO Coordinator etc.

The risk assessment process will include:

- The role title, the type of activity that the role undertakes, screening requirements; and
- The reasons why the role is a risk assessed role;;-and

**PO177 – YP Leisure Options Worker Screening Requirements Policy**

- ~~• The date the role was assessed and the name and title of the person who made the assessment.~~

**4.2. SCREENING TYPES**

There are ~~three-two~~ worker screening checks that are relevant to YPLO including:

- Mandated by Legislation
  - Disability Services as a requirement of the NDIS; and
  - Aged Care Sector as a requirement of the Commonwealth Home Support Programme grant funding arrangements.

~~2. Non Mandated by Legislation:~~

- ~~• Vulnerable person-related employment.~~

**4.3. POSSIBLE OUTCOMES**

- Clearance – the applicant meets the criteria and successfully receives their Worker Screening Clearance.
- Exclusion – the applicant does not meet the criteria and is unable to engage in NDIS or Aged Care related work.
- Risk Assessment – whilst the application is still in the assessment stage. They are still able to engage in NDIS related work only in the instance where a service provider has a risk assessment plan in place and they are appropriately supervised.
- Interim bar – the applicant is neither cleared nor excluded (yet). This stage is similar to the risk assessment stage, however they are not allowed to engage in NDIS relation work with this status.

**~~4.4. ACCEPTABLE DISABILITY SECTOR CHECKS IN SOUTH AUSTRALIA~~**

~~From 1st July 2018, any worker engaged in a risk assessed role may have in place a Department of Human Services Disability Services Employment Screening check. These checks will remain valid until they expire (three years from date of issue), or are revoked. Any new worker delivering NDIS supports or services in South Australia who require a check, or whose existing check expiring after 01/07/2019, will need to obtain a Department of Human Services Disability Services Employment Screening check, until the NDIS Worker Screening Check is in place and accessible for applications.~~

**~~4.5.4.4. EXEMPTIONS~~**

~~Secondary school students on a formal work experience placement or participating in planned school interactions/ visits, do not need to go through a check to work with YPLO clients-members provided they are directly supervised by another worker who has a check.~~

~~WThese workers in the process of obtaining a Worker Screening Clearance under the conditions that they are supervised by another worker with a clearance and YPLO has a risk management plan in place.~~

**~~4.6.4.5. ENGAGING CONTRACTORS~~**

~~There are additional responsibilities and obligations for a contractor to perform work on any YPLO premises or otherwise as part of YPLO provision of supports and services. Contractors are responsible for acquiring their relevant clearances. YPLO will:~~

**PO177 – YP Leisure Options Worker Screening Requirements Policy**

- Take reasonable steps to ensure that the worker of the contractor has a check; and
- Make sure that the contract with the contractor requires them to:
  - Only allow a worker who has a check or is subject to an exemption to work in a risk assessed role; and
  - Only allow someone to work in a risk assessed role if the contractor is allowed to share information with YPLO about any matter relating to whether that person be engaged in a risk assessed role, such as whether they are subject to an interim bar, suspension or exclusion,

**4.7.4.6. HOW THE PROCESS WORKS**

Applications will be commenced by the YPLO Coordinator. The screening provider will then email the individual, requesting them to login to the system, confirm their identity and complete and submit the application.

YPLO will cover all expenses relating to worker screenings.

~~The screening process will be undertaken.~~ Screening Clearance Certificates for any check are no longer issued. The organisation and individuals will be notified of the outcome via email.

**4.8.4.7. RENEWALS**

YPLO will monitor the screenings via the Training Needs Analysis system (elementSTAFF). When screenings are coming up for renewal, the Training ~~Adviser-Administration Officer~~ will notify the YPLO Coordinator for the process to be undertaken.

**5. RESPONSIBILITIES**

All YPLO workers are responsible for implementing this policy.

**6. COMPLAINTS**

Complaints in relation to this policy are to be directed in writing to the Manager People, Culture and Safety. All complaints will be managed in accordance with Council's Complaints Policy PO147. Internal complaints will follow the Dispute Resolution Procedures provided in their current Enterprise Agreement.

**7. REVIEW**

This policy will be reviewed every four (4) years, in consultation with employees and/or their representatives. The policy will also be reviewed as deemed necessary in consideration to any changes to legislation, relevant standards, codes and guidelines, audit findings, any corrective actions/controls arising from risk assessment and/or hazard/incident reports and stakeholder feedback.

**8. TRAINING**

Council is committed to supporting workers in complying with this Policy and workers will be made aware of this Policies and how the Worker Screening is relevant to their role.

**9. RECORDS**

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

**PO177 – YP Leisure Options Worker Screening Requirements Policy**

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

- PO147 Complaints Policy
- PO137 Volunteer Policy
- RA0249 YPLO Worker Screening Risk Assessment

**11. REFERENCES AND LEGISLATION**

- Australian Human Rights Commission Regulations 1989
- NDIS Act 2013
- NDIS Rules 2018 – National Disability Insurance Scheme (Practice Standards – Worker Screening)
- NDIS Quality and Safeguards Commission – Worker Screening Requirements (NDIS Registered Providers)
- [Aged Care Act 1997](#)
- Aged Care Quality [and Safety](#) Standards
- Privacy Act 1988
- Charter of Aged Care Rights

**12. COUNCIL DELEGATION**

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

**13. VERSION HISTORY**

Version No	Issue Date	Description of Change
1	14/05/2020	New Council Policy
<a href="#">2</a>		<a href="#">Minor changes. Included Aged Care Act 1997 requirements, updated risk assessment process and reduced to two type of screenings removing vulnerable. Aligned to legislation and grant funding requirements and updated legislation.</a>



**PO177 – YP Leisure Options Worker Screening Requirements Policy**

**ATTACHMENT 1: DEFINITIONS**

Term/Reference	Definition
Client	Is any person who receives a service of YPLO.
Worker Screening Clearance	Screening which has been completed and evidence provided by the Screening body that the worker has no restriction with respect to filling a position requiring screening.
Positions requiring Screening	Refers to positions (existing or prospective) which require workers, as an inherent requirement of the position, to interact directly with vulnerable adults or key personnel.
Worker	A person who carries out work in any capacity for the Yorke Peninsula Council including: (a) an employee (b) a contractor or subcontractor (c) an employee of a contractor or subcontractor (d) an employee of a labour hire company (e) an outworker (f) an apprentice or trainee (g) a student gaining work experience (h) a volunteer
Vulnerable adult	People with a disability and recipients of aged care services.
YPLO	Yorke Peninsula Leisure Options
Incidental contact	Includes: Physical contact; Building a level of rapport with a client as an integral or ordinary part of duties; Having contact with multiple client of YPLO either as part of the direct delivery of a specialist disability support or services.
Corporate Management Team	Includes the Chief Executive Officer and all Directors of Yorke Peninsula Council.



## COUNCIL POLICY

### YP Leisure Options Worker Screening Requirements

<b>Policy Number:</b>	PO177		
<b>Strategic Plan Objective:</b>	4. Community Engaged and Supported		
<b>Policy Owner:</b>	Director Corporate and Community Services	<b>Record Number:</b>	20/93032[v2]
<b>Responsible Officer:</b>	YP Leisure Options Coordinator	<b>Minute Reference:</b>	
<b>Date Adopted:</b>	xx/xx/2024	<b>Next Review Date:</b>	xx 2028

#### 1. POLICY OBJECTIVES

Yorke Peninsula Leisure Options (YPLO) has a responsibility to protect and remove unreasonable risk from the following groups:

- the elderly;
- vulnerable adults (including people with disabilities); and
- workers.

In meeting this responsibility, YPLO must be satisfied that all workers and key personnel of the programme meet the highest standard of integrity and suitability so that the risk of placing anyone in an unsafe environment is minimised. Worker screening checks help to ensure that workers and key personnel with a known history of violent or abusive behaviour do not work or make key decisions relating to our vulnerable clients.

#### 2. SCOPE

This policy applies to key personnel and workers of YPLO.

#### 3. DEFINITIONS

Refer to Attachment 1.

#### 4. POLICY STATEMENT

YPLO will undertake screening clearances to:

- Establish the suitability of workers working with vulnerable adults;
- Establish the suitability of key personnel; and
- Ensure that all workers and clients are protected from working with personnel who do not meet the requirements of satisfactory screening.

**PO177 – YP Leisure Options Worker Screening Requirements Policy**

---

Under quality and safeguards arrangements within the National Disability Insurance Scheme (NDIS) and Aged Care, YPLO will risk assess all workers and key personnel to determine the applicable clearance requirements. All workers in a 'risk assessed' role must have a clearance (or make an application for a clearance) before they can start work.

All roles risk assessed will consider:

- Key personnel;
- A role whose normal duties includes the direct delivery of a specified support or services; and
- A role in which the normal duties are likely to involve more than incidental contact with our YPLO members.

As such, compliance with this policy is a condition of appointment for all persons engaged to provide services or make decisions on behalf of YPLO.

Worker Screenings for all risk assessed roles is a mandatory requirement for YPLO to keep grant funding arrangements and the NDIS registration in place and valid.

**4.1. IDENTIFYING ROLES**

A risk assessment will be undertaken to determine which type of screening will be required for all roles within YPLO. Risk assessed roles will be required to have an appropriate check.

Roles performed in the course of working with YPLO members include direct workers such as employees, volunteers, consultants and other personnel such as subcontractors.

Section 11A of the NDIS Act defines key personnel as:

- a) 'A member of the group of persons who is responsible for the executive decisions of the NDIS provider (which includes but is not limited to a member of the NDIS provider's governing body); and
- b) Any other person who has authority or responsibility for (or significant influence over) planning, directing or controlling the activities of the NDIS provider.'

The Aged Care Act 1997 defines key personnel as:

- a) Staff who make executive decision;
- b) Have authority, influence or responsibility for planning, directing or controlling the activities of the services; and
- c) Are responsible for day to day operations.

As outlined above, key Personnel roles includes those persons that are responsible for the executive decision making, planning, directing or controlling the activities of YPLO. While these roles may not involve more than incidental contact with YPLO members, due to the nature of these roles, they still need to be categorised as a risk assessed role. These roles include the Corporate Management Team, Elected Members (referred to as Board Members in the NDIS legislation), the Manager and YPLO Coordinator etc.

The risk assessment process will include:

- The role title, the type of activity that the role undertakes, screening requirements; and
- The reasons why the role is a risk assessed role.

**PO177 – YP Leisure Options Worker Screening Requirements Policy**

---

**4.2. SCREENING TYPES**

There are two worker screening checks that are relevant to YPLO including:

1. Mandated by Legislation
  - Disability Services as a requirement of the NDIS; and
  - Aged Care Sector as a requirement of the Commonwealth Home Support Programme grant funding arrangements.

**4.3. POSSIBLE OUTCOMES**

1. Clearance – the applicant meets the criteria and successfully receives their Worker Screening Clearance.
2. Exclusion – the applicant does not meet the criteria and is unable to engage in NDIS or Aged Care related work.
3. Risk Assessment – whilst the application is still in the assessment stage. They are still able to engage in NDIS related work only in the instance where a service provider has a risk assessment plan in place and they are appropriately supervised.
4. Interim bar – the applicant is neither cleared nor excluded (yet). This stage is similar to the risk assessment stage, however they are not allowed to engage in NDIS relation work with this status.

**4.4. EXEMPTIONS**

Secondary school students on a formal work experience placement or participating in planned school interactions/ visits, do not need to go through a check to work with YPLO members provided they are directly supervised by another worker who has a check.

Workers in the process of obtaining a Worker Screening Clearance under the conditions that they are supervised by another worker with a clearance and YPLO has a risk management plan in place.

**4.5. ENGAGING CONTRACTORS**

There are additional responsibilities and obligations for a contractor to perform work on any YPLO premises or otherwise as part of YPLO provision of supports and services. Contractors are responsible for acquiring their relevant clearances. YPLO will:

- Take reasonable steps to ensure that the worker of the contractor has a check; and
- Make sure that the contract with the contractor requires them to:
  - Only allow a worker who has a check or is subject to an exemption to work in a risk assessed role; and
  - Only allow someone to work in a risk assessed role if the contractor is allowed to share information with YPLO about any matter relating to whether that person be engaged in a risk assessed role, such as whether they are subject to an interim bar, suspension or exclusion,

**PO177 – YP Leisure Options Worker Screening Requirements Policy**

---

**4.6. HOW THE PROCESS WORKS**

Applications will be commenced by the YPLO Coordinator. The screening provider will then email the individual, requesting them to login to the system, confirm their identity and complete and submit the application.

YPLO will cover all expenses relating to worker screenings.

Screening Clearance Certificates for any check are no longer issued. The organisation and individuals will be notified of the outcome via email.

**4.7. RENEWALS**

YPLO will monitor the screenings via the Training Needs Analysis system (elementSTAFF). When screenings are coming up for renewal, the Training Administration Officer will notify the YPLO Coordinator for the process to be undertaken.

**5. RESPONSIBILITIES**

All YPLO workers are responsible for implementing this policy.

**6. COMPLAINTS**

Complaints in relation to this policy are to be directed in writing to the Manager People, Culture and Safety. All complaints will be managed in accordance with Council's Complaints Policy PO147. Internal complaints will follow the Dispute Resolution Procedures provided in their current Enterprise Agreement.

**7. REVIEW**

This policy will be reviewed every four (4) years, in consultation with employees and/or their representatives. The policy will also be reviewed as deemed necessary in consideration to any changes to legislation, relevant standards, codes and guidelines, audit findings, any corrective actions/controls arising from risk assessment and/or hazard/incident reports and stakeholder feedback.

**8. TRAINING**

Council is committed to supporting workers in complying with this Policy and workers will be made aware of this Policies and how the Worker Screening is relevant to their role.

**9. RECORDS**

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

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

PO147 Complaints Policy

PO137 Volunteer Policy

RA0249 YPLO Worker Screening Risk Assessment

**11. REFERENCES AND LEGISLATION**

Australian Human Rights Commission Regulations 1989

NDIS Act 2013

**PO177 – YP Leisure Options Worker Screening Requirements Policy**

NDIS Rules 2018 – National Disability Insurance Scheme (Practice Standards – Worker Screening)

NDIS Quality and Safeguards Commission – Worker Screening Requirements (NDIS Registered Providers)

Aged Care Act 1997

Aged Care Quality and Safety Standards

Privacy Act 1988

Charter of Aged Care Rights

**12. COUNCIL DELEGATION**

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

**13. VERSION HISTORY**

Version No	Issue Date	Description of Change
1	14/05/2020	New Council Policy
2		Minor changes. Included Aged Care Act 1997 requirements, updated risk assessment process and reduced to two type of screenings removing vulnerable. Aligned to legislation and grant funding requirements and updated legislation.

**PO177 – YP Leisure Options Worker Screening Requirements Policy****ATTACHMENT 1: DEFINITIONS**

<b>Term/Reference</b>	<b>Definition</b>
Client	Is any person who receives a service of YPLO.
Worker Screening Clearance	Screening which has been completed and evidence provided by the Screening body that the worker has no restriction with respect to filling a position requiring screening.
Positions requiring Screening	Refers to positions (existing or prospective) which require workers, as an inherent requirement of the position, to interact directly with vulnerable adults or key personnel.
Worker	A person who carries out work in any capacity for the Yorke Peninsula Council including: (a) an employee (b) a contractor or subcontractor (c) an employee of a contractor or subcontractor (d) an employee of a labour hire company (e) an outworker (f) an apprentice or trainee (g) a student gaining work experience (h) a volunteer
Vulnerable adult	People with a disability and recipients of aged care services.
YPLO	Yorke Peninsula Leisure Options
Incidental contact	Includes: Physical contact; Building a level of rapport with a client as an integral or ordinary part of duties; Having contact with multiple client of YPLO either as part of the direct delivery of a specialist disability support or services.
Corporate Management Team	Includes the Chief Executive Officer and all Directors of Yorke Peninsula Council.

**8.14 POLICY REVIEW - PO173 LEAVE MANAGEMENT POLICY****Document #:** 24/15422**Department:** Corporate and Community Services**PURPOSE**

To seek endorsement on the proposed updated PO173 Leave Management Policy.

**RECOMMENDATION**

That the Audit and Risk Committee endorse the proposed updated PO173 Leave Management Policy and recommend to Council that it be adopted as presented.

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

5.2 Effective leadership and informed decision making

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

5.5 Undertake effective risk and emergency management

**BACKGROUND**

Council's PO173 Leave Management Policy (Policy) has recently been reviewed in line with its scheduled periodic review.

**DISCUSSION**

The proposed updated Policy is presented with recommendations including:

- Grammatical changes;
- Inclusion of the Chief Executive Officer being able to approve more than two weeks of annual leave being cashed out within a 12 month cycle;
- Replaced the written agreement to cash out with Council's Standard Form details;
- Altered numerals to be in full for one to ten and the utilised numerals for numbers 11 onwards;
- Added the Complaints section as old template had this omitted.

The proposed updated Policy is attached with changes shown in colour (Attachment 1) and a copy without track changes is provided for ease of reference (Attachment 2).

If endorsed by the Audit and Risk Committee this proposed updated Policy will be considered by Council at the 13 March 2024 meeting.

**COMMUNITY ENGAGEMENT PLAN**

Level 1 - Inform

**CONSULTATION PROCESS**

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

- Corporate Management Team
- Manager People Culture and Safety



- All Staff

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

- Nil

**POLICY IMPLICATIONS**

Nil.

**BUDGET AND RESOURCE IMPLICATIONS**

Leave liability has a financial impact on Council and can have negative effects on the position on our balance sheet.

**RISKS/LEGAL/LEGISLATIVE/ IMPLICATIONS**

South Australian Municipal Salaried Officers Award

Local Government Employees Award

Yorke Peninsula Council Municipal Officers Enterprise Agreement No 5, 2019

Yorke Peninsula Council Local Government Employees Enterprise Agreement No 5, 2019

Fairwork Act (SA) 1994

Local Government Act 1999

Long Service Leave Act 1987

**ATTACHMENTS**

1. **Proposed Draft - PO173 Leave Management Policy - Track Changes**  
2. **Proposed Draft - PO173 Leave Management Policy - No Track Changes**  



## COUNCIL POLICY

### Leave Management

<b>Policy Number:</b>	PO173		
<b>Strategic Plan Objective:</b>	5. Responsible Governance and Leadership		
<b>Policy Owner:</b>	Chief Executive Officer	<b>Record Number:</b>	20/122/42
<b>Responsible Officer:</b>	Manager People, Culture and Safety	<b>Minute Reference:</b>	087/2020
<b>Date Adopted:</b>	14/05/2020xx/xx/xxxx	<b>Next Review Date:</b>	May 2024xxx 2028

#### 1. POLICY OBJECTIVES

The purpose of this Policy is to provide a consistent approach to managing leave entitlements within Council including Long Service Leave (LSL), Annual Leave (A/L), Rostered Days Off (RDO) and Time Off In Lieu/Accrued Time (TOIL) to prevent accumulation of unjustifiable levels of accrued leave.

#### 2. SCOPE

This Policy will be applied in conjunction with the LSL Act (SA) and relevant industrial instruments including Council's Enterprise Agreements and is relevant to:

- Employees who are employed on a permanent or fixed term contract; and
- Eligible casual employees for the purposes of LSL only.

#### 3. DEFINITIONS

Refer to Attachment 1.

#### 4. POLICY STATEMENT

Council has a responsibility to closely monitor A/L, LSL, RDO's and TOIL in order to reduce its leave liability and ensure leave credits do not accumulate beyond acceptable levels during the employment lifecycle of an employee.

There is a risk that when Employees do not use their allocated leave on a regularly basis, this could result in an increase~~s~~ likelihood of sick leave and work related injuries occurring. Council has a duty of care to its staff to ensure regular breaks from work are taken.

The following general principles will be considered for all applications for leave:

- Council encourage employees to establish a balance between their personal and working lives, and to assist employees achieve this balance, A/L and LSL should be taken when it~~f~~ falls due;

**PO173 – Leave Management Policy**

- Permanent part-time employees are entitled to the same leave and absence entitlements as full-time employees in equivalent positions, except that leave will be paid on a pro rata basis as per relevant Enterprise Agreements;
- Where practicable, all absences must have prior approval;
- Employees should provide enough notice to allow their application (~~either via paper form or~~ an online elementTIME application) to be considered appropriately;
- Approvals should be considered fairly and equitably;
- All staff must take leave on a regular basis; and
- Employees' leave liability must be minimised.

**5. GUIDELINES****5.1. Annual Leave**

- a) A/L provides employees with the opportunity to take a scheduled break from work to better manage and balance their work and life.
- b) Employees should take their annual allocation of their A/L entitlement regularly each year as required in accordance with the applicable Enterprise Agreement to ensure A/L liability is minimised.
- c) A/L is to be taken at a time that is mutually agreed between the Supervisor and Employee, taking into consideration operational requirements. Where possible, sufficient notice should be provided when applying for A/L i.e. preferably four ~~(4)~~ weeks before the commencement of leave, however, a shorter notice period may be approved in special circumstances.

**5.1.1. Cashing Out of Annual Leave**

- a) Employees have the ability to cash out in lieu of taking A/L as follows:
  - Employees cannot cash out more than two 2 weeks in each 12 month periods unless more than 2 weeks is otherwise agreed by the Chief Executive Officer, e and must have at least four weeks A/L entitlement left over after the cash out;
  - Employees cannot accumulate more than 2 two years entitlement of A/L for the purpose of cashing out; ~~and~~
  - The payment for the cashed out A/L will be the same as what the employee would have been paid if they took the leave; ~~and~~;
  - Council will not force an employee to cash out A/L.
- b) Where an Employee indicates an interest in cashing out their Annual Leave, they should apply in writing by completing the SF396 Long Service and Annual Leave Cash Out Request and forward to the relevant Director.
- b) ~~A written agreement for the cash-out of A/L will be recorded as follows:~~
  - ~~• Signed by both Council and the Employee;~~
  - ~~• Specify the amount of leave being cashed-out;~~
  - ~~• Specify the amount that will be paid for the leave;~~
  - ~~• Specify the date this will be paid; and~~

**PO173 – Leave Management Policy**

- ~~If the employee is under 18 years of age, signed by their parent or guardian.~~
- e) ~~A copy of this agreement will be placed on the Employee Personnel Payroll file.~~
- c) The SF396 Long Service and Annual Leave Cash Out Request will form a written agreement which is signed by the relevant employee, their Director and the Director Corporate and Community Services which includes:
  - Period of leave in lieu of which the payment has been paid;
  - Payment gross amount;
  - Acknowledgement that the AL entitlement will be reduced by the number of hours detailed; and
  - The new AL balance details which will be reduced in line with the request for cashed out AL being processed.

A copy of the completed SF396 Long Service and Annual Leave Cash Out Request will be forwarded to the Employee for their records and a copy held in the Employee's Personnel Payroll file.

**5.2. Long Service Leave**

- a) Employees accrue an entitlement to LSL in accordance with the LSL Act 1987.
- b) Employees may elect to use their LSL on a pro-rata basis following the completion of seven years' continuous service as per the relevant Enterprise Agreement.
- c) LSL should be taken as soon as practicable after the Employee becomes entitled to the leave at a mutually agreed time.
- d) Other than exceptional circumstances and where no other form of paid leave is available or appropriate, the minimum period of LSL that can be taken at any one time is one ~~(1)~~ week.
- e) An Employee is required to provide a minimum period of one ~~(1)~~ month's' notice (unless otherwise approved) prior to taking LSL.
- f) To ensure that ~~employees~~ Employees have access to some entitlements for personal emergencies etc., Employees may elect to maintain, at all times, a credit of up to twelve ~~(12)~~ weeks' LSL to a total of 456 hours (adjusted pro-rata for part time employees).
- g) The LSL Act 1987 specifies that employees cannot undertake paid work with any employer whilst on LSL.

**5.2.1. Cashing out of Long Service Leave**

- a) Where an Employee indicates an interest in cashing out their LSL, they should apply in writing by completing the SF396 Long Service and Annual Leave Cash Out Request and forward to the relevant Director. Cashing out LSL is only available once ~~10~~ ten years' of continuous service has been completed by the relevant employee.
- b) Any approval to cash out part or all of an employee's' LSL shall be made taking into consideration the reasons for the request and whether the

**PO173 – Leave Management Policy**

Employee has other leave entitlements at a sufficient level to allow for rest and relaxation. Employees are strongly advised to speak with their financial/taxation advisor when considering cashing out LSL due to possible income taxation implications.

- c) The SF396 Long Service and Annual Leave Cash Out Request will form a written agreement which is signed by the relevant employee, their Director and the Director Corporate and Community Services which includes:
- Period of leave in lieu of which the payment has been paid;
  - Payment gross amount;
  - Acknowledgement that the LSL entitlement will be reduced by the number of hours detailed; and
  - The new LSL balance details which will be reduced in line with the request for cashed out LSL being processed.

A copy of the completed SF396 Long Service and Annual Leave Cash Out Request will be forwarded to the Employee for their records and a copy held in the Employee's Personnel Payroll file.

**5.3. Rostered Days Off (RDOs) and Time Off in Lieu (TOIL)**

- a) Employees who are entitled to RDOs or TOIL will need to manage their entitlement balance.
- b) Employees may accumulate an additional three ~~(3)~~ days in RDO's and/or TOIL time for time taken between the Christmas and New Year's Day period, where the employee may not be required to work.

**5.4. Individual Leave Management Plans**

- a) The Corporate Management Team (CMT) will be provided with quarterly Leave Balance Reports. Employee leave balances **should not exceed:**
- **304 hours or eight ~~(8)~~ weeks of A/L; or**
  - **456 hours or twelve ~~(12)~~ weeks of LSL.**
- Hours above will need to be adjusted pro-rata for part time Employees.
- b) Unless otherwise agreed with the relevant Director and approved by the CEO, in line with Council's Enterprise Agreements, any Employee with an accumulated RDO's or TOIL balance in excess of five ~~(5)~~ days are to reduce the balance by taking some, at the minimum rate:
- 4-10 deferred days within six ~~(6)~~ months; and
  - 11-15 deferred days within twelve ~~(12)~~ months.
- c) Where an Employee's leave balance exceeds the above allowable thresholds, the Director will require relevant Managers to consult with Supervisors (if applicable) and Employees to discuss future leave arrangements. This discussion will need to be documented on the SF395 Individual Leave Management Plan which will include:
- A schedule of when the Employee intends to take the excess leave; and

**PO173 – Leave Management Policy**

- Reason for delaying any leave beyond twelve ~~(12)~~ months from start of plan (the CEO will need to approve any delays).
- d) The SF395 Individual Leave Management Plan once completed will be returned to Human Resources to be saved on the Employee's Personnel Payroll file.
- e) If Employees have been unable to agree upon a plan or the Employee has not complied with an approved plan, the CEO may direct the employee to take the excess leave providing a minimum of 60 days' notice to the Employee.

**6. COMPLAINTS**

Complaints relating to this Policy can be made in writing to the Manager People Culture and Safety. All complaints will be managed in accordance with Council's dispute/conflict resolution procedure contained in the relevant Enterprise Agreement.

**7. REVIEW**

This Policy will be reviewed every four ~~(4)~~ years, in consultation with Employees and/or their representatives. The Policy will also be reviewed as deemed necessary in consideration to any changes to legislation, relevant standards, codes and guidelines, audit findings, any corrective actions/controls arising from risk assessment and/or hazard/incident reports and stakeholder feedback.

**8. TRAINING**

Appropriate training will be provided to employees to ensure that they are aware of their role and responsibilities under this Policy during induction.

**9. RECORDS**

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

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

PO091 Risk Management Policy

SF321 Application for Leave of Absence or online request via elementTIME

SF395 Individual Leave Management Plan

SF396 Long Service and Annual Leave Cash Out Request

YPC Local Government Employees Enterprise Agreement ~~No. 5, 2019~~

YPC Municipal Officers Enterprise Agreement ~~No. 5, 2019~~

**11. REFERENCES AND LEGISLATION**

Fairwork Act (SA) 1994 Local Government Act 1999

Local Government Employees Award

Long Service Leave Act 1987

South Australian Municipal Salaried Officers Award

Work Health and Safety Act 2012

**PO173 – Leave Management Policy**

---

**12. COUNCIL DELEGATION**

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

**13. VERSION HISTORY**

Version No	Issue Date	Description of Change
1	14/05/2020	New Policy
<u>2</u>	<u>xx/xx/2024</u>	<u>Minor change and inclusion of complaints process.</u>

DRAFT

**PO173 – Leave Management Policy**

---

**ATTACHMENT 1: DEFINITIONS**

Term/Reference	Definition
Enterprise Agreements	Includes: <ul style="list-style-type: none"> <li>• Yorke Peninsula Council Municipal Officers Enterprise Agreement; and</li> <li>• Yorke Peninsula Council Local Government Employees Enterprise Agreement.</li> </ul>
elementTIME	Council online timesheet system.

DRAFT





## COUNCIL POLICY

### Leave Management

<b>Policy Number:</b>	PO173		
<b>Strategic Plan Objective:</b>	5. Responsible Governance and Leadership		
<b>Policy Owner:</b>	Chief Executive Officer	<b>Record Number:</b>	20/122/42
<b>Responsible Officer:</b>	Manager People, Culture and Safety	<b>Minute Reference:</b>	
<b>Date Adopted:</b>	xx/xx/xxxx	<b>Next Review Date:</b>	xxx 2028

#### 1. POLICY OBJECTIVES

The purpose of this Policy is to provide a consistent approach to managing leave entitlements within Council including Long Service Leave (LSL), Annual Leave (A/L), Rostered Days Off (RDO) and Time Off In Lieu/Accrued Time (TOIL) to prevent accumulation of unjustifiable levels of accrued leave.

#### 2. SCOPE

This Policy will be applied in conjunction with the LSL Act (SA) and relevant industrial instruments including Council's Enterprise Agreements and is relevant to:

- Employees who are employed on a permanent or fixed term contract; and
- Eligible casual employees for the purposes of LSL only.

#### 3. DEFINITIONS

Refer to Attachment 1.

#### 4. POLICY STATEMENT

Council has a responsibility to closely monitor A/L, LSL, RDO's and TOIL in order to reduce its leave liability and ensure leave credits do not accumulate beyond acceptable levels during the employment lifecycle of an employee.

There is a risk that when Employees do not use their allocated leave on a regular basis, this could result in an increased likelihood of sick leave and work related injuries occurring. Council has a duty of care to its staff to ensure regular breaks from work are taken.

The following general principles will be considered for all applications for leave:

- Council encourage employees to establish a balance between their personal and working lives, and to assist employees achieve this balance, A/L and LSL should be taken when it falls due;

**PO173 – Leave Management Policy**

---

- Permanent part-time employees are entitled to the same leave and absence entitlements as full-time employees in equivalent positions, except that leave will be paid on a pro rata basis as per relevant Enterprise Agreements;
- Where practicable, all absences must have prior approval;
- Employees should provide enough notice to allow their application (via an online elementTIME application) to be considered appropriately;
- Approvals should be considered fairly and equitably;
- All staff must take leave on a regular basis; and
- Employees' leave liability must be minimised.

**5. GUIDELINES****5.1. Annual Leave**

- a) A/L provides employees with the opportunity to take a scheduled break from work to better manage and balance their work and life.
- b) Employees should take their annual allocation of their A/L entitlement regularly each year as required in accordance with the applicable Enterprise Agreement to ensure A/L liability is minimised.
- c) A/L is to be taken at a time that is mutually agreed between the Supervisor and Employee, taking into consideration operational requirements. Where possible, sufficient notice should be provided when applying for A/L i.e. preferably four weeks before the commencement of leave, however, a shorter notice period may be approved in special circumstances.

**5.1.1. Cashing Out of Annual Leave**

- a) Employees have the ability to cash out in lieu of taking A/L as follows:
  - Employees cannot cash out more than two weeks in each 12 month periods unless more than 2 weeks is otherwise agreed by the Chief Executive Officer, and must have at least four weeks A/L entitlement left over after the cash out;
  - Employees cannot accumulate more than two years entitlement of A/L for the purpose of cashing out;
  - The payment for the cashed out A/L will be the same as what the employee would have been paid if they took the leave; and
  - Council will not force an employee to cash out A/L.
- b) Where an Employee indicates an interest in cashing out their Annual Leave, they should apply in writing by completing the SF396 Long Service and Annual Leave Cash Out Request and forward to the relevant Director.
- c) The SF396 Long Service and Annual Leave Cash Out Request will form a written agreement which is signed by the relevant employee, their Director and the Director Corporate and Community Services which includes:
  - Period of leave in lieu of which the payment has been paid;
  - Payment gross amount;

**PO173 – Leave Management Policy**

---

- Acknowledgement that the AL entitlement will be reduced by the number of hours detailed; and
- The new AL balance details which will be reduced in line with the request for cashed out AL being processed.

A copy of the completed SF396 Long Service and Annual Leave Cash Out Request will be forwarded to the Employee for their records and a copy held in the Employee's Personnel Payroll file.

**5.2. Long Service Leave**

- a) Employees accrue an entitlement to LSL in accordance with the LSL Act 1987.
- b) Employees may elect to use their LSL on a pro-rata basis following the completion of seven years' continuous service as per the relevant Enterprise Agreement.
- c) LSL should be taken as soon as practicable after the Employee becomes entitled to the leave at a mutually agreed time.
- d) Other than exceptional circumstances and where no other form of paid leave is available or appropriate, the minimum period of LSL that can be taken at any one time is one week.
- e) An Employee is required to provide a minimum period of one month's notice (unless otherwise approved) prior to taking LSL.
- f) To ensure that Employees have access to some entitlements for personal emergencies etc., Employees may elect to maintain, at all times, a credit of up to twelve weeks' LSL to a total of 456 hours (adjusted pro-rata for part time employees).
- g) The LSL Act 1987 specifies that employees cannot undertake paid work with any employer whilst on LSL.

**5.2.1. Cashing out of Long Service Leave**

- a) Where an Employee indicates an interest in cashing out their LSL, they should apply in writing by completing the SF396 Long Service and Annual Leave Cash Out Request and forward to the relevant Director. Cashing out LSL is only available once ten years' of continuous service has been completed by the relevant employee.
- b) Any approval to cash out part or all of an employee's LSL shall be made taking into consideration the reasons for the request and whether the Employee has other leave entitlements at a sufficient level to allow for rest and relaxation. Employees are strongly advised to speak with their financial/taxation advisor when considering cashing out LSL due to possible income taxation implications.
- c) The SF396 Long Service and Annual Leave Cash Out Request will form a written agreement which is signed by the relevant employee, their Director and the Director Corporate and Community Services which includes:
  - Period of leave in lieu of which the payment has been paid;
  - Payment gross amount;

**PO173 – Leave Management Policy**

---

- Acknowledgement that the LSL entitlement will be reduced by the number of hours detailed; and
- The new LSL balance details which will be reduced in line with the request for cashed out LSL being processed.

A copy of the completed SF396 Long Service and Annual Leave Cash Out Request will be forwarded to the Employee for their records and a copy held in the Employee's Personnel Payroll file.

**5.3. Rostered Days Off (RDOs) and Time Off in Lieu (TOIL)**

- a) Employees who are entitled to RDOs or TOIL will need to manage their entitlement balance.
- b) Employees may accumulate an additional three days in RDO's and/or TOIL time for time taken between the Christmas and New Year's Day period, where the employee may not be required to work.

**5.4. Individual Leave Management Plans**

- a) The Corporate Management Team (CMT) will be provided with quarterly Leave Balance Reports. Employee leave balances **should not exceed**:
  - **304 hours or eight weeks of A/L; or**
  - **456 hours or twelve weeks of LSL.**Hours above will need to be adjusted pro-rata for part time Employees.
- b) Unless otherwise agreed with the relevant Director and approved by the CEO, in line with Council's Enterprise Agreements, any Employee with an accumulated RDO or TOIL balance in excess of five days are to reduce the balance by taking some, at the minimum rate:
  - i. 4-10 deferred days within six months; and
  - ii. 11-15 deferred days within twelve months.
- c) Where an Employee's leave balance exceeds the above allowable thresholds, the Director will require relevant Managers to consult with Supervisors (if applicable) and Employees to discuss future leave arrangements. This discussion will need to be documented on the SF395 Individual Leave Management Plan which will include:
  - A schedule of when the Employee intends to take the excess leave; and
  - Reason for delaying any leave beyond twelve months from start of plan (the CEO will need to approve any delays).
- d) The SF395 Individual Leave Management Plan once completed will be returned to Human Resources to be saved on the Employee's Personnel Payroll file.
- e) If Employees have been unable to agree upon a plan or the Employee has not complied with an approved plan, the CEO may direct the employee to take the excess leave providing a minimum of 60 days' notice to the Employee.

**PO173 – Leave Management Policy****6. COMPLAINTS**

Complaints relating to this Policy can be made in writing to the Manager People Culture and Safety. All complaints will be managed in accordance with Council's dispute/conflict resolution procedure contained in the relevant Enterprise Agreement.

**7. REVIEW**

This Policy will be reviewed every four years, in consultation with Employees and/or their representatives. The Policy will also be reviewed as deemed necessary in consideration to any changes to legislation, relevant standards, codes and guidelines, audit findings, any corrective actions/controls arising from risk assessment and/or hazard/incident reports and stakeholder feedback.

**8. TRAINING**

Appropriate training will be provided to employees to ensure that they are aware of their role and responsibilities under this Policy during induction.

**9. RECORDS**

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

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

PO091 Risk Management Policy

SF321 Application for Leave of Absence or online request via elementTIME

SF395 Individual Leave Management Plan

SF396 Long Service and Annual Leave Cash Out Request

YPC Local Government Employees Enterprise Agreement

YPC Municipal Officers Enterprise Agreement

**11. REFERENCES AND LEGISLATION**

Fairwork Act (SA) 1994 Local Government Act 1999

Local Government Employees Award

Long Service Leave Act 1987

South Australian Municipal Salaried Officers Award

Work Health and Safety Act 2012

**12. COUNCIL DELEGATION**

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

**13. VERSION HISTORY**

Version No	Issue Date	Description of Change
1	14/05/2020	New Policy
2	xx/xx/2024	Minor change and inclusion of complaints process.

**PO173 – Leave Management Policy**

---

**ATTACHMENT 1: DEFINITIONS**

Term/Reference	Definition
Enterprise Agreements	Includes: <ul style="list-style-type: none"> <li>• Yorke Peninsula Council Municipal Officers Enterprise Agreement; and</li> <li>• Yorke Peninsula Council Local Government Employees Enterprise Agreement.</li> </ul>
elementTIME	Council online timesheet system.

DRAFT

**8.15 POLICY REVIEW - PO014 EMPLOYEE BEHAVIOURAL STANDARDS POLICY****Document #:** 24/15421**Department:** Corporate and Community Services**PURPOSE**

To seek endorsement on the proposed updated PO014 Employee Behavioural Standards Policy.

**RECOMMENDATION**

That the Audit and Risk Committee endorse the proposed updated PO014 Employee Behavioural Standards Policy and recommend to Council that it be adopted as presented.

**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

5.5 Undertake effective risk and emergency management

**BACKGROUND**

Council's PO014 Employee Behavioural Standards Policy (Policy) has recently been reviewed in line with a change to legislation and as part of the scheduled periodic review.

**DISCUSSION**

The proposed updated Policy is presented with recommendations including:

- Change in title to "Employee Behavioural Standards";
- Minor wording updates;
- Reference to updated Local Government Act 1999 and removal of old Local Government Act Regulations;
- Attachment 3 removed as obsolete;
- Added section in Complaints relating to Mayor, CEO and employee complaints; and
- Updated Related Documents and Legislation.

The proposed updated Policy is attached with changes show in colour (Attachment 1) and a copy without track changes is provided for ease of reference (Attachment 2).

If endorsed by the Audit and Risk Committee, this proposed updated Policy will be considered by Council at the 13 March 2024 meeting.

**COMMUNITY ENGAGEMENT PLAN**

Level 1 - Inform

**CONSULTATION PROCESS**

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

- Corporate Management Team
- Manager People Culture and Safety

- Governance Officer
- All Staff

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

- Australian Workers Union

### **POLICY IMPLICATIONS**

PO001 Peak Work Health Safety and Return to Work Policy

PO014 Council Employee Code of Conduct Policy

PO026 Fair Treatment Policy

PO146 Support Disciplinary Performance Management Policy

PO148 Fraud Corruption Misconduct and Maladministration Prevention Policy

PO150 Gifts and Benefits Policy

PO171 Public Interest Disclosure Policy

PR152 Public Interest Disclosure Procedure

### **BUDGET AND RESOURCE IMPLICATIONS**

Nil

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

Local Government Act 1999

Independent Commission Against Corruption Act 2012

Ombudsman Act 1972

Public Interest Disclosure Act 2013




Work Health and Safety Act 2012

Fair Work Act 1994

Yorke Peninsula Council Enterprise Agreements (Local Government Employees and Municipal Officers)

Local Government Association Model Employee Behavioural Standards

### **ATTACHMENTS**

1. **Proposed Draft - PO014 Employee Behavioural Standards Policy - Track Changes**  
2. **Proposed Draft - PO014 Employee Behavioural Standards Policy - No Track Changes**  





# COUNCIL POLICY

## Employee Code of Conduct Employee Behavioural Standards

<b>Policy Number:</b>	PO014		
<b>Strategic Plan Objective:</b>	5. Responsible Governance and Leadership		
<b>Policy Owner:</b>	Chief Executive Officer	<b>Record Number:</b>	<del>46/13873[v5]</del> <u>16/13873[v6]</u>
<b>Responsible Officer:</b>	Chief Executive Officer	<b>Minute Reference:</b>	<del>463/2020</del>
<b>Date Adopted:</b>	<del>08/07/2020</del> <u>xx/xx/xxxx</u>	<b>Next Review Date:</b>	<del>July 2024</del> <u>March 2028</u>

### 1. POLICY OBJECTIVES

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

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

### 2. SCOPE

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

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

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

### 3. DEFINITIONS

Refer to Attachment 1.

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

This policy operates in ~~accordance with~~ ~~dition to the Code of Conduct for Employees, as per~~ Section 120A10 of the Local Government Act 1999 (the Act) as provided at Attachment 2 ~~and Local Government (General) Regulations 2013, as provided in Attachment 3.~~

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

- a) Integrity, impartiality and good decision making;
- b) Promotion of the aims and objectives of local government; and
- c) Accountability and transparency.

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

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

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

- PO148 Fraud, ~~and~~ Corruption, Misconduct and Maladministration -Prevention Policy;
- PO150 Gifts and Benefits Policy;
- PO171 Public Interest Disclosure Policy;
- PR152 Public Interest Disclosure Procedure
- PO026 Diversity, Equity and Fair Treatment Policy;
- PR168 Diversity, Equity and Fair Treatment Procedure; and
- PO037 Internal Review of Council Decision Policy.

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

**4.1. Integrity, Impartiality and Good Decision Making**

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

In keeping with this principle, Council employees must:

1. Act honestly, ethically, impartially and with integrity in the performance of their duties at all times by:
  - Ensuring decision making processes are fair, transparent, objective, impartial, justifiable and lawful;
  - Ensuring advice provided is objective, impartial, justifiable and lawful;
  - Not influencing, in an improper manner, the making of decisions by others; and

**PO014 – Employee Code of Conduct Employee Behavioural Standards Policy**

- Not seeking or accepting gifts or benefits except as permitted by ~~the Code of Conduct for Employees (Attachment 2)~~ and Council's PO150 Gifts and Benefits Policy.
2. Ensure that personal interests, including financial interests, do not influence or interfere with the performance of Council work by:
- Ensuring that relationships with external parties do not improperly influence, affect judgement, decisions and/or actions;
  - Identifying, disclosing and managing Conflicts of Interest in accordance with the Act (Section 120);
  - Abstaining from carrying out any secondary employment for which a Conflict of Interest exists in line with the Secondary Employment Policy (PO159), unless the CEO determines otherwise.
  - Abstaining from carrying out Council Work in relation to any matter for which a Conflict of Interest exists, unless the CEO determines otherwise.
    - In the case that the CEO has an interest in a matter in relation to which they are required or authorised to act in the course of official duties, the CEO must disclose the interest to the Elected Body and must not, unless the Elected Body otherwise determines during a Council meeting that is open to the public, act in relation to the matter; or
    - Where a Council employee (other than the CEO) has an interest in a matter in relation to which he or she is required or authorised to act in the course of official duties, must disclose the interest to the CEO and must not, unless the CEO otherwise determines, act in relation to the matter; or
    - If an employee or any other person undertaking Council Work is entitled to act in relation to a matter and the employee is providing advice or making recommendations to the Council or a Council committee on the matter, the Council employee must also disclose the relevant interest to the Council or Council committee.
3. Demonstrate reasonable, just, respectful and non-discriminatory behaviour when dealing with all people that:
- Generates and fosters community trust and confidence in the Council;
  - Provides a fair and balanced representation of the decisions and policies of the Council;
  - Supports the decisions and policies of the Council and does not adversely reflect on the reputation of the Council;
  - Does not adversely affect the health and safety of other persons, as required by the Work Health and Safety (WHS) Act 2012 and Council's WHS policies and procedures; and
  - Employees and any other person who carry out Council Work must not ~~publically~~publicly criticise an Elected Member or any another person who carries out Council Work.

**PO014 – Employee Code of Conduct Employee Behavioural Standards Policy**

---

**4.2. Promotion of Aims and Objectives of Local Government**

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

Council employees must:

- Comply with all Council resolutions, policies, procedures, processes and codes;
- Remain accountable and responsible for the use and collection of public funds;
- Use their best endeavours to provide accurate information to Council and to the public at all times;
- Base decisions or actions on information which that-are is factually correct, and after obtaining and considering all relevant information;
- Comply with all lawful and reasonable directions which is given by a person with appropriate authority to do so;
- Not release or divulge information that the Council or CEO of the Council has ordered be kept confidential, or that the Council employee should reasonably know is information that is confidential, including information that is considered by the Council or the CEO in confidence, subject to the Ombudsman Act 1972 and the ICAC Act 2012 (ICAC Act);
- Only make public comment in relation to your duties when specifically authorised to do so by the CEO or the Mayor, and restrict such comment to factual information and professional advice;
- Take responsibility for the health and safety of themselves and others when carrying out their duties and activities in line with the requirements of the WHS Act 2012, which includes general wellbeing and physical injury;
- Maintain adequate documentation to support important decisions and actions; and
- Commit to the continuous improvement of Council's capacity and performance, its planning, processes and service delivery.

**4.3. Accountability and Transparency**

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

Council Employees will:

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

**PO014 – Employee Code of Conduct Employee Behavioural Standards Policy****5. CONFIDENTIALITY**

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

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

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

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

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

**6. COMPLAINTS**

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

Complaints about an employee must be made in writing to the CEO. Complaints about the CEO must be made in writing to the Mayor (unless the complaint has been made by the Mayor or involves the Mayor, and in such a case, the complaint should be brought to the attention of the Deputy Mayor).

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

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

Complaints may be investigated and resolved according to the disciplinary processes of Council relating to employees.

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

**7. RIGHTS TO APPEAL DECISIONS ABOUT COMPLAINTS**

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

**PO014 – Employee Code of Conduct/Employee Behavioural Standards Policy**

Members of the community have the right to seek an external review of internal decisions through the [Office of Public Integrity \(OPI\)](#), Ombudsman, or other legal processes at any time.

**8. REVIEW**

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

**9. TRAINING**

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

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

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

**10. RECORDS**

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

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

PO001 [Peak](#) Work Health Safety and Return to Work [Policy](#);

PO020 Social Media Policy;

PO026 Fair Treatment Policy;

PO037 Internal Review of Council Decisions Policy;

PO063 Records Management Policy;

PO137 Volunteer Policy;

PO146 Support, Disciplinary and Performance Management Policy;

PO147 Complaints Policy;

PO148 [Fraud, and Corruption, Misconduct and Maladministration](#) -Policy;

PO150 Gifts and Benefits Policy;

PO153 Information Systems Access Control Policy;

PO159 Secondary Employment Policy;

PO171 Public Interest Disclosures Policy;

PR152 Public Interest Disclosure Procedure;

Council's Training Needs Analysis (elementSTAFF); and

Yorke Peninsula Council Enterprise Agreements (SA Municipal Officers and Local Government Employees).

**12. REFERENCES AND LEGISLATION**

[Fair Work Act 1994](#)

**PO014 – Employee Code of Conduct/Employee Behavioural Standards Policy**

Independent Commissioner Against Corruption Act (SA) 2012;

~~Local Government (General) Regulations 2013;~~

Local Government Act 1999;

Local Government Association Model Employee ~~Conduct~~Behavioural Standards Policy

Ombudsman Act 1972;

Public Interest Disclosure Act 2018; and

Work Health and Safety Act 2012.

**13. COUNCIL DELEGATION**

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

**14. VERSION HISTORY**

Version No	Issue Date	Description of Change
1.0	07/04/2003	New Policy
2.0	14/09/2010	Added reference to Section 91a of the Local Government (Elections) Act 1999 and included related documents.
3.0	11/07/2012	Complete rewrite in line with new Policy template.
4.0	14/02/2014	Adopted Code of Conduct for Council Employees as gazetted on 13/02/2014.
5.0	08/07/2020	Complete rewrite incorporating Local Government Associations model documentation.
<u>6.0</u>	<u>Xx/xx /2024</u>	<u>Change of title and minor updates to Policy, complaints, documents and legislation sections.</u>

**PO014 – Employee Code of Conduct Employee Behavioural Standards Policy**

**ATTACHMENT 1: DEFINITIONS**

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



**PO014 – Employee Code of ConductEmployee Behavioural Standards Policy**

---

Term/Reference	Definition
	<ul style="list-style-type: none"><li>• Volunteers.</li></ul>

DRAFT

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

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

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

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

1.1.2019—Local Government Act 1999

Council staff—Chapter 7

Conduct of employees—Part 4

General duty and code of conduct—Division 1

**PO014 – Employee Code of Conduct Employee Behavioural Standards Policy**

---

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

---

In this Division—

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

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

**109—General duty**

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

**110—Code of conduct for employees**

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

**110A—Duty to protect confidential information**

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



**P0014 – Employee Code of Conduct/Employee Behavioural Standards Policy****Attachment 2: Extract from Local Government (General) Regulations 2013****Schedule 2A—Code of conduct for employees****1—Gifts and benefits**

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

**Note—**

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



## COUNCIL POLICY

### Employee Behavioural Standards

<b>Policy Number:</b>	PO014		
<b>Strategic Plan Objective:</b>	5. Responsible Governance and Leadership		
<b>Policy Owner:</b>	Chief Executive Officer	<b>Record Number:</b>	16/13873[v6]
<b>Responsible Officer:</b>	Chief Executive Officer	<b>Minute Reference:</b>	
<b>Date Adopted:</b>	xx/xx/xxxx	<b>Next Review Date:</b>	March 2028

#### 1. POLICY OBJECTIVES

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

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

#### 2. SCOPE

Council employees must comply with this policy in carrying out their functions as public officers.

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

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

#### 3. DEFINITIONS

Refer to Attachment 1.

#### 4. POLICY STATEMENT

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

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

- a) Integrity, impartiality and good decision making;

**PO014 – Employee Behavioural Standards Policy**

---

- b) Promotion of the aims and objectives of local government; and
- c) Accountability and transparency.

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

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

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

- PO148 Fraud, Corruption, Misconduct and Maladministration Prevention Policy;
- PO150 Gifts and Benefits Policy;
- PO171 Public Interest Disclosure Policy;
- PR152 Public Interest Disclosure Procedure
- PO026 Diversity, Equity and Fair Treatment Policy;
- PR168 Diversity, Equity and Fair Treatment Procedure; and
- PO037 Internal Review of Council Decision Policy.

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

**4.1. Integrity, Impartiality and Good Decision Making**

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

In keeping with this principle, Council employees must:

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

**PO014 – Employee Behavioural Standards Policy**

---

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

**4.2. Promotion of Aims and Objectives of Local Government**

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

Council employees must:

- Comply with all Council resolutions, policies, procedures, processes and codes;
- Remain accountable and responsible for the use and collection of public funds;
- Use their best endeavours to provide accurate information to Council and to the public at all times;

**PO014 – Employee Behavioural Standards Policy**

---

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

**4.3. Accountability and Transparency**

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

Council Employees will:

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

**5. CONFIDENTIALITY**

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

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

- Doing so is necessary for the matter to be properly investigated (but only to the extent necessary to ensure proper investigation);
- The Complainant consents to his/her identity being disclosed;



**PO014 – Employee Behavioural Standards Policy**

---

- There is a legislative requirement for disclosure; and
- The recipient believes on reasonable grounds that it is necessary to divulge the identity of the Complainant in order to prevent or minimise an imminent risk of serious physical injury or death to any person.

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

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

**6. COMPLAINTS**

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

Complaints about an employee must be made in writing to the CEO. Complaints about the CEO must be made in writing to the Mayor (unless the complaint has been made by the Mayor or involves the Mayor, and in such a case, the complaint should be brought to the attention of the Deputy Mayor).

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

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

Complaints may be investigated and resolved according to the disciplinary processes of Council relating to employees.

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

**7. RIGHTS TO APPEAL DECISIONS ABOUT COMPLAINTS**

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

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

**8. REVIEW**

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

**PO014 – Employee Behavioural Standards Policy**

---

**9. TRAINING**

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

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

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

**10. RECORDS**

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

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

PO001 Peak Work Health Safety and Return to Work Policy;

PO020 Social Media Policy;

PO026 Fair Treatment Policy;

PO037 Internal Review of Council Decisions Policy;

PO063 Records Management Policy;

PO137 Volunteer Policy;

PO146 Support, Disciplinary and Performance Management Policy;

PO147 Complaints Policy;

PO148 Fraud, Corruption, Misconduct and Maladministration Policy;

PO150 Gifts and Benefits Policy;

PO153 Information Systems Access Control Policy;

PO159 Secondary Employment Policy;

PO171 Public Interest Disclosures Policy;

PR152 Public Interest Disclosure Procedure;

Council's Training Needs Analysis (elementSTAFF); and

Yorke Peninsula Council Enterprise Agreements (SA Municipal Officers and Local Government Employees).

**12. REFERENCES AND LEGISLATION**

Fair Work Act 1994

Independent Commissioner Against Corruption Act (SA) 2012;

Local Government Act 1999;

Local Government Association Model Employee Behavioural Standards Policy

Ombudsman Act 1972;

Public Interest Disclosure Act 2018; and

Work Health and Safety Act 2012.

**P0014 – Employee Behavioural Standards Policy****13. COUNCIL DELEGATION**

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

**14. VERSION HISTORY**

Version No	Issue Date	Description of Change
1.0	07/04/2003	New Policy
2.0	14/09/2010	Added reference to Section 91a of the Local Government (Elections) Act 1999 and included related documents.
3.0	11/07/2012	Complete rewrite in line with new Policy template.
4.0	14/02/2014	Adopted Code of Conduct for Council Employees as gazetted on 13/02/2014.
5.0	08/07/2020	Complete rewrite incorporating Local Government Associations model documentation.
6.0	Xx/xx /2024	Change of title and minor updates to Policy, complaints, documents and legislation sections.

**PO014 – Employee Behavioural Standards Policy****ATTACHMENT 1: DEFINITIONS**

Term/Reference	Definition
Conflict of Interest	<p>Any person who carries out Council Work has an interest in a matter if the person, or another person with whom the person carrying out Council Work is closely associated, would, if the person carrying out Council Work acted in a particular manner in relation to the matter, receive or have a reasonable expectation of receiving a direct or indirect pecuniary benefit or a non-pecuniary benefit or suffer or have a reasonable expectation of suffering a direct or indirect pecuniary detriment or a non-pecuniary detriment.</p> <p>A person is closely associated with a person carrying out Council Work:</p> <p>(a) if that person is a body corporate of which the person carrying out Council Work is a director or a member of the governing body; or</p> <p>(b) if that person is a proprietary company in which the person carrying out Council Work is a shareholder; or</p> <p>(c) if that person is a beneficiary under a trust or an object of a discretionary trust of which the person carrying out Council Work is a trustee; or</p> <p>(d) if that person is a partner of the person carrying out Council Work; or</p> <p>(e) if that person is the employer or an employee of the person carrying out Council Work; or</p> <p>(f) if that person is a person from whom the person carrying out Council Work has received or might reasonably be expected to receive a fee, commission or other reward for providing professional or other services; or</p> <p>(g) if that person is a relative of the person carrying out Council Work.</p> <p>However, a person carrying out Council Work, or a person closely associated with a person carrying out Council Work, will not be regarded as having an interest in a matter—</p> <p>(a) by virtue only of the fact that the a person carrying out Council Work or person closely associated with the person carrying out Council Work:</p> <p style="padding-left: 40px;">(i) is a ratepayer, elector or resident in the area of the council; or</p> <p style="padding-left: 40px;">(ii) is a member of a non-profit association, other than where the person carrying out Council Work or person closely associated with the person carrying out Council Work is a member of the governing body of the association or organisation; or</p> <p>(b) in a prescribed circumstance (as per Section 120 of the Act).</p>
Public Officer	The officers listed in Schedule 1 of the ICAC Act, which includes “ <i>an officer or employee of a local government body</i> ”.
Council Employee	<p>All Council employees in addition to other persons working on behalf of Council, including:</p> <ul style="list-style-type: none"> <li>• employees of a labour hire company;</li> <li>• Apprentices or trainees;</li> <li>• Student or work experience placements; and</li> <li>• Volunteers.</li> </ul>

**PO014 – Employee Behavioural Standards Policy**

---

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

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

---

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

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



**8.16 LONG TERM FINANCIAL PLAN - ANNUAL REVIEW****Document #:** 24/17373**Department:** Corporate and Community Services**PURPOSE**

To update the Audit and Risk Committee (Committee) on the annual review of Council's current Long Term Financial Plan 2024-2033 (LTFP).

**RECOMMENDATION**

That the report be received, and the revised Long Term Financial Plan 2025-2034 be recommended to Council for endorsement.

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

5.2 Effective leadership and informed decision making

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

5.4 Seek alternate income streams and ensure financial sustainability

**BACKGROUND**

As required by the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011, Council must annually review its LTFP in accordance with actual and budgeted financial results with the updated plan to be used as a tool in decision making and annual budget processes.

As part of this process Council will consult with the community in March and April and then consider all feedback prior to adoption of the revised LTFP at its meeting in April 2024.

Council currently has a LTFP for the period 2024 – 2033 (adopted in April 2023) which has been reviewed with a revised draft LTFP covering the period 2025 – 2034 now prepared for consideration by the Committee prior to presentation to Council. A supporting presentation by Council's Manager Financial Services has been prepared for the Committee meeting on Tuesday 27 February 2024 to support this report.

The revised LTFP is an updated version of Council's current LTFP, reflecting up to date income and expenditure trends and indicators, impacts of any service level reviews, internal and external factors impacting Council operations, the current political and economic environment, opportunities available for grant funding of major projects and the latest available asset information.

**DISCUSSION**

The revised LTFP 2025 – 2034 builds on the financial and sustainability principles and strategies of the current adopted LTFP 2024 – 2033. It uses, as a base, the 2023/2024 September Quarter revised Budget estimates (and some significant December Quarter revised Budget estimates) and the 2022/2023 audited Annual Financial Statements.

In the preliminary stages of development, Council's Chief Executive Officer (CEO) provided input and direction on the key objectives and outcomes expected of the LTFP. The CEO endorsed key financial strategies and income and expenditure parameters for Council with the continued aim of achieving financial sustainability in the short to medium term (1 - 5 years).

Various models were developed to arrive at the draft model which was then presented to the CEO and Director Corporate and Community Services (DCCS) who endorsed it for presentation to the Audit and Risk Committee and Council's Elected Members

The revised draft LTFP will be presented to the Committee on Tuesday, 27 February 2024 and to Elected Members at a workshop the following day. The presentation will cover all significant changes in the revised LTFP compared to the current LTFP. It will include a comparison of Council's financial sustainability ratio forecasts against set targets.

### Goals and Desired Outcomes

The objectives of the current LTFP are to ensure that Council is financially sustainable in the short to medium term (1 – 5 years) and able to provide at least the current level of services over the ten years of the plan in line with Council's five goals as stated in its Strategic Management Plan (SMP).

The revised LTFP has been developed considering current data (financial and service levels), cost indices, internal and external factors, forecast trends, current political environment, revenue streams, updated asset management information, limitations and community needs.

The key targets in the revised LTFP continue to be:

- Positive Operating Surplus Ratio (OSR) i.e. achieving an operating surplus, in the short to medium term (1 – 5 years);
- Spending on asset renewal consistent with Asset Management Plan (AMP) identified needs and Asset Renewal Funding Ratio (ARFR) minimum (100%) target annually;
- Net Financial Liabilities Ratio (NFLR) to be within the recommended Local Government target of 100% of Operating Income annually;
- No new services, assets or increases to existing services to be introduced without consideration of the impact on the LTFP.

### Major Impacts

Over recent history, Council's "business as usual" approach has been impacted by global economic uncertainty and local inflationary pressure. Whilst inflationary pressures are easing, the resultant financial impacts are still expected to be felt across the LTFP, especially the short term (Y1 – Y2).

The revised LTFP has also factored in the following major impacts:

- CPI assumptions reflective of increased inflation;
- Reduction in Financial Assistance Grants (general component);
- Cessation of Supplementary Local Road Funding (formula funding);
- Increased effort to secure an appropriate level rate revenue with due consideration to equity;
- IT Strategic Plan expenditure endorsed by Council;
- Inclusion of major operating and capital projects and associated assumptions around one-off grant funding opportunities;
- Current Enterprise Bargaining Agreement (EBA) negotiations;
- Increased annual allowance for jetty maintenance;
- Increased annual allowance for roadside tree-trimming;
- Variation in cost of utilities;
- Increased cost of insurance;
- Estimated impacts of asset revaluations;
- Estimated costs to manage remediation of illegal dumping;

- Finance costs related to three new loans for major capital projects all to be drawn down in Y1 and Y2 of the plan.

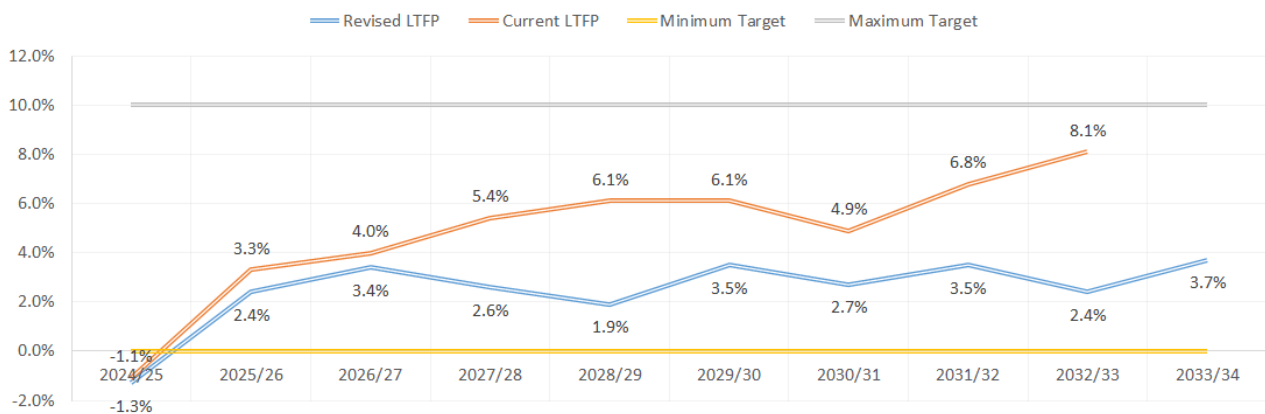
**Financial Sustainability Indicators (Ratios)**

The LTFP targets set for each of the ratios, listed below, remain unchanged:

- Operating Surplus Ratio between 0% and 10%.
- Net Financial Liabilities Ratio less than 100%
- Asset Renewal Funding Ratio greater than 100%

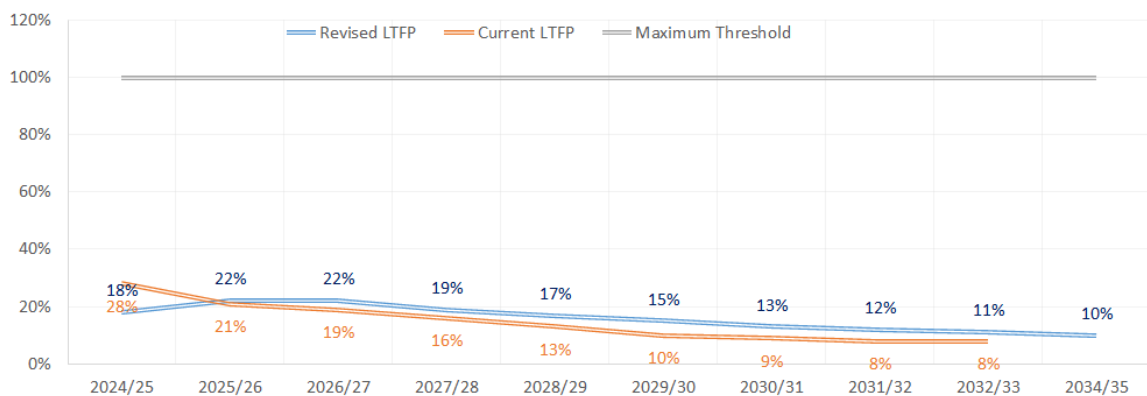
Graphs showing the ten-year forecast results are provided below. Council’s forecast results against each target will be discussed in the presentation at the Committee meeting.

**OPERATING SURPLUS RATIO**



The revised draft LTFP shows the Council will return to a positive Operating Surplus Ratio (OSR) in 2025/2026 (Y2) which matches the forecast of the current adopted LTFP. However, from time to time during the period of the LTFP Council’s financial results are materially distorted by individually significant events (i.e. – amounts that are either unusual in nature, or usual in nature but unusual in amount) which may convey a false impression of Council’s underlying operations. The revised draft LTFP contains several one-off grant funded projects which are individually significant and as such have the potential to create material variances in the plan should these projects not proceed. Further detail will be provided in relation to these projects in the presentation at the Committee meeting.

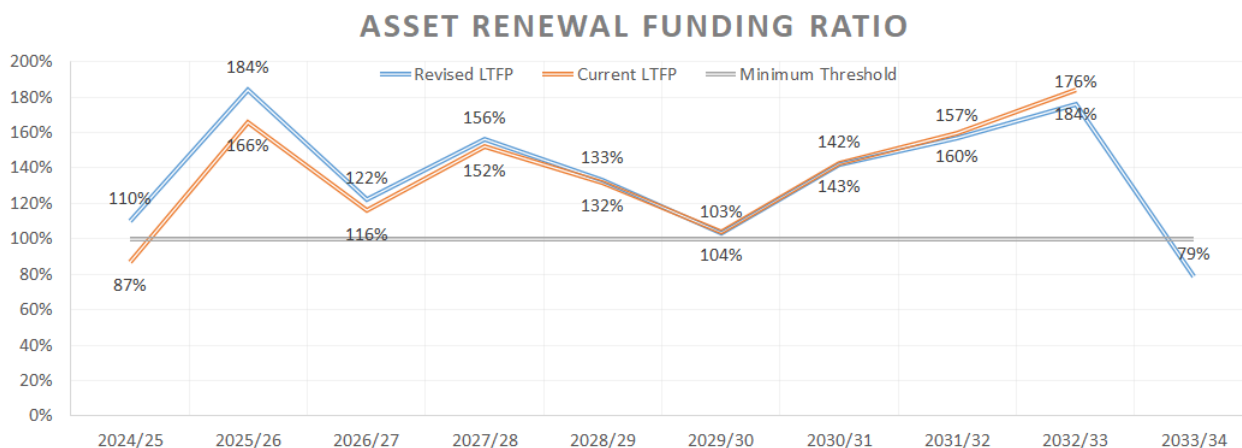
**NET FINANCIAL LIABILITIES RATIO**



Council’s forecast Net Financial Liabilities Ratio (NFLR) continues to be well below Local Government recommended maximum limits and Council’s LTFP maximum threshold of 100% of



Operating Income. Two new loans are planned to be drawn down in 2025/2026 with a third new loan to be drawn upon in 2026/27. This will see the NFLR peak early in the LTFP but with no further loans predicted the ratio will then decline over the life of the plan.



The Asset Renewal Funding Ratio (ARFR) fluctuates significantly compared to Council’s minimum target of 100% annually, however the annual average ARFR result over the ten-year period is 136% which is higher than Council’s 100% minimum annual target.

Continuing with the increased focus on renewal of existing assets, Council over the life of this revised LTFP, is proposing to allocate approximately \$161 million towards renewal and replacement of existing assets. This allocation exceeds the current plan by \$14.0 million.

However, it should be noted that whilst the revised LTFP contains assumptions around asset revaluations, the actual outcomes of the revaluation of several major asset classes, presently in progress, are unknown. Further, Asset Management Plans (AMP) for all major asset classes are due to be updated by November 2024. These updates are likely to see adjustments to asset renewal requirements impacting the calculation of this ratio.

An additional \$14.3 million over ten years is allocated for upgrades to assets and acquisition of new assets. It should be noted that most of the anticipated expenditure on new/upgrade assets relate to major projects which are dependent on significant levels of grant funding.

**Funding the Plan**

The revised LTFP recommends a rating strategy that seeks to achieve a degree of stability, predictability and equity over the next ten years, while ensuring current levels of service and infrastructure are maintained for the community. Rates will be set at affordable levels having regard to Council’s strategic direction, social and economic goals and external economic environment balanced against the community’s ability to pay and its desire for services and infrastructure.

Rate revenue increases are set relative to current Consumer Price Index (CPI) (Adelaide All Groups) and/or Reserve Bank of Australia (RBA) inflationary forecasts plus a Rural Roads Maintenance and Renewal Loading (RRMRL) is to be applied over and above CPI to ensure Council achieves financial sustainability. Income generated through the RRMRL will be quarantined specifically for capital road renewal projects.

For the purposes of the revised LTFP the table below shows the forecast CPI compared to the overall rate increases proposed. It should be noted that the 2023 December quarter CPI was 4.8% on which the revised LTFP is based.

	Y1 24/25	Y2 25/26	Y3 26/27	Y4 27/28	Y5 28/29	Y6 29/30	Y7 30/31	Y8 31/32	Y9 32/33	Y10 33/34
<b>General Rate Increase</b>	6.80%	5.25%	4.25%	4.00%	4.00%	3.75%	3.75%	3.50%	3.25%	3.25%
<b>Forecast CPI</b>	4.80%	3.25%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
<b>Variance</b>	<b>2.00%</b>	<b>2.00%</b>	<b>1.75%</b>	<b>1.50%</b>	<b>1.50%</b>	<b>1.25%</b>	<b>1.25%</b>	<b>1.00%</b>	<b>0.75%</b>	<b>0.75%</b>

General rates (inclusive of rebates) contribute 60.2% of total operating income across the life of the plan. This increases to 75.2% of total operating income when service charges, special rates and the landscape levy are included.

Other sources of revenue provide the remaining 24.8% of total operating income across the life of the plan. When compared to the current LTFP these income streams continue to contribute a similar portion in comparison to the whole in the revised LTFP. A breakdown of the contribution to total operation income made by statutory charges, user charges, investment income, reimbursements and other income will be provided in the presentation at the Committee meeting.

### Overall Impact

The revised LTFP builds on Council's historical efforts to improve its financial performance. The plan seeks to secure the level of income required to achieve financial sustainability, whilst seeking to manage expenditure in a responsible manner. The financial statements in the revised draft LTFP (attachment 1) provide more detail on Council's financial position over the next ten years.

If the revised LTFP is adopted as presented and future annual Budgets continue in line with the revised LTFP, Council will achieve its objectives as stated. Council must also continue to review its operations to realise savings resulting from increased productivity, efficiency and effectiveness. Any such gains will be reflected in future revisions of this LTFP.

### COMMUNITY ENGAGEMENT PLAN

Level 2 - Consult

Public Consultation of the revised LTFP will be undertaken in March and April 2024 pending Council's endorsement to do so.

### CONSULTATION PROCESS

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

- Corporate Management Team
- Budget Managers
- Accountant – Financial Management

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

- Nil

### POLICY IMPLICATIONS

PO142 Budget Reporting and Amendment Policy

The LTFP is part of the suite of Council's Strategic Management Plans.

### BUDGET AND RESOURCE IMPLICATIONS

The budget and resourcing implications are as detailed in the revised draft LTFP.

### RISKS/LEGAL/LEGISLATIVE/ IMPLICATIONS

Local Government Act 1999

Local Government (Financial Management) Regulations 2011

Not having an LTFP or having one that is outdated could result in Council making decisions without knowing the impact on its long-term financial position. Further, there is a risk that Council may not know what financial strategies it needs to adopt and implement to achieve financial sustainability.

**ATTACHMENTS**

1. **Financial Statements - Draft Long Term Financial Plan 2025-2034** [↓](#) 

Yorke Peninsula Council

10 Year Financial Plan for the Years ending 30 June 2034

STATEMENT OF COMPREHENSIVE INCOME - GENERAL FUND

Scenario: Base Plan (rolled over from last year's 22/23 LTFP V14)

	Projected Years									
	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Income</b>										
Rates	30,274,022	31,756,675	33,005,378	34,238,749	35,519,183	36,777,388	38,080,857	39,354,690	40,592,366	41,869,227
Statutory Charges	427,419	441,310	452,343	463,652	475,243	487,124	499,302	511,785	524,579	537,694
User Charges	5,285,382	5,629,938	5,784,899	5,929,521	6,077,759	6,229,703	6,385,446	6,545,082	6,708,709	6,876,427
Grants, Subsidies and Contributions - operating	3,700,022	6,738,306	2,392,438	2,392,438	2,392,438	2,392,438	2,392,438	2,392,438	2,392,438	2,392,438
Grants, Subsidies and Contributions - capital	2,570,000	3,150,000	2,750,000	2,050,000	2,050,000	2,050,000	850,000	850,000	850,000	850,000
Investment Income	299,421	205,588	231,989	230,953	235,327	239,977	249,977	254,977	259,977	279,977
Reimbursements	148,474	148,474	148,474	148,474	148,474	148,474	148,474	148,474	148,474	148,474
Other Income	150,714	153,427	156,191	159,007	161,877	164,801	167,780	170,816	173,909	177,061
Net gain - equity accounted Council businesses	-	-	-	-	-	-	-	-	-	-
<b>Total Income</b>	<b>42,855,453</b>	<b>48,223,718</b>	<b>44,921,711</b>	<b>45,612,794</b>	<b>47,060,301</b>	<b>48,489,904</b>	<b>48,774,274</b>	<b>50,228,261</b>	<b>51,650,451</b>	<b>53,131,297</b>
<b>Expenses</b>										
Employee Costs	12,330,053	12,785,693	13,226,488	13,617,975	14,000,234	14,435,960	14,885,197	15,348,363	15,825,886	16,318,208
Materials, Contracts & Other Expenses	17,047,516	20,230,392	15,961,058	16,270,321	16,499,449	16,736,326	16,981,234	17,234,466	17,594,918	17,870,650
Depreciation, Amortisation & Impairment	13,770,281	13,792,729	13,797,808	14,163,624	15,360,330	15,365,409	15,365,409	15,672,844	16,808,690	16,808,690
Finance Costs	262,605	248,232	407,907	361,793	315,413	271,719	233,045	209,936	186,399	160,770
Net loss - Equity Accounted Council Businesses	-	-	-	-	-	-	-	-	-	-
<b>Total Expenses</b>	<b>43,410,454</b>	<b>47,057,046</b>	<b>43,393,262</b>	<b>44,413,712</b>	<b>46,175,425</b>	<b>46,809,414</b>	<b>47,464,886</b>	<b>48,465,608</b>	<b>50,415,893</b>	<b>51,158,318</b>
<b>Operating Surplus / (Deficit)</b>	<b>(555,001)</b>	<b>1,166,671</b>	<b>1,528,450</b>	<b>1,199,082</b>	<b>884,875</b>	<b>1,680,490</b>	<b>1,309,388</b>	<b>1,762,653</b>	<b>1,234,558</b>	<b>1,972,979</b>
Asset Disposal & Fair Value Adjustments	-	-	-	-	-	-	-	-	-	-
Amounts Received Specifically for New or Upgraded Assets	1,591,747	6,000,000	-	-	-	-	-	-	-	-
Physical Resources Received Free of Charge	-	-	-	-	-	-	-	-	-	-
Operating Result from Discontinued Operations	-	-	-	-	-	-	-	-	-	-
<b>Net Surplus / (Deficit)</b>	<b>1,036,746</b>	<b>7,166,671</b>	<b>1,528,450</b>	<b>1,199,082</b>	<b>884,875</b>	<b>1,680,490</b>	<b>1,309,388</b>	<b>1,762,653</b>	<b>1,234,558</b>	<b>1,972,979</b>
<b>Other Comprehensive Income</b>										
<b>Amounts which will not be reclassified subsequently to operating result</b>										
Changes in Revaluation Surplus - I,PP&E	4,823,965	-	-	4,758,976	15,315,563	2,967,171	-	-	2,449,753	-
Share of Other Comprehensive Income - Equity Accounted Council Businesses	-	-	-	-	-	-	-	-	-	-
Impairment (Expense) / Recoupments Offset to Asset Revaluation Reserve	-	-	-	-	-	-	-	-	-	-
Transfer to Accumulated Surplus on Sale of Revalued I,PP&E	-	-	-	-	-	-	-	-	-	-
Net assets transferred - Council restructure	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
<b>Amounts which will be reclassified subsequently to operating result</b>										
Available-for-Sale Financial Instruments - Change in Fair Value	-	-	-	-	-	-	-	-	-	-
Transfer to Accumulated Surplus on Sale of Available-for-Sale Financial Instrumen	-	-	-	-	-	-	-	-	-	-
Movements in Other Reserves	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
<b>Total Other Comprehensive Income</b>	<b>4,823,965</b>	<b>-</b>	<b>-</b>	<b>4,758,976</b>	<b>15,315,563</b>	<b>2,967,171</b>	<b>-</b>	<b>-</b>	<b>2,449,753</b>	<b>-</b>
<b>Total Comprehensive Income</b>	<b>5,860,711</b>	<b>7,166,671</b>	<b>1,528,450</b>	<b>5,958,058</b>	<b>16,200,438</b>	<b>4,647,661</b>	<b>1,309,388</b>	<b>1,762,653</b>	<b>3,684,312</b>	<b>1,972,979</b>

Yorke Peninsula Council

10 Year Financial Plan for the Years ending 30 June 2034

STATEMENT OF FINANCIAL POSITION - GENERAL FUND

Scenario: Base Plan (rolled over from last year's 22/23 LTFP V14)

	Projected Years									
	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>ASSETS</b>										
<b>Current Assets</b>										
Cash & Cash Equivalents	1,214,450	1,079,831	949,868	964,838	823,419	802,970	922,029	830,785	879,779	986,520
Trade & Other Receivables	1,851,141	2,060,295	1,802,414	1,853,631	1,894,533	1,947,634	2,002,631	2,056,920	2,112,375	2,167,788
Other Financial Assets	-	-	-	-	-	-	-	-	-	-
Inventories	568,523	668,519	536,133	546,545	554,473	562,659	571,111	579,839	591,928	601,391
Other Current Assets	-	-	-	-	-	-	-	-	-	-
Non-current assets classified as "Held for Sale"	-	-	-	-	-	-	-	-	-	-
<b>Total Current Assets</b>	<b>3,634,114</b>	<b>3,808,645</b>	<b>3,288,414</b>	<b>3,365,013</b>	<b>3,272,425</b>	<b>3,313,262</b>	<b>3,495,770</b>	<b>3,467,543</b>	<b>3,584,081</b>	<b>3,755,699</b>
<b>Non-Current Assets</b>										
Financial Assets	56,267	27,350	12,606	-	-	-	-	-	-	-
Equity Accounted Investments in Council Businesses	-	-	-	-	-	-	-	-	-	-
Investment Property	-	-	-	-	-	-	-	-	-	-
Infrastructure, Property, Plant & Equipment	321,283,147	331,360,419	331,952,611	336,917,963	352,313,196	356,064,959	356,849,551	358,276,707	361,467,771	362,859,081
Intangible Assets	-	-	-	-	-	-	-	-	-	-
Non-current assets classified as "Held for Sale"	-	-	-	-	-	-	-	-	-	-
Other Non-Current Assets	-	-	-	-	-	-	-	-	-	-
<b>Total Non-Current Assets</b>	<b>321,339,414</b>	<b>331,387,769</b>	<b>331,965,217</b>	<b>336,917,963</b>	<b>352,313,196</b>	<b>356,064,959</b>	<b>356,849,551</b>	<b>358,276,707</b>	<b>361,467,771</b>	<b>362,859,081</b>
<b>TOTAL ASSETS</b>	<b>324,973,529</b>	<b>335,196,414</b>	<b>335,253,631</b>	<b>340,282,976</b>	<b>355,585,622</b>	<b>359,378,221</b>	<b>360,345,321</b>	<b>361,744,251</b>	<b>365,051,852</b>	<b>366,614,780</b>
<b>LIABILITIES</b>										
<b>Current Liabilities</b>										
Cash Advance Debenture	-	-	-	-	-	-	-	-	-	-
Trade & Other Payables	3,386,328	3,701,001	3,199,128	3,255,668	3,304,033	3,355,815	3,409,192	3,464,216	3,530,680	3,589,650
Borrowings	1,295,734	1,440,798	996,775	957,728	918,463	407,334	430,467	454,944	480,844	406,007
Provisions	2,289,782	2,289,782	2,289,782	2,289,782	2,289,782	2,289,782	2,289,782	2,289,782	2,289,782	2,289,782
Other Current Liabilities	-	-	-	-	-	-	-	-	-	-
Liabilities relating to Non-Current Assets classified as "Held for Sale"	-	-	-	-	-	-	-	-	-	-
<b>Total Current Liabilities</b>	<b>6,971,844</b>	<b>7,431,581</b>	<b>6,485,685</b>	<b>6,503,178</b>	<b>6,512,278</b>	<b>6,052,931</b>	<b>6,129,441</b>	<b>6,208,943</b>	<b>6,301,307</b>	<b>6,285,440</b>
<b>Non-Current Liabilities</b>										
Cash Advance Debenture	-	-	-	-	-	-	-	-	-	-
Trade & Other Payables	202,149	158,441	139,897	142,420	144,990	147,609	150,278	152,997	155,767	158,590
Borrowings	3,578,072	6,218,256	5,711,463	4,762,735	3,853,272	3,454,938	3,033,471	2,587,527	2,115,682	1,718,675
Provisions	157,218	157,218	157,218	157,218	157,218	157,218	157,218	157,218	157,218	157,218
Liability - Equity Accounted Council Businesses	-	-	-	-	-	-	-	-	-	-
Other Non-Current Liabilities	-	-	-	-	-	-	-	-	-	-
Liabilities relating to Non-Current Assets classified as "Held for Sale"	-	-	-	-	-	-	-	-	-	-
<b>Total Non-Current Liabilities</b>	<b>3,937,438</b>	<b>6,533,914</b>	<b>6,008,577</b>	<b>5,062,372</b>	<b>4,155,480</b>	<b>3,759,765</b>	<b>3,340,966</b>	<b>2,897,741</b>	<b>2,428,667</b>	<b>2,034,483</b>
<b>TOTAL LIABILITIES</b>	<b>10,909,282</b>	<b>13,965,495</b>	<b>12,494,263</b>	<b>11,565,550</b>	<b>10,667,758</b>	<b>9,812,696</b>	<b>9,470,408</b>	<b>9,106,684</b>	<b>8,729,974</b>	<b>8,319,923</b>
<b>Net Assets</b>	<b>314,064,247</b>	<b>321,230,918</b>	<b>322,759,368</b>	<b>328,717,426</b>	<b>344,917,864</b>	<b>349,565,525</b>	<b>350,874,913</b>	<b>352,637,566</b>	<b>356,321,878</b>	<b>358,294,857</b>
<b>EQUITY</b>										
Accumulated Surplus	(2,035,718)	5,130,953	6,659,403	7,858,485	8,743,360	10,423,850	11,733,238	13,495,891	14,730,449	16,703,428
Asset Revaluation Reserves	311,232,965	311,232,965	311,232,965	315,991,941	331,307,504	334,274,675	334,274,675	334,274,675	336,724,429	336,724,429
Available for Sale Financial Assets	-	-	-	-	-	-	-	-	-	-
Other Reserves	4,867,000	4,867,000	4,867,000	4,867,000	4,867,000	4,867,000	4,867,000	4,867,000	4,867,000	4,867,000
<b>Total Equity</b>	<b>314,064,247</b>	<b>321,230,918</b>	<b>322,759,368</b>	<b>328,717,426</b>	<b>344,917,864</b>	<b>349,565,525</b>	<b>350,874,913</b>	<b>352,637,566</b>	<b>356,321,878</b>	<b>358,294,857</b>

Yorke Peninsula Council										
10 Year Financial Plan for the Years ending 30 June 2034										
STATEMENT OF CASH FLOWS - GENERAL FUND										
Scenario: Base Plan (rolled over from last year's 22/23 LTFP V14)										
	2024/25	2025/26	2026/27	2027/28	Projected Years					
	\$	\$	\$	\$	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Cash Flows from Operating Activities</b>										
<b>Receipts:</b>										
Rates Receipts	30,214,988	31,707,841	32,964,250	34,198,126	35,477,010	36,735,946	38,037,925	39,312,734	40,551,601	41,827,172
Statutory Charges	429,803	440,790	451,930	463,228	474,809	486,679	498,846	511,317	524,100	537,202
User Charges	5,277,461	5,917,325	5,779,091	5,924,101	6,072,204	6,224,008	6,379,509	6,539,089	6,702,577	6,870,141
Grants, Subsidies and Contributions (operating purpose)	3,682,667	6,747,121	2,312,802	2,392,438	2,392,438	2,392,438	2,392,438	2,392,438	2,392,438	2,392,438
Investment Receipts	299,490	206,928	231,813	230,968	235,285	239,911	249,834	254,906	259,906	279,892
Reimbursements	148,066	148,474	148,474	148,474	148,474	148,474	148,474	148,474	148,474	148,474
Other Revenue	70,728	73,325	122,147	163,519	166,474	169,485	172,553	175,879	178,884	182,110
<b>Payments:</b>										
Payments to Employees	(12,267,252)	(12,761,488)	(13,202,840)	(13,596,008)	(13,979,116)	(14,412,280)	(14,860,807)	(15,323,241)	(15,800,010)	(16,291,656)
Payments for Materials, Contracts & Other Expenses	(17,089,219)	(20,078,945)	(19,161,561)	(16,254,551)	(16,487,441)	(16,723,929)	(16,968,433)	(17,221,247)	(17,576,610)	(17,856,318)
Finance Payments	(282,605)	(248,232)	(407,907)	(361,793)	(315,413)	(271,719)	(233,045)	(209,936)	(186,399)	(160,770)
<b>Net Cash provided (or used in) Operating Activities</b>	<b>10,502,106</b>	<b>11,852,826</b>	<b>12,237,997</b>	<b>13,308,002</b>	<b>14,164,704</b>	<b>14,989,014</b>	<b>15,817,393</b>	<b>16,580,223</b>	<b>17,194,939</b>	<b>17,928,586</b>
<b>Cash Flows from Investing Activities</b>										
<b>Receipts:</b>										
Amounts Received Specifically for New/Upgraded Assets	1,721,561	5,857,512	193,939	-	-	-	-	-	-	-
Grants utilised for capital purposes	2,625,868	3,160,000	2,760,000	2,050,000	2,050,000	2,050,000	850,000	850,000	850,000	850,000
Sale of Replaced Assets	300,000	330,000	360,000	480,000	510,000	600,000	600,000	600,000	600,000	600,000
Sale of Surplus Assets	-	-	-	-	-	-	-	-	-	-
Sale of Investment Property	-	-	-	-	-	-	-	-	-	-
Sale of Non Current Assets "Held for Sale"	-	-	-	-	-	-	-	-	-	-
Net Disposal of Investment Securities	-	-	-	-	-	-	-	-	-	-
Sale of Real Estate Developments	-	-	-	-	-	-	-	-	-	-
Sale of Intangible Assets	-	-	-	-	-	-	-	-	-	-
Repayments of Loans by Community Groups	100,089	89,796	28,917	14,744	12,606	-	-	-	-	-
Sale of Interests in Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-
Distributions Received from Equity Accounted Council Businesses	-	-	-	-	-	-	-	-	-	-
Other Investing Activity Receipts	-	-	-	-	-	-	-	-	-	-
<b>Payments:</b>										
Expenditure on Renewal/Replacement of Assets	(18,011,790)	(14,750,001)	(14,300,000)	(14,400,000)	(15,500,000)	(16,300,000)	(16,300,000)	(17,250,000)	(17,700,000)	(18,350,000)
Expenditure on New/Upgraded Assets	(1,238,210)	(9,450,000)	(450,000)	(450,000)	(450,000)	(450,000)	(450,000)	(450,000)	(450,000)	(450,000)
Purchase of Investment Property	-	-	-	-	-	-	-	-	-	-
Net Purchase of Investment Securities	-	-	-	-	-	-	-	-	-	-
Development of Real Estate for Sale	-	-	-	-	-	-	-	-	-	-
Expenditure on Intangible Assets	-	-	-	-	-	-	-	-	-	-
Loans Made to Community Groups	-	-	-	-	-	-	-	-	-	-
Purchase of Interests in Equity Accounted Council Businesses	-	-	-	-	-	-	-	-	-	-
Capital Contributed to Equity Accounted Council Businesses	-	-	-	-	-	-	-	-	-	-
Other Investing Activity Payments	-	-	-	-	-	-	-	-	-	-
<b>Net Cash provided (or used in) Investing Activities</b>	<b>(12,502,482)</b>	<b>(14,772,693)</b>	<b>(11,417,145)</b>	<b>(12,305,256)</b>	<b>(13,377,394)</b>	<b>(14,100,000)</b>	<b>(16,300,000)</b>	<b>(16,260,000)</b>	<b>(16,700,000)</b>	<b>(17,350,000)</b>
<b>Cash Flows from Financing Activities</b>										
<b>Receipts:</b>										
Proceeds from CAD	-	-	-	-	-	-	-	-	-	-
Proceeds from Borrowings	-	4,100,000	500,000	-	-	-	-	-	-	-
Receipt of Funds from Finance Leases	-	-	-	-	-	-	-	-	-	-
Proceeds from Aged Care Facility Deposits	-	-	-	-	-	-	-	-	-	-
Proceeds from Bonds & Deposits	-	-	-	-	-	-	-	-	-	-
Receipts from Other Financing Activities	-	-	-	-	-	-	-	-	-	-
<b>Payments:</b>										
Repayments of CAD	-	-	-	-	-	-	-	-	-	-
Repayments of Borrowings	(1,368,317)	(1,314,752)	(1,480,816)	(987,775)	(948,728)	(909,463)	(398,334)	(421,467)	(445,944)	(471,844)
Repayment of Principal Portion of Lease Liabilities	-	-	-	-	-	-	-	-	-	-
Repayment of Aged Care Facility Deposits	-	-	-	-	-	-	-	-	-	-
Repayment of Bonds & Deposits	-	-	-	-	-	-	-	-	-	-
Payments of Other Financing Activities	-	-	-	-	-	-	-	-	-	-
<b>Net Cash Flow provided (used in) Financing Activities</b>	<b>(1,368,317)</b>	<b>2,785,248</b>	<b>(960,816)</b>	<b>(987,775)</b>	<b>(948,728)</b>	<b>(909,463)</b>	<b>(398,334)</b>	<b>(421,467)</b>	<b>(445,944)</b>	<b>(471,844)</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>(3,369,693)</b>	<b>(134,819)</b>	<b>(129,963)</b>	<b>14,970</b>	<b>(141,419)</b>	<b>(20,449)</b>	<b>119,059</b>	<b>(91,244)</b>	<b>48,994</b>	<b>106,741</b>
plus: Cash & Cash Equivalents - beginning of year	4,584,143	1,214,450	1,079,831	949,868	964,838	823,419	802,970	922,029	830,785	879,779
<b>Cash &amp; Cash Equivalents - end of the year</b>	<b>1,214,450</b>	<b>1,079,831</b>	<b>949,868</b>	<b>964,838</b>	<b>823,419</b>	<b>802,970</b>	<b>922,029</b>	<b>830,785</b>	<b>879,779</b>	<b>986,520</b>
Cash & Cash Equivalents - end of the year	1,214,450	1,079,831	949,868	964,838	823,419	802,970	922,029	830,785	879,779	986,520
Investments - end of the year	-	-	-	-	-	-	-	-	-	-
<b>Cash, Cash Equivalents &amp; Investments - end of the year</b>	<b>1,214,450</b>	<b>1,079,831</b>	<b>949,868</b>	<b>964,838</b>	<b>823,419</b>	<b>802,970</b>	<b>922,029</b>	<b>830,785</b>	<b>879,779</b>	<b>986,520</b>

Yorke Peninsula Council

10 Year Financial Plan for the Years ending 30 June 2034

STATEMENT OF CHANGES IN EQUITY - GENERAL FUND

Scenario: Base Plan (rolled over from last year's 22/23 LTFP V14)

	2024/25	2025/26	2026/27	2027/28	Projected Years					203
					2028/29	2029/30	2030/31	2031/32	2032/33	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Opening Balance</b>	308,203,536	314,064,247	321,230,918	322,759,368	328,717,426	344,917,864	349,565,525	350,874,913	352,637,566	356,321,
Net Surplus / (Deficit) for Year	1,036,746	7,166,671	1,528,450	1,199,082	884,875	1,680,490	1,309,388	1,762,653	1,234,558	1,972,
Other Comprehensive Income										
- Gain (Loss) on Revaluation of I,PP&E	4,823,965	-	-	4,758,976	15,315,563	2,967,171	-	-	2,449,753	
- Available for Sale Financial Instruments: change in fair value	-	-	-	-	-	-	-	-	-	-
- Impairment (loss) reversal relating to I,PP&E	-	-	-	-	-	-	-	-	-	-
- Transfer to Accumulated Surplus on Sale of I,PP&E	-	-	-	-	-	-	-	-	-	-
- Transfer to Acc. Surplus on Sale of AFS Financial Instruments	-	-	-	-	-	-	-	-	-	-
- Share of OCI - Equity Accounted Council Businesses	-	-	-	-	-	-	-	-	-	-
- Other Equity Adjustments - Equity Accounted Council Businesses	-	-	-	-	-	-	-	-	-	-
- Other Movements	-	-	-	-	-	-	-	-	-	-
<b>Other Comprehensive Income</b>	4,823,965	-	-	4,758,976	15,315,563	2,967,171	-	-	2,449,753	
<b>Total Comprehensive Income</b>	5,860,711	7,166,671	1,528,450	5,958,058	16,200,438	4,647,661	1,309,388	1,762,653	3,684,312	1,972,
Transfers between Equity	-	-	-	-	-	-	-	-	-	-
<b>Equity - Balance at end of the reporting period</b>	<b>314,064,247</b>	<b>321,230,918</b>	<b>322,759,368</b>	<b>328,717,426</b>	<b>344,917,864</b>	<b>349,565,525</b>	<b>350,874,913</b>	<b>352,637,566</b>	<b>356,321,878</b>	<b>358,294,</b>

**9 NEW AND EMERGING RISKS / ISSUES**

**10 GENERAL BUSINESS**

**11 NEXT MEETING**

Tuesday 28 May 2024

**12 CLOSURE**