



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 18th May 2016
in the Minlaton Council Chamber,
57 Main Street, Minlaton commencing at 3:00pm

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
Cr John Rich – 8/04/2016 – 22/06/2016
- 1.4 Minutes of previous meeting – for confirmation:
Audit Committee meeting held on 24th February 2016.
- 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 relation to a material conflict of interest in accordance with Section 73, or an actual or perceived conflict of interest in accordance with Section 75 of the Local Government Act in items listed for consideration on the Agenda. Section 74 and 75A of the Local Government Act 1999 requires that Members declare any interest and provide full and accurate details of the relevant interest to the Council. In relation to actual or perceived conflicts of interest a member has an obligation to outline how they propose to deal with the actual or perceived conflict of interest prior to consideration of that item on the Agenda.

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 material conflict of interest.

ITEM 2 REPORTS

- | | |
|---|-----------------|
| 1. 2016 Audit Committee Work Plan | pages 3 - 6 |
| 2. 2016/2017 Annual Business Plan/Budget | pages 7 - 46 |
| 3. Third Quarter 15/16 Budget Review | pages 47 - 70 |
| 4. Long Term Financial Plan | pages 71 - 94 |
| 5. Fees and Charges Register Amendments 2016/17 | pages 95 - 108 |
| 6. Internal Audit Activity Report | pages 109 - 158 |
| 7. Asset Management Update | pages 159 - 160 |
| 8. Risk Management Update | pages 161 - 167 |

ITEM 3 GENERAL BUSINESS

ITEM 4 CONFIDENTIAL AGENDA

- | | |
|--|-----------------|
| 1. Internal Controls Report (verbal update) | pages 168 - 170 |
|--|-----------------|

ITEM 5 NEXT MEETING

Wednesday 22nd June 2016, 3.00pm
Minlaton Council Chamber

ITEM 6 CLOSURE

DIRECTOR CORPORATE AND COMMUNITY SERVICES

1. AUDIT COMMITTEE 2016 WORK PLAN

(File Ref: 9.14.1.6)

INTRODUCTION

To consider the proposed 2016 Audit Committee Work Plan.

RECOMMENDATION

That the Audit Committee endorse the updated 2016 Audit Committee Work Plan.

LINK TO STRATEGIC PLAN

Key Theme/s:	Corporate Governance and Leadership 2. Organisational Efficiency and Resource Management
Strategic Goal/s:	2.1 Financially sustainable organisation 2.3 Meet all legislative and compliance responsibilities 2.4 Effective Risk Management

BACKGROUND

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.

DISCUSSION

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.

Changes to be endorsed include:

- Consolidation of Operating and Capital Budget reviews with the review of the draft Annual Business Plan
- Addition of Fees and Charges Register Amendments for review.

Changes are highlighted in **Red** in the attached Work Plan.

COMMUNITY ENGAGEMENT PLAN

Not applicable

CONSULTATION PROCESS

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

- Director Corporate and Community Services
- Acting Manager Financial Services
- Business Improvement Officer
- Asset Manager
- Risk Manager

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

- Independent Members of Audit Committee

POLICY IMPLICATIONS

Audit Committee Terms of Reference

Local Government Act 1999, Chapter 8

BUDGET AND RESOURCE IMPLICATIONS

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

RISK/LEGAL/LEGISLATIVE IMPLICATIONS

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

ATTACHMENTS

Attachment 1: 2016 Work Plan (Revised)

**YORKE PENINSULA COUNCIL AUDIT COMMITTEE
2016 WORK PLAN**

Meeting	Item	Comments
<p>Wednesday 24th February</p> <p>Minlaton Council Chamber at 3pm</p>	<ul style="list-style-type: none"> • Review 2016 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 • 2016/2017 Budget Timetable • Second Quarter 15/16 Budget Review • Asset Management Update • EDRMS System Update 	<p>Completed</p> <p>Completed</p> <p>Completed</p> <p>Completed</p> <p>Completed</p> <p>Completed</p> <p>Completed</p> <p>Completed</p> <p>Completed</p> <p>Completed</p> <p>Completed</p>
<p>Wednesday 18th May</p> <p>Minlaton Council Chamber at 3pm</p>	<ul style="list-style-type: none"> • Review draft Annual Business Plan incorporating 2016/2017 Operating and Capital Budget • Third Quarter 15/16 Budget Review Update • LTFP Update • Fees and Charges Register • Internal Audit Activity Report • Asset Management Update • Risk Management Update 	
<p>Wednesday 22nd June</p> <p>Minlaton Council Chamber at 3pm</p>	<ul style="list-style-type: none"> • Endorse Annual Business Plan & 2016/2017 Budget • Review Council Draft Strategic Plan • Interim External Audit Visit Update • LTFP Update • Rates Options 2016-2017 Update • Internal Audit Activity Report • Internal Controls Project Update • Assessment Project • Asset Management Update • Risk Management Update 	
<p>Wednesday 28th September</p> <p>Minlaton Council Chamber at 3pm (Subject to Balance Date Audit dates)</p>	<ul style="list-style-type: none"> • LTFP Update • Approve FY17 Internal Audit Plan • External Audit Activity Update • Review 2015-2016 Financial Statements • Review Required Asset Revaluations • EDRMS System Update • Asset Management Update • Risk Management Update 	

<p>Wednesday 26th October</p> <p>Minlaton Council Chamber at 3pm</p>	<ul style="list-style-type: none"> • Recommendation to Council regarding 2015/2016 Financial Statements • Recommendation to Council regarding First Quarter 16/17 Budget Review • Asset Management Update • Risk Management Update • Internal Audit Activity Report • Annual “In-Camera” meeting with External Auditors 	
<p>Wednesday 14th 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 2016 Budget Review • Receive First Quarter 15/16 Budget Review • Review 2016 Audit Committee Work Plan • Consider 2017 Audit Committee Work Plan Draft • LTFP Update • Asset Management Update • Risk Management Update 	

As required:

- Policy Reviews
- Asset Management Plan Endorsements

DIRECTOR CORPORATE AND COMMUNITY SERVICES

2. DRAFT 2016/17 ANNUAL BUSINESS PLAN

(File Ref: 9.24.1.1)

PURPOSE

Each year Council develops and adopts an Annual Business Plan (ABP). This document explains the context in which the budget has been developed, provides information on what Council plans to achieve in the coming financial year and describes how this will be funded.

RECOMMENDATION

That the Audit Committee receive the draft Annual Business Plan, including the draft budget for the financial year ending 30th June 2017, as endorsed by Council for public consultation at its meeting held on 11th May 2016.

LINK TO STRATEGIC PLAN

Key Theme/s:	Corporate Governance and Leadership 2. Organisational Efficiency and Resource Management
Strategic Goal/s:	2.1 Financially sustainable organisation

BACKGROUND

As required by the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011, Council must prepare its ABP in a timely fashion and make this plan available for public consultation prior to adoption.

As part of this process Council consults with the community and considers all feedback at a Council meeting prior to adoption of the ABP. Members of the public are also afforded the opportunity to present to Council at that scheduled meeting in regard to the ABP.

DISCUSSION

The draft ABP is attached for Audit Committee members review.

The draft ABP has been developed taking into account legislative requirements, the Strategic Plan, the Draft 2016/17 Budget and using the draft Long Term Financial Plan 2016/17 to 2025/26 as a guide.

The draft ABP sets out all capital projects and the budgeted statutory financial statements for the 2016/17 financial year. In addition, the ABP details actions from the Strategic Plan which will be achieved during the coming financial year.

The key assumptions made in the development of the draft Budget were:

- Inflation assumed to be 1.95%:
- No change in service levels other than acceleration of the sealing of Clinton Road with the assistance of Special Local Roads funding from the Federal government.
- Emphasis to be placed on the renewal of Council's existing asset base with the aim of achieving industry averages within the 10 years of its Long Term Financial Plan.

The draft 2016/17 Budget has been prepared taking in to account reductions in discretionary grants available and incorporating 'one off' capital receipts from Roads to Recovery Diesel Rebate funding and the accelerated Special Local Road funding made available for the sealing of Clinton Road.

The total Draft 2016/17 Capital Budget is also in line with total spending in the draft Long Term Financial Plan however displays an even greater emphasis on renewal of key assets than originally planned for the 2016/17 financial year.

The draft Budget proposes a total of \$5.996m to be invested in renewal of assets and \$4.626m for the purchase and creation of new assets which includes the completion of the sealing of Clinton Road at a cost of \$2.995m.

The 2016/17 draft Budget meets forecasts of the draft Long Term Financial Plan in the majority of areas with an Operating Surplus after Capital Receipts of \$1.203m predicted incorporating Operating Revenue of \$28.117m and Operating Expenses totalling \$30.778m (including \$9.075m Depreciation charge).

Elected Members will also be provided with detailed departmental budget documents for their reference under separate cover at the June 2016 Council meeting as will Audit Committee members at its June 2016 scheduled meeting.

Advertisements have been placed in the Yorke Peninsula Country Times and on Council's website informing the public that copies of the draft ABP are available from Thursday 12th May 2016 for public comment. Copies will be sent to all Progress Associations and will be available to the general public at all Council office front counters.

Written submissions will close on Wednesday 1st June 2016 and in conjunction with the June meeting of Council, the opportunity will be provided for public presentations to Council.

COMMUNITY ENGAGEMENT PLAN

Level 1 Inform – Public Notice in Yorke Peninsula Country Times, Council's website and Facebook page.

CONSULTATION PROCESS

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

- Chief Executive officer
- Director Corporate & Community Services
- Director Development Services
- Director Assets & Infrastructure Services
- Acting Manager Financial Services
- Manager Business and Public Relations

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

- Nil

POLICY IMPLICATIONS

PO142 Budget Reporting and Amendment Policy

BUDGET AND RESOURCE IMPLICATIONS

The 2016/17 draft Budget is consistent with the draft Long Term Financial Plan and Council's key financial direction of reducing the operating deficit and dedicating funds to the renewal of assets, consistent with Council's Infrastructure and Asset Management Plan.

RISK/LEGAL/LEGISLATIVE IMPLICATIONS

Local Government Act 1999

Local Government (Financial Management) Regulations 2011

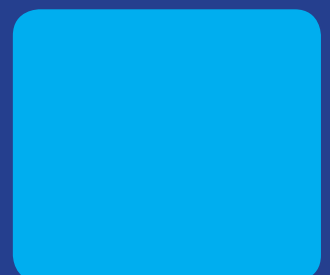
ATTACHMENTS

Attachment 1. – Yorke Peninsula Council Draft 2016/17 Annual Business Plan



2016/17

YORKE PENINSULA COUNCIL ANNUAL BUSINESS PLAN



2016/17 Yorke Peninsula Council Annual Business Plan



The 2016/17 Annual Business Plan can be accessed on the Yorke Peninsula Council website at www.yorke.sa.gov.au



follow us on twitter **@YPCouncil**



or, join us on **facebook.com/YorkePeninsulaCouncil**

Table of Contents

Mayor's Foreword	1
Executive Summary	2
Public Consultation and Review	3
Council Summary	4
Budget Highlights	5
Yorke Peninsula Council	6
Strategic Direction	7
Strategic Planning Framework	8
Legislative Compliance	9
Influences, Priorities & Challenges	10
Continuing Services	12
Rating Strategies	13
Fixed Charge	14
Waste Collection & Recycling	14
CWMS	15
Water Charges	15
NRM Levy	16
Rate Capping	16
Postponement of Rates	16
Hardship	16
Key Financial Measures	17
Analysis of Operating Budget	18
Analysis of Capital Works Budget	21
Budgeted Financial Statements	26
Income Statement	27
Balance Statement	28
Statement of Changes in Equity	29
Cash Flow Statement	30
Uniform Presentation of Finances	31
Full Cost Attribution Statement	32

MAYOR'S FOREWORD

Welcome to Yorke Peninsula Council's 2016/17 Annual Business Plan.

Yorke Peninsula Council remains committed to sound financial governance and long term sustainability and the Annual Business Plan has been developed with a clear intention to contain costs balanced with the need to deliver core services whilst continuing to maintain our community assets.

The Plan has been prepared to provide the community with a picture of the proposed projects that the Council plans to deliver in 2016/17. The planning process provides an opportunity for the community to provide input in regards to Council projects and services for the forthcoming year.

In liaison with the community, the Elected Members have been instrumental in putting forward projects on behalf of their local areas.

The Plan for 2016/17 has been prepared using the Long Term Financial Plan (LTFP) as a guide and a key focus is to continue with renewal of road infrastructure and replacement of essential plant and machinery.

Some of the key projects planned for 2016/17 are:-

- Capital expenditure in sealing of current unsealed (open surface) section for the Clinton Road development project (\$2.99 million)
- Capital expenditure in various other road renewal acceleration projects (\$1.75 million)
- Plant replacement (\$1.41 million)
- Capital expenditure on various other unsealed and sealed roads (\$1.80 million)
- Continued upgrade and development of Community Wastewater Management Systems (CWMS) (\$0.53 million)
- Capital expenditure for shoulder upgrades on sealed roads (\$0.25 million)

The complete list of capital projects planned can be found on page 23.

The Annual Business Plan is based on a balanced and responsible budget that ensures financial sustainability and compliance with the adopted goals of the LTFP whilst still delivering on community expectations.

I encourage your feedback in the Annual Business Planning process and look forward to receiving your feedback. I hereby commend the 2016/17 Annual Business Plan to you.



Mayor Ray Agnew OAM

EXECUTIVE SUMMARY

This year's budget development has again been measured against the adopted Long Term Financial Plan (LTFP) and continues to recognise the requirement for increased road infrastructure renewals by providing \$1.75 million for contractual works to be prioritised by Council during the year. These funds are in addition to the work completed by Council's own construction and maintenance crews.

A major focus for the 2016/17 year remains the completion of the sealing of Clinton Road utilizing \$1.93 million in Special Local Roads funding provided by the Federal Government as a "one off" payment. Council will also receive an extra "one off" grant of \$1.35 million via the Roads to Recovery program funded from Diesel Excise proceeds.

These "one off" grants are welcomed by Council in light of the decision by the Federal Government to cease Financial Assistance Grants (FAG's) Supplementary Road Funding for South Australia from 1 July 2014 which continues to impact significantly on Council's budget along with their decision to freeze all FAG's General Purpose Grant Funding at 2013/14 levels until 2017/18.

The impact on Council's long term financial position of these cuts is significant and estimated at \$490,000 p.a. in 2016/17 with this reduction in income continuing every year thereafter indexed for CPI.

Expenditure on new assets has been limited to \$1.631 million other than expenditure on Clinton Road (\$2.995 million).

"New" assets include new infrastructure at Council owned caravan parks (\$59,000), extensions and upgrades of infrastructure at boat ramps in Edithburgh, Ardrossan (car park) and Port Victoria totaling \$122,000, Jetty Shelters at Ardrossan (\$40,000) in cooperation with Ardrossan Progress, a Port Rickaby concept plan incorporating the local hall and park (\$50,000), development of CWMS systems (\$320,000), footpath upgrades in Maitland adjacent the hospital (\$55,000), storm water kerbing in High Street Balgowan (\$143,000), completion of walkways in Port Vincent (\$20,000), development of Sheoak Road at Port Julia (\$60,000), new plant (\$108,000), unisex Disabled Toilets at Price (\$45,000), development of staff lunchroom and office facilities at Minlaton Depot (\$100,000) and a Nature Playground at Point Turton (\$40,000).

Council continues to commit to much needed youth programs in the district with a total of \$101,000 dedicated to this cause.

The LTFP has been reviewed to reflect the latest decisions of Council and changes to key economic drivers such as lower CPI and has been made available for public consultation with all feedback presented to Council prior to the development of the 2016/17 draft budget.

To meet the rising financial pressures placed on Council, a further 5.35% rate income must be raised in order to renew and upgrade essential infrastructure in a sustainable manner. This required increase allows for 1.95% growth in CPI. The actual impact on individuals will be variable based upon the specific land use category (i.e. residential, industrial, commercial, vacant land or primary production) and the valuations of property provided by the State Valuer-General's office.

When setting rates Council is always mindful of the impact of rate increases on the community and will always endeavour to minimise the level of general rates required by levying fees and charges for goods and services on a user pay basis.

Further information on Council's rating strategy can be found on page 13.



PUBLIC CONSULTATION AND REVIEW

The Draft 2016/17 Yorke Peninsula Council Annual Business Plan is being exhibited for public consultation for a minimum 21 days as prescribed by the Local Government Act 1999. During this time the public are invited to comment on the Draft Plan. The consultation period opens on Thursday 12th May 2015 and concludes at 5pm Wednesday 1st June 2016.

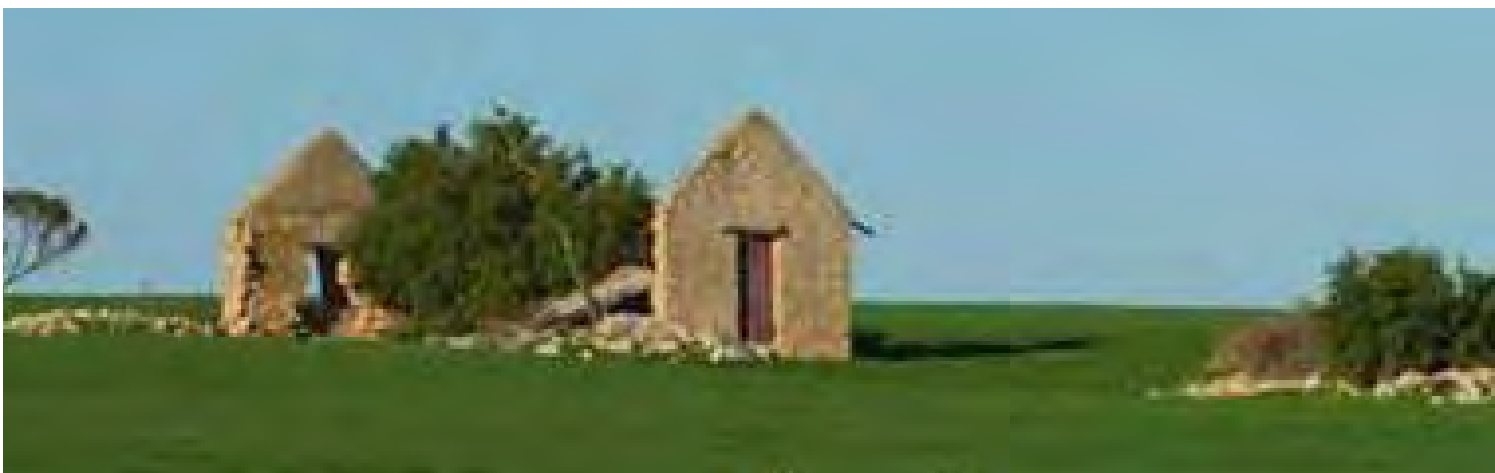
Interested persons are invited to make written submissions on the Annual Business Plan including any of the key strategic outlines in the Plan.

Written submissions should be addressed to:

Annual Business Plan Consultation 2016/17
Yorke Peninsula Council
PO Box 57, Maitland SA 5573

All feedback received will be presented at the Council meeting on 8th June 2016.

The Community is advised that the opportunity to speak before Council at the June 2016 Council Meeting on the Draft Annual Business Plan is available. Please indicate in any submission if you wish to appear before Council on this matter.



COUNCIL SUMMARY

District Statistics

11,018 is the estimated residential population per the latest ABS figures

1:1.9 is the current population density based on the estimated residential population

5,899.6 km² Total area within the Council district

485km is the total length of coast within the Council area

Council Statistics

12 Elected Members (including the Mayor)

8,787 electors enrolled as at January 2015

13,804 is the current number of rateable properties

109.5 is the number of Council's full time equivalent staff

Other Council Activities

4 joint use libraries plus
8 depot libraries

5 swimming pools plus
2 toddler wading pools

Major Capital Expenditure

Roads

3,890 km of roads

\$10.5m to improve the road network. Includes road maintenance, road renewals and sealing of formed roads.

Footpaths & Stormwater

25km of constructed footpaths; and

28km length of stormwater

\$0.5m to upgrade and maintain these assets to a standard that seeks to meet the needs of the community

CWMS & Water Schemes

18 CWMS sites, 4 potable water sites (inc. the Marion Bay desal plant) and 3 stormwater reuse sites

\$0.7m to maintain these critical assets on behalf of the community

Caravan Parks

5 Council owned and managed parks

\$1.5m expenditure in caravan park operations including capital upgrades

Operating Revenue

Council's Operating Revenue is made up of the following components:

- Rates and Charges **\$21.2m**
- Statutory Charges **\$0.4m**
- User Pay Charges **\$3.1m**
- Grants and Subsidies **\$2.6m**
- Investment, Earnings, Reimbursements and Other Income **\$0.6m**

Operating Expenditure

Council's Operating Expenditure is made up of the following components:

- Employee Costs **\$8.5m**
- Contractual Costs **\$5.9m**
- Materials and Other **\$6.7m**
- Depreciation **\$9.0m**
- Finance Costs **\$0.4m**



BUDGET HIGHLIGHTS



\$10.5m
Roads



\$1.5m
Caravan Parks



\$0.9m
Community Support



\$5.5m
Community Assets



\$1.2m
Development Services



\$0.8m
Information Technology



\$1.7m
Parks and Gardens



\$1.1m
People and Culture



\$0.7m
CWMS & Water Schemes



\$2.8m
Waste Operations
Yorke Peninsula Council
Audit Committee Agenda
Wednesday 18th May 2016



\$1.3m
Risk and Governance



\$0.5m
Footpaths & Stormwater

YORKE PENINSULA COUNCIL

Council is made up of 12 Elected Members, including the Mayor, and all are elected by eligible voters. In accordance with the Local Government (Elections) Act 1999, elections are held every four years, with the current Council being elected in November 2014.

Kalkabury Ward



Cr. Trevor Davey



Cr. Alan Headon



Cr. David Langford



Cr. Tania Stock



Cr. Jeff Cook



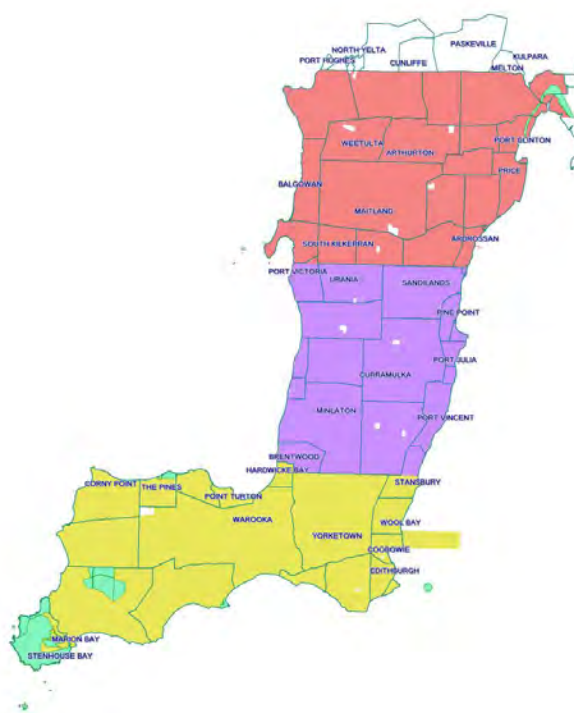
Cr. Naomi Bittner



Cr. Scott Hoyle



Mayor
Ray Agnew OAM



Innes Pentonvale Ward



Cr. Adam Meyer



Cr. Darren Braund



Cr. Veronica Brundell

Gum Flat Ward



Cr. John Rich

STRATEGIC DIRECTION

The 2016/17 Annual Business Plan sets out the specific projects that the Yorke Peninsula Council proposes to deliver for its community. The Annual Business Plan, as required by Section 123 (2) (a) of the Local Government Act 1999, shows the alignment to Council's Strategic Management Plan.

The Strategic Management Plan sets out Council's vision for the future of the Peninsula and outlines what Council will do to contribute to the achievement of the vision and strategic directions sought for the Yorke Peninsula community.

Our Vision

To be a thriving peninsula, proud of our heritage, lifestyle and diverse, vibrant communities. A great place to live, work and play.

Our Strategic Plan – Key Themes

Sustainable Communities

Sustainable Infrastructure — delivering and facilitating the provision of Infrastructure that is sustainable and supports our growth.

Progressive and Sustainable Development — providing a Development Plan that facilitates growth whilst safeguarding our environmental assets and community lifestyle.

Our Economy — encouraging and supporting a strong diverse economy that will provide employment opportunities for our community, including our youth.

Economical Growth through Sustainable Industrial Development — managing the impact of major industry growth on Council assets and resources while at the same time enabling maximum benefit to our community.

Corporate Governance and Leadership

Progressive Communities through Strategic Planning — informed decision making; setting the direction to meet the current and future needs of our communities.

Organisational Efficiency & Resource Management — delivering efficient and effective services through strategic leadership of our people.

Community Engagement

Vitality and Connection — encouraging optimistic and thriving communities through positive participation in community life.

Sense of Ownership — facilitate a sense of community ownership through public participation and authentic communication with our community.

STRATEGIC PLANNING FRAMEWORK

How the Yorke Peninsula Council's integrated planning and reporting process, including the Annual Business Plan, align is illustrated below.



LEGISLATIVE COMPLIANCE



Section 123 of the Local Government Act 1999 states that each Council must have a plan for each financial year. The Annual Business Plan must be adopted by Council between 31 May and 31 August for the ensuing year and must undergo a minimum of 21 days public consultation.

In addition, Council must at least provide for:

- a public notice in a local newspaper informing the public of the preparation of the draft annual business plan and inviting interested persons to:
 - * attend a Council meeting in relation to the plan at which members of the public may ask questions, and make in submissions in relation to the matter for a period of at least 1 hour; and
 - * to make written submissions in relation to the matter within the 21 days as stated in the public notice.

The Council must also ensure that copies of the draft annual business plan are available:-

- for inspection of the principal office of the Council;
- for purchase at a fee fixed by Council from the Council's principal office; and
- on the council's website.

Section 123 requires that the Yorke Peninsula Council Annual Business Plan includes the following:

- an outline of Council's objectives for the year;
- the activities that the council intends to undertake to achieve those objectives;
- the measures (financial and non-financial) that the council intend to use to assess its performance;
- an assessment of the financial requirements of the council for the financial year;
- a summary of its proposed operating expenditure, capital expenditure and sources of revenue;
- the rates structure and policies for the financial year; and
- the impact of the rates structure on the community based on the modelling used.

The Annual Business Plan must also take into account the council's long term financial plan and relevant issues relating to the management and development of infrastructure and major assets by the council.

INFLUENCES, PRIORITIES AND CHALLENGES

Current Economic Climate

A number of significant factors have influenced the development of the 2016/17 Annual Business Plan. Council identified pressures and potential impacts on its short and long term financial performance and budgeting.

Funding levels from both State and Federal Governments have continued to decrease in relative terms. The decision by the Federal Government to cease Supplementary Local Road funding to local government in South Australia and to freeze General Purpose Grant levels until 2017/2018 has impacted Council considerably. Across South Australia approximately \$18m per annum is no longer provided in funding to local government. The impact on the Yorke Peninsula Council's income is a shortfall of approximately \$490,000 for 2016/17 (\$408,000 for the Supplementary Roads Grant and \$82,000 for the General Purpose Grant).

The Federal Government has however provided a "one off" special allocation of \$1.3m in 2016/17 from diesel levies via the Roads to Recovery Scheme.

The Local Government general consumer inflation rate is approximated at 1.95% and this increase has been applied to all areas of spending within the budget estimates (e.g. insurance, materials, utilities, waste management charges etc.).

The economy continues to be negatively affected by ongoing uncertainty and instability of global financial markets and ailing local economies. Some services continue to increase at a rate higher than CPI and this has been considered in the budget deliberations. Council has been implementing strategies to mitigate against volatile price increases.

Cost pressures for requirements relating to legislation, industry and accounting standards and costs also continue to increase. These include:

- Valuation of building assets;
- Road infrastructure condition assessments;
- Rubble royalties;
- Internal controls; and
- Anticipated increases in employee costs via EBA negotiations.



INFLUENCES, PRIORITIES AND CHALLENGES

Budget Strategy

Council's Long Term Financial Plan (LTFP) guides the development of the Annual Business Plan. The key goal of the LTFP is to ensure that Council is financially sustainable in order to continue providing services without any dramatic increases in the cost of delivering those services to the community.

It assumes:-

- Expected CPI movement of 1.95% per annum;
- Appropriate spending on asset renewal in line with existing Council's Asset Management Plans to maintain ageing infrastructure; and
- Spending on new assets in line with current trends.

Setting the Rates

Consistent with 2015/16, rates of all types continue to be the major source of operating income for Council making up approximately 75% of operating income.

Each year the impact of rate increases is reviewed in line with Council's Strategic Management Plan. In 2016/17 the income from general rates will increase by 5.35% (down from 5.6% in 2015/16).

The structure of the rating system will also remain consistent with previous financial years:

- Continued use of a fixed charge;
- Differential rates for various land use categories have been maintained, retaining a similar percentage of total revenue for each category whilst allowing for potential growth;
- A comprehensive set of rebates.

A detailed explanation of the rates structure is described on page 13.



CONTINUING SERVICES

All Councils have basic responsibilities under the Local Government Act and other relevant legislation. These include:

- Regulatory activities, such as maintaining voters' rolls and supporting the elected members of Council
- Setting rates, preparing an annual budget and determining longer term strategic management plans for the area
- Management of basic infrastructure including roads, footpaths, parks, public open space, street lighting and storm water drainage
- Street cleaning and rubbish collection
- Development planning and control, including building safety assessment
- Various environmental health services
- Protection of natural resources
- Animal management

The Yorke Peninsula Council also provides further important services and programs to support the needs of the community, including:

- Library services
- Leisure Options
- Recreational reserves
- Community events
- Camping reserves
- Boat ramps
- Beach access facilities
- Walking trails
- Cemeteries
- Civic and community halls
- Recycling facilities
- Tourist facilities
- Sporting facilities
- Fire prevention
- Support for youth services

Yorke Peninsula Council also owns and manages five caravan parks on a fee for service basis.

Further information on Council's services can be found on the website www.yorke.sa.gov.au.

RATING STRATEGIES

Property rates are Council's main source of income. They are used to provide the funds to deliver services and maintain infrastructure required by the community.

Property value is the major determinant of how much each individual ratepayer contributes to general rates. Rates paid do not directly relate to the services used by each ratepayer. In general, the higher the value of the property the higher the rates paid.

Like most other Councils, Yorke Peninsula Council uses capital value provided by the State Valuer-General to value all properties. There have been minimal movements of the capital values of properties with the Yorke Peninsula Council with no significant trends in valuation changes evident.

In applying the principles of taxation, it is important that the five principles of taxation (equity, benefit, ability to pay, efficiency and simplicity) are balanced against the policy objectives of taxation - that is the need to raise revenue and the effects of the tax upon the community.

In determining how rates are applied, Council uses a differential rating system with a fixed charge. Differential rates are applied depending on the use to which the land is put - whether it be residential, commercial, primary production, etc. The fixed charge is a declared amount all ratepayers contribute in addition to differential rates which are applied directly against property capital value.

The rate-in-the-dollar to be applied each year is determined during the annual budget process. Put simply, the differential rate is calculated by dividing the required rates income by the total rateable capital value for the Council area, after accounting for the total fixed charge contribution from all properties.

During this process the impact on all sections of the community is carefully considered and adjustments are made to correct obvious inequities.

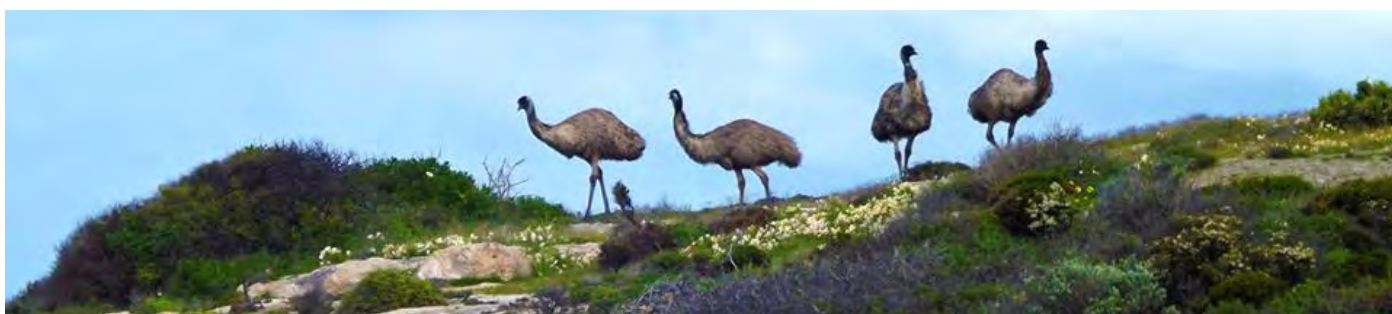
Based on the principal use of each property, Council rates properties in six different categories.

For the financial year 2016/17 the rates determination looks like this:

- The Target is to raise \$16,233,000 (before rebates and remissions) in general rate revenue, excluding the waste management service charges.
- The amount represents an overall increase of \$824,000 from the previous year and equates to an average rate increase of about 5.3%.
- This rate revenue will provide the desired level of funding to enable Council to meet its projected operating expenses and to fund its capital works program.
- While individual rate increases will vary, most residential properties can expect to pay between \$TBA more than last year (based on a property with a Capital Value of \$250,000) and a primary production property can expect to pay between \$TBA more than last year (based on a Capital Value of \$2.5 million).

Category	Revenue
Residential	\$TBA
Commercial	\$TBA
Industrial	\$TBA
Primary Production	\$TBA
Vacant Land	\$TBA
Other	\$TBA

Figures to be finalised on receipt of final valuations from the State Valuer-Generals office in June 2016.



Fixed Charge

Council will set a fixed charge for the 2016/17 year. The fixed charge will be set at \$TBA and will be levied uniformly on all non-contiguous assessments. The fixed charge is levied against the whole of an allotment (including land under a separate lease or licence) and only one fixed charge is levied against two or more pieces of adjoining land (whether intercepted by a road or not) if these are owned and occupied by the same owner. The reasons for imposing a fixed charge are:

- It is appropriate that all rateable properties make a base contribution to the cost of administering the Council's activities;
- It is appropriate that all rateable properties make a contribution to the cost of creating and maintaining the physical infrastructure that supports each property; and
- A fixed charge system generally creates a lesser burden on lower valued properties than a minimum rate system would.



Waste Collection and Recycling

In May 2012 the State Government introduced regulations that determine how Council charges for its Waste Collection service based on distance from collection points. These regulations impact only on the rural 2 bin service offered by Council.

The regulations state that:

- A property which has a collection point within 500m of their primary access point will be charged the full service charge;
- Properties whose collection point is between 500m and 2km from their primary access point will pay 75% of the full service charge;
- Properties whose collection point is between 2km and 5km from their primary access point will pay 50% of their full service charge;
- Properties whose collection point is more than 5km to their primary access point will not pay a service charge unless a service is requested, and an appropriate service charge has been negotiated with Council.

For the purpose of the regulations a collection point is defined as the point on a waste collection route closest to the property's primary access point. The primary access point is defined as the same point as the rural property address for a property.

The service charge is set to recover the full cost of providing the Waste and Recycling Service.

The 3 Bin service is not offered to rural ratepayers.

The annual charges for 2016/17 will be:

Service	Distance from rural collection point	Charges \$ (TBC)
3 Bins	(not offered to rural properties)	\$265
2 Bins	Within 500m	\$244
2 Bins	500m – 2 km	\$183
2 Bins	2km – 5km	\$122

All charges to be confirmed in June 2016

RATING STRATEGIES- Cont.

Community Wastewater Management Schemes

Council operates 16 Community Wastewater Management Schemes (CWMS) that are situated in townships and holiday settlements throughout the district.

The income and costs of the schemes are regularly reviewed and Council's policy is to ensure that all schemes are financially sustainable.

Income received via the CWMS annual service charges are a cost recovery fee to ensure that the costs of operating systems such as this are recovered through user charges such as this.

The CWMS annual fees for 2016/17 are \$465 (TBC) for occupied properties and \$350 (TBC) for unoccupied properties.

Water Charges

To enable communities to have access to a secondary water supply, Council maintains water supply schemes to three communities.

Service charges are raised each year to cover the cost of operating the schemes. In addition, charges for water usage are made.

Council maintains a separate financial reserve for each Water Scheme to track to money received from the property owners, and ensure it is only used only for water schemes.

Fees for the Water Schemes operated by Council for 2016/17 are:

Location	2016/2017 fees (TBC)
Black Point	\$180
Hardwicke Bay	\$180
Balgowan	\$180
Marion Bay Desal	User Charge Only

All prices to be confirmed in June 2016.





Natural Resource Management Levy

The Yorke Peninsula Council falls within the Northern & Yorke Natural Resources Management Board area and as such Council is required, pursuant to the Natural Resources Management Act 2004, to raise funds by way of a levy to assist in funding the operations of the Board. The levy is imposed as a separate rate upon all properties within the area of the Board.

Council remits all revenue collected under this Act to the Board.

The amount to be raised in 2016/17 is approximately \$950,000 increasing from \$756,535 in 2015/16 with rises being attributed to increases in administration charges to the NRM Board by the State Government.

Council effectively operates as a revenue collector for the board as the revenue from the levy is not retained by Council and Council does not determine how the revenue is spent.

Any queries regarding the NRM Levy should be directed to:

Northern & Yorke NRM Board
Board Offices 41-49 Eyre Road
PO Box 175 CRYSTAL BROOK SA 5523
Phone: (08) 8636 2361 Fax: (08) 8636 2371
Email: board@nynrm.sa.gov.au
Website: www.nynrm.sa.gov.au

Rate Capping

This opportunity provides relief when a ratepayer is levied an increase in rates greater than 17.5% (after considering other rebates) and ensures no ratepayer pays any more than a 17.5% increase on the previous year in rates. This rebate does not apply where:

- The increase is due to an increase in valuation as a result of improvements valued at greater than \$15,000 or due to a rectification of an "error of fact";
- The increase is a result of a change in land use;
- Ownership of the property has changed since 30 June 2014;
- The increase is applicable to land use categories of commercial, industrial, vacant land and other.

Postponement of Rates

In accordance with provisions of the Local Government Act 1999 (the Act), persons who hold a current Seniors Card could be eligible to postpone any amount in excess of \$500 (\$125 per quarter), less any concession entitlement. Interest will accrue on postponed balances as per Section 182A (12) of the Act (i.e. with a premium of 1% over the cash advance debenture rate).

Hardship

Any ratepayer experiencing difficulties in meeting rates payments, or experiencing financial hardship, will be able to access payment plans tailored to meet the particular circumstances. All arrangements are strictly confidential.

KEY FINANCIAL MEASURES

Council has adopted a set of key financial ratios in line with the targets set in the Yorke Peninsula's Long Term Financial Plan.

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

These financial ratios are a key measure in assessing Council's performance.

	Adopted Budget		Revised Budget *
Year Ended 30 June:	2017	2016	2016
Operating Surplus / (Deficit) - \$'000	(2,661)	(2,760)	(2,832)
Operating Surplus Ratio - %	-12.50%	-13.70%	-14.10%
Net Financial Liabilities - \$'000	7,298	7,637	7,433
Net Financial Liabilities Ratio - %	26.00%	28.60%	27.70%
Interest Cover Ratio - %	1.00%	0.80%	1.10%
Asset Sustainability Ratio - %	63.20%	84.30%	90.00%
Asset Consumption Ratio - %	62.00%	61.90%	62.90%

** Incorporates all year-end adjustments following the completion of the Audited Financial Statements 2014/15 in November 2015.*

Net Financial Liability and Interest Cover Ratios vary across Local Government in South Australia depending on individual debt strategies.

Industry averages in Local Government in South Australia for Operating Surplus is approximately \$0 (breakeven) and for Asset Sustainability 80%.

Yorke Peninsula Council continues to work towards attaining these levels over the ten years of its Long Term Financial Plan.

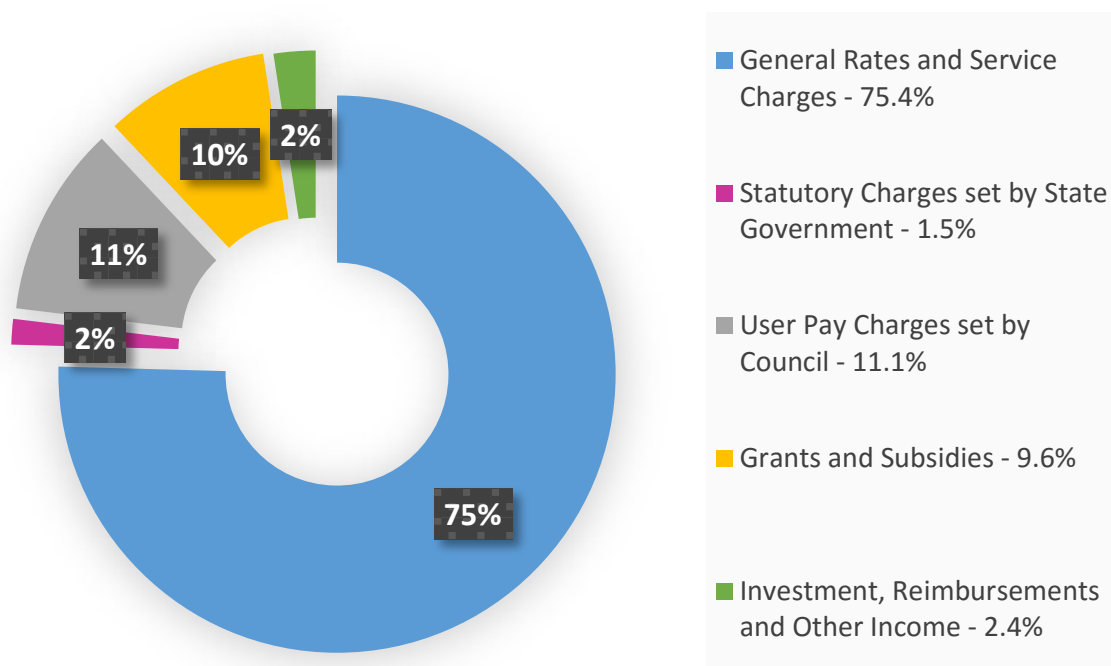


ANALYSIS OF OPERATING BUDGET

This section of the Annual Business Plan provides an analysis of the planned Council expenditure for the 2016/17 financial year and the sources of funding for the budget.

Operating Income

Council has budgeted for a total of \$28.1 million in operating income. A breakdown is summarised below by major category.



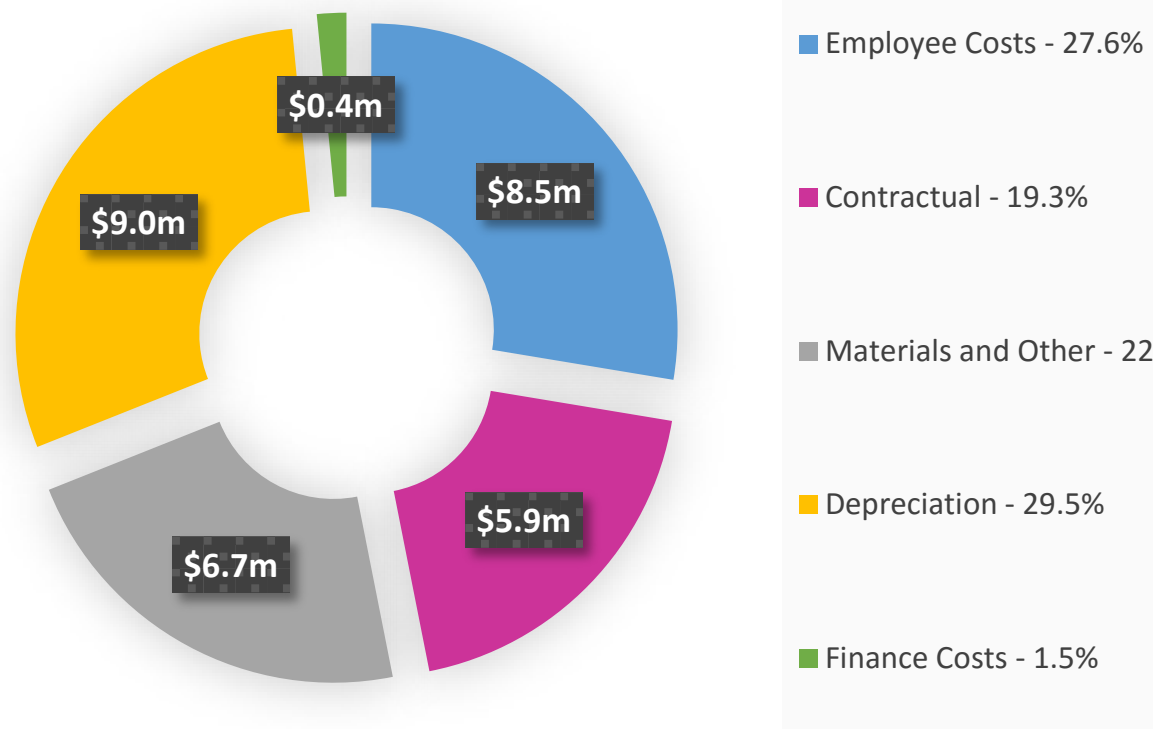
Descriptor

General Rates and Service Charges	General rates on properties as well as service charges (i.e. sewerage, water and refuse/recycling charges).
Statutory charges set by State Government	Fees and charges set by State Government regulation and received by the Council for regulatory functions undertaken such as assessment of development and building applications and dog control management.
User Pay Charges set by Council	Charges for the Council's fee based facilities and services such as caravan parks, community halls, cemeteries.
Grants and Subsidies	Council seeks to attract as much grant funding from other tiers of government as possible, thereby reducing the reliance on other revenue streams.
Investment, Reimbursements & Other Income	Interest received on Council's internal cash reserves and deposits. Reimbursements for work undertaken and Other Income.

ANALYSIS OF OPERATING BUDGET- Cont.

Operating Expenses

Operating expenses of \$30.7m budgeted for in 2016/17 is summarised below by major category.



Descriptor

Employee Costs	All labour related expenses such as wages and salaries, and on-costs such as allowances, leave entitlements, employer superannuation, workers compensation and income protection insurance.
Contractual Services	Payments for external provision of services. (incl Waste)
Materials & Others	Payments for physical goods such as water, fuel, energy, road materials, office consumables, stationery, insurances, postage, telephone, government levies, contributions and donations.
Depreciation	Annual consumption of Council's fixed assets (e.g. infrastructure, equipment, buildings etc) over their useful lives.
Finance Costs	Costs of financing Council's activities through borrowings or other types of financial accommodation and merchant fees.

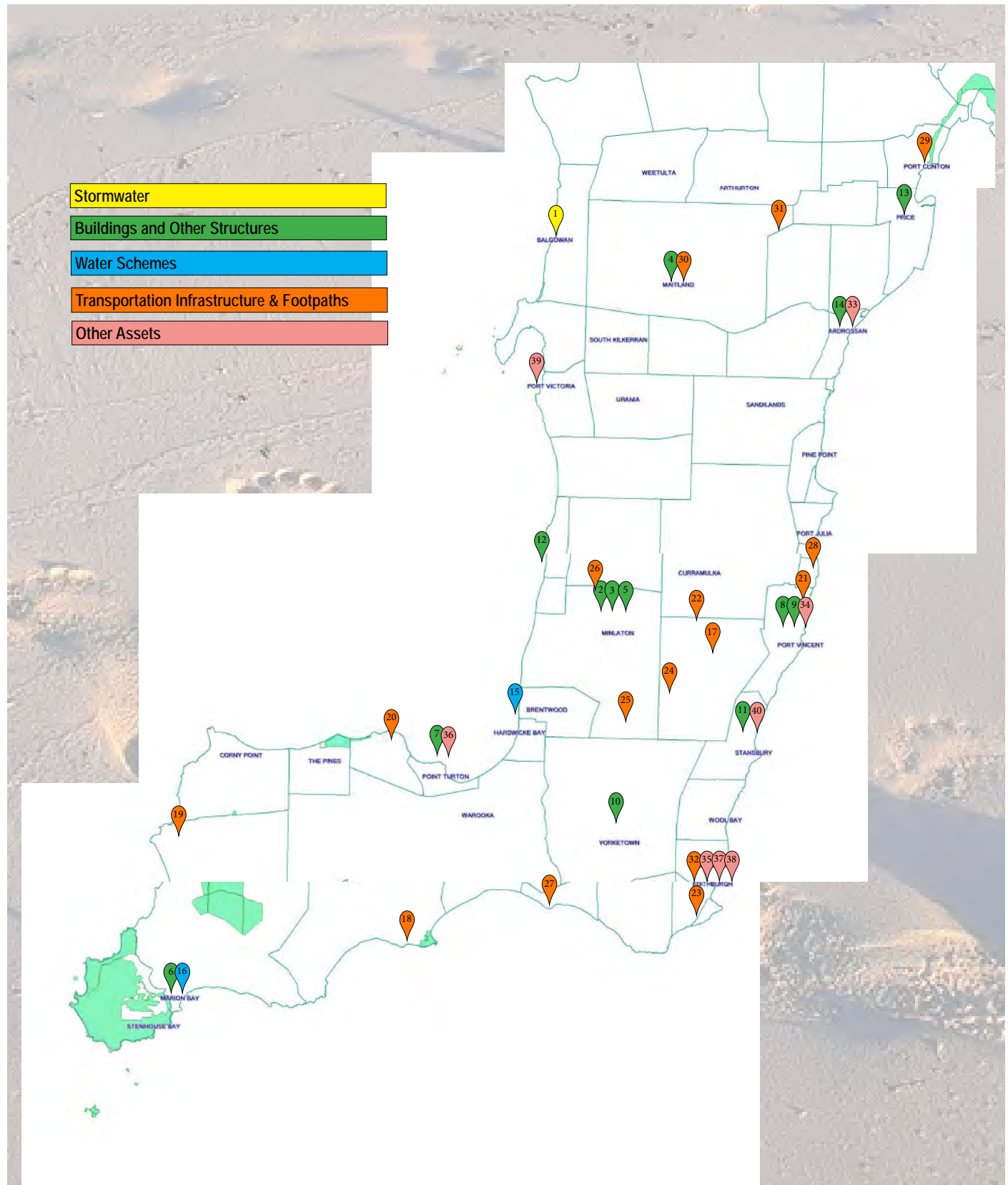
Total Expenditure

The following table provides a breakdown of total expenditure by function (excluding depreciation).

%	Function	Description
10.4%	Road Maintenance	Expenses relating to the cost of maintaining Council's road network, including materials, labour related expenses, patrol grading and vegetation management.
11.9%	Renewal of Roads	Expenses relating to the cost of redeveloping Council's road network, including materials and labour related expenses.
10.3%	Sealing of Formed Roads	Expenses relating to the cost of sealing and resheeting Council's unsealed road network, including materials and labour related expenses.
6.7%	Community Asset Maintenance	General maintenance costs, including materials and labour related expenses.
8.9%	Refuse Collection & Disposal	Contractual and local expenses, including materials and labour related expenses.
6.6%	Capital expenditure on existing assets	Capital expenses relating to existing community assets, including materials and labour related expenses (excluding roads).
4.8%	Caravan Park Operation	Expenses relating to the cost of running Council owned caravan parks, including labour related expenses.
4.0%	New Assets	Capital expenses relating to the cost of providing new assets, including materials and labour related expenses (excluding roads).
3.9%	Development Services	Expenses relating to the cost of planning and development, including labour related expenses.
3.0%	Community Support	Expenses relating to libraries, tourism and other community support programs, including materials and labour related expenses.
4.7%	Finance, Business and Community Relations	Expenses relating to finance administration, business and community relations and corporate services, including labour related expenses.
2.2%	CWMS and Water Schemes	Expenses relating to the cost of running water and waste-water management schemes, including materials and labour related expenses.
3.1%	Governance	Expenses relating to governing the organisation, including organisational compliance, public liability insurance and Elected Member related expenses.
3.0%	NRM Levy	A compulsory levy payable to the Northern and Yorke Natural Resources Management Board. Refer page 16.
2.7%	Information Services	Expenses incurred in providing information technology, including labour related expenses.
4.6%	People and Culture	Expenses relating to Human Resources, Payroll, Staff Training, Work Health & Safety, Risk Management and Leisure Options.
0.8%	Asset Management	Asset Management Systems, Asset Management Plans and Asset Condition Assessments, including labour related expenses.
5.3%	Parks and Gardens	Expenses relating to the maintenance of all open space parks and gardens, including materials and labour related expenses.
1.4%	Cleaning Council Buildings and Public Conveniences	Contractual and local expenses to clean Council buildings and all public conveniences across the district.
1.6%	Footpaths and Stormwater	Capital expenses relating to maintenance of existing footpaths and stormwater systems, including materials and labour related expenses

ANALYSIS OF CAPITAL WORKS BUDGET

The following provides an approximate geographical view of where the key 2016/17 capital works projects will be delivered.



Stormwater

- 1 High Street, Balgowan: Stormwater Kerbing

Buildings and Other Structures

- 2 Minlaton Town Hall - Storage Shed
- 3 Minlaton Town Hall - Floor Resurfacing
- 4 Maitland Depot - CWMS Storage Shed
- 5 Minlaton Depot - Office/Lunch Room Extension
- 6 Marion Bay Caravan Park - Building Repairs and Rainwater Tanks
- 7 Point Turton Caravan Park - BBQ Shelter
- 8 Port Vincent Caravan Park - Amenities Upgrade
- 9 Port Vincent Caravan Park - Cabin Verandah Repairs
- 10 Yorketown Caravan Park - Camp Kitchen Renovation
- 11 Stansbury Playground - Public Toilets Renovation
- 12 Port Rickaby Concept Plan - Hall and CP
- 13 Price Playground - Unisex Disabled Toilets
- 14 Ardrossan Jetty Shelters

Water Schemes

- 15 Hardwicke Bay
- 16 Marion Bay Desalination Plant

Transportation Infrastructure & Footpaths

- 17 Unsealed Roads : Dump Road
- 18 Unsealed Roads : South Coast Road
- 19 Unsealed Roads : Daly Head Road
- 20 Unsealed Roads : Brutus Road
- 21 Unsealed Roads : Old Coast Road
- 22 Unsealed Roads : Old Vincent Road
- 23 Unsealed Roads : Wattle Point Road
- 24 Unsealed Roads : Weavers Noth Road
- 25 Unsealed Roads : Cutline Road
- 26 Unsealed Roads : Gun Club Road
- 27 Unsealed Roads : Waterloo Road
- 28 Sheoak Flat Road (to Port Julia Road)
- 29 Port Clinton - Cooper Street
- 30 Maitland Hospital Footpath
- 31 Sealed Roads : Clinton Road
- 32 Edithburgh Edith Street - Footpaths Upgrades

Other Assets

- 33 Ardrossan - Upgrade and Seal Boat Ramp Car Park
- 34 Port Vincent - Foreshore Walkway
- 35 Edithburgh Pool - Sealing Car Park
- 36 Point Turton - Nature Playground
- 37 Edithburgh Pool - Renovations
- 38 Edithburgh Boat Ramp - Extension
- 39 Port Victoria Boat Ramp - Floating Pontoon Extension
- 40 Stansbury Playground - Fence Replacement

The above excludes 'Road Infrastructure – Contractual Services (\$1.75m)' which will be delivered across the Peninsula as determine by Council throughout the year based on priority needs.

Complete Capital Works Program

Over the past few years Council has been developing Asset Management Plans. These plans identify costs required to ensure that assets will be able to be maintained in a sustainable condition over the long term. There will always be a community desire for the provision of new and upgraded assets, however it is important that priority is given to the replacement and sustainable renewal of existing assets.

The following table provides a complete list of all projects funded in the 2016/17 budget.

Capital Works Program 2016/17	New/Upgrade	Renewal/Replace
Stormwater		
Maitland pumps and pipework: council water truck fill point	20,000	
High Street, Balgowan : Storm Water Kerbing	143,000	
Buildings and Other Structures		
Storage Shed - Minlaton Town Hall	25,000	
Minlaton Town Hall Floor Resurfacing		48,000
Maitland Depot - CWMS Storage Shed	30,000	
Minlaton Depot - Office/Lunch Room Extension	100,000	
Marion Bay Caravan Park Building Repairs and Rainwater Tanks	10,000	30,000
Point Turton Caravan Park BBQ Shelter	15,000	
Port Vincent Caravan Park Amenities Upgrade		35,000
Port Vincent Caravan Park Cabin Verandah Repairs		50,000
Yorke town Caravan Park Camp Kitchen Renovation		2,000
Public Toilets Renovation - Stansbury Playground		10,000
Port Rickaby Concept Plan - Hall and CP	50,000	
Unisex Disabled Toilets - Price Playground	45,000	
Ardrossan Jetty Shelters	40,000	
Community Wastewater Management Systems		
Various Schemes	320,450	214,000
Water Schemes		
Hardwicke Bay	3,500	3,000
Marion Bay Desalination Plant	13,000	12,500
Plant		
Equipment - Minor Plant		30,000
Plant and Machinery Purchases	108,000	978,000
Vehicles		398,000

Capital Works Program 2016/17	New/Upgrade	Renewal/Replace
Transportation Infrastructure & Footpaths		
Unsealed roads : Dump Road		102,794
Unsealed roads : South Coast Road		131,663
Unsealed roads : Daly Head Road		127,784
Unsealed roads : Brutus Road		137,856
Unsealed roads : Old Coast Road		107,441
Unsealed roads : Old Vincent road		104,688
Unsealed roads : Wattle Point Road		148,334
Unsealed roads : Weavers North Road		136,785
Unsealed roads : Cutline Road		122,298
Unsealed roads : Gun Club Road		60,782
Unsealed roads : Waterloo Road		126,732
Sealed roads : Clinton Road	2,994,629	
Rubble Raising	200,000	
Reseal Allocation		500,000
Upgrade Shoulders on Sealed Roads		250,000
Sheoak Flat Road (to Port Julia Road)	60,000	
Kerbing Cumberland Road and Cooper Street - Port Clinton	20,000	
Footpath paving - Maitland Hospital Footpath	55,000	
Footpath upgrade : Edith Street : Edithburgh		45,000
Road Infrastructure Renewals - Contractors		1,750,000
Other Assets		
Upgrade and Seal Ardrossan Boat Ramp Car Park	25,000	
Port Vincent Foreshore Walkway	20,000	
Sealing Car Park - Edithburgh Pool	25,000	
Nature Playground - Point Turton	40,000	
Cemeteries Capital Works	10,000	10,000
Seawater Flooding Project Continuation	20,000	
Disabled Access Committee	25,000	
Edithburgh Tidal Pool Renovations		84,000
Edithburgh Boat Ramp Extension	70,000	
Port Victoria Boat Ram Floating Pontoon Extension	27,000	
Caravan Park Topographical Study	25,000	
Caravan Park Computers and Booking Systems	6,000	5,800
Caravan Park Signage		7,000
Caravan Park Equipment	3,000	45,000

Capital Works Program 2016/17	New/Upgrade	Renewal/Replace
Other Assets		
IT Equipment	4,500	80,700
New Systems and Upgrades	48,000	23,000
Disaster Recovery Equipment		12,500
Business Improvement Initiatives		25,000
Grant Funded Community Projects	25,000	
Stansbury Playground Fence Replacement		40,000
TOTAL CAPITAL EXPENDITURE	4,626,079	5,995,657

Council's performance will be assessed by the timely completion of these projects within the stated budget.



2016/17 BUDGETED FINANCIAL STATEMENTS

Budgeted financial statement for 2016/17 on the following pages are:

A. Budgeted Income Statement

This statement outlines:

- All sources of Council's income (revenue)
- All operating expenses. These expenses relate to operations and do not include capital expenditure although depreciation of assets is included.

The Net Operating Surplus / (Deficit) for the year is a measure of Council's financial performance. This figure is determined by deducting total operating expenses from total operating revenue.

B. Budgeted Balance Sheet

The Balance Sheet outlines what Council owns (assets) and what it owes (liabilities) at a point in time.

Council's net worth is determined by deducting total liabilities from total assets – the larger the net equity, the stronger the financial position.

C. Budgeted Statement of Changes in Equity

A statement of changes in equity shows the movements of equity in addition to accumulated earnings and losses for a reporting period. This statement summarises the change in Council's real worth throughout the financial year. Council's net worth can change as a result of:

- The net result as recorded in the Statement of Comprehensive Income; or
- An increase or decrease in the net value of non-current assets resulting from a revaluation of those assets.

D. Budgeted Cash Flow Statement

This summarises the actual flows of cash for a period and explains the change in the cash balance held from the start of the period through to the end of the reporting period. This shows where Council received its cash from and then what it was spent on.

E. Budgeted Uniform Presentation of Finances

This is a high level summary of both operating and capital investment activities of the Council prepared on a simplified Uniform Presentation Framework basis.

All Councils in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis. The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances.

F. Full Cost Attribution Statement

Based on the Comprehensive Income Statement, this statement breakdowns all income and expenditure by key areas of the organisation, with all overhead costs allocated across major functions on estimated "use of" basis.

Budgeted Income Statement

ESTIMATED COMPREHENSIVE INCOME STATEMENT

		Adopted Budget	Revised Budget *
Year Ended 30 June:	2017	2016	2016
	\$('000)	\$('000)	\$('000)
INCOME			
Rates	21,209	20,084	20,039
Statutory Charges	415	387	398
User Charges	3,115	2,969	2,967
Grants, subsidies, contributions	2,696	2,626	2,720
Investment Income	193	205	175
Reimbursements	434	353	472
Other Income	55	66	93
Total Revenues	28,117	26,690	26,864
EXPENSES			
Employee costs	8,500	7,924	8,004
Materials, contracts & other expenses	12,726	12,399	12,523
Depreciation	9,075	8,700	8,700
Finance Costs	477	427	471
Total Expenses	30,778	29,450	29,698
OPERATING SURPLUS/(DEFICIT) BEFORE CAPITAL AMOUNTS	(2,661)	(2,760)	(2,834)
Net gain/(loss) on disposal or revaluations	10	15	15
Amounts specifically for new assets	3,854	2,319	3,615
Physical resources free of charge	0		
NET SURPLUS/(DEFICIT)	1,203	(426)	(796)

* Incorporates all year-end adjustments following the completion of the Audited Financial Statements 2014/15 in November 2015.

Budgeted Balance Sheet

ESTIMATED BALANCE SHEET			
	Year Ended 30 June:	Adopted Budget	Revised Budget*
	2017	2016	2016
	\$('000)	\$('000)	\$('000)
ASSETS			
Current Assets			
Cash & Equivalent Assets	3,465	1,827	3,790
Trade & Other Receivables	1,346	1,280	1,340
Inventories	777	923	777
Total Current Assets	5,588	4,030	5,907
Non-Current Assets			
Receivables			
Financial Assets	910	866	503
Infrastructure, Property, Plant & Equipment	339,834	327,698	338,642
Total Non-Current Assets	340,744	328,564	339,145
Total Assets	346,332	332,594	345,052
LIABILITIES			
Current Liabilities			
Trade & Other Payables	2,379	2,094	2,274
Borrowings	629	533	625
Provisions	1,699	1,392	1,586
Total Current Liabilities	4,707	4,019	4,485
Non-Current Liabilities			
Borrowings	7,317	6,583	7,456
Provisions	606	646	608
Total Non-Current Liabilities	7,923	7,229	8,064
Total Liabilities	12,630	11,248	12,549
NET ASSETS	333,702	321,346	332,503
EQUITY			
Accumulated Surplus	(2,510)	(5,171)	(3,709)
Asset Revaluation Reserve	335,455	325,196	335,455
Other Reserves	757	1,321	757
TOTAL EQUITY	333,702	321,346	332,503

* Incorporates all year-end adjustments following the completion of the Audited Financial Statements 2014/15 in November 2015.

Budgeted Statement of Changes in Equity

ESTIMATED STATEMENT OF CHANGES IN EQUITY

		Adopted Budget 2016 \$('000)	Revised Budget* 2016 \$('000)
Year Ended 30 June:	2017 \$('000)		
ACCUMULATED SURPLUS			
Balance at end of previous reporting period	(3,713)	(4,745)	(4,507)
Net Result for Year	1,203	(426)	798
Balance at end of period	(2,510)	(5,171)	(3,709)
ASSET REVALUATION RESERVE			
Land	73,286		
Buildings and Other Structures	48,995		
Transportation Infrastructure	186,712		
CWMS Infrastructure	14,481		
Water Scheme Infrastructure	1,374		
Stormwater Drainage	10,607		
Balance at end of period	335,455	325,196	335,455
OTHER RESERVES			
Balance at end of previous reporting period	757	1,321	757
Transfers from Accumulated Surplus	0		
Transfers to Accumulated Surplus	0		
Balance at end of period	757	1,321	757
TOTAL EQUITY AT END OF REPORTING PERIOD	333,702	321,346	332,503

* Incorporates all year end adjustments following the completion of the Audited Financial Statements 2014/15 in November 2015.



Budgeted Cash Flow Statement

ESTIMATED CASH FLOW STATEMENT

		Adopted Budget 2016 \$('000)	Revised Budget* 2016 \$('000)
Year Ended 30 June:	2017 \$('000)		
CASH FLOWS FROM OPERATING ACTIVITIES			
<u>Receipts</u>	27,924	26,485	26,690
Rates	21,209		
Statutory Charges	415		
User Charges	3,115		
Grants, subsidies, contributions	2,696		
Investment Income	162	180	150
Reimbursements	434		
Other Income	55		
<u>Payments</u>	(21,028)	(20,134)	(20,682)
Employee costs	(8,385)		
Materials, contracts & other expenses	(12,643)		
Finance Costs	(477)	(427)	(472)
Net Cash provided by (or used in) Operating Activities	6,581	6,104	5,686
CASH FLOWS FROM INVESTING ACTIVITIES			
<u>Receipts</u>			
Amounts Specifically for New/Upgraded Assets	3,854	2,319	3,615
Sale of Renewed/Replaced Assets	363	377	377
Repayments of Loans by Community Groups	107	54	0
<u>Payments</u>			
Expenditure on Renewal/Replacement of Assets	(6,101)	(7,707)	(8,210)
Expenditure on New/Upgraded Assets	(4,519)	(3,279)	(5,605)
Net Cash Provided by (or used in) Investing Activities	(6,296)	(8,236)	(9,823)
CASH FLOWS FROM FINANCING ACTIVITIES			
<u>Receipts</u>			
Proceeds from Borrowings	0	0	1,110
<u>Payments</u>			
Repayments of Borrowings	(610)	(575)	(620)
Net Cash provided by (or used in) Financing Activities	(610)	(575)	490
Net Increase/(Decrease) in cash held	(325)	(2,707)	(3,647)
Opening cash, cash equivalents or (bank overdraft)	3,790	4,534	7,437
Closing cash, cash equivalents or (bank overdraft)	3,465	1,827	3,790

* Incorporates all year end adjustments following the completion of the Audited Financial Statements 2014/15 in November 2015.

Budgeted Uniform Presentation of Finances

SUMMARY STATEMENT INCLUDING FINANCING TRANSACTIONS

		Adopted Budget	Revised Budget*
Year Ended 30 June:	2017	2016	2016
	\$('000)	\$('000)	\$('000)
Operating Revenues	28,117	26,690	26,864
less Operating Expenses	30,778	29,450	29,708
Operating Surplus/(Deficit) before Capital Amounts	(2,661)	(2,760)	(2,844)
Less: Net Outlays on Existing Assets			
Capital Expenditure on Renewal/Replacement of Existing Assets	6,101	7,707	8,211
less Depreciation, Amortisation & Impairment	9,075	8,700	8,700
less Proceeds from Sale of Replaced Assets	363	377	377
	(3,337)	(1,370)	(866)
Less: Net Outlays on New and Upgraded Assets			
Capital Expenditure on New/Upgraded Assets	4,519	3,479	5,606
less Amounts Specifically for New/Upgraded Assets	3,854	2,319	3,615
less Proceeds from Sale of Surplus Assets	0		
	665	1,160	1,991
Net Lending / (Borrowing) for Financial Year	11	2,550	3,969

* Incorporates all year end adjustments following the completion of the Audited Financial Statements 2014/15 in November 2015.

Full Cost Attribution Statement

Department	Operating Income \$'000	Operating Expenditure \$'000	Net \$'000
Executive Services	(17)	1,004	987
Elected Members	0	419	419
Governance	(17)	585	568
Assets & Infrastructure Services	0	19,040	19,040
Asset Co-Ordinator	0	315	315
Administration	0	205	205
Works	0	8,058	8,058
Operations	0	8,837	8,837
Infrastructure	0	1,625	1,625
Development Services	(703)	5,059	4,356
Administration	(25)	1,286	1,261
Building & Development	(268)	502	234
Environmental Health	(49)	293	244
General Inspectors	(291)	476	185
Council Building Assets	(70)	2,502	2,432
Corporate & Community Services	(31,614)	5,674	(25,940)
Administration	(136)	(30)	(166)
Finance	(28,662)	1,987	(26,675)
People & Culture	(32)	114	82
Risk Administration	0	432	432
YP Leisure Options	(159)	237	78
Business & Community Relations	(2,606)	3,064	458
Information Services	(19)	(130)	(149)
Total	(32,334)	30,777	(1,557)







DIRECTOR CORPORATE AND COMMUNITY SERVICES

3. MARCH 2016 BUDGET REVIEW

(File Ref: 9.24.1.1)

PURPOSE

To consider a review of Council's 2015/16 Adopted Budget.

RECOMMENDATION

That the Audit Committee receives the March 2016 Budget Review changes as endorsed by Council at its meeting held on 11th May 2016 and presented in the attached Summary of Changes, Uniform Presentation of Finances and Statement of Comprehensive Income and receive the updated Balance Sheet, Cash Flow Statement, Statement of Changes in Equity and Financial Ratios reports.

LINK TO STRATEGIC PLAN

Key Theme/s: Corporate Governance and Leadership
2. Organisational Efficiency and Resource Management
Strategic Goal/s: 2.1 Financially sustainable organisation

BACKGROUND

As required by the Local Government (Financial Management) Regulations 2011, Council staff in all Directorates have completed a review of the 2015/16 budget and made adjustments incorporating approved Council amendments and review changes based on the financial results to 31st March 2016.

DISCUSSION

Budget managers in all directorates have completed the third quarter review of the 2015/16 Budget (as at 31st March 2016) following on from the September 2015 and December 2015 reviews 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 March 2016.

As a result of the March 2016 review, the proposed Revised Budget for the 2015/16 financial year shows a Net Borrowing of \$4.008m (previously Net Borrowing of \$3.969m in the 2015/16 December Budget review endorsed by Council) resulting in a net increase in borrowings of \$39k.

The major items reviewed include:

- \$212k received in Insurance claims and \$39k received as an Insurance bonus - allocated to Community Projects including:
 - \$100k provision for contribution to the artificial reef project, should the Federal Stronger Regions application be successful.

- \$100k for improvements to Councils Bush Camping facilities to be managed by the newly formed Bush Camping Committee.
 - \$35k to provide disabled footpath access in Ardrossan (Bridge Road).
 - \$30k for Minlaton Airport shelter and amenities.
 - \$5k to renew footpath access adjacent to the Port Victoria Hotel.
- Transfer of \$1.985m from road renewal acceleration provisions to North Coast Road (\$1.090m) and Corny Point Road (\$895k), for contractual work agreed by Council following tender submissions.
 - Delays in Formby Bay remedial work totalling \$80k with the Formby Bay Action Group being unsuccessful at this attempt in their Federal Government grant application.
 - \$170k decrease in diesel expenditure due to more efficient usage and lower prices, with \$176k in funds transferred to older works vehicles replacement brought forward from the 2016/17 draft Budget.
 - Allocation of funds to Patch Sheeting work throughout the district under delegation as agreed by Council (\$450k).
 - Savings of \$44k with the Maitland Hall Concrete Cancer project coming in under budget.
 - Reallocation of \$16k for the installation of CCTV and duress alarms at all Council offices.

The third quarter review adjustments result in an anticipated net surplus (after capital income items) of \$889k in 2015/16.

The full review for the quarter saw Operating Income increase by \$233k with Operating Expenses up by \$162k. Capital expenditure overall increased by \$141k and Capital receipts were up by \$31k following the review.

All changes were incorporated in the attached Summary of Changes, Uniform Presentation of Finances and Statement of Comprehensive Income for Council's endorsement at its meeting held on 11th May 2016.

Updated Balance Sheet, Cash Flow Statement, Statement of Changes in Equity and Financial Ratios reports are also attached and incorporate all budget review changes in September 2015, December 2015 and March 2016 together with all end of financial year adjustments resulting from the finalisation of the audited 2014/15 Financial Statements.

COMMUNITY ENGAGEMENT PLAN

Level 1 Inform – Published on Council's website.

CONSULTATION PROCESS

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

- Chief Executive Officer
- Director Corporate & Community Services
- Director Development Services
- Director Assets & Infrastructure Services

- Acting Manager Financial Services

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

- Nil

POLICY IMPLICATIONS

PO142 Budget Reporting and Amendment Policy

BUDGET AND RESOURCE IMPLICATIONS

In accordance with the adoption and enforcement of the Budget Reporting and Amendment Policy the Third Quarter Revised Budget Report presented to Council will assist in formal assessment of Council's financial position and contribute significantly to both Financial and Risk Management procedures.

RISK/LEGAL/LEGISLATIVE IMPLICATIONS

Local Government Act 1999

Local Government (Financial Management) Regulations 2011

Council's Strategic Plan includes clear plans to ensure better and timely reporting and improved formal control of Council's Adopted Budget and the Budget Review process.

ATTACHMENTS

Attachment 1: Summary of Changes – March 2016 Budget Review

Attachment 2: Uniform Presentation of Finances Third Quarter Revised Budget 2015/16

Attachment 3: Statement of Comprehensive Income Third Quarter Revised Budget 2015/16

Attachment 4: Balance Sheet Third Quarter Revised Budget 2015/16

Attachment 5: Cash Flow Statement Third Quarter Revised Budget 2015/16

Attachment 6: Statement of Changes in Equity Third Quarter Revised Budget 2015/16

Attachment 7: Financial Ratios Third Quarter Revised Budget 2015/16

Yorke Peninsula Council March 2016 Budget Review - Summary of Changes

	<div> <div>Increase Deficit/ Capital Exp \$</div> <div>Decrease Deficit/ Capital Exp \$</div> </div>	<div> <div>Net Change Increase/ (Decrease) \$</div> </div>	<div>Reason for Change</div>
Executive Services			
Income			
Governance			3rd Quarter Adjustments
	(2,587)		
Exec Services Net Change - Income	<div> <div>0</div> <div>(2,587)</div> </div>	(2,587)	
Operating Expenses			
Artificial Reef - Contribution	100,000		Funded from Insurance Claim
Seminar and Conference Registration	2,587		3rd Quarter Adjustments
Elected Members Expenses- Food		(3,000)	3rd Quarter Adjustments
Civic Functions and Ceremonies		(3,000)	3rd Quarter Adjustments
Governance - Legal Fees		(5,000)	3rd Quarter Adjustments
Elected Member Exp - Contractual		(5,000)	3rd Quarter Adjustments
Executive Services - Salaries	30,000		3rd Quarter Adjustments
Executive Services -Superannuation	2,850		3rd Quarter Adjustments
Elected Members - Computer Equipment		(5,000)	3rd Quarter Adjustments
Exec Services Net Change - Operating Expenses	<div> <div>135,437</div> <div>(21,000)</div> </div>	114,437	
Capital Expenditure			
Exec Services Net Change - Capital Expenditure	<div> <div>0</div> <div>0</div> </div>	0	
Total increase/(decrease) - Executive Services		111,850	

Yorke Peninsula Council

March 2016 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				
Stormwater Drainage		(10,000)		Reallocation
Public Toilets		(10,000)		Reallocation
Sealed Roads	20,000			Reallocation
Street Lighting	500			Reallocation
Footpaths Maintenance		(500)		Reallocation
Point Turton CWMS - Contractual	1,200			Reallocation
Port Turton CWMS - Materials	2,000			Reallocation
Yorke town CWMS - Contractual		(1,200)		Reallocation
Stansbury CWMS - Materials		(2,000)		Reallocation
Marion Bay Desal Plant	5,800			Reallocation
Tiddy Widdy Beach CWMS		(4,800)		Reallocation
Rogues Point CWMS		(1,000)		Reallocation
Port Vincent CWMS	750			Reallocation
Foul Bayt CWMS		(750)		Reallocation
Black Point Water Supply	1,000			Reallocation
Balgowan Water Supply		(500)		Reallocation
Port Rickaby Water Supply		(500)		Reallocation
AIS Admin Professional Consultants	5,000			Reallocation
AIS -Asset Co-Ordinator General admin - Contractual		(5,000)		Reallocation
Jetties Maintenance	10,000			Reallocation
Footpaths Maintenance		(10,000)		Reallocation
Footpaths Maintenance		(5,000)		Reallocation
Footpaths Maintenance	5,000			Reallocation
Street Cleaning	2,100			Reallocation
Storm water		(2,100)		Reallocation
Refuse Collection(Green)	389			Reallocation
Refuse Collection(Street Bins)	136			Reallocation
Roadside Cleanups	993			Reallocation
Transfer Stations		(1,518)		Reallocation
Cleaning Contracts- Depots	2,000			Reallocation
Cleaning Contracts- Halls		(2,000)		Reallocation
Walk the Yorke- Contractual	600			Reallocation

Yorke Peninsula Council

March 2016 Budget Review - Summary of Changes

	Increase Deficit/ Capital Exp \$	Decrease Deficit/ Capital Exp \$	Net Change Increase/ (Decrease) \$	Reason for Change
Walk the Yorke- Materials		(600)		Reallocation
Whale Retrieval		(15,000)		Tfd to Walk The Yorke to match expenditure
Public Toilets		(12,000)		3rd Quarter Adjustments
Unsealed Roads - Patrol Grading - Rubble	332			3rd Quarter Adjustments
Unsealed Roads - General Maintenance - Rubble		(332)		3rd Quarter Adjustments
Plant Expenditure - Contractual	17,821			Reallocation
Plant Expenditure - Various		(14,784)		Reallocation
Minor Plant Exp		(3,037)		Reallocation
Depot Exp - Lubricants	4,879			Reallocation
Depot Exp - Contractual		(2,150)		Reallocation
Depot Exp - Tools and Equipment		(2,729)		Reallocation
Depot General Maintenance	1,721			Reallocation
Depot Exp - Tools /Replacement/Repairs		(1,721)		Reallocation
Depot Exp - Plant Exp	22,133			Reallocation
Depot Exp - General Maintenance		(17,014)		Reallocation
Dep Exp - Tools/Replacement/Repairs		(5,119)		Reallocation
Depot Expenditure - Wages	31,000			Reallocation
Unsealed Roads - Patrol Grading Wages		(11,650)		Reallocation
Sealed Roads - Maintenance - Wages		(20,000)		Reallocation
Depot Exp : Plant Exp Wages	650			Reallocation
Depot Exp - General Maintenance - Wages	49,000			Reallocation
Unsealed Roads - Patrol Grading - Wages		(49,000)		Reallocation
Maitland Stormwater Reuse - Contractual	1,760			Reallocation
Tiddy Widdy CWMS - Contractual		(1,760)		Reallocation
Works Indirect - General Maintenance	6,350			Reallocation
Plant and Machinery - Unleaded		(10,757)		3rd Quarter Adjustments
Plant and Machinery - Various	4,147			3rd Quarter Adjustments
Minor Plant - Contractual	260			3rd Quarter Adjustments
Plant and Machinery - Contractual	27,000			3rd Quarter Adjustments
Plant and Machinery - Parts	48,000			3rd Quarter Adjustments
Minor Plant - Parts	25,000			3rd Quarter Adjustments
Plant Exp - Diesel		(170,000)		Funds applied to purchase Works Vehicles
Public Conveniences		(6,000)		Wages and Plant Hire for "Insurance" funded projects
Jetties Maintenance		(1,000)		Wages and Plant Hire for "Insurance" funded projects
Foreshore Protection		(7,000)		Wages and Plant Hire for "Insurance" funded projects
Plant Hire - Operating		(340,660)		Plant Hire Review - plant spending reduced

Yorke Peninsula Council

March 2016 Budget Review - Summary of Changes

	<div> <div>Increase Deficit/ Capital Exp \$</div> <div>Decrease Deficit/ Capital Exp \$</div> </div>	<div> <div>Net Change Increase/ (Decrease) \$</div> </div>	<div>Reason for Change</div>
Plant Hire income	362,419		Plant Hire Review - plant spending reduced
Works Supervisors - Wages	15,000		Reallocation
Works Supervisors - General Admin Wages		(15,000)	Reallocation
Telephones - Outside Employees	37,388		Reallocation
Telephones - Depot Exp		(37,388)	Reallocation
Assets & Infrastructure Net Change - Operating Expenses	714,120	(803,361)	(89,241)
<u>Capital Expenditure</u>			
Plant Hire - Various Renewal		(17,304)	Plant Hire Review - plant spending reduced
Plant Hire - Various - New and Upgraded		(19,223)	Plant Hire Review - plant spending reduced
Corny Point Road	895000		Tender Approval - Contracting
Reseal Allocation		(1,985,000)	Tender Approval - Contracting
North Coast Road	1090000		Tender Approval - Contracting
Walk the Yorke	15000		3rd Quarter Adjustments
Toilet Facilities - Camping Reserves	12000		3rd Quarter Adjustments
Daly Head - plant	19838		3rd Quarter Adjustments
McFarlane Rd - Plant		(10,700)	3rd Quarter Adjustments
Saint Rd- Plant		(452)	3rd Quarter Adjustments
Branley Rd - Plant		(8,532)	3rd Quarter Adjustments
Old Coast Rd - Plant		(5,289)	3rd Quarter Adjustments
Cutline Road	17,838		3rd Quarter Adjustments
Saints Road		(1,643)	3rd Quarter Adjustments
McFarlane Rd		(893)	3rd Quarter Adjustments
North South Road		(53)	3rd Quarter Adjustments
Brutus Rd - Plant	135		3rd Quarter Adjustments
Cutline Rd - Plant		(135)	3rd Quarter Adjustments
South Coast Rd	3574		3rd Quarter Adjustments
Daly Head Rd		(18,575)	3rd Quarter Adjustments
Weavers North Rd	4203		3rd Quarter Adjustments
Bramley Rd	6165		3rd Quarter Adjustments
Elizabeth Street - Maitland		(19,091)	3rd Quarter Adjustments
Robert Street - Maitland	19,091		3rd Quarter Adjustments
Nalyappa Road	7,033		3rd Quarter Adjustments
Saints Road		(7,033)	3rd Quarter Adjustments

Yorke Peninsula Council March 2016 Budget Review - Summary of Changes

	Increase Deficit/ Capital Exp \$	Decrease Deficit/ Capital Exp \$	Net Change Increase/ (Decrease) \$	Reason for Change
Brutus Road		(5,481)		3rd Quarter Adjustments
Port Victoria Hotel Footpath	5,500			Funded from Insurance Claim
Hardwicke Bay Water Capital		(952)		3rd Quarter Adjustments
Yorke town CWMS Capital	952			3rd Quarter Adjustments
Tiddy Widdy CWMS		(627)		3rd Quarter Adjustments
Stansbury CWMS	627			3rd Quarter Adjustments
Weavers North Rd	6,179			3rd Quarter Adjustments
Waterloo Bay Road		(2,382)		3rd Quarter Adjustments
Wattle Point Rd	3,031			3rd Quarter Adjustments
Recluse Road	3,940			3rd Quarter Adjustments
Cutline Road		(5,971)		3rd Quarter Adjustments
Dump Road		(50)		3rd Quarter Adjustments
Old Coast Road	6,021			3rd Quarter Adjustments
Vehicles - Works	176,359			Funded from Diesel Budget Review
Formby Bay Remedial Work		(80,000)		Unsuccesful Grant Application
Footpath - Ardrossan Disabled Acces	35,000			Funded from Insurance Claim
Minlaton Airport Shelter and Amentities	30,000			Funded from Insurance Claim
Port Clinton Road - Wages		(146,584)		Clinton Rd reallocations
Port Clinton Road - Plant Hire		(139,620)		Clinton Rd reallocations
Port Clinton Road - External Rubble	286,204			Clinton Rd reallocations
Waterloo Bay Road		(7,800)		Patch Sheeting Funding Adjustments
Dump Bay Road		(12,640)		Patch Sheeting Funding Adjustments
Weavers North Road		(9,850)		Patch Sheeting Funding Adjustments
Old Coast Road		(13,680)		Patch Sheeting Funding Adjustments
Old Port Vincent Road		(12,100)		Patch Sheeting Funding Adjustments
Recluse Road		(7,780)		Patch Sheeting Funding Adjustments
Wattle Point Road		(12,400)		Patch Sheeting Funding Adjustments
Cutline Road		(12,194)		Patch Sheeting Funding Adjustments
North-South Road		(111,345)		Road Withdrawn
McCauley Road		(116,752)		Road Withdrawn
Harmer Road		(89,362)		Road Withdrawn
Patch Sheeting	450,000			Patch Sheeting Funding Adjustments
Assets & Infrastructure Net Change - Capital Expenditure	3,093,690	(2,881,493)	212,197	
Total increase/(decrease) - Assets & Infrastructure			122,956	

Yorke Peninsula Council March 2016 Budget Review - Summary of Changes

	<div> <div>Increase Deficit/ Capital Exp \$</div> <div>Decrease Deficit/ Capital Exp \$</div> </div>	<div> <div>Net Change</div> <div>Increase/ (Decrease) \$</div> </div>	<div>Reason for Change</div>
Development Services			
Income			
Housing - Pt Vincent			3rd Quarter Adjustments
Halls - Hall Hire Fee	1,255	(950)	3rd Quarter Adjustments
Maitland Halls Tenants Rental	950		3rd Quarter Adjustments
Halls - Other	1690		3rd Quarter Adjustments
Housing - Yorketown	1300		3rd Quarter Adjustments
Public Consulation Fees	3770		3rd Quarter Adjustments
Non-complying Fees	850		3rd Quarter Adjustments
Inspection Work		(182)	3rd Quarter Adjustments
Training Levy Income		(1,950)	3rd Quarter Adjustments
Town Planning(inc Open Space)		(15,000)	3rd Quarter Adjustments
Cemetery Fees		(300)	3rd Quarter Adjustments
Cemetery Fees		(2,000)	3rd Quarter Adjustments
Boat Ramp Income		(10,000)	3rd Quarter Adjustments
Section 105 Notices	3500		3rd Quarter Adjustments
Animal Expiations		(2,000)	3rd Quarter Adjustments
General Expiations	5500		3rd Quarter Adjustments
Dog Registrations Renewals		(770)	3rd Quarter Adjustments
Development Services Net Change - Operating Income	18,815	(33,152)	(14,337)
Operating Expenses			
Bush Camping Committee Allowance	100000		Funded from Insurance Claim
Housing Port Vincent		(600)	3rd Quarter Adjustments
Housing Yorketown		(500)	3rd Quarter Adjustments
Museums maintenance		(1,000)	3rd Quarter Adjustments
Curramulka Hall	2256		3rd Quarter Adjustments
Minlaton Hall		(2,256)	3rd Quarter Adjustments
Legal Costs , Planning consultant fees		(3,000)	3rd Quarter Adjustments
Legal Costs Solicitors Fees		(3,000)	3rd Quarter Adjustments
Training Levy Expenses	2350		3rd Quarter Adjustments
Development - Allowances		(1,000)	3rd Quarter Adjustments
Development - Professional Sevices		(4,000)	3rd Quarter Adjustments

Yorke Peninsula Council March 2016 Budget Review - Summary of Changes

	<div> <div>Increase Deficit/ Capital Exp \$</div> <div>Decrease Deficit/ Capital Exp \$</div> </div>	<div> <div>Net Change</div> <div>Increase/ (Decrease) \$</div> </div>	<div>Reason for Change</div>
Tenure Fees	3,000		3rd Quarter Adjustments
Unallocated Halls Maitenance - Wages		(2,200)	3rd Quarter Adjustments
Contract Ranger	17,011		Reallocation
Bushcamping - Contractual		(17,011)	Reallocation
Levies Paid to Government	962		
General Maitenance	1,500		
Development Services Net Change - Operating Expenses	127,079	(34,567)	92,512
Capital Expenditure			
Maitland Hall - concrete cancer		(44,000)	Project Completed Under Budget
Cemeteries Capital Works	2727		3rd Quarter Adjustments
Halls General Capital - Minlaton Hall Kitchen Cupboards	7,800		Modifications for YPLO use of kitchen
Development Services Net Change - Capital Expenditure	10,527	(44,000)	(33,473)
Total increase/(decrease) - Development Services			44,702

Yorke Peninsula Council

March 2016 Budget Review - Summary of Changes

Corporate and Community Services

Income

	Increase Deficit/ Capital Exp \$	Decrease Deficit/ Capital Exp \$	Net Change Increase/ (Decrease) \$	Reason for Change
HR reimbursements		(1,853)		3rd Quarter Adjustments
Workers Compensation Reimbursments		(39,015)		3rd Quarter Adjustments
Trainee Reimbursements - incentive payments		(18,200)		3rd Quarter Adjustments
Trainee Reimbursments - trainee funding		(29,001)		3rd Quarter Adjustments
YPLO - reimbursments		(52)		3rd Quarter Adjustments
YPLO - tree propogation - user charges	882			3rd Quarter Adjustments
YPLO - tree propogation - reimbursements		(236)		3rd Quarter Adjustments
YPLO - tree propogation - other revenue		(13)		3rd Quarter Adjustments
YPLO - Mag - reimbursements	391			3rd Quarter Adjustments
YPLO - living Skills - User charges	172			3rd Quarter Adjustments
YPLO - living Skills - reimbursments		(145)		3rd Quarter Adjustments
YPLO - other revenue		(11)		3rd Quarter Adjustments
YPLO - cooking group - reimbursments	948			3rd Quarter Adjustments
YPLO - other revenue	24			3rd Quarter Adjustments
YPLO - donations	250			3rd Quarter Adjustments
YPLO - grants and subsities		(5,023)		3rd Quarter Adjustments
YPLO - contributions/ donations	2,800			3rd Quarter Adjustments
Insurance Claim		(212,303)		3rd Quarter Adjustments
Admin Reimbursments - insurance		(2,900)		3rd Quarter Adjustments
Other fines and costs recovered	2,500			3rd Quarter Adjustments
Rates Levied	3,855			3rd Quarter Adjustments
Rates Remitted - Mandatory		(2,888)		3rd Quarter Adjustments
Rates Remitted - Discretionary		(1,540)		3rd Quarter Adjustments
Rates Remitted - rate capping	1,372			3rd Quarter Adjustments
Rates Remitted - fines raised		(2,000)		3rd Quarter Adjustments
Rates Remitted - account rounding		(5,500)		3rd Quarter Adjustments
Legal and Bank Fees	3,000			3rd Quarter Adjustments
Effluent Charges Levied - Port Victoria		(910)		3rd Quarter Adjustments
Effluent Charges levied - Ardrossan		(1,600)		3rd Quarter Adjustments
Effluent Charges Levied - Maitland		(1,840)		3rd Quarter Adjustments
Effluent Charges Levied -Tiddy Widdy		(1,840)		3rd Quarter Adjustments
Effluent Charges Levied - Sultana Point	830			3rd Quarter Adjustments
Effluent Charges Levied - other income		(202)		3rd Quarter Adjustments

Yorke Peninsula Council

March 2016 Budget Review - Summary of Changes

	Increase Deficit/ Capital Exp \$	Decrease Deficit/ Capital Exp \$	Net Change Increase/ (Decrease) \$	Reason for Change
Point Pearce Geoflow	3,261			3rd Quarter Adjustments
Effluent Charges Rebate- Yorketown		(782)		3rd Quarter Adjustments
Port Vincent Effluent Augmentation		(4,608)		3rd Quarter Adjustments
Effluent Charges Levied - Port Vincent Marina		(680)		3rd Quarter Adjustments
Hardwicke Bay Effluent Augmentation		(2,400)		3rd Quarter Adjustments
Effluent Charges Levied - Point Turton	480			3rd Quarter Adjustments
Point Turton Effluent Augmentation		(4,725)		3rd Quarter Adjustments
Water Supply Charges - Port Rickaby		(5,914)		3rd Quarter Adjustments
Water Supply Charges Black Point (usage)		(7,922)		3rd Quarter Adjustments
Water Supply Charges - Balgowan (usage)		(743)		3rd Quarter Adjustments
Water Supply Charges Hardwicke Bay (usage)		(1,000)		3rd Quarter Adjustments
Balgowan (Gills) Water Augmentation		(800)		3rd Quarter Adjustments
Marion Bay Delalination Plant	5,000			3rd Quarter Adjustments
Sporting Club Excess Water Reimbursements		(10,000)		3rd Quarter Adjustments
Sporting Club Insurance Reimbursements		(755)		3rd Quarter Adjustments
Sporting Club Debenture Loan Reimbursements		(1,203)		3rd Quarter Adjustments
Gross Proceeds from Sale of Equipment		(19,727)		3rd Quarter Adjustments
Gross Proceeds - Sale of Vehicles		(11,000)		3rd Quarter Adjustments
Foreshore Protection - Other income - Formby Bay	42,000			Unsuccessful Grant Application - Formby Bay
Forehsore Protection - Donations - Formby Bay	8,000			Unsuccessful Grant Application - Formby Bay
Sundry Sales	2,000			3rd Quarter Adjustments
Miscellaneous Income		(6,000)		3rd Quarter Adjustments
Marion Bay Caravan Park Income	25,000			Downturn in Bookings - Cabins not yet installed
Yorke town CP Income	5,000			3rd Quarter Adjustments
VIC - Other Income - Commercial Activities		(1,400)		3rd Quarter Adjustments
VIC -Other Revenue	8,900			3rd Quarter Adjustments
VIC - Sundry Sales : Other		(7,500)		3rd Quarter Adjustments
Ardrossan Library - Grants and Subsidies	3,278			3rd Quarter Adjustments
Minlaton Library - Grants and Subsidies	755			3rd Quarter Adjustments
Maitland Library - Grants and Subsidies	30			3rd Quarter Adjustments
Maitland Library - Donations	1,181			3rd Quarter Adjustments
Yorke town Library - Grants and Subsidies		(187)		3rd Quarter Adjustments
Mobile Telephone Leases	7,054			3rd Quarter Adjustments
Point Turton Caravan Park - Income	15,000			Downturn in Bookings - Cabins not yet installed
Port Vincent Carvan Park - Income	50,000			Downturn in Bookings - Exec Cabin not yet installed
Black Point Caravan Park - Income		(5,000)		3rd Quarter Adjustments

Yorke Peninsula Council

March 2016 Budget Review - Summary of Changes

	<div> <div>Increase Deficit/ Capital Exp \$</div> <div>Decrease Deficit/ Capital Exp \$</div> </div>	<div> <div>Net Change Increase/ (Decrease) \$</div> </div>	<div>Reason for Change</div>
CYP Caravan Park Leases Income	(13,000)		3rd Quarter Adjustments
Edithburgh Caravan Park - Lease Income	(1,526)		3rd Quarter Adjustments
Minlaton Caravan Park - Lease Income	(6,500)		3rd Quarter Adjustments
Corp & Comm Services Net Change - Income	193,963	(440,444)	
<u>Operating Expenses</u>			
Information Technology - Internet		(7,000)	Reallocation to Office Expenses
HR Uniform Allowance	2,000		3rd Quarter Adjustments
HR Employee Expenses - Allowances		(2,000)	3rd Quarter Adjustments
HR - Staff Training - Seminars	13,685		3rd Quarter Adjustments
HR - Staff Training - Consultants		(9,195)	3rd Quarter Adjustments
HR - Staff Training - Contractual		(2,000)	3rd Quarter Adjustments
HR - Staff Training - Food and Misc		(400)	3rd Quarter Adjustments
HR - Staff Training - Materials		(400)	3rd Quarter Adjustments
HR - Staff Training - Other		(1,690)	3rd Quarter Adjustments
Staff Training - Risk Admin - Seminars		(2,906)	3rd Quarter Adjustments
Staff Training - Risk Admin - Contractual		(794)	3rd Quarter Adjustments
Staff Training - Risk Admin - Food and Misc		(500)	3rd Quarter Adjustments
Staff Training - Risk Admin - Materials	4,200		3rd Quarter Adjustments
Staff Training - Outside Employees - Allowances		(800)	3rd Quarter Adjustments
Staff Training - Outside Employees - Consultants	3,351		3rd Quarter Adjustments
Staff Training - Outside Employees - Contractual	69		3rd Quarter Adjustments
Staff Training - Outside Employees - Food and Misc		(1,670)	3rd Quarter Adjustments
Staff Training - Outside Employees - Materials		(500)	3rd Quarter Adjustments
Staff Training - Outside Employees - Other	20		3rd Quarter Adjustments
HR - Recruitment Costs -Food and Misc		(130)	3rd Quarter Adjustments
HR - Recruitment Costs -Travel	3,000		3rd Quarter Adjustments
HR - Recruitment Costs - Advertising	6,500		3rd Quarter Adjustments
HR - Recruitment Costs - Other	600		3rd Quarter Adjustments
HR General Admin - Materials	1,105		3rd Quarter Adjustments
HR General Admin - Recognition of Service		(500)	3rd Quarter Adjustments
HR General Admin - Other	1,500		3rd Quarter Adjustments
HR staff sunctions - Food and Misc		(752)	3rd Quarter Adjustments
HR staff sunctions - Materials	247		3rd Quarter Adjustments
HR staff sunctions - Other	195		3rd Quarter Adjustments

Yorke Peninsula Council

March 2016 Budget Review - Summary of Changes

	Increase Deficit/ Capital Exp \$	Decrease Deficit/ Capital Exp \$	Net Change Increase/ (Decrease) \$	Reason for Change
Risk employee Exp - Contractual	5,000			3rd Quarter Adjustments
Risk General Admin - Contractual	3,400			3rd Quarter Adjustments
Risk General Admin - other	1,000			3rd Quarter Adjustments
Risk Professional Services - Contractual		(1,582)		3rd Quarter Adjustments
YPLO - General Admin- Contractual	600			3rd Quarter Adjustments
YPLO - General Admin - Materials	200			3rd Quarter Adjustments
YPLO - General Admin - Other	150			3rd Quarter Adjustments
YPLO - Office Equipment		(1,340)		3rd Quarter Adjustments
YPLO - Office Expenses	100			3rd Quarter Adjustments
YPLO - Volunteer Training	161			3rd Quarter Adjustments
YPLO - Utilities - Electricity	1,340			3rd Quarter Adjustments
YPLO - Plant Expenditure - Unleaded Fuel		(561)		3rd Quarter Adjustments
YPLO - arts and craft group	100			3rd Quarter Adjustments
YPLO - fun and games group	100			3rd Quarter Adjustments
YPLO - tree propogation	100			3rd Quarter Adjustments
YPLO - living skills food and misc	200			3rd Quarter Adjustments
YPLO - living skills materials	800			3rd Quarter Adjustments
YPLO food and misc	454			3rd Quarter Adjustments
Office Expenses - CCTV, Duress Alarms - all offices	16,000			Brought Forward from 16/17 Budget
Council Office Exp - Wages	1,200			3rd Quarter Adjustments
Council Office Exp - Wages : General Admin	1,000			3rd Quarter Adjustments
Council Office Exp - General Admin		(49,000)		Tfd to CCTV, IT etc
Council Office Exp - General Admin	3,000			3rd Quarter Adjustments
Council Office Exp - General Admin		(1,500)		3rd Quarter Adjustments
Council Office Exp - Office Equip - Contractual		(1,000)		3rd Quarter Adjustments
Council Office Exp - Printing		(8,000)		3rd Quarter Adjustments
Council Office Exp - Stationary	2,000			3rd Quarter Adjustments
Council Office Exp - Other		(1,000)		3rd Quarter Adjustments
Council Office Exp - Utilities - Water	1,000			3rd Quarter Adjustments
Council Office Exp- Utilities - Internet	8,000			Reallocation from IT
Council Office Exp - Building Maintenance - Contractual		(1,000)		3rd Quarter Adjustments
Council Office Exp -Building Maintenance - Materials		(2,000)		3rd Quarter Adjustments
Council Office Exp - General Maintenance - Contractual		(500)		3rd Quarter Adjustments
Rates Admin - Materials		(7,000)		3rd Quarter Adjustments
Rates Admin - Debt Collection Services		(6,000)		3rd Quarter Adjustments
Rates Admin - Professional Services - Legal Fees	4,000			3rd Quarter Adjustments

Yorke Peninsula Council

March 2016 Budget Review - Summary of Changes

	<div> <div>Increase</div> <div>Deficit/</div> <div>Capital Exp</div> <div>\$</div> </div>	<div> <div>Decrease</div> <div>Deficit/</div> <div>Capital Exp</div> <div>\$</div> </div>	<div> <div>Net Change</div> <div>Increase/</div> <div>(Decrease) \$</div> </div>	<div>Reason for Change</div>
Rates Admin - Bank Fees		(10,000)		3rd Quarter Adjustments
Accounting and Finance - General Admin		(5,000)		3rd Quarter Adjustments
Accounting and Finance - Bank Charges		(3,500)		3rd Quarter Adjustments
Accounting and Finance - Merchant Charges		(500)		3rd Quarter Adjustments
Interest Repayments on Sport/Recreation Loans	3,283			3rd Quarter Adjustments
Insurance Claims		(10,000)		3rd Quarter Adjustments
Insurance Claims		(3,000)		3rd Quarter Adjustments
Donations NEC	1,000			3rd Quarter Adjustments
Finance Officer - Additional Fixed Term Role	35,012			To cover for Manager Financial Services departure
HR Employee Expenses - Salaries		(30,000)		Reallocation
HR Employee Expenses - Superannuation		(2,850)		Reallocation
HR Employee Exp - Trainees	29,001			Reallocation
Corporate Services - Salaries	18,200			Reallocation
Finance - Salaries		(18,200)		Reallocation
Payroll - Salaries	6,000			Reallocation
HR - Salaries		(6,000)		Reallocation
Visitor Information Centre - Salaries	9,000			3rd Quarter Adjustments
Visitor Information Centre - Superannuation	855			3rd Quarter Adjustments
Records Management - Salaries (ERDMS Cover)	12,974			3rd Quarter Adjustments
Records Management - General admin - Materials		(1,400)		3rd Quarter Adjustments
Records Managment - Consultants		(5,378)		3rd Quarter Adjustments
Marion Bay Caravan Park Employee Exp - Cleaners	30,600			3rd Quarter Adjustments
Marion Bay Caravan Park - Professional Services		(30,000)		3rd Quarter Adjustments
Yorke town Caravan Park - Professional Services	28,000			New CP Managers Contract
Yorke town Caravan Park - Water	4,000			3rd Quarter Adjustments
Yorke town Caravan Park - Materials	1,000			3rd Quarter Adjustments
Yorke town Caravan Park - General Admin		(1,500)		3rd Quarter Adjustments
Yorke town Caravan Park - Office Expenses		(400)		3rd Quarter Adjustments
Yorke town Caravan Park - Grounds Maintenance		(400)		3rd Quarter Adjustments
Yorke town Caravan Park - Building Maintenance		(1,000)		3rd Quarter Adjustments
Yorke town Caravan Park - Amenities Maintenance		(400)		3rd Quarter Adjustments
VIC - Training		(2,000)		3rd Quarter Adjustments
VIC - Bush Camping Agent Fee		(5,000)		3rd Quarter Adjustments
VIC- Food and Misc	760			3rd Quarter Adjustments
VIC- Stationary & Office Consumables	1,200			3rd Quarter Adjustments
VIC - Advertising	2,205			3rd Quarter Adjustments

Yorke Peninsula Council March 2016 Budget Review - Summary of Changes

	<div> <div>Increase Deficit/ Capital Exp \$</div> <div>Decrease Deficit/ Capital Exp \$</div> </div>	<div> <div>Net Change Increase/ (Decrease) \$</div> </div>	<div>Reason for Change</div>
VIC - Other	5,000		3rd Quarter Adjustments
VIC- Electricity		(1,847)	3rd Quarter Adjustments
VIC - Water		(318)	3rd Quarter Adjustments
Minlaton Library Staff Training	920		3rd Quarter Adjustments
Minlaton Library- Office Equipment		(250)	3rd Quarter Adjustments
Minlaton Library - Library Resources		(1,150)	3rd Quarter Adjustments
Minlaton Library - Computer Equipment		(1,200)	3rd Quarter Adjustments
Yorkestown Library - Staff Training	658		3rd Quarter Adjustments
Yorkestown Library - Office Exp		(658)	3rd Quarter Adjustments
Art Exhibition - Gen Admin - Contractual		(950)	3rd Quarter Adjustments
Art Exhibition - Gen Admin - Entertainment		(1,800)	3rd Quarter Adjustments
Art Exhibition - Gen Admin - Food and Misc	933		3rd Quarter Adjustments
Art Exhibition - Gen Admin - Travel		(1,000)	3rd Quarter Adjustments
Art Exhibition - Gen Admin - Materials	3,310		3rd Quarter Adjustments
Art Exhibition - Gen Admin - Postage		(1,000)	3rd Quarter Adjustments
Art Exhibition - Gen Admin - Freights		(1,000)	3rd Quarter Adjustments
Art Exhibition - Gen Admin - Courier		(1,000)	3rd Quarter Adjustments
Art Exhibition - Gen Admin - Advertising		(3,000)	3rd Quarter Adjustments
Art Exhibition - Gen Admin - Other		(621)	3rd Quarter Adjustments
Donations - NEC - Donations	2,922		3rd Quarter Adjustments
Donations - NEC - Sponership	2,594		3rd Quarter Adjustments
Progress Association allocations/ Hardship payments	7,382		3rd Quarter Adjustments
Point Turton Caravan Park - Professional Services		(7,500)	3rd Quarter Adjustments
Port Vincent Caravan Park - Professional Services	5,000		3rd Quarter Adjustments
Port Vincent Caravan Park - Advertising	2,000		3rd Quarter Adjustments
Port Vincent Caravan Park -Rental Equipment		(1,000)	3rd Quarter Adjustments
Black Point Caravan Park - Professional Services	4,500		3rd Quarter Adjustments
Minlaton Caravan Park - Water	7,149		3rd Quarter Adjustments
Corporate Services - Legal Exp	5,000		3rd Quarter Adjustments
Corp & Comm Services Net Change - Operating Expenses	<div> <div>316,835</div> <div>(272,542)</div> </div>	44,293	

Yorke Peninsula Council March 2016 Budget Review - Summary of Changes

	<div> <div>Increase Deficit/ Capital Exp \$</div> <div>Decrease Deficit/ Capital Exp \$</div> </div>	<div> <div>Net Change</div> <div>Increase/ (Decrease) \$</div> </div>	<div>Reason for Change</div>
Capital Expenditure			
Records Management - Storage	24,260		Funded from Business Improvement funds
Business Improvement capital		(25,000)	Records Storage funding
Office Equipment	10,000		Mobile staff equipment
Office Equipment	5,000		Innes Pentonvale Meeting Room Upgrade
Vehicles - Various	35,368		Acceleration of vehicle replacement - higher trades
Records Management Capital		(11,335)	Tfr to Salaries for EDRMS implementation
Yorke town Caravan Park - Amenities Upgrade	1,197		3rd Quarter Adjustments
Council Caravan Parks - Other		(1,197)	3rd Quarter Adjustments
Marion Bay Caravan Park - Office Flooring		(2,000)	3rd Quarter Adjustments
Marion Bay Caravan Park - Amenities Capital		(10,030)	3rd Quarter Adjustments
Marion Bay Caravan Park - Cabin Furnishings		(8,752)	3rd Quarter Adjustments
Marion Bay Caravan Park - Fire Hose Reel		(50,000)	Replaced with garden hose system - not affordable
VIC- Capital New and Upgraded		(5,950)	3rd Quarter Adjustments
VIC - Capital - Renewal		(3,885)	3rd Quarter Adjustments
Point Turton Caravan Park - Cabin Repairs		(10,545)	Reallocation
Point Turton Caravan Park - Capital General / Contractual	10,545		Reallocation
Port Vincent Caravan Park - Office Renovation		(1,490)	3rd Quarter Adjustments
Port Vincent Caravan Park- Cabin Rejuvenation		(373)	3rd Quarter Adjustments
Port Vincent Caravan Park - Oz Shacks	1,863		3rd Quarter Adjustments
IT - Computer Equipment	5,000		Update projection equipment - Chamber
Corp & Comm Services Net Change - Capital Expenditure	93,233	(130,557)	(37,324)
Total increase/(decrease) - Corporate & Community Services		(239,512)	

Yorke Peninsula Council March 2016 Budget Review - Summary of Changes

	<div> <div>Increase Deficit/ Capital Exp \$</div> <div>Decrease Deficit/ Capital Exp \$</div> </div>	<div> <div>Net Change</div> <div>Increase/ (Decrease) \$</div> </div>	Reason for Change
Overall increase/(decrease) for March Budget Review		\$39,996	
Summary			
Decrease /(Increase) in Operating Income	(232,678)		
Increase/(Decrease) in Operating Expenses	162,001		
Net Increase/(Decrease) in Operating Deficit		(70,677)	
Net Decrease/(Increase) in Capital Amounts Received	(30,727)		
Net Increase/(Decrease) in Deficit after Capital Receipts		(101,404)	
Increase/(Decrease) in Spending - New Capital Items	(112,688)		
Increase/(Decrease) in Spending - Renewal of Capital Items	254,088		
Net Increase/(Decrease) in Capital Expenditure		141,400	
Net Increase/(Decrease) in Borrowings		\$39,996	

Yorke Peninsula Council

Budgeted Uniform Presentation of Finances 2015/2016 Revised Budget - March 2016

Income	-\$26,699
Less Expenses	\$29,450
Operating Deficit before Capital Amounts	\$2,751
Less Net Outlays on Existing Assets	
Capital Expenditure on renewal and replacement of Existing Assets	\$7,707
Less Depreciation, Amortisation and Impairment	-\$8,700
Less Proceeds on Sale of Assets	-\$377
	-\$1,370
Less Net Outlays on New and Upgraded Assets	
Capital Expenditure on New and Upgraded Assets	\$3,479
Less Amounts received specifically for New and Upgraded Assets	-\$2,310
Less Proceeds for Sale of Surplus Assets	\$0
	\$1,169
NET(LENDING) / BORROWING FOR FINANCIAL YEAR	\$2,550

2015/2016 Adopted Budget	September 2015 Review	December 2015 Review	March 2016 Review	2015/2016 Revised Budget
Income	-\$135	-\$30	-\$233	-\$27,097
Less Expenses	\$130	\$128	\$162	\$29,870
Operating Deficit before Capital Amounts	-\$5	\$98	-\$71	\$2,773
Less Net Outlays on Existing Assets				
Capital Expenditure on renewal and replacement of Existing Assets	\$623	-\$119	\$254	\$8,465
Less Depreciation, Amortisation and Impairment	\$0	\$0	\$0	-\$8,700
Less Proceeds on Sale of Assets	\$0	\$0	-\$31	-\$408
	\$623	-\$119	\$223	-\$643
Less Net Outlays on New and Upgraded Assets				
Capital Expenditure on New and Upgraded Assets	\$2,067	\$60	-\$113	\$5,493
Less Amounts received specifically for New and Upgraded Assets	-\$1,280	-\$25	\$0	-\$3,615
Less Proceeds for Sale of Surplus Assets	\$0	\$0	\$0	\$0
	\$787	\$35	-\$113	\$1,878
	\$1,405	\$14	\$39	\$4,008

Yorke Peninsula Council

Budgeted Statement of Comprehensive Income \$'000 2015/2016 Revised Budget - March 2016

Rates
Statutory Charges
User Charges
Grants Subsidies Contributions
Investment Income
Reimbursements
Other Income

TOTAL REVENUES

Employee Costs
Materials Contracts & Other Expenses
Depreciation
Finance Costs

TOTAL EXPENSES

OPERATING DEFICIT BEFORE CAPITAL AMOUNTS

(Gain)/Loss on Asset Disposals
Amounts Specifically for New Assets

NET DEFICIT/(SURPLUS)

2015/2016 Adopted Budget	September 2015 Review	December 2015 Review	March 2016 Review	2015/2016 Revised Budget
-\$20,084	-\$15	\$60	-\$10	-\$20,049
-\$387	\$0	-\$11	-\$6	-\$404
-\$2,969	\$0	\$2	\$59	-\$2,908
-\$2,635	-\$74	-\$11	\$20	-\$2,700
-\$205	\$0	\$30	\$0	-\$175
-\$353	-\$46	-\$73	-\$288	-\$760
-\$66	\$0	-\$27	-\$8	-\$101
-\$26,699	-\$135	-\$30	-\$233	-\$27,097
\$7,915	\$61	\$28	\$99	\$8,103
\$12,408	\$69	\$55	\$69	\$12,601
\$8,700	\$0	\$0	\$0	\$8,700
\$427	\$0	\$44	-\$6	\$465
\$29,450	\$130	\$127	\$162	\$29,869
\$2,751	-\$5	\$97	-\$71	\$2,772
-\$15	\$0	\$0	-\$31	-\$46
-\$2,310	-\$1,280	-\$25	\$0	-\$3,615
\$426	-\$1,285	\$72	-\$102	-\$889

Agriculturally rich-Naturally beautiful

2015/2016 Revised Budget - March 2016

Cash and Cash Equivalents
Trade and Other Receivables
Inventories

Financial Assets
Infrastructure, Property, Plant and Equipment

TOTAL ASSETS

Trade and Other Payables
Borrowings
Provisions

Borrowings
Provisions

NET ASSETS

Accumulated Surplus
Asset Revaluation Reserve
Other Reserves

2015/2016 Adopted Budget	Full Year To Date Adjustments *	2015/2016 Revised Budget
\$'000	\$'000	\$'000
\$1,827	\$1,976	\$3,803
\$1,280	\$74	\$1,354
\$923	-\$146	\$777
\$4,030	\$1,904	\$5,934
\$866	\$94	\$960
\$327,698	\$11,086	\$338,784
\$328,564	\$11,180	\$339,744
\$332,594	\$13,084	\$345,678
\$2,094	\$181	\$2,275
\$533	\$115	\$648
\$1,392	\$214	\$1,606
\$4,019	\$510	\$4,529
\$6,583	\$1,363	\$7,946
\$646	-\$38	\$608
\$7,229	\$1,325	\$8,554
\$11,248	\$1,835	\$13,083
\$321,346	\$11,249	\$332,595
-\$5,171	\$1,547	-\$3,624
\$325,196	\$10,259	\$335,455
\$1,321	-\$564	\$757
\$321,346	\$11,242	\$332,588

Yorke Peninsula Council
Audit Committee Agenda
Wednesday 18th May 2016



Budgeted Cash Flow Statement

Cash Flows from Operating Activities

Receipts

Operating Receipts

Investment Receipts

Payments

Operating Payments to Suppliers and Employees

Finance Payments

NET CASH USED PROVIDED BY OPERATING ACTIVITIES

Cash Flows from Investing Activities

Receipts

Amounts Specifically for New or Upgraded Assets

Sale of Replaced Assets

Repayments of Loans by Community Groups

Payments

Expenditure on Renewal/Replacement of Assets

Expenditure on New/Upgraded Assets

Loans to Community Groups

NET CASH USED IN INVESTING ACTIVITIES

Cash Flows from Financing Activities

Receipts

Proceeds from Borrowings

Payments

Repayment of Borrowings

NET CASH USED IN FINANCING ACTIVITIES

NET INCREASE/(DECREASE) IN CASH HELD

CASH AT BEGINNING OF REPORTING PERIOD

CASH AT END OF REPORTING PERIOD

Full Year To Date Adjustments *	\$'000
	\$436
	-\$5
	-\$708
	-\$38
	-\$315
	\$1,296
	\$31
	\$21
	-\$758
	-\$2,214
	-\$240
	-\$1,864
	\$1,350
	-\$56
	\$1,294
	-\$885
	\$2,860
	\$1,975

2015/2016	
Revised Budget	
\$'000	
	\$26,921
	\$175
	-\$20,842
	-\$465
	\$5,789
	\$3,615
	\$408
	\$75
	-\$8,465
	-\$5,493
	-\$240
	\$0
	-\$10,100
	\$1,350
	-\$631
	\$719
	-\$3,592
	\$7,394
	\$3,802

Yorke Peninsula Council
Audit Committee Agenda
Wednesday 18th May 2016

Yorke Peninsula Council

Budgeted Statement of Changes in Equity

2015/2016 Revised Budget - March 2016

Accumulated Surplus brought forward

Net Surplus/(Deficit) for Year

Gain on Revaluation of Infrastructure, Property, Plant and Equipment

Transfers between Reserves

Total Equity at end of 2015/2016 Budget Year

Accumulated Surplus \$'000	Asset Revaluation Reserve \$'000	Other Reserves \$'000	TOTAL EQUITY \$'000
(\$4,511)	\$335,455	\$757	\$331,701
\$887			\$887
	\$0		\$0
\$0	\$0	\$0	\$0
(\$3,624)	\$335,455	\$757	\$332,588



Yorke Peninsula Council

Budgeted Financial Indicators **2015/2016 Revised Budget - March 2016**

Operating Surplus/(Deficit) \$'000

Operating Surplus Ratio

Net Financial Liabilities \$'000

Net Financial Liabilities Ratio

Interest Cover Ratio

Asset Sustainability Ratio

Asset Consumption Ratio

	2015/2016 Adopted Budget	2015/2016 Revised Budget
	-\$2,760	-\$2,774
	-13.7%	-13.8%
	\$7,637	\$7,430
	28.6%	27.4%
	0.8%	1.1%
	84.3%	92.5%
	61.9%	63.0%

DIRECTOR CORPORATE AND COMMUNITY SERVICES

4. LONG TERM FINANCIAL PLAN

(File Ref: 9.24.1.1)

PURPOSE

To advise the Audit Committee of Council's endorsement and adoption of the Yorke Peninsula Council Long Term Financial Plan, covering financial years 2016/17 to 2025/26.

RECOMMENDATION

That the Audit Committee receive the Long Term Financial Plan 2016/17 to 2025/26 as endorsed and adopted by Council at its meeting held on the 11th May 2016 as attached.

LINK TO STRATEGIC PLAN

Key Theme/s: Corporate Governance and Leadership
2. Organisational Efficiency and Resource Management
Strategic Goal/s: 2.1 Financially sustainable organisation

BACKGROUND

As required by the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011, Council must regularly review its Long Term Financial Plan (LTFP) in accordance with actual and budgeted financial results to be used as a tool in the decision making process. As part of this process Council consults with the community and considers all feedback prior to adoption of the revised LTFP.

DISCUSSION

The LTFP as presented has been revised to take into account the results of the Audited Financial Statements for 2014/2015 and the Revised Budget for 2015/2016 following the December 2015 budget review. Revision of the LTFP ensures that the plan remains relevant and reflects the impact of the most recent decisions made by Council.

The Draft LTFP, which was presented to Council at its March 2016 meeting and subsequently submitted for public consultation, was used as a key reference in the formulation of Council's Draft Budget for the 2016/17 financial year.

The draft LTFP also references Council's Asset Management Plans (AMP's) with the prime aim to "balance" resources available with renewal programmes calculated by these AMP's.

To comply with legislative requirements, the draft LTFP was the subject of public consultation over a period of 4 weeks, closing on 15th March 2016, via Council's website and a public notice placed in the local newspaper.

Letters were also sent to all Progress Associations in the Council area asking that they publicise, to their members, the opportunity to provide feedback to Council on the Draft Long Term Financial Plan.

Feedback from the public consultation was limited to a single response from a local community group. This feedback was presented to Council at its meeting held in April 2016 for consideration ahead of the adoption of the LTFP.

After consideration of all available information and feedback the LTFP 2016/17 to 2025/26 was presented to Council for endorsement and adoption. A further review of the LTFP will follow adoption of Council's Annual Business Plan scheduled for Council's July 2016 meeting.

COMMUNITY ENGAGEMENT PLAN

Level 1 Inform – Published on Council's website.

CONSULTATION PROCESS

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

- Chief Executive officer
- Director Corporate & Community Services
- Director Development Services
- Director Assets & Infrastructure Services

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

- Community

POLICY IMPLICATIONS

PO142 Budget Reporting and Amendment Policy

BUDGET AND RESOURCE IMPLICATIONS

In accordance with the adoption and enforcement of the Budget Reporting and Amendment Policy the Second Quarter Revised Budget Report presented to Council will assist in formal assessment of Council's financial position and contribute significantly to both Financial and Risk Management procedures.

RISK/LEGAL/LEGISLATIVE IMPLICATIONS

Local Government Act 1999

Local Government (Financial Management) Regulations 2011

Council's Strategic Plan includes clear plans to ensure better and timely reporting and improved formal control of Council's Adopted Budget and the Budget Review process.

ATTACHMENTS

Attachment 1: Yorke Peninsula Council - Long Term Financial Plan 2016/17 – 2025/16



YORKE PENINSULA COUNCIL

Long Term Financial Plan

2016/17 to 2025/26

DOCUMENT INFORMATION

Document Details

Document Title:	Long Term Financial Plan – 2016-17 to 2025-26
Document Version:	1.0
Document Date:	29/04/2016
File Name:	LTFP 2016-17 to 2025-26

Document Authorisation

Prepared by:	David Harding – Director Corporate & Community Services
Authorised by:	Andrew Cameron – Chief Executive Officer
Adopted by Council:	

Council Details

Name:	Yorke Peninsula Council
ABN:	82 179 825 615
Address:	PO Box 57 Maitland SA
Phone:	+61 8 88320000
Fax:	+61 8 88532494
E-Mail:	admin@yorke.sa.gov.au

Table of Contents

DOCUMENT INFORMATION	2
Document Details	2
Document Authorisation	2
Council Details.....	2
Executive Summary	5
Resources Referenced	6
Key Assumptions	6
Key Assumptions (contd)	7
Key Assumptions (contd)	8
Operating Income.....	9
Rates	9
Statutory Charges	9
User Charges	9
Grants & Subsidies.....	9
Investment Income.....	10
Reimbursements	10
Other Revenue	10
Operating Expenses	10
Employee Costs	10
Materials, Contracts and Other Expenses.....	11
Finance Costs.....	11
Depreciation.....	11
Treasury Management Strategy.....	12
Strategic Rating Policy	12
General Rates	12
Waste Collection & Recycling Service Charge	13
Natural Resource Management Levy	13
Community Waste Management Scheme (CWMS) Service Charge.....	13
Water Scheme Service Charge	13
Rate relief.....	13
Financial Statements	14

– Uniform Presentation of Finances	14
– Comprehensive Presentation of Income	15
– Balance Sheet	16
– Changes in Equity.....	17
– Cash Flow Statement	18
– Key Financial Ratios	19
Financial Indicator Graphs	20
Operating Surplus Chart	20
Forecast Capital Expenditure Chart.....	21
Asset Sustainability Chart	21
Significant Long Term Financial Plan Risks.....	22

Executive Summary

Section 122 of the Local Government Act 1999 requires Councils to develop a Long Term Financial Plan (LTFP) as a key part of their Strategic Management reports.

Under the Act:

- S.8 (k): *A council must act to ensure the sustainability of (its) long-term financial performance and position*
- S.150 (c): *(A) council should, in making any (rating) decision, take into account the financial effects of the decision on future generations*

The objective of the LTFP is to ensure that Council is financially sustainable and able to provide at least the current level of services over the 10 years of the plan.

To this end the Yorke Peninsula Council (YPC) reviews its LTFP on a regular basis using the latest available budget data as a base and incorporating all known future projects and variations to ensure a realistic forecast is presented to the Elected Body and the community alike.

The key elements adopted for the LTFP were developed in 2012/2013 and remain as the key targets in this review of Council's LTFP:

- Achieve operating surplus as a minimum within the 10 years covered by the plan;
- Spending on asset renewal consistent with AMP identified needs (say +/- 10%); to ensure Asset Sustainability in the long term;
- No new services or assets to be introduced without consideration of the impact on the LTFP;

Research and independent opinion is that Council should look to achieve results consistent with Local Government industry averages primarily in the areas of Operating Deficit and Asset Sustainability Ratio within that ten (10) year period to ensure financial sustainability in the longer term.

The decision by the Federal Government to cease Supplementary Local Road funding to local government in South Australia and to freeze General Purpose Grants until 2017/2018 has impacted on Council's aim to return to an operating surplus by 2021/2022 with this goal now likely to take a few more years to achieve but hopefully still within the 10 year forecast of this reviewed LTFP.

Once established and adopted the LTFP is then primarily used as a tool to establish and communicate Council's general financial direction over the longer term and to assist in the assessment of Council's current financial position in conjunction with its Annual Business Plan and Annual Budgets preparation together with ongoing quarterly Budget Reviews.

The LTFP is intended to be a “live” document requiring adjustment and assessment as Council makes financial decisions which may affect its financial position long term. In particular, decisions made in the key areas of rate movements, asset replacements and renewals, and the sustainability of service levels to be provided (inclusive of operating costs over the long term) require constant monitoring and review.

The LTFP is derived from a sub set of strategic financial policies, including Infrastructure Asset Management Plans (IAMP) for all classes of assets, and a set of assumptions necessary given the high level of the LTFP itself and the long term nature of all forecasts made.

Resources Referenced

Resources referenced for the construction of the YPC LTFP include:

- 2014-15 Audited Financial Statements;
- 2015-16 Revised Budget (December Quarter review);
- Endorsed Asset Management Plans;
- Previous Long Term Financial Plans;
- 2015-16 Annual Business Plan;
- Input from the CEO, Council Directors and key Council staff;
- Input from the community via the public consultation process;
- Specific considered requests from Elected Members;
- Specific considered requests from the community.

Key Assumptions

The key assumptions in reviewing Council’s LTFP are:

- Expected CPI movement of 1.95% per annum;
- Enterprise Bargaining Agreement (EBA) Movements of 2% in anticipation of negotiations prior to 30 June 2016;
- Allowances in salary and wages reclassifications of 0.65% every 2 years;
- Rate increases for residents at 3% above CPI until the end of 2022/2023 to achieve long term financial sustainability goals in the areas of Operating Deficit and Asset Sustainability;
- Power and Water charges increasing at a rate equal to CPI movement in anticipation that recent steep cost increases will not recur;
- Spending on asset renewal in line with existing IAMP’s or at about estimated need subject to funding availability;
- Spending on new assets in line with current trends;
- No new additional services or increase in existing service levels.

The following tables outline the assumptions that have been built in to the projection model:

Key Assumptions (contd)

Long Term Financial Plan - Assumptions										
	Yr1	Yr2	Yr3	Yr4	Yr5	Yr6	Yr7	Yr8	Yr9	Y10
	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
Expected CPI Movement	1.95%	1.95%	1.95%	1.95%	1.95%	1.95%	1.95%	1.95%	1.95%	1.95%
Expected District Growth	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%
EB Movements	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Allowance for Step/Reclass/Reorg etc	0.65%	0.00%	0.65%	0.00%	0.65%	0.00%	0.65%	0.00%	0.65%	0.00%
TOTAL EB	2.65%	2.00%	2.65%	2.00%	2.65%	2.00%	2.65%	2.00%	2.65%	2.00%
Rates Income										
General Movement	1.95%	1.95%	1.95%	1.95%	1.95%	1.95%	1.95%	1.95%	1.95%	1.95%
Growth	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%
"Sustainability" Rate Increase	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	0.00%	0.00%	0.00%	0.00%
TOTAL	5.35%	5.35%	5.35%	5.35%	5.35%	5.35%	2.35%	2.35%	2.35%	2.35%
CWMS & Water Income										
General Movement	1.95%	1.95%	1.95%	1.95%	1.95%	1.95%	1.95%	1.95%	1.95%	1.95%
Growth	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%
Increase	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TOTAL	2.35%	2.35%	2.35%	2.35%	2.35%	2.35%	2.35%	2.35%	2.35%	2.35%
Statutory Income										
CPI	1.95%	1.95%	1.95%	1.95%	1.95%	1.95%	1.95%	1.95%	1.95%	1.95%
Growth	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TOTAL	1.95%	1.95%	1.95%	1.95%	1.95%	1.95%	1.95%	1.95%	1.95%	1.95%
Commercial Income (incl Caravan Parks)										
CPI	1.95%	1.95%	1.95%	1.95%	1.95%	1.95%	1.95%	1.95%	1.95%	1.95%
Growth	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TOTAL	1.95%	1.95%	1.95%	1.95%	1.95%	1.95%	1.95%	1.95%	1.95%	1.95%
Finance Rates										
Overdraft Rates	6.20%	6.20%	6.20%	6.20%	6.20%	6.20%	6.20%	6.20%	6.20%	6.20%
New Loan Interest Rate	5.40%	5.40%	5.40%	5.40%	5.40%	5.40%	5.40%	5.40%	5.40%	5.40%
Investment Rate	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%

Key Assumptions (contd)

[illegible]

Operating Income

Rates

Rates includes revenue from General Rates, Service Charges (Refuse Collection), National Resource Management Levies collected on behalf of State Government, CWMS and Water service charges, fines for late payment and incorporates rebates available for each category.

The Rate Revenue increase shown in the tables is the average increase and actual changes to rates may vary dependant on valuations and other criteria. The Revenue line in the LTFP also includes an allowance for growth currently estimated at 0.4% p.a. based on past trends.

Statutory Charges

Statutory Charges are fees related to the regulation of activities including Development Applications (set by State Government), Animal Registration and various Licence Fees.

Statutory charges are to be reviewed during 2016/2017 with increases expected to be in line with CPI and influenced by expected growth with the exception of Dog Registration Fees which are expected to rise by approximately 0.65% p.a. with responsible dog owners ensuring dogs are de-sexed and therefore attracting lower registration fees.

User Charges

This category of income consists of fees for recovery of service delivery costs and income from Caravan Parks and Boat ramps operated or leased by Council.

User charges, including caravan park income is expected to increase in line with CPI movements.

Grants & Subsidies

The primary components of this category constitute Local Government Grants Commission grants and grants for projects such as Foreshore Protection and Tourism projects.

Roads to Recovery Grants (RTR) are not included in this category but are shown as Grants Received Specifically for New/Upgraded Assets. RTR Income has been included for the ten (10) years of the LTFP and has been assumed to increase approximately in line with CPI after a "one off" special allocation of \$1.3m in 2016/17 funded by the federal Government from diesel levies.

Since the last LTFP review the Federal Government made the decision to cease the Supplementary Local Roads funding to local government in South Australia and has frozen General Purpose grants at current levels until the 2017/2018 financial year

after which they are expected to rise approximately in line with local government CPI levels.

Whilst a number of generous “one of” capital grants have been made available via Roads to Recovery in 2016/2017 and Council has been successful in applying for grants to complete Clinton Road by 2016/2017, the impact on Council’s LTFP of these cuts is significant in the long term. The revenue cut to Yorke Peninsula Council as a result of these Federal Government decisions is estimated at \$450,000 p.a. from year 1 of the ten (10) year plan indexed for CPI thereafter.

Operating Grants in the LTFP are expected to increase in line with CPI. Special funding of \$1.5m has been included in 2016/2017 and \$2.2m in 2017/2018 in anticipation of the completion of the Clinton Road project following Council’s successful application for Special Road Funding in 2016/2017.

Investment Income

Investment Income included in the LTFP is reflective of projections of cash available for investment and investment rates are in line with current trends experienced in the past two (2) years. Council’s Treasury Management Policy ensures available funds are managed on a regular basis to maximise returns.

Reimbursements

This category includes reimbursements by Community Groups; Sporting Clubs and individuals for expenses incurred by Council on their behalf and on-billed. This category also includes any amounts charged for Private Works performed by Council.

Increases in the LTFP are expected to be in line with CPI.

Other Revenue

Includes income from minor sundry activities.

Other income is expected to increase equivalent to CPI over the ten (10) years of the LTFP.

Operating Expenses

Employee Costs

Includes all labour costs relating to maintenance and is inclusive of salaries, wages, superannuation, leave entitlements and workers compensation insurance. Wage costs (including allocation of staff overheads) relating to capital projects are included in the total capital expenditure for both renewal of existing assets and projects to build new assets. The split between operating and capital can vary from year to year depending on assigned maintenance programmes however overall the LTFP assumes the trend on this split remains consistent across the 10 years in the plan.

The LTFP provides for legislated increases in the superannuation guarantee moving from 9.5% in 2020/2021 to 12.0% by 2025/2026.

Costs in this category are based on staffing levels at the time of development of the LTFP and do not contain specific allowances for increases in staff numbers over the life of the LTFP.

Increases are projected in line with expected Enterprise Bargaining Agreements (EBA) at 2.0% with an allowance of 0.65% every 2 years for reclassifications and “annual” award service increases.

The EBA is to be renegotiated at the end of 2015/2016 and increases have been based on industry trends.

Materials, Contracts and Other Expenses

Material costs in this category include road making materials, water, fuel, electricity and office consumables: Contracts includes payments to outside entities for provision of services to Council including Waste Management Services. This category also includes payments to consultants and legal fees incurred by Council.

Over the ten (10) years of the LTFP:

- Water charges and energy charges are predicted to increase by CPI following particularly volatile price increases over the past 2 -3 years;
- Materials and Contract costs, including Waste Management costs, have been estimated to increase at CPI across the full term of the LTFP;
- Professional services charges are also expected to rise in line with CPI over the course of the ten (10) year plan.

Finance Costs

Finance Costs include interest on borrowings and bank charges.

Finance costs are based on forecast rates and are reflective of the current applicable rates for existing loans.

Depreciation

Depreciation is an accounting charge to Operating Expenses showing the rate of consumption of Council’s infrastructure, buildings, plant and equipment and other fixed assets and is effectively a provision for replacement of these assets at the optimum estimated time to support the provision of current Council services.

Depreciation in the LTFP is calculated based on best estimates of consumption of Council’s assets over their useful lives. The estimate is also reflective of existing Asset Management Plans, advice taken from senior Council officers and the strategic decision taken by Council to increase renewal expenditure on assets and the reduction forecast in spending on new assets.

Treasury Management Strategy

Financing forecasts in the LTFP have been made with consideration of Council's current Treasury Management Strategy.

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

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

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

- apply any funds that are not immediately required to meet approved expenditure (including funds that are required to be expended for specific purposes but are not required to be kept in separate bank accounts) to reduce its level of borrowings or to defer and/or reduce the level of new borrowings that would otherwise be required."*

Strategic Rating Policy

General Rates

Rates are Council's main source of income. They are used to provide the funds to deliver services and maintain infrastructure required by the community.

Rates are a form of property taxation and property values play an important part in determining how much each individual ratepayer contributes. As it is a system of taxation, the rates paid may not directly relate to the services used by each ratepayer. Generally, the higher the value of the property the higher the rates paid.

Along with most other Councils, we use capital value to value all properties. Capital value is the value of the land and all improvements.

In determining how rates are applied, we use a differential rating system with a fixed charge. Differential rates allow us to set a different rate depending on the use to which the land is put - whether it be residential, commercial, primary production, etc. A fixed charge is a fixed, or flat amount, that all ratepayers have to contribute to equally. Differential rates are calculated on top of a fixed charge.

In addition to General Rates, as described above, Council will use its rating powers to raise following rates and charges.

Waste Collection & Recycling Service Charge

This service charge is charged to recover the cost of providing the Waste Collection and Recycling service with Council charging a set amount per property. Council calculates one service charge for properties entitled to receive a two bin service and another for those properties entitled to receive a three bin service.

This service charge is subject to a specific provision of the Local Government Act 1999 and Council is required to reduce the amount payable to residents depending on the distance of their property access point to the nearest collection point. Therefore the two bin service charge maybe reduced depending a properties distance to the nearest collection point.

Natural Resource Management Levy

Council is required to collect an amount each year which is paid to the local Natural Resource Management Board. Council are informed each year of the amount to be collected.

Council then uses the capital value of properties to determine a rate-in-the-dollar to collect the NRM Levy on behalf of the Board.

The Board have advised of a change in its service agreements with the State Government and subsequently flagged a 30% increase in this levy commencing in the 2016/2017 financial year. From 2017/2018 it is assumed the levy will increase in line with CPI.

Community Waste Management Scheme (CWMS) Service Charge

Council operates a number of CWMS schemes which provide a community effluent or sewerage scheme to properties. Council calculates a service charge each year to cover the cost of operating and maintaining and replacing equipment for all the schemes. A different service charge is set each year for occupied and unoccupied properties.

Water Scheme Service Charge

Council operates a number of Water schemes throughout the district. A service charge is calculated each year to cover the cost of operating and maintaining and replacing equipment for all the schemes. In addition to a service charge properties are charged for their water use with rates set in accordance with those advised by SA Water.

Rate relief

For ratepayers who may have difficulty paying their rates, Council has a number of schemes to assist people who find themselves in this circumstance. Council provides:

- Rate capping scheme;
- Postponement of rates scheme; and
- Negotiated repayments.

Financial Statements

– Uniform Presentation of Finances

Yorke Peninsula Council

LTFP - Projection

SUMMARY STATEMENT INCLUDING FINANCING TRANSACTIONS

Year Ended 30 June:	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
	Audited	Revised	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan
	Financials	Budget	Year 1	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)	\$(000)
Operating Revenues	27,739	26,865	28,162	29,526	30,645	31,814	33,040	34,329	35,716	36,520	37,350	38,202
<i>less Operating Expenses</i>	29,415	29,697	30,789	31,512	32,228	32,836	34,158	34,891	35,751	36,471	37,323	38,821
Operating Surplus/(Deficit) before Capital Amounts	(1,676)	(2,832)	(2,627)	(1,986)	(1,583)	(1,022)	(1,118)	(562)	(35)	49	27	(619)
Less: Net Outlays on Existing Assets												
Capital Expenditure on Renewal/Replacement of Existing Assets	5,215	8,210	5,191	6,781	7,464	8,208	8,867	9,040	9,317	9,397	9,581	9,770
<i>less Depreciation, Amortisation & Impairment</i>	10,552	8,700	9,075	9,327	9,547	9,789	10,639	10,897	11,161	11,436	11,717	12,688
<i>less Proceeds from Sale of Replaced Assets</i>	387	377	380	380	385	385	390	390	400	400	410	410
	(5,724)	(867)	(4,265)	(2,926)	(2,468)	(1,966)	(2,162)	(2,247)	(2,244)	(2,439)	(2,546)	(3,328)
Less: Net Outlays on New and Upgraded Assets												
Capital Expenditure on New/Upgraded Assets	4,054	5,605	5,428	1,482	1,511	1,541	1,572	1,603	1,636	1,669	1,703	1,737
<i>less Amounts Specifically for New/Upgraded Assets</i>	1,204	3,615	3,854	581	581	581	581	581	581	581	581	581
<i>less Proceeds from Sale of Surplus Assets</i>	0	0	0	0	0	0	0	0	0	0	0	0
	2,850	1,990	1,574	901	930	960	991	1,022	1,055	1,088	1,122	1,156
Net Lending / (Borrowing) for Financial Year	1,198	(3,955)	63	39	(45)	(16)	52	662	1,154	1,399	1,451	1,553

– Comprehensive Presentation of Income

Yorke Peninsula Council

LTFP - Projection

ESTIMATED COMPREHENSIVE INCOME STATEMENT

Year Ended 30 June:	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
	Audited	Revised	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan
	Financials	Budget	Year 1	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)	\$(000)
INCOME												
Rates	19,110	20,039	21,183	22,153	23,172	24,242	25,366	26,547	27,798	28,439	29,094	29,765
Statutory Charges	391	398	411	420	428	437	445	454	462	472	481	491
User Charges	2,866	2,967	3,101	3,452	3,519	3,587	3,657	3,728	3,801	3,875	3,951	4,029
Grants, subsidies, contributions	4,227	2,720	2,709	2,748	2,787	2,826	2,867	2,908	2,950	2,992	3,034	3,078
Investment Income	184	175	201	185	160	132	103	78	79	104	140	177
Reimbursements	610	472	461	470	479	488	498	508	518	528	538	548
Other Income	351	94	96	98	100	102	104	106	108	110	112	114
Total Revenues	27,739	26,865	28,162	29,526	30,645	31,814	33,040	34,329	35,716	36,520	37,350	38,202
EXPENSES												
Employee costs	8,006	8,004	8,216	8,380	8,601	8,774	9,003	9,227	9,513	9,748	10,048	10,297
Materials, contracts & other expenses	12,599	12,522	13,012	13,342	13,649	13,875	14,150	14,431	14,768	15,007	15,305	15,609
Depreciation	8,510	8,700	9,075	9,327	9,547	9,789	10,639	10,897	11,161	11,436	11,717	12,688
Finance Costs	300	471	486	463	431	398	366	336	309	280	253	227
Total Expenses	29,415	29,697	30,789	31,512	32,228	32,836	34,158	34,891	35,751	36,471	37,323	38,821
OPERATING SURPLUS/(DEFICIT) BEFORE CAPITAL AMOUNTS	(1,676)	(2,832)	(2,627)	(1,986)	(1,583)	(1,022)	(1,118)	(562)	(35)	49	27	(619)
Net gain/(loss) on disposal or revaluations	(693)	15	10	10	10	10	10	10	10	10	10	10
Amounts specifically for new assets	1,204	3,615	3,854	581	581	581	581	581	581	581	581	581
NET SURPLUS/(DEFICIT)	(1,165)	798	1,237	(1,395)	(992)	(431)	(527)	29	556	640	618	(28)
Other Comprehensive Income												
Changes in revaluation surplus - IPP&E	12,389	0	0	0	6,833	19,397	0	0	0	6,800	20,473	0
Impairment (expense) / recoupments offset to asset revaluation reserve	(2,042)	0	0	0	0	0	0	0	0	0	0	0
Total Other Comprehensive Income	10,347	0	0	0	6,833	19,397	0	0	0	6,800	20,473	0
TOTAL COMPREHENSIVE INCOME	9,182	798	1,237	(1,395)	5,841	18,966	(527)	29	556	7,440	21,091	(28)

– Balance Sheet

Yorke Peninsula Council
LTFP - Projection
ESTIMATED BALANCE SHEET

Year Ended 30 June:	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
	Audited	Revised	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan
	Financials	Budget	Year 1	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)	\$(000)
ASSETS												
Current Assets												
Cash & Equivalent Assets	7,394	3,828	3,447	2,971	2,420	1,847	1,338	1,451	2,087	2,960	3,861	4,951
Trade & Other Receivables	1,315	1,354	1,346	1,337	1,332	1,331	1,331	1,313	1,312	1,312	1,297	1,265
Investments & Other Financial Assets	0	0	0	0	0	0	0	0	0	0	0	0
Inventories	777	777	777	777	777	777	777	777	777	777	777	777
Sub-total	9,486	5,959	5,570	5,085	4,529	3,955	3,446	3,541	4,176	5,049	5,935	6,993
Non-current assets held for sale	0	0	0	0	0	0	0	0	0	0	0	0
Total Current Assets	9,486	5,959	5,570	5,085	4,529	3,955	3,446	3,541	4,176	5,049	5,935	6,993
Non-Current Assets												
Receivables	331	457	389	331	274	216	155	109	60	8	(32)	(43)
Financial Assets	485	503	521	541	562	585	607	631	656	681	708	734
Equity Accounted Investments in Council Businesses	0	0	0	0	0	0	0	0	0	0	0	0
Investment Property	0	0	0	0	0	0	0	0	0	0	0	0
Infrastructure, Property, Plant & Equipment	333,889	338,642	339,816	338,383	344,268	363,249	362,668	362,035	361,434	367,474	387,115	385,534
Other Non-Current Assets	0	0	0	0	0	0	0	0	0	0	0	0
Total Non-Current Assets	334,705	339,602	340,726	339,255	345,104	364,050	363,430	362,775	362,150	368,163	387,791	386,225
Total Assets	344,191	345,561	346,296	344,340	349,633	368,005	366,876	366,316	366,326	373,212	393,726	393,218
LIABILITIES												
Current Liabilities												
Trade & Other Payables	2,497	2,275	2,379	2,372	2,405	2,416	2,430	2,447	2,462	2,483	2,492	2,512
Borrowings	631	648	629	648	675	692	687	654	658	688	588	496
Provisions	1,622	1,585	1,644	1,667	1,714	1,746	1,791	1,835	1,890	1,936	1,994	2,043
Sub-total	4,750	4,508	4,652	4,687	4,794	4,854	4,908	4,936	5,010	5,107	5,074	5,051
Liabilities Relating to Non-Current Assets held for sale	0	0	0	0	0	0	0	0	0	0	0	0
Total Current Liabilities	4,750	4,508	4,652	4,687	4,794	4,854	4,908	4,936	5,010	5,107	5,074	5,051
Non-Current Liabilities												
Borrowings	7,244	7,946	7,317	6,669	5,994	5,302	4,615	3,961	3,303	2,615	2,027	1,531
Provisions	496	608	591	643	663	699	731	767	807	844	887	927
Other Non-Current Liabilities	0	0	0	0	0	0	0	0	0	0	0	0
Total Non-Current Liabilities	7,740	8,554	7,908	7,312	6,657	6,001	5,346	4,728	4,110	3,459	2,914	2,458
Total Liabilities	12,490	13,062	12,560	11,999	11,451	10,855	10,254	9,664	9,120	8,566	7,988	7,509
NET ASSETS	331,701	332,499	333,736	332,341	338,182	357,150	356,622	356,652	357,206	364,646	385,738	385,709
EQUITY												
Accumulated Surplus	(4,511)	(3,713)	(2,476)	(3,871)	(4,863)	(5,294)	(5,821)	(5,792)	(5,236)	(4,596)	(3,978)	(4,006)
Asset Revaluation Reserve	335,455	335,455	335,455	335,455	342,288	361,685	361,685	361,685	361,685	368,485	388,958	388,958
Other Reserves	757	757	757	757	757	757	757	757	757	757	757	757
TOTAL EQUITY	331,701	332,499	333,736	332,341	338,182	357,148	356,621	356,650	357,206	364,646	385,737	385,709

– Changes in Equity

Yorke Peninsula Council

LTFP - Projection

ESTIMATED STATEMENT OF CHANGES IN EQUITY

Year Ended 30 June:	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
	Audited	Revised	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan
	Financials	Budget	Year 1	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)	\$(000)
ACCUMULATED SURPLUS												
Balance at end of previous reporting period	(3,306)	(4,511)	(3,713)	(2,476)	(3,871)	(4,863)	(5,294)	(5,821)	(5,792)	(5,236)	(4,596)	(3,978)
Net Result for Year	(1,165)	798	1,237	(1,395)	(992)	(431)	(527)	29	556	640	618	(28)
Transfers to Other Reserves	(40)	0	0	0	0	0	0	0	0	0	0	0
Transfers from Other Reserves	0	0	0	0	0	0	0	0	0	0	0	0
Balance at end of period	(4,511)	(3,713)	(2,476)	(3,871)	(4,863)	(5,294)	(5,821)	(5,792)	(5,236)	(4,596)	(3,978)	(4,006)
ASSET REVALUATION RESERVE												
Land	73,286	73,286	73,286	73,286	79,727	79,727	79,727	79,727	79,727	86,177	86,177	86,177
Buildings and Other Structures	48,995	48,995	48,995	48,995	48,995	52,178	52,178	52,178	52,178	52,178	54,817	54,817
Transportation Infrastructure	186,712	186,712	186,712	186,712	186,712	200,791	200,791	200,791	200,791	200,791	216,462	216,462
CWMS Infrastructure	14,481	14,481	14,481	14,481	14,481	15,758	15,758	15,758	15,758	15,758	17,006	17,006
Water Scheme Infrastructure	1,374	1,374	1,374	1,374	1,576	1,576	1,576	1,576	1,576	1,767	1,767	1,767
Office Building	0	0	0	0	190	190	190	190	190	349	349	349
Stormwater Drainage	10,607	10,607	10,607	10,607	10,607	11,465	11,465	11,465	11,465	11,465	12,380	12,380
Balance at end of period	335,455	335,455	335,455	335,455	342,288	361,685	361,685	361,685	361,685	368,485	388,958	388,958
OTHER RESERVES												
Balance at end of previous reporting period	717	757	757	757	757	757	757	757	757	757	757	757
Transfers from Accumulated Surplus	40	0	0	0	0	0	0	0	0	0	0	0
Transfers to Accumulated Surplus	0	0	0	0	0	0	0	0	0	0	0	0
Balance at end of period	757	757	757	757	757	757	757	757	757	757	757	757
TOTAL EQUITY AT END OF REPORTING PERIOD	331,701	332,499	333,736	332,341	338,182	357,148	356,621	356,650	357,206	364,646	385,737	385,709

- Cash Flow Statement

Yorke Peninsula Council
LTFP - Projection
ESTIMATED CASH FLOW STATEMENT

Year Ended 30 June:	2015	2016		2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
	Audited	Revised		Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan
	Financials	Budget		Year 1	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)	\$(000)
CASH FLOWS FROM OPERATING ACTIVITIES													
<u>Receipts</u>													
Rates	19,110	20,039		21,183	22,153	23,172	24,242	25,366	26,547	27,798	28,439	29,094	29,765
Statutory Charges	391	398		411	420	428	437	445	454	462	472	481	491
User Charges	2,852	2,967		3,101	3,450	3,519	3,587	3,657	3,728	3,801	3,875	3,951	4,029
Grants, subsidies, contributions	4,227	2,720		2,709	2,748	2,787	2,826	2,867	2,908	2,950	2,992	3,034	3,078
Investment Income	156	175		170	153	132	108	82	60	65	93	132	172
Reimbursements	610	472		461	470	479	488	498	508	518	528	538	548
Other Income	351	94		96	98	100	102	104	106	108	110	112	114
<u>Payments</u>													
Employee costs	(7,818)	(8,043)		(8,156)	(8,358)	(8,554)	(8,743)	(8,958)	(9,184)	(9,458)	(9,703)	(9,990)	(10,249)
Materials, contracts & other expenses	(12,255)	(12,648)		(12,944)	(13,315)	(13,616)	(13,848)	(14,126)	(14,400)	(14,737)	(14,973)	(15,279)	(15,575)
Finance Costs	(300)	(471)		(486)	(463)	(431)	(398)	(366)	(336)	(309)	(280)	(253)	(227)
Net Cash provided by (or used in) Operating Activities	7,324	5,703		6,545	7,356	8,016	8,801	9,569	10,391	11,198	11,553	11,820	12,146
CASH FLOWS FROM INVESTING ACTIVITIES													
<u>Receipts</u>													
Amounts Specifically for New/Upgraded Assets	1,204	3,615		3,854	581	581	581	581	581	581	581	581	581
Sale of Renewed/Replaced Assets	387	377		380	380	385	385	390	390	400	400	410	410
Repayments of Loans by Community Groups	48	75		107	99	90	83	82	82	64	63	63	48
<u>Payments</u>													
Expenditure on Renewal/Replacement of Assets	(5,215)	(8,210)		(5,191)	(6,781)	(7,464)	(8,208)	(8,867)	(9,040)	(9,317)	(9,397)	(9,581)	(9,770)
Expenditure on New/Upgraded Assets	(4,054)	(5,605)		(5,428)	(1,482)	(1,511)	(1,541)	(1,572)	(1,603)	(1,636)	(1,669)	(1,703)	(1,737)
Loans Made to Community Groups	0	(240)		0	0	0	0	0	0	0	0	0	0
Net Cash Provided by (or used in) Investing Activities	(7,630)	(9,988)		(6,278)	(7,203)	(7,919)	(8,700)	(9,386)	(9,591)	(9,908)	(10,022)	(10,231)	(10,468)
CASH FLOWS FROM FINANCING ACTIVITIES													
<u>Receipts</u>													
Proceeds from Borrowings	6,000	1,350		0	0	0	0	0	0	0	0	0	0
<u>Payments</u>													
Repayments of Borrowings	(669)	(631)		(648)	(629)	(648)	(675)	(692)	(687)	(654)	(658)	(688)	(588)
Repayment of Finance Lease Liabilities	0	0		0	0	0	0	0	0	0	0	0	0
Repayment of Aged Care Facility Deposits	0	0		0	0	0	0	0	0	0	0	0	0
Net Cash provided by (or used in) Financing Activities	5,331	719		(648)	(629)	(648)	(675)	(692)	(687)	(654)	(658)	(688)	(588)
Net Increase/(Decrease) in cash held	5,025	(3,566)		(381)	(476)	(551)	(574)	(509)	113	636	873	901	1,090
Opening cash, cash equivalents or (bank overdraft)	2,369	7,394		3,828	3,447	2,971	2,420	1,847	1,338	1,451	2,087	2,960	3,861
Closing cash, cash equivalents or (bank overdraft)	7,394	3,828		3,447	2,971	2,420	1,847	1,338	1,451	2,087	2,960	3,861	4,951

– Key Financial Ratios

Yorke Peninsula Council

LTFP - Projection

KEY FINANCIAL INDICATORS

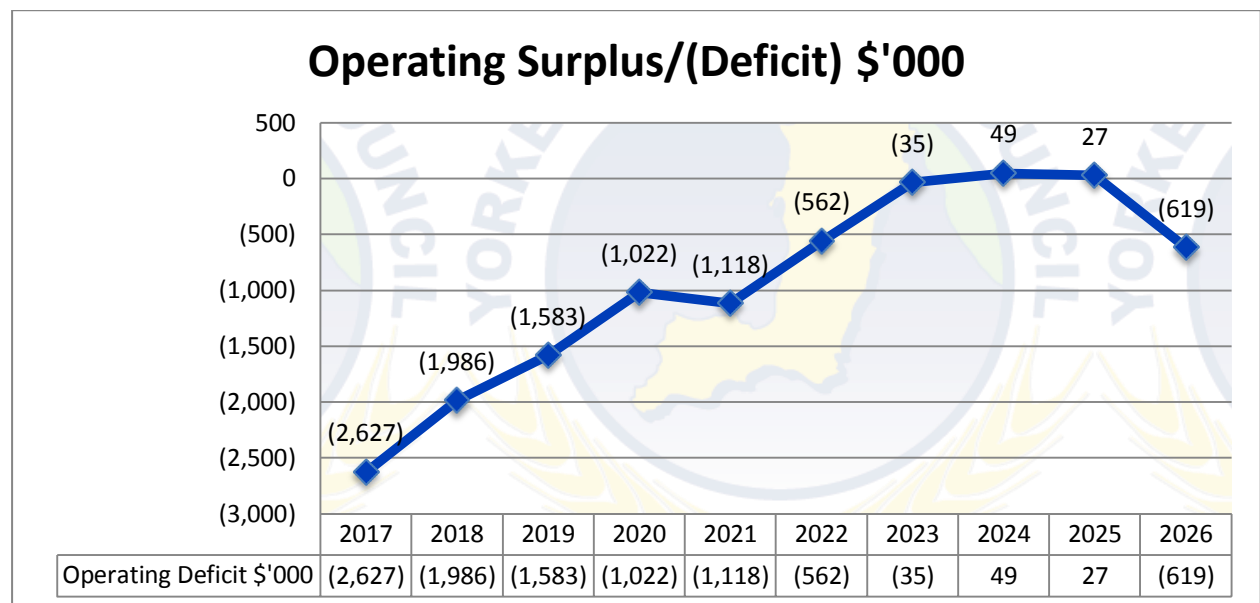
Year Ended 30 June:	2015	2016		2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
	Audited	Revised		Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan
	Financials	Budget		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Operating Surplus / (Deficit) - \$'000	(1,676)	(2,832)		(2,627)	(1,986)	(1,583)	(1,022)	(1,118)	(562)	(35)	49	27	(619)
Operating Surplus Ratio - %	(9)%	(14)%		(12)%	(9)%	(7)%	(4)%	(4)%	(2)%	(0)%	0%	0%	(2)%
Net Financial Liabilities - \$'000	3,296	7,377		7,246	7,150	7,137	7,092	6,978	6,269	5,065	3,613	2,122	559
Net Financial Liabilities Ratio - %	11.9%	27.5%		25.7%	24.2%	23.3%	22.3%	21.1%	18.3%	14.2%	9.9%	5.7%	1.5%
Interest Cover Ratio - %	0.4%	1.1%		1.0%	0.9%	0.9%	0.8%	0.8%	0.8%	0.6%	0.5%	0.3%	0.1%
Asset Sustainability Ratio - %	46%	90%		53%	69%	74%	80%	80%	79%	80%	79%	78%	74%
Asset Consumption Ratio - %	64%	63%		62%	61%	60%	59%	58%	57%	56%	55%	54%	53%

Financial Indicator Graphs

Operating Surplus Chart

The Operating Surplus chart below shows the impact of the key elements of Councils LTFP strategy over the ten (10) years of the plan, resulting in an Operating Surplus in years eight (8) and nine (9) of \$49,000 and \$27,000 respectively.

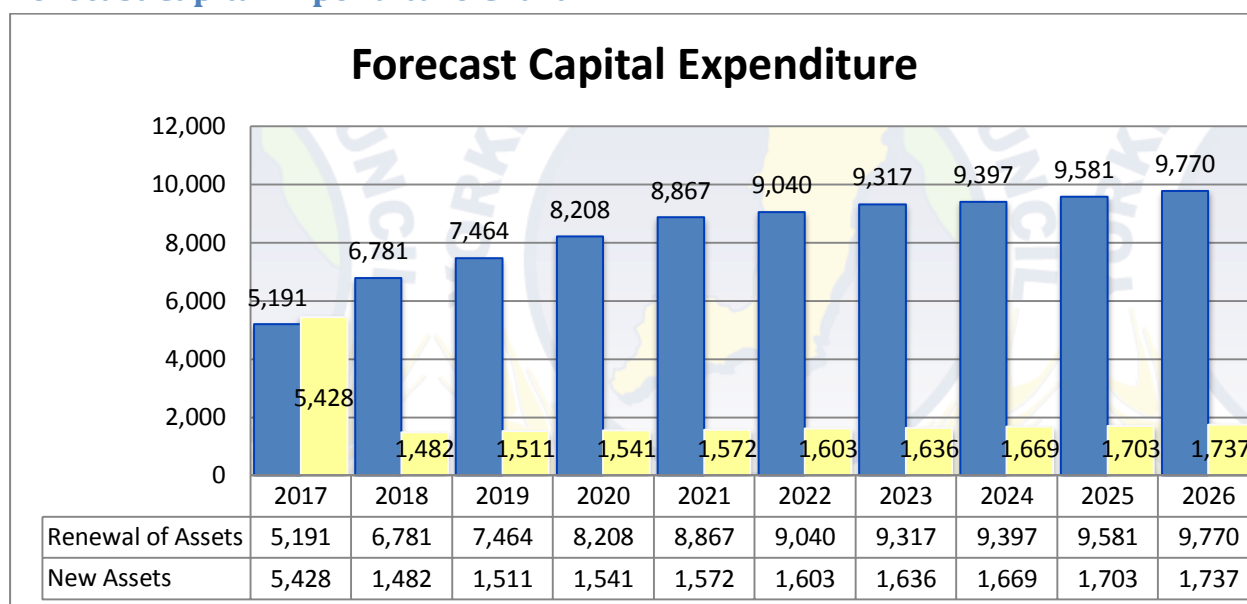
The Operating Surplus/ (Deficit) target is Local Government industry average of approximately break-even.



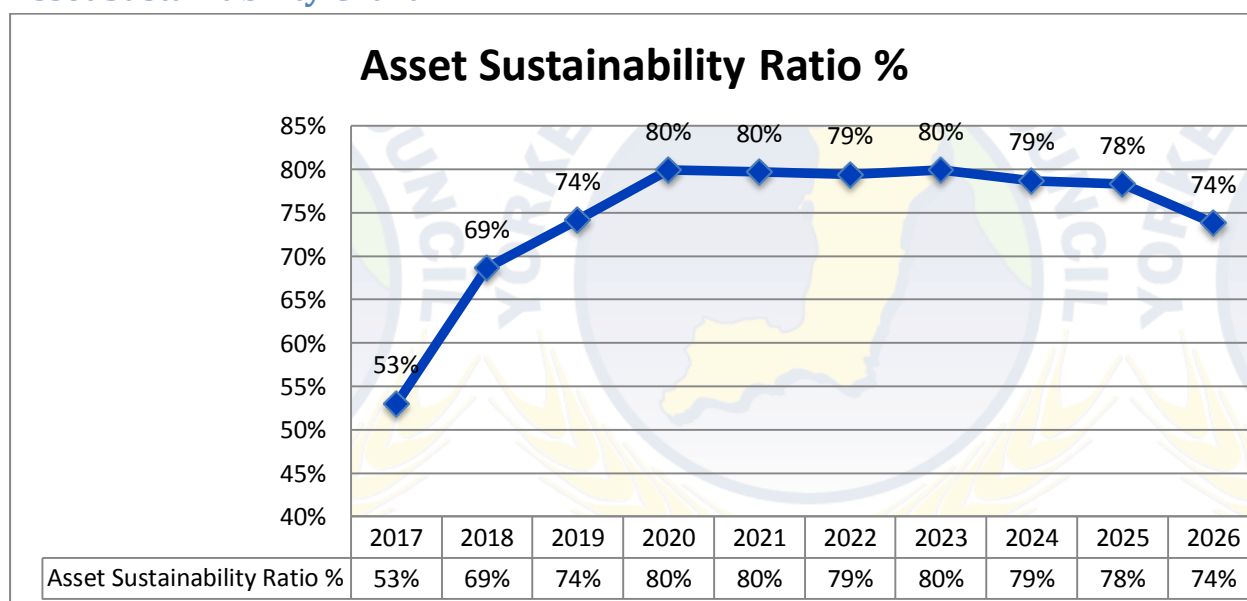
The following charts show the increase in spending on renewal of assets relative to spending on new assets and the resultant impact on Council's Asset Sustainability Ratio over the ten (10) year period. Expenditure on renewal is based on endorsed Asset Management Plans and forecasts to sustain assets at required service levels. Expenditure on new assets is largely driven by available funds after meeting existing operating and asset service levels.

The Asset Sustainability Ratio target is also Local Government industry average of around 80%.

Forecast Capital Expenditure Chart



Asset Sustainability Chart



Significant Long Term Financial Plan Risks

The Yorke Peninsula Council Long Term Financial Plan has been constructed based on a set of assumptions which reflect current trends as best interpreted by Council. Any of these assumptions may change due to influences beyond Council's control and place significant pressure on Council to achieve its stated objectives.

Given the ten (10) year timeframe of the LTFP, changes in these assumptions are almost certain at some time over the journey, As such the LTFP will demand constant updating and Council will undertake to keep the LTFP up to date with quarterly reviews following budget reviews required under Local Government Regulations.

Within Local Government there are many factors that could have significant impact on forecasts such as changes in legislative and economic conditions which may impact CPI and growth estimates, major events that may have significant consequences within the Council area of operation.

Changes in community expectations of Council in regard to services provided and new services required also presents significant risk in relation to the LTFP objectives which Council will monitor by its stated strategy to not introduce changes to services, or add new services, without reference to their impact on the LTFP.

While Asset Management Plans address replacement of core assets based on expected useful life estimates there is always the risk that deterioration of these assets may be quicker than expected due to changes in factors impacting on the particular assets. There is also the chance that major replacement programs could be disrupted by shortages within the skilled workforce or abnormal weather conditions.

Asset Management Plans and the LTFP assume that at least current levels of funding for renewal of assets from both State and Federal Governments will continue across the term, however any change to these arrangements would also threaten the basis of the projections.

A further risk is presented with the replacement of some or all Elected Members at elections every four (4) years. Council's next election will take place in November 2018.

Council is confident that continuity in regard can be achieved through close monitoring and regular financial reporting together with the proposed quarterly reviews of the LTFP.

DIRECTOR CORPORATE AND COMMUNITY SERVICES

5. REVIEW OF FEES AND CHARGES REGISTER

(File Ref: 9.24.1.1)

PURPOSE

The Fees and Charges Register is reviewed annually to ensure appropriate charges are in place for prescribed Council services and to update those fees set by government legislation to ensure compliance.

RECOMMENDATION

That the Audit Committee receives the Fees and Charges amendments to be effective from 1st July 2016 as endorsed by Council at its meeting held on 11th May 2016 and presented in the Summary of Fees and Charges Register Amendments attached.

LINK TO STRATEGIC PLAN

Key Theme/s: Corporate Governance and Leadership
2. Organisational Efficiency and Resource Management
Strategic Goal/s: 2.1 Financially sustainable organisation

BACKGROUND

The annual review of the Fees and Charges Register ("Register") supports Council's aim to operate an effective and efficient cost-recovery system and to periodically review fees and charges and their alignment with the cost of providing those services. Council also looks to ensure that fees and charges for commercial services provided are consistent with market rates and are competitive.

DISCUSSION

A copy of the complete Register effective 1st July 2016 is available upon request. To enable Elected Members to consider the recommended changes without having to review the entire document, the changes to the Register were summarised in the attachment to this report.

Legislated fees set by the State and/or Federal Governments will not be available until late June, and the Register will be updated accordingly as advice is received. All Fees subject to increase by CPI are not able to be updated until the June CPI figure is received and will be updated accordingly.

COMMUNITY ENGAGEMENT PLAN

Level 1 Inform – Published on Council's website.

CONSULTATION PROCESS

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

- Corporate Management Team
- Acting Manager Financial Services

- Budget Managers
- Financial Accountant

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

- Nil

POLICY IMPLICATIONS

Not applicable

BUDGET AND RESOURCE IMPLICATIONS

All updated Fees and Charges have been incorporated in the formation of the 2016/17 Draft Annual Budget.

RISK/LEGAL/LEGISLATIVE IMPLICATIONS

Local Government (Financial Management) Regulations 2011

Local Government Act 1999

Council's Strategic Plan includes clear plans to ensure better and timely reporting and improved formal control of Council's Adopted Budget and the Budget Review process.

ATTACHMENTS

Attachment 1: Fees and Charges Register Amendments 2016-17

Fees and Charges Register

Listed Changes 2016/17

Section	Description	Fee 1/7/15	Suggested Fee 1/7/16
Camping Grounds - Black Point Camping Ground	All Powered Site (Off Peak)	0.00	Deleted
Camping Grounds - Black Point Camping Ground	Cemetery - Burial, cremation, interment, exhumation, administration and development fees, maintenance and grave digging services, burial enquiries and searches, etc.	0.00	Deleted
Camping Grounds - Black Point Camping Ground	Extra Person (per night)	new fee	5.00
Camping Grounds - Black Point Camping Ground	Washing Machine (per cycle)	new fee	5.00
Caravan Parks - Marion Bay Caravan Park	After Hours opening Fee paid in full to managers	20.00	Deleted
Caravan Parks - Marion Bay Caravan Park	Cabin - Children (3 to 15 years)	10.00	7.00
Caravan Parks - Marion Bay Caravan Park	Cabin 4 includes all bedding and towels - One Night Stay	225.00	Deleted
Caravan Parks - Marion Bay Caravan Park	Cabin 4 includes all bedding and towels - Shoulder	160.00	Deleted
Caravan Parks - Marion Bay Caravan Park	Cabins 1-3 & 5-10 double bedding and 2 towels - Shoulder	100.00	Deleted
Caravan Parks - Marion Bay Caravan Park	Cabins 1-3 & 5-10 double bedding and 2 towels - One Night Stay	110.00	Deleted
Caravan Parks - Marion Bay Caravan Park	Cabins Numbered 11 & 15 (includes linen for d/b and towels) - One Night Stay	225.00	Deleted
Caravan Parks - Marion Bay Caravan Park	Cabins Numbered 11 & 15 (includes linen for d/b and towels) - Shoulder	160.00	Deleted
Caravan Parks - Marion Bay Caravan Park	Cabins Numbered 12 - 14 (includes linen for d/b and towels) - One Night Stay	195.00	Deleted
Caravan Parks - Marion Bay Caravan Park	Cabins Numbered 12 - 14 (includes linen for d/b and towels) - Shoulder	140.00	Deleted
Caravan Parks - Marion Bay Caravan Park	Dryers	1.00	2.00
Caravan Parks - Marion Bay Caravan Park	Executive Cabin - One Night Stay	300.00	Deleted
Caravan Parks - Marion Bay Caravan Park	Executive Cabin - Shoulder	210.00	Deleted
Caravan Parks - Marion Bay Caravan Park	Group Bookings	0.00	Deleted
Caravan Parks - Marion Bay Caravan Park	Pensioner Rates for Sites	27.00	Deleted
Caravan Parks - Marion Bay Caravan Park	Powered Site - Off Peak	28.00	30.00
Caravan Parks - Marion Bay Caravan Park	Powered Site - Shoulder	30.00	Deleted
Caravan Parks - Marion Bay Caravan Park	Sites- Extra Child (3 to 15 years)	5.00	7.00
Caravan Parks - Marion Bay Caravan Park	Unpowered Site - Shoulder	22.00	Deleted
Caravan Parks - Marion Bay Caravan Park	Washing Machines	4.00	5.00
Caravan Parks - Marion Bay Caravan Park	Powered site - peak	34.00	35.00
Caravan Parks - Marion Bay Caravan Park	Non guest shower	new fee	5.00
Caravan Parks - Marion Bay Caravan Park	Non guest use of dump point	new fee	5.00
Caravan Parks - Marion Bay Caravan Park	One night surcharge	new fee	30.00
Caravan Parks - Point Turton Caravan Park	Cabins (no ensuite) - off peak	55.00	Deleted

Fees and Charges Register

Listed Changes 2016/17

Section	Description	Fee 1/7/15	Suggested Fee 1/7/16
Caravan Parks - Point Turton Caravan Park	Cabins (no ensuite) - Peak	60.00	Deleted
Caravan Parks - Point Turton Caravan Park	Cabins (no ensuite) - Year Round	new fee	65.00
Caravan Parks - Point Turton Caravan Park	Cabins (with ensuite) - off peak	70.00	Deleted
Caravan Parks - Point Turton Caravan Park	Cabins (with ensuite) - Peak	75.00	Deleted
Caravan Parks - Point Turton Caravan Park	Cabins (with ensuite) - Year Round	75.00	80.00
Caravan Parks - Point Turton Caravan Park	Extra Child (3 to 15 years)	5.00	7.00
Caravan Parks - Point Turton Caravan Park	Deluxe Cabin (no linen) - off peak	120.00	Deleted
Caravan Parks - Point Turton Caravan Park	Deluxe Cabin (no linen) - Peak	130.00	Deleted
Caravan Parks - Point Turton Caravan Park	Deluxe Cabin (no linen) - Year Round	new fee	140.00
Caravan Parks - Point Turton Caravan Park	Deluxe Cabin Child (3-15 years)	8.00	Deleted
Caravan Parks - Point Turton Caravan Park	Deluxe Cabin Extra Adult	15.00	Deleted
Caravan Parks - Point Turton Caravan Park	Ensuite Cabin with Spa (linen on Queen bed) - off peak	145.00	Deleted
Caravan Parks - Point Turton Caravan Park	Ensuite Cabin with Spa (linen on Queen bed) - Peak	160.00	Deleted
Caravan Parks - Point Turton Caravan Park	Deluxe Cabin with Spa - Year Round	new fee	170.00
Caravan Parks - Point Turton Caravan Park	Family Deluxe Cabins - off peak	135.00	Deleted
Caravan Parks - Point Turton Caravan Park	Family Deluxe Cabins - Peak	150.00	Deleted
Caravan Parks - Point Turton Caravan Park	Family Deluxe Cabins - Year Round	150.00	160.00
Caravan Parks - Point Turton Caravan Park	Powered Site - off peak	27.00	30.00
Caravan Parks - Point Turton Caravan Park	Unpowered Site - off peak	22.00	30.00
Caravan Parks - Point Turton Caravan Park	Unpowered Site - Peak	22.00	30.00
Caravan Parks - Point Turton Caravan Park	Unpowered Site - Year Round	New Fee	30.00
Caravan Parks - Point Turton Caravan Park	Winter Special : Deluxe Cabin (3 or More nights)	105.00	Deleted
Caravan Parks - Point Turton Caravan Park	Winter Special : Deluxe Family Cabins (3 nights or More	120.00	Deleted
Caravan Parks - Point Turton Caravan Park	Winter Special : Deluxe Spa Cabins (3 nights or more)	135.00	Deleted
Caravan Parks - Point Turton Caravan Park	Winter Special : Powered Sites	25.00	Deleted
Caravan Parks - Point Turton Caravan Park	New cliff-top cabins	new fee	150.00
Caravan Parks - Point Turton Caravan Park	Extra adult (16+) - cabin	new fee	15.00
Caravan Parks - Point Turton Caravan Park	Extra adult (16+) - site	new fee	10.00
Caravan Parks - Point Turton Caravan Park	Non guest shower	new fee	5.00
Caravan Parks - Point Turton Caravan Park	Hire of pedal cart	new fee	5.00
Caravan Parks - Point Turton Caravan Park	Washing machine use	3.00	5.00
Caravan Parks - Point Turton Caravan Park	One night surcharge	new fee	30.00
Caravan Parks - Point Turton Caravan Park	Dryer use	3.00	2.00
Caravan Parks - Port Vincent Caravan Park	Cabins (2 bedroom with spa) - Off-peak	131.00	155.00
Caravan Parks - Port Vincent Caravan Park	Cabins (2 bedroom with spa) - Peak	162.00	170.00
Caravan Parks - Port Vincent Caravan Park	Ensuite Cabins - Off-peak	108.00	110.00
Caravan Parks - Port Vincent Caravan Park	Ensuite Cabins - Peak	139.00	140.00

Fees and Charges Register

Listed Changes 2016/17

Section	Description	Fee 1/7/15	Suggested Fee 1/7/16
Caravan Parks - Port Vincent Caravan Park	Extra Person (Sites)	10.00	Deleted
Caravan Parks - Port Vincent Caravan Park	Linen Hire (Queen)	12.00	Deleted
Caravan Parks - Port Vincent Caravan Park	Linen Hire (Single)	7.50	Deleted
Caravan Parks - Port Vincent Caravan Park	Oz Shacks and Oz pods - Off-peak	50.00	60.00
Caravan Parks - Port Vincent Caravan Park	Oz Shacks and Oz pods - Peak	65.00	70.00
Caravan Parks - Port Vincent Caravan Park	Executive cabin- Year Round	new fee	250.00
Caravan Parks - Port Vincent Caravan Park	Extra adult (16+) - cabin	new fee	15.00
Caravan Parks - Port Vincent Caravan Park	Extra adult (16+) - site	new fee	10.00
Caravan Parks - Port Vincent Caravan Park	Extra linen (queen/double/king)	new fee	15.00
Caravan Parks - Port Vincent Caravan Park	Non guest shower	new fee	5.00
Caravan Parks - Port Vincent Caravan Park	Non guest use of dump point	new fee	5.00
Caravan Parks - Port Vincent Caravan Park	Washing machine use	4.00	5.00
Caravan Parks - Port Vincent Caravan Park	One night surcharge	new fee	30.00
Caravan Parks - Port Vincent Caravan Park	Dryer use	1.00	2.00
Caravan Parks - Yorketown Caravan Park	Ensuite Cabins- Year Round	98.00	110.00
Caravan Parks - Yorketown Caravan Park	Extra Person - Child (sites)	6.00	7.00
Caravan Parks - Yorketown Caravan Park	Unpowered Site	22.00	25.00
Caravan Parks - Yorketown Caravan Park	Van Storage	9.00	Deleted
Caravan Parks - Yorketown Caravan Park	Van Storage (Monthly)	36.00	Deleted
Caravan Parks - Yorketown Caravan Park	Powered site	28.00	30.00
Caravan Parks - Yorketown Caravan Park	Extra adult (16+) - cabin	new fee	15.00
Caravan Parks - Yorketown Caravan Park	Extra adult (16+) - site	new fee	10.00
Caravan Parks - Yorketown Caravan Park	Extra linen (queen/double/king)	8.00	15.00
Caravan Parks - Yorketown Caravan Park	Non guest shower	new fee	5.00
Caravan Parks - Yorketown Caravan Park	Non guest use of dump point	new fee	5.00
Caravan Parks - Yorketown Caravan Park	Hire of pedal cart	new fee	5.00
Caravan Parks - Yorketown Caravan Park	Washing machine use	4.00	5.00
Caravan Parks - Yorketown Caravan Park	One night surcharge	new fee	30.00
Caravan Parks - Yorketown Caravan Park	Dryer use	1.00	2.00
Caravan Parks - Yorketown Caravan Park	Extra child (3-15)	6.00	7.00
Cemetery	Cemetery Memorials: Memorial Bolder	0.00	\$POA
Community	Agenda - Collected from Council office	8.50	0.00
Community	Art Exhibition Fees- under 1 square meter	7.00	8.00
Community	PA System	30.00	Deleted
Community	PA system hire Bond	50.00	Deleted
Community	Sale of Art	15%	20%
Community	Tourism	0.00	Deleted
Community	Visitor Information Centre Online Booking- Booking Fee	4.00	3.00

Fees and Charges Register

Listed Changes 2016/17

Section	Description	Fee 1/7/15	Suggested Fee 1/7/16
Council Documents	Community Groups approved by Council	0.00	27.25
Council Documents	Copy of Certificate of Title	27.25	31.00
Council Documents	Governor Ferguson's Legacy	13.19	13.20
Development	Copy of LMA	13.40	15.00
Development	Inspection Fee	750.00	Cost recovery
Environment	Animal Collars- Hire	0.00	20.00
Environment	Block Clearing	0.00	110.00
Environment	Removal of Vegetation	0.00	110.00
Expiations	(b) in any other case for each 15 minutes so spent by the agency	10.69	10.70
Health Services	Fines - Supported Residential Facilities Act	0.00	Deleted
Health Services	Fire Safety	0.00	Deleted
Health Services	Implementation of Mandatory Food Safety Programs for Food Service to Vulnerable Persons	286.00	Deleted
Health Services	Provision of Food Safe Handling Kits & Videos	0.00	Deleted
Licences And Permits	Diving	0.00	Deleted
Licences And Permits	Horse Riding	0.00	Deleted
Licences And Permits	Licences and Permits - Deoderisation of Cabins	0.00	Deleted
Licences And Permits	Ovals	110.00	Deleted
Licences And Permits	Road Rents	10.00	11.00
Licences And Permits	Taxi & Hire Car	0.00	Deleted
Miscellaneous	Airport - Per landing at Minlaton airstrip	5.50	Deleted
Miscellaneous	Rental - Port Vincent House	352.50	356.40
Miscellaneous	Rental - Yorketown House	207.44	209.75
Private Works	Crawler Loader / Dozer	110.00	150.00
Private Works	Forklifts	45.00	50.00
Private Works	Graders	100.00	115.00
Private Works	Large Tractors	50.00	55.00
Private Works	Large Trucks	3.50	4.00
Private Works	Rollers	22.00	25.00
Private Works	Sedans	0.60	0.75
Private Works	Small Tractors	30.00	35.00
Private Works	Street Sweeper	90.00	100.00
Private Works	Utilities	0.60	0.75
Private Works	Dozer	110.00	150.00
Waste and Recycling	Cars (Sedans) - Asbestos (Ramsay Only)	125.00	130.00
Waste and Recycling	Cars (Sedans) - Clean Green	20.00	25.00
Waste and Recycling	Cars (Sedans) - Inert Construction and demolition	0.00	Deleted
Waste and Recycling	Cars (Sedans) -Domestic and General	25.00	30.00

Fees and Charges Register

Listed Changes 2016/17

Section	Description	Fee 1/7/15	Suggested Fee 1/7/16
Waste and Recycling	Trucks 10 m3 and under (e.g. single rear axle trucks) - Clean Green	180.00	185.00
Waste and Recycling	Trucks 10 m3 and under (e.g. single rear axle trucks) - Domestic and General	320.00	340.00
Waste and Recycling	Trucks 10 m3 and under (e.g. single rear axle trucks) - Inert Construction and demolition	205.00	220.00
Waste and Recycling	Utilities and trailers larger than 8X5 not exceeding water level - Inert Construction and demolition	90.00	100.00
Waste and Recycling	Utilities and trailers larger than 8X5 not exceeding water level - Domestic and General	110.00	120.00
Waste and Recycling	Utilities and trailers larger than 8X5 not exceeding water level -Clean Green	75.00	80.00
Waste and Recycling	Utilities and trailers larger than 8X5 raised over water level - Domestic and General	145.00	155.00
Waste and Recycling	Utilities and trailers larger than 8X5 raised over water level - Inert Construction and demolition	115.00	125.00
Waste and Recycling	Utilities and trailers larger than 8X5 raised over water level- Clean Green	90.00	95.00
Waste and Recycling	Trucks 15 m3 and under (e.g. single rear axle trucks) - Domestic and General	635.00	670.00
Waste and Recycling	Trucks 15 m3 and under (e.g. single rear axle trucks) - Clean Green	360.00	370.00
Waste and Recycling	Trucks 15 m3 and under (e.g. single rear axle trucks) - Inert Construction and demolition	410.00	440.00
Waste and Recycling	Trucks 15 m3 to 22m3 (e.g. single rear axle trucks) - Domestic and General	1,110.00	1,180.00
Waste and Recycling	Trucks 15 m3 to 22m3 (e.g. single rear axle trucks) - Inert Construction and demolition	715.00	770.00
Waste and Recycling	Trucks 15 m3 to 22m3 (e.g. single rear axle trucks) - Clean Green	635.00	655.00
Waste and Recycling	Trucks 22m3 to 29m3 (e.g. single rear axle trucks) - Domestic and General	1,590.00	1,680.00
Waste and Recycling	Trucks 22m3 to 29m3 (e.g. single rear axle trucks) - Inert Construction and demolition	1,020.00	1,100.00
Waste and Recycling	Trucks 22m3 to 29m3 (e.g. single rear axle trucks) - Clean Green	905.00	930.00
Waste and Recycling	Trucks larger than 29m3 (e.g. single rear axle trucks) - Domestic and General	1,910.00	2,015.00

Fees and Charges Register

Listed Changes 2016/17

Section	Description	Fee 1/7/15	Suggested Fee 1/7/16
Waste and Recycling	Trucks larger than 29m3 (e.g. single rear axle trucks) - Clean Green	1,085.00	1,115.00
Waste and Recycling	Trucks larger than 29m3 (e.g. single rear axle trucks) - Inert Construction and demolition	1,225.00	1,315.00
Waste and Recycling	Utilities and trailers up to 6X4 not exceeding water level - Inert Construction and demolition	35.00	40.00
Waste and Recycling	Utilities and trailers up to 6X4 not exceeding water level - Asbestos (Ramsay Only)	125.00	130.00
Waste and Recycling	Utilities and trailers up to 6X4 not exceeding water level - Clean Green	25.00	30.00
Waste and Recycling	Utilities and trailers up to 6X4 not exceeding water level - Domestic and General	35.00	40.00
Waste and Recycling	Utilities and trailers up to 6X4 raised over water level - Inert Construction and demolition	55.00	60.00
Waste and Recycling	Utilities and trailers up to 6X4 raised over water level - Asbestos (Ramsay Only)	190.00	200.00
Waste and Recycling	Utilities and trailers up to 6X4 raised over water level - Domestic and General	65.00	70.00
Waste and Recycling	Utilities and trailers up to 6X4 raised over water level- Clean Green	40.00	45.00
Waste and Recycling	Utilities and trailers up to 8X5 not exceeding water level - Inert Construction and demolition	50.00	55.00
Waste and Recycling	Utilities and trailers up to 8X5 not exceeding water level - Asbestos (Ramsay Only)	190.00	200.00
Waste and Recycling	Utilities and trailers up to 8X5 not exceeding water level - Clean Green	35.00	40.00
Waste and Recycling	Utilities and trailers up to 8X5 not exceeding water level - Domestic and General	55.00	60.00
Waste and Recycling	Utilities and trailers up to 8X5 raised over water level - Inert Construction and demolition	75.00	85.00
Waste and Recycling	Utilities and trailers up to 8X5 raised over water level - Asbestos (Ramsay Only)	190.00	200.00
Waste and Recycling	Utilities and trailers up to 8X5 raised over water level - Clean Green	55.00	60.00
Waste and Recycling	Utilities and trailers up to 8X5 raised over water level - Domestic and General	80.00	85.00
Waste Management	Ardrossan -occupied	460.00	470.00
Waste Management	Balgowan -occupied	460.00	470.00
Waste Management	Black Point -occupied	460.00	470.00

Fees and Charges Register

Listed Changes 2016/17

Section	Description	Fee 1/7/15	Suggested Fee 1/7/16
Waste Management	Bluff Beach -occupied	460.00	470.00
Waste Management	Chinaman Wells -occupied	460.00	470.00
Waste Management	Foul Bay -occupied	460.00	470.00
Waste Management	Hardwicke Bay -occupied	460.00	470.00
Waste Management	Maitland -occupied	460.00	470.00
Waste Management	Point Turton -occupied	460.00	470.00
Waste Management	Port Julia -occupied	460.00	470.00
Waste Management	Port Victoria -occupied	460.00	470.00
Waste Management	Port Vincent -occupied	460.00	470.00
Waste Management	Rogues Point -occupied	460.00	470.00
Waste Management	Sale of recycling bins & receptacles bins - 240 L	70.00	75.00
Waste Management	Sale of rubbish & recycling bins spare parts - Lids	18.00	20.00
Waste Management	Sale of rubbish & recycling bins spare parts - Wheels and Axles	12.00	15.00
Waste Management	Sale of recycling bins & receptacles bins - 140 L	55.00	60.00
Waste Management	Sale of Second Hand Recycling Bin	40.00	45.00
Waste Management	Sale of Second Hand Waste bin	20.00	25.00
Waste Management	Stansbury -occupied	460.00	470.00
Waste Management	Sultana Point -occupied	460.00	470.00
Waste Management	Tiddy Widdy -occupied	460.00	470.00
Waste Management	Yorketown -occupied	460.00	470.00
Water Supply	Balgowan supply of Water charge	160.00	180.00
Water Supply	Testing of water meter	new fee	236.00
Licences And Permits- Boat Ramp Launching Fees	Annual Boat Ramp permit: Community Group (Port Vincent Sailing Club and Port Vincent Aquatics Center)	New Fee	220.00

Fees and Charges Register

Listed Changes 2016/17

Section	Description	Fee 1/7/15	Suggested Fee 1/7/16
Statutory fees - released late June/ July 2016			
Development	Admin fee	122.00	Statutory fee released late June
Development	Advertising	235.00	Statutory fee released late June
Development	Application for issue of Schedule of Essential Safety Provisions	92.50	Statutory fee released late June
Development	Building rules fees : Class 1,2,4	2.89	Statutory fee released late June
Development	Building rules fees : Class 10a	0.87	Statutory fee released late June
Development	Building rules fees : Class 10b	0.87	Statutory fee released late June
Development	Building rules fees : Class 3,5,6	3.85	Statutory fee released late June
Development	Building rules fees : Class 7, 8	2.56	Statutory fee released late June
Development	Building rules fees : Class 9a / 9c	4.37	Statutory fee released late June
Development	Building rules fees : Class 9b	3.83	Statutory fee released late June
Development	Building rules fees : demolition area X Class fee	0.20	Statutory fee released late June
Development	Building rules fees :Minimum Fee	65.50	Statutory fee released late June
Development	Certificate of Approval Fee : Additional allotments	334.00	Statutory fee released late June
Development	Certificate of Approval Fee : Boundary realignment	100.00	Statutory fee released late June
Development	Certificate of Occupancy Fee	43.00	Statutory fee released late June
Development	Consent to Development at Variance with Building Rules	150.00	Statutory fee released late June
Development	Development plan assessment fee : between \$10,000 and \$100,000	103.00	Statutory fee released late June
Development	Development plan assessment fee <\$10,000	37.50	Statutory fee released late June
Development	Extension of Consent / Approval	96.50	Statutory fee released late June
Development	Land division fee : additional allotment number	152.00	Statutory fee released late June
Development	Land division fee : per additional allotment fee	14.40	Statutory fee released late June
Development	Land division fee : no additional allotment number	70.00	Statutory fee released late June
Development	Land Division lodgement fee : Base amount	60.00	Statutory fee released late June
Development	Land Division lodgement fee : no additional allotments	48.25	Statutory fee released late June
Development	Land Division lodgement fee : with additional allotments	142.00	Statutory fee released late June
Development	Lodgement Fees - > \$5,000 & includes BRC	68.00	Statutory fee released late June
Development	Lodgement Fees - Base amount	60.00	Statutory fee released late June
Development	Lodgement Fees - Non-complying	96.50	Statutory fee released late June
Development	Non-complying Development Fee : <10,000	51.50	Statutory fee released late June
Development	Non-complying Development Fee : Between \$10,000 & \$100,000	122.00	Statutory fee released late June
Development	Public Notification Fee (category 2 & 3)	103.00	Statutory fee released late June
Development	Referral to Building Rules Assessment Commission : Class 1 & 10	472.00	Statutory fee released late June

Fees and Charges Register

Listed Changes 2016/17

Section	Description	Fee 1/7/15	Suggested Fee 1/7/16
Development	Referral to Building Rules Assessment Commission : Class 2-9	1,036.00	Statutory fee released late June
Development	Schedule 1 a development	50.00	Statutory fee released late June
Development	Staged Consents Fee	60.00	Statutory fee released late June
Development	Statement of Requirements Fee : Boundry Adjustment	284.00	Statutory fee released late June
Development	Statement of Requirements Fee : Boundry Adjustment , additional allotments	401.00	Statutory fee released late June
Development	Swimming Pool development application fee	179.00	Statutory fee released late June
Development	Application for assignment of classification of a building	0.00	Statutory fee released late June
Development	Construction Industry Training Levy : work valued at >15,000	0.00	Statutory fee released late June
Development	Development plan assessment fee <\$100,000 up to a max of \$200,000	0.00	Statutory fee released late June
Development	Non-complying Development Fee : Between >\$100,000 & 200,000	0.00	Statutory fee released late June
Development	Referral fees	0.00	Statutory fee released late June
Dog Expiations	a dog deemed to be wandering at large	80.00	Statutory fee released late June
Dog Expiations	a dog in a school premises or shop	80.00	Statutory fee released late June
Dog Expiations	A dog in any public place without a collar and current registration disc	80.00	Statutory fee released late June
Dog Expiations	damage to property by dog	210.00	Statutory fee released late June
Dog Expiations	failing to remove dog faeces	55.00	Statutory fee released late June
Dog Expiations	Further offence, unregistered dog	80.00	Statutory fee released late June
Dog Expiations	noise nuisance	105.00	Statutory fee released late June
Dog Expiations	nuisance to a vehicle by dog	105.00	Statutory fee released late June
Dog Expiations	owning or keeping an unregistered dog	80.00	Statutory fee released late June
Dog Expiations	transporting unrestrained dogs in a vehicle	105.00	Statutory fee released late June
Expiations	Double ranking parking	85.00	Statutory fee released late June
Expiations	Exceeding a time limit whilst parking	45.00	Statutory fee released late June
Expiations	Expiations - By-Laws	100.00	Statutory fee released late June
Expiations	Littering	315.00	Statutory fee released late June
Expiations	Not paralled parked, not facing a lawful direction	60.00	Statutory fee released late June
Expiations	Parking for longer than an hour if the vehicle exceeds 6 meters in length	104.00	Statutory fee released late June
Expiations	Parking in a bus Zone	114.00	Statutory fee released late June
Expiations	Parking in a disabled zone	330.00	Statutory fee released late June
Expiations	Parking in a loading zone	60.00	Statutory fee released late June

Fees and Charges Register

Listed Changes 2016/17

Section	Description	Fee 1/7/15	Suggested Fee 1/7/16
Expiations	Parking in a no standing zone	85.00	Statutory fee released late June
Expiations	Parking on a footpath	85.00	Statutory fee released late June
Expiations	Parking resulting in obstructing access to and from a driveway	68.00	Statutory fee released late June
Expiations	Parking within 10 meters of an intersection without traffic lights	85.00	Statutory fee released late June
Freedom of Information Requests	For dealing with an application for access to an agency's document and in respect of access to the document(s)	0.00	Statutory fee released late June
Freedom of Information Requests	For each subsequent 15 minutes so spent by the agency	1.70	Statutory fee released late June
Freedom of Information Requests	In the case of a document that contains information concerning personal affairs of the applicant - for up to the first 2 hours spent by the agency	0.00	Statutory fee released late June
Freedom of Information Requests	On application for Access to an agencies document	33.00	Statutory fee released late June
Freedom of Information Requests	On application for review by an agency of a determination made by the agency under part III of the act	28.75	Statutory fee released late June
Freedom of Information Requests	Where a document is to be given to the applicant by post or delivery - the actual cost incurred by the agency in posting or delivering the document.	0.00	Statutory fee released late June
Freedom of Information Requests	Where access is to be given in the form of a copy of a photograph, x-ray, video tape, computer tape or computer disk - the actual cost incurred by the agency in producing the copy	0.00	Statutory fee released late June
Freedom of Information Requests	Where access is to be given in the form of a photocopy of the document (per page)	0.15	Statutory fee released late June
Freedom of Information Requests	Where access is to be given in the form of a written transcript of words recorded or contained in the document (per page)	6.40	Statutory fee released late June
Health Services	Fines - Food Safety	0.00	Statutory fee released late June
Health Services	Fines - Public & Environ. Health Act	0.00	Statutory fee released late June
Health Services	Inspection of Food Premises : Any other Case	205.00	Statutory fee released late June
Health Services	Inspection of Food Premises : high Risk	82.00	Statutory fee released late June
Health Services	Inspection of Food Premises : Nominal Risk	41.00	Statutory fee released late June
Health Services	Registration of warm water system	0.00	Statutory fee released late June
Health Services	Retirement Villages	0.00	Statutory fee released late June
Information Services	Searches - Complete Search	51.25	Statutory fee released late June
Information Services	Searches :Certificate of Liabilities	31.25	Statutory fee released late June

Fees and Charges Register

Listed Changes 2016/17

Section	Description	Fee 1/7/15	Suggested Fee 1/7/16
Waste Management	Applications for septic tank - inspection fee	112.00	Statutory fee released late June
Waste Management	Applications for septic tank installations	102.00	Statutory fee released late June
Waste Management	Applications for warm water systems - Annual renewal	17.50	Statutory fee released late June
Waste Management	Applications for warm water systems - for one system	35.00	Statutory fee released late June
Waste Management	Applications for warm water systems- for additional systems	23.30	Statutory fee released late June

Fees and Charges Register

Listed Changes 2016/17

Section	Description	Fee 1/7/15	Suggested Fee 1/7/16
Fees to be indexed by June 2016 CPI			
Waste Management	Ardrossan - Additional Allotment Connection	4,728.02	To be indexed by June CPI
Waste Management	Balgowan - Additional Allotment Connection	4,728.02	To be indexed by June CPI
Waste Management	Bluff Beach - Additional Allotment Connection	4,728.02	To be indexed by June CPI
Waste Management	Chinaman Wells - Additional Allotment Connection	4,728.02	To be indexed by June CPI
Waste Management	Foul Bay - Additional Allotment Connection	4,728.02	To be indexed by June CPI
Waste Management	Hardwicke Bay - Additional Allotment Connection	4,728.02	To be indexed by June CPI
Waste Management	Maitland - Additional Allotment Connection	4,728.02	To be indexed by June CPI
Waste Management	Point Turton - Additional Allotment Connection	4,728.02	To be indexed by June CPI
Waste Management	Port Julia - Additional Allotment Connection	4,728.02	To be indexed by June CPI
Waste Management	Port Victoria - Additional Allotment Connection	4,728.02	To be indexed by June CPI
Waste Management	Port Vincent - Additional Allotment Connection	4,728.02	To be indexed by June CPI
Waste Management	Rogues Point - Additional Allotment Connection	4,728.02	To be indexed by June CPI
Waste Management	Stansbury (plus Augmentation Fee) - Additional Allotment Connection	4,728.02	To be indexed by June CPI
Waste Management	Sultana Point - Additional Allotment Connection	4,728.02	To be indexed by June CPI
Waste Management	Tiddy Widdy - Additional Allotment Connection	4,728.02	To be indexed by June CPI
Waste Management	Yorketown - Additional Allotment Connection	4,728.02	To be indexed by June CPI
Waste Management	Maitland CWMS connection fee (vacant allotment)	680.46	To be indexed by June CPI
Waste Management	Tiddy Widdy CWMS connection fee (vacant allotment)	680.46	To be indexed by June CPI

BUSINESS IMPROVEMENT OFFICER

6. INTERNAL AUDIT ACTIVITY REPORT

(File Ref: 9.14.1.6)

PURPOSE

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

RECOMMENDATION

That the report be received.

LINK TO STRATEGIC PLAN

Key Theme:	Corporate Governance and Leadership
	2. Organisational Efficiency and Resource Management
Strategic Goal/s:	2.2 Efficient, effective and professional organisation
	2.4 Effective risk management

BACKGROUND

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.

DISCUSSION

This report provides a status update on the Internal Audit activity performed by April 2016, key points are:-

- Petty Cash & Till Float Review has been completed;
- Corporate Purchase Card Spot Check has been completed;
- Fees and Charges Review has been completed; and
- Purchasing and Procurement Review is nearing completion.

This 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.

COMMUNITY ENGAGEMENT PLAN

Not applicable

CONSULTATION PROCESS

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

- Corporate Management Team

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

- Nil

POLICY IMPLICATIONS

Local Government Act 1999 – Section 125 – Internal Control Policies

BUDGET AND RESOURCE IMPLICATIONS

Nil

RISK/LEGAL/LEGISLATIVE IMPLICATIONS

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

ATTACHMENTS

Attachment 1: Internal Audit Activity Report

Attachment 2: Petty Cash & Till Float Audit Report

Attachment 3: Corporate Purchase Card Internal Audit Spot Check Report

Attachment 4: Fees and Charges Audit Report

Attachment 5: Implementation of Agreed Actions

Attachment 6: Internal Controls Action Plans Report

Internal Audit Activity Report (Feb - Apr 2016)

1. INTERNAL AUDIT PLAN

The following table highlights the status of audit projects:

No.	Project	Scope Overview	Project Status
1	Financial Management – Account Receivable	A review of key accounts receivable controls including receipting, banking, debtor follow up processes and general ledger reconciliations.	Project Completed
2	Independent verification of control self-assessment	Undertake annual random verification of staff's self-assessment ratings against the identified controls. (ControlTrack)	Project Completed
3	CSR Operational Review <i>Risk 7, 11 & 15</i>	A review to assess the processes relating to the customer service request ("CSR") system, including allocation of jobs, follow up, completion/service levels & reporting to Council.	Project Completed
4	WHS – Hazard Management <i>Risk 4</i>	<p>To meet requirements of the Work, Health and Safety (WHS) Act 2012, a WHS project will be undertaken each year. A review to assess performance against the Strategic Risk Management Plan and WHS program objectives and compliance with policies, procedures and processes.</p> <p>Specific scope will be developed in consultation with the Risk Management Officer at a later stage.</p>	<p>WHS Audit will be focussed on Incident Reporting and Hazard Management. Delayed until Nov 2016 when Registers are more complete & new staff settled in.</p> <p>WHS have already undergone KPI Audit and a Risk Review is scheduled May/June 2016.</p>
5	Post Implementation Review - Asset System Road Infrastructure Only) <i>Risk 6 & 7</i>	A new asset management system was implemented in 2014. This review will be an assessment of the effectiveness of the implementation of the new system against the outlined objectives of the project. – Road Infrastructure only.	Delayed until further notice.
6	Procurement Part 2 – Tendering & Contracts (Post Implementation review of Procurement Processes) <i>Risk 9</i>	The second stage of the procurement project will address tendering and contract processes and assess compliance with newly developed policies and procedures. Specifically relating to tender specifications; probity; evaluation; selection; approval; documentation, transparency and fraud management particularly policies and procedures	Report nearing completion.

No.	Project	Scope Overview	Project Status
		relating to gifts from suppliers, contract approval processes; recording, storage and tracking contract specifications (i.e. contract register); ongoing contract performance and variation and monitoring of expiry and contract renewals.	
7	Volunteer Management <i>Risk 17</i>	This review will assess the management of volunteers and compliance with the Volunteer Management Handbook.	Delayed to Oct/Nov 2016. LGAMLS just completed external audit.
8	Fees and Charges <i>Risk 11 & 12</i>	Review to determine anomalies from the adopted fee schedule.	Project Completed.
9	Independent verification of control self-assessment	Undertake annual random verification of staff's self-assessment ratings against the identified controls. (ControlTrack)	Not started Due to commence June 2016 (delayed to October when CL returns from Mat Leave)
10	Ongoing compliance audits (petty cash, till float & caravan parks)	Undertake regular spot checks of key compliance areas.	Ongoing. Caravan Parks audited Nov/Dec 2015. Petty Cash & Till Float Audits audited Feb 2016.

2. MANAGEMENT REQUESTS

Internal Audit function has attended to the following Management requests:

Request	Requestor	Audit Scope / Objective	Project Status
Timesheet Review	CEO	To identify internal controls, evaluate systems and/or processes, and monitoring/approval practices that relate to the timekeeping of Council's payroll	Project Completed CEO will now undertake further investigations into these findings. Staff memos and letters have been sent out and research on fleet monitoring has commenced. GPS Fleet Monitoring investigated broadly with memo given to CEO on costs. Appears too costly at first glance.
Credit Card Review	CEO	To assess the adequacy of policies and procedures, internal controls, systems and approvals that relate to the use of Council Credit Cards.	Project Completed Several recommendations have been put forward that will tighten the use and monitoring of Credit Cards. Follow up sample audit to be completed in April to ensure process being followed.
Elected Member Workshop Surveys	CEO	To assess the suitability of content & format of Workshops to ensure they are effective.	First survey completed; second survey to be conducted May 2016.

Request	Requestor	Audit Scope / Objective	Project Status
GPS Data/Fleet Tracking Research	CEO	Determine the costs of expanding GPS/Fleet Tracking in all Council's fleet.	Project Completed. Memo with CEO. No further action from BIO.
Portable and Attractive Assets	CEO	Create a register/system for tracking Portable & Attractive Assets.	Strategic session with key stakeholders held 8/3/16. Working Party established. First meeting held in April. Summary report sent out to Working Party and CEO. Baseline stocktakes to be conducted by June 2016.

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 5**:

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

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

For Distribution:

David Harding – Director, Corporate & Community Services

Chloe Brown – Acting Manager Financial Services

Bobbi Pertini – Manager People and Culture

For Information:

Andrew Cameron – Chief Executive Officer

Roger Brooks – Director Development Services

Trevor Graham - Director Assets and Infrastructure

Janet Firth – Leisure Options Coordinator

Wendy Story – Visitor Information Centre Coordinator

Table of Contents

Executive Summary	3
Background.....	3
Objectives & Scope	3
Key Findings	3
Internal Audit Opinion	4
Appendix 1 – Detailed Findings.....	5
Appendix 2 – Responsibility Statement	9

Executive Summary

Background

Yorke Peninsula Council ("Council") collects the majority of cash receipts from ratepayers and visitors through the four administration offices: Maitland, Minlaton, Yorketown and Warooka. Six locations have petty cash facilities: Maitland, Minlaton, Yorketown, Warooka, Visitor Information Centre and Leisure Options.

The approved 2015/16 Council Internal Audit Plan includes an ongoing project to regularly audit the petty cash and cash till floats throughout the year.

Objectives & Scope

The objective of the petty cash and cash till float audit is to ensure:

- Cash on hand reconciles with financial records;
- Petty cash receipts are for reasonable costs and in accordance with Policy;
- Appropriate approvals are being sought;
- Security controls for counting are in place; and
- The Policy is accurately reflecting actual practice and is being followed.

Key Findings

Petty cash and cash float audits were performed at the six (6) locations on the following dates.

Date	Location	Date	Location
19 January 2016	Maitland	16 February 2016	Minlaton
16 February 2016	Yorketown	16 February 2016	Warooka
18 February 2016	Leisure Options	18 February 2016	Visitor Information Centre

Details of *all* findings and recommendations identified during the review are included in Appendix 1; however a summary of the only moderate finding is highlighted in the table below:

1. Petty Cash Security	<p>PR011 Petty Cash clearly outlines that petty cash should be stored securely at all times with limited access. The audit found that out of the six (6) petty cash locations, only four (4) kept the tin locked at all times and only one (1) kept the tin in a cupboard that was locked at all times during the day. Only one (1) location utilised a locked key cupboard to store keys; there are two (2) other offices that currently have the ability to use key cupboards but do not use them.</p> <p>Petty Cash float levels ranged from \$100.00 to \$350.00 between the locations. Given the recent change to the reimbursements process - meals, parking and like reimbursements are paid through Accounts Payable instead of Petty Cash or Payroll - and increased awareness of where Council has supplier accounts in place, the floats are too high. Six (6) petty cash locations also seem excessive.</p> <p>The risks are that:</p> <ul style="list-style-type: none">• Petty cash tins are an easy target for theft given they can be easily removed from their stored places without the custodian realising until the end of the day;• Cash floats are too high, resulting in unnecessary risk for custodians;
------------------------	---

- Custodians are not fully aware of who Council have accounts with; and
- Counting cash in view of the public increases the risk of potential theft.

Consequence	Likelihood	Risk Level
Minor	Possible	Moderate

In addition to this finding, Internal Audit also noted the following:

- All cash till floats balanced as per the Receipt Listing printed from Authority on the day; however floats were not counted as part of the open/close procedure each day;
- There were three (3) minor discrepancies noted in petty cash (Yorke town was 0.40 cents over, Leisure Options was \$8.05 over (due to the custodian putting in a voucher but not reimbursing themselves immediately) and Warooka was 0.10 cents under the amount meant to be held);
- There were several instances where the maximum limit for petty cash (\$50.00) was exceeded; and
- All petty cash receipts were appropriately approved and in accordance with Policy, except for Leisure Options whereby some vouchers were missing information or incorrectly signed.

Internal Audit Opinion

Based on the work and testing performed, Internal Audit is of the opinion that the controls relating to petty cash and till float management are mostly effective but there are areas that could be improved and these are highlighted in Appendix 1: Detailed Findings.

Chelly Litster

Business Improvement Officer

Email: chelly.litster@yorke.sa.gov.au

Phone: 8832 0000

Appendix 1 – Detailed Findings

1.1 Petty Cash Security

PR011 Petty Cash clearly outlines that petty cash should be stored securely at all times with limited access. The audit found that out of the six (6) petty cash locations, only four (4) kept the tin locked at all times and only one (1) kept the tin in a cupboard that was locked at all times during the day. Only one (1) location utilised a locked key cupboard to store keys; there are two (2) other offices that currently have the ability to use key cupboards but do not use them.

Warooka has a \$200 petty cash float, reconciled roughly every six months – it is not often required and when it has been, Council accounts could have been used rather than petty cash. The tin itself does not have a lock nor does the cupboard it is housed in. When reception is unattended the office is locked, however multiple Progress Association members have access to the office with their own keys and would be able to access the cash. Currently only Kerry Hage and Casuals utilise Petty Cash in this office.

Yorke town has a \$200 float, reconciled every month or two. Again, money is spent at suppliers where Council has accounts. Transactions have reduced significantly since the change in the expense reimbursement process. Currently several Clerical Officers have access to Petty Cash and balances are not checked on handover. The tin is locked but kept in an unlocked safe during the day. Keys are hanging on the key hook at front desk. There is a key cupboard out of sight that could be used.

Minlaton has a \$150 float, reconciled every month or two. Again, money is spent at suppliers where Council has accounts. Currently several Clerical Officers have access to Petty Cash and balances are not checked on handover. The tin is locked but kept in an unlocked drawer during the day. The key for the tin is kept in the unlocked drawer above it.

Maitland has a \$300 float, reconciled every month or two. Again, money is spent at suppliers where Council has accounts. Currently two Clerical Officers control Petty Cash; balances are not checked on handover. The tin is locked with the key kept in a secure key cupboard, however the tin is kept in an unlocked pedestal during the day.

Visitor Information Centre has a \$100 float, reconciled quarterly or sooner if required. Currently only Wendy Story and Cathy Glazbrook have access to Petty Cash. The tin is locked however it is kept in an unlocked pedestal during the day.

Leisure Options has a \$350 float reconciled every month or two. A check of unreconciled vouchers shows half could have used Council accounts rather than Petty Cash. Deb Cartwright and Janet Firth are the major users of Petty Cash. The tin is locked but the key remains in the keyhole. The tin is kept in a locked filing cabinet, whose keys are kept on the front desk hook. There is a locked key cupboard right next to the filing cabinet that is not used.

The risks are that:

- Petty cash tins are an easy target for theft given they can be easily removed from their stored places without the custodian realising until the end of the day;
- Cash floats are too high, resulting in unnecessary risk for custodians;
- Custodians are not fully aware of who Council have accounts with; and
- Counting cash in view of the public increases the risk of potential theft.

Consequence	Likelihood	Risk Level
Minor	Possible	Moderate

1.2 Recommendations

1. Petty Cash locations should be reduced to Maitland and the Visitor Information Centre only; thereby removing facilities from Yorketown, Leisure Options, Minlaton and Warooka. It is not necessary to have six (6) locations with a petty cash float given the vastly reduced number of transactions being reconciled and the large number of suppliers accounts held by Council;
2. Given Recommendation 1 has not yet been responded to, Warooka should have a lockable pedestal provided immediately for cash to be stored during the day;
3. An email should be sent to existing petty cash custodians reminding them of the following:
 - It is their duty to lock both the petty cash tin and the pedestal/drawer/safe the tin is kept in;
 - The maximum petty cash reimbursement is \$50.00; and
 - A complete listing of current suppliers where Council holds an account.
4. All petty cash floats should be reduced to \$50 or \$100 depending on requirements. Should locations be reduced, the float at VIC may require review to ensure the current \$100 float is adequate for the three locations it would service.

1.3 Management Responses

Management Response and Agreed Action:

1. Agreed.
2. Agreed. Action already completed 23rd February 2016.
3. Agreed.
4. Agreed.

Responsibility:

1. Director Corporate and Community Services
2. Business Improvement Officer
3. Business Improvement Officer
4. Director Corporate and Community Services

Due Date:

1. 11 March 2016
2. 23 February 2016
3. 26 February 2016
4. 11 March 2016

2.1 Petty Cash Procedure

PR011 Petty Cash Procedure was updated in February 2016 after staff consultation. The Visitor Information Centre (VIC) was not included as part of the email consultation and it went to Deb Cartwright at Leisure Options (LO) but not Janet Firth. Most offices, other than VIC and LO, are following the new Procedure, despite it not yet being endorsed by CMT. The new version of PR011 Petty Cash reiterates that Petty Cash is not to be used where Council has accounts in place and a Purchase Order (PO) could be raised in our Online Requisition system (OLR). Some Front Counter staff are not sure if they have access to the OLR and have never been trained in raising a PO. SF070 Petty Cash Reconciliation has a number of spelling errors and still dictates a weekly reconciliation of Petty Cash, which is incorrect and not being followed by most offices, where reconciliations are completed as necessary (sometimes monthly or quarterly). There is also no area on the Form for signatures or declarations that all expenses incurred are in line with current policy. SF022 Petty Cash Voucher is not updated on the Shared Drive and has no explanation of who an Authorised Officer is nor any declaration regarding the expense incurred.

The risk here is that staff are expected to perform their roles without complete knowledge of proper process

and in some cases, without the tools (access/training) to complete their tasks. The other risk is that reconciliations and vouchers are being signed off by staff without proper delegation with no independent person checking their work.

Consequence	Likelihood	Risk Level
Insignificant	Possible	Low

2.2 Recommendations

1. PR011 is endorsed by CMT immediately and placed on the Shared Drive with all staff affected by the Procedure re-trained/trained in proper process and how to raise a Purchase Order. PR011 is updated to reflect the name change of 'Credit Cards' to 'Corporate Purchase Cards'.
2. SF070 is updated to remove spelling errors, add a sign off for both the custodian and an independent person and a declaration added.
3. SF022 is updated to explain who should sign off and a declaration added.

2.3 Management Responses

Management Response and Agreed Action:

1. Agreed.
2. Agreed.
3. Agreed.

Responsibility:

1. Bobbi Pertini, Manager People and Culture
2. Bobbi Pertini, Manager People and Culture
3. Bobbi Pertini, Manager People and Culture

Due Date:

1. 1 March 2016
2. 5 March 2016
3. 5 March 2016

3.1 Cash Tills

It was noted that Cash Floats were not counted first thing each morning despite Front Counter staff not always being the same each day. There is an assumption that the drawer is correct.

It was noted there is no policy for Front Counter staff to follow for banking high levels of cash. This can be a particular problem when rates are due as ratepayers can still pay their quarterly payment in cash. It would be pertinent to have guidelines in place to mitigate the risk of cash being stolen during the daily trip to the bank by Front Counter staff.

There are two risks:

- Front Counter staff are working on a trust system when taking over cash drawers from the previous day rather than ensuring floats are accurate prior to taking receipts for the day;
- Staff are at risk during the daily walk to the bank to deposit the day's taking, particularly at peak periods for taking receipts such as rate payment due dates.

Consequence	Likelihood	Risk Level
Minor	Unlikely	Low

2.3 Recommendations

1. Front Counter staff should count the cash float as part of open and close procedures each day;
2. Improved security measures need to be agreed and implemented when cash receipts for the day exceed a certain amount (to be agreed also).

2.3 Management Responses

Management Response and Agreed Action:

1. Agreed.
2. Agreed.

Responsibility:

1. Bobbi Pertini, Manager People and Culture
2. Bobbi Pertini, Manager People and Culture

Due Date:

1. 1 March 2016
2. 30 March 2016

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.

For Distribution:

Andrew Cameron – Chief Executive Officer
Trevor Graham – Director, Assets and Infrastructure
Roger Brooks – Director, Development Services
David Harding – Director, Corporate and Community Services
Chloe Brown – Financial Accountant
Jackie Reddaway – Executive Assistant to CEO and Mayor
Bobbi Pertini – Manager, People and Culture
Anne Hammond – Manager, Business and Public Relations
Mary Herrmann – Governance Officer
Janet Firth – Leisure Options Coordinator

Contents

Executive Summary.....	3
Background.....	3
Key Findings.....	3
Internal Audit Opinion	3

Executive Summary

Background

Following a recent Internal Audit on Corporate Purchase Cards, a follow-up spot check was conducted in April 2016. The purpose of this Spot Check was to ensure the recent overhaul to Corporate Purchase Cards and Travel and Accommodation was being adhered to by cardholders.

The Spot Check examined all nine (9) cardholders.

Key Findings

On the whole, the Spot Check demonstrated that most changes to the Corporate Purchase Card process were being adhered to. Only minor issues found, with these summarized below:

1. An old SF118 Form was used by one cardholder, this Form does not include the new declaration that must be signed;
2. One reconciliation was not signed by the cardholder's approving manager;
3. One reconciliation was not dated by the cardholder's approving manager;
4. Two reconciliations were submitted marginally late with two receipts missing – this gave staff the opportunity to use the Missing Documentation Form for the first time. Minor changes were made to the form to ensure it accurately reflected required fields.

Internal Audit Opinion

Based on the testing performed, Internal Audit is of the opinion that Corporate Purchase Card controls are currently effective.

I would like to take the opportunity to thank Chloe Brown in particular for her assistance and co-operation during the spot check.

Chelly Litster

Business Improvement Officer

Email: chelly.litster@yorke.sa.gov.au

Phone: 8832 0000

For Distribution:

David Harding	Director Corporate and Community Services
Sid Jain	Manager Financial Services
Chloe Brown	Financial Accountant
Daniel Griffin	Financial Accountant
Mick Cartwright	Manager Development Services
Shona Emery	Development Clerical Officer
Ben Cowley	Leader Systems and Technology
Matthew Luke	Senior Systems Analyst

For Information:

Andrew Cameron	Chief Executive Officer
Roger Brooks	Director Development Services
Trevor Graham	Director Assets & Infrastructure
Anne Hammond	Manager Business & Public Relations

Contents

Executive Summary.....	3
Background.....	3
Objectives & Scope	3
Key Findings.....	3
Internal Audit Opinion	4
Appendix 1 – Detailed Findings.....	5
Appendix 2 – Responsibility Statement	11

Executive Summary

Background

The Fees and Charges Register is reviewed annually to ensure appropriate charges are in place for prescribed Council services and to update those fees set by government legislation to ensure compliance. The majority of the Register information is collated by the Financial Accountant for presentation to Council in May each year (there are legislated fees set by the State and/or Federal Governments that are not readily available until late June each year and the Register is updated accordingly as advice is received).

The Fees and Charges Register is an important Council document; therefore a review has been included in the FY16 Internal Audit Plan.

Objectives & Scope

The objective of the review is to:

- Assess processes to set the Fees and Charges Register each year; and
- Determine anomalies from the adopted fee schedule.

The table below outlines the key scope area considered as part of the review:

Procedure	Key areas
<ul style="list-style-type: none">• Set up of Fees and Charges register	<ul style="list-style-type: none">▪ Confirm processes for gathering and/or calculating updated fees and charges information (including any documented policy or procedure).▪ Verify that appropriate review and approval of register has been performed (e.g. Manager Financial Services, CEO and Council).▪ For a sample of fees or charges, confirm amounts recorded within Authority (i.e. T-Codes) and the Register are accurate. This will be performed by recalculating fees based on supporting documentation (as retained by the Financial Accountant).
<ul style="list-style-type: none">• Variations to register	<ul style="list-style-type: none">▪ For a sample of transactions posted between July 2015 and February 2016, review up to fifteen (15) 'standard fees or charges' accounts and identify any variations to the set amounts listed on the Register.▪ Follow up variances and understand justification for variations.▪ Confirm any Authority controls in place to ensure fees and charges are accurately paid and posted.

Key Findings

Details of *all* findings and recommendations identified during the review are included in Appendix 1; however a summary of the only High Risk finding is highlighted below:

- | | |
|-----------------------|---|
| 1. Cost Determination | <p>The audit found that the methods/systems used to set Fees and Charges was inconsistent. Fees and charges set by legislation cannot be changed, however some fees and charges were estimated based on general costs of providing the service, whereas others were historically set without any financial costing to support the fee and these were usually increased each year for CPI. In the latter method, it is unknown whether Council actually recovers the cost of providing the service or whether those fees are in fact subsidising the service.</p> <p>When researching what other Councils are currently doing, there are a large</p> |
|-----------------------|---|

number that operate as YPC currently does. There are, however, a few that have created strong policy that provides a basis for fee setting.

The risks in not having a formal cost determination method for fees and charges include:

- Without a standard cost modelling basis for fee setting consistent across Council, individual fees and charges may not be an accurate reflection of the actual cost involved in providing the service;
- Undercharging, in effect, is subsidising activities and Council does not currently declare this;
- Overcharging for a service may impact on Council's ability to abide by National Competition Policy and specifically ensure we remain competitively neutral; and
- Without a consistent approach, Elected Members may lack confidence that the Register they are presented with is accurate prior to endorsement.

Consequence	Likelihood	Risk Level
Moderate	Possible	High

Internal Audit Opinion

Based on the work and testing performed, Internal Audit is of the opinion that Fees and Charges controls are effective; however there are some issues that should be actioned immediately and recommendations within Appendix 1 considered.

I would like to take the opportunity to thank Chloe Brown, Trevor Graham, Roger Brooks, Mick Cartwright and Lesley-Anne Swaans for their assistance and co-operation during the review.

Chelly Litster

Business Improvement Officer

Email: chelly.litster@yorke.sa.gov.au

Phone: 8832 0000

Appendix 1 – Detailed Findings

1.1 Cost Determination

The audit found that the methods/systems used to set Fees and Charges was inconsistent. Fees and charges set by legislation cannot be changed, however some fees and charges were estimated based on general costs of providing the service, whereas others were historically set without any financial costing to support the fee and these were usually increased each year for CPI. In the latter method, it is unknown whether Council actually recovers the cost of providing the service or whether those fees are in fact subsidising the service.

When researching what other Councils are currently doing, there are a large number that operate as YPC currently does. There are, however, a few that have created strong policy that provides a basis for fee setting.

The risks in not having a formal cost determination method for fees and charges include:

- Without a standard cost model for fee setting consistent across Council, individual fees and charges may not be an accurate reflection of the actual cost involved in providing the service;
- Undercharging, in effect, is subsidising activities and Council does not currently declare this;
- Overcharging for a service may impact on Council's ability to abide by National Competition Policy and specifically ensure we remain competitively neutral; and
- Without a consistent approach, Elected Members may lack confidence that the Register they are presented with is accurate prior to endorsement.

Consequence	Likelihood	Risk Level
Moderate	Possible	High

1.2 Recommendations

1. A basic cost model be created for use by each department to input costs which will allow them to more accurately set the fees and charges relevant to their area. This model should, as a minimum, reflect both indirect and direct costs incorporating the categories of capital, administration expenses, materials and supplies and labour costs. Given the large number of fees and charges, each fee and charge should be prioritised so high priority areas are targeted first and limited use charges are left to last (if it is decided they should be included at all). It is suggested that Bush Camping Fees are used as the pilot fee to test the model as these fees are due for an upgrade by 1st September 2016.
2. A Policy and/or Procedure be created that reflects the process involved in determining accurate fees and charges and how to update the system and Register. These documents need to outline how to determine if the fee set is a full cost recovery, partial cost recovery or market priced item.

1.3 Management Responses

Management Response and Agreed Action:

1. Agreed. Cost model to be created with input from other departments on costs.
2. Agreed. Policy and Procedure to be created.

Responsibility:

1. Financial Accountant, Daniel Griffin in consultation with Manager Financial Services.
2. Financial Accountant, Chloe Brown in consultation with Development Clerical Officer, Shona Emery

Due Date:

1. 31st December 2016
2. 31st December 2016

2.1 Policy/Procedure

There are currently no process documents – Policy, Procedure, etc – that formally outline responsibilities and timelines. Responsible staff rely on experience and private notes to update the Register/system each year.

There is a new process commencing shortly with Chameleon hosting all the source data (as opposed to Authority/Excel). The paper Register will still be created by exporting to Excel. Authority will still require manual updating with annual fee changes inputted by the Financial Accountant and Development Clerical Officer (for development fee updates only). Directors will review and update fees and charges in Chameleon, which will then be locked down once they are endorsed by Council. The only variations to locked down fees that will be accepted are legislated fees advised after Council endorsement, such as development fees. Post-endorsement updates of non-legislated fees must go back to Council to be endorsed separately prior to the Register being updated.

The risks in not having documented process documents include:

- Changes in staff (i.e. resignations) will result in knowledge being lost to Council;
- Inconsistency in, and confusion regarding, the process; and
- Potential breaching of legislation if deadlines are not met or fees are not set with legal parameters adhered to.

Consequence	Likelihood	Risk Level
Minor	Possible	Moderate

2.2 Recommendations

1. Finance (with input from Development Services) to create a Fees and Charges Policy and/or Procedure for setting fees and updating the Register.

2.3 Management Responses

Management Response and Agreed Action:

1. Agreed. Policy and Procedure to be created.

Responsibility: Finance (Officer to be nominated):

1. Financial Accountant, Chloe Brown and Development Clerical Officer

Due Date:

1. 31st December 2016

3.1 Bonds and Bonds Register

The audit found that Bonds are posted to a general T-Code in Authority (T162 – Miscellaneous – GST Free Supply) which are then posted to General Ledger Account 2/90255/424/945 (General Bonds). Bonds are typically identified by a receipt number, however the annual reconciliation process is a difficult and time-consuming one. Any bonds taken from previous years are sometimes hard to confirm the amount was actually paid.

A Register exists – 'R013 Register of Bank Guarantees, Bonding, Open Space, STED Contributions, Hall Hire Bonds and Key Bonds'. This Register is only utilised by Development Services for Bank Guarantees. Reception staff do not record bonds in this Register as it is not part of the current process. There is a separate Register (R039) for Standpipe Key bonds.

Ardrossan Hall Hire is run a little differently to the other Halls. Bonds are banked by the Council but bookings are taken at the Ardrossan Post Office or at a Council office. Ardrossan Post Office deposits to Council booking fees and bonds taken by them on an irregular basis. Sometimes the Post Office will also refund bonds in cash from these takings before Council has managed to log them.

The risks in not having a systematic and simple method for tracking the payment/refund of bonds are:

- Bonds held for longer periods are more likely to have limited proof the bond was paid;
- The current process for reconciling bonds is a time-consuming and potentially inaccurate one;
- Errors are more likely to occur with the current Ardrossan Hall booking process; and
- Inconsistent recording of bond information is common – i.e. some staff narrate the action well and others do not – making reconciliation even more difficult.

Consequence	Likelihood	Risk Level
Minor	Possible	Moderate

3.2 Recommendations

1. R013 is updated to reflect a tab for every type of bond taken. This will mean all bonds collected by Council are recorded in one place. The financial transaction will still flow through Authority. The auditing aspect of the transaction will be much easier to track. This Register should also be renamed the Bonds and Bank Guarantee Register to simplify the title.
2. R039 Standpipe Key Register should be rolled into R013 so that Bonds are centralised.
3. The new Policy and/or Procedure incorporates the new process recommended above with training rolled out to Reception staff as soon as possible.
4. Ardrossan Hall Booking Process to be reviewed. Regular deposits need to be submitted to Council and Bonds should not be refunded by external parties at all.

3.3 Management Responses

Management Response and Agreed Action:

1. Agreed. Register to be created and used by Customer Service and Development staff.
2. Agreed. To be rolled into R013.
3. Agreed. Policy and Procedure to be created.
4. Agreed. Process to be reviewed and tightened up.

Responsibility:

1. Executive Services – Melissa Kenny
2. Executive Services – Melissa Kenny
3. Financial Accountant, Chloe Brown and Development Clerical Officer
4. Director Development Services, Roger Brooks

Due Date:

1. 30 June 2016
2. 30 June 2016
3. 31 December 2016
4. 31 December 2016

4.1 Authority Module data discrepancy

The audit found a discrepancy between fee data contained in two modules of Authority. Annually, development fees are updated by the Development Clerical Officer using the Windows Administration/Document Management/Operational Settings/Fee Type Codes filepath. Finance

updates fees by going through the Customer Services/Receipting/Maintenance filepath. It appears that these two filepaths reside in two different Authority modules and do not 'speak' to each other, i.e. When one is updated, it does not automatically update the other(s). Development fees are still being charged correctly - it is a minor issue - but one that might require some investigating to ensure all modules are accurate.

Consequence	Likelihood	Risk Level
Insignificant	Unlikely	Low

4.2 Recommendations

1. IT investigates linking the fee data fields in the two modules so that Development Service's annual update is accurately reflected in other modules of Authority and its subsequent reporting functionality.

4.3 Management Responses

Management Response and Agreed Action:

1. Agreed. Investigation to be done.

Responsibility:

1. Matthew Luke, Senior Systems Analyst

Due Date:

1. 31 December 2016.

5.1 T-Code Review

A sample of fees and charges were checked to ensure accuracy between Authority and the Fees and Charges Register. Several minor issues were found:

- Bonds were very difficult to audit (refer to Finding 3.1);
- A few septic tank inspection fees were incorrectly charged by very minor amounts (+/- \$1);
- Development fees reflected ten (10) fees charged in the new Financial Year at old Financial Year rates. This was clarified by Development – the annual fee update sometimes occurs up to a few weeks after 1st July 2016. If an application is received before the fees are updated, the applicant is charged the old rate;
- Boat Ramp Concession – one occasion where permit holder charged for concession rate with no concession details recorded (breach of procedure);
- Building Fee incorrectly posted to Planning Fee T-Code on one occasion;
- Not-For-Profit applicant received a discount on planning fees however the process was not followed as per usual procedure. Ordinarily, the applicant pays the full fee, applies to Council for a reduction and then receives a refund depending on the decision. In this instance, the applicant paid the discounted fee first;
- One compost bin sale recorded through the wrong T-Code;
- Dog and Cat Management Fees all have their own T-Code; however Authority only sends transactions to one General Ledger account and does not separate to the correct sub-accounts. This makes it more difficult for Finance to collate the required statistics for the Dog and Cat Management Board;
- T-Code 23 is allocated to Essential Safety Provisions as well as Consent to Develop at Variance with Building Rules. These two are not related at all and should be separated;
- Staged Consent Fees have two T-Codes (T26 and T183) in use; there should be one. T26 has

an incorrect fee reflecting in reports and also incorrectly quotes the amount sent to the Development Assessment Commission;

- Several Development T-Codes reflect the incorrect fee in some Authority reports. Refer to Finding 4.1; and
- The fee for obtaining a Certificate of Title is primarily posted to T162 (this goes to a general Admin Reimbursement ledger account) instead of T59, which has been set up correctly to be posted to a Development general ledger. The fee reflected in T59 is incorrect (refer to Finding 4.1).

The other observation from reviewing T-Code samples was that there were multiple T-Code accounts that are not required/are obsolete. It would appear that a review of T-Codes in general has not been completed for some time. For example, there is a T-Code (T11) for Compost Bins. Only one was sold this financial year and it was incorrectly posted to the T-Code for general bin sales. There is a question to be asked on whether we need to have a separate code for compost bins given the very infrequent sales of these items.

The risk in not performing regular T-Code versus Register reviews is that the fees may not be accurately reflected, causing confusion amongst staff and ratepayers. There is also the risk that the system becomes less relevant and more prone to input error with multiple obsolete T-Code options.

Consequence	Likelihood	Risk Level
Insignificant	Rare	Low

5.2 Recommendations

- 1 Fees that are showing incorrectly should be updated immediately in the Customer Services module of Authority to ensure there is no confusion in what to charge;
- 2 A regular review of T-Codes options is undertaken, preferably on an annual basis, with obsolete or overlapping T-codes closed down.
- 3 Fees with multiple T-Code options are reviewed to determine the most appropriate T-Code, with processes updated to remove any reference to the incorrect T-Code(s);
- 4 IT to investigate if the Dog and Cat fees can be posted to the individual general ledger sub-accounts to increase the ease of reporting to the Dog and Cat Management Board.

5.3 Management Responses

Management Response and Agreed Action:

1. Agreed. Fees to be updated.
2. Agreed. Review to occur annually.
3. Agreed. Meeting to be arranged with BIO, Financial Accountant and Senior Systems Analyst to review t-codes.
4. Agreed. To be investigated and updated if possible.

Responsibility:

1. Financial Accountant, Chloe Brown;
2. Financial Accountant, Chloe Brown;
3. Financial Accountant, Chloe Brown & Development Clerical Officer, Shona Emery; and
4. Financial Accountant, Chloe Brown & Matthew Luke, Senior Systems Analyst.

Due Date:

1. 01 May 2016
2. 01 July 2016
3. 01 July 2016
4. 30 June 2016

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

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	<p>Agreed with recommendation:</p> <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. 	Leader Systems and Technology	30/08/13	28/02/16	In Progress	<p>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 IT Strategy and subsequent policy, procedure and guideline development has been initiated.</p> <p>Policies now to be endorsed by CMT in February and rolled out shortly after. Policies have been delayed on the CMT agenda until April 2016.</p>

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.	Manager Business & Public Relations	30/06/15	30/06/16	Complete	<p>Expenditure for project was requested in FY15 budget, however due to competing priorities project didn't gain approval at time. Funding of \$175,000 for project has been included in FY16.</p> <p>System Requirements document that identified all system requirements has been completed & using this information, Council issued a Request for Tender for a fully compliant system. Key tender dates provided to Oct 2015 Audit Committee in separate report.</p> <p>Contract has been awarded to Civica for implementation of the TRIM system. Go live will be 30/6/16.</p>

Leased Caravan Parks Review – March 2014

Finding Name	Agreed Action	Responsible Officer	Due Date	Revised Due Date	Status	Comments
1. Lack of consistency across Caravan Park lease agreements <div>Risk Level</div> <div>Low</div>	The current lease spreadsheet will be incorporated into the SharePoint application to ensure automation of key dates etc.	Property Tenure Officer	30/09/14	31/01/16	Complete	<p>The creation of online registers is part of a larger project and software design. This register can be created and implemented by end of January 2016.</p> <p>After some discussion, this action is not relevant to fix the finding. Sharepoint is no longer a program to consider. Conquest may be the answer. However the consistency has changed, most contracts are fairly streamlined depending on the type of contract. Management Agreements, Progress Association Leases and Long Term Leases are fairly in line. Those that are not, are being changed over to similar templates once they have expired.</p>

Bush Camping Review – July 2014

Finding Name	Agreed Action	Responsible Officer	Due Date	Revised Due Date	Status	Comments
1. Timing of obtaining permits <div>Risk Level</div> <div>High</div>	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.).	Manager Development Services	31/03/15 28/02/15 30/09/14		In Progress	<p>Elected Members were briefed at 25/3/15 Council workshop regarding recommendations of Bush Camping review; subsequently endorsed by Council 8/4/15. After recent 28/10/15 workshop with Elected Members it was agreed a Working Party would be formed to discuss plans forward for Bush Camping. Bush Camping Working Party will convene early in 2016. Internal Audit will liaise with</p>

Finding Name	Agreed Action	Responsible Officer	Due Date	Revised Due Date	Status	Comments
	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.		31/12/14 31/03/15			Working Party to ensure risks and agreed actions are discussed and implemented (where appropriate). Project commencing February. Funding request being put to Council. Draft policy has commenced. Draft design of signage is with Committee to be considered and Report due to Council soon on signage, obtaining permits.
2. Charging, receipt, banking and reconciliation of permit fees <div style="background-color: yellow; border: 1px solid black; padding: 2px; margin-top: 5px;"> Risk Level High </div>	1. Bush Camping Permit procedure to be developed to reflect current expectations 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	Manager Development Services	31/12/14		In Progress	Report going to Working Party by June 2016 and tied in with action to investigate additional options to obtain permits. Rangers now collect all fees from businesses monthly to ensure consistency.

Finding Name	Agreed Action	Responsible Officer	Due Date	Revised Due Date	Status	Comments
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		In Progress	Some camp sites have already been marked. More to be completed with due consideration of appropriate sizes.
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		In Progress	Preliminary meeting with provider held, now waiting on a quote before reporting to the Working Party.
5. 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		In Progress	Department Review is underway. M.Cartwright to report to the Working Party.
6. 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	Manager Development Services	28/02/15		In Progress	Commenced. Report due to the Working Party by June 2016.

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	31/05/16	In Progress	In the new year an additional project will commence to review current practices, identify process improvements and then updated within the Finance Manual. Work has commenced with Payroll Officer doing extra days to get Procedures updated.

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	31/12/15	Completed	LTFP has been considered with information and data from the AM system
	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.	Manager Business & Public Relations	31/12/15	30/06/16	Superseded	The review of Strategic Plan has commenced. The new Plan will consider wording in relation to Asset Management. Strategic Plan to be endorsed by 30/6/16. Consideration given, however due to the fact the AMP's have a long way to go until they are finalised/endorsed, this action would continue incomplete for years. When AMP's are fully completed, they will then be included in the SMP commentary.

Finding Name	Agreed Action	Responsible Officer	Due Date	Revised Due Date	Status	Comments
2. 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.	Manager Business & Public Relations	30/11/15	30/11/16	In Progress	This will be included in the Annual Report for the FY16 financial period, once the Asset Management System (AMS) has all data available.

Attractive Assets Review – August 2014

Finding Name	Agreed Action	Responsible Officer	Due Date	Revised Due Date	Status	Comments
1. 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	30/06/16	Completed	This is an ongoing process with data being incrementally added into the Conquest system.
	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	31/12/15	Completed	
	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 / Business Improvement Officer	31/12/15	31/12/2016	In Progress	Currently under review. Discussions need to occur with CMT to implement twice yearly stocktakes and determine which system will hold the register - Conquest or Authority or another. Strategy session completed 8/3/16. Working Party established with session held in April. Baseline stocktakes being conducted in June 2016. Outcomes expected in 2nd/3rd quarter of 16/17 FY.

WHS Legislation Review – January 2015

Finding Name	Agreed Action	Responsible Officer	Due Date	Revised Due Date	Status	Comments
1. Workplace Inspections Risk Level Low	Conduct refresher training for HSR's on the procedures for accurately conducting workplace inspections.	Risk Management Officer	30/06/15	31/03/16	In Progress	R.White to work on getting this completed by deadline. Workplace Inspection – E-Learning (online) has been completed and will be rolled out to relevant staff (including HSRs). Waiting for Lesley to come back to work for timeline on commencement of training.
	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).	Risk Management Officer	30/09/15	31/12/15	Completed	Not applicable, it is confirmed an external training consultant is utilised for new HSR training.

Accounts Receivable Review – June 2015

Finding Name	Agreed Action	Responsible Officer	Due Date	Revised Due Date	Status	Comments
1. Invoice Creation Risk Level Moderate	A project should be resourced to investigate if :- a. Standing (regular) invoice automation via Authority can be programmed. b. Registers (i.e. Leases, Water, and Cemeteries etc.) can exist within Authority. c. An automated process (e.g. email alerts) can be developed when lease conditions change (annual increase or new leases).	Manager Financial Services	31/12/16		Future Dated	An external consultant is currently reviewing availability of modules and if there are efficiencies and available resources in these areas. This project is expected to be ongoing into 2016. In regards to standing invoices, initial testing identified dating errors. Work will continue. Auto-invoice has been looking into but trying to resolve inconsistencies. EDRMS should assist with this. Other elements of investigation are looking unlikely.
	In the interim, a further independent review (by the new AR Officer or Financial Accountant) is completed to ensure all regular invoices have been identified (e.g. lease register & other	Financial Accountant, Daniel Griffin	31/12/16		Future Dated	Working is ongoing to add data to the regular invoices spreadsheet.

	registers) to confirm both accuracy and completeness of the Debtor Invoicing.					
	That a standard form is created for raising invoices. The form should include all details required by the Accounts Receivable Officer.	Accounts Receivable Officer	31/12/16		Future Dated	
3. Debtor Management Notes and Categorisation Risk Level Low	As part of an overall project of the AR process, an investigation as to whether Authority can lock down memos and categorizing debtors should be investigated. If changes can be implemented, change processes accordingly.	Financial Accountant, Chloe Brown	31/12/16		In Progress	Investigating how to lock down memos so that only Finance & Rates can review them for Payment Plans. Not sure if this can be done. Plans aren't currently uploaded into Authority so no information is being accessed.
4. Debtor Master file Risk Level Low	The Accounts Receivable Officer investigates whether debtor master file can be 'cleaned up' (i.e. either delete or inactivate debtors no longer required without losing any transaction history). Will require significant administrative work and liaison with Civica to understand how debtor master file links to name & address register (NAR) including the multiple storage of addresses for a single debtor.	Accounts Receivable Officer	31/12/16		Future Dated	Initial testing has been performed & deactivating debtors appears to be an achievable solution, though this testing identified some issues. Work will continue. It has been determined this File can be inactivated without losing data, however this is an intensive piece of work that will take time to achieve.
	To strengthen current controls, consider listing the specific authorized officers (position titles) into the approved procedures (e.g. PR005, 072 & 073) when these procedures are due for review.	Financial Accountant, Daniel Griffin	30/09/15	30/03/16	Future Dated	Procedures not yet reviewed, Daniel Griffin to review and update.

Caravan Park Audit – December 2015

Finding Name	External Audit Finding	Responsible Officer	Due Date	Revised Due Date	Status	Comments
1. Management Agreements Risk Level High	Advertisements to be placed for new Managers as soon as possible and a formal Management Agreement is entered into to mitigate the risk of mismanagement.	Manager, Business & Public Relations	10/12/15		Completed	Advertisements placed immediately, new Managers will have to sign a formal Management Agreement.
	Written notice to be sent to Yorketown Caravan Park Manager advising removal of GST from invoices.	Manager, Business & Public Relations	18/12/15		Completed	Done. GST removed from invoices.

Finding Name	External Audit Finding	Responsible Officer	Due Date	Revised Due Date	Status	Comments
2. Black Point Camping Ground Booking & Receipt System Risk Level High	Council consider installing RMS system and EFT hardware into Pine Point CP (where Black Point Manager's are based) to allow Council a Cash Report with auditable transactions.	Manager, Business & Public Relations	30/03/16		Completed	Feasibility of solution underway.
3. WHS Matters Risk Level High	CP's to update Evacuation Diagrams to include written instructions in event of an emergency.	Corporate Services Officer	30/06/16		In Progress	Will be completed as part of Park rebranding.
	Circulate a Work Plan for Tagging & Testing program so CP Managers & WHS are aware of timing.	Risk Management Officer	30/03/16		Completed	RMO working with contractor to produce schedule. The complete testing and tagging programme is nearing completion for this cycle with a new schedule to be supplied by the contractor (Tape Electrical) by 30 June 2016.
	Request all CP Managers contact their drink machine suppliers to arrange for tagging and testing as most machines are years out of date.	Risk Management Officer	30/03/16		Completed	To be rolled into Council's testing and tagging program so they are checked every 6 months.
4. Washing Machine/Dryer Income Risk Level Low	Without more advanced technology available, CP Managers are to include a line item for this income every month in the Cash Report.	Corporate Services Officer	22/12/15		Completed	Email sent by CSO to all Managers to include this line.
5. Management Agreement Fees Risk Level Low	Any additional fees added after a Management Agreement should be added as an approved addendum.	Manager Business & Public Relations	28/02/16		Completed	Addendums being created for Point Turton & Port Vincent (only ones affected by this).
	Cleaning fees and purchase allowances to be rolled into Marion Bay's contract with appointment of new Managers.	Manager Business & Public Relations	31/01/16		Superseded	These have been decided to keep as a separate contract for sites affected.

Credit Card Audit – December 2015

Finding Name	Agreed Action	Responsible Officer	Due Date	Revised Due Date	Status	Comments
1. Personal Expenses Risk Level High	Credit Card Policy to be revised to expand Personal Expenses clause.	Business Improvement Officer	31/01/16		Completed	Policy revised & renamed Corporate Purchase Card Policy, complete with Procedure and several new forms.
	Training to be held that personal expenses are not to be charged to Council with process documentation supporting this.	Business Improvement Officer	28/02/16		Completed	Mandatory training sessions to be completed by end of February.
	Declaration Form to be created for personal expenses charged to Council.	Business Improvement Officer	31/01/16		Completed	Non-Compliance Form created – to be completed if personal expenses are inadvertently charged.
2. General Ledger Accounts Risk Level High	Training to be provided regarding GL code allocation.	Business Improvement Officer	28/02/16		Completed	Mandatory training sessions to be completed by end of February.
	Card holders and their approving manager to both review GL codes every month.	Card holders/ Approving managers	28/02/16		Completed	Mandatory training sessions to be completed by end of February.
3. Travel Policy Risk Level High	Travel & Accommodation Policy to be created immediately.	Business Improvement Officer	31/01/16		Completed	New Policy created.
4. Credit Card Policy Risk Level High	Policy to be updated to reflect a more robust and detailed process.	Business Improvement Officer	31/01/16		Completed	Policy revised & renamed Corporate Purchase Card Policy, complete with Procedure and several new forms.
	Procedure to be created to reflect proper process.	Business Improvement Officer	31/01/16		Completed	Policy revised & renamed Corporate Purchase Card Policy, complete with Procedure and several new forms.
	Remove card holders and their delegations from Credit Card Policy and incorporate them into a more appropriate Policy.	Chief Executive Officer	31/01/16		Completed	Policy changed from Council to Administrative Policy under CEO's delegation authority. This is to remove the burden on Council having to review the Policy every time a limit or person is changed.
5. Receipts	Training to be held to ensure card holders are aware of the requirements.	Business Improvement	28/02/16		Completed	Mandatory training sessions to be completed by end of February.

Finding Name	Agreed Action	Responsible Officer	Due Date	Revised Due Date	Status	Comments
Risk Level High		Officer				
	Form created for card holder to complete if a receipt is missing or insufficient.	Business Improvement Officer	31/01/16		Completed	Missing Documentation Form created.
6. Terminated Employees with Cards Risk Level Moderate	Termination Checklist to be updated and implemented to ensure Cards are closed when a person leaves Council.	Business Improvement Officer	31/01/16		Completed	Form updated with consultation from affected teams. Sent to HR to implement.
7. Transaction Limits Risk Level Moderate	Card holders with transaction limits that exceed their financial delegation to have their limits decreased.	Financial Accountant, Chloe Brown	31/12/15		Completed	Two cards were identified with limits exceeded reduced immediately.
	Policy to be updated to ensure transaction limits do not exceed financial delegation.	Business Improvement Officer	31/01/16		Completed	Policy revised to include this.
8. Identification of Recipient/ Attendees Risk Level Moderate	Card holders not to submit their Reconciliation Form until all parties identified.	Card holders	28/02/16		Completed	To be covered in training sessions.
	Approving managers not to approve Reconciliation Form until all parties identified.	Approving managers	28/02/16		Completed	To be covered in training sessions.
	Finance are not to accept Reconciliation Form until all parties have been identified.	Financial Accountant, Chloe Brown	31/01/16		Completed	Will be monitored after training completed. All Forms returned to CMT if not completed properly.
9. Incomplete Reconciliation Forms Risk Level Low	Training to be held for card holders on how to properly complete the Reconciliation Form.	Business Improvement Officer	28/02/16		Completed	Mandatory training sessions to be completed by end of February.
	Approving managers not to approve Reconciliation Form until all parties identified.	Approving managers	28/02/16		Completed	To be covered in training sessions.
	Finance are not to accept Reconciliation Form until all parties have been identified.	Financial Accountant, Chloe Brown	31/01/16		Completed	Will be monitored after training sessions have completed. All Forms to be returned to CMT if not completed properly.
10. Timeliness of	Reconciliations must be completed within two	Card holders	28/02/16		Completed	Mandatory training sessions to be

Finding Name	Agreed Action	Responsible Officer	Due Date	Revised Due Date	Status	Comments
Reconciliation Risk Level Low	weeks of receiving card statement from Finance.					completed by end of February.

Customer Service Request Review – February 2016

Finding Name	Agreed Action	Responsible Officer	Due Date	Revised Due Date	Status	Comments
1. CSR Reporting Risk Level Moderate	IT to investigate Authority's capability to generate automated CSR reports that are sent out to each Action Officer. Reports to include number of CSRs, completed CSRs, outstanding CSRs, timeframes and action officers.	Leader Systems & Technology & IT Coordinator	30/06/16		In Progress	Investigations have commenced. Authority currently can report on these separately but need to determine if we can combine the reports.
2. Policy & Procedure Risk Level Moderate	A&I & Reception reps to review the current policy & ensure it is accurate, workflows are correct & training held. IT investigating whether jobs can be escalated if safety concern regardless of category's predetermined priority status.	A&I, Receptionists, IT Coordinator	30/06/16		In Progress	April A&I Meeting to review workflow processes for A&I so that Authority and ISO sheets can be updated. C&CS and DS to review workflow processes for their Departments and provide updated workflows to the EA A&IS by Friday 6 May 2016. Feedback provided to the EA A&IS in relation to PR006 Customer Service Requests and the current workflows by Clerical staff.

Petty Cash & Cash Till Float Review – March 2016

Finding Name	Agreed Action	Responsible Officer	Due Date	Revised Due Date	Status	Comments
1. Petty Cash Locations Risk Level Moderate	Locations to be reduced to two (2) – Maitland and Visitor Information Centre.	DCCS	11/03/16		Completed	Endorsed by CMT 1/3/16. Locations have now been reduced.

Finding Name	Agreed Action	Responsible Officer	Due Date	Revised Due Date	Status	Comments
2. Lockable Pedestal Risk Level Moderate	Warooka to get a lockable pedestal immediately delivered for Cash Float and Petty Cash.	Business Improvement Officer	23/02/16		Completed	Pedestal now in place.
3. Petty Cash Floats Risk Level Low	All locations to be reduced to \$50 or \$100 depending on requirements/frequency of use.	DCCS	11/03/16		Completed	Cash floats have now been reduced at the two locations.
4. Cash Handling Process Risk Level Low	Email sent reminding custodians of their responsibility to keep floats under lock and key at all times during the day/night and to use supplier accounts where possible.	Business Improvement Officer	26/02/16		Completed	Email sent.
5. Procedure Risk Level Low	Revised PR011 to be endorsed ASAP by CMT. Minor updates are required to the Standard Forms to include declarations and fix errors.	Manager People & Culture	01/03/16	16/03/16	Completed	Email sent 16/3/16 advising staff of updates to procedure. Endorsed by CMT.
6. Open/Close Procedure Risk Level Low	Front Counter staff to count cash floats as part of the open/close procedures each day.	Manager People & Culture	01/03/16	30/05/16	In Progress	Email to be sent out after staff consultation closes 9/5/16. Draft Cash Handling & Banking procedure sent to Clerical staff for review 11/4/16 & key staff 15/3/16. Finance need to take key role in getting this process finalised.
7. Security Risk Level Low	Improved security measures need to be agreed and implemented when cash receipts for the day exceed a certain agreed amount.	Manager People & Culture	30/03/16	30/05/16	In Progress	Draft Cash Handling and Banking Procedure currently with key staff and clerical officers for review.

Fees and Charges – April 2016

Finding Name	Agreed Action	Responsible Officer	Due Date	Revised Due Date	Status	Comments
1. Cost Determination	A basic cost model be created to input costs which will allow Council to more accurately set	Financial Accountant, Daniel Griffin	31/12/16		In Progress	Financial Accountant to create cost model in consultation with MFS. Bush Camping Fees to be the pilot area to

Finding Name	Agreed Action	Responsible Officer	Due Date	Revised Due Date	Status	Comments
<div>Risk Level</div> <div>High</div>	fees and charges. This model should, as a minimum, reflect both indirect & direct costs incorporating categories of capital, administration expenses, materials & supplies and labour costs. Given large number of fees and charges, each one should be prioritised so high priority areas are targeted first & limited use charges are last (if decided they be included at all). It is suggested that Bush Camping Fees are used as pilot fee to test model as these fees are due for an upgrade by 1st September 2016.	& Manager Financial Services				focus on with other high priorities rolled out during the year in preparation for next year's Fees and Charges Register update.
2. Policy and Procedure <div>Risk Level</div> <div>Moderate</div>	A Policy and/or Procedure be created that reflects process involved in determining accurate fees & charges & how to update the system and Register. These documents need to outline how to determine if the fee set is a full cost recovery, partial cost recovery or market priced item.	Financial Accountant, C.Brown & Development Clerical Officer	31/12/16		In Progress	First meeting to be held 18 th May 2016 to review process.
3. Bonds & Bonds Register <div>Risk Level</div> <div>Moderate</div>	R013 is updated to reflect tab for every type of bond. The financial transaction will still flow through Authority. The auditing aspect of the transaction will be much easier to track. This Register should also be renamed Bonds and Bank Guarantee Register to simplify title.	Executive Services – Mel Kenny	30/06/16		In Progress	Draft being created currently.
	R039 Standpipe Key Register should be rolled into R013 so that Bonds are centralised.	Executive Services – Mel Kenny	30/06/16		In Progress	Draft being created currently of merged Register.
	The new Policy and/or Procedure incorporates the new process recommended above with training rolled out to Reception staff as soon as possible.	Financial Accountant, C.Brown & Development Clerical Officer	31/12/16		In Progress	First meeting to be held 18 th May 2016 to review process.

Finding Name	Agreed Action	Responsible Officer	Due Date	Revised Due Date	Status	Comments
	Ardrossan Hall Booking Process to be reviewed. Regular deposits need to be submitted to Council and Bonds should not be refunded by external parties at all.	Director Development Services	31/12/16		Not Started	To be reviewed before end of year.
4. Authority Module data Risk Level Low	IT investigates linking fee data fields in Development & Customer Services modules so Development's annual update is accurately reflected in other modules & subsequent reporting functionality.	Senior Systems Analyst	31/12/16		Not Started	
5. T-Code Review Risk Level Low	Fees that are showing incorrectly should be updated immediately in the Customer Services module of Authority to ensure there is no confusion in what to charge;	Financial Accountant, Chloe Brown	01/05/16		Complete	All fees now correctly showing.
	A regular review of T-Codes options is undertaken, preferably on an annual basis, with obsolete or overlapping T-codes closed down.	Financial Accountant, Chloe Brown	01/07/16		In Progress	Annual review to occur. First review happening 18 th May 2016.
	Fees with multiple T-Code options are reviewed to determine the most appropriate T-Code, with processes updated to remove any reference to the incorrect T-Code(s).	Financial Accountant, C.Brown & Development Clerical Officer	01/07/16		In Progress	First review happening 18 th May 2016.
	IT to investigate if the Dog and Cat fees can be posted to the individual general ledger sub-accounts to increase the ease of reporting to the Dog and Cat Management Board.	Financial Accountant, C.Brown & Snr Systems Analyst	30/06/16		Not Started	

STRATEGIC FINANCIAL PLANNING

Budgets	Rating	Action plan	Responsible Officer	Period Raised	Priority	Due Date	Status	Comments
System security is in place to ensure that any updates to the adopted budget is shown as a revision.	3	Need to utilise "locking" of budget which is a standard feature within PowerBudget that is not utilised currently. Checks are conducted regularly to ensure Adopted Budget does not change - "locking" will ensure changes are not possible. Will need to develop a separate process for entering of budget revisions as part of a review.	Manager Financial Services	Nov 2015	Low	30/05/2016	In Progress	Suggest we change this as part of the process for the creation of the 16/17 Budget. May not meet 22 April deadline set by the system - more likely end of May 16
Only appropriate staff have access to modify the adopted budget after it is locked.	3	Need to utilise "locking" of budget which is a standard feature within PowerBudget that is not utilised currently. Checks are conducted regularly to ensure Adopted Budget does not change - "locking" will ensure changes are not possible. Will need to develop a separate process for entering of budget revisions as part of a review.	Manager Financial Services	Nov 2015	Low	30/05/2016	In Progress	Suggest we change this as part of the process for the creation of the 16/17 Budget.
General Ledger	Rating	Action plan	Responsible Officer	Period Raised	Priority	Due Date	Status	Comments
Manual journal entries recorded in the central folder are authorised by the officer preparing the journal and an independent reviewer.	3	Establish daily sign off routine/program	Financial Accountant	Nov 2015	Low	31/1/16	Complete	This has been undertaken & secondary sign off of journals is far more of a priority. Done daily most of the time. Journals to particular accounts such as suspense are required to be signed by a director.

Formal Disaster Recovery Plan adopted by Council or Senior Executive.	3	Consultant engaged to completely review the previous plan, including Business Units. Work has commenced.	Risk Management Officer	Nov 2015	High	30/03/2016	Not Started (In Progress but not showing on system as this)	Consultant engaged to update BCP manual & documentation which includes the application of the system across Council's business streams. Manual to be endorsed by CMT in early 2016.
All updates and changes to General Ledger programmes are authorised, tested and documented	2	Patch updates are tested by IT through the Test Database before being implemented live. Unsure of the authorisation or documentation process, suggest that a simple record of patch updates applied be kept by the Senior Systems Analyst and signed off by the Leader Systems and Technology when live update occurs.	Senior Systems Analyst	Nov 2015	Medium	31/12/2015	Not started	
Management Reporting	Rating	Action plan	Responsible Officer	Period Raised	Priority	Due Date	Status	Comments
Management regularly reports on actual performance against budget.	3	To be reviewed with External Auditors as misallocations are journaled to "correct" account. Could be that "false" entries have been hidden as weakness in AP payment process is available to same person who maintains journals.	Manager Financial Services	Nov 2015	Low	29/02/2016	Not Started	
ASSETS								
Petty Cash	Rating	Action plan	Responsible Officer	Period Raised	Priority	Due Date	Status	Comments
Spot cash float and petty cash counts conducted periodically at Council Office and remote sites.	3	Consider implementing a minimum of checks per year.	Business Improvement Officer	Nov 2015	Low	31/03/16	Complete	Audit Calendar updated to accommodate twice yearly audits for Petty Cash and Cash Tills.

Cash floats and petty cash are stored in secured facilities (e.g. safes, registers) when not in use.	2	Cash handling is high risk and should be considered high priority. Consider fast tracking the working party to establish guidelines asap.	Manager People & Culture	Nov 2015	High	31/03/16	Not Started (In Progress but not showing on system as this)	All cash drawers and petty cash tins are now secure. Have also purchased new electronic cash drawers to be installed in offices. Coordinating with IT to install.
Access (i.e. passwords or keys) to the cash floats and petty cash safes/registers is limited to authorised officers.	2	Keys to the petty cash tin are in unlocked key cupboards and/or unlocked drawers, as is the petty cash. It is imperative that a secure register/safe system be implemented asap.	Financial Accountant	Nov 2015	High	31/12/15	In Progress	Petty Cash Policy had full review. Only two locations now with float decreased to \$100 as well as far more strict protocols around access & what it can be used for. Custodian of petty cash tin nominated with sole access to tin. Tin locked and stored in locked area with no access except custodian.
Petty Cash amounts to be authorised Officers having regard to both the amount and guidance provided in the relevant Council policy	3	Policy is not being adhered to at all times. Suggest training in petty cash procedures be held for all reception staff to embed policy requirements. There are issues with Senior Staff issuing directives to receptionists to ignore limits/receipt requirements, and this must be addressed.	Manager People & Culture	Nov 2015	Medium	31/12/15	Complete	Policy review undertaken & training for those responsible for petty cash completed.
Banking	Rating	Action plan	Responsible Officer	Period Raised	Priority	Due Date	Status	Comments
All cash held securely in safe/registers with access restricted to appropriately designated personnel.	3	Complete security and cash handling review with all customer service staff (Maitland, Minlaton, Yorketown, Warooka, Minlaton Town Hall and YPVIC).	Financial Accountant/Manager People & Culture	Nov 2015	Low	31/03/16	In progress	Full review of system, electronic drawers soon to be installed. New procedure out for review.
Access to EFT Banking system restricted to appropriately designated personnel.	3	Issue may not be the process within Transactive but certainly extra steps to check downloaded file from Authority are necessary.	Manager Financial Services	Nov 2015	Low	18/12/15	Complete	Access restricted.
Administration of the EFT users is restricted and the ANZ EFT system requires two administrators to be involved in the setting up of new users on the system.	3	Issue may not be the process within Transactive but certainly extra steps to check downloaded file from Authority are necessary	Manager Financial Services	Nov 2015	Low	18/12/15	Complete	Access restricted.

Dual authorisation for EFT payments is required using a FOB key	3	Issue may not be the process within Transactive but certainly extra steps to check downloaded file from Authority are necessary	Manager Financial Services	Nov 2015	Low	18/12/15	Complete	Dual authorisation is required plus extra checks performed on payment run report.
Debtors	Rating	Action plan	Responsible Officer	Period Raised	Priority	Due Date	Status	Comments
A monthly report is run of changes to the Name and Address register (NAR) and reviewed by the Rates Office. Any update to NAR is registered and retained through records management.	2	Develop internal control procedure re: monthly reporting.	Senior Rates Officer	Nov 2015	Medium	31/01/16	Not started (actually Complete but system not updated)	Report run by Senior Rates Officer and reviewed against source documents.
Access to update the NAR is limited to the Rates Officers, Accounts Payable and Receivable Officers.	3	Control should read, Senior Rates Officer, Rates Officer and Records staff NOT AP and AR Officers	Senior Rates Officer	Nov 2015	Medium	31/12/15	Not started (actually Complete but system not updated)	Control changed by BIO to reflect correct access.
Credit Notes raised are independently reviewed to ensure accuracy and validity.	3	Implement structured review schedule to accommodate different office location.	Financial Accountant	Nov 2015	Medium	31/12/15	In Progress (actually Complete but system not updated)	Accounts Receivable has been relocated back to Maitland, removing the issue of the folders being at a separate location. Credit notes are now reviewed as scheduled.

LIABILITIES

Accounts Payable	Rating	Action plan	Responsible Officer	Period Raised	Priority	Due Date	Status	Comments
A supplier master file audit trail report is reviewed on monthly basis by an independent officer. The review includes reviewing changes back to the source documentation.	3	IT to review potential report structure (with IT consultant Nic Edmonds) to provide report suited to control.	Accounts Payable Officer	Nov 2015	Medium	31/01/16	Complete	AP Audit Maintenance Report is run monthly and checked by an independent officer. This has been in place since July 2015
Administration of the EFT users is restricted and the ANZ EFT system requires two administrators to be involved in the setting up of new users on the system.	2	To be reviewed with External Audit	Manager Financial Services	Nov 2015	Low	29/01/16	In Progress (actually Complete but system not updated)	Access restricted.

Dual authorisation for EFT payments is required using a FOB key	2	To be reviewed with External Audit	Manager Financial Services	Nov 2015	Low	29/01/16	In Progress (actually Complete but system not updated)	Dual authorisation is required plus extra checks performed on payment run report.
Access to EFT Banking system restricted to appropriately designated personnel.	2	To be reviewed with External Audit	Manager Financial Services	Nov 2015	Low	29/01/16	In Progress (actually Complete but system not updated)	Access restricted.
Borrowings	Rating	Action plan	Responsible Officer	Period Raised	Priority	Due Date	Status	Comments
Manager Financial Services and Director Corporate and Community Services are involved with the management of Loan Borrowings, including the ongoing review of the loan register and statements received from lenders.	3	Review process - consider official "sign off"	Manager Financial Services	Nov 2015	Low	15/01/16	In Progress	
REVENUE								
Rates/Rates Rebates	Rating	Action plan	Responsible Officer	Period Raised	Priority	Due Date	Status	Comments
Access to the Property master file is restricted to appropriately designated personnel, with significant changes to the Property master file approved by management.	3	Senior rates officer to implement internal control procedure for review and sign off	Senior Rates Officer	Nov 2015	Medium	31/01/16	Not Started	
Receipts	Rating	Action plan	Responsible Officer	Period Raised	Priority	Due Date	Status	Comments
Cash is stored securely at all times including the duration of the cash management process.	2	Cash handling is high risk and should be considered high priority. Consider fast tracking the working party to establish guidelines asap.	Manager People & Culture	Nov 2015	High	31/03/16	Not started	
EXTERNAL SERVICES								
Contracting	Rating	Action plan	Responsible Officer	Period Raised	Priority	Due Date	Status	Comments

Commitments are not being made without funding being approved in the budget, this is managed through the OLR system.	1	Process to be reviewed - involving Authority and PowerBudget. Work has commenced on "structures" within PowerBudget to allow closing of accounts within Authority. Control to be reviewed with External Audit	Manager Financial Services	Nov 2015	Low	31/03/16	In progress	The ability to refuse entry where no budget exists has been turned off in the Authority OLR system. To my knowledge, the initial problems that necessitated this measure have not been reviewed and a solution has not been sought to allow this security measure to be turned on again.
--	---	---	----------------------------	----------	-----	----------	-------------	--

ASSET MANAGER

7. ASSET MANAGEMENT REPORT

(File Ref: 9.24.1.1)

PURPOSE

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

RECOMMENDATION

That the report be received.

LINK TO STRATEGIC PLAN

Key Theme/s: Sustainable Communities

1. Sustainable Infrastructure

Strategic Goal/s: Provide infrastructure assets that are sustainable and safe.

BACKGROUND

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

DISCUSSION

Transport Asset Residual Values

Council's Transport Asset Valuation and Methodology currently recognises that when some assets fall due for renewal there will be an opportunity to reuse some of the existing material (residual value) to renew that asset. The residual value is determined by calculating the cost to reconstruct the asset using a percentage of the existing material to the cost of complete replacement.

Recent changes to the accounting standard AASB116 *Property, Plant and Equipment* have meant that residual values are no longer able to be used on non-saleable assets and that assets will need to be further componentised.

Council staff recently attended a workshop co-ordinated by Tonkin Consulting to discuss a common approach to dealing with residual values, the workshop was attended by Dean Newbery & Partners (auditor), Galpins (auditor), John Comrie (financial accounting) and representatives from 17 other Councils.

The outcomes from the workshop were:

- The establishment of a common approach to componentisation and assumptions in accordance with the accounting standards;
- The establishment of clear methodologies for each component to develop current replacement cost and useful life for that component;

- Tonkin Consulting will provide a common methodology, endorsed by all attendees at the workshop, so that future changes to asset registers are consistent and comply with standards.

Revaluation of Transport Assets

Tonkin Consulting have been engaged to undertake a desktop revaluation on Council's Transport Assets to bring them in line with the Road Categorisation and Levels of Service as detailed in the Transport AMP, which was adopted by Council in October 2015.

COMMUNITY ENGAGEMENT PLAN

Not Applicable

CONSULTATION PROCESS

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

- Director Assets & Infrastructure
- Director Corporate & Community Services

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

- Tonkin Consulting

POLICY IMPLICATIONS

PO128 Asset Management Policy

BUDGET AND RESOURCE IMPLICATIONS

Not applicable

RISK/LEGAL/LEGISLATIVE IMPLICATIONS

Local Government Act 1999

ATTACHMENTS

Nil

RISK MANAGEMENT OFFICER

8. RISK MANAGEMENT REPORT

(File Ref: 9.14.1.6)

PURPOSE

The Risk Management Officer presents an update on the progress of Council's Risk Management Framework.

RECOMMENDATION

That the report be received.

LINK TO STRATEGIC PLAN

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

Strategic Goal/s: 2.4 Effective Risk Management

BACKGROUND

The objective of the Yorke Peninsula Council's ("Council") risk management framework is to provide an essential and coherent link between our strategic goals, our risk management policies, procedures and processes and our day to day activities.

DISCUSSION

This report provides a status update on risk management activity performed from March – April 2016, including:

- Business continuity planning,
- Risk Management LGAMLS Review Action Plan

This report provides a schedule of activities planned for 2016, including:

- 2015-2020 Strategic Risk Management Plan review,
- Business Continuity Plan
- Risk Maturity Assessment, and
- Risk Review Action Plan.

COMMUNITY ENGAGEMENT PLAN

Not applicable

CONSULTATION PROCESS

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

- Manager People and Culture.
- Risk Management Officer
- Governance Officer
- Property Tenure Officer

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

- Nil

POLICY IMPLICATIONS

PO091 Risk Management Policy

PR098 Risk Management Procedure

BUDGET AND RESOURCE IMPLICATIONS

Not applicable

RISK/LEGAL/LEGISLATIVE IMPLICATIONS

Local Government Act (SA) 1999

Work Health and Safety Act (SA) 2012

Work Health and Safety Regulations (SA) 2012

ATTACHMENTS

Attachment 1: Risk Management Framework 2016 Report

Attachment 2: 2015 Risk Profile Review Action Plan

Risk Management Framework 2016

1. Risk Management Activity Report – March – April 2016

No.	Project	Scope Overview	Project Status
1	Business Continuity Plan (BCP)	Draft BCP under development by Manager People and Culture and Risk Management Officer Internal stakeholders have been provided with examples of Business Information Analysis (BIA) information for review and then inclusion into the BCP.	In Progress
2	Local Government Association Mutual Liability Scheme (LGAMLS) Risk Profile	2015 Risk Profile – Annual Review Action Plan. Updates on the progress of actions assigned to responsible person as per attached report.	In Progress

2. RISK MANAGEMENT 2016 ACTIVITY REPORT

No.	Project	Scope Overview	Project Status
1	2015-2020 Strategic Risk Management Plan	Draft 2015-2020 Strategic Risk Management Plan (Plan) was completed but the strategic risk in the Plan will need to be reviewed and aligned with the 2016-2020 Strategic Management Plan (once it has been endorsed and adopted). Endorsement and adoption is scheduled for approximately April 2016. Final draft of the Plan will be reviewed by the Corporate Management Team (CMT).	On Hold
2	Business Continuity Planning Manual	Development of a Business Continuity Planning Manual.	In Progress
3	5-year Risk Maturity Plan	Development of a 5-year risk maturity plan to map Council's approach to all elements of its risk management framework. Due to Hand over of Risk Management Officers role (incumbent - outgoing Brianna Wood, incoming Roxanne White) the development of the 5-year Risk Maturity Plan has been put on hold until the Risk Maturity Assessment (RMA) has been completed. The RMA will identify any gaps in the Risk	On Hold

No.	Project	Scope Overview	Project Status
4	Risk Maturity Assessment (RMA)	<p>Management system of which may need to be address prior to undertaking the development of the 5-year Risk Maturity Plan.</p> <p>A Risk Maturity Assessment being undertaken to determine the Risk Maturity level of Council with a specific focus on our approach to the management of individual risk within the Council.</p> <p>The RMA will evaluate the organisational risk maturity on the following six criteria:</p> <ul style="list-style-type: none"> • Risk Management Plan • Establish the Context • Risk Identification • Risk Analysis and Evaluation • Risk Treatment • Monitoring and Review <p>The RMA will include a desk top analysis of the:</p> <ul style="list-style-type: none"> • PO091 – Risk Management Policy • PR098 Risk Management Procedure <p>Final outcome and recommendations will be reviewed by the Corporate Management Team (CMT).</p>	In Progress
5	Risk Portfolios	<p>Review Council's Departmental risk portfolios. Findings to be reported back to the Audit Committee.</p> <p>Due to Hand over of Risk Management Officers role (incumbent - outgoing Brianna Wood, incoming Roxanne White) the review of departmental risk portfolios has been put on hold until the RMA has been completed.</p> <p>The RMA will identify any gaps in the Risk Management system of which may need to be address prior to undertaking the review of risk portfolios.</p>	On Hold
6	Business Continuity Plan (BCP)	<p>Draft BCP under development by Manager People and Culture and Risk Management Officer</p> <p>Internal stakeholders have been provided with examples of Business Information Analysis (BIA) information for review and then inclusion into the BCP.</p>	In Progress
7	Local Government Association Mutual Liability Scheme (LGAMLS) Risk Profile	<p>2015 Risk Profile – Annual Review Action Plan.</p> <p>Updates on the progress of actions assigned to responsible persons as per attached report.</p>	In Progress

2015 Risk Review Action Plan (Version 1.0)
Risk Management Improvement Action Plan 2016

Actions Completed
 Action Overdue
 Action Due Date Pending

	Total	2015	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2017
Planned	17	3	0	6	3	0	1	3	0	0	2	0	0	2	1
Achieved YTD	12	3	0	6	3	0	0	0	0	0	0	0	0	0	
Outstanding	8	0	0	0	0	0	1	3	0	0	2	0	0	2	
YTD %	71%														

ACTION #	KPI Audit	PSI STANDARD REFERENCE	PROGRAM/ RECOMMENDATIONS	ACTION REQUIRED	RESPONSIBILITY	DUE DATE	COMMENTS / PROGRESS	EVIDENCE	COMPLETION DATE	2015	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2017
1	Jul-15	1.1 - Risk and Governance Please provide elements/details of Council's Risk Management framework and/or general procedure to assess & manage core/strategic risks	Partial- as limited information on Risk Register status/population and linked controls.		Risk Management Officer/Risk Officer	30/06/2016	Draft 2015-2020 Strategic Risk Management Plan (Plan) was completed but the strategic risk in the Plan will need to be reviewed and aligned with the 2016-2020 Strategic Management Plan (once it has been endorsed and adopted). Endorsement and adoption is scheduled for approximately April 2016. Final draft of the Plan will be reviewed by the Corporate Management Team (CMT).																
2	Jul-15	1.4 - Risk and Governance Provide details of Council's Business Continuity Plan, in the event of business interruption to critical functions or services.	Partially provided. Draft BCP. Training & Testing BCP across business units etc. not in place at this stage..		Risk Management Officer	30/06/2016	Draft BCP under development by																
3	Jul-15	1.6 - Risk and Governance Has Council developed and implemented a process to manage requests from Emergency Control Agents (SAPol, CFS, SES, etc.) for use of defined Council plant/staff in the event of an emergency.	Documented but not implemented. Is requirement to have adopted and signed off Policy, if decided on by Council additionally to have in place a Plant and Staff list signed off/endorsed by CEO and training to have been undertaken by Council stakeholders?		Risk Management Officer	30/09/2016	Emergency Response Procedure is under review. I-Responda framework from the LGA is under review and was tabled at the WHS Committee meeting (09/02/2016). This framework looks at council employees role in the event of an emergency																
4	Jul-15	3.12 - Procurement and Contract Management Systems Council has a process to ensure compliance with Section 48 of the Local Government Act – Prudential Requirements for defined / certain activities.	Partial system. This is a requirement of LG Act Legislation-must be formalised system		Risk Management Officer	30/09/2016	Draft document with Director Corporate and Community Services for review.																
5	Jul-15	3.15 - Procurement and Contract Management Systems Provide Council's documentation when considering its tendering requirements pursuant to S49 of the Local Government Act.	Partially provided. Information supplied makes it difficult to evaluate if it meets all the legislative requirements of Section 49 of LG Act. Action- Refer to Act requirements to map procedure.		Governance Officer/Risk Management Officer		Governance Officer has reviewed Section S49 of the Local Government Act and cannot find a reference to process mapping the procedure/s	PO058 Purchasing and Procurement Policy issued and current. PO006 Contractor Management Policy (endorsed Nov 2015) PR114 Contractor Management Procedure (endorsed Nov 2015)	30/11/2015														
6	Jul-15	3.16 - Procurement and Contract Management Systems Provide a Superintendent's/Council representative's work site inspection report example provided within a (Council) contractual arrangement.	Partially provided. Difficult to discern if this is part of regular documented and retrievable system.		Risk Management Officer	31/12/2016	Contractor Management Procedure (endorsed Nov 2015) Contractor inspection/review process to be reviewed and streamlined Training for contractor managers to be undertaken																
7	Jul-15	4.17 Volunteers/Vulnerable Groups / Committees Provide Council's formal management structure and/or system to manage volunteer programmes.	Partially provided. From information supplied it is understood that the revised draft Policy and associated documents will fulfil requirements but by inference existing Policy does not fully contain all requirements.		Manager People & Culture			Policy and associated Volunteer documents endorsed: PO137 Volunteer Policy Yorke Peninsula Leisure Options (YPLO) Volunteer Handbook Yorke Peninsula Visitors Information Centre (YPVIC) Volunteer Handbook YPC Volunteer Agreement YPC Volunteer Charter YPC Volunteer Confidentiality Agreement YPC Volunteer Position Descriptions YPC Volunteer Registration Form YPC Volunteer Training Needs Analysis YPLO Induction Checklist YPLO Operations Manual YPVIC Induction Checklist YPVIC Operations Manual YPVIC Operations Manual	31/12/2015														

ACTION #	KPI Audit	PSSI STANDARD REFERENCE	PROGRAM/ RECOMMENDATIONS	ACTION REQUIRED	RESPONSIBILITY	DUE DATE	COMMENTS / PROGRESS	EVIDENCE	COMPLETION DATE	2015	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2017
8	Jul-15	4.18 Volunteers/Vulnerable Groups / Committees Provide a component of Council's (central) Volunteer Registration process for all volunteer programmes.	Partially provided. It is understood that a centralised system is being developed i.e. all requirements not yet currently in place		Manager People & Culture			Hazards in role - group assessment undertaken.	4/02/2016			1											
9	Jul-15				Manager People & Culture			WHS Competency mapping to be undertaken.	4/02/2016			1											
10	Jul-15				Manager People & Culture	17/02/2016	Centralised Volunteer Register to be established with Volunteer Coordinators having access – should include: - Personal information - Emergency contact information - Screenings - Volunteer program details.	Register established Located Forms and Documents Controlled/HR/Forms				1											
11	Jul-15				Manager People & Culture	15/02/2016	Volunteer Personnel files and Volunteer Personnel files to be created.	Volunteer personnel Files. Evidence located with Volunteer Coordinators: Stephen Goldsworthy Janet Firth Wendy Story				1											
12	Jul-15				Manager People & Culture	15/02/2016	Current position descriptions to include screening details.	Position Descriptions completed Evidence Located Forms and Documents Controlled/HR/Forms				1											
13					Manager People & Culture	26/02/2016	Consultation and Volunteer Survey to be undertaken.	Survey undertaken Evidence Located GDS.20				1											
14					Manager People & Culture	31/03/2016 31/05/2016	Gap Analysis Action completion date requested to be moved to 31/05/2016																
15	Jul-15	4.19 Volunteers/Vulnerable Groups / Committees Does Council have a process for dealing with enquiries relevant to vulnerable groups?	Partially provided. Information supplied indicates a significant cross section of Policies but does not appear to cover all the specific requirements for 'vulnerable persons'.		Manager People & Culture	4/03/2016	PO136 – FM015 - Managing Critical Client Incidents Policy awaiting CMT approval. This Policy deals with Yorke Peninsula Leisure Options (YPLO) and their clients being from various vulnerable groups. Due to the nature of the services provided, YPLO has a heightened responsibility and duty of care to ensure efficient and effective service delivery and specific reporting requirements are outlined in the policy.	PO136-LO046 Managing Critical Client Incidents Policy approved and endorsed by CMT	3/03/2016				1										
16	Jul-15				Manager People & Culture	30/03/2016	Reviewing other requirements including Children and Vulnerable Persons Policy.	PO021 Safe Environment Policy adopted by Council	9/03/2016				1										
17	Jul-15	5.21 Operations / Services / Functions Provide Council's general tree management policy/procedure (or strategy) for trees on roads and / or Community land. (Including significant & regulated trees where relevant).	Partially provided. Information supplied indicates although there are associated documents and systems in place it appears that there is not a specific Policy/Procedure for tree management.	Create a Tree Management Policy/Procedure.	Natural Environment & Sustainability Officer	31/12/2016	Currently Council staff members are trained in tree care, pruning and maintenance and garden staff undertake the majority of tree pruning requests. Tree Management Policy to be drafted for review an endorsement by Councils Elected Members. Policy will address tree management based on the following principles: Value of trees Enhancing Biodiversity Risk Management and Resources Availability Tree Planting Tree Maintenance Tree Removal Tree Replacement Tree Vandalism Tree on Private Land Seed and Fruit Collection Roadside Timber Climate Change																
18	Jul-15	5.21 Operations / Services / Functions Council has reviewed its tree management strategy in line with climate variation & extreme weather patterns/climate impacts. Provide details in relation to the Council's assessment.	No. Noted that this has been identified and will be considered in future planning requirements.	Development of Climate Change Adaptation Plan.		31/12/2017	Climate change to be included as a Principle of a Tree Management Policy.																
19	Jul-15	6.29 Recreational / Leisure Centres Council incorporates risk management principles into planning proposals for design/construction of other recreational assets, such as BMX Tracks, Skate Parks or recreational trails. Please provide an example of the approach.	Partially. Not clear of risk assessment process undertaken for projects.		Risk Management Officer			Training conducted with Council managers in PR098 Risk Management Procedure 2014 Walk the Yorke undertook a comprehensive risk assessment Evidence located 14.65.2.19 – 2013-2015 WTY Ag Funding – Risk Management).	31/12/2015	1													
20	Jul-15	8.39 Third Party users of facilities / land Provide the assessment / checklist process to ensure a 'one-off' hire of facility is left in a condition for the next use.	Partially provided. Development of process and checklist advised to ensure integrity of asset and to reduce potential of adverse liability. Pre and post inspections that are documented recommended.		HR Officer	30/06/2016	Special Events Process Improvement working group established to review and update Council's process. Responsibility for check of facilities post hire and issuing expiation notices is under review. The development of a check list which could be used by the cleaning service may be an option and will be discussed at the next Special Events Process Improvement meeting.																

ACTION #	KPI Audit	PSSI STANDARD REFERENCE	PROGRAM/ RECOMMENDATIONS	ACTION REQUIRED	RESPONSIBILITY	DUE DATE	COMMENTS / PROGRESS	EVIDENCE	COMPLETION DATE	2015	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2017
21	Jul-15	8.40 Third Party users of facilities / land Provide Council's Risk Assessment Process to assess a third party (lessee / licensee) activity is suitable / appropriate for a piece of land.	Partially provided. It Is recommended that a formal documented system is incorporated into existing arrangements to ensure integrity of assets retained and to protect Council liabilities.		Property Tenure Officer	31/03/2016	Under review. Land use can be documented on the "R014 – Agreements, Leases, Licences for Land and Property" for each third party occupier of Council Land.	Community Land Register stipulates land management plan for the parcel of land. If Crown Land, a check of the Crown Dedication for that land is conducted as well. Management Plan for Community Land Evidence Located GDS.20/16.16.2.1/2010	31/03/2016				1										
										3	0	6	3	0	0	0	0	0	0	0	0	0	0

CONFIDENTIAL

AGENDA

CHIEF EXECUTIVE OFFICER

ITEM 4 - CONFIDENTIAL

1. INTERNAL CONTROLS REPORT

(File Ref: 9.24.1.6)

PURPOSE

For the CEO to update the Audit Committee on a current legal matter under investigation.

RECOMMENDATION

Section 90(3)(f) Order

1. That pursuant to Section 90(2) of the Local Government Act 1999, the Audit Committee orders that the public be excluded from the meeting with the exception of the Mayor, Chief Executive Officer, Director Corporate and Community Services, Manager Financial Services, Director Assets and Infrastructure Services and Business Improvement Officer.

The Audit Committee is satisfied that, pursuant to section 90(3)(g) of the Act, the information to be received, discussed or considered in relation to agenda item 4 Internal Controls Report is confidential information relating to –

“Matters that must be considered in confidence in order to ensure that the council does not breach any law, order or direction of a court or tribunal constituted by law, any duty of confidence, or other legal obligation or duty;”

Accordingly, the Audit Committee is satisfied that the principle which states the meeting be conducted in a place open to the public has been outweighed in the circumstances.

Section 91(7) Order

2. That having considered agenda item 4 Internal Controls Report in confidence under section 90(2) and (3)(g) of the Local Government Act 1999, the Audit Committee, pursuant to section 91(7) of that Act orders that the verbal report relevant to agenda item 4 titled Internal Controls Report be retained in confidence for a period of 12 months.

LINK TO STRATEGIC PLAN

Key Theme:	Corporate Governance and Leadership
	2. Organisational Efficiency and Resource Management
Strategic Goal/s:	2.2 Efficient, effective and professional organisation
	2.4 Effective risk management

BACKGROUND

Current legal matter under investigation.

DISCUSSION

It is recommended that the public be excluded for consideration of this item to enable consideration in confidence under Section 90(3)(g) of the Local Government Act.

COMMUNITY ENGAGEMENT PLAN

As the report is for Audit Committee to consider and report in confidence, it has not been necessary to engage with the community on this occasion.

CONSULTATION PROCESS

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

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

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

- Nil

POLICY IMPLICATIONS

Sections 90 and 91 - Local Government Act 1999

BUDGET AND RESOURCE IMPLICATIONS

Not applicable

RISK/LEGAL/LEGISLATIVE IMPLICATIONS

Sections 90 and 91 - Local Government Act 1999

ATTACHMENTS

Nil