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

Date: Tuesday, 25 November 2025
Time: 3:00 PM
Location: Council Chambers
Minlaton Town Hall
57 Main Street
Minlaton

AGENDA

Audit and Risk Committee Meeting

25 November 2025

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

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	Tuesday 24 February 2026	
13	Closure	111

1 WELCOME BY CHAIRPERSON

Meeting declared open

2 PRESENT

3 LEAVE OF ABSENCE

Nil

4 APOLOGIES

Cr Naomi Bittner

5 CONFLICT OF INTEREST

6 MINUTES OF PREVIOUS MEETING – FOR CONFIRMATION

Audit and Risk Committee Meeting - 28 October 2025

7 VISITORS TO THE MEETING

REPORTS

REPORTS**8 MATTERS ARISING FROM PREVIOUS MINUTES****8.1 AUDIT AND RISK COMMITTEE INDEPENDENT MEMBER SITTING FEES****Document #:** 25/97936**Department:** Corporate and Community Services**PURPOSE**

To provide the Audit and Risk Committee (Committee) with the opportunity to review the current sitting fees for both the Independent Member and Independent Chairperson (Presiding Member) positions, and to propose to Council an adjustment to said fees as endorsed by the Committee.

RECOMMENDATION

That the Audit and Risk committee recommend to Council an increase in sitting fees to \$700.00 for the Independent Chairperson and \$450.00 for Independent Members of the Audit and Risk Committee, with no adjustment to the arrangement for travel reimbursement.

LINK TO STRATEGIC PLAN**Goal:** Goal L - Responsible Leadership and governance**Strategy:** L.4. Continue to meet all legislative requirements and compliance with Council's internal controls.**BACKGROUND**

Sitting fees for the Independent Chairperson and Independent Members of the Audit and Risk Committee (Committee) have not been reviewed in the last nine years, as a result at the 26 August 2025 Committee meeting, the Committee resolved:

10.1 INDEPENDENT MEMBER SITTING FEES**COMMITTEE RESOLUTION**

Moved: Member Rob Reiman

Seconded: Member Trish Kirkland

That a report be brought back to the Committee before end of 2025 calendar year, reviewing the current Independent Member sitting fees.

CARRIED 043/2025 (26/08/2025)**DISCUSSION**

A review of sitting fees has highlighted the need to ensure that fees for Independent Members and the Independent Chairperson (Presiding Member) remain relative with other Council's Committee sitting fee structures. The current sitting fees for Yorke Peninsula Council (Council) are \$450 for the Presiding Member and \$350 for Independent Members. In addition to the Committee's sitting fees, reimbursement for travel expenses can be claimed by members who attend Committee meetings in person. The Australian Taxation Office 'cents per kilometre rate' is to be applied to all reimbursement

claims. Maintaining a fair and market-aligned sitting fee structure is crucial for Council, especially given the challenges of attracting skilled candidates to regional areas.

According to the Local Government Association of South Australia’s Financial Sustainability Information Paper No.3 Audit and Risk Committees, updated in February 2024, sitting fees currently paid vary widely across the sector, ranging from \$380 to \$1,000 for the Presiding Member per meeting. The legislation does not specify any requirements in relation to sitting fees or payment of reimbursement for travel expenditure. Council’s should have regard to the prerequisite skill, knowledge, and experience requirements of its Committee members when determining its sitting fee structure.

A review of other large rural Council Committee sitting fees for both the Presiding Member and Independent Members, as determined by the Australian Classification of Local Government (ACLG) framework, highlights that Council’s current rates are relatively low. That said, it should be noted that all independent members of Council’s committee are eligible for cents per kilometre travel reimbursement. Below is a comparative table of 14 Council’s across South Australia, including our Council.

Audit and Risk Committee Sitting Fees				
<i>Data sourced 23/24 Annual Reports</i>				
	Presiding Member	Independent Member	Additional Travel Allowance as per ATO Guidelines?	Comments
Clare and Gilbert Valleys Council	\$ 1,200.00	\$ 300.00	Not reported	
Coorong District Council		\$ 775.00	Not reported	Physical (\$775) and remote (\$575) attendance fees
Copper Coast Council		\$ 350.00	Yes	Chair is an Elected Member
District Council of Grant		\$ 350.00	Yes	
Kangaroo Island Council	\$ 7,855.74	\$ 450.00	No - fees are inclusive	Presiding Member is an Annual Allowance
District Council of Lower Eyre Peninsula				
	\$ 1,000.00	\$ 750.00	Yes	
District Council of Loxton Waikerie	\$ 1,200.00	\$ 500.00	Not reported	
Mid Murray Council	\$ 869.00	\$ 635.00	Not reported	
Naracoorte Lucindale Council	\$ 290.00	\$ 230.00	Not reported	
Tatiara District Council	\$ 400.00	\$ 300.00	Yes	
Wakefield Regional Council		\$ 436.00	Yes	
Wattle Range Council	\$ 450.00	\$ 400.00	Not reported	
District Council of Yankalilla	\$ 800.00	\$ 450.00	Not reported	
Yorke Peninsula Council	\$ 450.00	\$ 350.00	Yes	
Average	\$ 740.00	\$ 449.00		

*Figures sourced from 2023/24 Annual reports. Fees may not be current but are provided as a comparison. There are 68 councils in South Australia, the above table includes 14 council’s comparatives to Council.

For the Independent Chairperson sitting fees when you compare the nine Councils above that pay a sitting fee per meeting (excluding Kangaroo Island Council’s annual allowance fee), the average is \$740 per meeting. Although, it should be noted that the average sitting fee er meeting for the councils (3) that have a travel allowance in additional to the sitting fee is \$617.

For Independent Members, when you compare all 14 Council’s, the average sitting fee per meeting is \$449. Again, it’s worth noting however that the average sitting fee per meeting for those Council’s (six) that also have a travel allowance in addition to the sitting fee, the average is \$423.

These differences in both Presiding and Independent member fees indicates that Council’s current sitting fees structure is comparatively low. The analysis suggests there is merit in considering an increase in sitting fees to better align with the market standards and to ensure that compensation remains competitive enough to attract, and retain, highly qualified individuals to our Committee.

For consistency and transparency, it is Council’s recommendation that the current travel reimbursement arrangement be maintained for Independent Committee Members, consistent with what is currently available to Elected Members.

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
- Governance 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

Council's 2025/2026 budget for Audit and Risk Committee sitting fees, inclusive of mileage claims, has been set at \$15,508 GST exclusive. The budget was set with the assumption that it was highly likely that sitting fees would be reviewed during 2025/2026 with reference to the market expectations.

RISKS/LEGAL/LEGISLATIVE/ IMPLICATIONS

Local Government Act 1999.

Local Government Association of South Australia's Financial Sustainability Information Paper No.3 Audit and Risk Committees.

ATTACHMENTS

Nil

9 NEW BUSINESS

9.1 AUDIT AND RISK COMMITTEE WORK PLAN 2025/2026

Document #: 25/98774

Department: Corporate and Community Services

PURPOSE

For the Audit and Risk Committee to consider and endorse the updated Work Plan for 2025/2026.

RECOMMENDATION

That the Audit and Risk Committee endorse the updated 2025/2026 Work Plan.

LINK TO STRATEGIC PLAN

Goal: Goal L - Responsible Leadership and governance

Strategy: L.4. Continue to meet all legislative requirements and compliance with Council's internal controls.

BACKGROUND

As stated in clause 1 of the Audit and Risk Committee (Committee) Terms of Reference (ToR), the purpose of the Committee is to provide independent assurance and advice to Council on accounting, financial management, internal controls, risk management and governance matters. 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:

- Review annual financial statements to ensure that they present fairly the state of affairs of the Council.
- Propose and provide information relevant to, a review of the Council's strategic management plans or annual business plan.
- 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.
- Propose and review the exercise of powers under section 130A.
- Liaise with the Council's auditor in accordance with any requirements prescribed by the regulations.
- Review the adequacy of the accounting, internal control, reporting and other financial management systems and practices of the Council on a regular basis.
- 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.

- 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.
- Review any prudential report obtained by the Council under section 48(1).
- Make recommendations to the Council on the appointment of an Independent Auditor pursuant to section 128 of the Local Government Act 1999 (Act).
- Perform any other function referred to it by the Council, another Council Committee or prescribed by the regulations.

The ToR are to be read in conjunction with Chapter 8 of the Act.

The 2025/2026 Work Plan was first endorsed by the Committee at its meeting held on 27 May 2025. Adoption and regular review of the Work Plan assist 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 to the work plan have been proposed for this meeting:

- Item 3.2 deferred to May 2026 meeting due to extended leave of absence for key staff member.

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
- Manager People, Culture and Safety
- Assets Manager
- Governance 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 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 2025/2026 - November 2025 Update** [↓](#)

Yorke Peninsula Council Proposed Audit and Risk Committee Work Plan 2025-2026							
Activity	Link to Legislation, TOR	Timeframe					Notes
		Completed		Current Deferred			
		Aug-25 26th Q1	Oct-25 28th FS	Nov-25 25th Q2	Feb-26 24th Q3	May-26 26th Q4	
1. Financial Reporting s126(4)(a)							
1.1 Review General Purpose Financial Statements	"		X				Following external audit but prior to Council endorsement.
1.2 Review asset revaluations	"	X				X	<p>Desktop revaluation by applying an overall indexation as of 1 July 2024 for the following asset classes:</p> <ul style="list-style-type: none"> > Transport; > Land, Buildings and Structures; > Community Wastewater Management Scheme (CWMS); > Water; and > Stormwater Infrastructure. <p>Revaluation of as at 1 July 2025 to be undertaken for the following infrastructure asset classes:</p> <ul style="list-style-type: none"> > Transport; > Coastal / Marine Assets. <p>Ensure values are up to date and soundly based, including having particular regard to local conditions:</p> <ul style="list-style-type: none"> > 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	For information only, generally reported after adoption by Council due to timing.
2. Internal Controls s126(4)(f)							
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. First self assessment report for 2025/2026 deferred to Nov-25 due to work associated with ERP transition and availability of key personnel.

Yorke Peninsula Council							
Proposed Audit and Risk Committee Work Plan 2025-2026							
Activity	Link to Legislation, TOR	Timeframe					Notes
		Completed Current Deferred					
		Aug-25	Oct-25	Nov-25	Feb-26	May-26	
		26th	28th	25th	24th	26th	
		Q1	FS	Q2	Q3	Q4	
3. Risk Management							
s126(4)(c)							
3.1 Mandated Update to Strategic Risk Register	"					X	Annual review and update of Strategic Risks.
3.2 Annual Review of Risk Management Systems (including strategic, financial and operational risks and Emergency Management/Business Continuity Plan)	S99(1)(ia) S126(4)(c,h) S125(3)			X		X	Deferred to May 2026 meeting due to extended leave of absence for key staff member.
3.3 Results of LGRS Risk Profiling Review	"						
4. Internal Audit							
s126(4)(c)							
4.1 Adopt/review planning and scoping of internal audit plan	"					X	Proposed Internal Audit Plan updated annually prior to commencement of the next financial year 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	Presented at quarterly meetings.
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	Reports provided on progress made against matters raised by Council's external and internal auditor
5. External Audit							
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	

Yorke Peninsula Council Proposed Audit and Risk Committee Work Plan 2025-2026							
Activity	Link to Legislation, TOR	Timeframe					Notes
		Completed		Current Deferred			
		Aug-25	Oct-25	Nov-25	Feb-26	May-26	
		26th	28th	25th	24th	26th	
		Q1	FS	Q2	Q3	Q4	
6. Reporting							
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	Draft report summarising the work of the Committee to be included on the agenda of each meeting to satisfy 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					To satisfy requirements of Local Government Act s.126(8)(b).
6.3 CEO annual report on Council's internal audit processes	S99(1)(ib)	X					To satisfy requirements of Local Government Act s.99(1)(b).
7. Strategic, Financial and Management Planning s126(4)(ac)							
7.1 Review Strategic Management Plan	"						Due for review following November 2026 LG Elections (current SMP spans period 2025-2029). Nil activity this financial year.
7.2 Review Long Term Financial Plan	"				X		Updated annually forming the basis for development of the following year Annual Business Plan and Budget.
7.3 Review Asset Management Plans/Strategy	"			X	X		Review of Council's Asset Management Plans. Asset Management Plans are to be reviewed for the following asset classes: > Coastal / Marine Assets; > CWMS Infrastructure; > Water Infrastructure; > Stormwater Infrastructure; and > Major Plant. Review of Strategic Asset Management Plan and Long Term Financial Plan to ensure they align.
7.4 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
7.5 Review Annual business plan, budget and fees and charges	"					X	In conjunction with public consultation period

Yorke Peninsula Council Proposed Audit and Risk Committee Work Plan 2025-2026							
Activity	Link to Legislation, TOR	Timeframe					Notes
		Completed Current Deferred					
		Aug-25	Oct-25	Nov-25	Feb-26	May-26	
		26th	28th	25th	24th	26th	
8. Other matters							
		Q1	FS	Q2	Q3	Q4	
8.1 Review Independent Member Appointments							Review not required until 2028-2029 financial year. Current independent member appointed until 30 November 2028.
8.2 Adopt/review the Committee annual workplan	s126(4)(ac)	X	X	X	X	X	Updated for each meeting
8.3 Reports on other relevant matters		X	X	X	X	X	Ongoing as the need arises

9.2 AUDIT AND RISK COMMITTEE REPORT TO COUNCIL

Document #: 25/100291

Department: Corporate and Community Services

PURPOSE

To seek the Audit and Risk Committee's endorsement on the draft Audit and Risk Committee Report to Council, summarising the work performed for the period 28 October 2025 to 24 November 2025.

RECOMMENDATION

That the Audit and Risk Committee endorse the draft Audit and Risk Committee Report to Council for the period 28 October 2025 to 24 November 2025, as presented.

LINK TO STRATEGIC PLAN

Goal: Goal L - Responsible Leadership and governance

Strategy: L.4. Continue to meet all legislative requirements and compliance with Council's internal controls.

BACKGROUND

Changes to the Local Government Act 1999 (Act), which 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

As required by legislation, the Committee of a Council must 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.

The proposed Committee report summarising the work performed by the Committee for the period 28 October 2025 to 24 November 2025 is provided in Attachment 1 for endorsement. The report contains a brief summary of the work performed, along with the following attachments:

- order of business;
- Audit and Risk Committee Work Plan; and
- the minutes of the meeting.

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. **Summary of Audit and Risk Committee Meeting - 28 October 2025** [↓](#)

ORDINARY COUNCIL MEETING AGENDA

10 DECEMBER 2025

SUMMARY OF AUDIT AND RISK COMMITTEE MEETING - 28 OCTOBER 2025**Document #:** 25/100260**Department:** Corporate and Community Services**PURPOSE**

To provide Elected Members with a report summarising the work of the Audit and Risk Committee during the period preceding the 25 November 2025 meeting and the outcomes of the Audit and Risk Committee meeting that was held on 28 October 2025, including receipt of the minutes.

RECOMMENDATION

That the report be received.

LINK TO STRATEGIC PLAN**Goal:** Goal L - Responsible Leadership and governance**Strategy:** L.4. Continue to meet all legislative requirements and compliance with Council's internal controls.**BACKGROUND**

Section 126(8) of the Local Government Act 1999 (Act) states a council Audit and Risk Committee (Committee) must provide a report to Council after each meeting summarising the work of the Committee during the period preceding the meeting and outcomes of the meeting.

Confirmation of the 28 October 2025 minutes were endorsed by the Committee at its meeting held on 25 November 2025.

DISCUSSION**Order of Business**

The Committee meeting held on 28 October 2025 Order of Business (Attachment 1) contained five reports, being:

- 8.1 Audit and Risk Committee Work Plan 2025/2026
- 8.2 Audited General Purpose Financial Statements 2024/2025
- 8.3 Policy Review – PO095 Financial Institutions Authority Policy
- 8.4 Policy Review – PO084 Corporate Purchase Card Policy
- 8.5 Policy Review – PO072 Disposal of Land and Other Assets Policy

Audit and Risk Committee Work Plan 2025-2026

The Committee's Work Plan 2025 (Attachment 2) was presented to the Committee in May 2025 and was endorsed for action.

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 the meetings.

The following changes were proposed at the 28 October 2025 Meeting:

- Item 2.1 deferred to the November 2025 meeting due to work associated with Enterprise Resource Planning (ERP) transition and availability of key personnel.

ORDINARY COUNCIL MEETING AGENDA**10 DECEMBER 2025**

- Item 6.1 removed as a draft report summarising the work of the Committee is only required every quarter to satisfy the requirements of the Local Government Act 1999. A report will be presented at the November Meeting as scheduled. Note: it was discussed at the meeting a report was required to be presented. A report was distributed to the Committee and report presented to the 12 November 2025 Council meeting for information.

Minutes of the Audit and Risk Committee Meeting

A copy of the Minutes of the Committee meeting held 28 October 2025 are provided (Attachment 3) for Council's consideration.

There were four reports with recommendations made for Council consideration, being:

- Audited General Purpose Financial Statements 2024/2025
- Policy Review – PO095 Financial Institutions Authority Policy
- Policy Review – PO084 Corporate Purchase Card Policy
- Policy Review – PO072 Disposal of Land and Other Assets Policy.

The full Committee Agenda and Minutes for the meeting held 28 October 2025 can be viewed on Council's website.

ATTACHMENTS

1. **Order of Business - Audit and Risk Committee Meeting - 28 October 2025**
2. **Audit and Risk Committee Work Plan 2025-2026 - October 2025**
3. **Minutes - Audit and Risk Committee - 28 October 2025**

ORDINARY COUNCIL MEETING AGENDA

10 DECEMBER 2025

AUDIT AND RISK COMMITTEE MEETING AGENDA

28 OCTOBER 2025

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8.5	Policy Review - PO072 Disposal of Land and Other Assets Policy.....	114
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11	Next Meeting	141
	Tuesday 25 November 2025	
12	Closure	141

ORDINARY COUNCIL MEETING

10 DECEMBER 2025

Yorke Peninsula Council Proposed Audit and Risk Committee Work Plan 2025-2026							
Activity	Link to Legislation, TOR	Timeframe					Notes
		Completed	Current	Deferred			
		Aug-25	Oct-25	Nov-25	Feb-26	May-26	
		26th	28th	25th	24th	26th	
		Q1	FS	Q2	Q3	Q4	
1. Financial Reporting s126(4)(a)							
1.1 Review General Purpose Financial Statements	"		X			Following external audit but prior to Council endorsement.	
1.2 Review asset revaluations	"	X			X	Desktop revaluation by applying an overall indexation as of 1 July 2024 for the following asset classes: > Transport; > Land, Buildings and Structures; > Community Wastewater Management Scheme (CWMS); > Water; and > Stormwater Infrastructure. Revaluation of as at 1 July 2025 to be undertaken for the following infrastructure asset classes: > Transport; > Coastal / Marine Assets. 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	As part of asset revaluations and financial statements.	
1.4 Review of Budget - information only	"			X	X	For information only, generally reported after adoption by Council due to timing.	
2. Internal Controls s126(4)(f)							
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. First self assessment report for 2025/2026 deferred to Nov-25 due to work associated with ERP transition and availability of key personnel.

ORDINARY COUNCIL MEETING

10 DECEMBER 2025

Yorke Peninsula Council Proposed Audit and Risk Committee Work Plan 2025-2026							
Activity	Link to Legislation, TOR	Timeframe					Notes
		Completed		Deferred			
		Aug-25 26th Q1	Oct-25 28th FS	Nov-25 25th Q2	Feb-26 24th Q3	May-26 26th Q4	
3. Risk Management							
s126(4)(c)							
3.1 Mandated Update to Strategic Risk Register	"					X	Annual review and update of Strategic Risks.
3.2 Annual Review of Risk Management Systems (including strategic, financial and operational risks and Emergency Management/Business Continuity Plan)	S99(1)(ia) S126(4)(c,h) S125(3)			X			
3.3 Results of LGRS Risk Profiling Review	"						
4. Internal Audit							
s126(4)(c)							
4.1 Adopt/review planning and scoping of internal audit plan	"					X	Proposed Internal Audit Plan updated annually prior to commencement of the next financial year 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	Presented at quarterly meetings.
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	Reports provided on progress made against matters raised by Council's external and internal auditor
5. External Audit							
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	

ORDINARY COUNCIL MEETING

10 DECEMBER 2025

Yorke Peninsula Council Proposed Audit and Risk Committee Work Plan 2025-2026							
Activity	Link to Legislation, TOR	Timeframe					Notes
		Completed	Current	Deferred			
		Aug-25 26th Q1	Oct-25 28th FS	Nov-25 25th Q2	Feb-26 24th Q3	May-26 26th Q4	
6. Reporting							
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	Draft report summarising the work of the Committee to be included on the agenda of each quarterly meeting to satisfy 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					To satisfy requirements of Local Government Act s.126(8)(b).
6.3 CEO annual report on Council's internal audit processes	S99(1)(ib)	X					To satisfy requirements of Local Government Act s.99(1)(b).
7. Strategic, Financial and Management Planning							
7.1 Review Strategic Management Plan	"						Due for review following November 2026 LG Elections (current SMP spans period 2025-2029). Nil activity this financial year.
7.2 Review Long Term Financial Plan	"				X		Updated annually forming the basis for development of the following year Annual Business Plan and Budget.
7.3 Review Asset Management Plans/Strategy	"			X	X		Review of Council's Asset Management Plans. Asset Management Plans are to be reviewed for the following asset classes: > Coastal / Marine Assets; > CWMS Infrastructure; > Water Infrastructure; > Stormwater Infrastructure; and > Major Plant. Review of Strategic Asset Management Plan and Long Term Financial Plan to ensure they align.
7.4 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
7.5 Review Annual business plan, budget and fees and charges	"					X	In conjunction with public consultation period

ORDINARY COUNCIL MEETING

10 DECEMBER 2025

Yorke Peninsula Council Proposed Audit and Risk Committee Work Plan 2025-2026							
Activity	Link to Legislation, TOR	Timeframe					Notes
		Completed		Current	Deferred		
		Aug-25 26th Q1	Oct-25 28th FS	Nov-25 25th Q2	Feb-26 24th Q3	May-26 26th Q4	
8. Other matters							
8.1 Review Independent Member Appointments						Review not required until 2028-2029 financial year. Current independent member appointed until 30 November 2028.	
8.2 Adopt/review the Committee annual workplan	s126(4)(ac)	X	X	X	X	X	Updated for each meeting
8.3 Reports on other relevant matters		X	X	X	X	X	Ongoing as the need arises



MINUTES

Audit and Risk Committee Meeting

(Subject to confirmation)

28 October 2025

ORDINARY COUNCIL MEETING

10 DECEMBER 2025

AUDIT AND RISK COMMITTEE MEETING MINUTES

28 OCTOBER 2025

**MINUTES OF YORKE PENINSULA COUNCIL
AUDIT AND RISK COMMITTEE MEETING
HELD AT THE COUNCIL CHAMBERS , MINLATON TOWN HALL, 57 MAIN STREET,
MINLATON
ON TUESDAY, 28 OCTOBER 2025 AT 3:00 PM**

1 WELCOME BY CHAIRPERSON

Chair Rob Reiman welcomed everyone to the meeting and declared the meeting open.

2 PRESENT

Chair Rob Reiman, Member Tariq Islam (via Microsoft Teams), Cr Michael O'Connell, Cr Naomi Bittner.

In Attendance

Mayor Kylie Gray, Andrew Cameron (CEO), Ben Thompson (Director Corporate and Community Services), Daniel Griffin (Manager Financial Services), Carina Congdon (Acting Manager People Culture and Safety), Charith Wishwanath (Accountant – Financial Operations), Lauren McSkimming (Minute Secretary).

3 LEAVE OF ABSENCE

Nil

4 APOLOGIES

Member Trish Kirkland

5 CONFLICT OF INTEREST

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

Nil

6 MINUTES OF PREVIOUS MEETING – FOR CONFIRMATION

COMMITTEE RESOLUTION

Moved: Cr Michael O'Connell

Seconded: Cr Naomi Bittner

That the minutes of the Audit and Risk Committee Meeting held on 26 August 2025 be confirmed.

CARRIED 044/2025 (28/10/2025)

7 VISITORS TO THE MEETING

David Papa and Samain Gupta (Bentleys) via Microsoft Teams.

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ORDINARY COUNCIL MEETING**10 DECEMBER 2025**

AUDIT AND RISK COMMITTEE MEETING MINUTES**28 OCTOBER 2025****REPORTS****8 NEW BUSINESS**

Chair Rob Reiman sought permission from the Committee to address agenda item 8.2 – Audited General Purpose Financial Statements 2024/2025 as Council's external auditors, Bentleys, were in attendance. The Committee were in agreement.

8.2 AUDITED GENERAL PURPOSE FINANCIAL STATEMENTS 2024/2025**PURPOSE**

To present Council's 2024/2025 audited General Purpose Financial Statements and management representation letter for the Audit and Risk Committee's (Committee) information and consideration.

COMMITTEE RESOLUTION

Moved: Cr Naomi Bittner

Seconded: Cr Michael O'Connell

SECTION 90 ORDER

That pursuant to Section 90(2) and (3)(g) of the Local Government Act 1999, the Audit and Risk Committee orders that the public be excluded from the meeting relating to part of Item 8.2 Audited General Purpose Financial Statements 2024/2025, with the exception of the following persons:

- David Papa and Samain Gupta (Bentleys)

The Audit and Risk Committee is satisfied that, pursuant to Section 90(2) and (3)(g) of the Act, the information to be received, discussed or considered in relation to report Item 8.2 Audited General Purpose Financial Statements 2024/2025, is confidential information relating to:

(g) matters that must be considered in confidence in order to ensure that the council does not breach any law, order or direction of a court or tribunal constituted by law, any duty of confidence, or other legal obligation or duty.

This is on the basis that under Regulation 17B of the Local Government (Financial Management) Regulations 2011, the Audit and Risk Committee must liaise with the Council's auditor by meeting with the auditor on at least one occasion each year on a confidential basis in circumstances where a majority of the members of the Audit and Risk Committee are present and no members or employees of Council are present (other than members who are members of the Audit and Risk Committee).

Accordingly, on this basis, the principle that meetings of the Audit and Risk Committee should be conducted in a place open to the public has been outweighed by the need to keep the information or matter confidential.

The public meeting will resume following the confidential discussion.

CARRIED 045/2025 (28/10/2025)

3.11pm – the public and Council staff were removed from the meeting and the chamber secured.

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ORDINARY COUNCIL MEETING**10 DECEMBER 2025****AUDIT AND RISK COMMITTEE MEETING MINUTES****28 OCTOBER 2025****COMMITTEE RESOLUTION**

Moved: Cr Naomi Bittner
Seconded: Cr Michael O'Connell

That the Audit and Risk Committee resume the public meeting.

CARRIED 046/2025 (28/10/2025)

3.14pm – resumption of public meeting.

COMMITTEE RESOLUTION

Moved: Cr Naomi Bittner
Seconded: Cr Michael O'Connell

That the Audit and Risk Committee:

1. Receive and note the Audit Management Letter provided by Bentleys SA Audit Partnership for the year ended 30 June 2025.
2. Receive and note the Management Representation Letter to be signed by the Chief Executive Officer and the Manager Financial Services and provide to Bentleys SA Audit Partnership.
3. Recommend to Council that the audited General Purpose Financial Statements for the year ended 30 June 2025 be endorsed; and
4. Endorse the Chief Executive Officer and the Presiding Member of the Audit and Risk Committee to sign the Certification of Auditor Independence.

CARRIED 047/2025 (28/10/2025)

3.16pm – David Papa and Samain Gupta (Bentleys) left the meeting.

8.1 AUDIT AND RISK COMMITTEE WORK PLAN 2025/2026**PURPOSE**

For the Audit and Risk Committee to consider and endorse the updated Work Plan for 2025/2026.

COMMITTEE RESOLUTION

Moved: Cr Michael O'Connell
Seconded: Member Tariq Islam

That the Audit and Risk Committee endorse the updated 2025/2026 Work Plan, with suggested amendments.

CARRIED 048/2025 (28/10/2025)

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ORDINARY COUNCIL MEETING**10 DECEMBER 2025****AUDIT AND RISK COMMITTEE MEETING MINUTES****28 OCTOBER 2025****8.3 POLICY REVIEW - PO095 FINANCIAL INSTITUTIONS AUTHORITY POLICY****PURPOSE**

To seek the Audit and Risk Committee's endorsement of the proposed update of PO095 Financial Institutions Authority Policy

COMMITTEE RESOLUTION

Moved: Member Tariq Islam
Seconded: Cr Naomi Bittner

That the Audit and Risk Committee endorse the proposed updated PO095 Financial Institutions Authority Policy and recommend to Council it be endorsed, as presented.

CARRIED 049/2025 (28/10/2025)**8.4 POLICY REVIEW - PO084 CORPORATE PURCHASE CARD POLICY****PURPOSE**

To seek the Audit and Risk Committee's endorsement of the proposed update of PO084 Corporate Purchase Card Policy.

COMMITTEE RESOLUTION

Moved: Cr Michael O'Connell
Seconded: Cr Naomi Bittner

That the Audit and Risk Committee endorse the proposed updated PO084 Corporate Purchase Card Policy and recommend to Council it be endorsed, as presented.

CARRIED 050/2025 (28/10/2025)**8.5 POLICY REVIEW - PO072 DISPOSAL OF LAND AND OTHER ASSETS POLICY****PURPOSE**

To seek the Audit and Risk Committee's endorsement of the proposed update of PO072 Disposal of Land and Other Assets Policy.

COMMITTEE RESOLUTION

Moved: Cr Naomi Bittner
Seconded: Member Tariq Islam

That the Audit and Risk Committee endorse the proposed updated PO072 Disposal of Land and Other Assets Policy and recommend to Council it be endorsed, as presented.

CARRIED 051/2025 (28/10/2025)

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ORDINARY COUNCIL MEETING

10 DECEMBER 2025

AUDIT AND RISK COMMITTEE MEETING MINUTES

28 OCTOBER 2025

9 NEW AND EMERGING RISKS / ISSUES

Council's CEO provided a verbal update on the harmful algal bloom affecting the Yorke Peninsula.

10 GENERAL BUSINESS

Nil

11 NEXT MEETING

Tuesday 25 November 2025

12 CLOSURE

The Meeting closed at 3.30pm.

The minutes of this meeting were confirmed at the Audit and Risk Committee Meeting held on 25 November 2025.

.....
CHAIRPERSON

9.3 UPDATES TO INTERNAL AUDIT PLAN 2025/26**Document #:** 25/80093**Department:** Executive Services**PURPOSE**

To seek endorsement of updates to the Internal Audit Plan for 2025/2026.

RECOMMENDATION

That the Audit and Risk Committee endorse updates to the Internal Audit Plan for this financial year.

LINK TO STRATEGIC PLAN**Goal:** Goal L - Responsible Leadership and governance**Strategy:** L.4. Continue to meet all legislative requirements and compliance with Council's internal controls.**BACKGROUND**

The objectives of Yorke Peninsula Council's (Council) Internal Audit Function processes are detailed in PR150 Internal Audit Function Procedure (Procedure). The Procedure requires that an Internal Audit Plan (Plan) is submitted to Council's Audit and Risk Committee (Committee) for endorsement on an annual basis. The current three-year Plan was considered and approved by the Committee in May 2025.

Following discussions at the August 2025 Committee Meeting, and during scoping meetings with staff for planned projects, we have proposed a number of minor changes to the 2025/26 Internal Audit Plan.

DISCUSSION

The three-year Plan covering the financial years 2025/26, 2026/27 and 2027/28 was approved by the Committee at the May 2025 meeting and sets out proposed Internal Audit projects to be undertaken by Council's Business Improvement Officer, and other administrative staff.

The Plan has been updated to prioritise the allocation of Council's Internal Audit resources to areas of importance for the next three financial years; however, it is always highlighted that the Plan will remain flexible to address emerging areas of risk or other priorities / concerns throughout the period.

To address changing priorities of the Committee and staff, we would like to propose the following updates to the current Plan:

- Include project time allocation to prepare the annual Chief Executive Officer (CEO) Report of Internal Audit Activities, as required by section 99(1)(ib) of the Local Government Act 1999.
- As requested by the Committee at the August 2025 meeting, reduce the corporate purchase card testing frequency to annual, rather than on a 6-monthly basis. This will allow resource time to be dedicated to once off projects on the Plan. The CEO Corporate Card transactions will remain at a 6-monthly report.
- Replace the Yorke Peninsula Leisure Options (YPLO) project with a review of Work, Health and Safety (WHS) (Inspections Process). After scoping discussions with the Manager People Culture and Safety, we have reconsidered the timing of the YPLO project. YPLO is now scheduled for

an external National Disability Insurance Scheme (NDIS) audit in June 2026, this will review YPLO processes against the NDIS quality management framework, replicating an intended internal scope.

WHS remains the highest risk on Council’s Strategic Risk Register and is considered a high priority to review internally.

- Defer the review of the Annual and Monthly Boat Ramp Permits project to the 2026/27 Plan. This is due to the State Government introducing of boat ramp funding until December 2026 as part of the response to the Algal Bloom situation. Therefore, the purchase of boat ramp permits for end users is not required for the next 12 months.

These proposed changes are included as tracked changes in the table below for consideration.

	Project	Brief Description	2025/26
1	Expiation Waiver Process	Following on from an investigation undertaken in 2023 relating to Expiation Notice legislative references, this project will assess the policy, procedures and management processes in place to apply and withdraw an Expiation Notice.	✓
2	Annual and Monthly Boat Ramp Permits	With the removal of boat ramp ticket vending machines, there could possibly be an increase in annual and monthly launch permits that are provided online and at Council locations. This review will assess internal processes to ensure that annual and monthly launch permits are recorded accurately and reconciled to finance on a regular basis.	✓
23	WHS (Inspections Process)	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. This review will focus on Council's Inspections Processes relating to PR012 WHS Procedure – Workplace Inspections.	✓
3	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. Previous reviews have included workers' screening requirements, incident and information processes and service agreements.	✓
34	Network Penetration Testing	Network penetration testing to be conducted annually by external consultant. The engagement and management of this review is performed by Council’s Head of Systems and Technology and Information Technology Team. A summary report, action items and action status will be provided to the Committee.	✓
45	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.	✓
56	Corporate Purchase Card, Employee Expense Reimbursement 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. <u>This will be undertaken annually.</u> Furthermore, provide the Committee with the CEO’s corporate card transactions on a six-monthly basis.	✓

	Project	Brief Description	2025/26
67	Scheduled Policy and Procedure Review Register	To inform the Committee about the relevant policies and procedures that are upcoming for review for the financial year. This will include the proposed dates that draft documents will be provided to the Committee throughout the year.	✓
78	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).	✓
89	CEO Requests	Allowance for special projects, investigations, follow ups and requests by the CEO that may arise during the year.	✓
9	<u>Annual CEO Report on Council's Internal Audit Processes</u>	<u>Allowance to report annually to the Committee on the Council's Internal Audit processes (Annual Report).</u>	✓

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
- Director Development Services
- Executive Assistant to the Director of Corporate and Community Services
- Manager Financial Services
- Manager People Culture and Safety

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

- Nil

POLICY IMPLICATIONS

- PO156 Internal Financial Control Policy
- PR150 Internal Audit Function Procedure
- PO091 Risk Management Policy
- PR098 Risk Management Procedure

BUDGET AND RESOURCE IMPLICATIONS

Nil budget implications. As previously reported, all current year proposed projects are to be conducted with current in-house resources. The Network Penetration Testing project is included as part of the Information Technology budgeting process.

RISKS/LEGAL/LEGISLATIVE/ IMPLICATIONS

- Local Government Act (SA) 1999
- Statutes Amendment (Local Government Review) Act 2021

ATTACHMENTS

Nil

9.4 INTERNAL AUDIT ACTIVITY REPORT

Document #: 25/73311

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: Goal L - Responsible Leadership and governance

Strategy: L.4. Continue to meet all legislative requirements and compliance with Council's internal controls.

BACKGROUND

Internal Audit is an independent, objective, assurance and consulting function which examines and evaluates the processes of the 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 Council systems and processes.

The 2025/26 – 2027/28 Internal Audit Plan (Plan) was approved at the May 2025 Audit and Risk Committee (Committee) meeting. The Plan includes nine 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 activities performed against the Plan (including the minor proposed adjustments recommended within the separate report). Please note, if the minor adjustments are not endorsed, we will ensure that all status updates are provided against the appropriately approved Plan.

Recent activities include:

- Completed the Contract Management in Local Government Summary Memorandum (refer to report included as Attachment 1).
- Completed a review and update to the Internal Audit Plan 2025/26 (refer to separate report within the agenda), proposing a number of minor adjustments.
- Completed a round of internal controls self-assessment testing, with 107 controls tested from the BPM (refer to report included Attachment 2).
- The status of agreed actions arising from both internal and external audits have been followed up. An update on all outstanding actions is provided in Attachments 3 and 4.

These reports detail new actions, 'In Progress' actions and 'Completed' actions since the August 2025 Committee meeting.

The updates have been provided by those staff members responsible for the implementation of those actions, with assistance from the Business Improvement Officers.

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

	Project	Brief Description	Status	Proposed Timing for Audit and Risk Committee Reporting
1	Expiation Waiver Process	Following on from an investigation undertaken in 2023 relating to Expiation Notice legislative references, this project will assess the policy, procedures and management processes in place to apply and withdraw an Expiation Notice.	Completed	August 2025
2	WHS (Inspections Process)	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. This review will focus on Council’s Inspections Processes relating to PR012 WHS Procedure – Workplace Inspections.	Scoping Commenced	February 2026
3	Network Penetration Testing	Network penetration testing to be conducted annually by external consultant. The engagement and management of this review is performed by Council’s Head of Systems and Technology and Information Technology Team. A summary report, action items and action status will be provided to the Committee.	Scoping Commenced	February 2026
4	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.	Completed November & May 2025	November 2025
5	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. This will be undertaken annually. Furthermore, provide the Committee with the CEO’s corporate card transactions on a six-monthly basis.	Completed August 2025 Pending - February 2026	February 2026
6	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.	Not Commenced	May 2026
7	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
8	Chief Executive Officer (CEO) Requests	Allowance for special projects, investigations, follow ups and requests by the CEO that may arise during the year.	Contract Management Summary Completed November 2025	Ongoing

9	Annual CEO Report on Council's Internal Audit Processes	Allowance to report annually to the Committee on the Council's Internal Audit processes (Annual Report).	Not Commenced	May 2026
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COMMUNITY ENGAGEMENT PLAN

Level 1 - Inform

CONSULTATION PROCESS

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

- Business Improvement Officer
- Executive Assistant to the CEO and Mayor
- Director Corporate and Community Services
- Executive Assistant to the Director Corporate and Community Services
- Executive Services Support Officer
- Acting Manager People, Culture and Safety
- Team Leader HR and People Experience
- Manager Financial Services
- Payroll Officer
- Accountant – Financial Management
- Accountant – Financial Operations
- Financial Operations Officer
- Head of Information Systems and Technology
- ICT Systems Administrator
- Senior Compliance Officer
- Senior Rates Officer
- Senior Records Officer
- Manager Operations
- Infrastructure Manager

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

- Nil

POLICY IMPLICATIONS

PR150 Internal Audit Function

PO091 Enterprise Risk Management Policy

PO156 Internal Financial Control Policy

BUDGET AND RESOURCE IMPLICATIONS

Nil

RISKS/LEGAL/LEGISLATIVE/ IMPLICATIONS

Local Government Act (SA) 1999

ATTACHMENTS

1. **Contract Management in Local Government Summary Memorandum** [↓](#)
2. **Internal Audit Report - Internal Financial Controls Self Assessment - November 2025** [↓](#)
3. **Audit Actions Register - In Progress - November 2025** [↓](#)
4. **Audit Actions Register - Completed - November 2025** [↓](#)

YORKE PENINSULA COUNCIL

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MEMORANDUM

To: Audit and Risk Committee

From: Business Improvement Officers, Amanda Pitt and Brianna Wood

Date Issued: November 2025

Subject: Yorke Peninsula Council's Review of Auditor General's Recommendations (relating to contract management in local government)

Background

On 18 June 2025, the Auditor-General's (AG's) Department tabled a report (Report) on 'Contract Management in Local Government' within two publicly funded bodies (Light Regional Council and City of Onkaparinga). The purpose of this review was to form a view on whether they effectively manage their contracts to ensure the service delivery requirements are met. This Report is available for public viewing on the AG's Department website <https://www.audit.sa.gov.au/reports/contract-management-local-government>.

The AG's Report reiterated that 'it is important for councils to have effective contract management activities in place to ensure the contractor delivers the service to the required standard, on time and for the agreed amount while achieving value for money over the term of the contract' and that 'management, reporting and key contract requirements are met'.

The Report provides key insights that all councils should consider in managing their contracts, including:

- identifying, assessing and managing any risks associated with contract arrangements
- assigning responsibility to staff who have the skills and knowledge needed to manage contracts, as well as a sound understanding of the contract terms and conditions and the contracted service or function
- providing training and having policies and procedures that provide sufficient information to help staff manage contracts effectively
- regularly monitoring and evaluating contractor performance against agreed performance standards
- keeping adequate records to support and inform the ongoing management of the contract
- establishing a contract management plan to help staff manage, monitor and report on contract performance.

The Report is intended to be of assistance not only to the two Council's, but all other councils and public authorities, as it focusses on issues that are common across the local government sector.

To ensure that Yorke Peninsula Council's (YPC) contract management policy, procedures and processes are in line with the AG's recommendations, the Chief Executive Officer (CEO) requested that the Business Improvement Officers undertake the following:

1. Review YPC's internal policy, procedures and processes against the recommendations from the Report;
2. Ascertain whether there are learnings and/or improvements that can be incorporated into YPC internal policies, procedures and processes.

The work performed was focussed on discussions with key staff and a limited review of sample documentation.

For the Report, the AG focused on the nature and total value of the top contracted services/functions, the extent of contract extensions and variations, and challenges they face in managing contracts in each Council. The core services and functions chosen for the AG's review included the management of waste services, information and communication technology (ICT) and septic pumping.

YPC has several policies and procedures that assist to manage contracts effectively. Including:

- Enterprise Risk Management Policy (PO091)
- Enterprise Risk Management Procedure (PR098)
- Purchasing and Procurement Policy (PO058)
- Evaluating Tenders and Expressions of Interest Procedure (PR137)
- Electronic Tendering Procedure (PR135)
- Training and Development Policy (PO011)
- Contractor Management Policy (PO006)
- Contractor Management Procedure (PR114).

In addition, the following standard forms are currently in place to address contract and contractor management:

- Contract Hazard Identification (SF385)
- Contract Overview (SF386)
- Contractor Monitoring (SF387)
- Contractor WHS Management Plan (SF388)
- Contractor Site Induction (SF389)

The table below documents a summary AG's key recommendations and the work undertaken by the Business Improvement Officer to verify that those recommended key controls are operating within the YPC contract management environment. The Business Improvement Officer also focussed our limited testing on three core contracts relating to waste management, an ICT application and septic pumping.

Where gaps have been identified, further actions have been agreed with management and will form part of the regular follow up of Agreed Audit Action processes.

AG's Recommendations	YPC Comments & Further Action Required
<p>1. Identifying, assessing and managing any risks associated with contract arrangements.</p>	<p>Council Contract Managers are regularly involved in the contractor induction and hazard identification processes. Risks are identified and assessed during the procurement process and are managed throughout the duration of the contract.</p> <p>PO058 outlines that the risk assessment process should consider financial, supply, business, legal, management, reputations, probity, Work Health Safety (WHS), environmental, public safety, political and sensitive risks. Risks are specifically addressed as part of Councils contractor management process (PR114), hazard identification (SF385) and induction checklist (SF389).</p>

AG's Recommendations	YPC Comments & Further Action Required
	<p>Further Action Required: YPC are in the process of implementing a procurement module as part of the Enterprise Resource Planning (ERP) project. The 'ReadyContracts' module will assist in the identification of risks. When entering new contracts in the system, users will be prompted to complete the standard forms noted above. These documented forms will all be stored within the system against each contract. The system will also manage contractor compliances (i.e. insurance certificates, licenses and qualifications), assisting in the identification of contractor risks. ReadyContracts is planned to go live by June 2026. Responsible Officer: Business Improvement Officer Due Date: 30 June 2026</p>
<p>2. Assigning responsibility to staff who have the skills and knowledge needed to manage contracts, as well as a sound understanding of the contract terms and conditions and the contracted service or function.</p>	<p>Council Contract Managers have undertaken contractor management training as well as internal policy and procedure training. The Policy Statement within PO011 outlines that Council will identify the training and developmental requirements for all employees based on Council expectations and legislative obligations. PR114 states that the Corporate Management Team (CMT) will appoint persons within each department with the responsibility to manage departmental contracts and these Contract Managers will coordinate, update and maintain the departments requirements for contractor management. Council's Training Needs Analysis (TNA) identifies staff responsibilities relating to the management of contracts.</p> <p>Further Action Required: As part of recent review and update to the Purchasing and Procurement Policy (PO058) and Evaluating Tenders and Expressions of Interest Procedure (PR137), it has been identified that there is a gap in training for general procurement processes. Several options are being investigated for internal and external procurement training. Responsible Officer: Business Improvement Officer Due Date: 30 June 2026</p>
<p>3. Providing training and having policies and procedures that provide sufficient information to help staff manage contracts effectively.</p>	<p>Council Contract Managers have undertaken internal policy and procedure training. Council provide training to staff as documented within PO011 and the TNA identifies which staff require training. Council has numerous policies and procedures (listed above) that assist staff to manage contracts effectively, however, please note the further action required above relating to procurement training.</p>
<p>4. Regularly monitoring and evaluating contractor performance against agreed performance standards.</p>	<p>Generally, monitoring and evaluating contractor performance against agreed performance standards is undertaken informally and as deemed appropriate by the Contract Manager. The Contract Manager for Councils waste management services informally monitors and evaluates contractor performance. The Contract Manager receives regular</p>

AG's Recommendations	YPC Comments & Further Action Required
	<p>reports from the contractor in relation to volumes handled and ensures they have regular contact with contractors on-site.</p> <p>The Contract Manager for Councils septic pumping contract informally monitors and evaluates contractor performance with regular site check ins to ensure the contractor is meeting agreed performance standards.</p> <p>The Contract Manager for Councils ICT contract has a formal Contract Management Plan in place which includes monthly governance meetings with the Account Manager plus weekly project meetings utilising a project management tool.</p> <p>Further Action Required:</p> <p>ReadyContracts has functionality that allows contract variables to be set up against a contract. For example, contract milestones, audits and inspections, essentially a Contract Management Plan within the system. The system will provide automated notification when variables are due to be completed.</p> <p>Documentation relating to results of any variable are retained within the system. It should be noted that although ReadyContracts has this capability, whether this functionality is utilised is dependent on Contract Managers entering it into the system.</p> <p>ReadyContracts is planned to go live by June 2026.</p> <p>Responsible Officer: Business Improvement Officer</p> <p>Due Date: 30 June 2026</p>
<p>5. Keeping adequate records to support and inform the ongoing management of the contract.</p>	<p>The Contract Managers confirmed that all records relating to the ongoing management of waste services, septic pumping and ICT contracts are saved in Councils records management system.</p> <p>PO063 outlines record management responsibilities and practices and aims to ensure that all information and records created while conducting Council business, are captured, managed, retained and disposed of in accordance with the relevant legislation and standards.</p>

AG's Recommendations	YPC Comments & Further Action Required
<p>6. Establishing a Contract Management Plan to help staff manage, monitor and report on contract performance.</p>	<p>Generally, an informal Contract Management Plan is established to help staff manage, monitor and report on contract performance.</p> <p>Councils ICT contract has a formal Contract Management Plan in place which includes monthly governance meetings with the Account Manager plus weekly project meetings utilising a project management tool.</p> <p>Further Action Required:</p> <p>It has been noted that although there are several policies and procedures that assist in contract management activities and processes, these are focused on Work, Health and Safety (WHS) considerations.</p> <p>Formal policy and procedure documentation should be developed to ensure management of contracts is consistent across the organisation.</p> <p>Responsible Officer: Business Improvement Officer</p> <p>Due Date: 30 June 2027</p>



Internal Audit Report

Internal Financial Controls Self-Assessment

November 2025

For Distribution:

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

1. Background

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

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

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

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

2. Objective

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

3. Scope

For this round of self-assessment testing, 107 controls were reviewed and assessed by responsible officers, within the following risk categories:

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

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

4. Approach

Step 1 – Identify Risks

Council’s financial control library, managed within a manual spreadsheet, underwent a full review in 2023 in accordance with the BPM Internal Financial Controls. There are a total of 92 risks and 219 corresponding controls within Council’s library across the following risk categories:

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

Step 2 – Assess Inherent Risk

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

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

A testing schedule for 2023-2026 was developed to ensure that all 219 controls will be tested at least once within the three (3) year period, in consideration of the corresponding risks inherent risk rating (please note we identified duplicate controls in the library database, these have been condensed reducing the total number of controls by one, to 218, since the October 2023 report).

Step 3 – Evaluate Control Activities

As noted within the scope section, 107 controls were reviewed and assessed by responsible officers in this round of testing across multiple categories. As per the Policy, controls were reviewed and assessed using the following rating scale:

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

Step 4 – Assess Residual Risk

Following assessment, the residual risk ratings for risks corresponding to the controls included in this round of testing were determined to be as below. The 107 controls tested during this round of testing addressed 17 BPM risks.

Residual Risk Rating	Number of Risks
Extreme	0
High	0
Moderate	4
Low	13

Step 5 – Treat Risks and Control Activities

Any control effectiveness rating that is assessed as a rating 3.0 or below by a Reviewer, an action plan has been developed to address this internal control improvement. These are documented as part of the Key Findings section below.

Step 6 – Ongoing Monitoring

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

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

5. Key Findings

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

- Strategic financial planning – 4.2
- Assets – 4.4
- Liabilities – 4.2
- Revenue – 4.1
- Expenses – 4.7
- External Services – 3.8
- Financial Governance – 4.3

The overall average effectiveness of those tested internal controls for this round has been reviewed at 4.2 from a possible score of 5.0, demonstrating that controls are being maintained at a high level.

The Business Improvement Officer undertook independent testing of 14 controls (out of the 107 tested for this round), verifying approximately 10% of the total sample size. The independent verification found that controls and self-assessment testing documented were adequate and effective.

There were 4 controls that were assessed as an effectiveness score of 3.0 or below by the Reviewer. The agreed actions to address each of these have been documented in the table below and included in the Audit Agreed Actions Register.

	Description of controls rated '3' or below	Finding and Agreed Actions	Responsible Officer & Due Date
1	<p>An independent review of proposed payments for accuracy by an authorised officer prior to the payment being released. (All calculations for generating payroll payments are verified for accuracy). Council Control Type: Core</p>	<p>Due to staff absences and illness, there recently has been a lack of <i>independent</i> review of the payroll files before being released for payment. The ANZ EFT payment file is reviewed and approved independently, however the secondary detailed check of payroll calculations within ElementTime (the payroll application) has recently been undertaken by two officers that have full payroll access within ElementTime. In addition to address the lack of segregation, the People Culture and Safety team should consider a business continuity plan if the current two payroll officers are unavailable for payroll processing.</p>	<p>Manager People Culture and Safety 30 June 2026</p>
2	<p>Contract management processes are in place throughout the term of the contract to ensure that the supplier/ contractor meets their obligations. BPM Control Type: Core</p>	<p>It has been noted that although there are several policies and procedures that assist in contract management activities, these are generally focused on Work Health and Safety (WHS) considerations. Formal policy and procedure documentation should be developed to ensure management of contracts is consistent across the organisation.</p>	<p>Business Improvement Officer 30 June 2027</p>
3	<p>The following monthly reconciliations are undertaken by Finance staff and independently reviewed: Bank Reconciliations; Debtors; LGFA Reserves; Payroll Clearing Accounts; GST Clearing Accounts; Accounts Payable and Rates. All are signed off as independent reviewer. (Reconciliation of all balance sheet completed in accordance with schedule. All balance sheet reconciliations reviewed by person other than preparer annually). Council Control Type: Core</p>	<p>It was found that several balance sheet reconciliations are three months behind review timeframes. The transition to new ERP requires a review of procedures, particularly during the period of running dual systems. This is on the Manager Financial Services immediate action list to be completed prior to 30 November 2025.</p>	<p>Manager Financial Services 30 November 2025</p>
4	<p>Formal leases and agreements are regularly reviewed to ensure conditions are being met and payments made on time. BPM Control Type: Core</p>	<p>It has been noted that a full review of lease terms and conditions is required. This is currently listed as an 'In Progress' item on the Audit Agreed Actions Register. Please note that the Lease Register is planned to be transferred into Council-wide ERP system.</p>	<p>Manager Financial Services 30 June 2026</p>

6. Internal Audit Opinion

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

Brianna Wood

Business Improvement Officer

Activity Category	Report Title	Finding Title	Risk Rating	Agreed Action	Responsible Officer	Due Date	Revised Due Date	Status	Action Update
Internal Audit Activities	Review of Auditor-General's Recommendation... - Contract Management in Local Government	Contract Management Policy & Procedures	Low	It has been noted that although there are several policies and procedures that assist in contract management activities, these are generally focused on Work Health and Safety (WHS) considerations. Formal policy and procedure documentation should be developed to ensure management of contracts is consistent across the organisation. This action was also identified as part of the Internal Controls Self-Assessment processes in November 2025 testing.	BUSINESS IMPROVEMENT OFFICER	30/06/2027	30/06/2027	In Progress	New Agreed Audit Action.
Internal Audit Activities	Review of Auditor-General's Recommendation... - Contract Management in Local Government	Contract Management Plan	Low	Establish ReadyContracts functionality that allows contract variables to be set up against a contract. For example, contract milestones, audits and inspections, essentially a Contract Management Plan within the system. The system will provide automated notification when variables are due to be completed.	BUSINESS IMPROVEMENT OFFICER	30/06/2026	30/06/2026	In Progress	New Agreed Audit Action. Documentation relating to results of any variable are retained within the ReadyContracts system. It should be noted that although ReadyContracts has this capability, whether this functionality is utilised is dependent on Contract Managers entering it into the system.
Internal Audit Activities	Review of Auditor-General's Recommendation... - Contract Management in Local Government	Procurement Training	Low	As part of the recent review and update to Purchasing and Procurement Policy (PO058) and Evaluating Tenders and Expressions of Interest Procedure (PR137), it has been identified that there is a gap in training for general procurement activities.	BUSINESS IMPROVEMENT OFFICER	30/06/2026	30/06/2026	In Progress	Several options are being investigated for internal or external procurement training.
Internal Audit Activities	Review of Auditor-General's Recommendation... - Contract Management in Local Government	Managing Risks Associated with Contracts	Low	Council is in the process of implementing a procurement module as part of the Enterprise Resource Planning (ERP) project. The 'ReadyContracts' module will assist in the identification of contract management risks. When entering new contracts in the system, users will be prompted to complete the required standard forms and these documented forms will all be stored within the system against each contract. The system will also have the capability to manage contractor compliances (i.e. insurance certificates, licenses and qualifications), assisting in the identification of contractor risks.	BUSINESS IMPROVEMENT OFFICER	30/06/2026	30/06/2026	In Progress	New Agreed Audit Action.
Internal Controls Self-Assessment	Internal Financial Controls Self-Assessment November 2025	Monthly Reconciliations	Low	Several monthly reconciliations (approximately 7) are undertaken by finance staff and independently reviewed. It was found that several balance sheet reconciliations are three months behind review timeframes. The transition to the new Enterprise Resource Planning (ERP) requires procedural review particularly during the period of running dual systems.	MANAGER FINANCIAL SERVICES	30/11/2025	30/11/2025	In Progress	New Agreed Audit Action.
Internal Controls Self-Assessment	Internal Financial Controls Self-Assessment November 2025	Independent Review Payroll Files	Modera...	Due to staff absences and illness, there is a lack of independent review of the payroll files before being released for payment. In addition to address the lack of segregation, the People Culture and Safety team should consider a business continuity plan if the current two payroll officers are unavailable for payroll processing.	MANAGER PEOPLE CULTURE AND SAFETY	30/06/2026	30/06/2026	In Progress	New Agreed Audit Action.

Activity Category	Report Title	Finding Title	Risk Rating	Agreed Action	Responsible Officer	Due Date	Revised Due Date	Status	Action Update
Internal Audit Activities	Expiation Waiver Process Review	Reporting	Low	Report overall expiation notice detail, including review and withdrawal information, to the Corporate Management Team (CMT) at least every 6 months.	SENIOR COMPLIANCE OFFICER	31/12/2025	31/12/2025	In Progress	Report to be presented to the Corporate Management Team (CMT) at December 2025 meeting.
Internal Audit Activities	Expiation Waiver Process Review	Reporting	Low	Consider the overall reporting of expiation notices and if an Infringement Withdrawal Summary Report (within Authority) of all waivers is monitored and reviewed by the departmental manager and Director Development Services at least quarterly to evidence independent review.	SENIOR COMPLIANCE OFFICER	31/12/2025	31/12/2025	In Progress	Report to be presented to the Corporate Management Team (CMT) at December 2025 meeting.
Internal Audit Activities	Expiation Waiver Process Review	Update Policy	Low	It is recommended that Council undertakes a review and update of PO141 Enforcement Policy as required by the timeframes stipulated by the Policy.	SENIOR COMPLIANCE OFFICER	28/02/2026	28/02/2026	In Progress	A draft of PO141 Enforcement Policy will be presented to the November 2025 Council Meeting for Elected Member review and approval.
Internal Audit Activities	PO193 YP Leisure Options Practice Standards Policy Review	Complete Worker Orientation Module: Quality, Safety and You	High	To ensure all identified Council employees complete the NDIS Worker Orientation Module: Quality, Safety and You.	MANAGER PEOPLE CULTURE AND SAFETY	30/06/2025	20/12/2025	In Progress	Three Elected Members have not completed the module. These have been followed up with the individuals and are still awaiting completion.
Internal Controls Self-Assessment	Internal Controls Self-Assessment May 2025	PO060 Rates Relief Policy Update	Low	Policy only deals with rebates and remissions. It does not deal with rating methodology and is not reviewed annually. The Annual Business Plan is reviewed annually and includes all information in relation to Councils rating posture for the year which is workshopped with elected members and presented in the Annual Business Plan write up for endorsement by Council after consultation with the community.	MANAGER FINANCIAL SERVICES	30/06/2025	30/06/2026	In Progress	Information included within Annual Business Plan 2025-26. Further development required for 2026-27.
Internal Controls Self-Assessment	Internal Financial Controls Self-Assessment - November 2024	Legislative Training Requirements	Low	Taxation related training should be added to Council's 'Training Needs Analysis' and annual training schedule for appropriate financial staff.	MANAGER FINANCIAL SERVICES	31/12/2025	31/12/2025	In Progress	Currently liaising with Learning and Development Officer to add Taxation related training to Councils Training Needs Analysis (TNA) system.
Internal Audit Activities	Internal Financial Controls Self-Assessment - November 2024	Review Aged Payables	Low	The current Authority financial application is limited in its capability of displaying or reporting Councils trade payables liability balance. Council is presently in the process of implementing a new ERP system enabling a more accurate reflection and reporting of trade payables and supplier invoices due.	MANAGER FINANCIAL SERVICES	31/12/2025	31/12/2025	In Progress	Council commenced new ERP system on 1st August 2025. Aged Payables Report will be reviewed as part of regular month end processes.
Internal Controls Self-Assessment	Internal Financial Controls Self-Assessment - November 2024	Records of Investments	Low	An investment register should be established and saved into the records management system to ensure visibility and accountability for investments. This would also ensure that investment records are retained if any investments are held outside of the LGFA portal in the future.	MANAGER FINANCIAL SERVICES	30/06/2025	31/12/2025	In Progress	Deferred to focus on ERP implementation.
Internal Controls Self-Assessment	Internal Financial Controls Self-Assessment - November 2024	Monitoring Cash and Future Cash Flows	Low	A simple process/procedure should be developed to record cash flow calculations and rationale for investment decisions. This should also involve a review mechanism by an independent officer.	MANAGER FINANCIAL SERVICES	30/06/2025	31/12/2025	In Progress	Deferred to focus on ERP implementation.
Internal Audit Activities	Internal Audit Report Payroll and On-boarding Review	Element Time Password Requirements	Modera...	It is a recommendation that password controls relating to requirements for complexity, minimum length, regular password changes be implemented in Element Time or forcing the use of single sign on for users.	TEAM LEADER HR PEOPLE EXPERIENCE	30/06/2024	20/12/2025	In Progress	A further request has been made to Adroit (external software consultant for ElementTime), and we are currently waiting for it to be actioned.

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 - March 2024	Regular Review of Council Leases and Agreements	Low	Financial Services staff conduct monthly reviews of Accounts Receivable payments (including lease payments). In conjunction with the internal project proposed above for non-rateable properties, staff will review Council leases to ensure Council is reimbursed for costs (such as utilities) in accordance with lease terms.	MANAGER FINANCIAL SERVICES	31/03/2025	30/06/2026	In Progress	Non rateable properties review is in progress through it is likely proposed due date for completion has been extended and will correlate with work relating to the Review of Exempt Properties agreed action (listed below).
Internal Controls Self-Assessment	Internal Financial Controls Self-Assessment - March 2024	Regular Review of Exempt Properties	Low	Internal project is being planned to review a significant number of "non-rateable" (exempt) properties and ensure that this is appropriate. It is planned that newly rateable properties apply for appropriate rebates.	SENIOR RATES OFFICER	31/03/2025	30/06/2026	In Progress	Non rateable properties review is in progress though it is likely proposed due date for completion has been extended and will correlate with work relating to the Review of Council Leases and Agreements agreed action (listed above).
Internal Controls Self-Assessment	Internal Financial Controls Self-Assessment - March 2024	Develop a Rating Policy	Low	An external consultant undertook an independent rate review, which was completed in financial year 2024-2025. Finance intends to develop a Rating Policy to ensure the principles determined and endorsed through the rate review project are addressed.	MANAGER FINANCIAL SERVICES	31/12/2024	31/05/2026	In Progress	Council staff are in the process of drafting a Rating Policy for Council consideration. It is anticipated that this will be workshopped with the Elected Body for possible adoption in the 2026-2027 financial year.
Internal Controls Self-Assessment	Internal Financial Controls Self-Assessment - October 2023	Inventory Policy	Moderate	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	31/12/2025	In Progress	This action has been raised as part of the November 2023, 2024 and 2025 internal control self-assessment testing. A draft Inventory Policy has been created in the records management system and has been developed in line with Better Practice Model requirements. However, further review is required in light of the new ERP capability which is currently being undertaken.
External Audit Activities	External Audit - Interim Report	Contractor management	Moderate	There was insufficient evidence around contractor management and monitoring activities. We noted the following in discussion with Management: <ul style="list-style-type: none"> • 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 not impact our audit opinion. 	BUSINESS IMPROVEMENT OFFICER	30/06/2024	31/12/2025	In Progress	The regular review and update of Contractor Management documentation will start to be collated as part of the ReadyTech Procurement Module implementation. The ReadyContracts module has started the design workshops in September and October 2024. This module is mainly focused on procurement and contracts; however, a supplier portal will enable more stringent contractor management and approval processes. Implementation not planned until late 2025.

Activity Category	Report Title	Finding Title	Risk Rating	Agreed Action	Responsible Officer	Due Date	Revised Due Date	Status	Action Update
Internal Audit Activities	Accounts Receivable	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	31/03/2026	In Progress	Senior Rates 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 go to CMT and the Audit & Risk Committee for endorsement.

Showing 1 to 22 of 22 entries (filtered from 178 total entries)

Activity Category	Report Title	Finding Title	Risk Rating	Agreed Action	Responsible Officer	Due Date	Revised Due Date	Status	Action Update
Internal Audit Activities	Expiation Waiver Process Review	Create Reviewing and Withdrawing an Expiation Notice Procedure	Low	Develop and endorse a Council Reviewing and Withdrawing an Expiation Notice Procedure.	SENIOR COMPLIANCE OFFICER	28/02/2026		Completed	New procedure created and finalised
Internal Controls Self-Assessment	Internal Financial Controls Self-Assessment - November 2024	Inventory Adjustments and Stock Transfers	Low	To improve these manual processes, the Inventory Policy currently in draft form should be consulted on and implemented. Furthermore, investigation of automated system for fuel management as part of bulk fuel tender and exploring the new ERP 'stores' module should be undertaken.	MANAGER FINANCIAL SERVICES	31/12/2025		Completed	This agreed action is a duplication of Action 171, relating to the development and implementation of an Inventory Policy.
External Audit Activities	External Audit - Interim Report	Lack of historical data for suppliers	Modera...	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		Completed	The new ReadyTech, Business Central application allows for a 'Vendor Purchase List' with any date range filter allowing for previous history of supplier information to be easily obtained by staff. This cumulative spend information will be included in the Purchasing and Procurement Policy for reference to staff.

Showing 1 to 3 of 3 entries (filtered from 179 total entries)

9.5 POLICY REVIEW - PO116 CASH BACKED RESERVES - OBJECTIVES AND USE POLICY**Document #:** 25/81217**Department:** Corporate and Community Services**PURPOSE**

To provide opportunity for review of the proposed update of PO116 Cash Backed Reserves – Objectives and Use Policy (previously PO116 Reserve Funds – Objectives and Use Policy) by the Audit and Risk Committee for recommendation to Council for endorsement.

RECOMMENDATION

That the Audit and Risk Committee recommend the proposed updated PO116 Cash Backed Reserves – Objectives and Use Policy to Council for endorsement, as presented.

LINK TO STRATEGIC PLAN**Goal:** Goal L - Responsible Leadership and governance**Strategy:** L.4. Continue to meet all legislative requirements and compliance with Council's internal controls.**BACKGROUND**

Council's PO116 Cash Back Reserves – Objectives and Use Policy (Policy) defines Council's objectives, and use, of cash backed reserves held for specific purposes in accordance with Council's Treasury Management Policy.

The Policy has recently been reviewed in line with its scheduled periodic review timeline.

DISCUSSION

The Policy is presented with recommendations for amendments. The suggested changes include:

- Policy name to clearly distinguish scope from a new and pending Equity Reserves Policy.
- Updated Strategic Plan Objective.
- Minor changes to broaden reasons for establishment of cash backed reserves to include reference to grant funding and the sale of community land requirements.

The Local Government Association (LGA) does not currently provide a model policy template for this subject area to reference or adapt. Therefore, the review has been undertaken with reference to best practice and other existing Council policies. In accordance with modern Treasury Management principles Council has sought to limit the creation and maintenance of separate bank/investment accounts for reserves unless required to do so under law, or as a condition of funding provided by an external funding body.

A copy of the proposed updated Policy with track changes shown in colour is provided as Attachment 1 and a copy with no track changes is provided as Attachment 2 for ease of reference.

COMMUNITY ENGAGEMENT PLAN

Level 1 - Inform

CONSULTATION PROCESS

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

- Corporate Management Team
- Manager Financial Services
- Accountant Financial Management

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

- Nil

POLICY IMPLICATIONS

PO139 Treasury Management Policy.

BUDGET AND RESOURCE IMPLICATIONS

Sector advice provides that Council's should manage their finances holistically and in a strategically optimum way rather than practicing 'shoebox accounting' whereby monies are earmarked for particular needs and therefore not available for others. This effectively allows all unrestricted revenues and investments to be applied to meet planned expenditure outlays and extinguish borrowings where possible. This policy effectively provides Council staff with guidance in relation to the permitted exceptions to this general advice.

RISKS/LEGAL/LEGISLATIVE/ IMPLICATIONS

Local Government Act 1999

Financial Management Regulations

ATTACHMENTS

1. **Draft - PO116 Cash Backed Reserves - Objectives and Use Policy - Track Changes** [↓](#)
2. **Draft - PO116 Cash Backed Reserves - Objectives and Use Policy - No Track Changes** [↓](#)



COUNCIL POLICY

Reserve Funds – Objectives and Use Cash Backed Reserves – Objectives and Use

Policy Number:	PO116		
Strategic Plan Objective:	5. Responsible Governance and Leadership <u>L – Responsible Leadership and Governance</u> <u>L4, Continue to meet all legislative requirements and compliance with Council's internal controls.</u>		
Policy Owner:	Director Corporate and Community Services	Record Number:	16/14154[v3] <u>16/14154[v4]</u>
Responsible Officer:	Manager Financial Services	Minute Reference:	252/2020
Date Adopted:	11/11/2020	Next Review Date:	October 2025

1. POLICY OBJECTIVES

To define Council's objectives and use of cash backed reserves held for specific purposes in accordance with Council's Treasury Management Policy. This policy does not guide Council practice in relation to equity or accounting reserves.

2. SCOPE

This policy applies to all Council employees responsible for expenditure of funds, management of Council's finances, cash and related policies, procedures and decision making regarding these matters.

3. POLICY STATEMENT

That the objectives and uses of respective cash Reserve funds held ~~at-with~~ the Local Government Finance Authority (LGFA), as determined by Council's Treasury Management Policy ~~is-are~~ as follows.

3.1. 24 Hour At Call Account

Any surplus funds held by Council are transferred into this Reserve until required. This allows interest to be earned with these funds ultimately being returned to Council's main operating account for expenditure as required.

3.2. Open Space Reserve

To hold funds generated from Land Division approvals where a contribution is received from developers as a condition of approval. Required to be held in a

PO116 – Reserve Funds – Objectives and UseCash Backed Reserves – Objectives and Use Policy

specific fund established for this purpose under Section 198 (11) of the Planning, Development and Infrastructure Act. These funds will be utilised as deemed necessary for the purpose of acquiring or developing land as open space as endorsed by Council.

3.3. Minlaton RSL Trust Fund

Represents the balance of funds transferred from the Minlaton RSL to Council. These funds are generally used for cemetery plaques, funeral notices, ANZAC Day functions and any expenditure related to RSL or ANZAC legacy infrastructure in the Minlaton area as deemed appropriate by Council.

3.4. Erichsen Heritage Trust Fund

This trust was previously held by the District Council of Yorketown. Founder of the Trust, Ms Eleanor Witcombe created a new "Writer's Award", which is required to feature Yorke Peninsula, to encourage educational development and promotion of the Yorke Peninsula. The distribution of the funds from the trust are determined by the Erichsen Heritage Trust committee. This can include the distribution of funds deemed appropriate by the committee for Heritage focused projects in the Yorke Peninsula area.

3.5. Curramulka RSL Trust Fund

Represents the balance of funds transferred from the Curramulka RSL to Council. These funds are generally used for cemetery plaques, funeral notices, ANZAC Day functions and any expenditure related to RSL or ANZAC legacy infrastructure in the Curramulka area as deemed appropriate by Council.

3.6. Warooka RSL Trust Fund

Represents the balance of funds transferred from the Warooka RSL to Council. These funds are generally used for cemetery plaques, funeral notices, ANZAC Day functions and any expenditure related to RSL or ANZAC legacy infrastructure in the Warooka area as deemed appropriate by Council.

3.7. Library Reserves

Council maintains individual reserves for Community Libraries in Yorketown, Minlaton, Ardrossan and Central Yorke. The reserves ensure that Council is meeting its requirements under the grant funding agreement entered into with the State Government. The funds in reserve are the net surplus of the annual income and expenditure for each library each financial year. The funding agreement requires Council to allocate a minimum amount to be spent on the operations of each library every financial year. Any unspent funds are transferred to these reserves at year end for expenditure on libraries in future years.

~~**3.8. Community Wastewater Management Systems (CWMS) Reserves**~~

~~Council at certain points in time will maintain separate cash backed reserves for CWMS to segregate any funding provided by the LGA or other external organisations to undertake designs, upgrades, extensions, feasibility studies etc.~~

3.8. Land Sale Reserves (Non-Mandatory)

Council at certain points in time will maintain a separate cash back reserve as a result of a Council land sale where this is specified in the Council report as part of the sale of the land.

PO116 – Reserve Funds – Objectives and UseCash Backed Reserves – Objectives and Use Policy

3.9. Grant Ffunded Rreserves

Council at certain points in time will maintain a separate cash back reserve as the result of a grant that has been obtained buy Ceouncil for a specific purpose. This will be undertaken where the grant body, as part of the grant agreement, require funds to be kept separate, enabling interest for the funds to be assigned to the project and appropriated reported as part of the acquittal.

4. COMPLAINTS

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

5. REVIEW

This policy will be reviewed every five (5) years and-or as deemed necessary in consideration of any changes to legislation and relevant standards, codes, guidelines and policies. Elected members and relevant employees will have the opportunity to participate in the review process.

6. TRAINING

Council is committed to providing training where required to ensure compliance with this policy.

7. RECORDS

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

8. RELATED COUNCIL POLICIES/PROCEDURES AND DOCUMENTS

- PO139 Treasury Management Policy
- PO147 Complaints Policy

9. REFERENCES AND LEGISLATION

Planning, Development and Infrastructure Act 2016 Section 198 (11)

10. 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. VERSION HISTORY

Version No	Issue Date	Description of Change
1	12/10/2005	<u>Full Revision.</u>
2	08/05/2013	<u>Full Revision.</u>
3	11/11/2020	<u>Full Revision.</u>

PO116 – Reserve Funds – Objectives and UseCash Backed Reserves – Objectives and Use Policy

Version No	Issue Date	Description of Change
4		<u>Minor Revision.</u>

DRAFT



COUNCIL POLICY

Cash Backed Reserves – Objectives and Use

Policy Number:	PO116		
Strategic Plan Objective:	L – Responsible Leadership and Governance L4, Continue to meet all legislative requirements and compliance with Council's internal controls.		
Policy Owner:	Director Corporate and Community Services	Record Number:	16/14154[v4]
Responsible Officer:	Manager Financial Services	Minute Reference:	252/2020
Date Adopted:	11/11/2020	Next Review Date:	October 2025

1. POLICY OBJECTIVES

To define Council's objectives, and use, of cash backed reserves held for specific purposes in accordance with Council's Treasury Management Policy. This policy does not guide Council practice in relation to equity or accounting reserves.

2. SCOPE

This policy applies to all Council employees responsible for expenditure of funds, management of Council's finances, cash and related policies, procedures and decision making regarding these matters.

3. POLICY STATEMENT

That the objectives and use of respective cash reserve funds held with the Local Government Finance Authority (LGFA) as determined by Council's Treasury Management Policy are as follows.

3.1. 24 Hour At Call Account

Any surplus funds held by Council are transferred into this Reserve until required. This allows interest to be earned with these funds ultimately being returned to Council's main operating account for expenditure as required.

3.2. Open Space Reserve

To hold funds generated from Land Division approvals where a contribution is received from developers as a condition of approval. Required to be held in a specific fund established for this purpose under Section 198 (11) of the Planning, Development and Infrastructure Act. These funds will be utilised as deemed

PO116 – Cash Backed Reserves – Objectives and Use Policy

necessary for the purpose of acquiring or developing land as open space as endorsed by Council.

3.3. Minlaton RSL Trust Fund

Represents the balance of funds transferred from the Minlaton RSL to Council. These funds are generally used for cemetery plaques, funeral notices, ANZAC Day functions and any expenditure related to RSL or ANZAC legacy infrastructure in the Minlaton area as deemed appropriate by Council.

3.4. Erichsen Heritage Trust Fund

This trust was previously held by the District Council of Yorketown. Founder of the Trust, Ms Eleanor Witcombe created a new "Writer's Award", which is required to feature Yorke Peninsula, to encourage educational development and promotion of the Yorke Peninsula. The distribution of the funds from the trust are determined by the Erichsen Heritage Trust committee. This can include the distribution of funds deemed appropriate by the committee for Heritage focused projects in the Yorke Peninsula area.

3.5. Curramulka RSL Trust Fund

Represents the balance of funds transferred from the Curramulka RSL to Council. These funds are generally used for cemetery plaques, funeral notices, ANZAC Day functions and any expenditure related to RSL or ANZAC legacy infrastructure in the Curramulka area as deemed appropriate by Council.

3.6. Warooka RSL Trust Fund

Represents the balance of funds transferred from the Warooka RSL to Council. These funds are generally used for cemetery plaques, funeral notices, ANZAC Day functions and any expenditure related to RSL or ANZAC legacy infrastructure in the Warooka area as deemed appropriate by Council.

3.7. Library Reserves

Council maintains individual reserves for Community Libraries in Yorketown, Minlaton, Ardrossan and Central Yorke. The reserves ensure that Council is meeting its requirements under the grant funding agreement entered into with the State Government. The funds in reserve are the net surplus of the annual income and expenditure for each library each financial year. The funding agreement requires Council to allocate a minimum amount to be spent on the operations of each library every financial year. Any unspent funds are transferred to these reserves at year end for expenditure on libraries in future years.

3.8. Land Sale Reserves (Non-Mandatory)

Council at certain points in time will maintain a separate cash back reserve as a result of a Council land sale where this is specified in the Council report as part of the sale of the land.

3.9. Grant Funded Reserves

Council at certain points in time will maintain a separate cash back reserve as the result of a grant that has been obtained by Council for a specific purpose. This will be undertaken where the grant body, as part of the grant agreement, require funds to be kept separate, enabling interest for the funds to be assigned to the project and appropriated reported as part of the acquittal.

PO116 – Cash Backed Reserves – Objectives and Use Policy**4. COMPLAINTS**

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

5. REVIEW

This policy will be reviewed every five (5) years or as deemed necessary in consideration of any changes to legislation and relevant standards, codes, guidelines and policies. Elected members and relevant employees will have the opportunity to participate in the review process.

6. TRAINING

Council is committed to providing training where required to ensure compliance with this policy.

7. RECORDS

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

8. RELATED COUNCIL POLICIES/PROCEDURES AND DOCUMENTS

PO139 Treasury Management Policy

PO147 Complaints Policy

9. REFERENCES AND LEGISLATION

Planning, Development and Infrastructure Act 2016 Section 198 (11)

10. 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. VERSION HISTORY

Version No	Issue Date	Description of Change
1	12/10/2005	Full Revision.
2	08/05/2013	Full Revision.
3	11/11/2020	Full Revision.
4		Minor Revision.

9.6 POLICY REVIEW - PO139 TREASURY MANAGEMENT POLICY**Document #:** 25/81212**Department:** Corporate and Community Services**PURPOSE**

To provide the opportunity for review of the updated PO139 Treasury Management Policy by the Audit and Risk Committee for recommendation to Council for endorsement.

RECOMMENDATION

That the Audit and Risk Committee recommend the updated PO139 Treasury Management Policy to Council for endorsement, as presented.

LINK TO STRATEGIC PLAN**Goal:** Goal L - Responsible Leadership and governance**Strategy:** L.4. Continue to meet all legislative requirements and compliance with Council's internal controls.**BACKGROUND**

Council's PO139 Treasury Management Policy (Policy) provides clear direction to management, staff, and the elected body (Council) in relation to the treasury function. It underpins Council's decision-making regarding the financing of its operations as documented in its Annual Business Plan (ABP), Long Term Financial Plan (LTFP) and associated, and actual, cash flow receipts and outlays.

The Policy has recently been reviewed in line with its scheduled periodic review timeline and updated to reflect the latest model policy template provided by the Local Government Association of South Australia (LGA).

DISCUSSION

The Policy is presented with recommendations for amendments. The suggested changes include:

- Alignment to updated Strategic Management Plan 2025-2029 goals.
- Alignment to Councils' strategic documents.
- Inclusion of prohibition on borrowing to fund long term operating deficits.
- Adjustments to portfolio proportions for both Fixed Interest Rate and Variable Interest Rate borrowings to guide interest rate exposures.
- Limitation to value of investments undertaken outside of deposits with the Local Government Finance Authority (LGFA) and Authorised Deposit Taking Institutions.
- Simplification of conflict of interest information in relation to investment decisions.
- Inclusion of information relating to staff authorised to transfer funds between LFGA accounts and Council's nominated operating bank account.
- Annual reporting requirement expanded to include actual to budgeted borrowings.
- Minor formatting changes including the inclusion/exclusion of a selection of words to effectively convey policy objectives.

The LGA has provided a model Treasury Management policy template to South Australian Council's as an appendix to Financial Sustainability Information Paper (FSIP) No.15 – Treasury Management.

A copy of the proposed updated Policy with track changes shown in colour is provided as Attachment 1 and a copy with no track changes is provided as Attachment 2 for ease of reference.

COMMUNITY ENGAGEMENT PLAN

Level 1 - Inform

CONSULTATION PROCESS

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

- Corporate Management Team
- Manager Financial Services
- Accountant Financial Management

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

- Nil

POLICY IMPLICATIONS

Annual Business Plan and Budget

Long Term Financial Plan (2026 – 2035)

Strategic Management Plan (2025 – 2029)

BUDGET AND RESOURCE IMPLICATIONS

Treasury management practices directly influence Council's budget through impact on borrowing costs, investment income, and cash flow management. Sound investment and borrowing practices assist in minimising interest expenditure and maximising investment income positively impacting Council's financial sustainability.

RISKS/LEGAL/LEGISLATIVE/ IMPLICATIONS

Local Government Act 1999

Financial Management Regulations

ATTACHMENTS

1. **Draft - PO139 Treasury Management Policy - Track Changes** [↓](#)
2. **Draft - PO139 Treasury Management Policy - No Track Changes** [↓](#)



COUNCIL POLICY

Treasury Management

Policy Number:	PO139		
Strategic Plan Objective:	<p><u>L – Responsible Leadership and Governance</u></p> <p><u>L4. Continue to meet all legislative requirements and compliance with Council's internal controls.</u></p> <p>5. Responsible Governance and Leadership</p>		
Policy Owner:	Director Corporate and Community Services	Record Number:	<u>16/14813[v6]16/14813[v7]</u>
Responsible Officer:	Manager Financial Services	Minute Reference:	160/2024
Date Adopted:	08/09/2024	Next Review Date:	September 2025

2.1. POLICY OBJECTIVES

This Treasury Management Policy establishes a framework to ensure that:

- funds are available as required to support approved outlays.;
- interest rate and other risks (e.g. liquidity and investment credit risks) are acknowledged and responsibly managed.;
- the net interest costs associated with borrowing and investing are reasonably likely to be minimised on average over the longer term.

3.2. SCOPE

This policy provides a clear direction to management, staff and Council in relation to the treasury function. It underpins Council's decision-making regarding the financing of its operations as documented in its Annual Business Plan and Budget (ABP) budget, Long Term Financial Plan (LTFP) and associated projected and actual cash flow receipts and outlays.

Council is committed to ~~adopting and maintaining a LTFP and~~ operating in a financially sustainable manner and maintains a LTFP (updated at least annually) to assist it to determine affordable service levels and revenue raising needs. This Plan also provides projections of future cashflow availability and needs.

All investments and borrowings are to be made exercising care, diligence and skill that a prudent person of business would exercise in managing the affairs of other persons.-

PO139 – Treasury Management Policy**4.3. DEFINITIONS**

Refer to Attachment 1.

5.4. POLICY STATEMENT**5.1.4.1. Treasury Management Strategy**

Council's operating and capital expenditure decisions are made on the basis of:

- identified community need and benefit relative to other expenditure options;
- cost effectiveness of the proposed means of service delivery; and,
- affordability of proposals having regard to Council's long term financial sustainability (including consideration of the cost of capital and the impact of the proposal on Council's Net Financial Liabilities ratio (NFLR)¹.)

Council manages its finances holistically in accordance with its overall financial sustainability strategies and targets. This means Council will:

- maintain a target range for its Net Financial Liabilities Ratio (NFLR);
- not retain and quarantine money for particular future purposes unless required by legislation or agreements with other parties;
- borrow funds in accordance with the requirements set out in its LTFP or review its LTFP to reflect any other borrowings determined by Council;
- apply any funds that are not immediately required to meet approved expenditure (including funds that are required to be expended for specific purposes but are not required to be kept in separate bank accounts) to reduce its level of borrowings or to defer and/or reduce the level of new borrowings that would otherwise be required.
- not to borrow to fund long term operating deficits.

5.2.4.2. Borrowing & Interest Rate Risk Exposures

Council has set range limits for both fixed and variable interest rate borrowings in order to minimise net interest costs, on average, over the longer term and at the same time manage interest rate movement risks within acceptable limits.

5.2.1.4.2.1. Fixed Interest Rate Borrowings

To ensure an adequate mix of interest rate exposures, Council will ~~restructure ensure that~~ its portfolio of borrowings, as old borrowings mature and new ones are raised, to ~~progressively achieve and therein~~ maintain on average in any one year not less than 830% of its gross debt in the form of fixed interest rate borrowings based on budgeted projections.

In order to spread its exposure to interest rate movements, Council will aim to have a variety of maturity dates on its fixed interest rate borrowings over the available maturity spectrum.

In circumstances where Council needs to raise new fixed interest rate borrowings it will consider using medium to long-term borrowings (three³ or more years duration) that:

- have a fixed interest rate;

¹ The LGA's Financial Sustainability Information Papers 9 and 12 provide further information on these (and other) financial sustainability indicators and associated targets.

PO139 – Treasury Management Policy

- require interest payments only; and
- allow the full amount of principal to be repaid (or rolled over) at maturity.

Council also will ensure that no more than 25% of its fixed interest rate borrowings mature in any year.

5.2.2.4.2.2. Variable Interest Rate Borrowings

Council will ~~restructure~~ ensure its portfolio of borrowings, as old borrowings mature and new ones are raised, to progressively achieve, and then maintain, not ~~more~~ less than ~~30%~~ 20% of its gross debt on average in any year in the form of variable interest rate borrowings.

~~Typically, variable interest rate borrowings should only be for a particular purpose, no more than a three (3) year term and facilitated through the LGFA's Cash Advance Debenture (CAD) facility. Excess funds should be used to pay down any CAD facilities to reduce interest expense, in the first instance before any funds are invested in interest bearing deposits, unless other arrangements have been approved by Council.~~

~~After Council's cash reserves are reduced,~~ Council will establish, and make extensive use of, the Local Government Finance Authority (LGFA) Cash Advance Debenture (or similar product) that requires interest payments only and that enables any amount of principal to be repaid or redrawn at call. The redraw facility will provide Council with access to liquidity when needed.

5.3.4.3. Investments

Council funds that are not immediately required for operational needs, and cannot be applied to either reduce existing borrowings or avoid the raising of new borrowings, will be invested. The balance of funds held in any operating bank account that does not provide investment returns at least consistent with 'at call' market rates shall be kept at a level that is no greater than is required to meet immediate working capital requirements.

Council funds available for investment will be lodged 'at call' or, having regard to differences in interest rates for fixed term investments of varying maturity dates, may be invested for a fixed term. In the case of fixed term investments the term should not exceed a point in time where the funds otherwise could be applied to cost-effectively either defer the need to raise a new borrowing or reduce the level of Council's variable interest rate borrowing facility.

When investing funds, Council will select the investment type that delivers the best value, having regard to investment returns, transaction costs and other relevant and objectively quantifiable factors.

Council management may from time to time invest surplus funds in:

- deposits with the LGFA; and/or
- interest bearing deposits with Authorised Deposit-Taking Institutions (ADIs),

~~All investments with the LGFA must be communicated in writing to at least one (1) signatory currently listed in the Delegations Register.~~

Any other investment requires the specific approval of Council. Where Council authorises any investments of a type outside of those specified above, the amount so invested will be cumulatively limited to no more than 20% of the average level of funds expected to be available for investment by Council over the duration of the specific authorised investments.

PO139 – Treasury Management Policy

~~Conflicts of interest are to be disclosed as part of investment decision process where investment is to be made with any organisation other than the LGFA.~~

~~Council's financial service staff are authorised to transfer funds between LGFA accounts and to Council's nominated operating bank account with Council's CEO and Manager Financial Services to receive external confirmation of transfers from the LGFA.~~

~~Any investments proposed to be made with any organisation other than the LGFA must be approved in writing by the CEO and one (1) other signatory currently listed in the Delegations Register. These proposed investments must be reviewed by both signatories for conflict of interest prior to finalisation of the investment. Investments with a perceived conflict of interest must be approved by the Elected Body prior to any such investment being made.~~

~~Conflict of interest is determined to be applicable where either of the individuals approving the investment have an interest (financial or otherwise) in the investment institution in which the investment is to be made.~~

~~Conflict of interest should be determined by applying the following steps:~~

~~Are you deciding where Council funds are to be invested other than with the LGFA?~~

~~If yes, do you have any interest (financial or not) in the proposed investment institution, or have you had any prior involvement with the institution that could be construed as generating a conflict of interest?~~

~~If not, general investment rules apply.~~

5.10.4.4. Reporting

At least once a year Council shall receive a specific report regarding treasury management performance relative to this policy. The report shall highlight:

- for each Council borrowing and investment – the quantum of funds, its interest rate and maturity date, and changes in the quantum since the previous report; and
- the proportion of fixed interest rate and variable interest rate borrowings at the end date of the reporting period and an estimate of the average of these proportions across the period along with key reasons for significant variances compared with the targets specified in this policy.
- Budgeted borrowings versus actual borrowings.

6.5. COMPLAINTS

Complaints in relation to this policy can be directed to the Director Corporate and Community Services and will be managed in accordance with Council's PO147 Complaints Policy.

7.6. REVIEW

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

8.7. TRAINING

Council is committed to supporting employees in complying with this policy. Training needs will be reviewed annually, during individual performance reviews and as necessary in consideration of any changes to legislation and relevant standards, codes and guidelines.

PO139 – Treasury Management Policy

9.8. RECORDS

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

10.9. RELATED COUNCIL POLICIES/PROCEDURES AND DOCUMENTS

Council's Delegations Register

[Annual Business Plan and Budget](#)

[Long Term Financial Plan \(current\) \(2026-2035\)](#)

[Strategic Management Plan \(current\)\(2025-2029\)](#)

[Strategic Asset Management Plan \(current\)](#)

11.10. REFERENCES AND LEGISLATION

For Borrowings

- a) Local Government Act, 1999
 - Section 44
 - Section 133
 - Section 134
 - Section 122
- b) Regulations 5 and 5B of the Financial Management Regulations under the Act.

For Investments

- a) Local Government Act, 1999
 - Section 44
 - Section 47
 - Section 139
 - Section 140

12.11. 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/>

13.12. VERSION HISTORY

Version No	Issue Date	Description of Change
<u>6</u>	<u>08/09/2021</u>	<u>Minor changes.</u>
<u>7</u>	<u>TBA</u>	<u>Updated to reflect changes to the LGA model policy as recorded in Financial Sustainability Information Paper (FSIP) No.15 issued November 2024. Inclusive of adjustments to recommended proportion of fixed and variable interest rate borrowings as a proportion of Council's gross debt.</u>

PO139 – Treasury Management Policy

DRAFT

PO139 – Treasury Management Policy**ATTACHMENT 1: DEFINITIONS**

Term/Reference	Definition
Fixed Interest	A <u>l</u> oan where the interest is fixed for the term of the loan
Variable interest	A loan where the interest rate fluctuates over the life of the loan
Authorised Deposit-Taking Institution (ADI)	An Australian government term for a corporation which is authorised under the Banking Act 1959 to take deposits from customers. ADIs include banks, building societies and credit unions.
<u>Liquidity risk</u>	<u>The risk of sufficient cash not being immediately available to meet immediate obligations</u>
<u>At call investments</u>	<u>Funds immediately available, with 24 hours' notice.</u>
<u>Net Financial Liabilities Ratio</u>	<p><u>The net financial liabilities ratio effectively shows the percentage of a council's operating income that would be required if the council had to repay all its liabilities, including borrowings.</u></p> <p><u>The net financial liabilities ratio is calculated by expressing net financial liabilities at the end of a financial year as a percentage of operating income for the year.</u></p>



COUNCIL POLICY

Treasury Management

Policy Number:	PO139		
Strategic Plan Objective:	L – Responsible Leadership and Governance L4, Continue to meet all legislative requirements and compliance with Council's internal controls.		
Policy Owner:	Director Corporate and Community Services	Record Number:	16/14813[v7]
Responsible Officer:	Manager Financial Services	Minute Reference:	160/2024
Date Adopted:	08/09/2024	Next Review Date:	September 2025

1. POLICY OBJECTIVES

This Treasury Management Policy establishes a framework to ensure that:

- funds are available as required to support approved outlays.
- interest rate and other risks (e.g. liquidity and investment credit risks) are acknowledged and responsibly managed.
- the net interest costs associated with borrowing and investing are reasonably likely to be minimised on average over the longer term.

2. SCOPE

This policy provides a clear direction to management, staff and Council in relation to the treasury function. It underpins Council's decision-making regarding the financing of its operations as documented in its Annual Business Plan and Budget (ABP), Long Term Financial Plan (LTFP) and associated projected and actual cash flow receipts and outlays.

Council is committed to operating in a financially sustainable manner and maintains a LTFP (updated at least annually) to assist it to determine affordable service levels and revenue raising needs. This Plan also provides projections of future cashflow availability and needs.

All investments and borrowings are to be made exercising care, diligence and skill that a prudent person of business would exercise in managing the affairs of other persons.

3. DEFINITIONS

Refer to Attachment 1.

PO139 – Treasury Management Policy

4. POLICY STATEMENT**4.1. Treasury Management Strategy**

Council's operating and capital expenditure decisions are made on the basis of:

- identified community need and benefit relative to other expenditure options;
- cost effectiveness of the proposed means of service delivery; and,
- affordability of proposals having regard to Council's long term financial sustainability including consideration of the cost of capital and the impact of the proposal on Council's Net Financial Liabilities ratio (NFLR)¹.

Council manages its finances holistically in accordance with its overall financial sustainability strategies and targets. This means Council will:

- maintain a target range for its Net Financial Liabilities Ratio;
- not retain and quarantine money for particular future purposes unless required by legislation or agreements with other parties;
- borrow funds in accordance with the requirements set out in its LTFP or review its LTFP to reflect any other borrowings determined by Council;
- apply any funds that are not immediately required to meet approved expenditure (including funds that are required to be expended for specific purposes but are not required to be kept in separate bank accounts) to reduce its level of borrowings or to defer and/or reduce the level of new borrowings that would otherwise be required.
- not to borrow to fund long term operating deficits.

4.2. Interest Rate Risk Exposures

Council has set range limits for both fixed and variable interest rate borrowings in order to minimise net interest costs, on average, over the longer term and at the same time manage interest rate movement risks within acceptable limits.

4.2.1. Fixed Interest Rate Borrowings

To ensure an adequate mix of interest rate exposures, Council will ensure that its portfolio of borrowings, as old borrowings mature and new ones are raised, to maintain on average in any one year not less than 30% of its gross debt in the form of fixed interest rate borrowings based on budgeted projections.

In order to spread its exposure to interest rate movements, Council will aim to have a variety of maturity dates on its fixed interest rate borrowings over the available maturity spectrum.

In circumstances where Council needs to raise new fixed interest rate borrowings it will consider using medium to long-term borrowings (three or more years duration) that:

- have a fixed interest rate;
- require interest payments only; and
- allow the full amount of principal to be repaid (or rolled over) at maturity.

¹ The LGA's Financial Sustainability Information Papers 9 and 12 provide further information on these (and other) financial sustainability indicators and associated targets.

PO139 – Treasury Management Policy

Council also will ensure that no more than 25% of its fixed interest rate borrowings mature in any year.

4.2.2. Variable Interest Rate Borrowings

Council will ensure its portfolio of borrowings, as old borrowings mature and new ones are raised, to progressively achieve, and then maintain, not less than 30% of its gross debt on average in any year in the form of variable interest rate borrowings.

Council will establish, and make extensive use of, the Local Government Finance Authority (LGFA) Cash Advance Debenture (or similar product) that requires interest payments only and that enables any amount of principal to be repaid or redrawn at call. The redraw facility will provide Council with access to liquidity when needed.

4.3. Investments

Council funds that are not immediately required for operational needs, and cannot be applied to either reduce existing borrowings or avoid the raising of new borrowings, will be invested. The balance of funds held in any operating bank account that does not provide investment returns at least consistent with 'at call' market rates shall be kept at a level that is no greater than is required to meet immediate working capital requirements.

Council funds available for investment will be lodged 'at call' or, having regard to differences in interest rates for fixed term investments of varying maturity dates, may be invested for a fixed term. In the case of fixed term investments the term should not exceed a point in time where the funds otherwise could be applied to cost-effectively either defer the need to raise a new borrowing or reduce the level of Council's variable interest rate borrowing facility.

When investing funds, Council will select the investment type that delivers the best value, having regard to investment returns, transaction costs and other relevant and objectively quantifiable factors.

Council management may from time to time invest surplus funds in:

- deposits with the LGFA; and/or
- interest bearing deposits with Authorised Deposit-Taking Institutions (ADIs),

Any other investment requires the specific approval of Council. Where Council authorises any investments of a type outside of those specified above, the amount so invested will be cumulatively limited to no more than 20% of the average level of funds expected to be available for investment by Council over the duration of the specific authorised investments.

Conflicts of interest are to be disclosed as part of investment decision process where investment is to be made with any organisation other than the LGFA.

Council's financial service staff are authorised to transfer funds between LGFA accounts and to Council's nominated operating bank account with Council's CEO and Manager Financial Services to receive external confirmation of transfers from the LGFA.

4.4. Reporting

At least once a year Council shall receive a specific report regarding treasury management performance relative to this policy. The report shall highlight:

PO139 – Treasury Management Policy

- for each Council borrowing and investment – the quantum of funds, its interest rate and maturity date, and changes in the quantum since the previous report; and
- the proportion of fixed interest rate and variable interest rate borrowings at the end date of the reporting period and an estimate of the average of these proportions across the period along with key reasons for significant variances compared with the targets specified in this policy.
- Budgeted borrowings versus actual borrowings.

5. COMPLAINTS

Complaints in relation to this policy can be directed to the Director Corporate and Community Services and will be managed in accordance with Council's PO147 Complaints Policy.

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.

7. TRAINING

Council is committed to supporting employees in complying with this policy. Training needs will be reviewed annually, during individual performance reviews 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

Council's Delegations Register
Annual Business Plan and Budget
Long Term Financial Plan (current)
Strategic Management Plan (current)
Strategic Asset Management Plan (current)

10. REFERENCES AND LEGISLATION**For Borrowings**

- a) Local Government Act, 1999
 - Section 44
 - Section 133
 - Section 134
 - Section 122
- b) Regulations 5 and 5B of the Financial Management Regulations under the Act.

For Investments

PO139 – Treasury Management Policy

- a) Local Government Act, 1999
- Section 44
 - Section 47
 - Section 139
 - Section 140

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
6	08/09/2021	Minor changes.
7	TBA	Updated to reflect changes to the LGA model policy as recorded in Financial Sustainability Information Paper (FSIP) No.15 issued November 2024. Inclusive of adjustments to recommended proportion of fixed and variable interest rate borrowings as a proportion of Council's gross debt.

PO139 – Treasury Management Policy**ATTACHMENT 1: DEFINITIONS**

Term/Reference	Definition
Fixed Interest	A loan where the interest is fixed for the term of the loan
Variable interest	A loan where the interest rate fluctuates over the life of the loan
Authorised Deposit-Taking Institution (ADI)	An Australian government term for a corporation which is authorised under the Banking Act 1959 to take deposits from customers. ADIs include banks, building societies and credit unions.
Liquidity risk	The risk of sufficient cash not being immediately available to meet immediate obligations
At call investments	Funds immediately available, with 24 hours' notice.
Net Financial Liabilities Ratio	<p>The net financial liabilities ratio effectively shows the percentage of a council's operating income that would be required if the council had to repay all its liabilities, including borrowings.</p> <p>The net financial liabilities ratio is calculated by expressing net financial liabilities at the end of a financial year as a percentage of operating income for the year.</p>

9.7 POLICY REVIEW - PO142 BUDGET REPORTING AND AMENDMENT POLICY**Document #:** 25/102914**Department:** Corporate and Community Services**PURPOSE**

To provide opportunity for review of the updated PO142 Budget Reporting and Amendment Policy by the Audit and Risk Committee for recommendation to Council for endorsement.

RECOMMENDATION

That the Audit and Risk Committee recommend the updated PO142 Budget Reporting and Amendment Policy to Council for endorsement, as presented.

LINK TO STRATEGIC PLAN**Goal:** Goal L - Responsible Leadership and governance**Strategy:** L.4. Continue to meet all legislative requirements and compliance with Council's internal controls.**BACKGROUND**

Council's PO142 Budget Reporting and Amendment Policy (Policy) provides direction to staff in relation to reporting performance against Council's adopted budget and amending Council's adopted budget where required.

The Policy has recently been reviewed in line with its scheduled periodic review timeline and sector guidance material contained within the latest version of Financial Sustainability Information Paper No.25 – Monitoring Council Budget Performance (December 2024) as issued by the Local Government Association of South Australia.

DISCUSSION

The Policy is presented with recommendations for amendments. The suggested changes include:

- Alignment to updated Strategic Management Plan 2025-2029 goals.
- Minor formatting changes including the inclusion/exclusion of a selection of words to effectively convey policy objectives.
- Removal of references to processes and procedural material where possible.
- Clarification in relation to the Chief Executive Officer's (CEO) ability to respond to changes in circumstances or opportunities that are within the scope of the approved budget.
- Deidentification of specific budgeting software to allow flexibility in relation to electronic budget management.
- Clarification in relation to the form and content of monthly budget reporting to Council.
- Removal of references to 'delegations' in relation to internal budget adjustment approval processes to avoid confusion with Section 44(3)(da) and (e) of the Local Government Act 1999 (the Act) which stipulates that Council cannot delegate power to revise budget expenditure.
- Clarification in relation to the form, content, and timing of quarterly budget review reporting to Council.
- Insertion of additional definitions to assist the reader in understanding the Policy.

The Local Government Association (LGA) does not currently provide a model policy template for this subject area to reference or adapt. However, Financial Sustainability Information Paper No.25 – Monitoring Council Budget Performance (December 2024) as issued by the Local Government Association of South Australia provides significant guidance in relation to reporting elements of this Policy.

It should be noted that that Council is presently implementing changes to its Enterprise Resource Planning (ERP) solution which may impact some of the more procedural elements of the updated Policy. Future review of this Policy to remove procedural elements and creation of new procedural documentation to align with updated Council computer systems is envisaged over the next 12 months.

A copy of the proposed updated Policy with track changes shown in colour is provided as Attachment 1 and a copy with no track changes is provided as Attachment 2 for ease of reference.

COMMUNITY ENGAGEMENT PLAN

Level 1 - Inform

CONSULTATION PROCESS

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

- 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

The recommendation can be funded from existing adopted budget.

RISKS/LEGAL/LEGISLATIVE/ IMPLICATIONS

Failure to maintain an up to date Policy in relation to Budget Reporting and Amendment may increase the risk of:

- Council's financial information not being reviewed in a timely manner impacting the ability to make effective decisions; and
- Significant budget variances not being investigated on a timely basis or not being investigated at all.

Local Government Act 1999

Financial Management Regulations

ATTACHMENTS

1. **Draft - PO142 Budget Reporting and Amendment Policy - Track Changes** [↓](#)
2. **Draft - PO142 Budget Reporting and Amendment Policy - No Track Changes** [↓](#)



COUNCIL POLICY

Budget Reporting and Amendment

Policy Number:	PO142		
Strategic Plan Objective:	<p><u>L – Responsible Leadership and Governance</u></p> <p><u>L4. Continue to meet all legislative requirements and compliance with Council's internal controls.</u></p> <p>5. Responsible Governance and Leadership</p>		
Policy Owner:	Director Corporate and Community Services	Record Number:	<u>16/14836[v4],16/14836[v5]</u>
Responsible Officer:	Manager Financial Services	Minute Reference:	463/2024
Date Adopted:	08/09/2024	Next Review Date:	September 2025

1. POLICY OBJECTIVES

This policy provides direction to staff in relation to reporting performance against Council's ~~Adopted~~ adopted Budget and amending Council's ~~a~~ Adopted Budget where required.

The ~~intention of this Policies~~ intenty is to provide ~~management~~ Council administration with a framework within which to operate in regard to the following:

- The ~~p~~ Process to be followed, and general guidelines, in relation to confirming the accuracy of budget information and the investigation of any significant ~~variances;~~ variances.
- The content, timing and process to be followed for reporting to Council on its performance against ~~budget;~~ budget.
- The scope and conditions associated with the Chief Executive Officer's (CEO) approving any increases in budget expenditure, or the addition of new budget items, ability to respond to changes in circumstances or opportunities that are within the scope of the approved budget without first obtaining Council approval.;
- The ~~process required to be followed, as well as~~ general guidelines, in relation to the carrying forward (roll over) of expenditure authority associated with projects included in the ~~prior year's~~ budget, for the previous year.;

PO142 – Budget Reporting and Amendment Policy

- Set ~~delegations guidelines~~ for budget “transfers” where reallocation of budget amounts does not change the Council approved budget surplus/deficit or approved capital budget.

2. SCOPE

This policy provides guidance, ~~and outlines procedure for all~~to budget managers within Council and highlights reporting requirements for performance against, and periodic amendments to, Council’s adopted Budget.

3. DEFINITIONS

Refer to Attachment 1.

4. POLICY STATEMENT**4.1. Management Reporting**

Budget ~~information and financial~~ reporting is ~~accessed available electronically at all times~~ through Council’s ~~Magiq~~ budgeting software.

~~The r~~Reporting in ~~Magiq~~ is ~~to be~~ configured to show, ~~at a minimum; activity level,~~ financial ~~transactions data~~ for the year to date, original and revised budget information, and outstanding committed expenditure ~~at general ledger level for each budgeted project~~. Budget managers are responsible for analysing financial information ~~in Magiq~~ relevant to their responsible business units/departments and identifying any variances or discrepancies for adjustment and/or correction. Analysis ~~are is~~ to be undertaken quarterly as a minimum.

4.2. Budget Reporting to Council

~~A monthly Budget Update (Financial Report)~~A financial report will be prepared and included in the agenda of ~~the each~~ Ordinary Meeting of Council. ~~The report will include details as at the end of the month immediately preceding the date of the meeting. The report will highlight, at summary level, budget activity for the year to date, original and revised budget information, and include the latest revised forecast of expected budget results for the year a revised budget of the Council’s operating and capital activities compared with estimates set out in the original budget presented in a manner consistent with the note in the Model Financial Statements entitled Uniform Presentation of Finances. Accompanying this report will be a Capital Projects update report containing budget to actual information and commentary for all capital projects with a budget value greater than \$25,000.~~

Reports for ~~the month of June~~ will not be prepared and submitted to Council, ~~however, full year financial information June information~~ will be included in the ~~year-end~~ Annual Financial Statements and reported to Council ~~in no later than~~ November each year.

4.3. Variations outside the scope of the Adopted Budget

Council approval must ~~be sought and~~ obtained before commitments are made or events occur that would result in activity outside of the endorsed Budget.

In considering ~~a requests~~ for a revision to its Budget, Council will consider the impact the approval may have on the achievement of the targets for financial indicators established in Council’s original Budget. Council ~~will may~~ also consider ~~the its~~ capacity to increase ~~other~~ revenue, or reduce ~~other~~ expenditure ~~(either of a corresponding operating or capital nature as appropriate)~~, to offset the variation and the merit of so doing.

PO142 – Budget Reporting and Amendment Policy**4.4. Variations within the scope of the Adopted Budget**

Where circumstances so warrant (e.g. for reasons of urgent necessity) the CEO may in consultation with the Mayor (and Elected Members if deemed necessary) ~~authorise budget variations~~ respond to changes in circumstances or opportunities that are within the scope of the approved ~~limits for budget items~~, providing that variations made do not:

- a) ~~In aggregate~~ Exceed, in aggregate, threshold value limits for that function/activity outlined in the ~~Budget;~~ Budget.
- b) Materially impact on the quality, quantity, frequency, range or level of service previously provided for, or implicitly intended, in the original allocation; and
- c) Impact on any explicit proposals Council has included in its Annual Business Plan or has otherwise publicly committed to and accommodated for in ~~its the~~ Annual Budget.

Whenever such changes are made, the following Budget Revision must include information explaining the rationale for the decision.

4.5. Budget Carry Forwards (Roll Overs)

Funding approval for budgeted activities not yet started or completed at the end of ~~any~~ budget year is to be forfeited unless approval to carry-over the activity and associated budget allocation is granted by Council (including by the CEO under delegated authority as per conditions outlined in 4.3 above).

Whilst there may be one-off exceptions, operating activity budgeted for, but not expended, in any given year generally will not be carried forward to the following year. Identifiable operating projects that will not commence in the funding year which have been budgeted for should be re-evaluated and, where warranted, included in the budget for the following year at the time of its adoption. Similarly, capital projects that have not commenced in one year should be considered against other competing priorities in determining the content of the budget for the following year before being carried forward to the following year.

The scope and funding requirements of capital projects and major operating-type activities that are committed or underway but not completed at the end of one financial year ~~needs~~ to be reviewed and the projects/activities considered for carrying forward at the August Council meeting in the following financial year.

Any request for carrying forward activity needs to clearly highlight whether the scope of each activity item, and its associated funding quantum, is proposed to be varied from that previously approved and if so the reasons for same. Any impact on the achievement of the targets for financial indicators established in Council's original budget for the current year should also be clearly identified.

4.6. Reallocation and Adjustment of Budgets

During ~~any budget~~ the any financial year, it ~~will~~ may be necessary to re-allocate/adjust budget allocations to facilitate dynamic changes to Council's operations. Any changes required should first consider the conditions of 4.3 above and should be made only if they do not contravene the requirements of ~~that said~~ clause. Such changes then made will be incorporated in the next available Budget Review Report and reflected in the ~~current~~ forecast budget for the remainder of the financial year.

All such, reallocations/adjustments should be enacted according to ~~delegations the guidelines listed below (see below) via the online Budget Adjustment Request~~

PO142 – Budget Reporting and Amendment Policy

~~Form available on Council's Intranet.~~ No commitments are to be made, or events occur, in relation to reallocations/adjustments of budget prior to the relevant approvals being obtained.

The following guidelines/delegations are to be observed for all reallocations/adjustments meeting the requirements of this clause:

- a) Balanced (zero net cash impact) reallocations/adjustments not exceeding \$20,000 can be approved by the relevant Director without referral to the CEO or Council.
- b) Unbalanced reallocations/adjustments - being those that will have an impact on the budget bottom line but not exceeding \$20,000 - require approval by both the relevant department Director and the CEO.
- c) All reallocations/adjustments of budgets from Capital to Operating, or Operating to Capital, require approval of the relevant Director and the CEO.
- d) Reallocations/adjustments exceeding \$20,000, but not exceeding \$50,000, can be approved by the CEO without referral to Council.
- e) ~~R~~For reallocations/adjustments exceeding \$50,000 must first obtain Council approval must be sought and obtained before any commitments are made, or events occur, that would result in activity outside of the above budget limits wherever practical.

Any change outside the scope of the Budget (i.e. result in changes to the Council adopted Budget operating surplus/deficit or adopted capital Budget) will be reported to Council via the quarterly Budget reviews.

4.7. Quarterly Budget Review Reporting

Budget Review Reports for quarters ending in September, December and March of each financial year will be prepared for Council as soon as practical after the end of each quarter with the December quarter (or mid-year) budget review to be completed and considered no later than 15 March in any given year. These reports ~~and~~ will detail all budget adjustments made due to changes in circumstances and opportunities under delegation and budget adjustments requiring Council approval. The report will include data presented in the format similar to Figure 1.1 in the LGA's Information Paper 25 – Monitoring Council Budget Performance a revised forecast of each item shown in its budgeted financial statements for the year compared with estimates set out in the original budget presented in a manner consistent with the Model Financial Statements. In addition, a report will also include the revised forecasts for the financial indicators as provided in note 14 of the Model Financial Statements.

Budget adjustments for the final quarter (April-June) of each financial year will not be formally reported to Council, ~~h~~However, where significant these adjustments will be included in a reporting accompanying Council's Annual Financial Statements. Further, they will also be included in Council's response to the Auditor's balance date audit Management Representation Letter, if relevant or requested. These adjustments should have no impact to the overall revised budget ~~be as unless they~~ result from the obtaining of grant funding or reflect the budget impact of a decision of Council made in between April and June.

PO142 – Budget Reporting and Amendment 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.

7. TRAINING

Council is committed to supporting employees in complying with this policy. Training needs will be reviewed annually, during individual performance reviews and as necessary in consideration of any changes to legislation and relevant standards, codes and guidelines. Staff will be made aware of the existence of this policy and their obligations under this policy.

8. RECORDS

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

9. RELATED COUNCIL POLICIES/PROCEDURES AND DOCUMENTS

[Budget Adjustment Request Online Form \(Intranet\)](#)

PO147 Complaints Policy

10. REFERENCES AND LEGISLATION

Local Government Act 1999

Local Government (Financial Management) Regulations 2011

LGA Information Paper 25 – Monitoring Council Budget Performance

11. COUNCIL DELEGATION

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

12. VERSION HISTORY

Version No	Issue Date	Description of Change
1	12/10/2011	Full Revision.
2	10/07/2013	Minor Revision.
3	08/07/2015	Minor Revision.
4	08/09/2021	Full Revision.
5	Xx/xx/xxxx	Minor Revision.

PO142 – Budget Reporting and Amendment Policy**ATTACHMENT 1: DEFINITIONS**

Term/Reference	Definition
Adopted Budget	The annual Budget position adopted by Council each year in accordance with Council's Annual Business Plan.
<u>Annual Business Plan (ABP)</u>	<u>Annual Business Plan (ABP) The annual business plan (ABP) is a council's statement of its intended programs and outcomes for the year. It links the council's longer-term planning for its area, as set out in its strategic management plans (SMPs) with the allocation of resources in its budget. The ABP also establishes the basis for review of the Council's performance over the year included in its annual report.20</u>
<u>Budget Adjustment Request Form</u>	<u>The online form available on Council's Intranet that must be used to request any budget adjustments.</u>
<u>Model Financial Statements</u>	<u>The Model Financial Statements set out a recommended format for the presentation of the 2025 Annual Financial Statements for South Australian Councils and all other bodies, including regional subsidiaries, established pursuant to the Local Government Act.</u>
<u>Revised Budget</u>	<u>Consists of the Adopted Budget adjusted for all approved amendments under this policy.</u>
<u>Significant Variance</u>	<u>Variances to budget exceeding 10%.</u>
<u>Uniform Presentation of Finances</u>	<p><u>The Local Government (Financial Management) Regulations require Councils to present financial information on a uniform and consistent basis in their Annual Financial Statements. They further require Long Term Financial Plans (LTFPs) are presented in a manner consistent with Uniform Presentation of Finance Note (Note 15) in the financial statements (Financial Management Regulation 2011, Regulation 5). The primary objective of this arrangement is to ensure that Councils provide a common 'core' of financial information in their LTFP and Annual Financial Statements, enabling more meaningful comparisons of each Council's finances.</u></p> <p><u>The uniform presentation adopted is based on a modified version of Whole of Government and General Government Sector Financial Reporting (AASB 1049) and Uniform Presentation Framework - April 2008 For the Presentation of Uniform Financial Information by Commonwealth, State and Territory Governments published by the Commonwealth Treasury.</u></p>



COUNCIL POLICY

Budget Reporting and Amendment

Policy Number:	PO142		
Strategic Plan Objective:	L – Responsible Leadership and Governance L4, Continue to meet all legislative requirements and compliance with Council's internal controls.		
Policy Owner:	Director Corporate and Community Services	Record Number:	16/14836[v5]
Responsible Officer:	Manager Financial Services	Minute Reference:	163/2024
Date Adopted:	08/09/2024	Next Review Date:	September 2025

1. POLICY OBJECTIVES

This policy provides direction to staff in relation to reporting performance against Council's adopted budget and amending Council's adopted budget where required.

The Policies intent is to provide Council administration with a framework within which to operate in regard to the following:

- The general guidelines, in relation to confirming the accuracy of budget information and the investigation of any significant variances.
- The content, timing and process to be followed for reporting to Council on its performance against budget.
- The scope and conditions associated with the Chief Executive Officer's (CEO) ability to respond to changes in circumstances or opportunities that are within the scope of the approved budget without first obtaining Council approval.
- The general guidelines, in relation to the carrying forward (roll over) of expenditure authority associated with projects included in the prior year's budget.
- Set guidelines for budget "transfers" where reallocation of budget amounts does not change the Council approved budget surplus/deficit or approved capital budget.

2. SCOPE

This policy provides guidance to budget managers within Council and highlights reporting requirements for performance against, and periodic amendments to, Council's adopted Budget.

PO142 – Budget Reporting and Amendment Policy

3. DEFINITIONS

Refer to Attachment 1.

4. POLICY STATEMENT**4.1. Management Reporting**

Budget information and reporting is accessed through Council's budgeting software.

Reporting is configured to show, financial data for the year to date, original and revised budget information, and outstanding committed expenditure at general ledger level for each budgeted project. Budget managers are responsible for analysing financial information relevant to their responsible business units/departments and identifying any variances or discrepancies for adjustment and/or correction. Analysis is to be undertaken quarterly as a minimum.

4.2. Budget Reporting to Council

A financial report will be prepared and included in the agenda of each Ordinary Meeting of Council. The report will include a revised budget of the Council's operating and capital activities compared with estimates set out in the original budget presented in a manner consistent with the note in the Model Financial Statements entitled *Uniform Presentation of Finances*. Accompanying this report will be a Capital Projects update report containing budget to actual information and commentary for all capital projects with a budget value greater than \$25,000.

Reports for the month of June will not be prepared and submitted to Council. June information will be included in the Annual Financial Statements and reported to Council no later than November each year.

4.3. Variations outside the scope of the Adopted Budget

Council approval must be obtained before commitments are made or events occur that would result in activity outside of the endorsed Budget.

In considering requests for a revision to its Budget, Council will consider the impact the approval may have on the achievement of the targets for financial indicators established in Council's original Budget. Council may also consider its capacity to increase revenue, or reduce expenditure to offset the variation and the merit of so doing.

4.4. Variations within the scope of the Adopted Budget

Where circumstances so warrant (e.g. for reasons of urgent necessity) the CEO may in consultation with the Mayor (and Elected Members if deemed necessary) respond to changes in circumstances or opportunities that are within the scope of the approved budget, providing that variations made do not:

- a) Exceed, in aggregate, threshold value limits for that function/activity outlined in the Budget.
- b) Materially impact on the quality, quantity, frequency, range or level of service previously provided for, or implicitly intended, in the original allocation; and
- c) Impact on any explicit proposals Council has included in its Annual Business Plan or has otherwise publicly committed to and accommodated for in the Annual Budget.

Whenever such changes are made, the following Budget Revision must include information explaining the rationale for the decision.

PO142 – Budget Reporting and Amendment Policy

4.5. Budget Carry Forwards (Roll Overs)

Funding approval for budgeted activities not yet started or completed at the end of a budget year is to be forfeited unless approval to carry-over the activity and associated budget allocation is granted by Council (including by the CEO under delegated authority as per conditions outlined in 4.3 above).

Whilst there may be one-off exceptions, operating activity budgeted for, but not expended, in any given year generally will not be carried forward to the following year. Identifiable operating projects that will not commence in the funding year which have been budgeted for should be re-evaluated and, where warranted, included in the budget for the following year at the time of its adoption. Similarly, capital projects that have not commenced in one year should be considered against other competing priorities in determining the content of the budget for the following year before being carried forward to the following year.

The scope and funding requirements of capital projects and major operating-type activities that are committed or underway but not completed at the end of one financial year need to be reviewed and the projects/activities considered for carrying forward at the August Council meeting in the following financial year.

Any request for carrying forward activity needs to clearly highlight whether the scope of each activity item, and its associated funding quantum, is proposed to be varied from that previously approved and if so the reasons for same. Any impact on the achievement of the targets for financial indicators established in Council's original budget for the current year should also be clearly identified.

4.6. Reallocation and Adjustment of Budgets

During any financial year, it may be necessary to re-allocate/adjust budget allocations to facilitate dynamic changes to Council's operations. Any changes required should first consider the conditions of 4.3 above and should be made only if they do not contravene the requirements of said clause. Such changes then made will be incorporated in the next available Budget Review Report and reflected in the forecast budget for the remainder of the financial year.

All such, reallocations/adjustments should be enacted according to the guidelines listed below. No commitments are to be made, or events occur, in relation to reallocations/adjustments of budget prior to the relevant approvals being obtained.

The following guidelines are to be observed for all reallocations/adjustments meeting the requirements of this clause:

- a) Balanced (zero net cash impact) reallocations/adjustments not exceeding \$20,000 can be approved by the relevant Director without referral to the CEO or Council.
- b) Unbalanced reallocations/adjustments - being those that will have an impact on the budget bottom line but not exceeding \$20,000 - require approval by both the relevant department Director and the CEO.
- c) All reallocations/adjustments of budgets from Capital to Operating, or Operating to Capital, require approval of the relevant Director and the CEO.
- d) Reallocations/adjustments exceeding \$20,000, but not exceeding \$50,000, can be approved by the CEO without referral to Council.
- e) Reallocations/adjustments exceeding \$50,000 must first obtain Council approval before any commitments are made, or events occur, that would result in activity outside of the above budget limits wherever practical.

PO142 – Budget Reporting and Amendment Policy

Any change outside the scope of the Budget (i.e. result in changes to the Council adopted Budget operating surplus/deficit or adopted capital Budget) will be reported to Council via the quarterly Budget reviews.

4.7. Quarterly Budget Review Reporting

Budget Review Reports for quarters ending in September, December and March of each financial year will be prepared for Council as soon as practical after the end of each quarter with the December quarter (or mid-year) budget review to be completed and considered no later than 15 March in any given year. These reports will detail all budget adjustments made due to changes in circumstances and opportunities and budget adjustments requiring Council approval. The report will a revised forecast of each item shown in its budgeted financial statements for the year compared with estimates set out in the original budget presented in a manner consistent with the Model Financial Statements. In addition, a report will also include the revised forecasts for the financial indicators as provided in note 14 of the Model Financial Statements.

Budget adjustments for the final quarter (April-June) of each financial year will not be formally reported to Council. However, where significant these adjustments will be included in a report accompanying Council's Annual Financial Statements. Further, they will also be included in Council's response to the Auditor's balance date audit Management Representation Letter, if relevant or requested. These adjustments should have no impact to the overall revised budget unless they result from the obtaining of grant funding or reflect the budget impact of a decision of Council made in between April and June.

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.

7. TRAINING

Council is committed to supporting employees in complying with this policy. Training needs will be reviewed annually, during individual performance reviews and as necessary in consideration of any changes to legislation and relevant standards, codes and guidelines. Staff will be made aware of the existence of this policy and their obligations under this policy.

8. RECORDS

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

9. RELATED COUNCIL POLICIES/PROCEDURES AND DOCUMENTS

PO147 Complaints Policy

10. REFERENCES AND LEGISLATION

Local Government Act 1999

PO142 – Budget Reporting and Amendment Policy

Local Government (Financial Management) Regulations 2011
LGA Information Paper 25 – Monitoring Council Budget Performance

11. COUNCIL DELEGATION

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

12. VERSION HISTORY

Version No	Issue Date	Description of Change
1	12/10/2011	Full Revision.
2	10/07/2013	Minor Revision.
3	08/07/2015	Minor Revision.
4	08/09/2021	Full Revision.
5	Xx/xx/xxxx	Minor Revision.

PO142 – Budget Reporting and Amendment Policy**ATTACHMENT 1: DEFINITIONS**

Term/Reference	Definition
Adopted Budget	The annual Budget position adopted by Council each year in accordance with Council's Annual Business Plan.
Annual Business Plan (ABP)	Annual Business Plan (ABP) The annual business plan (ABP) is a council's statement of its intended programs and outcomes for the year. It links the council's longer-term planning for its area, as set out in its strategic management plans (SMPs) with the allocation of resources in its budget. The ABP also establishes the basis for review of the Council's performance over the year included in its annual report. ²⁰
Model Financial Statements	The Model Financial Statements set out a recommended format for the presentation of the 2025 Annual Financial Statements for South Australian Councils and all other bodies, including regional subsidiaries, established pursuant to the Local Government Act.
Revised Budget	Consists of the Adopted Budget adjusted for all approved amendments under this policy.
Significant Variance	Variances to budget exceeding 10%.
Uniform Presentation of Finances	<p>The Local Government (Financial Management) Regulations require Councils to present financial information on a uniform and consistent basis in their Annual Financial Statements. They further require Long Term Financial Plans (LTFPs) are presented in a manner consistent with Uniform Presentation of Finance Note (Note 15) in the financial statements (Financial Management Regulation 2011, Regulation 5). The primary objective of this arrangement is to ensure that Councils provide a common 'core' of financial information in their LTFP and Annual Financial Statements, enabling more meaningful comparisons of each Council's finances.</p> <p>The uniform presentation adopted is based on a modified version of Whole of Government and General Government Sector Financial Reporting (AASB 1049) and Uniform Presentation Framework - April 2008 For the Presentation of Uniform Financial Information by Commonwealth, State and Territory Governments published by the Commonwealth Treasury.</p>

9.8 SEPTEMBER QUARTERLY BUDGET REVIEW 2025/2026**Document #:** 25/101614**Department:** Corporate and Community Services**PURPOSE**

That the Audit and Risk Committee receive Council's endorsed of the September quarterly budget review (as at 30 September 2025) of Council's 2025/2026 Budget and associated financial statements, ratios, and adjustments.

RECOMMENDATION

That the Audit & Risk Committee receive the endorsed 2025/2026 September Budget Review adjustments 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:** Goal L - Responsible Leadership and governance**Strategy:** L.3. Delivery of core services, including city amenity and the renewal of assets.

L.4. Continue to meet all legislative requirements and compliance with Council's internal controls.

L.5. Advocate for an increase in new revenue streams – rates from new developments; fees and charges; commercial opportunities.

L.6. Demonstrate Council's commitment to openness and transparency by providing regular performance updates and reporting on the progress of strategies.

BACKGROUND

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

Council's PO142 Budget Reporting and Amendment Policy (Policy) requires quarterly budget reviews i.e. September, December and March. This is the first (as at 30 September 2025) of three quarterly budget reviews for the 2025/2026 financial year.

This budget review was endorsed by Council at its meeting held on Wednesday, 12 November 2025.

DISCUSSION

Council's adopted budget has been reviewed taking into consideration the following items:

- Council decisions made since the adoption of the original budget;
- Technical accounting advice in relation to grant funding and capital works under the South Australian Jetties Renewal Program for Ardrossan and Edithburgh jetties; and
- Status of capital projects including consideration of projects rolled over from 2024/2025 for completion in the current financial year (minute reference 237/2025 (13/08/2025)).

All adjustments, requested in accordance with the Policy, have been included in the attached documents (Attachments 1-7).

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

The future December 2025 quarter budget adjustment will provide a full review of Council's budget to incorporate all known adjustments to mid-year.

Budgeted Operating Surplus/(Deficit)

As a result of proposed adjustments in this review, including previously endorsed budgets for projects/expenditure rolled over from 2024/2025, Council's forecast Operating Deficit for 2025/2026 is approximately \$3.2m. This is an improvement of approximately \$2.5m to the adopted 2025/2026 Operating Deficit of \$5.7m.

The improvement to Council's budgeted operating bottom line is due to a reclassification of \$6.0m in operating expenditure in relation to the Ardrossan and Edithburgh jetties to capital renewal. The benefit of this expenditure reclassification is partially offset by approximately \$3.5m in expenditure brought into the 2025/2026 budget from incomplete and rolled over 2024/2025 projects.

When considering the details contained in this report it should be noted that the current budget contains the following major assumptions:

- No adjustment to the Financial Assistance Grant (FA Grants) budget allocation (assumes roughly 50% prepayment of the 2026/2027 allocation early in 2025/26. This assumption may be revisited in future budget reviews).
- Completion of all operating and capital projects prior to 30 June 2026; and
- Recognition of all presently known, and budgeted, grant income in 2025/2026.

The extent to which these assumptions eventuate will further impact the financial results elaborated on below.

Major Impacts

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

Operating Income

- **\$60,090 reallocation** of building compliance inspection income on change of classification from Statutory to Reimbursement (no impact to Council's operating result).
- **\$3,000,000 reallocation** of Jetties Renewal Program grant income from grants, subsidies and contribution (operating) to grant income from grants, subsidies and contribution (capital) income based on technical accounting advice received (no impact to Council's operating result).
- **\$71,071 decrease** to Municipal Services Program (MUNS) grant funding rolled over from 2024/25. During preparation of annual financial statements for 2024/25 more MUNS funding was recognised than envisaged reducing the effective amount remaining to be rolled over into 2024/25.

Operating Expenditure

- **\$43,133 reallocation** of personal protective equipment budget from employee costs to materials, contracts, and other expenditure (no impact to Council's operating result).
- **\$6,000,000 decrease** to materials, contracts and other expenditure relating to Jetties Renewal Program works on Ardrossan and Edithburgh Jetties. Expenditure reclassified as capital renewal based on technical accounting advice received (positive impact on Council's operating result and asset renewal ratio).
- **\$50,000 increase** to materials, contracts, and other expenditure for Ardrossan CWMS treated effluent storage dam desludging. Project was on the list of approved rollovers from 2024/25 but value of rollover was not listed.

- **\$135,120 increase** to enable development of coastal defence design plans for Foul Bay. Related grant income totalling \$63,000 was recognised in 2024/25.
- **\$30,000 increase** to fund purchase of geotextile bags to assist in storm damage restoration works at Mud Alley, Foul Bay per Council resolution 240/2025 (13/08/2025).

Capital Income

- **\$48,055 decrease** to Stansbury Seawall project funding rolled over from 2024/25. During preparation of annual financial statements for 2024/25, more Stansbury Seawall related income was recognised than envisaged reducing the effective amount remaining to be rolled over into 2024/25.

Capital Renewal Expenditure

- **\$6,000,000 increase** to capital renewal expenditure relating to Jetties Renewal Program works on Ardrossan and Edithburgh Jetties. Expenditure reclassified as capital renewal based on technical accounting advice received (positive impact on Council's operating result and asset renewal ratio).

New/Upgrade Capital Expenditure

- No adjustments requested.

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

Budgeted Capital Expenditure

Council's proposed capital expenditure budget, after the proposed first quarter budget review adjustments and projects/expenditure rolled over from 2024/2025, is approximately \$27.3m. This includes the initially adopted budget of \$18.1m to which \$3.2m in project expenditure rolled over from 2024/2025 was added in August 2025, along with a further \$6.0m in quarterly budget adjustments included in this report.

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 \$27.3m, \$21.4m is budgeted to be spent on renewal and replacement of existing assets, while \$5.9m is budgeted to be spent on upgrade of existing assets and acquisition of new assets.

Budgeted Cash Flow

Following the proposed adjustments in this budget review and roll over expenditure being included in this year's budget and adjustment of opening cash balance in line with draft 2025/2026 audited General Purpose Financial Statements, Council's forecast closing cash and cash equivalents as at 30 June 2026 is approximately \$1.5m which is an increase of approximately \$727,000 against the original adopted budget. This increase can be attributed to the impact of rolled over 2024/2025 project expenditure which is offset by a better-than-expected closing cash position as at 30 June 2025.

Uniform Presentation of Finances

The proposed end of year Annual Net Impact to Financing Activities position has increased the originally adopted \$6.4m deficit to a \$12.4m deficit. This is primarily due to the impact of net \$5.6m in budget rolled over from 2024/2025 for incomplete or unstarted projects. Budget rollovers totalled approximately \$3.5m in operating projects and \$3.2m in capital projects less \$1.1m in associated income.

The Adjusted Annual Net Impact to Financing Activities is a flow measure that takes into account both operating and capital activities for the financial year. Achieving a zero result on the Adjusted Annual Net Impact to Financing Activities measure in any one year means that the Council has met all of its expenditure (both operating and capital) from the current year's income (with income including amounts received specifically for new/upgrade assets). A net deficit result increases a

Council's level of net financial liabilities whereas a net surplus result reduces the level of net financial liabilities.

Council's forecast result for 2025/2026 shows that operating and capital activities are expected to exceed current year income by \$12.4m. Council's adopted budget, and Long Term Financial Plan (LTFP) both forecast an increase to net financial liabilities for 2025/2026 driven by an increase in borrowings and decrease to cash and cash equivalents.

More detail on the movements contributing to the Annual Net Impact to Financing Activities 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 and inclusion of projects/expenditure rolled over from 2024/2025, forecasts for Council's Financial Indicators have changed.

Council's Operating Surplus Ratio (OSR) is forecast to be -6.9%, which is a improvement of 5.2% 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 breakeven or 0%.

The Net Financial Liabilities Ratio (NFLR) is forecast to be 23%, which is an improvement of 4% on the original adopted budget. The reasons for this have been detailed earlier in this report. The forecast ratio remains well within Council's LTFP target of 100%.

Council's forecast Asset Renewal Funding Ratio (ARFR) is forecast to be 99%, representing a 33% increase to the original forecast. The increase is primarily due to reclassification of \$6.0m in budget expenditure on works to leased Jetties at Ardrossan and Edithburgh. It should be noted that over the last five years Council has averaged an ARFR of 62%. Through upcoming reviews of its LTFP, Strategic Asset Management Plan and asset revaluation processes, Council will aim to achieve an average ARFR of 100%.

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

COMMUNITY ENGAGEMENT PLAN

Level 1 - Inform

CONSULTATION PROCESS

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

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

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

- Nil

POLICY IMPLICATIONS

PO142 Budget Reporting and Amendment Policy

BUDGET AND RESOURCE IMPLICATIONS

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

RISKS/LEGAL/LEGISLATIVE/ IMPLICATIONS

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

Local Government Act 1999

Local Government (Financial Management) Regulations 2011

ATTACHMENTS

1. **Summary of Changes - September 2025** [↓](#)
2. **Budgeted Statement of Comprehensive Income 2025/2026 - September 2025** [↓](#)
3. **Budgeted Statement of Financial Position 2025/2026 - September 2025** [↓](#)
4. **Budgeted Statement of Cash Flows 2025/2026 - September 2025** [↓](#)
5. **Budgeted Statement of Changes in Equity 2025/2026 - September 2025** [↓](#)
6. **Budgeted Uniform Presentation of Finances 2025/2026 - September 2025** [↓](#)
7. **Budgeted Financial Indicators (Ratios) 2025/2026 - September 2025** [↓](#)

YORKE PENINSULA COUNCIL 2025/2026 BUDGET SUMMARY OF CHANGES - SEPTEMBER QUARTER BUDGET REVIEW			
Type	Note #	Amount Increase/ (Decrease)	Reason for Variance
OPERATING INCOME			
Rates	1	\$0	Nil adjustments.
Statutory Charges	2	\$60,090	Reclassification, increase statutory income and decrease reimbursement income, relating to building compliance inspections, nil impact to operating result (refer item 10).
User Charges	3	(\$4,597)	Reclassification, increase to reimbursement income and decrease to user charges income, relating to additional waste bin sales, nil impact to operating result (refer item 11).
	4	(\$4,559)	Reclassification increase to reimbursement income and decrease to user charges income, relating to recovery of third party equipment leases expenditure, nil impact to operating result (refer item 12).
	5	(\$2,423)	Reclassification increase to reimbursement income and decrease to user charges income, relating to commercial use of footpath permit, nil impact to operating result (refer item 13).
Grants, subsidies and contributions (capital)	6	\$3,000,000	Reclassification to grant income under the Jetties Renewal Program for renewal of leased jetties in Ardrossan and Edithburgh, decrease operating grants, nil impact to operating result.
Grants, subsidies and contributions (operating)	7	(\$3,000,000)	Reclassification to grant income under the Jetties Renewal Program for renewal of leased jetties in Ardrossan and Edithburgh, increase capital grants, nil impact to operating result.
	8	(\$71,071)	Decrease to Municipal Services Program grant income, amount recognised as income in 2024/25.
Investment income	9	\$0	Nil adjustments.
Reimbursements	10	(\$60,090)	Reclassification, increase statutory income and decrease reimbursement income, relating to building compliance inspections, nil impact to operating result (refer item 2).
	11	\$4,597	Reclassification, increase to reimbursement income and decrease to user charges income, relating to additional waste sales purchases (refer item 3).
	12	\$4,559	Reclassification increase to reimbursement income and decrease to user charges income, relating to recovery of third party equipment leases expenditure (refer item 4).
	13	\$2,423	Reclassification increase to reimbursement income and decrease to user charges income, relating to commercial use of footpath permit (refer item 5).
Other income	14	\$0	Nil adjustments.
OPERATING EXPENDITURE			
Employee Costs	15	(\$43,133)	Reclassification of personal protective equipment (PPE) expenditure to materials, contracts and other expenditure, nil impact to operating result (refer item 17).
Materials, contracts & other expenses	16	(\$6,000,000)	Reclassification of expenditure to renew leased jetties in Ardrossan and Edithburgh under the South Australian Jetties Renewal Program, now classified as Capital Renewal (refer item 27).
	17	\$43,133	Reclassification of personal protective equipment (PPE) expenditure, previously listed as employee cost (refer item 17).
	18	\$50,000	Rollover item for Ardrossan CWMS treated effluent storage dams desludging did not include a dollar value in the August 2025 Council report. Increase requested to reflect rollover of remaining 2024/25 budget allocation.

YORKE PENINSULA COUNCIL 2025/2026 BUDGET SUMMARY OF CHANGES - SEPTEMBER QUARTER BUDGET REVIEW			
Type	Note #	Amount Increase/ (Decrease)	Reason for Variance
	19	\$135,120	Foul Bay Coastal Defence Design project not previously budgeted, increase budget to facilitate design per Council resolution (247/2025). Note, associated grant income recognised in 2024/25.
	20	\$30,000	Increase budget to fund purchase of Mud Alley geotextile bags to assist in storm damage restoration works, Council resolution (240/2025).
Depreciation	21	\$0	Nil adjustments.
Finance Costs	22	\$0	Nil adjustments.
CAPITAL INCOME			
Physical Assets Received Free of Charge	23	\$0	Nil adjustments.
Asset Disposals	24	\$0	Nil adjustments.
Amounts Received Specifically for New/Upgrade Assets	25	(\$48,055)	Reduction to income rolled over from 2024/25 relating to Stansbury seawall project as amount was recognised as income in 2024/25.
CAPITAL EXPENDITURE - RENEWAL			
Capital Expenditure - Renewal	26	\$6,000,000	Reclassification of expenditure to renew leased jetties in Ardrossan and Edithburgh under the South Australian Jetties Renewal Program, now classified as Capital Renewal (refer item 16).
CAPITAL EXPENDITURE - NEW/UPGRADE			
Capital Expenditure - New/Upgrade	27	\$0	Nil adjustments.

YORKE PENINSULA COUNCIL 2025/2026 BUDGET BUDGETED STATEMENT OF COMPREHENSIVE INCOME					
	2025/2026 Revised Budget \$('000)	2025/2026 September Budget Adjustments \$('000)	2025/2026 Rolled Over Budget Adjustments \$('000)	2025/2026 Adopted Budget \$('000)	Notes
INCOME					
Rates	32,500			32,500	
Statutory Charges	580	62		518	2
User Charges	5,939	(11)		5,950	3-5
Grants, subsidies, contributions - Operating	3,150	(3,071)	165	6,056	6
Grants, subsidies, contributions - Capital	4,389	3,000	34	1,355	7-8
Investment Income	180			180	
Reimbursements	100	(51)		151	9-13
Other Income	166			166	
Total Income	47,004	(71)	199	46,877	
EXPENSES					
Employee costs	12,789	(43)		12,832	15
Materials, contracts and other expenses	22,284	(5,742)	3,477	24,549	16-20
Depreciation	14,981			14,981	
Finance Costs	187			187	
Total Expenses	50,241	(5,785)	3,477	52,549	
OPERATING SURPLUS/(DEFICIT) BEFORE CAPITAL AMOUNTS	(3,237)	5,714	(3,278)	(5,672)	
Amounts received specifically for New or Upgrade assets	2,679	(48)	876	1,851	25
Physical resources free of charge	0				
Asset disposal and fair value adjustments	0			0	
NET SURPLUS/(DEFICIT)	(558)	5,666	(2,402)	(3,821)	
Other Comprehensive Income					
Changes in revaluation surplus - IPP&E	0			0	
Total Other Comprehensive Income	0	0	0	0	
TOTAL COMPREHENSIVE INCOME	(558)	5,666	(2,402)	(3,821)	

Note: Totals may not add due to rounding

YORKE PENINSULA COUNCIL 2025/2026 BUDGET BUDGETED STATEMENT OF FINANCIAL POSITION					
	2025/2026 Revised Budget \$(’000)	2025/2026 September Budget Adjustments \$(’000)	2025/2026 Rolled Over Budget Adjustments \$(’000)	2025/2026 Adopted Budget \$(’000)	Notes
ASSETS					
Current Assets					
Cash & Equivalent Assets	1,454	(1,477)	2,203	728	
Trade & Other Receivables	2,140	(136)	117	2,159	
Inventories	921	(224)	135	1,010	
Total Current Assets	4,515	(1,837)	2,455	3,897	
Non-Current Assets					
Financial Assets	27			27	
Infrastructure, Property, Plant & Equipment	384,885	6,000	26,821	352,064	
Total Non-Current Assets	384,912	6,000	26,821	352,091	
Total Assets	389,427	4,163	29,276	355,988	
LIABILITIES					
Current Liabilities					
Trade & Other Payables	4,198	(1,501)	390	5,309	
Borrowings	1,408			1,408	
Provisions	2,073	(1)		2,074	
Other Current Liabilities					
Total Current Liabilities	7,679	(1,501)	390	8,790	
Non-Current Liabilities					
Trade & Other Payables	159			159	
Borrowings	6,526			6,526	
Provisions	127			127	
Total Non-Current Liabilities	6,812	0	0	6,813	
Total Liabilities	14,491	(1,501)	390	15,603	
NET ASSETS	374,936	5,664	28,886	340,385	
EQUITY					
Accumulated Surplus	(2,542)	5,665	(1,751)	(6,456)	
Asset Revaluation Reserve	371,242		29,891	341,351	
Other Reserves	6,236		746	5,490	
TOTAL EQUITY	374,936	5,665	28,886	340,385	

Note: Totals may not add due to rounding

YORKE PENINSULA COUNCIL 2025/2026 BUDGET BUDGETED STATEMENT OF CASH FLOWS					
	2025/2026 Revised Budget \$('000)	2025/2026 September Budget Adjustments \$('000)	2025/2026 Rolled Over Budget Adjustments \$('000)	2025/2026 Adopted Budget \$('000)	Notes
CASH FLOWS FROM OPERATING ACTIVITIES					
<u>Receipts</u>					
Rates Receipts	32,471			32,471	
Statutory Charges	581	62		519	2
User Charges	5,930	(11)		5,941	3-5
Grants, subsidies, contributions (Operating Purpose)	3,023	(3,907)	209	6,721	6
Investment Receipts	187			187	7-8
Reimbursements	105	(51)		156	
Other Revenue	50			50	9-13
<u>Payments</u>					
Employee Costs	(12,767)	43		(12,810)	15
Materials, contracts & other expenses	(22,222)	5,536	(3,353)	(24,405)	16-20
Finance Costs	(187)			(187)	
Net Cash provided by (or used in) Operating Activities	7,171	1,672	(3,144)	8,643	
CASH FLOWS FROM INVESTING ACTIVITIES					
<u>Receipts</u>					
Grants utilised for capital purposes	4,314	2,898	33	1,383	
Amounts Specifically for New/Upgraded Assets	2,825	(47)	847	2,025	
Sale of Renewed/Replaced Assets	376			376	
Sale of Surplus Assets	0			0	
Repayments of Loans by Community Groups	90			90	
<u>Payments</u>					
Expenditure on Renewal/Replacement of Assets	(21,420)	(6,000)	(1,225)	(14,195)	27
Expenditure on New/Upgraded Assets	(5,914)		(1,989)	(3,925)	
Net Cash Provided by (or used in) Investing Activities	(19,729)	(3,149)	(2,334)	(14,245)	
CASH FLOWS FROM FINANCING ACTIVITIES					
<u>Receipts</u>					
Proceeds from Borrowings	5,000			5,000	
<u>Payments</u>					
Repayments of Borrowings	(1,234)			(1,234)	
Repayment of Finance Lease Liabilities	0				
Net Cash provided by (or used in) Financing Activities	3,766	0	0	3,766	
Net Increase/(Decrease) in cash held	(8,792)	(1,477)	(5,478)	(1,837)	
Opening cash, cash equivalents or (bank overdraft)	10,246		7,682	2,564	
Closing cash, cash equivalents or (bank overdraft)	1,454	(1,477)	2,204	727	

Note: Totals may not add due to rounding

YORKE PENINSULA COUNCIL 2025/2026 BUDGET BUDGETED STATEMENT OF CHANGES IN EQUITY					
2024/2025 Revised Budget	Accumulated Surplus \$('000)	Asset Revaluation Reserve \$('000)	Other Reserves \$('000)	Total Equity \$('000)	Notes
Balance at end of previous reporting period	(1,984)	371,242	6,236	375,494	
Net Surplus/ Deficit for Year	(558)	0	0	(558)	
Total Comprehensive Income	(558)	0	0	(558)	
Balance at end of period	(2,542)	371,242	6,236	374,936	
2024/2025 Budget Adjustments	Accumulated Surplus \$('000)	Asset Revaluation Reserve \$('000)	Other Reserves \$('000)	Total Equity \$('000)	Notes
Balance at end of previous reporting period	651	29,891	746	31,288	
Net Surplus/ Deficit for Year	3,263	0	0	3,263	
Total Comprehensive Income	3,263	0	0	3,263	
Balance at end of period	3,914	29,891	746	34,551	
2024/2025 Adopted Budget	Accumulated Surplus \$('000)	Asset Revaluation Reserve \$('000)	Other Reserves \$('000)	Total Equity \$('000)	Notes
Balance at end of previous reporting period	(2,635)	341,351	5,490	344,206	
Net Surplus/ Deficit for Year	(3,821)	0	0	(3,821)	
Total Comprehensive Income	(3,821)	0	0	(3,821)	
Balance at end of period	(6,456)	341,351	5,490	340,385	

Note: Totals may not add due to rounding

YORKE PENINSULA COUNCIL 2025/2026 BUDGET BUDGETED UNIFORM PRESENTATION OF FINANCES					
	2025/2026 Revised Budget	2025/2026 September Budget Adjustments	2025/2026 Rolled Over Budget Adjustments	2025/2026 Adopted Budget	Notes
Income					
Rates	32,500	0	0	32,500	
Statutory Charges	580	62	0	518	2
User Charges	5,939	(11)	0	5,950	3-5
Grants, subsidies, contributions - Capital	4,389	3,000	34	1,355	6
Grants, subsidies, contributions - Operating	3,150	(3,071)	165	6,056	7-8
Investment Income	180	0	0	180	
Reimbursements	100	(51)	0	151	9-13
Other Income	166	0	0	166	
Total Income	47,004	(71)	199	46,876	
Expenses					
Employee costs	12,789	(43)	0	12,832	15
Materials, contracts and other expenses	22,284	(5,742)	3,477	24,549	16-20
Depreciation	14,981	0	0	14,981	
Finance Costs	187	0	0	187	
Total Expenses	50,241	(5,785)	3,477	52,549	
Operating Surplus/(Deficit) before Capital Amounts	(3,237)	5,714	(3,278)	(5,673)	
Timing adjustment for grant revenue					
Less: Grants subsidies and contributions - Capital	4,389	3,000	34	1,355	
Adjusted Operating Surplus/ (Deficit)	(7,626)	2,714	(3,312)	(7,028)	
Net Outlays on Existing Assets					
Capital Expenditure on Renewal/Replacement of Existing Assets	(21,420)	(6,000)	(1,225)	(14,195)	27
Add back Depreciation, Amortisation & Impairment	14,981	0	0	14,981	
Add back Grants, Subsidies, and Contributions - Capital Renewal	4,389	3,000	34	1,355	
Add back Proceeds from Sale of Replaced Assets	376	0	0	376	0
	(1,674)	(3,000)	(1,191)	2,517	
Net Outlays on New and Upgraded Assets					
Capital Expenditure on New/Upgraded Assets	(5,914)	0	(1,989)	(3,925)	
Add back Amounts Specifically for New/Upgraded Assets	2,825	(47)	847	2,025	25
Add back Proceeds from Sale of Surplus Assets	0	0	0	0	
	(3,089)	(47)	(1,142)	(1,900)	
Annual Net Impact to Financing Activities (surplus/(deficit))	(12,389)	(333)	(5,645)	(6,411)	

Note: Totals may not add due to rounding

YORKE PENINSULA COUNCIL 2025/2026 BUDGET BUDGETED FINANCIAL INDICATORS (RATIOS)				
	2025/2026 Revised Budget	2025/2026 September (including roll overs) Budget Adjustments	2025/2026 Adopted Budget	Notes
Operating Surplus Ratio (OSR)	(6.9%)	5.2%	(12.1)%	2-20
<i>Operating Surplus - \$'000</i>	<i>(3,237)</i>			
<i>Total Operating Income - \$'000</i>	<i>47,004</i>			
Net Financial Liabilities Ratio (NFLR)	23%	(4%)	27%	27
<i>Net Financial Liabilities - \$'000</i>	<i>10,870</i>			
<i>Total Operating Income - \$'000</i>	<i>47,004</i>			
Asset Renewal Funding Ratio (ARFR)	99%	33%	66%	27
<i>Asset Renewals - \$'000</i>	<i>21,420</i>			
<i>Asset Renewal Commitments per SAMP - \$'000</i>	<i>21,666</i>			

Note: Totals may not add due to rounding

9.9 REPORT ON EXCESS ANNUAL LEAVE ENTITLEMENTS**Document #:** 25/93981**Department:** Corporate and Community Services**PURPOSE**

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

RECOMMENDATION

That the report be received.

LINK TO STRATEGIC PLAN**Goal:** Goal L - Responsible Leadership and governance**Strategy:** L.4. Continue to meet all legislative requirements and compliance with Council's internal controls.**BACKGROUND**

At the May 2024 Audit and Risk Committee (Committee) meeting it was agreed that Council will provide a regular (6-monthly) update on excess annual leave entitlements to the Committee on a regular basis.

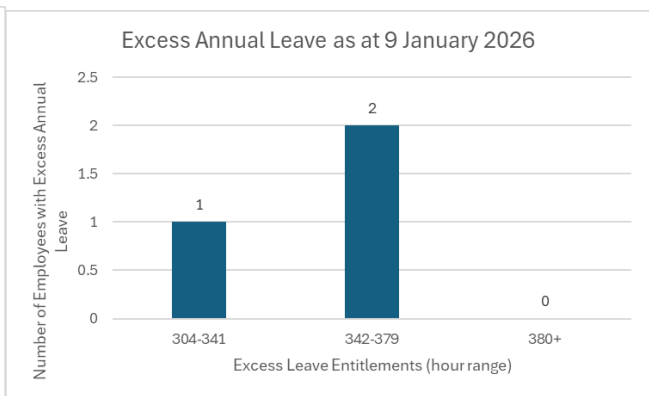
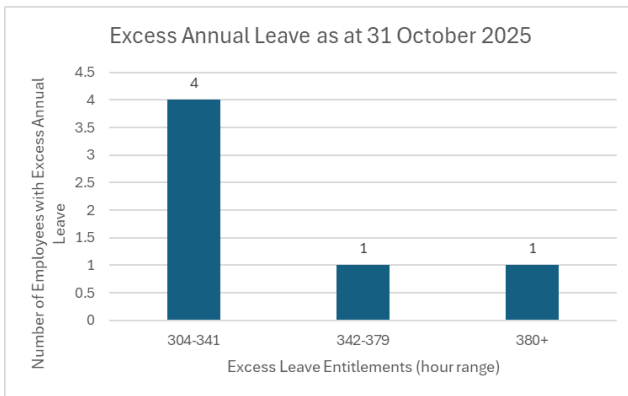
DISCUSSION

Council's current PO173 Leave Management Policy (Policy) defines excess leave as an employee accruing leave entitlements 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 fluctuate during the year as balances naturally increase and decrease as employees accrue and access their 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 work through their future planned leave arrangements. To ensure appropriate risk management strategies are put in place, a Leave Management Plan is then created and monitored routinely/

As at Friday 31 October 2025, six employees have excess annual leave balances, equating to 4.28% of all employees. However, four of these employees have approved annual leave applications in place for November and December. All employees are required to have leave management plans and/or approved leave applications in place.

The following graphs show the number of employees in excess as at 31 October 2025 and then again as of 9 January 2026 (end of Pay 15), projecting the affected employees annual leave balance (accrual and leave taken).



It is noted that two of the employees projected to remain with excess leave entitlements have not currently submitted leave applications for the Christmas office shut down period, with leave during this period expected to be taken.

COMMUNITY ENGAGEMENT PLAN

Level 1 - Inform

CONSULTATION PROCESS

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

- Corporate Management Team
- Acting Manager People Culture and Safety

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 full four weeks entitlement will be taken during the year. For inside staff, the full four 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 2024

YPC Municipal Officers Enterprise Agreement 2024

ATTACHMENTS

Nil

9.10 ASSET MANAGEMENT UPDATE**Document #:** 25/101613**Department:** Assets and Infrastructure Services**PURPOSE**

To provide the Audit and Risk Committee (the Committee) with an update on current Asset Management activities.

RECOMMENDATION

That the report be received.

LINK TO STRATEGIC PLAN**Goal:** Goal A - Strategic management of Council infrastructure, services and assets**Strategy:** A.1. Develop and deliver on Asset Management Plans for all asset classes.**Goal:** Goal L - Responsible Leadership and governance**Strategy:** L.3. Delivery of core services, including city amenity and the renewal of assets.

L.4. Continue to meet all legislative requirements and compliance with Council's internal controls.

BACKGROUND

The Committee assist Council in meeting its responsibilities in relation to asset management. This report is provided for the purpose of keeping the Committee informed on the status of asset management plan reviews and valuations currently being undertaken by Council's administration.

DISCUSSION**Strategic Asset Management Plan (SAMP)**

Staff have commenced the first annual review of the SAMP to update it with the latest asset and financial data. This review will seek to create better alignment between the SAMP and Council's Long Term Financial Plan (LTFP) to assist with strategic decision making and assessment of financial sustainability.

The current SAMP summarises activities and expenditure projections from current individual asset registers, annual budget, and Council's LTFP to achieve the asset management objectives.

The revised SAMP is due for presentation to the Committee at its February 2026 meeting for recommendation to Council that it be released for public consultation. The annual review of the SAMP is to coincide with the annual review of the LTFP.

Marine Assets Valuation

Council recently went to tender seeking quotations to undertake an assessment and valuation report on our marine assets inclusive of boat ramps, rock walls, groynes, and breakwaters. The scope of works (tender) has been awarded to Tonkin.

The scope of work includes:

- Development of a digitised register

- Componentisation of relevant assets
- Condition assessment
- Valuation of assets

At present, identified marine assets sit within the Building and Structures register or Other Assets registers. These assets will be revalued and transferred into the newly created marine asset register. This project will also identify assets which are not currently included in Council's asset registers, leading to an overall increase in the overall asset valuation and depreciation expenses. Increases to overall asset valuation and depreciation expenses will also occur due to revaluation of marine assets which are currently listed at cost in the Other Assets register.

The Marine Asset Valuation and Methodology report will be presented to the Committee at its May 2026 meeting.

Transport Assets Valuation

Tonkin have been engaged to undertake a valuation of Transport Assets as of 1 July 2025, these assets being:

- Roads (Sealed and Unsealed)
- Kerbing
- Footpaths
- Airfields
- Carparks

The valuation process will include:

- staff undertaking a full field condition assessment of each asset and then reviewing this data to determine the "condition at end of life" for the purpose of the valuation and future financial modelling.
- a review of methodologies and current practices used to manage these assets including:
 - a full unit rate review being undertaken using current project and contract costs.
 - a review of each asset types estimated Standard Useful Life
 - using updated asset information, including the length and width, of road and footpath assets.

The Transport Asset Valuation and Methodology report will be presented to the Committee at its May 2026 meeting.

COMMUNITY ENGAGEMENT PLAN

Level 1 - Inform

CONSULTATION PROCESS

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

- Corporate Management Team
- Asset Manager
- Operations Manager
- Works Manager
- Manager Financial Services
- Financial Operations Accountant

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

- Tonkin

POLICY IMPLICATIONS

PO128 Asset Management Policy

BUDGET AND RESOURCE IMPLICATIONS

Simple but soundly based asset management and financial plans allow Council to ascertain sustainable service levels, affordable asset acquisition strategies, cost-effective maintenance regimes, and corresponding funding requirements.

Annual review of the SAMP allows Council to model its future budget and LTFP on the most accurate information available.

Maintaining an accurate understanding of asset values enables Council to provide for depreciation in a more timely and accurate way, avoiding sudden jumps in rates that can arise from delayed recognition of depreciation. However, it is likely that creation of the marine asset register will increase the value of required asset renewal and depreciation due to the revaluation of assets presently recorded at cost value and the identification of additional assets.

Failure to revalue assets in accordance with relevant standards or frequency may also lead to an Audit qualification.

RISKS/LEGAL/LEGISLATIVE/ IMPLICATIONS

Local Government Act 1999

ATTACHMENTS

Nil

10 NEW AND EMERGING RISKS / ISSUES

11 GENERAL BUSINESS

12 NEXT MEETING

Tuesday 24 February 2026

13 CLOSURE