



Yorke Peninsula Council

NOTICE OF MEETING

Notice is hereby given that the next ordinary meeting of Council's

AUDIT COMMITTEE

will be held on Wednesday 11th February 2015
in the Minlaton Council Chamber,
57 Main Street, Minlaton commencing at 3pm

David Harding
DIRECTOR CORPORATE AND
COMMUNITY SERVICES

A G E N D A

ITEM 1 YORKE PENINSULA COUNCIL – AUDIT COMMITTEE

- 1.1 Welcome by Chairperson
- 1.2 Present
- 1.3 Apologies/Leave of Absence
- 1.4 Minutes of previous meeting – for confirmation:
Audit Committee meeting held on 11th December 2014.
- 1.5 Questions without Notice

1.6 Conflict of Interest

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 accordance with Section 73 of the Local Government Act in items listed for consideration on the Agenda. Section 74 of the Local Government Act 1999 requires that Members declare any interest and provide full and accurate details of the relevant interest to the Council prior to consideration of that item on the Agenda.

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

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

ITEM 2 REPORTS

- | | |
|--|-------------|
| 1. Audit Committee 2015 Work Plan | pages 3-5 |
| 2. Annual Business Plan and Budget Timetable 2015/2016 | pages 6-7 |
| 3. December 2014 Budget Review | pages 8-21 |
| 4. Long Term Financial Plan Update | pages 22-26 |
| 5. Response to Completion of Balance Date Audit Letter | pages 27-30 |
| 6. Internal Audit Activity Report | pages 31-62 |
| 7. Internal Controls Project Update | pages 63-65 |
| 8. Risk Management Report | pages 66-76 |
| 9. Asset Management Update | pages 77-78 |
| 10. Electronic Document and Records Management System Update | pages 79-80 |
| 11. Audit Committee Self-Assessment Draft | pages 81-83 |

ITEM 3 GENERAL BUSINESS

ITEM 4 NEXT MEETING

Wednesday 22nd April
Minlaton Council Chamber at 3pm

ITEM 5 CLOSURE

DIRECTOR CORPORATE AND COMMUNITY SERVICES

1. AUDIT COMMITTEE 2015 WORK PLAN

(File Ref: 9.14.1.6)

INTRODUCTION

To consider the proposed 2015 Audit Committee Work Plan.

RECOMMENDATION

That the Audit Committee endorse the updated 2015 Audit Committee Work Plan.

COMMENT

As stated in clause 2 of the Audit Committee Terms of Reference, 23 February 2010, the objective of the Audit Committee is to assist the Council in the conduct of its responsibilities for the management of risk, related to financial reporting and audit initiatives, the internal control system and the audit functions and to act as a source of advice to Council and the Chief Executive Officer in relation to these matters.

The Committee will:

- enhance the communication between the external auditor and the Council;
- assist the management of financial and other risks to ensure the protection of Council assets;
- monitor the effectiveness of audit and reviewing functions and;
- enhance the integrity of the financial reporting of the Council.

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.

LEGISLATION/POLICY/COUNCIL STRATEGIC PLAN

Audit Committee Terms of Reference

Local Government Act 1999, Chapter 8.

FINANCIAL AND RISK MANAGEMENT CONSIDERATIONS

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.

**YORKE PENINSULA COUNCIL AUDIT COMMITTEE
2015 WORK PLAN**

Meeting	Item	Comments
<p>Wednesday 11th February</p> <p>Minlaton Council Chamber at 3pm</p>	<ul style="list-style-type: none"> • Approve new Audit Committee Work Plan • Interim External Audit Date • Internal Audit Activity Report • Internal Controls Project Update • Review Final Audit Letter • Risk Management Update • Long Term Financial Plan update • 2015/2016 Budget Timetable • Second Quarter 14/15 Budget Review • Asset Management Update • EDRMS System Update • Audit Committee Self-Assessment Draft 	
<p>Wednesday 22nd April</p> <p>Minlaton Council Chamber at 3pm</p>	<ul style="list-style-type: none"> • Review draft Annual Business Plan • 2015/2016 Budget Update • Third Quarter 14/15 Budget Review Update • LTFP Update • 2015/2016 Capital Budget Update • Internal Audit Activity Report • Asset Revaluation Requirements update • Asset Management Update • Risk Management Update 	
<p>Wednesday 24th June</p> <p>Minlaton Council Chamber at 3pm</p>	<ul style="list-style-type: none"> • Endorse Annual Business Plan & 2015/2016 Budget • Interim External Audit Visit Update • LTFP Update • Rates Options 2015-2016 Update • Internal Audit Activity Report • Assessment Project • Asset Management Update • Risk Management Update 	
<p>Wednesday 23rd September</p> <p>Minlaton Council Chamber at 3pm (Subject to Balance Date Audit dates)</p>	<ul style="list-style-type: none"> • LTFP Update • Internal Audit Activity Report • Internal Controls Project Update • Approve FY16 Internal Audit Plan • External Audit Activity Update • Review 2014-2015 Financial Statements • Review Required Asset Revaluations • EDRMS System Update • Asset Management Update • Risk Management Update 	

<p>Wednesday 28th October</p> <p>Minlaton Council Chamber at 3pm</p>	<ul style="list-style-type: none"> • Recommendation to Council regarding 2014/2015 Financial Statements • Recommendation to Council regarding First Quarter 15/16 Budget Review • Asset Management Update • Risk Management Update • Internal Audit Activity Report 	
<p>Wednesday 9th December</p> <p>Minlaton Council Chamber at 3pm</p>	<ul style="list-style-type: none"> • Receive Final Financial Statements and Auditors Report to Council • Receive June 2015 Budget Review • Receive First Quarter 14/15 Budget Review • Review 2015 Audit Committee Work Plan • Consider 2016 Audit Committee Work Plan Draft • LTFP Update • Asset Management Update • Risk Management Update • Internal Audit Activity Report • Internal Controls Project Update 	

As required:

- Policy Reviews
- Asset Management Plan Endorsements

DIRECTOR CORPORATE AND COMMUNITY SERVICES

2. ANNUAL BUSINESS PLAN AND BUDGET TIMETABLE 2015/2016 (File Ref: 9.14.1.6)

INTRODUCTION

The development of Council's Annual Business Plan and Budget requires co-ordination of the efforts of Council and Council staff to ensure compliance with legislative requirements.

RECOMMENDATION

That the Audit Committee receive the report.

COMMENT

At its meeting on 21 January 2015 Council adopted the 2015/2016 Annual Business Plan and Budget Timetable.

The attached document outlines the tasks and timelines for development of the 2015/2016 Annual Business Plan and Budget.

Key elements of the timetable are:

- A Council workshop to discuss the major elements of the budget and a second Council workshop to review the overall draft budget;
- Coordination of timelines to coincide with major 2014/2015 budget reviews;
- Coordination of reviews with the Audit Committee prior to Council workshops where possible;
- Provision of adequate time for public consultation.

LEGISLATION/POLICY/COUNCIL STRATEGIC PLAN

Section 123 Local Government 1999 – Annual Business Plans and Budgets

Sections 6 & 7 Local Government (Finance Management) Regulations 2011.

FINANCIAL AND RISK MANAGEMENT CONSIDERATIONS

The attached timetable will enable Council and the Audit Committee to meet all legislative requirements in regard to the 2015/2016 Annual Business Plan and Budget.

2015 Annual Business Plan & Budget Preparation Program

	Council Meeting	Council Workshop	Audit Committee
January	Wednesday 21st	Wednesday 14th	
	<ul style="list-style-type: none"> Adopt budget timetable 	<ul style="list-style-type: none"> Budget request forms issued to Elected Members December budget review update 	
February	Wednesday 11th	Wednesday 25^h	Wednesday 11th
	<ul style="list-style-type: none"> Adopt December Budget Review 	<ul style="list-style-type: none"> Construction Budget Caravan Park budgets Departmental Project Budgets Elected Members Operating and Capital Budget requests/considerations 	<ul style="list-style-type: none"> Review Budget Timetable December Budget Review LTFP Update
March		Wednesday 25th	
		<ul style="list-style-type: none"> Workshop to consider draft budget and draft revised LTFP Rating review Fees review Consideration of EM Budget Requests 	
April		Wednesday 22nd	Wednesday 22nd
		<ul style="list-style-type: none"> March Budget Review Update 	<ul style="list-style-type: none"> Review Draft ABP & LTFP March Budget Review Update
May	Wednesday 13th		
	<ul style="list-style-type: none"> Consider Draft ABP ready for consultation Adopt March Budget review 		
June	Wednesday 10th	Wednesday 24th	Wednesday 24th
	<ul style="list-style-type: none"> Approve draft ABP Consider detailed Rating options 	<ul style="list-style-type: none"> Review changes to Draft ABP & LTFP 	<ul style="list-style-type: none"> Endorse Draft ABP for adoption by Council Endorse 15/16 Budget for adoption by Council LTFP Update Review 15/16 rating options
July	Wednesday 8th		
	<ul style="list-style-type: none"> Approve ABP, Budget & Rates 		

DIRECTOR CORPORATE AND COMMUNITY SERVICES

3. DECEMBER 2014 BUDGET REVIEW

(File Ref: 9.14.1.6)

INTRODUCTION

To consider a review of Council's 2013/2014 adopted budget.

RECOMMENDATION

That the Audit Committee recommend that Council adopt the December 2014 Budget Review changes as presented in the December 2014 Budget Review – Summary of Changes and the attached financial reports. (Uniform Presentation of Finances, Statement of Comprehensive Income, Balance Sheet, Cash Flow Statement, Statement of Changes in Equity and Financial Ratios Report).

COMMENT

As required by Local Government (Financial Management) Regulations 2011, Council budget managers in all directorates have completed a review of the adopted budget and the Revised Budget from the September 2014 review adopted by Council.

Further adjustments have been made incorporating approved Council amendments, review changes based on financial results to date, and known changes in circumstances at 31st December 2014.

As a result of the December 2014 review the Net Borrowing for the financial year has decreased by \$119,007 to a total of \$4.214m in the proposed Revised Budget for the 2014/2015 financial year.

Major items include:

- Increase in operating income of \$227,485 – grant income for Seawater Flooding Investigation \$66k – workers compensation bonus received \$67k – risk administration reimbursements received \$97k – other minor adjustments \$3k
- Increase in operating expenditure of \$209,708 – Seawater Flooding Investigation \$95k – transfer of capital projects balances (completed projects) to unsealed roads expenditure \$48k – risk administration projects \$97k – reduction of \$30k in budgeted insurance expenditure
- Increase in capital income received for specific projects – Clinton Road \$53k
- Decrease in capital expenditure of \$48k (transferred to maintenance/operating) after completion of projects.

Other minor reallocations of income and expenditure have also been made (both within directorates and between directorates) during the review which when netted off do not materially change the revised Net Borrowings. A list of all changes proposed has also been included for Elected Members information.

LEGISLATION/POLICY/COUNCIL STRATEGIC PLAN

Local Government Act 1999

Local Government (Financial Management) Regulations 2011

FINANCIAL AND RISK MANAGEMENT CONSIDERATIONS

Regular Budget Reviews, at least in accordance with Local Government (Financial Management) Regulations 2011 requirements, contribute significantly to both Financial and Risk Management procedures.

**District Council of Yorke Peninsula
December 2014 Budget Review - Summary of Changes**

		Increase Deficit/ Capital Exp \$	Decrease Deficit/ Capital Exp \$	Net Change Increase/ (Decrease) \$	Reason for Change
Executive Services					
<u>Income</u>					
20007/911/841	Risk Admin Reimbursements		(15,000)		WHS Award
20007/911/841	Risk Admin Reimbursements		(81,577)		Risk bonus received
	Exec Services Net Change - Income	0	(96,577)	(96,577)	
<u>Operating Expenses</u>					
18870/130/260	Risk administration	14000			Expenditure matching WHS Award
18870/130/380	Risk administration	1,000			Expenditure matching WHS Award
18870/130/260	Risk administration	81,577			Expenditure matching Risk bonus received
	Exec Services Net Change - Operating Expenses	96,577	0	96,577	
<u>Capital Expenditure</u>					
	Exec Services Net Change - Capital Expenditure	0	0	0	
Total increase/(decrease) - Executive Services				0	

**District Council of Yorke Peninsula
December 2014 Budget Review - Summary of Changes**

		Increase Deficit/ Capital Exp \$	Decrease Deficit/ Capital Exp \$	Net Change Increase/ (Decrease) \$	Reason for Change
Assets and Infrastructure Services					
Operating Expense					
6648/252/260	Seawater Flooding Investigation - contractual	95,250			Seawater Flooding Investigation - grant funded
6433/252/260	Hardwicke Bay CWMS - contractual	1,000			Reallocation to balance project costs
6433/252/300	Hardwicke Bay CWMS - materials	2,000			Reallocation to balance project costs
6432/252/300	Rogues Point CWMS - materials		(3,000)		Reallocation to balance project costs
6465/252/260	Sultana Pt CWMS - contractual	3,500			Reallocation to balance project costs
6465/252/300	Sultana Pt CWMS - materials	4,000			Reallocation to balance project costs
6438/252/300	Pt Turton CWMS - materials		(1,500)		Reallocation to balance project costs
6443/252/300	Balgowan CWMS - materials		(3,000)		Reallocation to balance project costs
6444/252/300	Pt Julia CWMS - materials		(3,000)		Reallocation to balance project costs
6410/252/300	Maitland CWMS - materials		(4,000)		Reallocation to balance project costs
6439/252/260	Stansbury CWMS - contractual		(2,000)		Reallocation to balance project costs
6439/252/300	Stansbury CWMS - materials	6,000			Reallocation to balance project costs
6907/252/300	Hardwicke Bay Water Supply - materials		(800)		Reallocation to balance project costs
6900/252/300	Black Pt Water Supply - materials		(500)		Reallocation to balance project costs
6900/252/260	Black Pt Water Supply - contractual		(1,000)		Reallocation to balance project costs
6905/252/300	Balgowan Water Supply - materials		(500)		Reallocation to balance project costs
6905/252/260	Balgowan Water Supply - contractual		(1,000)		Reallocation to balance project costs
6900/252/260	Ardrossan CWMS - contractual		(6,000)		Reallocation to balance project costs
6916/252/260	Marion Bay Desal - contractual	9,800			Reallocation to balance project costs
6437/252/300	Foul Bay CWMS - materials		(1,000)		Reallocation to balance project costs
6438/252/260	Pt Turton CWMS - contractual		(1,500)		Reallocation to balance project costs
6435/252/260	Pt Vincent CWMS - contractual	2,500			Reallocation to balance project costs
6438/252/300	Pt Turton CWMS - materials		(2,000)		Reallocation to balance project costs
6467/252/300	Chinaman Wells CWMS - materials		(2,000)		Reallocation to balance project costs
6468/252/260	Pt Victoria CWMS - contractual		(3,000)		Reallocation to balance project costs
6410/252/300	Maitland CWMS - materials		(2,000)		Reallocation to balance project costs
6435/252/300	Pt Vincent CWMS - materials	9,000			Reallocation to balance project costs
13940/252/101	Unsealed Roads - wages	1,211			Reallocation from final capital project costs
13940/252/520	Unsealed Roads - plant hire	3,516			Reallocation from final capital project costs
13940/252/338	Unsealed Roads - internal rubble	42,205			Reallocation from final capital project costs
13940/258/300	Unsealed Roads Patrol Grading - materials	1,298			Reallocation from final capital project costs
18500/272/442	Machinery - insurance		(5,591)		Adjust to actuals
Assets & Infrastructure Net Change - Operating Expenses		181,280	(43,391)	137,889	

**District Council of Yorke Peninsula
December 2014 Budget Review - Summary of Changes**

		Increase Deficit/ Capital Exp \$	Decrease Deficit/ Capital Exp \$	Net Change Increase/ (Decrease) \$	Reason for Change
<u>Capital Expenditure</u>					
54008/571/338	Brutus Road - internal rubble		(16,400)		Reallocation to finalise capital project costs
53519/571/300	South Coast Road - materials	1,805			Reallocation to finalise capital project costs
53519/571/260	South Coast Road - contractual		(10,500)		Reallocation to finalise capital project costs
53519/571/101	South Coast Road - wages		(1,211)		Reallocation to finalise capital project costs
53519/571/520	South Coast Road - plant hire		(3,516)		Reallocation to finalise capital project costs
54027/571/338	Nalyappa Road - internal rubble		(16,545)		Reallocation to finalise capital project costs
53544/571/338	Clasohm Road - internal rubble		(1,863)		Reallocation to finalise capital project costs
44263/570/300	Sultana Pt CWMS - materials	1,314			Reallocation to balance project costs
44254/570/300	Maitland CWMS - materials		(1,314)		Reallocation to balance project costs
Assets & Infrastructure Net Change - Capital Expenditure		3,119	(51,349)	(48,230)	
Total increase/(decrease) - Assets & Infrastructure				89,659	

**District Council of Yorke Peninsula
December 2014 Budget Review - Summary of Changes**

		Increase Deficit/ Capital Exp \$	Decrease Deficit/ Capital Exp \$	Net Change Increase/ (Decrease) \$	Reason for Change
Development Services					
Income					
24007/950/850	Anderson Terrace House		(7,500)		Adjustment to income expected
25401/950/815	Hall hire fees	2000			Adjustment to income expected
25422/950/815	Maitland Hall Tenants rental	17000			Adjustment to income - hall unavailable
25470/814/840	Halls - other income		(1,884)		Adjustment to income expected
22050/840/810	Septic Tank Application fees	5000			Lower than expected applications
22050/841/810	Septic Tank Inspection fees	8000			Lower than expected inspections
24020/851/810	Planning Assessment fees	9000			Lower than expected development applications
24020/852/810	Public Consultation fees	5000			Lower than expected development applications
24020/856/810	Building assessment fees		(10,000)		Adjustment to development applications allocations
25300/889/810	Boat Ramp expiations		(2,085)		Higher than expected expiation fees
21051/868/810	Animal Expiations		(1,500)		Higher than expected expiation fees
21200/815/810	Dog registrations		(4,500)		Increased dog registrations
Development Services Net Change - Income		46,000	(27,469)	18,531	
Operating Expenses					
6055/130/260	Building Fire Safety - contractual		(1,631)		
6050/130/260	Development and Planning - contractual	1631			
Development Services Net Change - Operating Expenses		1,631	(1,631)	0	
Capital Expenditure					
Development Services Net Change - Capital Expenditure		0	0	0	
Total increase/(decrease) - Development Services				18,531	

**District Council of Yorke Peninsula
December 2014 Budget Review - Summary of Changes**

		Increase Deficit/ Capital Exp \$	Decrease Deficit/ Capital Exp \$	Net Change Increase/ (Decrease) \$	Reason for Change
Corporate and Community Services					
Income					
24611/922/870	Foreshore Protection		(36,000)		Grant Income - CPB Seawater Flooding Investigation
24611/922/870	Foreshore Protection		(31,443)		Grant Income - CmwltH Seawater Flooding Investigation
29200/922/870	Special Roads Projects		(53,000)		Grant Income - Special Roads Projects, Clinton Road
20000/811/841	Workers Compensation		(65,796)		Higher than expected Workers Compensation Bonus
20130/807/840	Legal fees reimbursed		(10,000)		Higher than expected legal fees reimbursements
31000/942/830	LGFA Bonus Received		(5,679)		Higher than expected LGFA Bonus
20000/811/840	Insurance reimbursements	5679			Lower than expected insurance reimbursements
24338/951/860	Pt Victoria Effluent Augmentation		(32,778)		Reallocation of effluent augmentation budget
24337/951/860	Ardrossan Effluent Augmentation	30000			Reallocation of effluent augmentation budget
24322/951/860	Maitland Effluent Augmentation	10000			Reallocation of effluent augmentation budget
23000/910/850	YPCTS - Other Income		(12,034)		YPC contribution to YPCTS
29628/814/840	ATO Fuel Rebate		(10,000)		Increased rebate expected
20000/814/840	General reimbursements	10000			Lower than expected reimbursements
29625/814/840	Traffic control - reimbursements		(367)		Adjust to actuals
31286/910/840	Other Income - reimbursements		(7,166)		Increased NRM Collection fees reimbursement
25200/814/840	Sporting Club/Community Group reimbursements - general		(1,000)		Adjust to actuals
25200/811/840	Sporting Club/Community Group reimbursements - insurance	10000			insurances transferred directly to groups
29750/948/880	Gross proceeds - other assets		(2,855)		Adjust to actuals
	Corp & Comm Services Net Change - Income	65,679	(268,118)	(202,439)	
Operating Expenses					
5021/295/260	Living Skills - contractual		(14,000)		Transfer to salaries
5021/100/100	YPLO - salaries	14000			alteration of contractor to employee status
18084/195/380	Donations not elsewhere classified - YPCTS		(55)		Adjust to actuals
2256/220/400	Pt Pearce Aboriginal Corporation - electricity	584			Adjust to actuals (charged to PPAC)
various	Workers compensation insurance		(25,287)		Adjust to actuals
	Corp & Comm Services Net Change - Operating Expenses	14,584	(39,342)	(24,758)	
Capital Expenditure					
60100/571/300	Pt Vincent CP - hose reels		(10,000)		Reallocation to alternative project
60050/571/380	Other Caravan Parks - other		(10,000)		Reallocation to alternative project
60050/571/300	Minlaton CP - materials	20000			Powerheads at Minlaton Caravan Park
	Corp & Comm Services Net Change - Capital Expenditure	20,000	(20,000)	0	
Total increase/(decrease) - Corporate & Community Services				(227,197)	
Overall increase/(decrease) for December Budget Review				(119,007)	

**District Council of Yorke Peninsula
December 2014 Budget Review - Summary of Changes**

	Increase Deficit/ Capital Exp \$	Decrease Deficit/ Capital Exp \$	Net Change Increase/ (Decrease) \$	Reason for Change
Summary				
Decrease /(Increase) in Operating Income		(227,485)		
Increase/(Decrease) in Operating Expenses		209,708		
Net Increase/(Decrease) in Operating Deficit			(17,777)	
Net Decrease/(Increase) in Capital Amounts Received		(53,000)		
Net Increase/(Decrease) in Deficit after Capital Receipts			(70,777)	
Increase/(Decrease) in Spending on New Capital Items		0		
Increase/(Decrease) in Spending on Renew of Capital Items		(48,230)		
Net Increase/(Decrease) in Capital Expenditure			(48,230)	
Overall increase/(decrease) for December Budget Review			(119,007)	
Adjust reduction in Depreciation (Non-Cash)			0	
Net Increase/(Decrease) in Borrowings			(119,007)	



Yorke Peninsula Council

Budgeted Uniform Presentation of Finances 2014/2015 - December Budget Review

Income	-\$25,976
Less Expenses	\$29,536
Operating Deficit before Capital Amounts	\$3,560
Less Net Outlays on Existing Assets	
Capital Expenditure on renewal and replacement of Existing Assets	\$6,498
Less Depreciation, Amortisation and Impairment	-\$9,153
Less Proceeds on Sale of Assets	-\$280
	-\$2,935
Less Net Outlays on New and Upgraded Assets	
Capital Expenditure on New and Upgraded Assets	\$4,746
Less Amounts received specifically for New and Upgraded Assets	-\$1,156
	\$3,590
NET(LENDING) / BORROWING FOR FINANCIAL YEAR	\$4,215

2014/2015 Budget	Full Year To Date Adjustments	2014/2015 Revised Budget
-\$25,976	-\$514	-\$26,490
\$29,536	\$285	\$29,821
\$3,560	-\$229	\$3,331
\$6,498	\$70	\$6,568
-\$9,153	\$0	-\$9,153
-\$280	-\$3	-\$283
-\$2,935	\$67	-\$2,868
\$4,746	\$249	\$4,995
-\$1,156	-\$88	-\$1,244
\$3,590	\$161	\$3,751
\$4,215	-\$1	\$4,214



Yorke Peninsula Council

Budgeted Balance Sheet 2014/2015 - December Budget Review

	2014/2015 Budget \$'000	Full Year To Date Adjustments \$'000	2014/2015 Revised Budget \$'000
Current Assets			
Cash and Cash Equivalents	\$3,259	\$499	\$3,758
Trade and Other Receivables	\$1,168	-\$53	\$1,115
Investments and Other Financial Assets	\$20	-\$20	\$0
Inventories	\$887	-\$164	\$723
TOTAL CURRENT ASSETS	\$5,334	\$262	\$5,596
Non-Current Assets			
Financial Assets	\$447	\$9	\$456
Infrastructure, Property, Plant and Equipment	\$279,040	\$46,993	\$326,033
Other Non-Current Assets	\$0	\$0	\$0
TOTAL NON-CURRENT ASSETS	\$279,487	\$47,002	\$326,489
TOTAL ASSETS	\$284,821	\$47,264	\$332,085
Current Liabilities			
Trade and Other Payables	\$1,984	\$168	\$2,152
Borrowings	\$510	-\$117	\$393
Provisions	\$936	\$525	\$1,461
TOTAL CURRENT LIABILITIES	\$3,430	\$576	\$4,006
Non-Current Liabilities			
Borrowings	\$6,921	\$94	\$7,015
Provisions	\$315	\$356	\$671
TOTAL NON-CURRENT LIABILITIES	\$7,236	\$450	\$7,686
TOTAL LIABILITIES	\$10,666	\$1,026	\$11,692
NET ASSETS	\$274,155	\$46,238	\$320,393
Equity			
Accumulated Surplus	-\$4,708	-\$723	-\$5,431
Asset Revaluation Reserve	\$278,069	\$47,038	\$325,107
Other Reserves	\$794	-\$77	\$717
TOTAL EQUITY	\$274,155	\$46,238	\$320,393



Yorke Peninsula Council

Budgeted Statement of Comprehensive Income 2014/2015 - December Budget Review

	2014/2015 Budget	Full Year To Date Adjustments	2014/2015 Revised Budget
Rates	-\$19,094	\$4	-\$19,090
Statutory Charges	-\$450	\$9	-\$441
User Charges	-\$2,941	\$18	-\$2,923
Grants Subsidies Contributions	-\$2,870	-\$259	-\$3,129
Investment Income	-\$121	-\$5	-\$126
Reimbursements	-\$344	-\$148	-\$492
Other Income	-\$156	-\$133	-\$289
TOTAL REVENUES	-\$25,976	-\$514	-\$26,490
Employee Costs	\$7,670	-\$10	\$7,660
Materials Contracts & Other Expenses	\$12,335	\$299	\$12,634
Depreciation	\$9,153	\$0	\$9,153
Finance Costs	\$378	-\$4	\$374
TOTAL EXPENSES	\$29,536	\$285	\$29,821
OPERATING DEFICIT BEFORE CAPITAL AMOUNTS	\$3,560	-\$229	\$3,331
(Gain)/Loss on Asset Disposals	-\$40	-\$3	-\$43
Amounts Specifically for New Assets	-\$1,156	-\$88	-\$1,244
NET DEFICIT	\$2,364	-\$320	\$2,044

Yorke Peninsula Council

Budgeted Cash Flow Statement 2014/2015 - December Budget Review

Cash Flows from Operating Activities

Receipts

Operating Receipts

\$25,855

\$981

\$26,836

Investment Receipts

\$121

-\$6

\$115

Payments

Operating Payments to Suppliers and Employees

-\$19,898

\$401

-\$19,497

Finance Payments

-\$378

-\$170

-\$548

NET CASH USED PROVIDED BY OPERATING ACTIVITIES

\$5,700

\$1,206

\$6,906

Cash Flows from Investing Activities

Receipts

Amounts Specifically for New or Upgraded Assets

\$1,156

\$88

\$1,244

Sale of Replaced Assets

\$280

\$3

\$283

Repayments of Loans by Community Groups

\$0

\$62

\$62

Payments

Expenditure on Renewal/Replacement of Assets

-\$6,498

-\$280

-\$6,778

Expenditure on New/Upgraded Assets

-\$4,746

-\$38

-\$4,784

Loans to Community Groups

\$0

-\$40

-\$40

NET CASH USED IN INVESTING ACTIVITIES

-\$9,808

-\$205

-\$10,013

Cash Flows from Financing Activities

Receipts

Proceeds from Borrowings

\$6,000

\$0

\$6,000

Payments

Repayment of Borrowings

-\$805

-\$9

-\$814

NET CASH USED IN FINANCING ACTIVITIES

\$5,195

-\$9

\$5,186

NET INCREASE/(DECREASE) IN CASH HELD

\$1,087

\$992

\$2,079

CASH AT BEGINNING OF REPORTING PERIOD

\$2,172

-\$493

\$1,679

CASH AT END OF REPORTING PERIOD

\$3,259

\$499

\$3,758



Yorke Peninsula Council

Budgeted Statement of Changes in Equity 2014/2015 Revised Budget

Accumulated Surplus brought forward

Net Surplus/(Deficit) for Year

Gain on Revaluation of Infrastructure, Property, Plant and Equipment

Transfers between Reserves

Total Equity (revised) at end of 2014/2015 Budget Year

Accumulated Surplus \$'000	Asset Revaluation Reserve \$'000	Other Reserves \$'000	TOTAL EQUITY \$'000
- \$3,388	\$325,107	\$717	\$322,436
- \$2,043			- \$2,043
			\$0
			\$0
- \$5,431	\$325,107	\$717	\$320,393

Yorke Peninsula Council



Budgeted Financial Indicators 2014/2015 - December Budget Review

	2014/2015 Adopted Budget	2014/2015 Revised Budget
Operating Surplus/(Deficit) \$'000	-\$3,560	-\$3,330
Operating Surplus Ratio	-18.6%	-17.0%
Net Financial Liabilities \$'000	\$5,734	\$6,233
Net Financial Liabilities Ratio	22.1%	23.5%
Interest Cover Ratio	1.0%	0.9%
Asset Sustainability Ratio	66.0%	71.0%
Asset Consumption Ratio	61.0%	63.0%

DIRECTOR CORPORATE AND COMMUNITY SERVICES

4. LONG TERM FINANCIAL PLAN UPDATE

(File Ref: 9.14.1.6)

INTRODUCTION

To update the Audit Committee on the progress of Council's Long Term Financial Plan.

RECOMMENDATION

That the Audit Committee receives the report in relation to Council's Long Term Financial Plan development.

COMMENT

The Long Term Financial Plan (LTFP) has been used by Council to guide the development the 2014/2015 budget and will be used to guide the development of the 2015/2016 Budget and to assess major projects prior to formal consideration by Council.

The LTFP Draft incorporates Council's actual financial position at 30 June 2014 as detailed in the adopted financial statements for 2013/2014 and the results of the September 2014 budget review. Continued revision of the LTFP ensures that the plan remains relevant and reflects the impact of the most recent decisions made by Council.

The Uniform Presentation of Finances, Comprehensive Income Statement, along with the Financial Ratios report presented to the January 2015 Council workshop, are attached for the information of Audit Committee Members.

Following the endorsement of the December 2014 Budget Review by Council, at its February 2015 meeting, the LTFP will be further updated to reflect adjustments made during that review.

The LTFP will also be adjusted and developed in line with the 2015/2016 Budget process and will be re-presented to Council when major projects and initiatives are assessed for inclusion in the 2015/2016 Budget.

Draft updates will be provided to the Audit Committee for information and discussed with Elected Members and staff at budget workshops as indicated in the Annual Business Plan and Budget Timetable 2015-16.

LEGISLATION/POLICY/COUNCIL STRATEGIC PLAN

Local Government Act 1999

Local Government (Financial Management) Regulations 2011

FINANCIAL AND RISK MANAGEMENT CONSIDERATIONS

The LTFP is an important component of Councils strategic management plans and provides important guidance to Council decision making, especially in the area of financial sustainability.

Yorke Peninsula Council

LTFP - Projection 2.6% CPI 3% Fin Sustain Acceleration

SUMMARY STATEMENT INCLUDING FINANCING TRANSACTIONS

Year Ended 30 June:	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
	Audited	Revised	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan
	Financials	Budget	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)
Operating Revenues	24,961	26,268	27,507	28,622	29,952	31,383	32,914	34,485	36,143	37,881	39,730
<i>less Operating Expenses</i>	28,379	29,615	30,508	31,378	32,267	33,313	35,108	36,001	37,025	38,155	39,275
Operating Surplus/(Deficit) before Capital Amounts	(3,418)	(3,347)	(3,001)	(2,756)	(2,315)	(1,930)	(2,194)	(1,516)	(882)	(274)	455
Less: Net Outlays on Existing Assets											
Capital Expenditure on Renewal/Replacement of Existing Assets	4,748	6,865	6,997	5,126	5,260	5,497	7,037	8,180	9,327	9,980	11,134
<i>less Depreciation, Amortisation & Impairment</i>	8,438	9,153	9,231	9,487	9,739	10,083	11,243	11,438	11,735	12,060	12,453
<i>less Proceeds from Sale of Replaced Assets</i>	439	280	190	190	190	190	200	200	200	200	200
	(4,129)	(2,568)	(2,424)	(4,550)	(4,669)	(4,777)	(4,406)	(3,458)	(2,608)	(2,280)	(1,519)
Less: Net Outlays on New and Upgraded Assets											
Capital Expenditure on New/Upgraded Assets	2,489	4,745	3,583	2,780	2,827	2,875	2,924	2,001	2,053	2,065	2,119
<i>less Amounts Specifically for New/Upgraded Assets</i>	946	1,191	2,487	1,250	1,260	1,280	1,300	670	690	715	740
<i>less Proceeds from Sale of Surplus Assets</i>	0	0	0	0	0	0	0	0	0	0	0
	1,543	3,554	1,096	1,530	1,567	1,595	1,624	1,331	1,363	1,350	1,379
Net Lending / (Borrowing) for Financial Year	(832)	(4,333)	(1,673)	264	788	1,252	588	611	363	656	595

Yorke Peninsula Council

LTFP - Projection 2.6% CPI 3% Fin Sustain Acceleration

ESTIMATED COMPREHENSIVE INCOME STATEMENT

Year Ended 30 June:	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
	Audited	Revised	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan
	Financials	Budget	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)
INCOME											
Rates	17,940	19,092	20,134	21,236	22,401	23,636	24,941	26,321	27,781	29,327	30,963
Statutory Charges	407	451	463	475	488	502	516	530	544	559	574
User Charges	2,787	2,933	3,009	3,087	3,167	3,249	3,333	3,418	3,506	3,596	3,689
Grants, subsidies, contributions	2,705	3,062	3,083	3,105	3,172	3,240	3,310	3,381	3,454	3,529	3,605
Investment Income	166	120	192	77	66	81	121	124	129	122	132
Reimbursements	660	345	354	363	372	382	392	402	412	423	434
Other Income	296	265	272	279	286	293	301	309	317	325	333
Total Revenues	24,961	26,268	27,507	28,622	29,952	31,383	32,914	34,485	36,143	37,881	39,730
EXPENSES											
Employee costs	7,422	7,669	7,994	8,280	8,577	8,884	9,203	9,533	9,875	10,229	10,596
Materials, contracts & other expenses	12,279	12,419	12,771	13,129	13,499	13,923	14,270	14,670	15,085	15,563	15,949
Depreciation	8,438	9,153	9,231	9,487	9,739	10,083	11,243	11,438	11,735	12,060	12,453
Finance Costs	240	374	512	482	452	423	392	360	330	303	277
Total Expenses	28,379	29,615	30,508	31,378	32,267	33,313	35,108	36,001	37,025	38,155	39,275
OPERATING SURPLUS/(DEFICIT) BEFORE CAPITAL AMOUNTS	(3,418)	(3,347)	(3,001)	(2,756)	(2,315)	(1,930)	(2,194)	(1,516)	(882)	(274)	455
Net gain/(loss) on disposal or revaluations	23	40	40	40	40	40	40	40	40	30	30
Amounts specifically for new assets	985	1,191	2,487	1,250	1,260	1,280	1,300	670	740	715	740
Physical resources free of charge	0	0	500	0	600	0	600	0	600	0	650
NET SURPLUS/(DEFICIT)	(2,410)	(2,116)	26	(1,466)	(415)	(610)	(254)	(806)	498	471	1,875
Other Comprehensive Income											
Changes in revaluation surplus - IPP&E	49,401	0	176	0	1,767	31,270	0	305	0	1,755	34,331
Total Other Comprehensive Income	49,401	0	176	0	1,767	31,270	0	305	0	1,755	34,331
TOTAL COMPREHENSIVE INCOME	46,991	(2,116)	202	(1,466)	1,352	30,660	(254)	(501)	498	2,226	36,206

York Peninsula Council	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
FINANCING TRANSACTIONS	Audited	Revised	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan
LTFP - Projection 2.6% CPI 3% Fin Sustain Acceleration	Financials	Budget	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)
New Borrowings	0	6,000	0	0	0	0	0	0	0	0	0
Repayment of Principal on Borrowings	763	864	575	533	515	534	555	569	566	515	517
LTFP - Projection 2.6% CPI 3% Fin Sustain Acceleration	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
KEY FINANCIAL INDICATORS	Audited	Revised	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan
	Financials	Budget	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Operating Surplus / (Deficit) - \$'000	(3,418)	(3,347)	(3,001)	(2,756)	(2,315)	(1,930)	(2,194)	(1,516)	(882)	(274)	455
Operating Surplus Ratio - %	(19)%	(18)%	(15)%	(13)%	(10)%	(8)%	(9)%	(6)%	(3)%	(1)%	1%
Net Financial Liabilities - \$'000	2,156	6,459	8,109	7,823	7,015	5,739	5,126	4,484	4,105	3,433	2,839
Net Financial Liabilities Ratio - %	8.6%	24.6%	29.5%	27.3%	23.4%	18.3%	15.6%	13.0%	11.4%	9.1%	7.1%
Interest Cover Ratio - %	0.3%	1.0%	1.2%	1.4%	1.3%	1.1%	0.8%	0.7%	0.6%	0.5%	0.4%
Asset Sustainability Ratio - %	51%	72%	74%	52%	52%	53%	61%	70%	78%	81%	88%

DIRECTOR CORPORATE AND COMMUNITY SERVICES

5. RESPONSE TO COMPLETION OF BALANCE DATE AUDIT LETTER (File Ref: 9.14.1.6)

INTRODUCTION

To provide the Audit Committee with Management's response to matters raised in the Completion of Balance Date Audit letter.

RECOMMENDATION

That the report be received.

COMMENT

At the last Audit Committee meeting held on December 11, 2014, the committee requested that Management provide a formal response to the Completion of Balance Date Audit letter received from Dean Newbery. A copy of the Completion of Balance Date Audit letter and Council's response letter is attached for the Committee's information.

Items 1 to 3 of the letter required no response. Items 4 to 6 have been addressed as attached.

LEGISLATION/POLICY/COUNCIL STRATEGIC PLAN

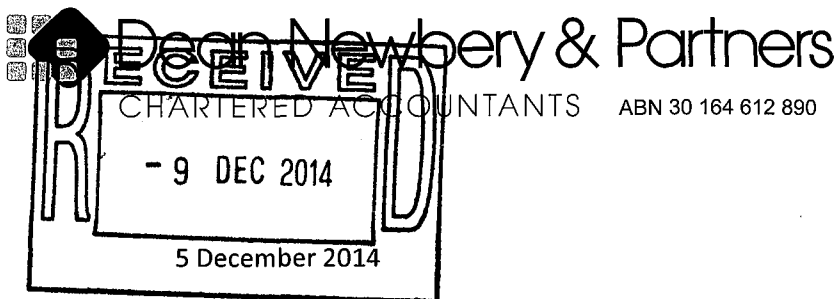
Local Government Act 1999 – Section 127 – Financial Statements.

Local Government (Financial Management) Regulations 2011 – Regulations 14 and 22 (3)
(a)

FINANCIAL AND RISK MANAGEMENT CONSIDERATIONS

The Annual Financial Statements form a critical part of Council's public accountability and performance reporting, and are required to meet a number of legislative requirements.

Management response to Auditors letters regarding this process assist with adherence to these requirements.



Mayor Ray Agnew
Yorke Peninsula Council
PO Box 8
MINLATON SA 5575

Dear Mayor Agnew

RE: Completion of Balance Date Audit – Financial Year Ended 30 June 2014

As a result of the work recently completed in connection with our final Balance Date audit of your Council for the financial year ended 30 June 2014, we provide a summary of the audit matters we wish to bring to your attention.

We met with your Council's Audit Committee on 27 October 2014 where the below matters were raised and discussed with the members present. Since our meeting with Council's Audit Committee we have issued an unqualified Auditor's Report on the annual Financial Statements for the financial year ended 30 June 2014.

We wish to highlight to the following matters to you as a result of work recently completed:

1. We have received appropriate explanations for all material variations as between 2012/13 actual and 2013/14 actual (operating and capital).
2. We are confident that audit matters raised in our Management Letters issued during the 2013/14 financial year have, or are in the process of being attended to by the Administration.
3. Significant work was undertaken during the 2013/14 financial year to complete physical inspections, data collection and valuation of Council's Transportation Infrastructure assets to address the matters raised in the Qualification included in the 2012/13 financial year Audit Report issued. We acknowledge the significant effort made by the Council and Administration in completing this body of work and for addressing the deficiencies noted in 2012/13 Qualification.
4. Given Stormwater and Community Wastewater Management Scheme assets were last valued on 30 June 2011, we recommend that a review of the asset valuation data be undertaken during the 2014/15 financial year to assess whether a valuation of these assets is necessary per the requirements of Australian Accounting Standard (AASB) 116 *Property, Plant and Equipment*.

If a valuation is required to be undertaken, we recommend that the effective date of the valuation should be 1 July 2014 to ensure that calculated depreciation expense on these assets for the 2014/15 financial year will be based on the most reliable and up-to-date data.

Item Number
7484 - 2014 - 3
GDS Number
7.8.1.1
Distribution
copy to Jackie. copy also received for CEO + Audit Committee

5. Given the significant work undertaken in condition rating Council's Transport Infrastructure, Land, Buildings and Water Supply Schemes assets during the 2013/14 financial year, we recommend that Asset Management Plans for each asset class be reviewed and updated with the most recently acquired data collected to ensure all future projections of required capital maintenance and upgrades remain reliable for strategic decision making purposes.

Updated projections from the Asset Management Plans should be factored into Council's Long Term Financial Plan estimates to ensure appropriate planning for future funding requirements are appropriately planned for and known.

6. During the 2014/15 financial year, we welcome any audit involvement in discussions with Council staff regarding internal control matters to ensure Council is aware of external audit expectations relating to the expanded scope of the external auditor per Section 129 of the *Local Government Act 1999* - the expanded audit scope is effective as from 1 July 2015 for the Council.

Additional information and education sessions with staff may be required to ensure all staff within the Council are fully aware of the requirements and expectations surrounding the monitoring and reporting of internal controls. Continual engagement and consultation with Council's Audit Committee is recommended to ensure the monitoring of work undertaken and results from internal testing completed is appropriately considered.

Summary

I would like to thank the Council and Administration for the support provided to myself and the audit team this year and I wish to acknowledge the significant work undertaken by the Council's Administration during the 2014 financial year to address the matters noted in the Qualification included 2012/13 Auditor's Report.

Regarding Items 4 and 5 above, it would be appropriate for Council's Audit Committee to review the matters raised and make recommendations to Council.

Should you require any further information, please contact me on 8267 4777 or jimkeogh@deannewbery.com.au

Yours sincerely

DEAN NEWBERY & PARTNERS



Jim Keogh
Partner

C. Council's Audit Committee

C. Council's Chief Executive Officer

PRINCIPAL OFFICE:

8 Elizabeth Street, Maitland
Telephone (08) 8832 0000

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Website: www.yorke.sa.gov.au



03 February 2015
Our ref: 7484-2014-3
GDS ref: 7.8.1.1

Jim Keogh
Partner
Dean Newbery & Partners
Chartered Accountants
PO Box 755
NORTH ADELAIDE SA 5006

Dear Jim

Re: Completion of Balance Date Audit – Financial Year Ended 30 June 2014

After review by Council's Audit Committee, I provide the following responses to matters highlighted in your Completion of Balance Date Audit letter dated 5 December 2014.

- Item 4 – Review of asset valuation data for Stormwater and Community Wastewater Management Schemes. Council staff have determined to undertake a revaluation of these asset classes during the 2014-15 financial year with the effective date of the valuation being 1 July 2014.
- Item 5 – Update of Asset Management Plans with recent data. The Transport Infrastructure AMP is under review and will be presented to Council during the latter part of the year. Land and Buildings and Water Supply AMP's are on the schedule for review, to commence as soon as practicable.
- Item 6 - involvement in internal control matters relevant to the expanded scope of the external auditor for the period beginning 1 July 2015. All staff with internal control responsibilities were trained in May 2014 with a sample of the internal controls assessed and reviewed at this time. A full round of assessing and reviewing all internal controls was completed in December 2014, the results of which will be provided to the February 2015 Audit Committee. Throughout January to June 2015 Council's Internal Audit is scheduled to test a sample of these results. It is also planned to engage your services to provisionally audit Council's Internal Controls prior to the start of the 2015-16 financial year.

Yours sincerely

KAREN SCHULZ
Manager Financial Services
Yorke Peninsula Council

BRANCH OFFICES

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

BUSINESS IMPROVEMENT OFFICER

6. INTERNAL AUDIT ACTIVITY REPORT

(File Ref: 9.14.1.6)

INTRODUCTION

The Business Improvement Officer presents an update on recent Internal Audit Activity.

RECOMMENDATION

That the report be received.

COMMENT

The objective of the Yorke Peninsula Council's ("Council") internal audit function is to enhance business performance by recommending improvements in process effectiveness, efficiency and economy.

This report provides a status update on the Internal Audit activity performed from December 2014 –January 2015, key points are:-

- Work, Health & Safety (WHS) Review has been completed.

Furthermore, the report provides an update on the implementation of proposed actions resulting from:

- Internal audit activities;
- Internal controls project; and
- External audit activities.

The latest status information has been provided by the officers responsible for the implementation.

LEGISLATION/POLICY/COUNCIL STRATEGIC PLAN

Local Government Act 1999 – Section 125 – Internal Control Policies
Council's Internal Audit Activity – Framework

FINANCIAL AND RISK MANAGEMENT CONSIDERATIONS

Internal audits will assist in the management of Council's financial and operational risks.

Internal Audit Activity Report (Dec 14 – Jan 15)

1. INTERNAL AUDIT PLAN

The following table highlights the status of audit projects:

No.	Project	Scope Overview	Project Status
1	Attractive Asset Review	Attractive assets to the Council include items such as mobile phones, laptops and artwork. This audit will focus on the processes to manage and secure attractive assets (particularly artworks) acquired by the Council.	Project Completed
2	Financial Management – Account Receivable	A review of key accounts receivable controls including receipting, banking, debtor follow up processes and general ledger reconciliations.	Scope Document Completed. Audit commenced in Jan 2015.
3	Post Implementation Review - Asset System	A new asset management system is budgeted for the 2014 financial year; this review will be an assessment of the effectiveness of the implementation of the new system against the outlined objectives of the project.	Not started. Scheduled to commence in Dec 2014, however will be delayed until July 2015 once a few asset categories have been fully loaded and staff are actively using the system.
4	CSR Operational Review	A review to assess the processes relating to the customer service request (“CSR”) system, including allocation of jobs, follow up, completion / service levels and reporting to Council.	Not started. On track to commence in Mar 2015.
5	WHS Legislation	To meet requirements of the Work, Health and Safety (WHS) Act 2012, a WHS project will be undertaken each year.	Project Completed. Final report included as Attachment A.
6	Petty Cash and Till Floats	Regular spot check of petty cash and till floats. The objective is to ensure that staff with custodian of till floats and petty cash floats are aware of their responsibilities and are discharging those responsibilities efficiently and effectively.	Project Completed
7	Council Direct Managed Caravan Park Spot Audits	Unannounced visit to Caravan Parks to confirm that utilised sites were correctly recorded in the online Reservation Management System (“RMS”), general maintenance and cleanliness of the parks and all WHS matters were addressed.	Project Completed

No.	Project	Scope Overview	Project Status
8	Independent verification of control self-assessment	Undertake annual random verification of staff's self-assessment ratings against the identified controls. (Controltrack)	Not started. On track to commence in Feb 2015.

2. MANAGEMENT REQUESTS

Internal Audit function has attended to the following Management requests:

Request	Requestor	Audit Scope / Objective	Project Status
Bush Camping Review	Director Development Services	Audit of the key bush camping permit controls to determine areas for improvement. The review was limited to reviewing the current processes for Council staff and the local businesses that issue permits and collect fees on behalf of Council.	Project Completed
Financial Management – Payroll (carry forward from 13/14)		Audit of the procedures and internal controls relating to the fortnightly processing of the payroll. Processes include new payroll additions, terminations, pay rate changes, payroll changes and deductions.	Project Completed
Minlaton Caravan Park	Director Corporate and Community Services	Review key financial statements to confirm historical accuracy of base rent paid and identify tighter controls for next lease negotiation.	Scheduled for Feb 2015.

3. IMPLEMENTATION OF AGREED ACTIONS (INTERNAL CONTROLS PROJECT, INTERNAL AUDIT AND EXTERNAL AUDIT)

An update on the implementation of proposed actions resulting from the following activities is provided in **Attachment B**:

- Internal controls project;
- Internal audits; and
- External audit.

The latest status information has been provided by the officers responsible for the implementation.



Internal Audit Report – Work, Health & Safety (WHS) Review January 2015

For Distribution:

Andrew Cameron – Chief Executive Officer
Brianna Wood – Risk Management Officer
Michael Cartwright (as Chair of WHS Committee)

For Information:

Corporate Management Team (CMT)

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Executive Summary

Background

The approved 2014 Yorke Peninsula Council ("Council") Internal Audit Plan included a project relating to Work, Health & Safety (WHS) Legislation.

Conducting regular internal audits of Council's WHS procedures forms part of the approved 2014-2017 Internal Audit Work Plan and also the Workplace Monitoring Calendar. Internal Audit is also identified as an internal control within policy PO003 – Administration of the WHS Management System and a number of procedures (i.e. PR012, PR013 & PR048).

Regular internal audits of Council's WHS Management System will also aid and support compliance against a number of standards and elements outlined within the LGA Workers Compensation Scheme KPI Audit Tool Guidelines.

Objectives & Scope

This audit undertook a desktop review of all policies and procedures relating to incident reporting and investigation and the identification, reporting and implementation of corrective and preventative actions. The policies and procedures reviewed are listed below:-

- PO003 – Administration of the WHS Management System (Administrative Policy)
- PR012 – Workplace Inspection (Administrative Procedure)
- PR013 – Incident Reporting and Investigation (Administrative Procedure)
- PR048 – Corrective and Preventative Action (Administrative Procedure)
- PR076 – Consultation and Communication (Administrative Procedure)
- PR080 – Emergency Management (Administrative Procedure)
- WHS 7 – Consultation and Communication (Work Health Safety Policy)
- 2014-2016 WHS & IM Plan
- OHS&W Procedure Responsibility booklets (OHS&W 3.2, F1-4 & F6-7)
- Work Health Safety & Injury Management Committee Terms of Reference

Corrective and Preventative Actions are predominately identified via Incident Reporting and Workplace Inspections. The scope of the audit was limited to just these areas. The audit included reviewing all workplace inspection checklists (all locations) completed throughout 2014, reviewing all incident forms completed throughout 2014 and the Incident Reporting & Investigation Register and the 2013 and 2014 Corrective Action Register (CAR). To verify compliance against procedures, 10 staff from across Council were also interviewed.

Please note: hazard reporting was outside the scope of this project as work is still underway to bring the Hazard Register up to date.

Key Findings

Details of *all* findings and recommendations identified during the review are included in Appendix 1; however a 'summary' of the high risk issues is provided below:

1. Assessing the effectiveness of corrective / preventative actions implemented

During audit testing, including a desktop review of procedures, the following issues were identified:

1. PR048-Corrective and Preventative Action Procedure states "the Corrective Action Register (CAR) should identify at a minimum....The method of verification of effectiveness (e.g. audit, inspection, testing)". Currently, the CAR only reports 'confirmed by' or 'updated by'.

2. Staff interviews confirm that no-one is assessing the 'effectiveness of controls' after the corrective action has been implemented.
3. It was also noted that there needs to be a greater focus on ensuring staff are working to any new controls once they are implemented.
4. Selected preventative and corrective actions are not being monitored and reviewed for effectiveness in department meetings.
5. The OHS&W Procedure Responsibility Booklets refer to "preventative and corrective actions are monitored and reviewed for effectiveness in department meetings". Does not appear as though the 'effectiveness' is ever reviewed post implementation. Furthermore, controls that have been implemented are not discussed in any detail at Dept. / Toolbox meetings.

Without any post implementation reviews to determine if corrective actions implemented have been effective in controlling risks, further incidents may occur leading to injury or loss of production capabilities.

Consequence	Likelihood	Risk Level
Moderate	Possible	High

General Observations

There were a number of controls tested that indicate a reasonably sound Work Health and Safety (WHS) environment, including:

- General compliance with approved procedures.
- Procedures are satisfactory (refer to detailed findings for suggested improvements)
- Good awareness of roles and responsibilities in relation WHS.
- Adequate training provided to Emergency Control Organisation Personnel (ECOP) and Health and Safety Representatives (HSR).
- In the majority of cases, prompt implementation of corrective and preventative actions.
- Anecdotal evidence suggests that the culture of reporting incidents and near misses is improving; nonetheless it is not believed that 100% reporting is occurring yet.

However, there are still some further improvements which could be made, particularly in relation to evaluating the effectiveness of controls implemented. Various recommendations are identified throughout this report.

Internal Audit Opinion

Based on the work and testing performed, Internal Audit is of the opinion that current WHS controls are effective, there are some minor issues that can be improved and recommendations within **Appendix 1** should be considered.

Furthermore, this audit identified a number of minor matters that will be dealt with administratively and incorporated into future reviews of the WHS procedures.

We would like to take the opportunity to thank Brianna Wood, Julia Poole and Kylie Gray for their assistance and co-operation during the review.

Anne Hammond

Acting Business Improvement Officer

Email: anne.hammond@yorke.sa.gov.au

Phone: 8832 0000

Appendix 1 – Detailed Findings

1.1 Incident Reporting and Investigation

During audit testing, 12 months of Incident Reporting and Investigation Forms were reviewed and matched against the Corrective Action Register (CAR). The desktop review also included reviewing all OHS&W Procedure Responsibility Booklets – (OHS&W -3.2, F1 – F4 & F6 – F7), PR048 – Corrective and Preventative Action Procedure and PR013 – Incident Reporting and Investigation Procedure.

Whilst the desktop review confirmed that the procedures are largely observed, the following issues were identified:

1. It does not appear as though incidents are being reported to the relevant Manager within 24 hours (or as soon as reasonably practicable). Based solely on the dates that Managers have physically signed off the forms the following has been determined:-
 - 51.5% reported within 24 hours,
 - 10.6% reported 2-5 days after the incident,
 - 16.7% reported 5-10 days after the incident, &
 - 21.2% signed off > 10 days after the incident.

Please note: It is not possible to test if the Managers had been verbally advised of the incidents prior to Incident Forms being completed.

2. PR013 – Incident Reporting and Investigation Procedure refers to undertaking a risk assessment, however risk levels are not recorded on either the Employee Incident Reporting & Investigation Form (12.63.1.2) or on the Accident, Hazard Report Register. Risk is only captured on the CAR.
3. PR013 also states that the department manager or supervisor should conduct a risk assessment. It has been confirmed that the risk ratings are currently being applied by the Risk Management Officer or the WHS Officer when the actions are transferred onto the CAR.
4. There is no strong evidence of monthly reviews being conducted by the CMT.
5. PR013 also contains a section regarding “Monitor and review actions for effectiveness”. Refer to section 3.1 of this report for further details.

Though these issues do not present a high risk, efforts should be made to ensure that actual work practices match the procedures.

Consequence	Likelihood	Risk Level
Minor	Possible	Moderate

1.2 Recommendations

1. It is recommended that staff are periodically (e.g. annually) reminded of the requirement to report incidents within 24 hours (or as soon as practicable).
2. Include a column in the Incident Register to show risk ratings
3. Either update all procedures/booklets that identify Managers/Supervisors as being responsible for undertaking risk assessments OR update the Incident Reporting and Investigation Form with an area to complete a risk assessment (similar to the Control Action Sheets for workplace inspections).

1.3 Management Responses

Management Response and Agreed Action:

1. Agreed, the Risk Management Officer will periodically remind staff of the requirement to report incidents within 24 hours

2. Agreed, the Risk Management Officer will update the Incident Register to show risk ratings.
3. Agreed, the Risk Management Officer will determine who should be responsible for undertaking the risk assessments following an incident and then update procedures, booklets and forms accordingly.

Responsibility:

1. Brianna Wood, Risk Management Officer
2. Brianna Wood, Risk Management Officer
3. Brianna Wood, Risk Management Officer

Due Date:

1. 31 March 2015 (and then ongoing).
2. 30 June 2015
3. 30 June 2015

2.1 Identification of Corrective and Preventative Actions

The audit testing was limited to only the corrective and preventative actions that have arisen from Incident Reporting and Workplace Inspections (*scope of review did not include plant assessments*). During the testing of these components, the following issues were identified:

1. PR013 states that 'incident statistics' are to be reviewed by the WHS Committee and the Corporate Management Team (CMT) so that trends are identified, and planned corrective and preventative actions are completed. There is currently no strong evidence that anyone is looking at the 'big picture' (i.e. uncovering systemic issues), the corrective actions developed are currently in direct response to incidents.
2. The CAR that is currently available to staff via the shared drive is out of date. Still displaying the Oct 2014 version (as at 14/01/2015).
3. As identified in the previous section, the risk assessments/ratings are determined by either the Risk Management Officer or the Risk & WHS Officer. Several issues arise from this:-
 - There are no documented guidelines regarding appropriate timeframes (due dates) for implementing the corrective actions based on the level of risk (e.g. extreme risks within 2 weeks, high risks within 4 weeks etc.)
 - Therefore, there are currently several items identified on the CAR that have been assessed as high risk and are currently anywhere between 10 – 25 months old (refer CARs 49.2014, 52.2014, 2.2014 & 6.2014).
 - The adopted Strategic Risk Management Plan actually states in relation to (WHS specific) 'Extreme' & 'High' risk actions, that "Continued exposure to the risk must be approved by the WHS Committee & CEO. Exposure to the risk should be discontinued". This is not occurring.
4. From the sample audited, on average it took 90.5 days to implement a corrective action (range spans from 1 day to 659 days). From the sample:-
 - 33% resolved in < 2 weeks
 - 13% " " 2-4 weeks
 - 17% " " 1-3 months
 - 17% " " 3-6 months
 - 10% " " 6-9 months
 - 05% " " 9-12 months
 - 05% " " >12 months

During 2014, 130 corrective actions were identified. Of those, 25 (19%) remain outstanding. In total

there are 30 actions outstanding on the Corrective Action Register. The age of these are:-

- 43% are between 0-3 months old
- 27% “ “ 3-6 months old
- 03% “ “ 6-9 months old
- 10% “ “ 9-12 months old
- 17% are greater than 12 months old (*refer particularly to 2 items raised in Dec 2012 – KPI Audit*).

The reason for delays in implementing a number of these older actions is due to “being deferred to next budget”. Whilst procedurally this is the correct practice, the implications are two-fold. Firstly, as stated in dotpoint 3 (above), staff are subjected to continued exposure to risks for significant periods of time (until the next budget cycle) and secondly, there is no central area ensuring that these items are considered when budgets are being built (currently up to individual Managers to submit budget bids).

5. The Corrective Action Register is regularly distributed to all WHS Committee members prior to a meeting; however the level of discussion is not as rigorous as implied within the associated policies and procedures. It is not considered that there is enough discussion RE:-

- Resolution of issues;
- Reviewing incident register / CAR & developing recommendations.
- Members providing further explanation of issues raised.

Anecdotally, it has been suggested that this is due to a fear that discussing these items in details could be a breach of confidentiality.

Without appropriate, approved and documented timeframes regarding the implementation of actions, it is too easy for other priorities to shift the focus away from these issues; thereby leaving Council exposed known risks.

Consequence	Likelihood	Risk Level
Minor	Possible	Moderate

2.2 Recommendations

1. That data is regularly presented to CMT and the WHS Committee based on root cause of (hazards), incident type, contributing factors etc. As part of this reporting, ensure all systemic/repeated non-conformances are identified and appropriate investigation is conducted.
2. Replace the current PDF version of the CAR with a live excel version (that is protected), thereby ensuring that staff can always access the most recent version.
3. That guidelines are developed, endorsed and incorporated into existing procedures regarding appropriate timeframes for the implementation of corrective/ preventative actions based on risk ratings.
4. That an organisation priority is placed on resolving all items on the CAR that are greater than 12 months old.
5. That all decisions by the WHS Committee and CEO are documented if there is going to be continued exposure to risks, including whether the exposure to the risk should be discontinued.
6. That the Budget Managers ensure that all items that are ‘referred to next budget’ are included in budget preparations.
7. That the WHS Committee allocates more time and facilitates a deeper discussion regarding the development and resolution of issues.

2.3 Management Responses

Management Response and Agreed Action:

1. Agreed. Whilst data is currently reviewed by both the WHS Committee and CMT, the Risk Management Officer will develop a process to identify and report on systemic/repeated non-conformances thereby

allowing the CMT to take appropriate action when required.

2. Agreed, the PDF version of the CAR will be replaced with the protected live excel version.
3. Agreed, guidelines will be developed and incorporated into existing procedures to outline appropriate timeframes for implementing corrective / preventative actions based on the risk ratings.
4. Agreed. However it should be noted that many of these older items have now been resolved by CMT. The Risk Management Officer will report any residual items directly to the CEO.
5. Agreed, the Risk Management Officer will implement a process to document decisions by the WHS Committee to permit continued exposures to any identified risks and forwarded to the CEO for formal ratification to retain the risk until it can be addressed.
6. Agreed, the Budget Managers are responsible for ensuring that all corrective / preventative actions that have been 'referred to next budget' are included in the budget preparations.
7. Agreed, the Chair of the WHS Committee will allocate more time on the agendas to facilitate deeper discussions regarding the development and resolution of issues.

Responsibility:

1. Brianna Wood, Risk Management Officer
2. Brianna Wood, Risk Management Officer
3. Brianna Wood, Risk Management Officer
4. Andrew Cameron, CEO
5. Brianna Wood, Risk Management Officer
6. Brianna Wood, Risk Management Officer
7. Michael Cartwright, Chair of WHS Committee

Due Date:

1. 30 June 2015
2. 28 February 2015
3. 30 June 2015
4. 28 February 2015
5. 31 March 2015
6. 31 May 2015
7. 31 March 2015

3.1 Assessing Effectiveness of Corrective and Preventative Actions

During audit testing, including a desktop review of procedures, the following issues were identified:

1. PR048-Corrective and Preventative Action Procedure states “the Corrective Action Register (CAR) should identify at a minimum....The method of verification of effectiveness (e.g. audit, inspection, testing)”. Currently, the CAR only reports ‘confirmed by’ or ‘updated by’.
2. Staff interviews confirm that no-one is assessing the ‘effectiveness of controls’ after the corrective action has been implemented.
3. It was also noted that there needs to be a greater focus on ensuring staff are working to any new controls once they are implemented.
4. Selected preventative and corrective actions are not being monitored and reviewed for effectiveness in department meetings.
5. The OHS&W Procedure Responsibility Booklets refer to “preventative and corrective actions are monitored and reviewed for effectiveness in department meetings”. Does not appear as though the ‘effectiveness’ is ever reviewed post implementation. Furthermore, controls that have been implemented are not discussed in any detail at Dept. / Toolbox meetings.

Without any post implementation reviews to determine if corrective actions implemented have been effective in controlling risks, further incidents may occur leading to injury or loss of production capabilities.

Consequence	Likelihood	Risk Level
Moderate	Possible	High

3.2 Recommendations

1. That further training or direct advice is provided to key staff regarding how to correctly verify and report on the effectiveness of corrective/preventative actions implemented on the Corrective Action Register.
2. That organisationally, greater focus is allocated to assessing the effectiveness of controls post implementation. To adequately cover off on all the issues identified above, this may include re-training key staff, updating relevant procedures and/or standard forms and ensuring that ‘effectiveness’ is discussed at team meetings.

3.3 Management Responses

Management Response and Agreed Action:

1. Agreed, the Risk Management Officer will provide advice to staff regarding how to correctly verify and report on the effectiveness of corrective / preventative actions via Tool Box meetings, Departmental meetings etc.
2. Agreed, the Risk Management Officer will determine the best method (e.g. re-training key staff, updating relevant procedures and/or standard forms) to ensure that appropriate staff are assessing the effectiveness of controls and that the WHS Committee will report to CMT every six months on the effectiveness of controls.

Responsibility:

1. Brianna Wood, Risk Management Officer
2. Brianna Wood, Risk Management Officer

Due Date:

1. 30 June 2015
2. 30 September 2015

4.1 Compliance with OHS&W Procedure Responsibility Booklets (OHS&W-3.2, F1-F4 & F6-F7)

During audit testing, including a desktop review of the OHS&W Procedure Responsibility Booklets, the following issues were identified:

1. The Standard OHS&W Forms Register shows there is a F8-OHS&W Site Induction but this cannot be located anywhere on the shared drive.
2. All booklets reference "OHS&W1, OHS&W and Injury Management Policy. This was emailed to all staff in March 2014, but hasn't been stored in Safety @ Your Fingertips.
3. OHS&W-3.5, OHS&W Document Development Procedure "Authorisation – Documentation must have a sign off by a nominated person....". No sign off on PR080 Emergency Management (refer copy located in Safety @ Your Fingertips").
4. OHS&W-4.4, Hazardous & Dangerous Substances Procedure – Minlaton Office copy – last Stock Audit date Oct 2011. Meant to be Manager/Supervisor responsibility "currency of Safety Data Sheets (SDS) and risk assessments is maintained". The SDS range in date from 2005-2009.
5. F2, Sec 4.6, Manual Handling Procedures refers to a Risk Assessment Register. A search across entire system located this register in the HR drive, not in "Safety @ Your Fingertips". This register does not appear to have been updated for nearly 3 years.
6. F1 – F4, Sec 4.1, Risk Management Officer is accountable for maintaining the Confined Space Register. This register may be a work in progress (as a copy was located in the Secretaries drive – however not in Safety @ Your Fingertips).
7. F3, Sec 4.4, Risk Management Officer is accountable for maintain the currency of the Substance Register. A single register does not exist. Advice from the Risk Management Officer is that work is currently underway to allow appropriate staff to access all known substances via an Internet/Intranet page.

Consequence	Likelihood	Risk Level
Insignificant	Possible	Low

4.2 Recommendations

1. It is recommended that the Risk Management Officer considers and administratively deals with the issues identified in relation to the OHS&W Procedure Responsibility Booklets (refer dotpoints 1 – 3).
2. That all SDS folders in all locations are reviewed and brought up to date if required.
3. That the Risk Assessment, Confined Space and Substance Registers are finalised and staff are communicated with regarding the use and location of these registers.

4.3 Management Responses

Management Response and Agreed Action:

1. Agreed, the Risk Management Officer will administratively review all OSH&W Procedure Responsibility Booklets.
2. Agreed, the Risk Management Officer will ensure that all SDS folders in all locations are reviewed and brought up to date where necessary.
3. Agreed, the Risk Management Officer will finalise the Risk Assessment, Confined Space and Substance Registers and communicate with staff regarding the use and location of these registers.

Responsibility:

1. Brianna Wood, Risk Management Officer
2. Brianna Wood, Risk Management Officer

3. Brianna Wood, Risk Management Officer

Due Date:

1. 30 June 2015
2. 30 September 2015
3. 30 September 2015

5.1 Workplace Inspections

Generally, the audit testing found that the process of workplace inspections appears to be timely, rigorous and well accepted by all staff. However some minor issues were noted as provided below.

1. During audit testing it was identified that in a number of instances the Control Action Sheets were not completed. Therefore, the level of risk is not always being assessed, nor hierarchy of controls, responsible officer or target date for completion.
2. Staff comments on Workplace Inspection sheets not always clear/definitive, e.g. RE: Fuel Bowzers – General Condition, no box ticked and comment was “Good/Ok/Poor”, no further comment and no corrective action identified.
3. Instances of comments being provided on the Workplace Inspection Form e.g. Q139 “Spill & fire prevention strategies in place including adequate bunding”. Comment – “Bunding required”. No corrective action identified or evidence that issue was rectified immediately.
4. Q146 on Workplace Inspection Sheet “Fixed earth leakage devices is adequate” – most HSRs respond with “not qualified to assess”. Therefore, this should be deleted from questionnaire and alternate methods (e.g. qualified electrician) should be contracted to check at least annually.
5. The workplace inspection for Warooka Admin is overdue.
6. Staff interview identified the need for specific in-house training for conducting workplace inspections (i.e. hazard identification, risk assessments & controls).

Consequence	Likelihood	Risk Level
Insignificant	Possible	Low

5.2 Recommendations

1. That all Workplace Inspection Checklists are reviewed (particularly areas where staff have difficulty in assessing) and update/amend as appropriate.
2. Quick refresher training is held for HSR's on procedures for accurately conducting workplace inspections.
3. That the workplace inspection for Warooka Admin is completed.
4. That specific in-house training for conducting workplace inspections is developed, included in the training and development calendar and run for all new HSRs (including hazard identification, risk assessments and controls).

5.3 Management Responses

Management Response and Agreed Action:

1. Agreed, the Risk Management Officer will review all Workplace Inspection Checklist and update where appropriate.

2. Agreed, the Risk Management Officer will conduct refresher training for HSR's on the procedures for accurately conducting workplace inspections.
3. Agreed, the workplace inspection for the Warooka office is completed.
4. Agreed, specific in-house training for conducting workplace inspections is developed, included in the training and development calendar and run for all new HSRs (including hazard identification, risk assessments and controls).

Responsibility:

1. Brianna Wood, Risk Management Officer
2. Brianna Wood, Risk Management Officer
3. Brianna Wood, Risk Management Officer
4. Brianna Wood, Risk Management Officer

Due Date:

1. 30 June 2015
2. 30 June 2015
3. 28 February 2015
4. 30 September 2015

6.1 Other Issues

The desktop review and audit of paper trails also uncovered a number of other issues as provided below:-

1. PR076 – Consultation and Communication Procedure refers to an 'Annual WHS Survey'. This has not been completed for a number of years; however the Risk Management Officer has advised that the next survey is planned.
2. The aim and intent of PR076 – Consultation and Communication Procedure, is to ensure that workers are adequately and appropriately consulted in decisions and are provided with a genuine opportunity to contribute. However, it was noted in the staff interviews that some seem to feel that policies are developed in isolation, and should involve local experts (the actual workers that are affected by the policy) and particularly need workers involved in developing the safe operating procedures (SOPs).
3. Whilst the first round of developing new SOPs is soon to be completed, more resources (priority) needs to be given to get all SOPs (all levels) developed &/or reviewed.
4. Emergency Control Organisation Personnel & First Aider information out of date on the shared drive (Safety@YourFingertips).
5. In the Incident Reporting and Investigation Register, there are occurrences of completed dates being future dated.
6. No evidence of investigation of systemic/repeated non-conformances.
7. Staff interviews reported that the previous culture of non-reporting of incidents / near misses (due to fear of reprisal) has been improving. However (anecdotally) still room for improvement with possibly 70% - 90% getting reported.
8. Significant work has already been completed with the introduction of pre-start checklists for plant and machinery, however the checklist do not seem to include visual inspections to specifically look for leaks or structural deficiencies (e.g. fatigue in welds etc.). Additionally, this audit could not determine if all plant and machinery operators are either trained/qualified to adequately conduct inspections.
9. A feeling that WHS still needs to be given a greater organisational priority. Time delays occur when 'higher levels' are responsible for implementing controls.
10. First Aiders are either unaware or have not found it necessary to submit Treatment Reports to the Risk Management Officer every 6 months.

Consequence	Likelihood	Risk Level
Minor	Possible	Moderate

6.2 Recommendations

1. Ensure that the staff 'WHS Survey' is conducted and results reported to CMT and the WHS Committee. Also determine if an annual survey is an appropriate frequency (i.e. every 2 years may be more appropriate) and update references to frequency in all relevant procedures, forms etc.
2. Consider utilising the Promapp software for the future development of Standard Operating Procedures. This software can easily facilitate direct involvement of key staff in the development of procedures and also provides for embedded videos in the procedures (i.e. instructional videos demonstrating correct procedures).
3. Ensure that all Emergency Control Personnel and First Aider information is up to date in all locations (hard and soft copies) and review the Incident Reporting and Investigation Register and ensure any

incorrect dates are administratively corrected.

4. Ensure that all plant and machinery operators have been appropriately trained in conducting pre-start inspections and that the pre-start checklists include visual inspections for leaks or structural deficiencies.
5. Review procedures regarding submission of Treatment Reports, communicate required responsibilities to all First Aiders and follow up on instances of non-reporting.

6.3 Management Responses

Management Response and Agreed Action:

1. Agreed, the WHS Survey will be included as part of the Insync Employee Opinion Survey which is scheduled for February 2015.
2. Agreed, the Risk Management Officer will consider utilising the Promapp software for future development of Standard Operating Procedures and will determine the best method to facilitate direct involvement of key staff.
3. Agreed, the Risk Management Officer will ensure that all Emergency Control Personnel and First Aider information is up to date in all locations (hard and soft copies) and will review the Incident Reporting and Investigation Register and ensure any incorrect dates are administratively corrected.
4. Agreed, the pre-start checklists will be reviewed and updated where necessary to include checking for leaks and structural deficiencies and ongoing training will be conducted to ensure all appropriate staff are aware of how to correctly undertake the pre-start checks.
5. Agreed, the Risk Management Officer will review the requirements of submitting Treatment Reports and will inform all First Aiders of their responsibilities.

Responsibility:

1. Brianna Wood, Risk Management Officer
2. Brianna Wood, Risk Management Officer
3. Brianna Wood, Risk Management Officer
4. Trevor Graham, Director Assets and Infrastructure Services
5. Brianna Wood, Risk Management Officer

Due Date:

1. 31 March 2015
2. 31 December 2015
3. 31 March 2015
4. 30 June 2015
5. 30 June 2015

Appendix 2 – Responsibility Statement

This report was prepared in accordance with the scope document as agreed to by management and Australian auditing standards subject to the following limitations:

- Procedures were designed to provide limited assurance as defined by the Australian auditing standards, which recognizes that absolute assurance is rarely attainable due to such factors as the use of judgment in gathering and evaluating evidence and forming conclusions, and the use of selective testing, and because much of the evidence available to the auditor is persuasive rather than conclusive in nature.
- Because of the inherent limitation of any internal control structure, it is possible that errors or irregularities may occur and not be detected. Procedures were not designed to detect all weaknesses in control procedures and they were not performed continuously throughout the period and the tests performed are on a sample basis.
- Any projection of the evaluation of the controls procedures to future periods is subject to the risk that the systems may become inadequate because of changes in condition, or that the degree of compliance with them may deteriorate.
- The matters raised in the report are only those which came to the attention of the internal auditor during the course of performing procedures and are not necessarily a comprehensive statement of the weaknesses that exist or improvement that might be made. The internal auditor cannot, in practice, examine every activity and procedure, nor can they be a substitute for management's responsibility to maintain adequate controls over all levels of operations and their responsibility to prevent and detect irregularities, including fraud. Accordingly, management should not rely on the report to identify all weaknesses that exist in the systems and procedures under examination or potential instances of non-compliance that may exist.
- Any reliance placed on internal audit reports and associated working papers, by a third party, are that party's sole responsibility.



Implementation of Agreed Actions

This report provides an update on the implementation of proposed actions resulting from:

1. Internal audit activities;
2. Internal controls project; and
3. External audit activities.

The latest status and comment information has been provided by the officers responsible for the implementation.

1. Internal Audit Activities

Water Recovery Charges Review – June 2013

Finding Name	Agreed Action	Responsible Officer	Due Date	Revised Due Date	Status	Comments
1. Usage Invoicing Spreadsheet	An independent review of the Water Supply Invoicing spreadsheets will be performed by Internal Audit after each roll over to ensure completeness and accuracy of the process.	Business Improvement Officer and DCCS	1/03/14	30/04/15	In Progress	The Finance section have developed and implemented new processes. Internal Audit will now conduct the independent review after next roll-over in March 2015

IT User Access Review – July 2013

Finding Name	Agreed Action	Responsible Officer	Due Date	Revised Due Date	Status	Comments
1. IT Security Policy and Procedure & User Guidelines	Agreed with recommendation: <ul style="list-style-type: none"> Develop a set of basic internal IT procedures Review and update the Internet and Email Policy and Guidelines for Computer Network Use to ensure they reflect current practices and the new procedures to be developed. 	Manager Information Services	30/08/13	31/05/15	In Progress	These requirements are part of the set of current projects to review and overhaul the IT policies and procedures. A draft IT policy was developed, however an alternate, more rigorous, long term approach for policy, procedure and guideline development has been initiated. An overarching framework has been identified and a suite of ISO and State Govt. compliant policies will be delivered by May 2015.
4. Network Administrator Access	As part of the upgrade to Active Directory in late 2013, IT will consider changing generic Administrator password, after attempting to identify services that are running using this account.	Manager Information Services	30/08/13	30/06/15	In Progress	Administrator password change will be included as part of the active directory upgrade. A contractor has now been engaged and the process has begun to capture all services using the Administrator password to establish which systems need to be modified. Expected completion is March 2015.

Accountability and Disclosure Audit – October 2013

Finding Name	Agreed Action	Responsible Officer	Due Date	Revised Due Date	Status	Comments
1. Give consideration of a central records management system that will also capturing emails to and from Elected Members	A centralised electronic records management system will be considered as part of the FY15 budget.	CEO	30/06/15	31/12/15	In Progress	The IT Manager has commenced investigations of potential records management systems and a preferred option has been selected. Expenditure for the project was requested in the FY15 budget, however due to competing priorities the Elected Body have decided to delay this project until the FY16 budget.

Procurement, Part 1 Purchasing – February 2014

Finding Name	Agreed Action	Responsible Officer	Due Date	Revised Due Date	Status	Comments
1. Purchase of Goods and Services Policy Risk Level High	A Project Team to address procurement issues has been established and the project will commence in March 2014. Draft procurement policies have been sought from the LGA and will be implemented as necessary.	Governance Officer	30/06/15	28/02/15	In Progress	A Project Team was assembled to review procurement processes across Council. The project team developed flowcharts, templates and checklists to ensure that procurement and tendering processes are managed consistently across Council. The Audit Committee considered the new draft Procurement Policy at the September 2014 meeting. All staff have been consulted on the draft policy and feedback was incorporated where appropriate. The policy was endorsed by Council on 21/01/2015. The new policy and workflows will now be rolled out across Council.

Leased Caravan Parks Review – March 2014

Finding Name	Agreed Action	Responsible Officer	Due Date	Revised Due Date	Status	Comments
1. Minlaton Caravan Park Lease Agreement Risk Level Moderate	Management will review and renegotiate the Minlaton Caravan Park lease agreement in June 2015. Current known issues will be considered and addressed at that time.	DC&CS	30/06/15		Future Dated	N/A
2. Lack of consistency across Caravan Park lease agreements Risk Level Low	The current lease spreadsheet will be incorporated into the SharePoint application to ensure automation of key dates etc.	Property Tenure Officer	30/09/14	30/06/15	In Progress	SharePoint has been tested and is expected to be implemented with staff trained by end February 2015.

Fuel Management Review – March 2014

Finding Name	Agreed Action	Responsible Officer	Due Date	Revised Due Date	Status	Comments
1. Fuel Sheets Risk Level High	1. Agreed, a standard fuel sheet template will be developed (if it is considered that the current system will not be overhauled with an automated system). 2. Agreed the Director Corporate & Community Services will source system information and costs to be considered by CMT	1. Financial Accountant 2. DC&CS	31/12/14 30/09/14		1. In Progress 2. In Progress	1. IT has commenced drafting a standard fuel sheet if an automated system is not considered an option. This is not in use yet, as there are a number of factors that need to be addressed (i.e. that there are obviously differing vehicles and machinery at each depot) 2. A quote has been sourced and reviewed. Alternate options seeking a more cost effective solution are being considered. A report to CMT is being drafted.

Finding Name	Agreed Action	Responsible Officer	Due Date	Revised Due Date	Status	Comments
3. Fuel reconciliation spreadsheet Risk Level Moderate	The Manager Financial Services to formally review the fuel reconciliation spreadsheet each month and results, major discrepancies, be reported to the CMT	DC&CS	30/06/14		Completed	Manager Financial Services formally reviews the monthly fuel reconciliation spreadsheets and reports any major discrepancies to CMT.
1. Fuel dip reading Risk Level Moderate	An independent fuel dip reading is performed on a six monthly basis by the Financial Accountant to verify the inventory.	Financial Accountant	30/09/14	28/02/15	In Progress	First independent reading was completed in December 2015. Data is currently being analysed.

Bush Camping Review – July 2014

Finding Name	Agreed Action	Responsible Officer	Due Date	Revised Due Date	Status	Comments
1. Timing of obtaining permits Risk Level High	1. Agreed, a policy that incorporates key points from the audit findings will be developed, including a communication plan to inform staff and the community. 2. Signage to be reviewed, costs identified and a budget submission is prepared for 2015/16 Annual Business Plan and budget. 3. Agreed, Council to contact local businesses in the known 'gap areas' (e.g. Pt Wakefield, Ardrossan, Stansbury, Pt Vincent, Pt Victoria etc.). 4. Further investigation to be undertaken to identify the costs, risks and benefits of alternate methods and a report prepared for Council's consideration. 5. Once new processes are implemented ensure that the Ranger educates and makes the bush camping public aware of new processes and change to culture.	1. Manager Developmt Services 2. Operations Manager 3. Manager Developmt Services 4. Manager Developmt Services 5. Manager Developmt Services	31/03/15 28/02/15 30/09/14 31/12/14 31/03/15	31/07/15 30/06/15 31/04/15 30/09/15	Future Dated	All bush camping recommendations are subject to Council endorsement. A Council briefing has tentatively been scheduled for April 2015.
2. Charging, receipt, banking and	1. Bush Camping Permit procedure to be developed to reflect current expectations	1. Manager Developmt Services	31/12/14	30/06/15	Future Dated	N/A

Finding Name	Agreed Action	Responsible Officer	Due Date	Revised Due Date	Status	Comments
reconciliation of permit fees Risk Level High	and communicated to staff, Rangers, and local business who are issuing permits on behalf of Council. At a minimum the document should outline the: <ul style="list-style-type: none"> ▪ Timeliness of collection and banking processes ▪ Standard receipting procedures, including reconciliation ▪ Security considerations when collecting and counting money ▪ Supporting documentation requirements ▪ Process for notifying Council when the identified businesses change ownership. 2. If it is considered too onerous for businesses to deposit fees in a timely manner, it should be added to the Ranger's responsibilities to collect shop permit fees, including reconciliation and issuing receipts at the premises. 3. Bush camping fees are considered as part of the 2016 annual review of fees and charges (or an amendment to the 2015 Fees & Charges) .	2. Manager Developmt Services 3. Manager Developmt Services	31/12/14 31/03/15	31/07/15 31/12/15		
3. Signage (relating to camping locations, permit requirements & site spaces) Risk Level Moderate	Consider reviewing the camp site space allocations, with the aim to clearly delineate all camp sites with permanent markings.	Operations Manager	28/02/15	31/12/15	Future Dated	N/A

Finding Name	Agreed Action	Responsible Officer	Due Date	Revised Due Date	Status	Comments
4. Information collected on permits Risk Level Moderate	Consider suitable technology (e.g. hand held palm pilot, tablets) for the Rangers to document and issue bush camping permits. Investigate to identify the costs, risks and benefits and prepare a report for Council's consideration.	Manager Development Services	31/12/14	30/06/15	Future Dated	N/A
5. Obtaining permits – inconsistent information Risk Level Low	Review information on the Council and Visitor Information Websites and update appropriately to reflect the correct locations where permits can be obtained.	Corporate Services Officer	30/09/14	30/06/15	In Progress	Visitor Information Centre review and update their website on a regular basis. Work still to be completed on Council's website.
6. Review of Ranger responsibilities Risk Level Low	Review the role of the Rangers so that standardised duties are undertaken and work is allocated by geographic area. Also consider resource requirements of Rangers, particularly for weekend and peak times	Manager Development Services	31/03/15	31/12/15	Future Dated	N/A
7. Further opportunities for improvement Risk Level Low	1. Review the requirement of nominating a specific site and consider changing to a permit being applicable for any of the bush camping sites. 2. Review the rationale of non-fee and fee payable sites and if appropriate, set fees for all fifteen sites as part of the FY16 annual review of fees and charges (or an amendment to the 2015 Fees & Charges).	1. Manager Developmt Services 2. Corporate Services Officer	28/02/15 31/03/15	30/06/15 31/12/15	Future Dated	N/A

Payroll Review – July 2014

Finding Name	Agreed Action	Responsible Officer	Due Date	Revised Due Date	Status	Comments
1. Payroll Procedures Risk Level Low	Payroll procedures reviewed and updated to reflect current practices.	Payroll Officer	30/06/15		Future Dated	N/A
2. Electronic Timesheets and Leave Requests Risk Level Low	Consideration or research into the Authority capabilities to automate / streamline the timesheet and leave request process.	Manager Org Development	30/06/15		Future Dated	N/A

Asset Management Maturity Audit – March 2014

Undertaken by Jeff Rodda & Associates (External Consulting Firm)

Please note: All road infrastructure will be addressed first. The aim is to complete all actions for the road in infrastructure category by 30 June 2015. Actions will then be removed from this list. Internal Audit will complete a follow up review of Asset Management in FY17 to ensure all asset categories have been completed in accordance with the agreed actions.

Finding Name	Agreed Action	Responsible Officer	Due Date	Revised Due Date	Status	Comments
1. Strategic Longer Term Planning Risk Level Low	Ensure future plans indicate likely service level and risk trends resulting from adopted LTFP	DC&CS	30/09/15		Future Dated	Currently completed as best as possible, however with limited data. New AM system and the data available will improve LTFP.
	Consider including in the next update of the Strategic Plan commentary on the future outlook for infrastructure including any challenges/risks & ensure that Strategic Plan performance measures are aligned with the AMP service levels utilising state of the assets reporting.	Governance Officer	31/12/15		Future Dated	Strategic Plan will be updated after the Council elections and will consider wording in relation to the Asset Management.

Finding Name	Agreed Action	Responsible Officer	Due Date	Revised Due Date	Status	Comments
2. Annual Budget Risk Level Low	Include commentary in the budget to provide a statement of whether the budget will achieve the Strategic Plan objectives and sustain current service levels	DC&CS	TBA			
	Develop ongoing councillor and community engagement strategy on affordable service levels based on current LTFP	DA&I	TBA			
	Ensure that the depreciation projections in the LTFP are related to forecast movements in the asset base. To do this a reconciliation of the movements in Property, Plant and Equipment values is needed within the forecast	DC&CS	TBA			
3. Annual Report Risk Level Low	Include "state of the assets" reporting in annual report (& AMPs) to show service level trends e.g. % or assets at Poor/Fair/Good condition, function and capacity. This will provide an annual snapshot of service level trends.	Business Improvement Officer	30/11/15		Future Dated	This will be included in the Annual Report for the FY15 financial period, once the Asset Management System (AMS) has been in production for a full year.
4. AM Policy Risk Level High	Implement an Asset Management Policy. When policy has been developed, ensure it is communicated to all key stakeholders including a briefing to Council regarding their roles and responsibilities. The policy should include (but not limited to) the following: <ul style="list-style-type: none"> - Document methodology for determining asset lives, useful lives, conditions and financial reporting in an asset accounting policy as per Australian Infrastructure Management Guidelines - Develop business processes and documentation to ensure audit trail for financial transactions, asset register updates and annual reporting. This should be done as part of the CRV and new Asset Management System implementation process - Document an Asset Management Improvement Program. Annually review asset management maturity & conduct annual review of policy implementation by the Asset Management Team 	Asset Manager	30/06/15		Future Dated	

Finding Name	Agreed Action	Responsible Officer	Due Date	Revised Due Date	Status	Comments
	and Audit Committee - Training requirements for staff - Responsibilities for staff (i.e. Finance and Asset Management staff) - Reporting mechanisms and timeframes - Linkages to risk - Continuous improvement					
5. AM Strategy Risk Level Extreme	Implement an Asset Management Strategy (using templates provided). Strategy must identify 'critical' assets and includes risk management strategies for these assets. Strategy should also include specific actions to improve asset management capabilities, projected resource requirements & timeframes.	Asset Manager	30/06/15		Future Dated	
6. AM Plans Risk Level High	Update the Asset Management Plans (Optimal Scenario) and what will be done with available funding (Balanced Scenario) & complete risk management plans for the Balanced Scenario.	Asset Manager	30/06/15		Future Dated	AM Plans will be automated as part of the AMS implementation
	Complete service levels for AMPs using state of the assets reporting (condition / function / capacity) as per example provided by the consultants & ensure that service level targets for the next 10 years for each AMP are achievable and it is clear what Council can and cannot do within the budget constraints of the LTFP.	Asset Manager	30/06/15		In Progress	AM Plans will be automated as part of the AMS implementation. The data collection and analysis process has commenced with road categories.
7. Governance and Management Risk Level High	Identify if the Asset Management Team will continue, if so adopt charter for the Asset Management Team. The focus of the group should be on the implementation of Asset Management Improvement Program and to report risk and service level trends	Asset Manager	31/12/14		Future Dated	Asset Manager to discuss the proposition (benefits and relevance) of continuing with the Asset Management Team with CMT.
	Ensure whole of life costing is used for all capital upgrade/expansion projects with a feedback loop into the LTFP.	Asset Manager	30/06/15		Future Dated	
	Set up a formal process for corporate risk reporting for any residual high risks from AMPs to	Risk	30/06/14		Completed	Organisational risk management is underway. Risk workshop has

Finding Name	Agreed Action	Responsible Officer	Due Date	Revised Due Date	Status	Comments
	CMT, Council and Audit committee	Administrator				been undertaken with CMT and risks identified will be reported back through to Audit Committee and Council at least quarterly.
8. Levels of Service Risk Level High	Develop additional AMP scenarios as required to align with the LTFP and show service outcomes and risk consequences of LTFP resourcing levels. Aim is to ensure the community service levels and targets in AMPs align with the SP and annual reporting	Asset Manager	30/06/15		Future Dated	
9. Data and Systems Risk Level High	Provide a data improvement program as part of the asset management improvement program based on benefit/cost/risk. This should be done in conjunction with the development of the Asset Accounting Policy and Implementation of both the Authority CRV module and new Asset Management System. This process should determine the level of data required to meet both financial and asset management requirements	Asset Manager	30/06/15		In Progress	Aligned to the implementation of the Conquest system. Road category completed
	Ensure that the current register is kept up to date and asset condition is monitored & annually updated with 'useful lives' and reported as part of the annual review of the works program. Includes annual update of unit rates (replacement and renewal cost rates) based on the completed works program	Asset Manager	30/06/15		In Progress	Aligned to the implementation of the Conquest system. Road category completed

Attractive Assets Review – August 2014

Finding Name	Agreed Action	Responsible Officer	Due Date	Revised Due Date	Status	Comments
1. Acquisition and disposal processes of attractive assets Risk Level High	A standard process for the acquisition and disposal of assets is developed and deployed internally with training for staff	Manager Financial Services	30/06/15		Future Dated	
	As a checking mechanism, the Accounts Payable Officer to check whether newly acquired assets have been captured within the correct registers at the time of paying the invoice	Manager Financial Services	30/06/15		Future Dated	
2. Recording of attractive assets Risk Level Moderate	Incorporate all registers into a centrally managed register with plans to move this into the new Asset Management Software (Conquest) in the future. Focus on just those asset classes that are not already (or soon to be) loaded into Conquest.	Manager Financial Services	30/06/15		Future Dated	
	All assets meeting the threshold requirements are also immediately transferred into the Attractive Asset register, thereby bringing this register up to date	Manager Financial Services	30/06/15		Future Dated	
	All artworks are immediately recorded into the F&F asset register and also transferred into the Attractive Asset Register if they meet the threshold requirements.	Manager Financial Services	31/12/14		In Progress	All artworks have been captured in a separate document, in the process of being transferred to the Asset Register.
	Regular stocktakes of all categories of assets are planned and undertaken at least once every two years (some such as plant and machinery should be completed annually)	Manager Financial Services	31/12/15		Future Dated	
	Standard forms to assist the stocktakes are developed	Manager Financial Services	30/09/15		Future Dated	
3. Asset Management and Accounting Policy Risk Level Moderate	Council's current Asset Management and Accounting Policy is reviewed and updated taking into account the findings of this review	Manager Financial Services	30/06/15		Future Dated	

Finding Name	Agreed Action	Responsible Officer	Due Date	Revised Due Date	Status	Comments
4. Methodologies for tagging and monitoring the location of attractive assets	It is recommended that Council consider some marking or stamp to identify Council artworks	Executive Assistant Director Corporate & Community Services	30/06/15			
Risk Level Moderate	Council investigates purchasing equipment required to 'tag' assets (e.g. bar code creation and readers) and if deemed appropriate, plan for resources to undertake tagging of all assets throughout Council.	IT Manager	31/12/15		In Progress	Well ahead of schedule with approx. 75% of all assets tagged.

2. Internal Controls Project (Various Workshop Dates Held in Early 2014)

Risk Ref	Agreed Action	Responsible Officer	Due Date	Revised Due Date	Status	Comments
2.1.8	Investigate other resources in regards to existence of accounting policies, including other Councils and external audit.	Financial Accountant	31/08/13	31/03/15	In Progress	<p>The revised date for this action has been extended until March 2015, this to allow time for the Finance department to collate all procedures into one document (or folder) to create a whole of Accounting and Finance Manual (rather than just individually).</p> <p>Work has commenced on this manual for majority of finance processes have been completed, however the Accounts Receivable and Payroll areas still need significant work and then a final way to present and manual needs to be decided upon.</p> <p>The Financial Accountant will be responsible for:</p> <ul style="list-style-type: none"> - Reviewing other Councils using the Authority application and their accounting and finance procedures - Collating the manual

3. External Audit Activities

March 2013 Half Year Management Letter

Finding Name	External Audit Finding	Responsible Officer	Due Date	Revised Due Date	Status	Comments
Asset Management Plans	Council's Transport Asset Management Plan will be updated to reflect the results of the condition inspection and revaluation of assets. Once the Asset Management Plan has been updated, recommend Council updates the Long Term Financial Plan (LTFP) with updated capital works and depreciation forecasts.	Manager Assets	31/12/13	30/06/14	In progress	Please refer to Asset Management Maturity Audit actions listed above.
Asset Service Standards	Council should undertake a review and documentation of required service standards so that the Administration can plan for future capital works programs in the LTFP and annual budgets.	Manager Assets	30/06/14	30/06/14	In progress	Please refer to Asset Management Maturity Audit actions listed above.

BUSINESS IMPROVEMENT OFFICER

7. INTERNAL CONTROLS PROJECT UPDATE

(File Ref: 9.14.1.6)

INTRODUCTION

The Business Improvement Officer presents an update on the Internal Controls project.

RECOMMENDATION

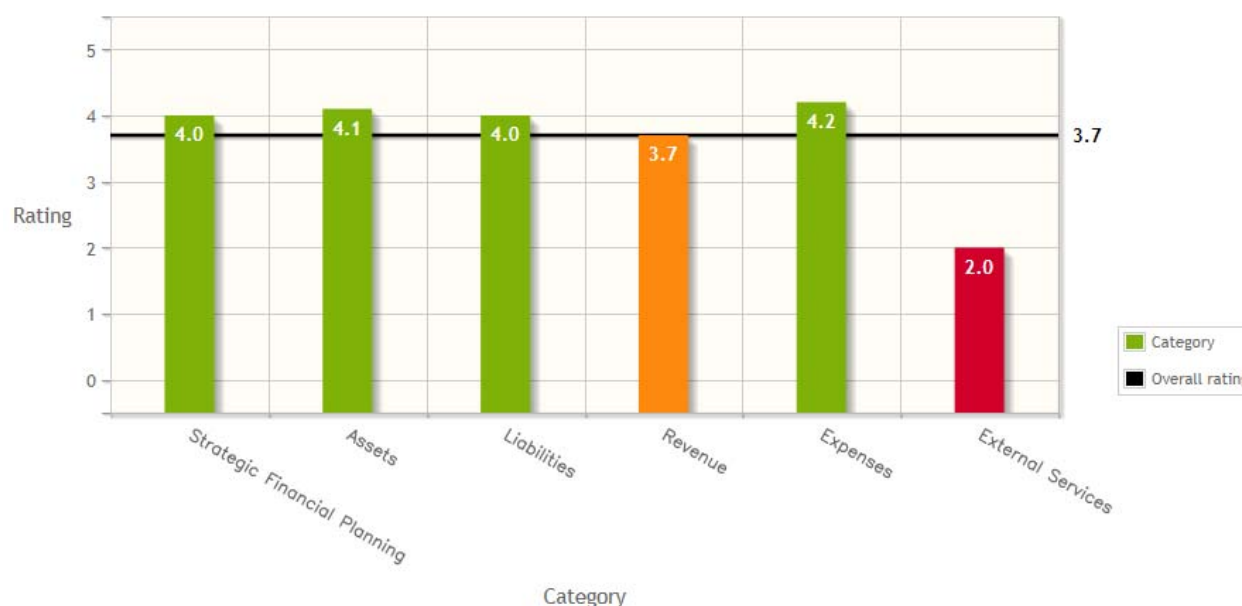
That the report be received.

COMMENT

For the Yorke Peninsula Council (YPC), the requirement to have an auditor provide an opinion on internal financial controls is mandatory from the 2015-16 financial year audit.

Following workshops with key staff, a total of 209 controls were established and uploaded into the ControlTrack system. Twenty three staff were allocated responsibilities for assessing and/or reviewing controls. All staff were provided training in the ControlTrack system in May 2014 which included staff completing a pilot round of reviews and assessments (staff were asked just to test a few of their controls).

To ensure we are adequately prepared for future auditing, a full round of assessments and reviews has now been completed. It should be stressed that this round of assessments was essentially a test prior to being a mandatory requirement. With this in mind, the high level results of the assessments are shown below.



As shown, overall most categories rated well with the exception of the 'revenue' category which rated slightly below average (but still within an acceptable range) and 'external services' which has been identified as an issue for the organisation.

Specifically, within the 'revenue' category, the reason for the lower than average score was the inability of staff to assess four of the controls, therefore the system defaulted to a '0' score. All of these non-assessments occurred within the sub-category of 'rates/rate rebates'.

If the four occurrences of 0 scores are removed from the calculation, the overall score for the 'revenue' category increases to 4.1.

After discussing these four specific controls with the Finance Manager, acceptable ratings can be applied and some minor changes to the controls have been applied to ensure proper assessments can be applied in the future (i.e. change of ownership of the controls, splitting a control etc.).

The 'external services' category is made up of just four controls (all within the sub-category of 'contracting'). Low scores were received for three of the four controls, however the majority of the issues will be addressed with the new Procurement Policy and workflows and the implementation of SharePoint.

The ControlTrack system requires staff to develop an Action Plan if the control is assessed at 3 or below. Across the 209 controls, 40 Action Plans were tentatively identified by staff. The table below provides a breakdown.

Category	Sub-Category	# Action Plans
Strategic Financial Planning	Budgets	1
	General Ledger	5
	Statutory Reporting	1
	Management Reporting	4
Assets	Petty Cash	1
	Banking	3
	Debtors	3
	Inventory	4
Liabilities	Accounts Payable	7
	Taxation	1
Revenue	Grants	3
	User Pay Income – Fee for Service	1
	Receipting	1
Expenses	Purchasing and Procurement	2
	Payroll	1
External Services	Contracting	2

Upon review of both the assessment results and the areas identified as requiring Action Plans, a number of matters need further investigation. The Corporate Management Team are currently reviewing the detailed results to determine:-

- Where there are genuine gaps which need to be addressed via an endorsed Action Plan;
- Where there is a gap but work is already underway or an easy fix can be applied;
- Where staff need further training to understand the intent of the control or controls need to be reassigned to more appropriate staff members.

Upon completion of the Corporate Management Team's review, all agreed Action Plans will be presented to the next scheduled Audit Committee.

All endorsed Action Plans must then be completed prior to the next assessment period (i.e. May 2015). It is then planned that another full round of assessments will be completed to ensure that Council has satisfactorily addressed any shortcomings prior to 1 July 2015.

In addition, Internal Audit will commence a series of random audits to independently verify staff's self-assessments.

LEGISLATION/POLICY/COUNCIL STRATEGIC PLAN

Local Government Act 1999 - Sections 125, 126, 129 & 130

Local Government (Accountability Framework) Amendment Act 2009 –Schedule 1 cl. 2.

Local Government (Financial Management) Regulations 2011 r14 (e)

Australian/New Zealand Standard AS/NZS ISO 31000:2009

Institute of Internal Audit Standards

FINANCIAL AND RISK MANAGEMENT CONSIDERATIONS

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

RISK MANAGEMENT OFFICER

8. RISK MANAGEMENT REPORT

(File Ref: 9.14.1.6)

INTRODUCTION

To consider the Risk Management Policy and Procedure.

RECOMMENDATION

The Audit Committee endorse the Risk Management Policy and Procedure documents to support the risk management process.

COMMENT

The objective of the Yorke Peninsula Council ("Council") Risk Management Policy and Procedure are to provide the essential and coherent link between our strategic goals, our risk management policies, procedures and processes and our day to day activities.

The Risk Management Policy and Procedure provide direction for an integrated and consistent approach to risk management at Council. The objectives of the Risk Management Policy and Procedure are to develop, implement and maintain an organisational risk management plan, incorporating Work Health and Safety (WHS) and Injury Management (IM) and internal controls.

LEGISLATION/POLICY/COUNCIL STRATEGIC PLAN

Local Government Act 1999 – Section 125 – Internal control policies

Local Government Act 1999 – Section 134 (4)(b) – Financial arrangements

Strategic Plan

Key Theme: Corporate Governance and Leadership
2. Organisational Efficiency and Resource Management

Strategic Goal: 2.4 Effective Risk Management

Strategic Risk Management Plan 2012-2015

FINANCIAL AND RISK MANAGEMENT CONSIDERATIONS

Not applicable.



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COUNCIL POLICY

Risk Management

Policy Number:	PO091		
Strategic Plan Objective	Corporate Governance and Leadership 2. Organisation Efficiency and Resource Management 2.4 Effective Risk Management		
Policy Owner:	Chief Executive Officer	File Number:	18.63.1
Responsible Officer:	Risk Management Officer	Minute Reference:	258/2013 (11/12/2013)
Date Adopted:	December 2013	Next Review Date:	December 2016

1. POLICY OBJECTIVES

This policy aims to develop, implement and maintain an organisational risk management plan, incorporating Work Health and Safety (WHS) and Injury Management (IM) and internal controls for the Yorke Peninsula Council (the Council).

2. SCOPE

The policy applies to all Council business activities and personnel, including Elected Members, Chief Executive Officer (CEO), Corporate Management Team (CMT), employees and volunteers given that each has responsibility for the effective management of risk within their area(s) of responsibility.

3. DEFINITIONS

Risk Management	The culture, processes and structures directed towards realising potential opportunities, whilst managing adverse effects.
Risk	The effect of uncertainty on Council's business objectives whether it be positive (opportunity) or negative (threat).

4. POLICY STATEMENT

4.1 Section 134(4)(b) of the Local Government Act 1999 (the Act) requires the Council to adopt risk management policies, controls and systems.

4.2 The Council is committed to applying risk management principles across all of its operations and functions in order to effectively realise Council's Strategic Plan.

4.3 Risk management involves adopting systematic procedures and practices to identify, evaluate, treat and monitor risk in all Council activities so that risks associated with these activities are controlled and opportunities maximised. Council will maintain a risk management system consistent with the guidelines and principles of risk management (as set out in AS/NZ ISO31000 – Risk Management Principles and Guidelines) and the Council's Strategic Risk Management Plan.

4.4 The **Chief Executive Officer** is responsible for ensuring the oversight and implementation of risk management.

4.5 The **Audit Committee** is delegated responsibility by Council to review and monitor the implementation of risk management.

The **Corporate Management Team** (CMT) have primary responsibility for managing risk within the business and are accountable to Council for designing, implementing and monitoring the process of risk management and integrating it into the day-to-day activities of the business.

The **Risk Management Officer** is responsible for the ongoing development, communication and oversight of risk management, including systems capable of identifying, reporting and monitoring risks across the Council; and reporting the status of the risk management system and risk profiles to the Audit Committee, CEO and CMT.

All **personnel** (employees, volunteers and contractors) are responsible for identifying and managing potential risks as part of their employment or contractual obligations.

5. COMPLAINTS

Complaints about this policy can be made in writing to the Risk Management Officer. All complaints will be managed in accordance with Council's Complaints Policy.

6. REVIEW

This policy will be reviewed every three (3) years and also as necessary in consideration of any changes to legislation and relevant standards, codes and guidelines.

7. TRAINING

Risk Management training is encompassed within Council's risk management system. Training needs will be reviewed as part of Council's Training Plan and as necessary in consideration of performance reviews, changes to legislation and relevant standards, codes and guidelines.

8. RELATED COUNCIL POLICIES AND DOCUMENTS

- PR098 Risk Management Procedure
- Yorke Peninsula Council Strategic Risk Management Plan
- Yorke Peninsula Council Internal Controls Project - Framework & Implementation Plan

9. REFERENCES AND LEGISLATION

- Section 134(4)(b) of the Local Government Act 1999
- Section 125 of the Local Government Act 1999
- Civil Liability Act, 1936
- Risk Management is prudent in order to address other risks identified in other legislation such as the Emergency Management Act 2004 and Work Health and Safety Act (SA) 2012.
- AS/NZS ISO 31000 Risk Management - Principles and Guidelines

10. COUNCIL DELEGATION

Delegate:	CEO
Sub Delegate:	Risk Management Officer

11. VERSION HISTORY

Archived Policy Name	Policy Number	Date Adopted	Last Reviewed
Risk Management Policy	PO091	14/4/2004	8/6/2010



COUNCIL PROCEDURE

Risk Management

Procedure Number:	PR098		
Procedure Owner:	Chief Executive Officer	File Number:	18.63.1
Responsible Officer:	Risk Management Officer	Minute Reference:	n/a
Date Adopted:	December 2013	Next Review Date:	Dec 2016

1. OBJECTIVE

The purpose of this document is to detail the risk management system employed by management to meet their obligations under the Yorke Peninsula Council's (the Council's) Risk Management Policy.

This document supports Council's Strategic Plan and Strategic Risk Management Plan and clearly defines the aims, goals and actions necessary to ensure that best practice risk management is embedded into critical business activities, functions, processes and key decision making. It underpins the Yorke Peninsula Council's commitment to sustainability and continuous improvement and to protecting the community, employees, assets and the organisation against potential losses.

2. SCOPE

The policy applies to all Council business activities and personnel, including Elected Members, Corporate Management Team (CMT), employees, committees and volunteers given that each has responsibility for the effective management of risk within their area(s) of responsibility.

3. DEFINITIONS

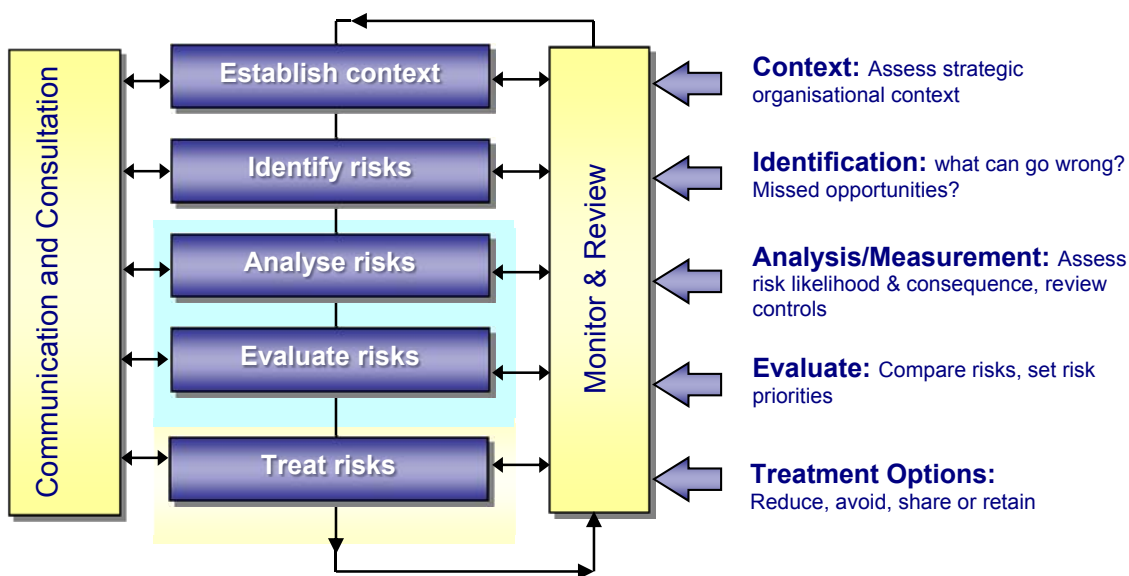
Consequence	Outcome or impact of an event
Control	Measure or activities employed to modify a risk. Controls may include process, policy, device, practice, or other actions which modify risk
Inherent Risk	The risk in the absence of any action to control or modify current level of risk at the time of the assessment, after consideration of the controls in place
Issues	An event or incident that has occurred and will impact positively or negatively on business objectives
Residual risk	Residual risk is the level of risk remaining after implementation of controls or mitigation actions, the residual risk is accepted and adequate provisions have been allocated for the risk
Risk	The effect of uncertainty on Council's business objectives whether it be positive (opportunity) or negative (threat)
Risk appetite	Amount and type of risk that the Council is willing to pursue or retain

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Risk assessment	The overall process of risk identification, risk analysis and risk evaluation
Risk evaluation	The process of comparing the level of risk against risk criteria
Risk identification	The process of determining what, where, when, why and how a risk could happen
Risk management	The culture, processes and structures directed towards realising potential opportunities, whilst managing adverse effects
Treatment	Process to modify risk. Controls that are proposed (i.e. not yet existing) to modify the likelihood or consequence of risk
Treated Risk	The risk level that could be achieved after additional identified controls are implemented.

4. RISK MANAGEMENT PROCESS

The key elements of the Council risk management system are set out below. The process complies with the Australian/New Zealand risk management standard ISO 31000:2009.



Please find following further information in relation to the above steps.

4.1 Establish the Context

The risk management system defined by this document applies to all Council operations and establishes the context for risk management.

It is important to understand the context in which you operate and for which a risk assessment is going to be undertaken to ensure that the risk assessment is appropriate;

- Understand the environment in which your Council and/or department operates;
- Educate yourself about all aspects of your department, relevant aspects of other departments and organisations you interact with; and

- Review your departmental goals and the role each individual or department plays in achieving them.

4.2 Identify Risks

The aim of risk identification is to generate a comprehensive list of sources of risks and events that might impact on the achievement of business objectives.

Whilst at the Council, risk management is considered everyone's responsibility; risk identification is primarily the responsibility of the management of each business unit.

Expected categories of risks are listed below.

<i>Governance</i>	<i>Business Continuity</i>
<i>Community</i>	<i>Tenders and Contracts</i>
<i>Engineering</i>	<i>Finance and Administration</i>
<i>Planning and Development</i>	<i>Human Resources</i>
<i>Legislative Compliance</i>	

It is important to:

- Continually review the risks that you have responsibility for in the Council Risk Register.
- Risk identification is undertaken in multiple ways, including;
 - Regular Corporate Management Team workshops (annually)
 - Individual identification (quarterly workplace inspections, hazard reports)

4.3 Analyse Risks

For each individual risk identified Council needs to determine the causes and consequences to identify:

- Inherent risk (likelihood and consequences)
- Without considering the effectiveness of current controls

Risk analysis involves developing an understanding of the risk identified and involves considering the source of the risks, their positive and negative consequences and the likelihood of those consequences occurring. The Council measures risk consequence against safety, reputation, legal and regulatory, environmental, financial, IT/Records and service delivery measures.

The Risk Matrix, including the consequence and probability definitions, is included as Appendix A.

As part of risk analysis, current controls are identified and reviewed to assess effectiveness. To determine residual risk the effectiveness of current controls is considered when rating likelihood and consequence.

Where controls are inadequate or the level of residual risk is outside of Council's risk appetite, specific risk treatment plans are required to be developed and implemented

4.4 Evaluate Risks

The purpose of risk evaluation is to make decisions, based on the outcomes of risk analysis, about which risks need treatment and treatment priorities, based on the Council's Risk Appetite table.

4.5 Treat Risks

Risk treatment involves identifying the range of options available to treat the risks, assessing the options, then developing, and implementing risk treatment plans.

It is important to;

- Know the risks you can control, develop a plan and then treat them;
- Develop strategies to minimise negative outcomes that may arise from factors beyond your control; and
- Be prepared to act quickly if those risks arise.

4.6 Monitoring and Review

To ensure that the risk profile remains relevant, ongoing monitoring and reviewing is required. The Audit Committee meets at least four (4) times per year, at a minimum and CMT will monitor and review the system at their meetings as well as an annual overview.

4.7 Communication and Consultation

The Council's risk management system requires open communication and consultation with all relevant stakeholders at each stage of the process.

5. ROLES AND RESPONSIBILITIES

Council Role

- To identify strategic risk;
- To facilitate resources and guidance in relation to the Risk Management Policy and Framework and associated Procedures;
- To review and consider any report or recommendations regarding the Risk Management Framework.

Chief Executive Officer

The CEO is responsible for ensuring that Council is not exposed to unnecessary or uncontrolled risks and that a suitable risk management process is established, implemented and maintained in accordance with the Risk Management Procedure. The CEO will maintain and be responsible for the effective management of all types of risk across Council's operation.

The Corporate Management Team:

- Ensuring that a risk management process is established, implemented and maintained in accordance with the Risk Management Policy
- Assist Council and staff to identify and treat risk;
- Monitor and review Council's risk management system annually with quarterly updates;
- Establish and maintain risk management knowledge and awareness;
- Ensure corporate governance mechanisms effectively monitor risks and the way they are managed;
- Ensure employees receive support in fulfilling their responsibilities;
- Ensure Council is advised of the post treatment of critical risks; and
- Ensure risk assessments are delivered to the Audit Committee on an ongoing basis.

Managers:

- Demonstrate an understanding of and commitment to systematic integrated risk management process;
- Undertake annual reviews with quarterly updates (and “needs – based”) risk assessment and associated reporting requirements using the risk register and treatment plans; and
- Evaluate effectiveness of existing controls, treatments and undertake regular internal audit practices.

Employees (and contractors)

- Maintain an awareness of the risks and opportunities that relate to their area of responsibility; and
- Actively support, report and contribute to an integrated risk management processes.

The Audit Committee:

- The audit program will consider the risks identified and will test the effectiveness of the internal controls and treatments established.
- The Audit Committee will review and monitor the risk management activity by having risk management as a standing agenda item at all meetings.
- The Audit Committee will ensure ongoing reporting from the CEO and CMT on the status of risk management and treatment of high and extreme risks.
- Review annual financial statements;
- Review the adequacy of Council – wide risk management systems;
- The Audit Committee will propose, and provide information relevant to, a review of Councils Strategic/Annual Business Plans;
- The Audit Committee will propose and review, the exercise of powers under Section 130A of the LG Act;
- Liaise with Council’s Auditor;
- Review the adequacy of the accounting, internal control, reporting and other financial management systems and practices.

Risk Management Officer:

- Ensure ongoing maintenance of the risk management system.
- Filtration of the process to ensure risk reporting is provided to appropriate employees and committees.
- Maintain and monitor Council’s organisational Risk Register.

Appendix A – Council Risk Management Matrix

Consequence Rating							
Description	Safety	Reputation	Legal & Regulatory	Environmental	Financial	IT / Records	Service Delivery
Catastrophic	Fatality. Severe injury or illness giving rise to a disability or impairment. Litigation.	State negative media coverage. Irreparable damage to reputation. Public outcry.	Significant prosecution for organisation and individuals. Fines. Very serious litigation.	Extensive, very serious and long-term impairment of the environment. EPA involvement or investigation.	> \$1 mil	Extensive loss / damage to IT and communications assets and infrastructure. Permanent loss of data. Widespread disruption to the business.	Extreme loss of service quality.
Major	No fatality. Serious (but non-life threatening) injury or illness. Critical failure of internal controls.	Extensive local negative media coverage. Loss of reputation that will require external resources. Public concern.	Major breach of legislation or regulation. Prosecution. Fines. Litigation.	Serious (>6months) impairment of the environment.	> \$250k to < \$1 mil	High risk of loss, data corrupt. Significant catch up required. Business Continuity Plan implemented.	Major decline in the quality and value of service delivery. Probable decrease in the community's confidence in the Council.
Moderate	No fatality. Non-life threatening injury/illness. Medical treatment and/or hospitalisation required. Serious breach involving statutory authority investigation. Significant failure of internal controls.	Significant local media attention. Significant number of complaints.	Serious breach of legislation or regulation with investigation and/or report to relevant authority. Limited fine or other penalty possible.	Moderate damage or impairment of the environment. Repairable in 1 to 6 months.	> \$50k to < \$250k	Moderate to high loss / damage to IT and communications. Data lost.	Moderate decline in the quality and value of service delivery. Possible decrease in the community's confidence in the Council.
Minor	Minor reversible injury requiring medical treatment by doctor. No hospitalisation. Contained non-compliance with short term significance.	Heightened negative local media attention. Low number of complaints.	Breach of legislation or regulation with noted compliance failure. Requirement for report to regulator or authority.	Limited damage or impairment of the environment. Repairable within 1 month.	< \$50k	Minor loss / damage to IT and communications. Some catch up required.	Untimely service delivery to our community. Should not decrease the community's confidence in the Council.
Insignificant	A minor injury that is treated on site. Near miss or incident that does not give rise to any injury.	A number of complaints.	Minor non-compliance. Minimal failure of internal controls.	Minor containable incident with no measurable impairment or impact of the environment.	< \$20k	Negligible loss of or damage to IT and communications. No loss of data.	Minimal decline in the quality and value of service delivery.

Likelihood Rating		
Almost Certain	Is expected to occur in most circumstances	Not applicable Work Health & Safety (WHS)
		Has occurred at least once a month in the past year
Likely	Will probably occur in most circumstances	Has occurred at least once in the past 1 - 2 years
Possible	Might occur at some time	Has occurred at least once in the past 2 - 5 years
Unlikely	Could occur at some time	Has occurred at least once in the past 5 - 10 years
Rare	May only occur in exceptional circumstances	May occur every 10+ years

Risk Matrix						
Consequence and Reporting Action						
Likelihood		Insignificant	Minor	Moderate	Major	Catastrophic
	Almost Certain	High	High	Extreme	Extreme	Extreme
	Likely	Moderate	High	High	Extreme	Extreme
	Possible	Low	Moderate	High	Extreme	Extreme
	Unlikely	Low	Low	Moderate	High	Extreme
	Rare	Low	Low	Moderate	High	High

Risk Level	Residual Risk Appetite (treatment, plan, activity)	WHS Specific Residual Risk Appetite
Extreme (E)	To be avoided , further treatment plan required as a matter of urgency. Expected treatment plans to be identified.	Operation of plant/ activity should not be allowed to continue until the risk level has been reduced with appropriate controls and treatment.
High (H)	May be acceptable provided appropriate controls and treatment strategies are in place.	Operation of plant/ activity should not be allowed to continue until the risk level has been reduced with appropriate controls and treatment.
Moderate (M)	Acceptable with review	Acceptable provided appropriate controls and treatment strategies are in place.
Low (M)	Acceptable with review	Acceptable provided appropriate controls and treatment strategies are in place.

Appendix B – Reporting responsibilities based on residual risk appetite.

Risk Level	Reporting and Action	WHS Specific
Extreme (E)	Report: Line management, CEO, Risk Management Officer, Audit Committee and Council immediately. Action: Continued exposure to the risk must be approved by CEO and reported to Council. Exposure to the risk should be discontinued where possible.	Report: Line management, CEO, Risk Management Officer immediately, WHS Committee and Council (as required), as soon as reasonably practical. Action: Continued exposure to the risk must be approved by the WHS Committee and CEO. Exposure to the risk should be discontinued. Recorded into hazard register.
High (H)	Report: Director, CEO (or appointed person), and Risk Management Officer immediately. Action: Exposure to the risk should be discontinued as soon as possible.	Report: Line management, CEO, Risk Management Officer immediately and WHS Committee as soon as reasonably practical. Action: Continued exposure to the risk must be approved by the WHS Committee and CEO. Exposure to the risk should be discontinued. Recorded into hazard register.
Moderate (M)	Report: Director immediately Action: Annual review of the risk by Management	Report: Line management, Director and Risk Management Officer immediately. Recorded into hazard register.
Low (M)	Report: Manager Action: Periodic review of the risk by Management	Report: Line management immediately and Risk Management Officer as soon as reasonably practicable. Recorded into hazard register.

Version History

Archived Procedure Name	Procedure Number	Date Adopted	Last Reviewed

ASSET MANAGER

9. ASSET MANAGEMENT UPDATE

(File Ref: 9.14.1.6)

INTRODUCTION

The purpose of this report is to update Audit Committee members on Asset Management activities.

RECOMMENDATION

That the report be received.

COMMENT

Transport Infrastructure

A review of the current Asset Management Plan is currently taking place with the aim of having a draft completed by the end of February. The review includes:

- Reviewing Service Levels
- Reviewing Condition Assessment methodology
- Reviewing road categorisation/hierarchy

A workshop with elected members will be held to work through the plan once completed.

Data collection is continuing on the unsealed road network, this includes coring of sheeted roads.

Implementation of Conquest

A Building/Land register spreadsheet has been developed and populated by staff in consultation with Tonkin Consulting to include the following information:

- Asset ID Number
- Common Name
- Property information
- Lease Details
- Responsibilities
- Other information

The information in the spreadsheet is currently being reviewed and validated prior to being populated into Conquest.

Council staff and Tonkin Consulting have developed a CWMS register spreadsheet so that CWMS data can be populated into Conquest. The spreadsheet will allow staff to break down the schemes into various segments/types and match this data with the GIS information currently in our mapping system.

Data collection of Stormwater assets has been undertaken on all townships, this includes:

- GPS location
- Photograph
- Dimensions, etc

This data now needs to be validated against our current data.

Revaluation of Assets

A revaluation of CWMS and Stormwater assets will be undertaken, as per the Auditors recommendation, prior to the end of the financial year.

LEGISLATION/POLICY/COUNCIL STRATEGIC PLAN

Local Government Act 1999, Chapter 8

FINANCIAL AND RISK MANAGEMENT CONSIDERATIONS

Not applicable.

MANAGER INFORMATION SERVICES

10. ELECTRONIC DOCUMENT AND RECORDS MANAGEMENT SYSTEM (EDRMS)

UPDATE (File Ref: 9.14.1.6)

INTRODUCTION

The Manager Information Services presents an update on the Electronic Document and Records Management System (EDRMS) project.

RECOMMENDATION

That the report be received.

COMMENT

In order to be compliant with State Records requirements, and to improve our business processes Yorke Peninsula Council needs to implement an electronic document and records management system (EDRMS).

Work has begun scoping a project to implement the EDRMS. Advice has been sought from other councils who have recently re-implemented an EDRMS in addition to consulting the Local Government Association Records Management User Group.

As a result of this consultation, Council has engaged Info-Osmosis to assist in producing a gap analysis of our current records management processes. This will lead to a requirements specification for the EDRMS for tender. It is planned that Council will be ready to go out to tender for the new system by the beginning of March 2015. Following the tender and selection process, which is scheduled to be completed by the end of April, the project will be ready to commence immediately following adoption of the 2015/16 Annual Business Plan and Budget.

Project timeframes will be dependent on the capacity of the third party to deliver the project. Other councils have reported delays to the start of the implementation phase in excess of 12 months. Staff will attempt to mitigate this risk during the tender process, but may be forced to accept some delay in order to select a provider with a record of success.

With the correct controls in place, it is anticipated that the project will be completed within 6 to 12 months from budget approval.

LEGISLATION/POLICY/COUNCIL STRATEGIC PLAN

State Records Act 1997

Local Government Act 1999

General Disposal Schedule (GDS) 20

Development Act 1993

Freedom of Information Act 1991

Information Privacy Principles

FINANCIAL AND RISK MANAGEMENT CONSIDERATIONS

Budget approval will be sought for approximately \$160,000 in the 2015/2016 financial year to purchase software licensing and system integration and implementation.

DIRECTOR CORPORATE AND COMMUNITY SERVICES

11. AUDIT COMMITTEE SELF ASSESSMENT DRAFT

(File Ref: 9.14.1.6)

INTRODUCTION

To request feedback from previous Audit Committee members on the effectiveness of the Audit Committee.

RECOMMENDATION

That the Audit Committee Self-Assessment form be endorsed.

COMMENT

At the Audit Committee meeting held on the 11th of December 2014 it was discussed that feedback be sought from the previous Audit Committee on the effectiveness of the Committee over the duration of its tenure.

The purpose of collating this information is to gather opportunities for improvement from the previous and continuing members of the Audit Committee, to encourage progress and to ensure that the Audit Committee is meeting the expectations set out in its Terms of Reference.

The draft (attached) is presented for the endorsement of the Committee and will added to Council's register of Standard Forms.

LEGISLATION/POLICY/COUNCIL STRATEGIC PLAN

Audit Committee Terms of Reference

Local Government Act 1999, Chapter 8.

FINANCIAL AND RISK MANAGEMENT CONSIDERATIONS

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

PRINCIPAL OFFICE:
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Telephone (08) 8832 0000
ALL CORRESPONDENCE TO:
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AUDIT COMMITTEE SELF-ASSESSMENT

SF
Responsible Officer: DCCS
Issue Date: 16.01.2015
Next Review Date: 17.01.2016

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?		
Does the committee collectively have sufficient skills, experience, time and resources to undertake its duties? If not, why?		
	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?		
Does the relationship between committee members strike the right balance between challenge and mutuality? If not, please provide comments.		
Do the meeting arrangements enhance the Committee's effectiveness (e.g. frequency, timing, duration, venue and format) to allow sufficient time for the discussion of agenda items?		
Are the report for each meeting sufficiently comprehensive and yet understandable enough for you to make informed decisions?		
Are the presentations an interesting and helpful way of informing members about various issues?		
Are effective minutes prepared, distributed and followed up?		
How do you rate the overall efficiency and effectiveness of the Committee? Please provide reasons for your ranking		
Do staff and members conduct themselves in accordance with high standards of behaviour (eg. Code of Conduct and Corporate Values)?		

Printed copies are considered uncontrolled.

Before using a printed copy, verify that it is the current version. Updated

How do you rate the performance of the Presiding Member in preparing for and conducting the meetings? What are the reasons for your ranking?		
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?		
How do you rate your performance as a member of the Committee? What are the reasons for your ranking?		
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?		
Overseeing Governance, Risk Management and Internal Control		Comments
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?		
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?		
Are internal audit findings and recommendations responded to in a timely and appropriate manner?		
Overseeing Financial Reporting and External Audit	Yes / No	Comments
Does the Committee review the work of the external auditor?		
Does the Committee review and discuss the external auditor's management letter?		
Is the Committee effective in managing and monitoring the relationship with the external auditor?		
General	Comments	
Do you have any suggestions for improving any aspect of the Committee's performance, role or functions?		

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.