



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

Date: Tuesday, 30 October 2018
Time: 3.00pm
Location: Council Chambers
57 Main Street
Minlaton

AGENDA

Audit Committee Meeting

30 October 2018

A handwritten signature in black ink, appearing to read 'David Harding', is positioned to the right of the text.

David Harding
DIRECTOR CORPORATE AND COMMUNITY SERVICES

CONFLICT OF INTEREST

Members are reminded of the requirements for disclosure by Members of direct or indirect pecuniary benefit or detriment and non-pecuniary benefit or detriment in relation to a material conflict of interest in accordance with Section 73, or an actual or perceived conflict of interest in accordance with Section 75 of the Local Government Act in items listed for consideration on the Agenda. Section 74 and 75A of the Local Government Act 1999 requires that Elected Members declare any interest and provide full and accurate details of the relevant interest to the Council. In relation to actual or perceived conflicts of interest a member has an obligation to outline how they propose to deal with the actual or perceived conflict of interest prior to consideration of that item on the Agenda.

This requirement does not apply to Ordinary Business Matters prescribed by regulation 8AAA Local Government Act (General) (Accountability and Governance) Variation Regulations 2016.

Each Member of a Council has a duty to vote at all meetings unless excepted by legislation.

The major exception being where a Member has a material conflict of interest.

Agenda

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	Wednesday 12 December 2018	
11	Closure	44

1 WELCOME AND AKNOWLEDGEMENT OF COUNTRY BY CHAIRPERSON

Meeting declared opened

2 PRESENT

3 LEAVE OF ABSENCE

Nil

4 APOLOGIES

Nil

5 CONFLICT OF INTEREST

6 MINUTES OF PREVIOUS MEETING – FOR CONFIRMATION

Audit Committee Meeting - 26 September 2018

7 VISITORS TO THE MEETING

REPORTS

REPORTS**8 NEW BUSINESS****8.1 AUDIT COMMITTEE 2018 - WORK PLAN****Document #:** 18/76985**Department:** Corporate and Community Services**PURPOSE**

To consider the updated 2018 Audit Committee Work Plan.

RECOMMENDATION

That the Audit Committee endorse the updated 2018 Audit Committee Work Plan.

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

5.2 Effective leadership and informed decision making

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

5.5 Undertake effective risk management

5.8 Continuous improvement of Council processes

BACKGROUND

As stated in clause 2 of the Audit Committee Terms of Reference, 26 October 2016, the objective of the Audit Committee is to assist the Council in the conduct of its responsibilities for the management of risk, corporate and financial governance and legal compliance, related to financial reporting and audit initiatives, the internal control system and the audit functions. The committee acts as a source of advice to Council and the Chief Executive Officer in relation to these matters.

DISCUSSION

The Committee will:

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

The Terms of Reference are to be read in conjunction with Chapter 8 of the Local Government Act 1999.

The adoption, and constant review, of an Audit Committee Work Plan assists in ensuring the objectives of the Audit Committee are achieved.

The following changes have been proposed:

- Updates were going to be provided for items 3.3 and 3.4, however, there is nothing to update at this stage so the work plan has been amended to reflect this change.
- Status via colour coding for the remaining items has been updated as appropriate.

COMMUNITY ENGAGEMENT PLAN

Level 1 - Inform

CONSULTATION PROCESS

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

- Manager Financial Services
- Business Improvement Officer
- Asset Manager
- Manager People and Culture

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

- Nil

POLICY IMPLICATIONS

Audit Committee Terms of Reference.

BUDGET AND RESOURCE IMPLICATIONS

The orderly and timely review of Council's major financial timetable and reports, internal audit activities and financial reports by the Audit Committee strengthens the credibility of the completed work and reduces risk to Council.

RISKS/LEGAL/LEGISLATIVE/ IMPLICATIONS

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

Local Government Act 1999, Chapter 8

ATTACHMENTS

1. **2018 Audit Committee Work Plan** [↓](#) 

Yorke Peninsula Council Audit Committee Work Plan 2018						
Activity	Timeframe					Notes
	Completed Current Deferred					
	Mar-18 28th	Jun-18 13th	Sep-18 26th	Oct-18 30th	Dec-18 12th	
1. Financial Reporting						
1.1 Review General Purpose Financial Statements				X		Following external audit but prior to Council endorsement
1.2 Review asset revaluations				X		Ensure up to date and soundly based, including having particular regard to local conditions:- > whether land values reflect current local market; > whether infrastructure asset values reflect local replacement costs and the condition of existing assets; > whether an infrastructure asset condition audit has been undertaken recently to assist in making this judgement.
1.3 Review methodology and approach to Depreciation				X		
1.4 Quarterly Budget Reviews - information only	X	X			X	For information only after adoption by Council
2. Internal controls						
2.1 Review progress on Council's Internal Financial controls	X	X	X	X	X	Status report provided on progress made against matters raised by Council's external auditor. Additional update report on internal controls project provided by Internal Auditor.
2.2 Review Council's internal control policies and procedures	X	X	X	X	X	Presented as part of the regular Internal Audit activity report
3. Risk Management Systems						
3.1 Risk External Audit (conducted by LGAWCS biennial due December 2019)						Presented as part of the regular Risk Management update report
3.2 Assess the appropriateness of the Council's response to the auditor's findings and recommendations	X					Presented as part of the regular Risk Management update report
3.3 Review Council's LGRS Annual Risk Profile Review Action Plan (External Audit)	X	X	X		X	Presented as part of the regular Risk Management update report
3.4 Review Council's Risk Management Plan			X		X	Presented as part of the regular Risk Management update report
3.5 Review Council's Strategic Risk Register (in line with Strategic Management Plan - next review November 2019)						Presented as part of the regular Risk Management update report
3.6 Review Council's Emergency Management Systems (BCP, Emergency Response etc. - next review will be in 2019)						Presented as part of the regular Risk Management update report

Yorke Peninsula Council Audit Committee Work Plan 2018						
Activity	Timeframe					Notes
	Completed Current Deferred					
	Mar-18 28th	Jun-18 13th	Sep-18 26th	Oct-18 30th	Dec-18 12th	
3.7 Review Council's Risk Management Systems (Framework, policy, procedure, training etc.)		X				X Presented as part of the regular Risk Management update report
4. Whistle blowing						
Identify whether the Council has in place simple, readily accessible arrangements for employees to confidentially raise concerns of alleged malpractice in accordance with legislative provisions. Examine whether Council's whistleblower arrangements are well known to employees and effective having regard to local circumstances.						
4.1 Review Council's whistleblowers protection policy						Next review due 2019
4.2 Examine the method of informing staff of these policies						Next review due 2019
5. Internal Audit						
5.1 Review annual work program and outcomes of past work						X Presented as part of the regular Internal Audit activity report
5.2 Consider any internal audits conducted	X	X	X	X	X	Presented as part of the regular Internal Audit activity report
6. External Audit						
6.1 Meet with Council's external auditor to:- > invite presentation of their audit methodology and risk assessments within the audit plan; > discuss any qualifications raised in the most recent audit or comments made in the accompanying audit management letter; > assess the appropriateness of the proposed Council response to matters so raised; and > invite comment on the financial systems and affairs of the Council having regard to comparable benchmarks.				X		
6.2 Review effectiveness of external audit				X		
6.3 Review management representation letters before they are signed by management				X		
6.4 Assess the appropriateness of the Council's response to the auditor's findings and recommendations			X			X
6.5 Oversee action to follow up on matters raised by the external auditor	X					
7. Reporting						

Yorke Peninsula Council Audit Committee Work Plan 2018						
Activity	Timeframe					Notes
	Completed Current Deferred					
	Mar-18 28th	Jun-18 13th	Sep-18 26th	Oct-18 30th	Dec-18 12th	
7.1 Report annually to Council:- > activities of the Committee's work program and the results of a self-assessment of performance for the preceding calendar year including whether it believes any changes to its Terms of Reference are needed; > outlining any training needs; > advising future work program proposals; and > inviting comment from Council on all of the above.				X		
8. Strategic, Financial and Management Planning						
8.1 Review Strategic Management Plan						Adopted by Council in July 2016. Next review not due until November 2019.
8.2 Review Long Term Financial Plan	X					Updated annually in conjunction with adoption of Annual Business Plan and Budget
8.3 Review Asset Management Plans/ Strategy		X				Ongoing as developed and reviewed.
8.4 Review appropriateness of the range and content of Council policies and strategies			X			As per renewal timeframes and legislative requirements
8.5 Review Annual business plan, budget and fees and charges		X				In conjunction with public consultation period
9. Other matters						
9.1 Adopt/review Audit Committee annual workplan	X	X	X	X	X	Updated for each meeting
9.2 Reports on other relevant matters						Ongoing as the need arises

8.2 AUDITED GENERAL PURPOSE FINANCIAL STATEMENTS 2017/2018**Document #:** 18/76085**Department:** Corporate and Community Services**PURPOSE**

To present Council's 2017/2018 audited General Purpose Financial Statements ("Statements") and management representation letter for the Committee's information and consideration.

RECOMMENDATION

That the Audit Committee

1. Endorse the Chief Executive Officer and the Presiding Member of the Audit Committee to sign the Certification of Auditor Independence;
2. Receive and note the Management Representation Letter to be signed by the Chief Executive Officer and the Director Corporate and Community Services and provided to the Auditor; and
3. Recommend to Council that the audited General Purpose Financial Statements for the year ended 30th June 2018 be adopted.

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

5.2 Effective leadership and informed decision making

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

5.5 Undertake effective risk management

BACKGROUND

As required by the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011 the General Purpose Financial Statements (Statements) for the year ended 30th June 2018 have been prepared and audited.

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

DISCUSSION

The attached Statements and Notes (refer Attachment 1) have been audited by Council's external auditors, Dean Newbery and Partners Chartered Accountants, and confirmation has been received from them that no further audit adjustments or queries are outstanding. Dean Newbery are happy for the Statements to be presented to the Audit Committee in their current form.

The management representation letter (refer Attachment 2) has also been finalised and is attached for the Committee's consideration.

During the audit Dean Newbery raised with Council staff some amendments relating to formatting, disclosures, classifications, asset revaluations and presentation. These amendments have been actioned to the satisfaction of the auditors and did not have any material impact on the Statements.

A brief financial analysis of the Statements is as follows.

Operating Result

Council's Operating Result in 2017/2018 is a deficit of \$164k, which is \$275k worse than 2016/2017. While the shift in the bottom line is not significant, the focus should be on the Adjusted Operating Result once timing of payments made for Council's Financial Assistance Grant (FAG) has been taken into account. The table below outlines how the Adjusted Operating Result has been calculated.

	2017/2018	2016/2017
Operating Surplus/ (Deficit)	-\$164k	+\$111k
<i>Adjust: 17/18 FAG allocation paid in advance</i>	<i>+\$1.144m</i>	<i>-\$1.144m</i>
<i>Adjust: 18/19 FAG allocation paid in advance</i>	<i>-\$1.216m</i>	
ADJUSTED OPERATING SURPLUS/ (DEFICIT)	-\$236K	-\$1.033M

Timing of payments made for Council's FAG allocation, as determined by the Federal Government, meant Council received 50% of its annual allocations in 2015/2016, 150% in 2016/2017 and 100% in 2017/2018.

For more information on variation in timing of FAG payments please refer to Note 1 section 3 of the attached General Purpose Financial Statements (refer Attachment 1).

On comparing the Adjusted Operating Results (Deficits) for 2017/2018 (\$236k) and 2016/2017 (\$1.033m) the improvement is \$797k which is significant. It is important that the Adjusted Operating Result become the focus of any discussion and measurement of Council's financial performance rather than the reported Operating Surplus/Deficit and also be used as a base for the annual review of Council's Long Term Financial Plan.

Further, the following one-off extraordinary items of income/expenditure have also impacted the 2017/2018 Operating bottom line:

- Minlaton Underground Power project expenditure (net of income received): \$324k;
- Ardrossan Stormwater Harvest project income (reimbursement from Progress): \$170k;
- Diesel fuel rebate income (net result of consultant review): \$127k.

A more detailed analysis of the movements (compared to 2016/2017) in Council's various income and expenditure streams as shown on the Statement of Comprehensive Income for 2017/2018 is presented in the table below.

	\$ Change	% Change	Comments
Income			
Rates & Service Charges	+\$725k	+3.4%	Net effect of general rate and service charges movements, increase to NRM levy by State Government and introduction of separate rates.
Statutory Charges	+\$62k	+18.6%	> Animal registration fees & fines increased \$35k > Parking fines/ expiation fees increased \$17k
User Charges	+\$191k	+6.0%	> Increase in caravan parks income was \$132k

			> Art Exhibition (bi-annual event) \$40k
Grants, Subsidies and Contributions	-\$1.06m	-18.5%	> Financial Assistance Grants received in 2016/2017 were 100% of annual allocation plus 50% of 2017/2018 allocation leading to an income amount inflated by \$1.14m in 2016/2017. > Financial Assistance Grants received in 2017/2018 were 50% of annual allocation plus 50% of 2018/2019 allocation leading to an income amount inflated by \$72k in 2017/2018.
Investment Income	-\$17k	-7.3%	> Decrease in cash available for investment due to less grant income and bigger capital works programme > Interest rates remain low
Reimbursements	-\$339k	-32.2%	> Government agency reimbursement down \$638k (storm damage jetties one-off) > Community group reimbursement up \$170k (Ardrossan stormwater harvesting one-off) > Public corporations reimbursement up \$183k (Minlaton underground power one-off project) > Insurance rebates and special distributions down \$54k
Other	+\$170k	+75.6%	> One off refund following consultant review for fuel tax credit rebates
TOTAL INCOME VARIANCE	-\$268k	-0.8%	
Expenses			
Employee Costs	+\$6k	+0.1%	> Salaries & wages (including leave taken) up \$102k > Workers Compensation premium decrease due to change in invoicing method: \$123k
Materials, Contracts & Other	+\$209k	+1.6%	> Minlaton underground power one-off project: up \$507k > Jetties storm damage repairs (one-off fully reimbursed): down \$705k

			<ul style="list-style-type: none"> > Increased waste management costs: \$87k > Increase to NRM Levy: \$41k > Increased cost of electricity: \$105k > Increased cost of water: \$74k > Grants, donations & sponsorships: up \$40k > IT software licences: up \$49k > Roadside vegetation contract: up \$47k > Sundry expenses up \$54k > Parts and consumables down \$187k
Depreciation, Amortisation & Impairment	-\$190k	-2.0%	Net reduction due to adjustments in remaining useful lives on buildings and increased capital works in recent years on transport infrastructure
Finance Costs	-\$18k	-4.6%	Reduction in loans outstanding as at 30 June 2018 resulting in lower interest payable. Note that a new loan of \$1.2m for the footpath renewal project was drawn down in 2018/2019.
TOTAL EXPENDITURE VARIANCE	+\$7k	+0.02%	
NET IMPACT ON OPERATING DEFICIT	-\$275k	-247.8%	
NET IMPACT ON <u>ADJUSTED</u> OPERATING DEFICIT	+\$797k	+77.2%	

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

Capital Expenditure

In 2017/2018 Council spent a total of \$9.69m (2016/2017: \$12.36m) on capital works and projects, of which \$7.19m was spent on renewal and replacement of assets, while \$2.5m was spent on upgrades and new assets. While \$2.29m was received in grants and contributions for new and upgraded assets primarily relating to Clinton Road through the Special Local Roads Programme in 2016/2017, in the 2017/2018 financial year only \$22k was received specifically for new/upgraded assets.

In 2017/2018 changes to the revaluation surplus for Council's Infrastructure, Property, Plant and Equipment (IPP&E) assets was an increase of \$211k compared to \$353k 2016/2017.

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

Cash Flows

Council's net decrease in cash held as at 30th June 2018 was \$771k when compared to 30th June 2017, resulting in a closing cash and cash equivalents position of \$6.16m.

Of the \$6.16m cash and cash equivalents as at 30th June 2018, approximately \$2.0m is specifically for projects not completed in 2017/2018 and rolled over to 2018/2019 for completion while approximately \$1.4m is for grants received in 2017/2018 for expenditure in 2018/2019. The adjusted cash balance is therefore \$2.76m. It should be noted that of the \$2.0m rolled over to 2018/2019, \$1.25m is attributable to the township footpath replacement project. Loan funding worth \$1.2m for this project was not drawn down until early in the 2018/2019 financial year and hence is not reflected in the closing cash and cash equivalents position as at 30th June 2018.

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

Financial Indicators

Operating Surplus Ratio

Council's Operating Surplus Ratio (Indicator 1 in Note 15 of Attachment 1) is -0.5%, however, as mentioned earlier in this report the focus should be on the Adjusted Operating Surplus Ratio (refer Attachment 1) as this is a better indication of Council's actual financial performance. The adjusted ratio for 2017/2018 is -0.7% which reflects Council's Deficit operating result i.e. its operating income is not sufficient to fund operating expenditure including depreciation of existing assets. This is an improvement of 2.5% compared to the previous year. The adjusted ratio recognises the advance payment of Financial Assistance Grants in the year for which it was intended.

Through its LTFP and annual budgets, Council's emphasis should continue to be on returning to a breakeven or surplus position in line with industry targets, in the medium to long term. Council is currently updating its LTFP to get a better understanding of how its current financial performance will impact future financial performance.

Net Financial Liabilities Ratio

Council's Net Financial Liabilities Ratio of 10% (Indicator 2 in Note 15 of Attachment 1) is the same as the previous year and continues to remain well below the industry ceiling of 100%. This means that Council retains capacity to borrow funds for capital expenditure in future years should the need arise, as long as it continues to move towards a breakeven or surplus position on its operating bottom line to support increased loan repayments.

Asset Sustainability Ratio

Council's Asset Sustainability Ratio is 74% which is a 10% decrease to the previous year indicating that Council's renewal and replacement of existing assets has decreased slightly. The decrease is primarily due to delays experienced in delivery of plant and equipment to Council and expenditure on the footpath replacement project not being as much as estimated. These factors will impact on the 2018/2019 ratio and will be factored in to the Revised Budget for 2018/2019.

Council currently uses total depreciation to calculate this ratio instead of required renewal expenditure levels from Asset Management Plans for individual asset classes.

Council is unable to use required renewal expenditure levels in calculating this ratio as not all asset classes have endorsed, up to date, Asset Management Plans – as Councillors are aware Council is moving toward detailed Asset management Plans for all classes of assets as data is loaded to Conquest.

A mixed use of depreciation and required renewal expenditure levels for the different asset classes (from endorsed Asset Management Plans for some assets) is not permitted when calculating this ratio.

Using depreciation as the base tends to result in a lower ratio because a number of assets (especially roads) have components that are not going to be renewed but are required to be depreciated for accounting purposes. This can result in depreciation possibly being overstated and in turn affecting the calculation of this ratio.

Through its LTFFP, up to date Asset Management Plans, annual budgets and capital works programs, Council's emphasis should be on returning to and maintaining a minimum ratio of 100% in line with industry targets, in the medium to long term. Further, planning for extra funding is required for asset renewal and replacement to address the identified backlog in Asset management Plans already endorsed by Council.

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

Report on Financial Results Compared to Original Budget

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

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

Comparison to Long Term Financial Plan 2016/17 to 2025/26 (LTFFP)

The 2017/2018 Audited Statements have been compared to Council's previous LTFFP as the current version commenced in 2018/2019. The previous LTFFP is considerably out of date as it was developed in 2016 and based on information, data and best estimates at that time. Further, a number of one-off income and expenditure items have occurred in 2017/2018 that weren't known at the time of development of the previous LTFFP, resulting in some significant variations.

The comparison to the old LTFFP has therefore been carried out at a micro level only and is attached to this report (refer Attachment 4). Reasons for significant variations (generally >5%) have been given.

COMMUNITY ENGAGEMENT PLAN

Level 1 – Inform

The audited Statements and Auditor's Report will be made publicly available via Council's website and as part of Council's 2018 Annual Report.

CONSULTATION PROCESS

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

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

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

- Dean Newbery and Partners Chartered Accountants

POLICY IMPLICATIONS

Not applicable

BUDGET AND RESOURCE IMPLICATIONS

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





RISKS/LEGAL/LEGISLATIVE/ IMPLICATIONS

Local Government Act 1999

1. Local Government (Financial Management) Regulations 2011
- 2.

Model Financial Statements

ATTACHMENTS

1. **Audited General Purpose Financial Statements and Notes - 2017-2018 (under separate cover)** 
2. **Management Representation Letter 2017-2018** [↓](#) 
3. **Report on Financial Results Compared to Original Budget 2017-2018** [↓](#) 
4. **Report on Financial Results Compared to LTFP 2017-2018** [↓](#) 

YORKE PENINSULA COUNCIL

30 October 2018

Samantha Allard
Partner
Dean Newbery & Partners
Chartered Accountants
PO Box 755
NORTH ADELAIDE SA 5006

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Dear Samantha,

Management Representations: External Audit, Financial Year Ended 30 June 2018

This Management Representation letter is provided in connection with your audit examination of the General Purpose Financial Report (2018 Financial Report) of Yorke Peninsula Council ('the Council') for the financial year ended 30 June 2018.

We hereby confirm, at your formal request, that to the best of our knowledge and belief, the following representations relating to the 2018 Financial Report are correct.

In making these representations, we understand that they are provided to you in connection with your external audit of the Council for the year ended 30 June 2018 as prescribed by the Local Government Act 1999, for the express purpose of your expressing an opinion as to whether the 2018 Financial Report is, in all material respects, presented fairly in accordance with all applicable standards and requirements, including statutory. In making these representations, we have read and understood the standard unqualified Audit Opinion that would be normally expressed to the Council by you as is required under Section 129(3) of the Local Government Act 1999 for the financial year ended 30 June 2018. We therefore understand, without exception, the potential ramifications of making any representations to you that are not correct, to the best of our knowledge and belief as of the date of this letter.

We understand and acknowledge that it is the Council management's responsibility for the fair presentation of the 2018 Financial Report and that management, as appropriate, have approved the Financial Report. Accordingly, management of the Council are of the opinion that the 2018 Financial Report is free of material misstatements, including omissions.

1. Compliance with all Applicable Standards, including Statutory

The Financial Report of the Council has been prepared so as to present a true and fair view of the state of affairs of the Council as at 30 June 2018 and of the results of operations of the Council for the financial year ended on that date, including for all post balance date matters, as applicable.

The accounting and financial management policies, practices and records of the Council were at all times maintained in accordance with the requirements of the Local Government Act 1999, Local Government (Financial Management) Regulations 2011 and that the Financial Report was prepared in accordance with the Local Government Act 1999, Local Government (Financial Management) Regulations 2011, Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board together with all other mandatory professional reporting requirements in Australia.

BRANCH OFFICES

MINLATON: Phone 08 8853 3800
YORKETOWN: Phone 08 8852 0200
WAROOKA: Phone 08 8854 5055

ASSETS**Cash and Cash Equivalents**

- (1) Cash on hand at balance date was represented by cash floats reconciled and on hand as at 30 June 2018.
- (2) Cash at bank at balance date represented the reconciled operating account(s) of the Council.
- (3) Short term deposits represented amounts held with the LGFA by the Council.

Rates and Other Receivables

- (1) Current rate receivables at balance date represented all outstanding amounts owed by rate payers.
- (2) Current other receivables at balance date represented all outstanding amounts owed by debtors other than rate payers.
- (3) Debts due at balance date that are known to be uncollectable have since been written-off and adequate provision has been made for impairment to cover allowances, discounts and losses that may be sustained by Council in the collection of the debts.

Inventories

- (1) All inventories were the property of the Council and have either been paid for or the liability has been brought to account.
- (2) All inventories have been physically counted and valued in accordance with the applicable Australian Accounting Standard.

Other Current Assets

- (1) Prepayments at balance date represented payments for goods and services to be received in the 30 June 2018 financial year.
- (2) There are no non-current assets held for sale.

Financial Assets – Loans to Community Groups

- (1) There are no grounds to provide for any impairment loss for loans to community groups or other organisations.

Investments Accounted using the Equity Method

- (1) Council has complied with all applicable Australian Accounting Standards with regard to Council's equity in subsidiaries, regional subsidiaries and other interests, as applicable.

Infrastructure, Property, Plant & Equipment and Depreciation

- (1) Infrastructure, property, plant and equipment at the 2018 balance date was represented by the following fair values, cost, accumulated depreciation and carrying amounts for each class of asset, in accordance with all prescribed requirements and standards, as follows:

Asset Class (Fair Value Level)	Fair Value (\$'000)	Cost (\$'000)	Accumulated Depreciation (\$'000)	Carrying Value (\$'000)
Work in progress	-	334	-	334
Land (Level 2)	73,436	406	-	73,842
Buildings & other structures (Level 2)	5,342	2,230	1,483	6,089
Buildings & other structures (Level 3)	84,517	2,817	49,514	37,820
Transport infrastructure (Level 3)	222,970	19,734	110,033	132,671
Stormwater drainage (Level 3)	12,050	146	3,753	8,443
CWMS (Level 3)	24,788	1,360	9,727	16,421
Water scheme infrastructure (Level 3)	3,672	116	946	2,842
Plant & equipment	-	13,384	5,742	7,642
Furniture & fittings	-	2,615	993	1,622
Other assets	-	8,892	3,337	5,555

- (2) The additions during the 2018 financial year to Infrastructure, property, plant and equipment general ledger control accounts and asset registers represents the cost of additions and or improvements to existing facilities or replacements thereof. All units of property which have been replaced, sold, dismantled or otherwise disposed of, or which are permanently unusable, have been removed from general ledger and applicable asset register. Adequate provision, determined in a manner consistent with that of the preceding financial year, has been made to write-off depreciable assets over their useful economic working lives.

No circumstances have arisen which render adherence to the existing basis of depreciation misleading or inappropriate and that depreciation expense for the financial year ended 30 June 2018 is reliable.

- (3) All additions to depreciable assets represent actual additions or improvements of a capital nature, based on capitalisation thresholds consistently applied for the 2018 financial year and unchanged from the 2017 financial year.
- (4) Where the recorded carrying amount of any depreciable assets exceeds its recoverable amount as at 30 June 2018, that asset's recorded carrying amount has been written down to its recoverable amount.
- (5) Contractual commitments for capital expenditure(s) included in the Financial Report payable not later than one year are as described in the notes accompanying the Financial Report.

- (6) There are no deficiencies or encumbrances attaching to the title of the assets of the Council at 30 June 2018 other than those reflected in the financial report and those are not greater than the value of the asset.
- (7) No Operating or Finance Lease commitments exist that have not been disclosed in the Financial Report. All Operating Lease expenses have been fully disclosed in the notes to the 2018 Statement of Comprehensive Income. Finance Leasing commitments have been fully disclosed in the notes to the 2018 Balance Sheet.
- (8) The asset revaluations of infrastructure assets to include previously overlooked airfield assets undertaken during the 2018 financial year by Tonkin Consulting were based on the principle of written down replacement value. Accordingly, total replacement value, total economic working life, residual economic working life were reliably established for each airfield asset and the financial records of Council were restated in accordance with all applicable Australian Accounting Standards, and the Financial Report reflects all such accounting entries.
- (9) The resultant increment to the asset revaluation reserve during the year represents the difference between the prior written down value of the assets being valued and the valuations as at 1 July 2017. The \$211k net increase in asset value is due to the first time recognition of airfield assets (\$781k increment) and write-off of duplicated assets created through the 1 July 2013 Land, Buildings and Structures revaluation (\$570k decrement). Full disclosure regarding the implications and subsequent effect has been made in the General Purpose Financial Statements.
- (10) Depreciation expense reported in the 2018 Statement of Comprehensive Income is reliable, being based on reliable 'whole of life' asset management information for each class of depreciable non-current asset.
- (11) Loan amounts to be repaid to Council via special rate relating to Council contributions for the construction of the seawalls in Chinaman Wells and Point Turton continue to be recognised as contingent assets in the 2018 Financial Report. Full disclosure regarding the implications and subsequent effect has been made in the General Purpose Financial Statements.

LIABILITIES – Current and Non-Current

- (1) All liabilities which have arisen or which will arise out of the activities of the Council to the end of the 2018 financial year have been included in the 2018 Financial Report.
- (2) All outstanding trade payables at balance date have been taken up as at the 2018 balance date.
- (3) All applicable accrued wages and salaries and accrued employee entitlements at the 2018 balance date have been taken up.
- (4) All accrued interest at the 2018 balance date has been taken up.
- (5) All revenue received in advance as at the 2018 balance date has been taken up.
- (6) Provisions for employee benefits, inclusive of on-costs, all discounted as at the 2018 balance date representing long service leave benefits calculated for all valid employees (as at balance date) have been taken up.
- (7) Accrued employee benefits represent annual leave accrued for all valid employees as at the 2018 balance date.

- (8) Borrowings as at the 2018 balance date represented amounts owed to the Local Government Finance Authority. Loans with the LGFA have varying maturity dates and interest rates with details fully provided in the notes to the 2018 Financial Report.
- (9) There were no contingent liabilities including for:
- a) guarantees;
 - b) bills and accounts receivable discounted, assigned or sold and which are subject to recourse;
 - c) endorsements;
 - d) pending law suits, unsatisfied judgements or claims;
 - e) repurchase agreements; or
 - f) contractual disputes between the Council and any contractor / service provider that may result in an increased liability as at 30 June 2018; which are not fully disclosed in the notes to the 2018 Financial Report.

EQUITY

- (1) There have been no adjustments to the Accumulated Surplus other than those allowable under the Australian Accounting Standards.
- (2) There have been no adjustments to the Asset Revaluation Reserve other than those allowable under the Australian Accounting standards and the balance of the reserve has been reconciled to each class of asset.
- (3) All reserve funds required by legislation to be maintained have been at all times maintained in the accounting records of the Council.
- (4) All transfers to and from reserve funds (including the Accumulated Surplus) have been prior authorised by Council.
- (5) The following reserve funds are 'cash backed' and the reasons for such method of accounting (including where it is a prescribed requirement).

'Cash backed' reserve	Balance 30 June 2018	Reason for existence
Minlaton library equipment	\$19,178.62	Funds required to be held for a specific purpose i.e. community libraries, in accordance with grant funding agreement
Yorke town library equipment	\$24,129.44	
Maitland community library	\$15,943.51	
Ardrossan library	\$25,128.03	
Erichsen heritage trust fund	\$4,838.17	Funds held on behalf of community organisations
Minlaton RSL trust fund	\$2,019.82	
Warooka RSL trust fund	\$5,715.79	
Curramulka RSL trust fund	\$1,941.83	
Open space and recreation	\$143,127.33	Developer contributions received for a specific purpose

2018 STATEMENT OF COMPREHENSIVE INCOME

- (1) Please find attached a summary of all variations greater than 10% for all income and expense amounts disclosed in the 2018 Statement of Comprehensive Income, compared to 2017.
- (2) All depreciable physical resources received free of charge have been included in the appropriate asset register and depreciated from the date when Council assumed control (of the asset).
- (3) Depreciation expense for 2018 is in accordance with Council's asset registers and has been determined on the same basis as for 2017.
- (4) Capital grants have been correctly separated from operating grants, in accordance with the requirements of the Model Financial Statements.

KEY FINANCIAL INDICATORS**Operating Surplus Ratio**

Council's operating surplus ratio is -0.5% which is a decline of 0.9% from the 2017 year resulting mainly due to the net impact of the Minlaton Underground Powerlines project (\$324k) and offset somewhat by a one-off amended fuel tax credit claim of \$170k. Council's adjusted ratio (adjusted for advance payment of Financial Assistance Grant allocation) is -0.7%, an improvement of 2.5% from the previous year. Through its long term financial plan (LTFP) and annual budgets, Council's emphasis will continue to be on returning to a breakeven or surplus position in line with industry targets, within the life of the LTFP. Council will continue to update its LTFP annually to gain a better understanding of how its current financial performance will impact future financial performance.

Net Financial Liabilities Ratio

The net financial liabilities ratio is 10%, which remains unchanged from the 2017 year. This is well below the industry recommended ceiling of 100%.

Asset Sustainability Ratio

The asset sustainability ratio which measures expenditure on net asset renewals against depreciation expense is 74% for 2018 compared to 84% in 2017. This result was impacted by the late delivery of a replacement major plant item and original budget assumptions regarding progress on renewal of Council footpaths (project estimates should have spanned three years instead of one). Through its LTFP, up to date Asset Management Plans, annual budgets and capital works programs, Council aims to reach and maintain a ratio of 100% in the short term and get to 110% to address infrastructure backlog, within the life of the LTFP.

CHIEF EXECUTIVE OFFICER'S REPORT

There are no exceptions to the standard Chief Executive Officer's Report for the 2018 Financial Report.

OTHER REQUIRED REPRESENTATIONS

- (1) No events have occurred (or are known to occur) subsequent to the 30 June 2018 that would require any consideration for adjustment to or additional disclosure in the 2018 Financial Report.

- (2) The Council does not have any plans or intentions that may materially affect the carrying value or classification of all assets and liabilities as at 30 June 2018.
- (3) The Council has complied with all aspects of contractual arrangements and agreements that would have a material effect on the 2018 Financial Report in the event of non-compliance.
- (4) There were no material commitments for construction or acquisition of property, plant and equipment or to acquire other non-current assets, other than those disclosed in the 2018 Financial Report.
- (5) There are no violations or possible violations of laws, compulsory standards or regulations whose effects should be considered for disclosure in the 2018 Financial Report or as a basis for recording as an expense or otherwise.
- (6) The Council has full title to all assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- (7) All details concerning related party transactions and related amounts receivable or payable (including sales, purchases, loans and guarantees) have been correctly recorded in the accounting records. All related parties have been identified and disclosed to you during your audit.
- (8) The Council reviews annually, the adequacy of insurance cover on all assets and insurable risks. This review has been consistently performed, and where it is considered appropriate, assets and insurable risks of the Council are at all times adequately covered by appropriate insurance.
- (9) The minutes of all meetings of Council and its Committees were made available to you and are complete and authentic records of all such meetings held during the 2018 financial year and to the date of this letter. All other statutory records were properly kept at all times during the year and have been made available to you for audit purposes.
- (10) All audit correspondence has been formally and promptly responded.
- (11) All audit correspondence has been referred to Council and Council's Audit Committee.
- (12) Salaries and wages records together with records for the Goods and Service Tax were at all times fully maintained in accordance with the requirements of the Australian Taxation Office, as applicable.
- (13) All documentation relating to the capture of Related Party Disclosures and Transactions (AASB 124 Related Party Disclosures) including all authorised forms provided by the deemed Key Management Personnel, evidence of review of total related party transactions processed during the financial year by the Council e.g. Transaction reports of payments made by Council to related parties and any working papers of calculation methodologies for the disclosures in the 30 June 2018 financial statements have been made available to the auditors.
- (14) All deemed material transactions relating to Related Party Disclosures and Transactions (AASB 124 Related Party Disclosures) have been included and adequately disclosed in the 30 June 2018 financial statements.

- (15) Council has formally in place and has at all times maintained an appropriate standard of accounting, internal control structure and framework, segregation of duties and risk management structure and framework across the entire organisation, including appropriate controls and mechanisms specifically designed to prevent and detect fraud and error. Further, we advise that there have not been any instances of fraud or error during the financial year ended 30 June 2018 or to the date of this letter. In addition, there are no matters that should be brought to your attention for the purposes of your making an assessment as to Sections 129(5) and 129(6) of the Local Government Act 1999.
- (16) The 2018 Financial Report has been adjusted for all agreed audit adjustments for the year ended 30 June 2018.
- (17) AASB 2016-4 Recoverable Amount of Non Cash-Generating Specialised Assets of Not-for-Profit Entities continues to be applied to the preparation of financial reports. This Amending Pronouncement removes the requirement for impairment testing of non-cash generating specialised assets that are carried at fair value.
- (18) Council's Audit Committee has addressed all of its prescribed responsibilities and no member of the Committee has undertaken other professional services for the Council.
- (19) In our opinion, there are no grounds to believe that the Council will not be able to pay its debts as and when they fall due, that assets will be at all times maintained to the service standards currently determined by Council and accordingly, the Council is moving towards being financially sustainable in the long term.

Yours sincerely

Chief Executive Officer

Director Corporate and Community Services

Enclosures: 2018 Statement of Comprehensive Income Summary of Variations greater than 10%

Enclosure 12018 Statement of Comprehensive Income Summary of Variations greater than 10% Compared to 2017

	\$ Change	% Change	Comments
Income			
Statutory Charges	\$62k	18.6%	> Animal registration fees & fines increased \$35k > Parking fines / expiation fees increased \$17k
Reimbursements	(\$339k)	(32.2%)	> Government agency reimbursement down \$638k (Storm Damage Jetties one-off) > Community group reimbursement up \$170k (Ardrossan Stormwater Harvesting one-off) > Public corporations reimbursement up \$183k (Minlaton Underground Power one-off)
Other	\$170k	75.6%	> One-off refund following consultant fuel tax credit review up \$170k
Grants, Subsidies and Contributions	(\$1.06m)	(18.5%)	> Financial Assistance Grants received in 2016/17 were 100% of annual allocation plus 50% of 2017/18 allocation leading to an income amount inflated by \$1.14m in 2016/17. > Financial Assistance Grants received in 2017/18 were 50% of annual allocation plus 50% of 2018/19 allocation leading to an income amount inflated by \$72k in 2017/18.
TOTAL INCOME VARIANCE	(\$268k)	(0.8%)	
Expenses			
Nil items with change >10%			
TOTAL EXPENDITURE VARIANCE	(\$7k)	0.0%	
NET IMPACT ON OPERATING DEFICIT	(\$275k)	(247.7%)	

Yorke Peninsula Council 2017/18 Report on Financial Results STATEMENT OF COMPREHENSIVE INCOME						
	2017/18 Original Budget \$('000)	2017/18 Audited Actual \$('000)	Variance \$('000)	Variance (%)	Comment	
INCOME						
Rates	21,906	21,994	88	0.4%		
Statutory Charges	393	396	3	0.8%		
User Charges	9,061	9,386	325	10.6%	Increases: > Boat ramp permits: \$3k > Bush camping permits: \$38k > Caravan parks: \$163k > Sundry: \$k > Water usage charges: \$15k > Art Exhibition: \$40k Decreases: > Cemetery fees: (\$4k) > Mail hire: (\$6k) > Property rental: (\$0k)	
Grants, subsidies, contributions	3,902	4,661	759	19.5%	Increases: > Roads to recovery grants: \$76k > Financial assistance grants: \$71k > CWMS augmentation fees: \$52k > Progress association contributions: \$26k > Coastal protection board grant: \$11k > SABFAC grant: \$33k > Regional youth traineeship funding: \$10k Decreases: > YP Leisure Options: (\$8k)	
Investment income	133	217	84	63.2%	Increases: > LGFA interest: \$44k > Interest repayments on Loans to Community Groups \$40k originally budgeted as reimbursements but reclassified in Financial Statements as required under the Model Financial Statements.	
Reimbursements	362	713	351	97.0%	Increases: > Community groups reimbursement: \$163k > Public corporations reimbursement \$183k	
Other income	162	395	233	143.8%	> Fuel tax credit rebate external review resulting in unbudgeted one-off \$170k increase representing previously unclaimed amounts	
Total Revenues	29,919	31,762	1,843	6.2%		
EXPENSES						
Employee costs	9,202	8,793	(409)	-4.4%	> Result of lower than estimated salaries & wages (\$304k) due to vacancies and other absences and increased allocation to capital projects. Some of this was offset by increase in labour hire expenditure reported under materials, contracts and other expenses. > Change to Workers Compensation premium invoicing method by the Scheme resulting in \$122k decrease. Previously rebate was paid separately, however, now it is netted off against the annual premium. Original budget was set using the old methodology.	
Materials, contracts & other expenses	13,063	13,371	306	3.9%		
Depreciation	9,461	9,186	(275)	-2.9%		
Finance Costs	403	376	(27)	-6.7%	Increases: > interest repayments on community seawall loans: \$13k (reimbursed via special rate) Decreases: > Bank fees: (\$29k) > interest repayments on sports & recreational loans (\$10k)	
Total Expenses	32,131	31,926	(205)	-6.6%		
OPERATING SURPLUS/(DEFICIT) BEFORE CAPITAL AMOUNTS	(2,212)	(164)	2,048	-92.6%		
Net gain/(loss) on disposal or revaluations	(21)	(1,177)	(1,156)	3504.8%	> Disposals were not originally budgeted due to inability to accurately estimate adjustment value prior to being undertaken. The written down value of disposed assets is listed by asset class below: > Land: \$136k > Buildings and Other Structures: \$193k > CWMS infrastructure: \$28k > Transport infrastructure: \$603k > Water Scheme infrastructure: \$79k > Plant and Equipment: \$377k > Furniture & Fixings: \$124k > Other Assets: \$76k	
Amounts specifically for new assets	177	22	(155)	-87.6%	> income received in relation to stormwater harvest project originally budgeted as amount specifically for new assets reclassified as reimbursement in accordance with Model Financial Statements: \$163k	
NET SURPLUS/(DEFICIT)	(2,056)	(1,319)	(1,311)	63.8%		
Other Comprehensive Income						
Changes in revaluation surplus - IPP&E	0	211	211	100.0%	Net effects of additional Council assets not previously recognised in the Financial Statements and write-off of duplicate assets created by revaluation: > Transport infrastructure: \$781k > Buildings and Other Structures: (\$570k) This was not originally budgeted due to inability to accurately estimate value prior to valuation of assets on addition to asset registers.	
Total Other Comprehensive Income	0	211	211	100.0%		
TOTAL COMPREHENSIVE INCOME	(2,056)	(1,108)	948	-46.1%		

Yorkie Peninsula Council 2017/2018 Report on Financial Results STATEMENT OF FINANCIAL POSITION						
	2017/18 Original Budget \$('000)	2017/18 Audited Actual \$('000)	Variance (\$)	Variance (%)	Comment	
ASSETS						
Current Assets						
Cash & Equivalent Assets	2,085	6,155	4,070	195.2%	Higher closing cash balance due to: > Non-completion of projects in 2017/18: \$2.0m > Advance payment of 50% of 2018/19 Financial Assistance Grants allocation: \$1.216m > Higher than anticipated trade and other payables balance at 2017/18 year end: \$167k > Flow on effects of higher than anticipated closing balance at 2016/17 year end	
Trade & Other Receivables	1,221	1,993	772	63.2%	Higher closing trade & other receivables balance due to: > \$283k decrease to general debtors receivable in comparison to 2016/17 year end > \$269k increase to rates receivable in comparison to 2016/17 year end > \$23k increase to prepayments in comparison to 2016/17 > \$530k originally classified as non-current receivable. Should have been included here.	
Inventories	869	372	(497)	-57.2%	Decreases: > Rubble inventory: (\$383k) > Trading Stock: (14k) due to closure of visitor information centre	
Total Current Assets	4,175	8,520	4,345	104.1%		
Non-Current Assets						
Receivables	330	0	(330)	-100.0%	Refer to "Trade & Other Receivables" under Current Assets	
Financial Assets	543	605	62	11.4%	Balance of community loans to Council lower than anticipated	
Infrastructure, Property, Plant & Equipment	296,559	293,281	(3,278)	-1.1%		
Total Non-Current Assets	299,932	293,886	(6,046)	-2.0%		
Total Assets	304,107	302,406	(1,701)	-0.6%		
LIABILITIES						
Current Liabilities						
Trade & Other Payables	1,789	1,622	(167)	-9.3%	Outstanding contractor invoices at year end not as high as anticipated	
Borrowings	918	688	(230)	-25.1%	> \$1.2m loan for footpath replacement project originally budgeted was not drawn down in 2017/18 > Budget estimate was only an indication based on best estimates. Year end figure is actual provision outstanding based on staff numbers and make-up.	
Provisions	1,870	2,210	340	18.2%	> The budget was prepared before change in accounting treatment of annual leave. Following the audit of 2016/17 financials the full provision for annual leave has been classified as a current liability.	
Total Current Liabilities	4,475	4,520	45	1.0%		
Non-Current Liabilities						
Borrowings	7,830	7,027	(803)	-10.3%	> \$1.2m loan for footpath replacement project originally budgeted was not drawn down in 2017/18 > Budget estimate was only an indication based on best estimates. Year end figure is actual provision outstanding based on staff numbers and make-up	
Provisions	715	229	(486)	-68.0%	> The budget was prepared before change in accounting treatment of annual leave. Following the audit of 2016/17 financials the full provision for annual leave has been classified as a current liability.	
Total Non-Current Liabilities	8,545	7,256	(1,289)	-15.1%		
Total Liabilities	13,017	11,776	(1,241)	-9.5%		
NET ASSETS	291,090	290,630	(460)	-0.2%		
EQUITY						
Accumulated Surplus	(9,938)	(11,860)	(1,922)	19.3%	Budget adopted prior to the finalisation of 2016/17 financial statements. Actual 2016/17 accumulated surplus balance: \$10.082m	
Asset Revaluation Reserve	300,337	300,501	164	0.2%	Budget estimate was only an indicative figure based on best estimates. Year end figure is actual amount in reserve based on actual income received and operating and capital expenditure undertaken during 2017/18.	
Other Reserves	691	1,569	898	130.0%		
TOTAL EQUITY	291,090	290,630	(460)	-0.2%		

Yorkie Peninsula Council 2017/2018 Report on Financial Results UNIFORM PRESENTATION OF FINANCES						
	2017/18 Original Budget \$('000)	2017/18 Audited Actual \$('000)	Variance (\$)	Variance (%)	Comment	
Operating Revenues	29,919	31,762	1,843	6.2%	Refer to reasons in Statement of Comprehensive Income	
less: Operating Expenses	(32,131)	(31,926)	(205)	-0.6%		
Operating Surplus/(Deficit) before Capital Amounts	(2,212)	(164)	2,048	-92.6%		
Less: Net Outlays on Existing Assets						
Capital Expenditure on Renewal/Replacement of Existing Assets	8,286	7,193	(1,093)	-13.2%	Decreased expenditure due to lower than anticipated completion of asset renewal projects in 2017/18	
less: Depreciation, Amortisation & Impairment	9,461	9,166	(295)	-3.1%		
less: Proceeds from Sale of Replaced Assets	376	408	32	8.3%	Realised better than expected trade-in prices on plant and machinery	
Net Outlays on Existing Assets (b)	(1,550)	(2,401)	(851)	54.9%		
Less: Net Outlays on New and Upgraded Assets						
Capital Expenditure on New/Upgraded Assets	1,430	2,489	1,059	74.0%	increased expenditure due to some 2016/17 new/upgrade capital projects being carried forward into 2017/18 and completed in 2017/18.	
less: Amounts Specifically for New/Upgraded Assets	377	22	(355)	-93.9%	Refer to reasons in Statement of Comprehensive Income	
less: Proceeds from Sale of Surplus Assets	0	26	26	100.0%	Sale of surplus assets was not envisaged as part of the 2017/18 budget	
Net Outlays on New and Upgrade Assets (c)	1,253	2,451	1,198	95.6%		
Net Lending / (Borrowing) for Financial Year (a) - (b) - (c)	(1,914)	(214)	1,700	-88.8%		

Yorkie Peninsula Council 2017/2018 Report on Financial Results KEY FINANCIAL INDICATORS						
Financial Indicator	2017/18 Original Budget \$('000)	2017/18 Audited Actual \$('000)	Variance (\$)	Variance (%)	Comment	
Operating Surplus / (Deficit) - \$'000	(2,212)	(164)	2,048	-92.6%	Refer to reasons in Statement of Comprehensive Income	
Operating Surplus Ratio - %	(7.4)%	(0.5)%	6.9%	6.9%	Result of improved operating result Result of higher closing cash balance due to non-completion of projects in 2017/18 worth \$2.0M, advance payment of 50% of 2018/19 Financial Assistance Grant payment received in 2017/18 and deferred draw down of \$1.2M in new loans to 2018/19	
Net Financial Liabilities Ratio - %	28%	10%	-18%	-18%		
Asset Sustainability Ratio - %	84%	74%	-10%	-10%	Lower than anticipated completion of asset renewal projects in 2017/18	

Yorkie Peninsula Council 2017/2018 Comparison of Financial Results to Long Term Financial Plan STATEMENT OF COMPREHENSIVE INCOME					
	2017/18 LTFP Estimate \$('000)	2017/18 Audited Actual \$('000)	Variance \$('000)	Variance (%)	Comment
INCOME					
Rates	22,153	21,994	(159)	-0.7%	
Statutory Charges	420	396	(24)	-5.7%	> LTFP based on 1.95% CPI estimate, however, in reality this has varied.
User Charges	3,452	3,386	(66)	-1.9%	
Grants, subsidies, contributions	2,748	4,661	1,913	69.6%	Reclassification impacts: > Roads to Recovery grants reclassified as operating income as required under the Model Financial Statements: \$1.157m Grant income (one-off items) not forecast: > S.G.P Grant - Main Township Footpath Replacement Program: \$300k > Regional Aviation Access Program Grant - Yorketown Aerodrome: \$1k > Regional youth traineeship funding: \$48k > SABFAC grant: \$33k
Investment income	185	217	32	17.3%	> Interest repayments on Loans to Community Groups originally classified as reimbursements but reclassified in Financial Statements as required under the Model Financial Statements.
Reimbursements	470	713	243	51.7%	Increases (one-off items): > Community groups reimbursement - Ardrossan Stormwater Harvest project: \$170k > Public corporations reimbursement - Minlaton underground Power project: \$183k > Fuel tax credit rebate external review resulting in unbudgeted one-off \$170k increase representing previously unclaimed amounts > Forecast basis for LTFP \$190k lower than actual 2015/16 result.
Other income	98	395	297	303.1%	
Total Revenues	29,526	31,762	2,236	7.6%	
EXPENSES					
Employee costs	6,380	6,793	413	6.5%	> EB movement above forecast due to EB Finalisation post LTFP preparation > ASU: actual 2.25%, budget 2% > AWU: actual 2.3%, budget 2% > Staff contracts renegotiated and restructured - not known at the time of LTFP finalisation > Capitalised employee costs lower than forecast in LTFP - approximately \$200k lower.
Materials, contracts & other expenses	13,342	13,571	229	1.7%	
Depreciation	9,327	9,106	(141)	-1.5%	
Finance Costs	463	376	(87)	-18.8%	> Bank fees reclassified under materials, contracts & other expenses in Financial Statements as required under the Model Financial Statements: (\$70k)
Total Expenses	31,512	31,926	414	1.3%	
OPERATING SURPLUS/(DEFICIT) BEFORE CAPITAL AMOUNTS	(1,986)	(164)	1,822	-91.7%	
Net gain/(loss) on disposal or revaluations	10	(1,177)	(1,187)	-11870.0%	> Disposals have not been forecast in the LTFP due to the inability to accurately estimate adjustment value prior to being undertaken. > Amount received and reclassified as operating income under Grants, Subsidies, Contributions in Financial Statements as required under the Model Financial Statements, was double the forecast in the LTFP.
Amounts specifically for new assets	581	22	(559)	-96.2%	
NET SURPLUS/(DEFICIT)	(1,395)	(1,319)	(76)	5.4%	
Other Comprehensive Income					
Changes in revaluation surplus - IPP&E	0	211	211	100.0%	Net effects of additional Council assets not previously recognised in the Financial Statements and write-off of duplicate assets created by revaluation. These items were not forecast in the LTFP due to inability to accurately estimate value prior to valuation of assets on addition to asset registers.
Total Other Comprehensive Income	0	211	211	100.0%	
TOTAL COMPREHENSIVE INCOME	(1,395)	(1,108)	287	-20.6%	

Yorkie Peninsula Council 2017/2018 Comparison of Financial Results to Long Term Financial Plan UNIFORM PRESENTATION OF FINANCES					
	2017/18 LTFP Budget \$('000)	2017/18 Audited Actual \$('000)	Variance \$(Variance (%)	Comment
Operating Revenues	29,526	31,762	2,236	7.6%	Refer to reasons in Statement of Comprehensive Income
less: Operating Expenses	31,512	31,926	414	1.3%	
Operating Surplus/(Deficit) before Capital Amounts	(1,986)	(164)	1,822	-91.7%	
Less: Net Outlays on Existing Assets					
Capital Expenditure on Renewal/Replacement of Existing Assets	6,781	7,193	412	6.1%	Increased focus on asset renewal projects which have been prioritised through the annual budgeting process. Renewal expenditure \$412k higher than forecast in LTFP
less: Depreciation, Amortisation & Impairment	9,327	9,106	(141)	-1.5%	
less: Proceeds from Sale of Replaced Assets	300	403	103	34.3%	Realised better than expected trade-in prices on plant and machinery
Net Outlays on Existing Assets (b)	(2,506)	(2,401)	105	-4.2%	
Less: Net Outlays on New and Upgraded Assets					
Capital Expenditure on New/Upgraded Assets	1,482	2,499	1,017	68.6%	Increased expenditure due to some 2016/17 new/upgrade capital projects being carried forward into 2017/18 and completed in 2017/18.
less: Amounts Specifically for New/Upgraded Assets	551	22	(529)	-96.2%	Refer to reasons in Statement of Comprehensive Income
less: Proceeds from Sale of Surplus Assets	0	26	26	100.0%	Sale of surplus assets was not envisaged in the LTFP
Net Outlays on New and Upgrade Assets (c)	931	2,477	1,546	166.1%	
Net Lending / (Borrowing) for Financial Year (a) - (b) - (c)	39	(214)	(253)	-648.7%	

Yorkie Peninsula Council 2017/2018 Comparison of Financial Results to Long Term Financial Plan KEY FINANCIAL INDICATORS					
Financial Indicator	2017/18 LTFP Budget \$('000)	2017/18 Audited Actual \$('000)	Variance \$(Variance (%)	Comment Budget
Operating Surplus Ratio - %	9.0%	10.2%	N/A	6.3%	Result of improved operating result
Net Financial Liabilities Ratio - %	24%	10%	N/A	-14%	Result of higher closing cash balance due to non-completion of projects in 2017/18 worth \$2.0M, advance payment of 50% of 2018/19 Financial Assistance Grant payment received in 2017/18
Asset Sustainability Ratio - %	69%	74%	N/A	5%	Increased focus on asset renewal projects which have been prioritised through the annual budgeting process. Renewal expenditure \$412k higher than forecast for 2017/18

8.3 AUDIT COMMITTEE ANNUAL REVIEW AND SELF ASSESMENT 2018**Document #:** 18/76991**Department:** Corporate and Community Services**PURPOSE**

For the Audit Committee to self-assess its performance for the 2018 calendar year, in accordance with the Audit Committee Terms of Reference (TOR).

RECOMMENDATION

That the Audit Committee endorse the 2018 Audit Committee Annual Review and Self-Assessment for the period 1 January 2018 to 30 October 2018;

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

5.2 Effective leadership and informed decision making

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

BACKGROUND

Clause 13 of the Audit Committee Terms of Reference (TOR) requires the Committee to conduct an annual review and self-assessment of its performance with the aim being to ensure that the Committee is operating at maximum effectiveness and also provides an opportunity to recommend any changes to Council that are considered necessary.

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

Due to Council elections being held in November 2018 there is a chance that current Elected Members on the Committee may not be re-elected or may not renominate for the Audit Committee, hence the annual review and self-assessments are being considered earlier than normal and for a shorter period. They would have normally been considered at the December 2018 meeting for the period 1 January 2018-31 December 2018, along with the annual review of the Committee. The annual review and self-assessments for this calendar year are for the period 1 January 2018 – 30 October 2018.

DISCUSSION**Work Program 2019**

In December each year the Committee endorses a work program for the following calendar year. At each meeting through the year the Committee monitors progress against each activity in the work plan.

A new work plan for the period 1 January 2019 – 31 December 2019 will be presented, following the Council elections, to the newly appointed Audit Committee for consideration at its December 2018 meeting.

Self-Assessment

As part of the annual review each Committee member is asked to complete a self-assessment questionnaire which assists in assessing the effectiveness of the Committee for the review period.

The questionnaire contains a number of questions which have been assessed by members using a scale of 1 (poor) to 5 (excellent).

A summary of the self-assessment results have been included as an attachment to this report (refer attachment 2). Results obtained have been summarised and aggregated. Comments from committee members have been summarised, and data used to form one self-review assessment.

The TOR will be reviewed and considered at the Committee's December 2018 meeting.

Annual Report for Council

Clause 13 of the Committee's TOR requires that the outcome of the annual review and self-assessment be reported to Council.

Given that there is still one meeting of the Committee remaining (December 2018), the Annual Report will be considered by the Committee at that meeting.

COMMUNITY ENGAGEMENT PLAN

Not applicable

CONSULTATION PROCESS

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

- Director Corporate and Community Services
- Manager Financial Services

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

- Independent members of Audit Committee
- Elected Members on Audit Committee

POLICY IMPLICATIONS

Audit Committee Terms of Reference

BUDGET AND RESOURCE IMPLICATIONS

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

RISKS/LEGAL/LEGISLATIVE/ IMPLICATIONS

Medium risk that the annual work plan is not completed within the stated timeframes.

Non-compliance with TOR if annual review and self-assessment not undertaken and/or not reported to Council.

Local Government Act 1999 - Chapter 8

Local Government (Financial Management) Regulations 2011 – Part 5

ATTACHMENTS

1. **Audit Committee Self-Assessment Analysis 2018** [↓](#) 

YORKE PENINSULA COUNCIL

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AUDIT COMMITTEE SELF-ASSESSMENT	SF098
	Responsible Officer: DCCS
	Issue Date: 16/07/2018
	Next Review Date: 01/07/2019

Annual Self-Assessment of Committee Performance – Survey of Members

To assess the effectiveness of the Audit Committee, the following questionnaire may be useful when completed by each member of the Committee. It is important to consider each point carefully in determining strengths and areas in need of improvement.

Rate effectiveness 1 to 5 (1 = Very Ineffective; 2 = Ineffective; 3 = Neither Effective or Ineffective; 4 = Effective; 5 = Very Effective)

The Committee performance using the above rating scale can also be considered from 1 = Poor to 5 = Excellent.

Creating & Running an Effective Committee	Yes / No	Comments
Do you understand and agree with the functions of the Committee as detailed in its Terms of Reference? If not, why?	Y	
Does the committee collectively have sufficient skills, experience, time and resources to undertake its duties? If not, why?	Y	
	Rate 1 - 5	
Does the committee work constructively as a team and work well with others attending the meetings? If not, how do you suggest this is addressed?	4.2	<ul style="list-style-type: none"> ➤ Over recent years Committee working better with others attending
Does the relationship between committee members strike the right balance between challenge and mutuality? If not, please provide comments.	4	<ul style="list-style-type: none"> ➤ Committee is now at full strength allowing broader input – first six months Committee struggled with shortage of members due to leave of absence ➤ I think our Chair is best qualified to determine and ask relevant questions of the staff, maybe some current elected members are impartial but less qualified to critique the finer nuances of audits and accountability
Do the meeting arrangements enhance the Committee’s effectiveness (e.g. frequency, timing,	4.3	<ul style="list-style-type: none"> ➤ Teleconference meeting be considered when appropriate

duration, venue and format) to allow sufficient time for the discussion of agenda items?		<ul style="list-style-type: none"> ➤ Meetings are now held at scheduled date and time with no last minute changes
Are the reports for each meeting sufficiently comprehensive and yet understandable enough for you to make informed decisions?	4.4	
Are the presentations an interesting and helpful way of informing members about various issues?	4	<ul style="list-style-type: none"> ➤ Minimal presentations and could be more informative ➤ Yes – the availability and participation by staff strengthens Committee's deliberations and understanding of issues
Are effective minutes prepared, distributed and followed up?	4.2	
How do you rate the overall efficiency and effectiveness of the Committee? Please provide reasons for your ranking	4	<ul style="list-style-type: none"> ➤ Meetings contain a full agenda and items are completed and not usually carried over ➤ I think as a whole the Committee members are very thorough
Do staff and members conduct themselves in accordance with high standards of behaviour (e.g. Code of Conduct and Corporate Values)?	4.8	<ul style="list-style-type: none"> ➤ In Chamber is a must
How do you rate the performance of the Presiding Member in preparing for and conducting the meetings? What are the reasons for your ranking?	4.6	<ul style="list-style-type: none"> ➤ PM ensures all members have adequate opportunity to discuss and comment on all matters before it ➤ Good chair and experience with other Councils is useful ➤ He seems really smart
How do you rate the performance of the other members of the Committee in fulfilling their role on the Committee? What are the reasons for your ranking?	4	<ul style="list-style-type: none"> ➤ Committee members are well prepared and contribute to discussions on agenda items ➤ Members appear to be well prepared and informed ➤ Fairly good balance ➤ Complimentary inputs work well together

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<p>How do you rate your performance as a member of the Committee? What are the reasons for your ranking?</p>	<p>3.8</p>	<ul style="list-style-type: none"> ➤ Well prepared for meetings and ensure involvement of committee members, management and staff in discussing agenda items ➤ I strive to properly prepare for meetings to get across the issues, meet deadlines and constructively contribute at meetings ➤ Understand most issues and raise issues I believe are important ➤ Not really my area of expertise
<p>How do you rate the performance of the support staff in facilitating the Committee's role and function? What are the reasons for your ranking?</p>	<p>4.5</p>	<ul style="list-style-type: none"> ➤ Committee is well supported to ensure meetings are effective ➤ In my experience staff are very willing to assist and discuss issues – papers are always prepared and distributed in a timely manner ➤ Reporting format is excellent which has helped clarify many points without discussion ➤ Staff obviously take their tasks seriously and present good reports ➤ They do very well given their workload in a small Council and with ever changing and increasing legislative demands and the occasional unanticipated curve-ball to adapt to
<p>Overseeing Governance, Risk Management and Internal Control</p>		<p>Comments</p>
<p>Does the Committee assure itself that the Executive take responsibility for risk identification and control, and give formal assurance through reporting that key risks are being adequately managed?</p>	<p>4.13</p>	<ul style="list-style-type: none"> ➤ Risk Profile presentations from management will provide additional assurance

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		<ul style="list-style-type: none"> ➤ There is comprehensive coverage of these issues at meetings
Is the Committee satisfied that there is an effective program in place to ensure that risk management becomes an integral part of the way in which Council conducts business?	4	<ul style="list-style-type: none"> ➤ Program is progressing and cultural integration will take some time ➤ Committee is well briefed at each meeting with risk management program schedule ➤ Yes now integrated in all we do
Are internal audit findings and recommendations responded to in a timely and appropriate manner?	3.75	<ul style="list-style-type: none"> ➤ Yes and extensions to complete actions are adequately explained ➤ Often delayed due to external factors
Overseeing Financial Reporting and External Audit	Yes / No	Comments
Does the Committee review the work of the external auditor?	Y	<ul style="list-style-type: none"> ➤ Management letters reviewed and annual in-camera meeting
Does the Committee review and discuss the external auditor's management letter?	Y	<ul style="list-style-type: none"> ➤ Follow up actions regularly reported
Is the Committee effective in managing and monitoring the relationship with the external auditor?	Y	<ul style="list-style-type: none"> ➤ Independence declaration provided annually ➤ Committee meets in camera with external auditor and engages in frank discussion of issues
General		Comments
Do you have any suggestions for improving any aspect of the Committee's performance, role or functions?		<ul style="list-style-type: none"> ➤ Questions taken on notice by staff are not always reflected in the minutes and are easily forgotten due to the time that elapses between meetings – a follow up list attached to the minutes may be helpful ➤ New Councillors require briefing and some coaching

Please return this questionnaire to the Executive Assistant to the Director Corporate and Community Services via email admin@yorke.sa.gov.au or fax 08 8853 2494, so that responses may be collated for the next Audit Committee Meeting.

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8.4 ASSET MANAGEMENT UPDATE

Document #: 18/77666

Department: Assets and Infrastructure Services

PURPOSE

To update the Audit Committee members on Asset Management activities.

RECOMMENDATION

That the report be received.

LINK TO STRATEGIC PLAN

Goal: 2 Community Connected through Infrastructure

Strategy: 2.1 Develop and deliver on Asset Management Plans for all asset classes

2.5 Explore provision of new infrastructure

BACKGROUND

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

DISCUSSION

Land, Buildings and Structures Revaluation

As previously reported the Land, Buildings and Structures asset class is due to be revalued this financial year. A *Request for Quotation* has been forwarded to several companies inviting them to provide a quotation to undertake this process. The revaluation will enable Council to comply with **Australian Accounting Standards AASB 116 – Property, Plant and Equipment** and **AASB 13 – Fair Value Measurement**. The revaluation process will also provide Council with insurance valuations for all buildings and structures, with the following valuation types being provided for each individual asset:

- Reinstatement with New
- Reinstatement Value
- Functional Replacement
- Removal of Debris of Demolition Cost

COMMUNITY ENGAGEMENT PLAN

Level 1 - Inform

CONSULTATION PROCESS

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

- Director Assets and Infrastructure Services
- Manager Financial Services
- Accountant Financial Operations

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

- Nil

POLICY IMPLICATIONS

PO128 Asset Management Policy

BUDGET AND RESOURCE IMPLICATIONS

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

RISKS/LEGAL/LEGISLATIVE/ IMPLICATIONS

Local Government Act

ATTACHMENTS

Nil

8.5 RISK MANAGEMENT ACTIVITY REPORT - 30/10/2018**Document #:** 18/77820**Department:** Corporate and Community Services**PURPOSE**

To provide the Audit Committee with an update in respect of Council's Risk Management systems.

RECOMMENDATION

That the report be received.

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

5.8 Continuous improvement of Council processes

BACKGROUND

Audit Committee assists the Council in meeting its responsibilities for the management of risk.

This report provides a status update on the risk management activities performed by the Council's Administration, for the purpose of keeping the Audit Committee informed about the risks associated with Council business and how these risks are being assessed, controlled, monitored and reviewed.

DISCUSSION

Risk management activities are outlined in the Risk Management Plan (Attachment 1) with details of key activities performed from September to October 2018 being:

- A review of resourcing requirements within the Risk area has been undertaken and a full time fixed term contract support position has been advertised. The closing date for applications is Monday 29th October 2018.
- Work has commenced on reviewing the draft Critical Function Sub Plans for the Business Continuity Plan.

COMMUNITY ENGAGEMENT PLAN

Level 1 Inform

CONSULTATION PROCESS

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

- Chief Executive Officer
- Manager People and Culture
- Governance Officer

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

- Nil

POLICY IMPLICATIONS

Local Government Act 1999

Civil Liability Act 1936

PO091 Risk Management Policy

PR098 Risk Management Procedure

BUDGET AND RESOURCE IMPLICATIONS

Not applicable

RISKS/LEGAL/LEGISLATIVE/ IMPLICATIONS

It is essential to ensure that Council have systematic procedures and practices in place to identify, evaluate, treat and monitor risk in all Council activities to ensure that risks associated with these activities are appropriately assessed, controlled, managed, monitored and reviewed.

ATTACHMENTS

1. **Risk Management Activity Report - October 2018** [↓](#) 



Risk Management Plan

1. RISK MANAGEMENT ACTIVITIES

The following table highlights the status of the current risk management projects.

No.	Key Priority	Key Actions	Project Status	Expected Completion Date	Action Owner
1.	Develop Organisational Risk Register	Develop a draft library of organisational risks.	Completed	12/09/2018	Manager People & Culture/Governance Officer
		Consult with and seek feedback from key Council staff	Completed	17/09/2018	Governance Officer
		Workshop with the Corporate Management Team (CMT) and seek endorsement to use in Operational Risk Register workshops.	Completed	18/09/2018	Manager People & Culture/Governance Officer/ CMT
		Present library of organisational risks to Audit Committee for feedback.	Completed	26/09/2018	Manager People & Culture
		Identify key stakeholders to attend Organisational Risk Register assessment workshops	In Progress	31/11/2018	Manager People & Culture/Governance Officer
		Training on how to complete risk assessments rolled out for all staff	Not started	28/02/2019	Registered Training Provider
		Organisational Risk Register developed with controls/corrective actions and responsibilities assigned.	Not started	31/10/2019	Manager People & Culture/Governance Officer/ Key Stakeholders
2.	Develop electronic risk and corrective action registers	All risks will be subject to ongoing review via automated electronic workflows and reported to CMT on a monthly basis and to the Audit Committee at ordinary meetings	Not started	CMT – monthly Audit Committee – at ordinary meetings	Manager People & Culture/Governance Officer
		Scope requirements for electronic risk register.	Completed	13/08/2018	Manager People & Culture/Governance Officer/ Leader Systems & Technology
		Create on line entry forms for risk and corrective action registers.	Completed	24/08/2018	Manager People & Culture/Governance Officer/ Leader Systems & Technology
		Create Risk Register and Corrective Actions Register	Completed	06/09/2018	Manager People & Culture/Governance Officer/ Leader Systems & Technology
		Workshop with the Corporate Management Team (CMT) and seek endorsement as a tool for staff to use	On Hold	31/11/2018	Manager People & Culture

Updated 19/10/18

Risk Management Plan Activity Report

No.	Key Priority	Key Actions	Project Status	Expected Completion Date	Action Owner
		in Operational Risk Register workshops. Awaiting IT feedback.			
		Create automated workflows and notifications	On Hold	31/11/2018	Manager People & Culture/Governance Officer/ Leader Systems & Technology
		Consult with and seek feedback from key Council staff	Not started	31/11/2018	Manager People & Culture/Governance Officer
		Test functionality of system	Not started	31/11/2018	Manager People & Culture/Governance Officer
		Utilise to develop Organisational Risk Register	Not started	See above	Manager People & Culture/Governance Officer/ Leader Systems & Technology
		Training rolled out for all staff	Not started	28/02/2019	Manager People & Culture/Governance Officer/ Leader Systems & Technology
3.	Review draft Risk Management Framework and Risk Management Policy	Review and update the draft Risk Management Framework and the Risk Management Policy.	In Progress	30/11/2018	Manager People & Culture/Governance Officer
		Consult with and seek feedback from key Council staff	In Progress	20/12/2018	Manager People & Culture/Governance Officer
		Present to CMT for consideration and feedback	Not started	23/01/2019	Manager People & Culture/Governance Officer
		Evaluate procedure and process with Elected Members at the February 2019 Workshop.	Not started	27/02/2019	Manager People & Culture/Governance Officer
		Seek endorsement of documentation at Council meeting.	Not started	13/03/2019	Manager People & Culture/Governance Officer
		Risk Assessment training provided to all Council personnel	Not started	28/02/2019	Manager People & Culture
4.	Resourcing Requirements	Recruitment of support Risk role, full time fixed term position.	In Progress		Manager People & Culture
		Assess additional support requirements	In Progress	30/10/2018	Manager People & Culture/Governance Officer
		Finalise Recruitment and Induct new staff member	Not started	30/11/2018	Manager People & Culture
5.	Business Continuity Plan (BCP)	Development of the Critical Sub Function Plans	In Progress	30/10/2018	Risk Management Officer
		Facilitate BCP key stakeholder meeting	Not started	30/11/2018	Manager People & Culture
		Review and update BCP Policy and Plan	Not started	14/12/2018	Manager People & Culture

Risk Management Plan Activity Report

No.	Key Priority	Key Actions	Project Status	Expected Completion Date	Action Owner
		Consult with and seek feedback from key Council staff.	Not started	11/01/2019	Manager People & Culture
		Present to CMT for consideration and feedback	Not started	23/01/2019	Manager People & Culture
		Evaluate procedure and process with Elected Members at the February 2019 Workshop.	Not started	27/02/2019	Manager People & Culture
		Seek endorsement of documentation at Council meeting.	Not started	13/03/2019	Manager People & Culture/Governance Officer
		Training provided to key stakeholders (Council personnel)	Not started	30/03/2019	Manager People & Culture

2. IMPLEMENTATION OF AGREED ACTIONS (LGRS RISK PROFILE REVIEW ACTION PLAN)

An update on the implementation of proposed actions resulting from the Local Government Risk Services Risk Profile Review (external audit) activities is provided in attachments.

Information about the current status of each action has been provided by the officers responsible for the implementation of the agreed actions.

3. IMPLEMENTATION OF AGREED ACTIONS (LGAWCS KEY PERFORMANCE INDICATOR AUDIT)

The actions for the Local Government Association Workers Compensation Key Performance Indicator Audit (external audit) are managed according to the priority of the risk rating and monitored by the Corporate Management Team and the WHS & IM Committee currently on a quarterly basis.

9 GENERAL BUSINESS

10 NEXT MEETING

Wednesday 12 December 2018

11 CLOSURE