



## 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 24<sup>th</sup> June 2015  
in the Minlaton Council Chamber,  
57 Main Street, Minlaton commencing at 3pm

David Harding  
DIRECTOR CORPORATE AND  
COMMUNITY SERVICES

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## A G E N D A

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### ITEM 1 YORKE PENINSULA COUNCIL – AUDIT COMMITTEE

- 1.1 Welcome by Chairperson
- 1.2 Present
- 1.3 Apologies/Leave of Absence
- 1.4 Minutes of previous meeting – for confirmation:  
Audit Committee meeting held on 27<sup>th</sup> May 2015.
- 1.5 Questions without Notice

## 1.1 Conflict of Interest

### CONFLICT OF INTEREST

Members are reminded of the requirements for disclosure by Members of direct or indirect pecuniary benefit or detriment and non-pecuniary benefit or detriment in accordance with Section 73 of the Local Government Act in items listed for consideration on the Agenda. Section 74 of the Local Government Act 1999 requires that Members declare any interest and provide full and accurate details of the relevant interest to the Council prior to consideration of that item on the Agenda.

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

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

## ITEM 2 REPORTS

- |  |             |
|--|-------------|
| 1. 2015/16 Annual Business Plan Public Consultation Feedback   | Pages 3-4   |
| 2. Proposed General Rates 2015/16                              | Pages 5-35  |
| 3. Long Term Financial Plan Update ( <i>verbal update</i> )    |             |
| 4. Interim Audit ( <i>verbal update</i> )                      |             |
| 5. Internal Audit Activity Report                              | Pages 36-56 |
| 6. Internal Controls Project Update                            | Pages 57-61 |
| 7. Internal Controls Proposed Program ( <i>verbal update</i> ) |             |
| 8. Internal Audit Plan 2016-2018                               | Pages 62-66 |
| 9. Asset Management Update                                     | Page 67     |
| 10. Asset Management Policy                                    | Pages 68-71 |

## ITEM 3 GENERAL BUSINESS

## ITEM 4 NEXT MEETING

Wednesday 23rd September 2015  
Minlaton Council Chamber at 3pm

## ITEM 5 CLOSURE

## **DIRECTOR CORPORATE & COMMUNITY SERVICES**

### **1. ANNUAL BUSINESS PLAN PUBLIC CONSULTATION FEEDBACK** (File Ref: 9.14.1.6)

#### **INTRODUCTION**

The Draft 2015/2016 Annual Business Plan public consultation period closed on Wednesday 3rd June 2015 at 5.00 pm. A total of three written responses were received (51 written responses received last year), details of which are contained in the report below.

#### **RECOMMENDATION**

That the report be received.

#### **COMMENT**

Each year an Annual Business Plan (ABP) is produced. The ABP 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.

The 2015/2016 Draft Annual Business Plan was released to public consultation on Thursday 14<sup>th</sup> May 2015 following endorsement of that action by Council at its meeting held on Wednesday 13<sup>th</sup> May 2015. The public consultation period was advertised in the Yorke Peninsula Country Times and on Council's web site with copies available from Council's website or counters at all Council offices. The closing date for comments was Wednesday 3<sup>rd</sup> June 2015 at 5.00pm.

Three written responses were received. A brief summary is provided below.

<b>Number of submissions</b>	<b>Township</b>	<b>Submission subject</b>
1	Balgowan	Stormwater kerbing
1	Black Point	Black Point Boat Ramp
1	Marion Bay	Support for feasibility study

All correspondence to date has been registered in Council's record management system. A report was submitted to Council for their consideration at the Council meeting held on 10<sup>th</sup> June 2015 and was received by Council. Copies of the 3 written submissions were supplied to Councillors under separate cover.

## **LEGISLATION/POLICY/COUNCIL STRATEGIC PLAN**

Local Government Act 1999

Local Government (Financial Management) Regulations 2011

Strategic Plan

Key Theme: Corporate Governance & Leadership

2. Organisational Efficiency and Resource Management

Strategic Goal: 2.1 Financially Sustainable Organisation

## **FINANCIAL AND RISK MANAGEMENT CONSIDERATIONS**

The 2015/2016 budget is consistent with the revised Long Term Financial Plan and Councils 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.

## **DIRECTOR CORPORATE AND COMMUNITY SERVICES**

### **2. PROPOSED GENERAL RATES FOR 2015/2016**

(File Ref: 9.14.1.6)

#### **INTRODUCTION**

To provide the Audit Committee with preliminary details of Capital Valuations and outline the three rating options for 2015/2016 presented to Council at its meeting on Wednesday 10<sup>th</sup> June 2015.

General Rates of approximately \$15,409,300 have been included in the draft 2015/2016 Budget.

Council, by majority vote at its meeting held on 10 March 2015, endorsed Option 2 as the model for formulation of assessments for 2015/2016.

#### **RECOMMENDATION**

That the report be received.

#### **COMMENT**

Updated valuation data is provided to Council by the Land Services Group on a weekly basis and the most recent proposed Capital Valuations for 2014/2015 as at 13 May 2015, (Week 45) have been loaded into our data base.

The Valuers are still visiting properties where recent building work has occurred, therefore further valuation updates are expected to be received by Council before the valuations are formally adopted in July.

The changes to the total valuations between now and the date of adoption are expected to be fairly insignificant and it is envisaged that they won't have a significant effect on the final data to be adopted.

At the time of writing this report the formal advice from the Valuer-Generals Department, regarding the general valuation movements of the Council district for 2015/2016 has not yet been received. However, if it is received prior to the June Council meeting it will be tabled for Councillor's information at that meeting.

The State Valuation Office continues to divide Council's district into four areas for reporting purposes, i.e. Yorke Peninsula 1, Yorke Peninsula 2, Yorke Peninsula 3 and Yorke Peninsula 4, and these areas will be referred to in the letter.

Yorke Peninsula 1 is the area of the previous District Council of Central Yorke Peninsula, Yorke Peninsula 2 is the area of the previous District Council of Warooka, Yorke Peninsula 3 is the area of the previous District Council of Yorketown and Yorke Peninsula 4 is the area of the previous District Council of Minlaton.

Three schedules of valuation changes have been prepared and these are attached. Attachment 'A' shows valuations by land use (broken down to the four areas prior to amalgamation) – Attachment 'B' shows valuations by locality – Attachment 'C' shows changes to the average valuations by land use.

At present the total proposed valuations for 2015/2016 are \$5,554,672,320 compared to \$5,417,726,380 for the 2014/2015 year. This is an increase of approximately 2.53%. By comparison the 2014/2015 valuations increased by 0.20%.

The Summary of Valuation Changes by Land Use (Attachment A) confirms information received from the State Valuation Office at Kadina regarding site valuations of Vacant Land Use and Residential Use assessments, i.e. valuations for vacant land have decreased by approximately 1.89% (an average of 0.59%) with residential assessments increasing by approximately 1.10% (an average of 0.53%).

Valuation changes to primary production assessments have seen an overall increase of 4.51% (an average of 3.87%).

Other notable valuation changes shown in Attachment A are:-

- Decreases of between 3.03% and 4.12%, in Vacant Land Use Valuations, in the “old” Minlaton, Yorketown and Warooka Council areas, due to the reduction in the number of assessments previously classified as Vacant Land Use. As a result of development, i.e. new dwellings, classifications have changed from Vacant Land Use to Residential Land Use. Also due to the minor reduction of site values in many of the localities in these areas.
- Whilst there have been minor variations with valuations in residential land use, the notable increases can be attributed to new dwellings being developed, therefore the properties being classified as Residential in lieu of Vacant has resulted in increased capital value.

The larger variances in the Summary of Valuation Changes by Locality (Attachment B) can be explained as follows:-

- Decrease of 3.24% in the locality of Marion Bay which is primarily as a result of the previously mentioned reduction of site values in these areas.
- Increases of between 6.82% and 8.97% in the localities of Point Pearce and South Kilkerran attributed to new houses or improvements to properties being completed during the year.

The schedule of Average Valuation Changes (Attachment C) indicates:-

- Minimal movement in the valuations of all land uses with the exception of Primary Production Land Use which has increased on average by 3.87%.

As outlined in the draft Annual Business Plan the proposed 2015/2016 Budget provides for a “Financial Sustainability” increase in general rates to existing ratepayers of 3% above the anticipated rise in the consumer price index (CPI) plus additional growth resulting from development.

With CPI expected to increase by 2.60% and growth (see below) to be approximately 0.45% the total amount of General rates income will be \$15,409,300 before rebates. This represents a total expected increase of approximately 6.05% on rates revenue levied in 2014/2015.

Based on data available at this time it has been calculated that new development, i.e. building work and subdivision, - commonly referred to as “Growth” – will result in a minimal impact on the increase in rates levied.

It is also expected that mandatory and discretionary rebates (as specified in the Local Government Act) totalling approximately \$117,000 will be provided in the 2015/2016 financial year, which is an increase of approximately 4.5% on the 2014/2015 financial year.

As a starting point for determining the rate-in-the-dollar and a Fixed Charge for 2015/2016, the rate-in-the-dollar for Primary Production is, as in previous years, the first to be considered. This is because, generally speaking, properties classified as Primary Production Use have not been subjected to new development.

The minimal movements in valuations for land uses, other than the increases in Primary Production land use, has again challenged the usual process for rates modelling this year. As a consequence and to ensure an equitable spread of increases, it was considered that the amount of rates levied from Primary Production Use properties should provide approximately 31-32% of the total rates levied.

With regard to the amount of the Fixed Charge for the coming year it was considered appropriate for the amount to remain at \$400.00 for the coming year. On comparison, \$400.00 is one of the higher fixed charges levied by similar Councils and also remaining mindful that a lower fixed charge reduces the impact of rate in the dollar increases for lower valued properties which constitute the majority of Council’s resident ratepayers, many of whom would be vulnerable to an adverse impact on their capacity to pay large rate increases.

As a result, whilst option three is modelled on an increase of the fixed charge from \$400 in 2014/2015 to \$410 for the 2015/2016 year, options one & two are modelled based on the parity of rates being levied utilising the relevant adjustment in the “rate in the dollar” amount for the various land uses, in order to distribute increases as evenly and fairly as possible across all of Council’s Ratepayers.

Rating Samples have been produced to illustrate the impact of the changes to valuations (i.e. average decrease/increase depending on relevant land use) relative to 2014/2015 valuations for varying valuation ranges and land uses.

In summary, the key issues and desired outcomes for 2015/2016 are:-

- Total General Rates raised to be approximately \$15,409,300
- Rates raised from Primary Production Land Use to be approximately 30-32% of total rates
- Maintaining equitable and fair variances in individual rates accounts for 2015/2016 compared to 2014/2015 wherever possible, based on parity and capacity to pay.

As mentioned above, three rating options for Council's consideration were provided to Council and are attached to this report.

**Option 1** sets the Fixed Charge at \$400.00, as it was in 2014/2015, with a proposed rate in the dollar levied at:

<b>Land Use</b>	<b>Rate in the Dollar</b>
Residential/Vacant/Commercial/Industrial/Other	0.002304
Primary Production	0.001661

The income received from Primary Production will provide 31.03% of the total general rate revenue, with an average rate increase of 5.22%, compared to Residential rates income which will provide 57.64% of the total revenue, with an average increase of 5.80%. All other land uses to increase as required to raise the required amount of rates.

**Option 2** sets the Fixed Charge at \$400.00, as it was in 2014/2015, with a proposed rate in the dollar levied at:

<b>Land Use</b>	<b>Rate in the Dollar</b>
Residential/Vacant/Commercial/Industrial/Other	0.002278
Primary Production	0.001689

The income received from Primary Production will provide 31.50% of the total general rate revenue, with an average rate increase of 6.80%, compared to Residential rates income which will provide 57.24% of the total revenue, with an average increase of 5.07%. All other land uses to increase as required to raise the required amount of rates.

**Option 3** sets the Fixed Charge at \$410.00, an increase of \$10.00 from 2014/2015, with a proposed rate in the dollar levied at:

<b>Land Use</b>	<b>Rate in the Dollar</b>
Residential/Vacant/Commercial/Industrial/Other	0.002268
Primary Production	0.001655

The income received from Primary Production will provide 31.00% of the total general rate revenue, with an average rate increase of 5.11%, compared to Residential rates income which will provide 57.64% of the total revenue, with an average increase of 5.82%. All other land uses to increase as required to raise the required amount of rates.

Each option contains a summary of rates changes by land use, a summary of rates changes by locality and a table showing the amounts of rates that will be paid by an "average" assessment in each of the different Land Use categories.

In analysing the schedule titled Summary of Rates Changes (by Land use), in each option it should be noted that income from the Fixed Charge component is shown as a separate line and is not included in the Residential, Commercial, etc. figures.

The schedule in each option titled Average Rates contains data that is very informative about the "trends" in rates and, therefore, this data is an excellent guide to the effect of the different rating options.



As stated earlier, further valuation updates will be received from the State Valuation Office between the time of preparing this report and when Council adopts valuations and declares rates. This additional information will possibly result in an increase in the rateable valuations as well as a possible small increase in the number of Fixed Charges to be levied; therefore Council may have the opportunity at that time to set a slightly lower rate-in-the-dollar than those shown in this preliminary report and accompanying schedules.

In summary, Council considered that Option 2 better satisfies the desired outcomes specified above and will result (as shown most clearly by the Average Rates tables in the models) in a more equitable and fair spread of increases in General Rates to Council's Ratepayers, based on the capacity to pay.

## **LEGISLATION/POLICY/COUNCIL STRATEGIC PLAN**

Local Government Act 1999

Strategic Plan

Key Theme: Corporate Governance & Leadership

2. Organisational Efficiency and Resource Management

Strategic Goal: 2.1 Financially Sustainable Organisation

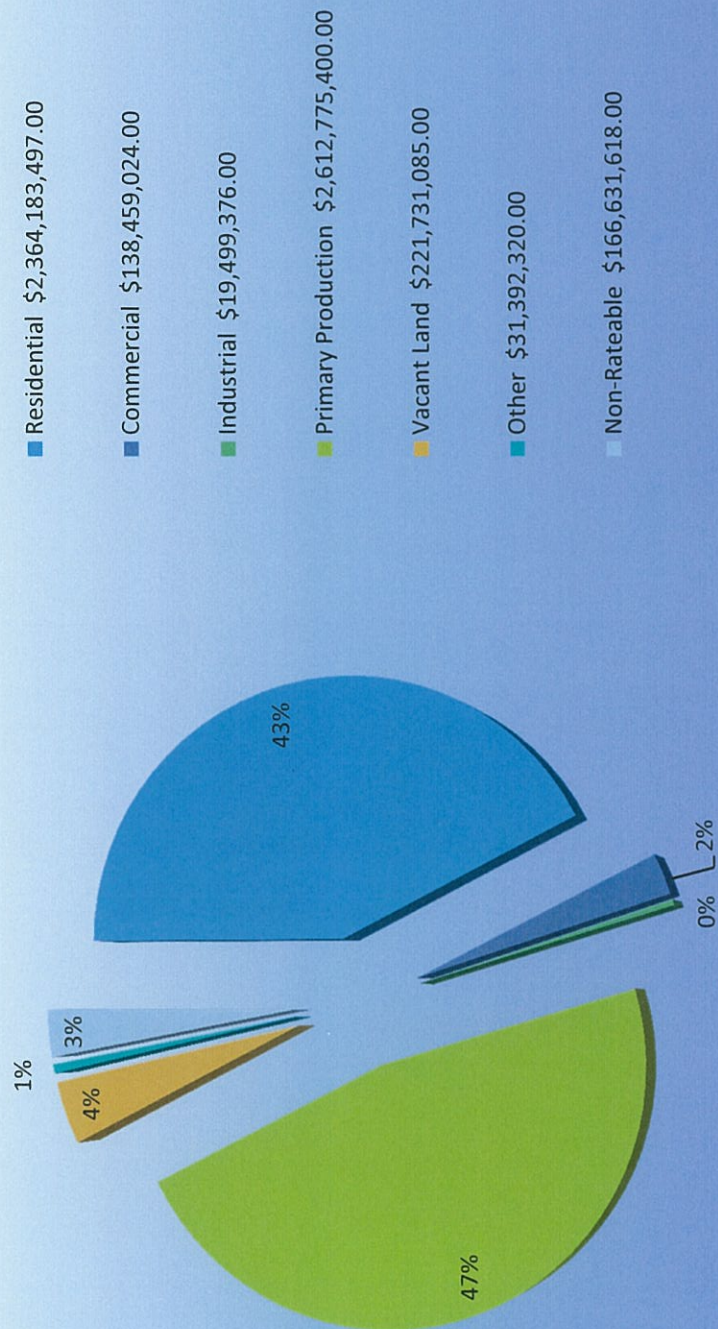
## **FINANCIAL AND RISK MANAGEMENT CONSIDERATIONS**

All three of the options presented in this report will achieve the amount of General Rates required in the Draft 2015/2016 Budget and Draft Annual Business Plan.

		2013/2014	%	2014/2015	%	2015/2016	%
		VALUATION	DIFF.	VALUATION	DIFF.	VALUATION	DIFF.
<b>Residential</b>	CYP	899,735,008	-1.55%	904,848,258	0.57%	914,266,399	1.04%
	Minlaton	504,279,528	-2.99%	509,741,128	1.08%	517,100,128	1.44%
	Yorke town	523,640,854	-2.14%	528,928,898	1.01%	536,751,806	1.48%
	Warooka	386,455,864	-2.23%	395,048,864	2.22%	396,065,164	0.26%
		2,314,111,254	-2.12%	2,338,567,148	1.06%	2,364,183,497	1.10%
<b>Commercial</b>	CYP	58,851,369	0.34%	58,816,969	-0.06%	59,498,375	1.16%
	Minlaton	24,109,043	-1.37%	23,825,296	-1.18%	24,072,409	1.04%
	Yorke town	45,901,221	-0.52%	46,154,677	0.55%	46,656,554	1.09%
	Warooka	7,866,146	-6.45%	7,938,456	0.92%	8,231,686	3.69%
		136,727,779	-0.67%	136,735,398	0.01%	138,459,024	1.26%
<b>Industrial</b>	CYP	9,401,406	0.05%	9,401,406	0.00%	9,266,406	-1.44%
	Minlaton	3,052,231	-3.24%	6,435,970	110.86%	6,435,970	0.00%
	Yorke town	3,015,000	-4.29%	2,985,000	-1.00%	2,915,000	-2.35%
	Warooka	882,000	0.00%	882,000	0.00%	882,000	0.00%
		16,350,637	-1.40%	19,704,376	20.51%	19,499,376	-1.04%
<b>Primary Prod.</b>	CYP	1,786,008,250	4.67%	1,783,562,900	-0.14%	1,861,033,950	4.34%
	Minlaton	375,556,623	1.16%	375,726,623	0.05%	394,105,650	4.89%
	Yorke town	206,940,135	0.17%	207,579,635	0.31%	218,140,600	5.09%
	Warooka	133,234,340	0.20%	133,174,030	-0.05%	139,495,200	4.75%
		2,501,739,348	3.50%	2,500,043,188	-0.07%	2,612,775,400	4.51%
<b>Vacant Land</b>	CYP	96,934,350	-10.20%	92,554,590	-4.52%	92,909,590	0.38%
	Minlaton	43,002,120	-5.62%	41,537,620	-3.41%	39,826,620	-4.12%
	Yorke town	49,907,425	-7.21%	46,671,925	-6.48%	45,123,275	-3.32%
	Warooka	49,273,600	-9.93%	45,243,600	-8.18%	43,871,600	-3.03%
		239,117,495	-8.73%	226,007,735	-5.48%	221,731,085	-1.89%
<b>Other</b>	CYP	5,496,830	17.45%	5,464,830	-0.58%	5,441,830	-0.42%
	Minlaton	9,151,619	0.78%	5,537,880	-39.49%	5,212,880	-5.87%
	Yorke town	5,562,710	9.44%	5,672,710	1.98%	5,702,710	0.53%
	Warooka	15,631,700	-9.72%	15,570,700	-0.39%	15,034,900	-3.44%
		35,842,859	-0.87%	32,246,120	-10.03%	31,392,320	-2.65%
<b>Marina Berths</b>	Minlaton				N/A		N/A
<b>Sub-total</b>		5,243,889,372	0.20%	5,253,303,965	0.18%	5,388,040,702	2.56%
<b>Non Rateable</b>		163,263,468	2.07%	164,422,415	0.71%	166,631,618	1.34%
<b>Total</b>		5,407,152,840	0.25%	5,417,726,380	0.20%	5,554,672,320	2.53%

# 2015/2016 Valuations by Land Use

Valuations 2015/2016  
(at 13/5/2015)



## SUMMARY OF VALUATION CHANGES (by location) - 2013/14, 2014/15, 2015/16

## ATTACHMENT B

TOWN / LOCATION	CAPITAL VALUATION 2013/2014	PERCENTAGE INCREASE / DECREASE	CAPITAL VALUATION 2014/2015	PERCENTAGE INCREASE / DECREASE	CAPITAL VALUATION 2015/2016	PERCENTAGE INCREASE / DECREASE
ARDROSSAN	229,696,880	-3.65%	232,411,120	1.18%	235,603,120	1.37%
ARTHURTON	7,669,000	-1.64%	7,629,000	-0.52%	7,582,000	-0.62%
BALGOWAN	61,755,000	-1.40%	62,810,000	1.71%	63,042,000	0.37%
MAITLAND	134,595,153	3.47%	135,722,653	0.84%	135,983,750	0.19%
PORT CLINTON	71,334,000	-3.20%	68,293,000	-4.26%	68,763,000	0.69%
PRICE	23,249,000	-1.47%	23,519,000	1.16%	23,599,000	0.34%
CHINAMAN WELLS	12,530,000	-4.50%	11,950,000	-4.63%	12,115,000	1.38%
POINT PEARCE	3,590,000	25.09%	3,846,000	7.13%	4,191,000	8.97%
SOUTH KILKERRAN	3,055,000	0.18%	3,066,000	0.36%	3,275,000	6.82%
TIDDY WIDDY	60,670,000	-5.11%	61,002,000	0.55%	61,169,000	0.27%
HD CLINTON	177,174,700	4.32%	177,078,700	-0.05%	184,725,900	4.32%
HD CUNNINGHAM	219,115,300	4.65%	219,110,300	0.00%	228,757,200	4.40%
HD KILKERRAN	164,021,840	4.94%	164,061,840	0.02%	170,837,240	4.13%
HD MAITLAND	362,645,000	4.29%	362,710,000	0.02%	379,418,000	4.61%
HD TIPARRA	460,812,740	5.02%	461,636,740	0.18%	481,097,240	4.22%
BLUFF BEACH	12,082,000	-1.35%	12,337,000	2.11%	12,337,000	0.00%
BRENTWOOD	1,960,000	0.31%	2,073,000	5.77%	2,114,000	1.98%
CURRAMULKA	14,947,500	-0.68%	14,978,500	0.21%	15,279,500	2.01%
HARDWICKE BAY	82,135,500	-5.01%	82,695,000	0.68%	83,486,000	0.96%
MINLATON	95,940,996	-2.11%	96,221,849	0.29%	97,114,549	0.93%
PARSONS BEACH	13,629,000	-4.28%	14,027,000	2.92%	14,374,000	2.47%
PORT JULIA	39,666,000	3.40%	38,604,000	-2.68%	39,154,000	1.42%
PORT RICKABY	20,517,250	-2.91%	20,666,250	0.73%	20,666,250	0.00%
PORT VICTORIA	146,714,500	-0.73%	146,890,500	0.12%	149,480,500	1.76%
PORT VINCENT	204,186,708	-4.65%	207,346,708	1.55%	207,683,708	0.16%
SHEOAK FLAT	12,984,000	0.80%	12,984,000	0.00%	13,111,000	0.98%
BLACK POINT	151,377,600	-8.01%	152,214,600	0.55%	152,912,600	0.46%
JAMES WELL	49,938,000	0.39%	48,230,000	-3.42%	48,561,000	0.69%
PINE POINT	46,999,600	-1.28%	47,019,600	0.04%	47,177,600	0.34%
ROGUES POINT	31,375,000	0.28%	30,300,000	-3.43%	30,525,000	0.74%
URANIA	814,200	0.00%	814,200	0.00%	814,200	0.00%
HD CURRAMULKA	149,661,100	1.97%	149,731,100	0.05%	156,375,900	4.44%
HD KOOLYWURTIE	85,794,160	1.96%	85,794,160	0.00%	90,252,200	5.20%
HD MINLACOWIE	109,813,000	0.19%	109,804,000	-0.01%	115,106,500	4.83%
HD MULOOOWURTIE	208,976,500	4.64%	209,151,500	0.08%	217,921,000	4.19%
HD RAMSAY	81,009,950	-0.32%	81,134,950	0.15%	85,069,050	4.85%
HD WAURALTEE	228,318,200	4.62%	225,182,200	-1.37%	234,866,200	4.30%
COOBOWIE	72,979,000	-2.61%	74,226,000	1.71%	75,068,000	1.13%
EDITHBURGH	137,665,000	-2.56%	139,991,000	1.69%	141,587,000	1.14%
STANSBURY	173,797,275	-2.63%	176,338,275	1.46%	178,493,275	1.22%
WOOL BAY	38,330,000	-3.32%	38,456,000	0.33%	38,578,000	0.32%
YORKETOWN	93,057,692	-1.47%	92,091,692	-1.04%	92,549,392	0.50%
OAKLANDS	1,405,400	0.93%	1,331,400	-5.27%	1,331,600	0.02%
PORT MOOROWIE	36,383,750	-3.51%	35,783,250	-1.65%	36,408,700	1.75%
SULTANA POINT	33,482,000	-4.38%	31,335,000	-6.41%	31,580,000	0.78%
HD DALRYMPLE	88,949,100	0.18%	89,272,100	0.36%	93,475,600	4.71%
HD MELVILLE	112,228,678	0.33%	112,474,678	0.22%	117,372,178	4.35%
HD MOOROWIE	46,689,450	0.93%	46,693,450	0.01%	48,846,200	4.61%
CORNY POINT	54,571,000	-6.11%	55,622,000	1.93%	55,880,000	0.46%
MARION BAY	101,733,000	-5.43%	101,703,000	-0.03%	98,408,000	-3.24%
POINT TURTON	131,448,000	-3.23%	133,988,000	1.93%	135,383,000	1.04%
THE PINES	39,524,000	-2.64%	39,639,000	0.29%	39,741,000	0.26%
WAROOKA	25,322,050	-0.62%	25,816,050	1.95%	26,156,050	1.32%
COUCH'S BEACH	7,433,000	-0.75%	7,435,000	0.03%	7,444,000	0.12%
FOUL BAY	12,956,000	-2.03%	13,076,000	0.93%	13,206,000	0.99%
INNES NATIONAL PARK	4,342,000	-14.41%	4,327,000	-0.35%	4,327,000	0.00%
THE DRAIN/POINT SOUTTAR	54,129,700	-1.62%	54,534,700	0.75%	54,889,700	0.65%
HD CARRIBIE	38,710,000	0.31%	38,690,000	-0.05%	40,235,800	4.00%

Yorke Peninsula

TOWN / LOCATION	CAPITAL VALUATION 2013/2014	PERCENTAGE INCREASE / DECREASE	CAPITAL VALUATION 2014/2015	PERCENTAGE INCREASE / DECREASE	CAPITAL VALUATION 2015/2016	PERCENTAGE INCREASE / DECREASE
HD COONARIE	28,167,100	0.49%	28,109,100	-0.21%	28,903,600	2.83%
HD PARA WURLIE	76,194,800	0.14%	76,354,800	0.21%	79,958,400	4.72%
HD WARRENBEN	18,813,000	1.95%	18,563,000	-1.33%	19,048,000	2.61%
PORT VINCENT MARINA	34,824,000	-6.06%	34,407,000	-1.20%	34,630,000	0.65%
	5,243,889,372	0.20%	5,253,303,965	0.18%	5,388,040,702	2.56%
KALKABURY NON RATEABLE	43,902,667	4.59%	44,214,167	0.71%	45,966,170	3.96%
GUM FLAT NON RATEABLE	49,533,756	0.59%	49,815,903	0.57%	50,090,063	0.55%
INNES/P. VALE NON RATEABLE	69,827,045	1.59%	70,392,345	0.81%	70,575,385	0.26%
<b>TOTAL</b>	<b>5,407,152,840</b>	<b>0.25%</b>	<b>5,417,726,380</b>	<b>0.20%</b>	<b>5,554,672,320</b>	<b>2.53%</b>





# **OPTION 1**

## **Based on Differential Rate**

Land Use	2014/2015	PROPOSED	REVENUE	AVERAGE RATE INCREASE	% OF TOTAL REVENUE
Residential	0.002109	0.002304	\$5,447,078	10.44%	35.35%
Commercial	0.002109	0.002304	\$319,009	10.62%	2.07%
Industry	0.002109	0.002304	\$44,926	8.11%	0.29%
Primary Production	0.001621	0.001661	\$4,339,819	7.09%	28.16%
Vacant Land	0.002109	0.002304	\$510,868	7.18%	3.32%
Other	0.002109	0.002304	\$72,327	6.35%	0.47%
Fixed Charge	\$400	\$400	\$4,675,200	NIL	30.34%

## **Based on Overall Rate (includes Fixed Charge \$400)**

Land Use	2014/2015	PROPOSED	REVENUE	AVERAGE RATE INCREASE	% OF TOTAL REVENUE
Residential	0.002109	0.002304	\$8,882,278	5.80%	57.64%
Commercial	0.002109	0.002304	\$478,609	5.21%	3.11%
Industry	0.002109	0.002304	\$66,126	6.08%	0.43%
Primary Production	0.001621	0.001661	\$4,782,219	5.22%	31.03%
Vacant Land	0.002109	0.002304	\$1,053,668	3.46%	6.84%
Other	0.002109	0.002304	\$146,327	3.96%	0.95%



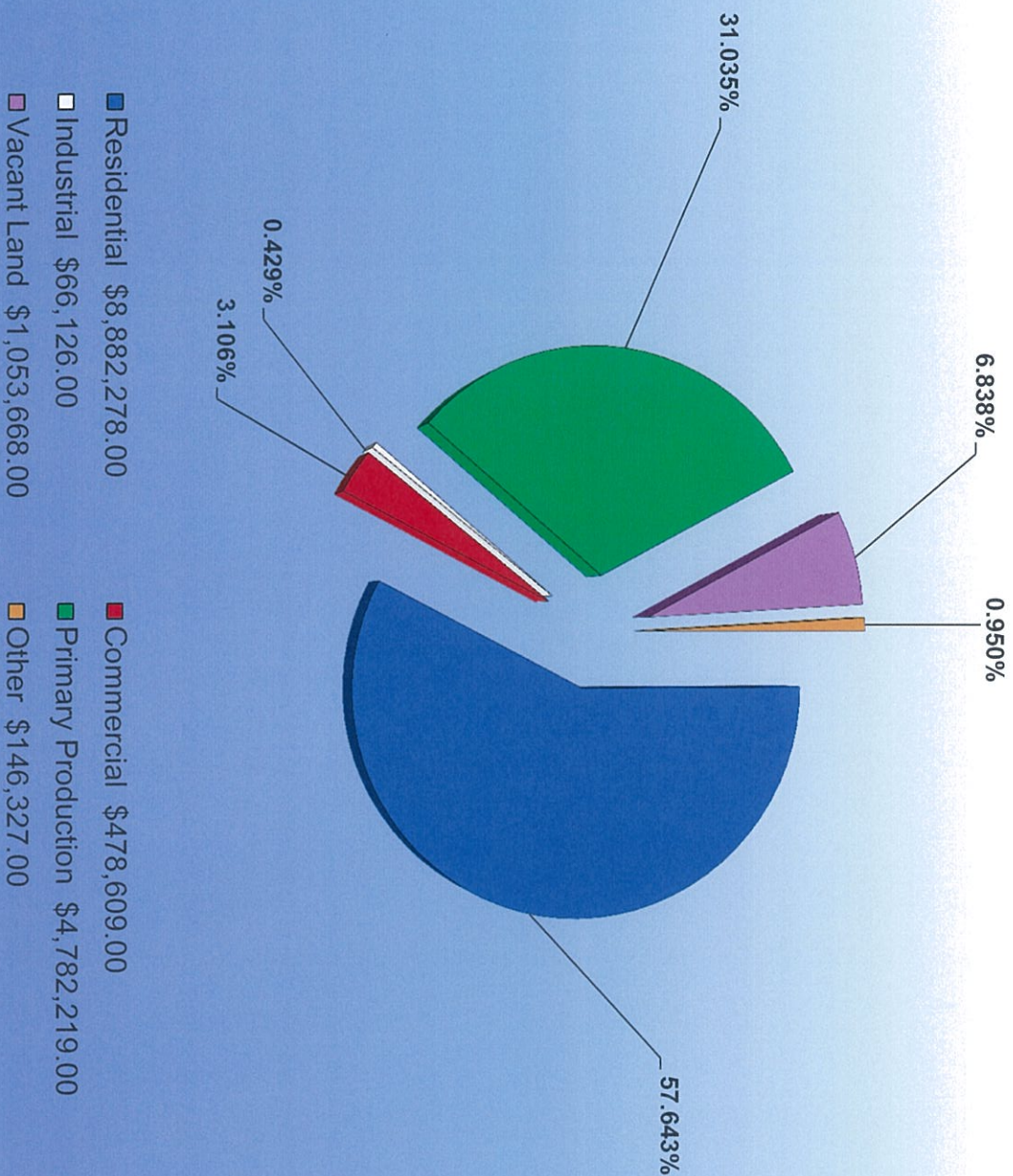
# SAMPLE OF AVERAGE RATES PAYABLE

## OPTION 1

Land Use	14/15 Capital Value	Rates Paid 14/15	Proposed 2015/16 Cap Vals	Proposed Rates 15/16 Fixed Charge \$400	Rate in \$	Increase
Residential	\$273,212.00	\$ 976.20	\$275,000.00	\$1,033.60	0.002304	5.88%
Residential	\$500,000.00	\$ 1,454.50	\$505,000.00	\$1,563.52	0.002304	7.50%
Commercial (ie Small Office)	\$50,000.00	\$ 505.45	\$50,600.00	\$516.58	0.002304	2.20%
Commercial (Supermarket)	\$650,000.00	\$ 1,770.85	\$657,800.00	\$1,915.57	0.002304	8.17%
Commercial (Silos)	\$11,500,000.00	\$ 24,653.50	\$11,638,000.00	\$26,813.95	0.002304	8.76%
Industrial (Quarry)	\$1,400,000.00	\$ 3,352.60	\$1,385,440.00	\$3,592.05	0.002304	7.14%
Vacant Land	\$136,082.00	\$ 687.00	\$136,000.00	\$713.34	0.002304	3.83%
Vacant Land	\$250,000.00	\$ 927.25	\$245,500.00	\$965.63	0.002304	4.14%
Primary Production	\$908,428.00	\$ 1,872.75	\$945,000.00	\$1,969.64	0.001661	5.17%
Primary Production	\$1,441,950.00	\$ 2,737.40	\$1,500,000.00	\$2,891.50	0.001661	5.63%
Primary Production	\$2,883,900.00	\$ 5,074.80	\$3,000,000.00	\$5,383.00	0.001661	6.07%



# 2015/2016 Rates by Land Use Category - Option 1



		2013/2014	%	2014/2015	%	2015/2016	%
		RATES	DIFF.	RATES	DIFF.	RATES	DIFF.
<b>Residential</b>	CYP	1,715,795	8.14%	1,908,325	11.22%	2,106,470	10.38%
	Minlaton	961,661	6.56%	1,075,044	11.79%	1,191,399	10.82%
	Yorke town	998,583	7.50%	1,115,511	11.71%	1,236,676	10.86%
	Warooka	736,971	7.40%	833,158	13.05%	912,534	9.53%
		4,413,010	7.53%	4,932,038	11.76%	5,447,079	10.44%
<b>Commercial</b>	CYP	112,230	10.22%	124,045	10.53%	137,084	10.51%
	Minlaton	45,976	8.35%	50,248	9.29%	55,463	10.38%
	Yorke town	87,534	9.28%	97,340	11.20%	107,497	10.43%
	Warooka	15,001	2.76%	16,742	11.61%	18,966	13.28%
		260,740	9.12%	288,375	10.60%	319,010	10.62%
<b>Industrial</b>	CYP	17,928	9.90%	19,828	10.59%	21,350	7.68%
	Minlaton	5,821	6.30%	13,573	133.20%	14,828	9.25%
	Yorke town	5,750	5.14%	6,295	9.49%	6,716	6.68%
	Warooka	1,682	9.85%	1,860	10.59%	2,032	9.25%
		31,181	8.31%	41,557	33.28%	44,927	8.11%
<b>Primary Prod.</b>	CYP	2,632,576	11.88%	2,891,155	9.82%	3,091,177	6.92%
	Minlaton	553,570	8.13%	609,053	10.02%	654,609	7.48%
	Yorke town	305,030	7.07%	336,487	10.31%	362,332	7.68%
	Warooka	196,387	7.10%	215,875	9.92%	231,702	7.33%
		3,687,564	10.63%	4,052,570	9.90%	4,339,820	7.09%
<b>Vacant Land</b>	CYP	184,854	-1.36%	195,198	5.60%	214,064	9.67%
	Minlaton	82,005	3.67%	87,603	6.83%	91,761	4.75%
	Yorke town	95,173	1.93%	98,431	3.42%	103,964	5.62%
	Warooka	93,965	-1.06%	95,419	1.55%	101,080	5.93%
		455,997	0.26%	476,650	4.53%	510,868	7.18%
<b>Other</b>	CYP	10,482	29.02%	11,525	9.95%	12,538	8.79%
	Minlaton	17,452	10.71%	11,679	-33.08%	12,010	2.83%
	Yorke town	10,608	20.22%	11,964	12.78%	13,139	9.82%
	Warooka	29,810	-0.82%	32,839	10.16%	34,640	5.49%
		68,352	8.90%	68,007	-0.51%	72,328	6.35%
<b>Marina Berths</b>	Minlaton						
<b>Fixed Charges</b>		4,701,600	11.57%	4,671,600	-0.64%	4,675,200	0.08%
<b>Total Raised</b>		13,618,444	9.50%	14,530,797	6.70%	15,409,231	6.05%
<b>Less Rebates</b>		105,073	13.30%	111,372	5.99%	116,734	4.81%
<b>Total Revenue</b>		13,513,371	9.47%	14,516,194	7.42%	15,292,497	5.35%

# Option 1

Land Use	Area	2013/2014				2014/2015				2015/2016			
		Assess.	Ave. Rates	Diff. (\$)	Diff. (%)	Assess.	Ave. Rates	Diff. (\$)	Diff. (%)	Assess.	Ave. Rates	Diff. (\$)	Diff. (%)
Residential	CYP	3,290	\$921.52	73.79	8.70%	3,318	\$975.14	53.63	5.82%	3,328	\$1,032.95	57.81	5.93%
	Minlaton	1,847	\$920.66	69.67	8.19%	1,859	\$978.29	57.63	6.26%	1,874	\$1,035.75	57.46	5.87%
	Yorketown	2,011	\$896.56	70.49	8.53%	2,035	\$948.16	51.60	5.76%	2,049	\$1,003.55	55.39	5.84%
	Warooka	1,400	\$926.41	71.30	8.34%	1,421	\$986.32	59.91	6.47%	1,428	\$1,039.03	52.71	5.34%
Commercial		8,548	\$916.26	71.71	8.49%	8,633	\$971.30	55.04	6.01%	8679	\$1,027.62	56.32	5.80%
	CYP	161	\$1,097.08	104.65	10.54%	158	\$1,185.09	88.02	8.02%	158	\$1,267.62	82.53	6.96%
	Minlaton	121	\$779.97	77.77	11.07%	121	\$815.27	35.30	4.53%	123	\$850.92	35.65	4.37%
	Yorketown	123	\$1,111.66	105.67	10.50%	123	\$1,191.38	79.73	7.17%	127	\$1,246.43	55.05	4.62%
Industrial	Warooka	44	\$740.93	49.17	7.11%	44	\$780.50	39.58	5.34%	47	\$803.53	23.02	2.95%
		449	\$980.71	93.22	10.50%	446	\$1,046.58	65.87	6.72%	455	\$1,101.12	54.54	5.21%
	CYP	25	\$1,117.14	104.61	10.33%	25	\$1,193.10	75.96	6.80%	24	\$1,289.57	96.47	8.09%
	Minlaton	14	\$815.76	64.63	8.60%	16	\$1,248.34	432.58	53.03%	16	\$1,326.78	78.44	6.28%
Primary Production	Yorketown	17	\$738.21	74.41	11.21%	17	\$770.32	32.10	4.35%	17	\$795.07	24.75	3.21%
	Warooka	6	\$680.33	65.14	10.59%	6	\$710.02	29.69	4.36%	6	\$738.69	28.67	4.04%
		62	\$902.91	85.95	10.52%	64	\$1,049.32	146.41	16.21%	63	\$1,113.12	63.80	6.08%
	CYP	1,239	\$2,292.76	227.02	10.99%	1,249	\$2,482.78	190.02	8.29%	1,259	\$2,615.26	132.49	5.34%
Vacant Land	Minlaton	607	\$1,079.98	70.35	6.97%	609	\$1,168.09	88.11	8.16%	613	\$1,227.88	59.79	5.12%
	Yorketown	558	\$714.65	42.10	6.26%	559	\$769.94	55.30	7.74%	561	\$805.87	35.92	4.67%
	Warooka	334	\$755.99	44.99	6.33%	335	\$812.40	56.42	7.46%	338	\$845.51	33.10	4.07%
		2,738	\$1,514.81	132.73	9.60%	2,752	\$1,640.59	125.78	8.30%	2771	\$1,726.16	85.57	5.22%
Other	CYP	558	\$731.28	40.78	5.91%	544	\$758.82	27.54	3.77%	546	\$792.06	33.24	4.38%
	Minlaton	298	\$675.18	47.95	7.65%	291	\$701.04	25.86	3.83%	282	\$725.39	24.35	3.47%
	Yorketown	433	\$619.80	47.11	8.23%	418	\$635.48	15.68	2.53%	412	\$652.34	16.86	2.65%
	Warooka	410	\$629.18	41.98	7.15%	391	\$644.04	14.86	2.36%	388	\$660.52	16.48	2.56%
Marina Berths		1,699	\$668.39	43.95	7.04%	1,644	\$689.93	21.54	3.22%	1628	\$713.80	23.87	3.46%
	CYP	49	\$613.93	88.12	16.76%	50	\$630.51	16.58	2.70%	49	\$655.88	25.37	4.02%
	Minlaton	100	\$574.52	52.01	9.95%	25	\$867.18	292.65	50.94%	23	\$922.19	55.02	6.34%
	Yorketown	26	\$808.00	108.63	15.53%	27	\$843.10	35.10	4.34%	26	\$905.35	62.25	7.38%
Mintaton	Warooka	112	\$666.16	47.04	7.60%	111	\$695.84	29.69	4.46%	110	\$714.91	19.07	2.74%
		287	\$638.16	60.21	10.42%	213	\$719.28	81.12	12.71%	208	\$747.73	28.45	3.96%

Note: Allowance has been made for approx. 60% of Primary Production assessments being exempt of a Fixed Charge component.

TOWN / LOCATION	RATES PROPOSED 2013/2014	PERCENTAGE INCREASE / DECREASE	RATES PROPOSED 2014/2015	PERCENTAGE INCREASE / DECREASE	RATES PROPOSED 2015/2016	PERCENTAGE INCREASE / DECREASE
ARDROSSAN	743,452.16	8.28%	798,712.36	7.43%	851,582.76	6.62%
ARTHURTON	37,824.78	9.91%	39,689.56	4.93%	41,468.93	4.48%
BALGOWAN	219,766.79	9.59%	234,866.29	6.87%	247,648.77	5.44%
MAITLAND	508,060.91	12.56%	537,949.29	5.88%	563,997.04	4.84%
PORT CLINTON	282,033.94	8.75%	290,029.94	2.84%	305,229.95	5.24%
PRICE	101,135.84	10.70%	105,601.57	4.42%	110,372.10	4.52%
CHINAMAN WELLS	39,094.71	7.24%	40,402.55	3.35%	43,112.96	6.71%
POINT PEARCE	26,846.13	24.62%	28,511.21	6.20%	30,056.06	5.42%
SOUTH KILKERRAN	15,025.89	10.70%	15,666.19	4.26%	17,145.60	9.44%
TIDDY WIDDY	216,897.69	7.34%	229,853.22	5.97%	242,133.38	5.34%
HD CLINTON	293,935.31	11.36%	320,023.99	8.88%	339,175.77	5.98%
HD CUNNINGHAM	371,336.14	12.18%	403,783.68	8.74%	431,015.71	6.74%
HD KILKERRAN	272,886.64	12.07%	297,153.95	8.89%	314,458.80	5.82%
HD MAITLAND	579,596.18	11.57%	631,277.58	8.92%	672,480.03	6.53%
HD TIPARRA	750,390.79	12.31%	816,547.98	8.82%	866,093.53	6.07%
BLUFF BEACH	36,640.37	9.37%	39,618.73	8.13%	42,024.45	6.07%
BRENTWOOD	9,737.72	10.75%	10,371.96	6.51%	11,270.66	8.66%
CURRAMULKA	70,904.88	10.30%	73,989.66	4.35%	78,003.97	5.43%
HARDWICKE BAY	283,337.14	7.41%	301,096.40	6.27%	319,010.28	5.95%
MINLATON	379,878.85	9.56%	401,015.61	5.56%	422,062.08	5.25%
PARSONS BEACH	53,590.50	8.14%	57,582.94	7.45%	61,117.70	6.14%
PORT JULIA	142,843.06	12.41%	149,015.84	4.32%	158,210.82	6.17%
PORT RICKABY	64,726.40	8.37%	69,185.12	6.89%	73,215.04	5.82%
PORT VICTORIA	483,451.73	11.18%	515,993.94	6.73%	551,940.92	6.97%
PORT VINCENT	657,784.05	7.38%	706,894.21	7.47%	748,103.26	5.83%
SHEOAK FLAT	46,360.49	10.91%	48,983.26	5.66%	51,807.74	5.77%
BLACK POINT	387,877.08	3.15%	419,820.59	8.24%	450,710.63	7.36%
JAMES WELL	157,631.77	10.60%	164,517.07	4.37%	174,684.54	6.18%
PINE POINT	151,228.24	9.80%	160,764.34	6.31%	170,297.19	5.93%
ROGUES POINT	87,832.13	10.46%	91,902.70	4.63%	98,329.60	6.99%
URANIA	4,352.68	10.66%	4,517.15	3.78%	4,675.92	3.51%
HD CURRAMULKA	279,755.50	9.93%	302,615.39	8.17%	322,204.56	6.47%
HD KOOLYWURTIE	168,963.82	9.74%	182,045.95	7.74%	194,499.44	6.84%
HD MINLACOWIE	225,510.01	8.68%	242,982.74	7.75%	258,356.84	6.33%
HD MULOOWURTIE	334,013.03	11.81%	365,515.54	9.43%	388,412.43	6.26%
HD RAMSAY	150,043.08	7.29%	162,037.98	7.99%	174,396.13	7.63%
HD WAURALTEE	374,794.57	12.17%	402,975.25	7.52%	429,660.29	6.62%
COOBOWIE	247,515.10	8.92%	266,879.68	7.82%	283,673.73	6.29%
EDITHBURGH	488,610.54	8.95%	521,860.63	6.81%	553,190.92	6.00%
STANSBURY	564,210.53	8.70%	606,223.09	7.45%	645,764.35	6.52%
WOOL BAY	139,095.31	8.48%	146,703.70	5.47%	154,883.71	5.58%
YORKETOWN	372,818.93	9.84%	389,948.54	4.59%	408,862.27	4.85%
OAKLANDS	7,797.44	10.93%	7,914.76	1.50%	8,145.13	2.91%
PORT MOOROWIE	152,176.23	9.00%	159,458.33	4.79%	168,674.07	5.78%
SULTANA POINT	106,205.58	7.36%	108,435.25	2.10%	115,094.09	6.14%
HD DALRYMPLE	171,320.26	8.77%	184,379.01	7.62%	196,765.81	6.72%
HD MELVILLE	240,549.47	8.76%	259,126.28	7.72%	278,422.06	7.45%
HD MOOROWIE	97,578.28	10.02%	104,298.77	6.89%	110,047.49	5.51%
CORNY POINT	187,230.96	6.10%	200,066.29	6.86%	211,494.15	5.71%
MARION BAY	366,004.83	7.05%	378,891.63	3.52%	393,532.03	3.86%
POINT TURTON	459,071.34	8.44%	489,380.69	6.60%	519,122.43	6.08%
THE PINES	162,172.27	9.14%	170,798.65	5.32%	178,763.26	4.66%
WAROOKA	113,798.22	10.66%	119,943.57	5.40%	125,728.51	4.82%
COUCH'S BEACH	26,174.73	9.97%	27,680.42	5.75%	29,150.98	5.31%
FOUL BAY	47,907.09	9.28%	50,777.28	5.99%	53,626.62	5.61%
INNES NATIONAL PARK	18,280.19	0.62%	19,125.64	4.62%	19,969.41	4.41%
THE DRAIN/POINT SOUTTAR	157,225.34	9.10%	169,013.68	7.50%	180,465.87	6.78%

**Option 1**

TOWN / LOCATION	RATES PROPOSED 2013/2014	PERCENTAGE INCREASE / DECREASE	RATES PROPOSED 2014/2015	PERCENTAGE INCREASE / DECREASE	RATES PROPOSED 2015/2016	PERCENTAGE INCREASE / DECREASE
HD CARRIBIE	93,277.66	9.70%	99,563.38	6.74%	105,569.87	6.03%
HD COONARIE	67,858.67	9.86%	73,012.25	7.59%	76,247.32	4.43%
HD PARA WURLIE	146,969.65	8.70%	158,770.90	8.03%	168,493.12	6.12%
HD WARRENBEN	49,844.92	11.45%	52,468.47	5.26%	54,790.60	4.43%
PORT VINCENT MARINA	125,209.37	6.77%	102,564.36	-18.09%	109,787.52	7.04%
	<b>13,618,443.89</b>	<b>9.50%</b>	<b>14,530,796.99</b>	<b>6.70%</b>	<b>15,409,231.20</b>	<b>6.05%</b>
<u>Less</u> Rebates	105,072.91	13.82%	111,371.92	5.99%	116,733.80	4.81%
	<b>13,513,370.99</b>	<b>8.66%</b>	<b>14,419,425.07</b>	<b>6.70%</b>	<b>15,292,497.40</b>	<b>6.05%</b>



# OPTION 2

## Based on Differential Rate

Land Use	2014/2015	PROPOSED	REVENUE	AVERAGE RATE INCREASE	% OF TOTAL REVENUE
Residential	0.002109	0.002278	\$5,385,610	9.20%	34.95%
Commercial	0.002109	0.002278	\$315,409	9.37%	2.05%
Industry	0.002109	0.002278	\$44,419	6.89%	0.29%
Primary Production	0.001621	0.001689	\$4,411,671	8.86%	28.63%
Vacant Land	0.002109	0.002278	\$505,103	5.97%	3.28%
Other	0.002109	0.002278	\$71,511	5.15%	0.46%
Fixed Charge	\$400	\$400	\$4,675,200	NIL	30.34%

## Based on Overall Rate (includes Fixed Charge \$400)

Land Use	2014/2015	PROPOSED	REVENUE	AVERAGE RATE INCREASE	% OF TOTAL REVENUE
Residential	0.002109	0.002278	\$8,820,810	5.07%	57.24%
Commercial	0.002109	0.002278	\$475,009	4.46%	3.08%
Industry	0.002109	0.002278	\$65,619	5.31%	0.43%
Primary Production	0.001621	0.001689	\$4,854,071	6.80%	31.50%
Vacant Land	0.002109	0.002278	\$1,047,903	2.95%	6.81%
Other	0.002109	0.002278	\$145,511	3.41%	0.94%

# SAMPLE OF AVERAGE RATES PAYABLE

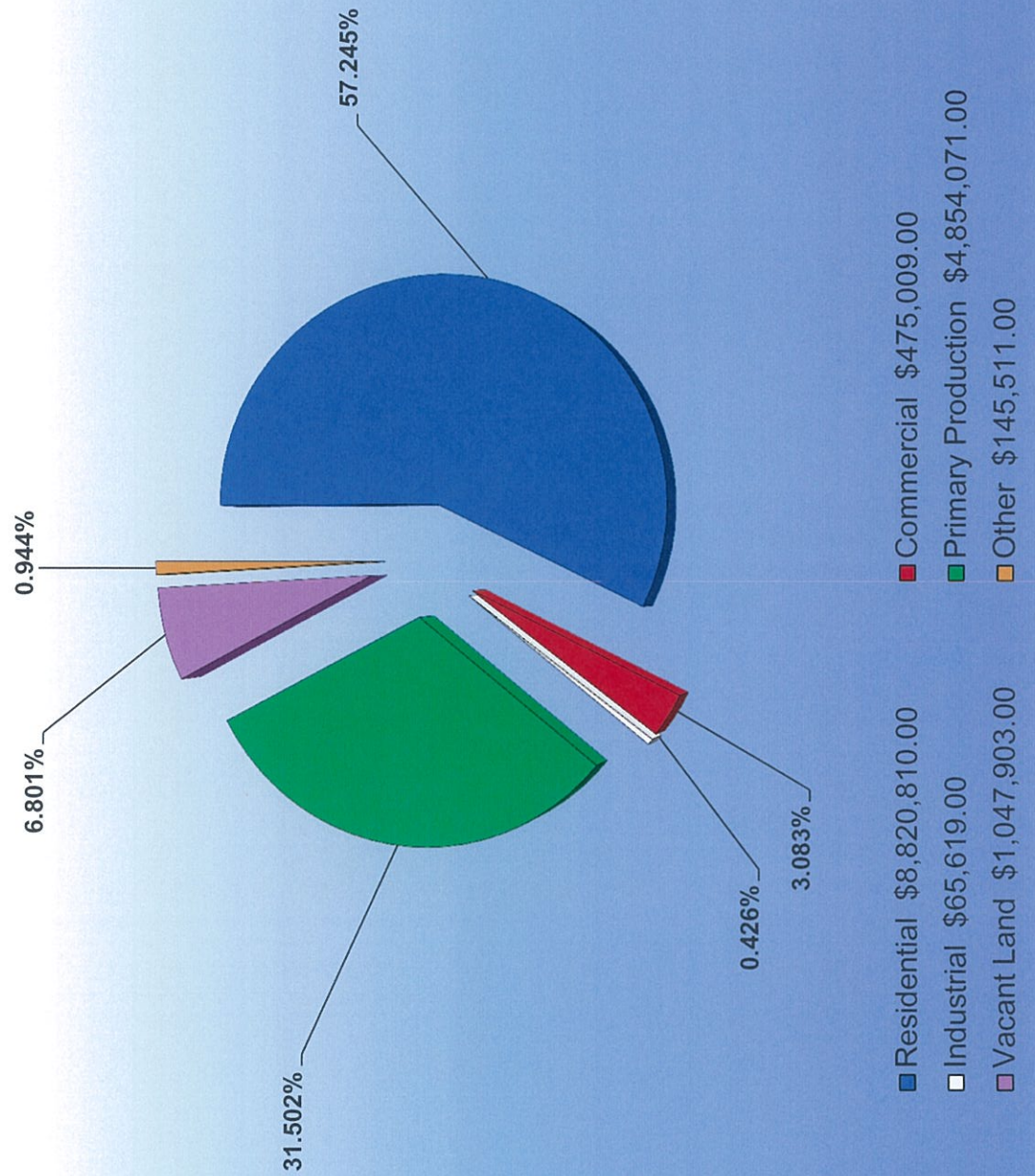
## OPTION 2

Land Use	14/15 Capital Value	Rates Paid 14/15	Proposed 2015/16 Cap Vals	Proposed Rates 15/16 Fixed Charge \$400	Rate in \$	Increase
Residential	\$273,212.00	\$ 976.20	\$275,000.00	\$1,026.45	0.002278	5.15%
Residential	\$500,000.00	\$ 1,454.50	\$505,000.00	\$1,550.39	0.002278	6.59%
Commercial (ie Small Office)	\$50,000.00	\$ 505.45	\$50,600.00	\$515.26	0.002278	1.94%
Commercial (Supermarket)	\$650,000.00	\$ 1,770.85	\$657,800.00	\$1,898.47	0.002278	7.21%
Commercial (Silos)	\$11,500,000.00	\$ 24,653.50	\$11,638,000.00	\$26,911.36	0.002278	9.16%
Industrial (Quarry)	\$1,400,000.00	\$ 3,352.60	\$1,385,440.00	\$3,556.03	0.002278	6.07%
Vacant Land	\$136,082.00	\$ 687.00	\$136,000.00	\$709.80	0.002278	3.32%
Vacant Land	\$250,000.00	\$ 927.25	\$245,500.00	\$959.25	0.002278	3.45%
Primary Production	\$908,428.00	\$ 1,872.75	\$945,000.00	\$1,996.10	0.001689	6.59%
Primary Production	\$1,441,950.00	\$ 2,737.40	\$1,500,000.00	\$2,933.50	0.001689	7.16%
Primary Production	\$2,883,900.00	\$ 5,074.80	\$3,000,000.00	\$5,467.00	0.001689	7.73%



# 2015/2016 Rates by Land Use

## Category – Option 2





		2013/2014	%	2014/2015	%	2015/2016	%
		RATES	DIFF.	RATES	DIFF.	RATES	DIFF.
<b>Residential</b>	CYP	1,715,795	8.14%	1,908,325	11.22%	2,082,699	9.14%
	Minlaton	961,661	6.56%	1,075,044	11.79%	1,177,954	9.57%
	Yorke town	998,583	7.50%	1,115,511	11.71%	1,222,721	9.61%
	Warooka	736,971	7.40%	833,158	13.05%	902,236	8.29%
		4,413,010	7.53%	4,932,038	11.76%	5,385,610	9.20%
<b>Commercial</b>	CYP	112,230	10.22%	124,045	10.53%	135,537	9.26%
	Minlaton	45,976	8.35%	50,248	9.29%	54,837	9.13%
	Yorke town	87,534	9.28%	97,340	11.20%	106,284	9.19%
	Warooka	15,001	2.76%	16,742	11.61%	18,752	12.00%
		260,740	9.12%	288,375	10.60%	315,410	9.37%
<b>Industrial</b>	CYP	17,928	9.90%	19,828	10.59%	21,109	6.46%
	Minlaton	5,821	6.30%	13,573	133.20%	14,661	8.01%
	Yorke town	5,750	5.14%	6,295	9.49%	6,640	5.48%
	Warooka	1,682	9.85%	1,860	10.59%	2,009	8.01%
		31,181	8.31%	41,557	33.28%	44,420	6.89%
<b>Primary Prod.</b>	CYP	2,632,576	11.88%	2,891,155	9.82%	3,143,286	8.72%
	Minlaton	553,570	8.13%	609,053	10.02%	665,644	9.29%
	Yorke town	305,030	7.07%	336,487	10.31%	368,439	9.50%
	Warooka	196,387	7.10%	215,875	9.92%	235,607	9.14%
		3,687,564	10.63%	4,052,570	9.90%	4,412,978	8.89%
<b>Vacant Land</b>	CYP	184,854	-1.36%	195,198	5.60%	211,648	8.43%
	Minlaton	82,005	3.67%	87,603	6.83%	90,725	3.56%
	Yorke town	95,173	1.93%	98,431	3.42%	102,791	4.43%
	Warooka	93,965	-1.06%	95,419	1.55%	99,940	4.74%
		455,997	0.26%	476,650	4.53%	505,103	5.97%
<b>Other</b>	CYP	10,482	29.02%	11,525	9.95%	12,396	7.56%
	Minlaton	17,452	10.71%	11,679	-33.08%	11,875	1.67%
	Yorke town	10,608	20.22%	11,964	12.78%	12,991	8.58%
	Warooka	29,810	-0.82%	32,839	10.16%	34,250	4.30%
		68,352	8.90%	68,007	-0.51%	71,512	5.15%
<b>Marina Berths</b>	Minlaton						
<b>Fixed Charges</b>		4,701,600	11.57%	4,671,600	-0.64%	4,675,200	0.08%
<b>Total Raised</b>		13,618,444	9.50%	14,530,797	6.70%	15,410,232	6.05%
<b>Less Rebates</b>		105,073	13.30%	111,372	5.99%	115,949	4.11%
<b>Total Revenue</b>		13,513,371	9.47%	14,516,194	7.42%	15,294,283	5.36%

AVERAGE RATES - 2013/14, 2014/15, 2015/16

# Option 2

Land Use	Area	2013/2014				2014/2015				2015/2016			
		Assess.	Ave. Rates	Diff. (\$)	Diff. (%)	Assess.	Ave. Rates	Diff. (\$)	Diff. (%)	Assess.	Ave. Rates	Diff. (\$)	Diff. (%)
Residential	CYP	3,290	\$921.52	73.79	8.70%	3,318	\$975.14	53.63	5.82%	3,328	\$1,025.81	50.67	5.20%
	Minlaton	1,847	\$920.66	69.67	8.19%	1,859	\$978.29	57.63	6.26%	1,874	\$1,028.58	50.29	5.14%
	Yorketown	2,011	\$896.56	70.49	8.53%	2,035	\$948.16	51.60	5.76%	2,049	\$996.74	48.58	5.12%
	Warooka	1,400	\$926.41	71.30	8.34%	1,421	\$986.32	59.91	6.47%	1,428	\$1,031.82	45.50	4.61%
Commercial		8,548	\$916.26	71.71	8.49%	8,633	\$971.30	55.04	6.01%	8679	\$1,020.53	49.23	5.07%
	CYP	161	\$1,097.08	104.65	10.54%	158	\$1,185.09	88.02	8.02%	158	\$1,257.83	72.74	6.14%
	Minlaton	121	\$779.97	77.77	11.07%	121	\$815.27	35.30	4.53%	123	\$845.83	30.56	3.75%
	Yorketown	123	\$1,111.66	105.67	10.50%	123	\$1,191.38	79.73	7.17%	127	\$1,236.88	45.50	3.82%
Industrial	Warooka	44	\$740.93	49.17	7.11%	44	\$780.50	39.58	5.34%	47	\$798.97	18.47	2.37%
		449	\$980.71	93.22	10.50%	446	\$1,046.58	65.87	6.72%	455	\$1,093.21	46.63	4.46%
	CYP	25	\$1,117.14	104.61	10.33%	25	\$1,193.10	75.96	6.80%	24	\$1,279.54	86.43	7.24%
	Minlaton	14	\$815.76	64.63	8.60%	16	\$1,248.34	432.58	53.03%	16	\$1,316.32	67.98	5.45%
Primary Production	Yorketown	17	\$738.21	74.41	11.21%	17	\$770.32	32.10	4.35%	17	\$790.61	20.29	2.63%
	Warooka	6	\$680.33	65.14	10.59%	6	\$710.02	29.69	4.36%	6	\$734.87	24.84	3.50%
		62	\$902.91	85.95	10.52%	64	\$1,049.32	146.41	16.21%	63	\$1,105.07	55.75	5.31%
	CYP	1,239	\$2,292.76	227.02	10.99%	1,249	\$2,482.78	190.02	8.29%	1,259	\$2,656.65	173.88	7.00%
Vacant Land	Minlaton	607	\$1,079.98	70.35	6.97%	609	\$1,168.09	88.11	8.16%	613	\$1,245.88	77.79	6.66%
	Yorketown	558	\$714.65	42.10	6.26%	559	\$769.94	55.30	7.74%	561	\$816.75	46.81	6.08%
	Warooka	334	\$755.99	44.99	6.33%	335	\$812.40	56.42	7.46%	338	\$857.06	44.66	5.50%
		2,738	\$1,514.81	132.73	9.60%	2,752	\$1,640.59	125.78	8.30%	2771	\$1,752.56	111.97	6.82%
Other	CYP	558	\$731.28	40.78	5.91%	544	\$758.82	27.54	3.77%	546	\$787.63	28.81	3.80%
	Minlaton	298	\$675.18	47.95	7.65%	291	\$701.04	25.86	3.83%	282	\$721.72	20.68	2.95%
	Yorketown	433	\$619.80	47.11	8.23%	418	\$635.48	15.68	2.53%	412	\$649.49	14.01	2.20%
	Warooka	410	\$629.18	41.98	7.15%	391	\$644.04	14.86	2.36%	388	\$657.58	13.54	2.10%
Marina Berths		1,699	\$668.39	43.95	7.04%	1,644	\$689.93	21.54	3.22%	1628	\$710.26	20.33	2.95%
	CYP	49	\$613.93	88.12	16.76%	50	\$630.51	16.58	2.70%	49	\$652.99	22.48	3.57%
	Minlaton	100	\$574.52	52.01	9.95%	25	\$867.18	292.65	50.94%	23	\$916.30	49.13	5.67%
	Yorketown	26	\$808.00	108.63	15.53%	27	\$843.10	35.10	4.34%	26	\$899.65	56.54	6.71%
Marina Berths	Warooka	112	\$666.16	47.04	7.60%	111	\$665.84	29.69	4.46%	110	\$711.36	15.52	2.23%
		287	\$638.16	60.21	10.42%	213	\$719.28	81.12	12.71%	208	\$743.81	24.52	3.41%

Note: Allowance has been made for approx. 60% of Primary Production assessments being exempt of a Fixed Charge component.

TOWN / LOCATION	RATES PROPOSED 2013/2014	PERCENTAGE INCREASE / DECREASE	RATES PROPOSED 2014/2015	PERCENTAGE INCREASE / DECREASE	RATES PROPOSED 2015/2016	PERCENTAGE INCREASE / DECREASE
ARDROSSAN	743,452.16	8.28%	798,712.36	7.43%	845,528.19	5.86%
ARTHURTON	37,824.78	9.91%	39,689.56	4.93%	41,271.80	3.99%
BALGOWAN	219,766.79	9.59%	234,866.29	6.87%	246,009.68	4.74%
MAITLAND	508,060.91	12.56%	537,949.29	5.88%	560,537.84	4.20%
PORT CLINTON	282,033.94	8.75%	290,029.94	2.84%	303,442.11	4.62%
PRICE	101,135.84	10.70%	105,601.57	4.42%	109,758.52	3.94%
CHINAMAN WELLS	39,094.71	7.24%	40,402.55	3.35%	42,797.97	5.93%
POINT PEARCE	26,846.13	24.62%	28,511.21	6.20%	29,947.10	5.04%
SOUTH KILKERRAN	15,025.89	10.70%	15,666.19	4.26%	17,060.45	8.90%
TIDDY WIDDY	216,897.69	7.34%	229,853.22	5.97%	240,542.98	4.65%
HD CLINTON	293,935.31	11.36%	320,023.99	8.88%	344,151.07	7.54%
HD CUNNINGHAM	371,336.14	12.18%	403,783.68	8.74%	436,761.66	8.17%
HD KILKERRAN	272,886.64	12.07%	297,153.95	8.89%	319,150.02	7.40%
HD MAITLAND	579,596.18	11.57%	631,277.58	8.92%	682,812.60	8.16%
HD TIPARRA	750,390.79	12.31%	816,547.98	8.82%	879,279.47	7.68%
BLUFF BEACH	36,640.37	9.37%	39,618.73	8.13%	41,703.69	5.26%
BRENTWOOD	9,737.72	10.75%	10,371.96	6.51%	11,215.69	8.13%
CURRAMULKA	70,904.88	10.30%	73,989.66	4.35%	77,606.70	4.89%
HARDWICKE BAY	283,337.14	7.41%	301,096.40	6.27%	316,851.53	5.23%
MINLATON	379,878.85	9.56%	401,015.61	5.56%	419,578.24	4.63%
PARSONS BEACH	53,590.50	8.14%	57,582.94	7.45%	60,743.97	5.49%
PORT JULIA	142,843.06	12.41%	149,015.84	4.32%	157,192.81	5.49%
PORT RICKABY	64,726.40	8.37%	69,185.12	6.89%	72,677.72	5.05%
PORT VICTORIA	483,451.73	11.18%	515,993.94	6.73%	548,194.01	6.24%
PORT VINCENT	657,784.05	7.38%	706,894.21	7.47%	742,703.49	5.07%
SHEOAK FLAT	46,360.49	10.91%	48,983.26	5.66%	51,466.86	5.07%
BLACK POINT	387,877.08	3.15%	419,820.59	8.24%	446,734.90	6.41%
JAMES WELL	157,631.77	10.60%	164,517.07	4.37%	173,421.96	5.41%
PINE POINT	151,228.24	9.80%	160,764.34	6.31%	169,070.57	5.17%
ROGUES POINT	87,832.13	10.46%	91,902.70	4.63%	97,535.95	6.13%
URANIA	4,352.68	10.66%	4,517.15	3.78%	4,654.75	3.05%
HD CURRAMULKA	279,755.50	9.93%	302,615.39	8.17%	325,469.14	7.55%
HD KOOLYWURTIE	168,963.82	9.74%	182,045.95	7.74%	196,540.21	7.96%
HD MINLACOWIE	225,510.01	8.68%	242,982.74	7.75%	260,574.99	7.24%
HD MULOOWURTIE	334,013.03	11.81%	365,515.54	9.43%	394,409.61	7.91%
HD RAMSAY	150,043.08	7.29%	162,037.98	7.99%	176,484.43	8.92%
HD WAURALTEE	374,794.57	12.17%	402,975.25	7.52%	435,602.69	8.10%
COOBOWIE	247,515.10	8.92%	266,879.68	7.82%	281,728.92	5.56%
EDITHBURGH	488,610.54	8.95%	521,860.63	6.81%	549,629.37	5.32%
STANSBURY	564,210.53	8.70%	606,223.09	7.45%	641,180.98	5.77%
WOOL BAY	139,095.31	8.48%	146,703.70	5.47%	153,880.68	4.89%
YORKETOWN	372,818.93	9.84%	389,948.54	4.59%	406,487.19	4.24%
OAKLANDS	7,797.44	10.93%	7,914.76	1.50%	8,120.83	2.60%
PORT MOOROWIE	152,176.23	9.00%	159,458.33	4.79%	167,728.42	5.19%
SULTANA POINT	106,205.58	7.36%	108,435.25	2.10%	114,278.57	5.39%
HD DALRYMPLE	171,320.26	8.77%	184,379.01	7.62%	198,786.62	7.81%
HD MELVILLE	240,549.47	8.76%	259,126.28	7.72%	280,073.63	8.08%
HD MOOROWIE	97,578.28	10.02%	104,298.77	6.89%	111,170.46	6.59%
CORNY POINT	187,230.96	6.10%	200,066.29	6.86%	210,045.75	4.99%
MARION BAY	366,004.83	7.05%	378,891.63	3.52%	390,973.42	3.19%
POINT TURTON	459,071.34	8.44%	489,380.69	6.60%	515,602.47	5.36%
THE PINES	162,172.27	9.14%	170,798.65	5.32%	177,730.00	4.06%
WAROOKA	113,798.22	10.66%	119,943.57	5.40%	125,059.79	4.27%
COUCH'S BEACH	26,174.73	9.97%	27,680.42	5.75%	28,957.43	4.61%
FOUL BAY	47,907.09	9.28%	50,777.28	5.99%	53,283.27	4.94%
INNES NATIONAL PARK	18,280.19	0.62%	19,125.64	4.62%	19,856.91	3.82%
THE DRAIN/POINT SOUTTAR	157,225.34	9.10%	169,013.68	7.50%	179,038.74	5.93%

**Option 2**

TOWN / LOCATION	RATES PROPOSED 2013/2014	PERCENTAGE INCREASE / DECREASE	RATES PROPOSED 2014/2015	PERCENTAGE INCREASE / DECREASE	RATES PROPOSED 2015/2016	PERCENTAGE INCREASE / DECREASE
HD CARRIBIE	93,277.66	9.70%	99,563.38	6.74%	106,063.41	6.53%
HD COONARIE	67,858.67	9.86%	73,012.25	7.59%	76,767.86	5.14%
HD PARA WURLIE	146,969.65	8.70%	158,770.90	8.03%	170,389.12	7.32%
HD WARRENBEN	49,844.92	11.45%	52,468.47	5.26%	55,025.65	4.87%
PORT VINCENT MARINA	125,209.37	6.77%	102,564.36	-18.09%	108,887.14	6.16%
	<b>13,618,443.89</b>	<b>9.50%</b>	<b>14,530,796.99</b>	<b>6.70%</b>	<b>15,410,232.01</b>	<b>6.05%</b>
Less Rebates	105,072.91	13.82%	111,371.92	5.99%	115,949.56	4.11%
	<b>13,513,370.99</b>	<b>8.66%</b>	<b>14,419,425.07</b>	<b>6.70%</b>	<b>15,294,282.44</b>	<b>6.07%</b>

# OPTION 3

## Based on Differential Rate

Land Use	2014/2015	PROPOSED	REVENUE	AVERAGE RATE INCREASE	% OF TOTAL REVENUE
Residential	0.002109	0.002268	\$5,361,968	8.72%	34.79%
Commercial	0.002109	0.002268	\$314,025	8.89%	2.04%
Industry	0.002109	0.002268	\$44,224	6.42%	0.29%
Primary Production	0.001621	0.001655	\$4,324,143	6.70%	28.06%
Vacant Land	0.002109	0.002268	\$502,886	5.50%	3.26%
Other	0.002109	0.002268	\$71,197	4.69%	0.46%
Fixed Charge	\$400	\$410	\$4,792,080	2.58%	31.10%

## Based on Overall Rate (includes Fixed Charge \$410)

Land Use	2014/2015	PROPOSED	REVENUE	AVERAGE RATE INCREASE	% OF TOTAL REVENUE
Residential	0.002109	0.002268	\$8,883,048	5.82%	57.64%
Commercial	0.002109	0.002268	\$477,615	5.12%	3.10%
Industry	0.002109	0.002268	\$65,954	5.97%	0.43%
Primary Production	0.001621	0.001655	\$4,777,603	5.11%	31.00%
Vacant Land	0.002109	0.002268	\$1,059,256	4.20%	6.88%
Other	0.002109	0.002268	\$147,047	4.59%	0.95%



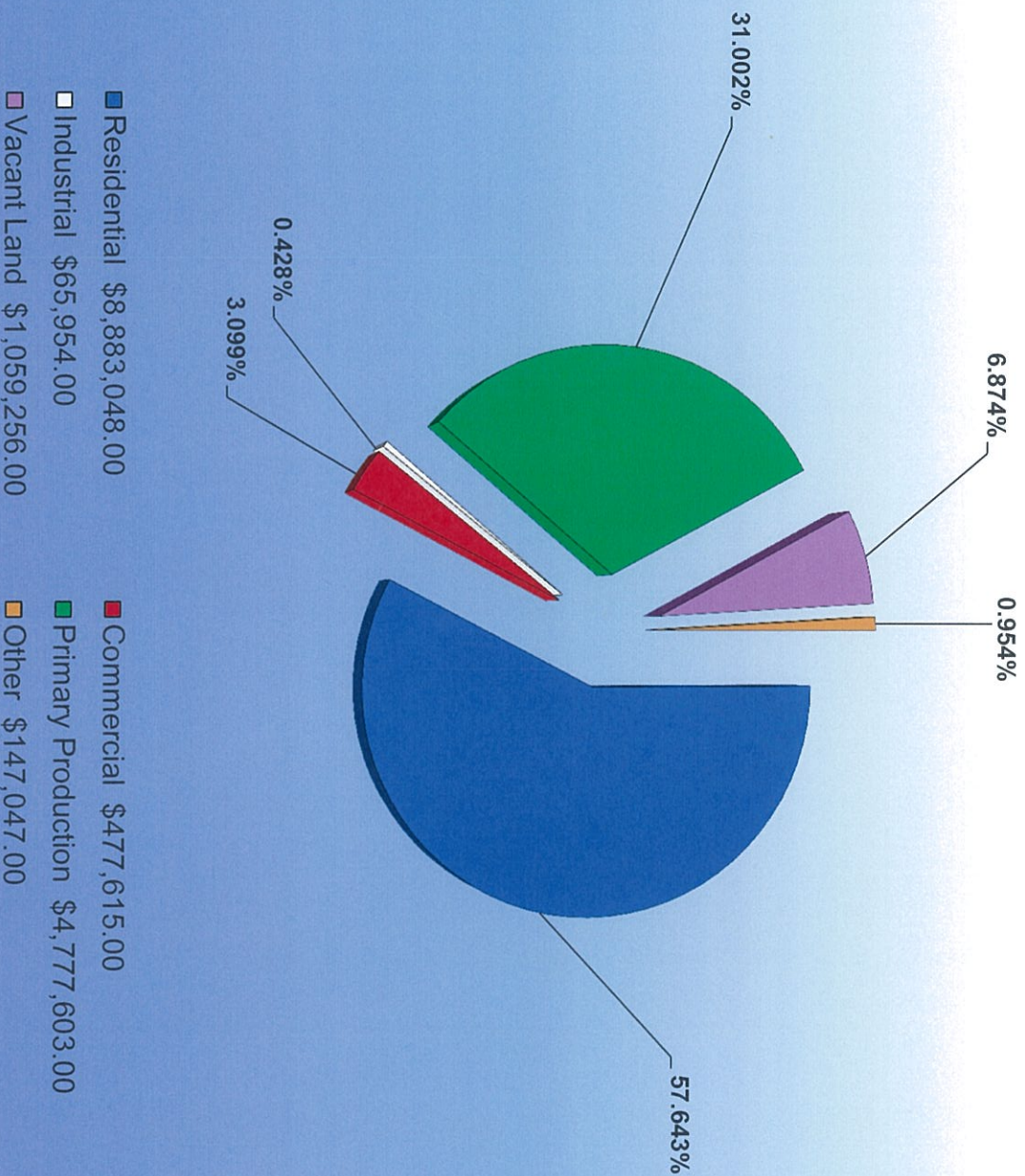
# SAMPLE OF AVERAGE RATES PAYABLE

## OPTION 3

Land Use	14/15 Capital Value	Rates Paid 14/15	Proposed 2015/16 Cap Vals	Proposed Rates 15/16 Fixed Charge \$410	Rate in \$	Increase
Residential	\$273,212.00	\$ 976.20	\$275,000.00	\$1,033.70	0.002268	5.89%
Residential	\$500,000.00	\$ 1,454.50	\$505,000.00	\$1,555.34	0.002268	6.93%
Commercial (ie Small Office)	\$50,000.00	\$ 505.45	\$50,600.00	\$524.76	0.002268	3.82%
Commercial (Supermarket)	\$650,000.00	\$ 1,770.85	\$657,800.00	\$1,901.89	0.002268	7.40%
Commercial (Silos)	\$11,500,000.00	\$ 24,653.50	\$11,638,000.00	\$26,804.98	0.002268	8.73%
Industrial (Quarry)	\$1,400,000.00	\$ 3,352.60	\$1,385,440.00	\$3,552.18	0.002268	5.95%
Vacant Land	\$136,082.00	\$ 687.00	\$136,000.00	\$718.45	0.002268	4.58%
Vacant Land	\$250,000.00	\$ 927.25	\$245,500.00	\$966.79	0.002268	4.26%
Primary Production	\$908,428.00	\$ 1,872.75	\$945,000.00	\$1,973.98	0.001655	5.41%
Primary Production	\$1,441,950.00	\$ 2,737.40	\$1,500,000.00	\$2,892.50	0.001655	5.67%
Primary Production	\$2,883,900.00	\$ 5,074.80	\$3,000,000.00	\$5,375.00	0.001655	5.92%



# 2014/2015 Rates by Land Use Category – Option 3



		2013/2014	%	2014/2015	%	2015/2016	%
		RATES	DIFF.	RATES	DIFF.	RATES	DIFF.
<b>Residential</b>	CYP	1,715,795	8.14%	1,908,325	11.22%	2,073,556	8.66%
	Minlaton	961,661	6.56%	1,075,044	11.79%	1,172,783	9.09%
	Yorke town	998,583	7.50%	1,115,511	11.71%	1,217,353	9.13%
	Warooka	736,971	7.40%	833,158	13.05%	898,276	7.82%
		4,413,010	7.53%	4,932,038	11.76%	5,361,968	8.72%
<b>Commercial</b>	CYP	112,230	10.22%	124,045	10.53%	134,942	8.78%
	Minlaton	45,976	8.35%	50,248	9.29%	54,596	8.65%
	Yorke town	87,534	9.28%	97,340	11.20%	105,817	8.71%
	Warooka	15,001	2.76%	16,742	11.61%	18,669	11.51%
		260,740	9.12%	288,375	10.60%	314,025	8.89%
<b>Industrial</b>	CYP	17,928	9.90%	19,828	10.59%	21,016	5.99%
	Minlaton	5,821	6.30%	13,573	133.20%	14,597	7.54%
	Yorke town	5,750	5.14%	6,295	9.49%	6,611	5.02%
	Warooka	1,682	9.85%	1,860	10.59%	2,000	7.54%
		31,181	8.31%	41,557	33.28%	44,225	6.42%
<b>Primary Prod.</b>	CYP	2,632,576	11.88%	2,891,155	9.82%	3,080,011	6.53%
	Minlaton	553,570	8.13%	609,053	10.02%	652,245	7.09%
	Yorke town	305,030	7.07%	336,487	10.31%	361,023	7.29%
	Warooka	196,387	7.10%	215,875	9.92%	230,865	6.94%
		3,687,564	10.63%	4,052,570	9.90%	4,324,143	6.70%
<b>Vacant Land</b>	CYP	184,854	-1.36%	195,198	5.60%	210,719	7.95%
	Minlaton	82,005	3.67%	87,603	6.83%	90,327	3.11%
	Yorke town	95,173	1.93%	98,431	3.42%	102,340	3.97%
	Warooka	93,965	-1.06%	95,419	1.55%	99,501	4.28%
		455,997	0.26%	476,650	4.53%	502,886	5.50%
<b>Other</b>	CYP	10,482	29.02%	11,525	9.95%	12,342	7.09%
	Minlaton	17,452	10.71%	11,679	-33.08%	11,823	1.23%
	Yorke town	10,608	20.22%	11,964	12.78%	12,934	8.11%
	Warooka	29,810	-0.82%	32,839	10.16%	34,099	3.84%
		68,352	8.90%	68,007	-0.51%	71,198	4.69%
<b>Marina Berths</b>	Minlaton						
<b>Fixed Charges</b>		4,701,600	11.57%	4,671,600	-0.64%	4,792,080	2.58%
<b>Total Raised</b>		13,618,444	9.50%	14,530,797	6.70%	15,410,525	6.05%
<b>Less Rebates</b>		105,073	13.30%	111,372	5.99%	116,810	4.88%
<b>Total Revenue</b>		13,513,371	9.47%	14,516,194	7.42%	15,293,715	5.36%



# Option 3

Land Use	Area	2013/2014			2014/2015			2015/2016					
		Assess.	Ave. Rates	Diff. (\$)	Diff. (%)	Assess.	Ave. Rates	Diff. (\$)	Diff. (%)	Assess.	Ave. Rates	Diff. (\$)	Diff. (%)
Residential	CYP	3,290	\$921.52	73.79	8.70%	3,318	\$975.14	53.63	5.82%	3,328	\$1,033.06	57.92	5.94%
	Minlaton	1,847	\$920.66	69.67	8.19%	1,859	\$978.29	57.63	6.26%	1,874	\$1,035.82	57.53	5.88%
	Yorketown	2,011	\$896.56	70.49	8.53%	2,035	\$948.16	51.60	5.76%	2,049	\$1,004.12	55.96	5.90%
	Warooka	1,400	\$926.41	71.30	8.34%	1,421	\$986.32	59.91	6.47%	1,428	\$1,039.04	52.73	5.35%
Commercial		8,548	\$916.26	71.71	8.49%	8,633	\$971.30	55.04	6.01%	8679	\$1,027.81	56.51	5.82%
	CYP	161	\$1,097.08	104.65	10.54%	158	\$1,185.09	88.02	8.02%	158	\$1,264.07	78.97	6.66%
	Minlaton	121	\$779.97	77.77	11.07%	121	\$815.27	35.30	4.53%	123	\$853.87	38.60	4.73%
	Yorketown	123	\$1,111.66	105.67	10.50%	123	\$1,191.38	79.73	7.17%	127	\$1,243.21	51.82	4.35%
Industrial	Warooka	44	\$740.93	49.17	7.11%	44	\$780.50	39.58	5.34%	47	\$807.22	26.72	3.42%
		449	\$980.71	93.22	10.50%	446	\$1,046.58	65.87	6.72%	455	\$1,100.16	53.58	5.12%
	CYP	25	\$1,117.14	104.61	10.33%	25	\$1,193.10	75.96	6.80%	24	\$1,285.68	92.57	7.76%
	Minlaton	14	\$815.76	64.63	8.60%	16	\$1,248.34	432.58	53.03%	16	\$1,322.30	73.96	5.92%
Primary Production	Yorketown	17	\$738.21	74.41	11.21%	17	\$770.32	32.10	4.35%	17	\$798.90	28.58	3.71%
	Warooka	6	\$680.33	65.14	10.59%	6	\$710.02	29.69	4.36%	6	\$743.40	33.37	4.70%
		62	\$902.91	85.95	10.52%	64	\$1,049.32	146.41	16.21%	63	\$1,111.98	62.66	5.97%
	CYP	1,239	\$2,292.76	227.02	10.99%	1,249	\$2,482.78	190.02	8.29%	1,259	\$2,610.39	127.62	5.14%
Vacant Land	Minlaton	607	\$1,079.98	70.35	6.97%	609	\$1,168.09	88.11	8.16%	613	\$1,228.02	59.93	5.13%
	Yorketown	558	\$714.65	42.10	6.26%	559	\$769.94	55.30	7.74%	561	\$807.53	37.59	4.88%
	Warooka	334	\$755.99	44.99	6.33%	335	\$812.40	56.42	7.46%	338	\$847.03	34.63	4.26%
		2,738	\$1,514.81	132.73	9.60%	2,752	\$1,640.59	125.78	8.30%	2771	\$1,724.50	83.91	5.11%
Other	CYP	558	\$731.28	40.78	5.91%	544	\$758.82	27.54	3.77%	546	\$795.93	37.11	4.89%
	Minlaton	298	\$675.18	47.95	7.65%	291	\$701.04	25.86	3.83%	282	\$730.31	29.27	4.17%
	Yorketown	433	\$619.80	47.11	8.23%	418	\$635.48	15.68	2.53%	412	\$658.40	22.92	3.61%
	Warooka	410	\$629.18	41.98	7.15%	391	\$644.04	14.86	2.36%	388	\$666.45	22.41	3.48%
Marina Berths	CYP	1,699	\$668.39	43.95	7.04%	1,644	\$689.93	21.54	3.22%	1628	\$718.90	28.96	4.20%
	Minlaton	49	\$613.93	88.12	16.76%	50	\$630.51	16.58	2.70%	49	\$661.88	31.37	4.98%
	Yorketown	100	\$574.52	52.01	9.95%	25	\$867.18	292.65	50.94%	23	\$924.04	56.86	6.56%
	Warooka	26	\$808.00	108.63	15.53%	27	\$843.10	35.10	4.34%	26	\$907.45	64.35	7.63%
Minlaton		112	\$666.16	47.04	7.60%	111	\$695.84	29.69	4.46%	110	\$719.99	24.15	3.47%
		287	\$638.16	60.21	10.42%	213	\$719.28	81.12	12.71%	208	\$752.30	33.02	4.59%

Note: Allowance has been made for approx. 60% of Primary Production assessments being exempt of a Fixed Charge component.

TOWN / LOCATION	RATES PROPOSED 2013/2014	PERCENTAGE INCREASE / DECREASE	RATES PROPOSED 2014/2015	PERCENTAGE INCREASE / DECREASE	RATES PROPOSED 2015/2016	PERCENTAGE INCREASE / DECREASE
ARDROSSAN	743,452.16	8.28%	798,712.36	7.43%	850,880.56	6.53%
ARTHURTON	37,824.78	9.91%	39,689.56	4.93%	41,795.98	5.31%
BALGOWAN	219,766.79	9.59%	234,866.29	6.87%	247,939.26	5.57%
MAITLAND	508,060.91	12.56%	537,949.29	5.88%	565,434.06	5.11%
PORT CLINTON	282,033.94	8.75%	290,029.94	2.84%	306,424.48	5.65%
PRICE	101,135.84	10.70%	105,601.57	4.42%	110,922.53	5.04%
CHINAMAN WELLS	39,094.71	7.24%	40,402.55	3.35%	43,056.82	6.57%
POINT PEARCE	26,846.13	24.62%	28,511.21	6.20%	30,415.19	6.68%
SOUTH KILKERRAN	15,025.89	10.70%	15,666.19	4.26%	17,267.70	10.22%
TIDDY WIDDY	216,897.69	7.34%	229,853.22	5.97%	242,461.29	5.49%
HD CLINTON	293,935.31	11.36%	320,023.99	8.88%	338,707.96	5.84%
HD CUNNINGHAM	371,336.14	12.18%	403,783.68	8.74%	430,356.92	6.58%
HD KILKERRAN	272,886.64	12.07%	297,153.95	8.89%	314,122.54	5.71%
HD MAITLAND	579,596.18	11.57%	631,277.58	8.92%	671,011.78	6.29%
HD TIPARRA	750,390.79	12.31%	816,547.98	8.82%	864,638.73	5.89%
BLUFF BEACH	36,640.37	9.37%	39,618.73	8.13%	41,920.32	5.81%
BRENTWOOD	9,737.72	10.75%	10,371.96	6.51%	11,354.55	9.47%
CURRAMULKA	70,904.88	10.30%	73,989.66	4.35%	78,523.91	6.13%
HARDWICKE BAY	283,337.14	7.41%	301,096.40	6.27%	319,181.39	6.01%
MINLATON	379,878.85	9.56%	401,015.61	5.56%	423,558.81	5.62%
PARSONS BEACH	53,590.50	8.14%	57,582.94	7.45%	61,300.23	6.46%
PORT JULIA	142,843.06	12.41%	149,015.84	4.32%	158,501.27	6.37%
PORT RICKABY	64,726.40	8.37%	69,185.12	6.89%	73,111.06	5.67%
PORT VICTORIA	483,451.73	11.18%	515,993.94	6.73%	551,867.17	6.95%
PORT VINCENT	657,784.05	7.38%	706,894.21	7.47%	747,366.65	5.73%
SHEOAK FLAT	46,360.49	10.91%	48,983.26	5.66%	51,875.75	5.91%
BLACK POINT	387,877.08	3.15%	419,820.59	8.24%	447,665.78	6.63%
JAMES WELL	157,631.77	10.60%	164,517.07	4.37%	174,506.35	6.07%
PINE POINT	151,228.24	9.80%	160,764.34	6.31%	170,138.80	5.83%
ROGUES POINT	87,832.13	10.46%	91,902.70	4.63%	97,930.70	6.56%
URANIA	4,352.68	10.66%	4,517.15	3.78%	4,716.61	4.42%
HD CURRAMULKA	279,755.50	9.93%	302,615.39	8.17%	321,877.45	6.37%
HD KOOLYWURTIE	168,963.82	9.74%	182,045.95	7.74%	194,657.76	6.93%
HD MINLACOWIE	225,510.01	8.68%	242,982.74	7.75%	258,487.96	6.38%
HD MULOO WURTIE	334,013.03	11.81%	365,515.54	9.43%	387,676.79	6.06%
HD RAMSAY	150,043.08	7.29%	162,037.98	7.99%	174,462.59	7.67%
HD WAURALTEE	374,794.57	12.17%	402,975.25	7.52%	428,698.96	6.38%
COOBOWIE	247,515.10	8.92%	266,879.68	7.82%	283,745.15	6.32%
EDITHBURGH	488,610.54	8.95%	521,860.63	6.81%	553,870.30	6.13%
STANSBURY	564,210.53	8.70%	606,223.09	7.45%	645,250.52	6.44%
WOOL BAY	139,095.31	8.48%	146,703.70	5.47%	155,144.90	5.75%
YORKETOWN	372,818.93	9.84%	389,948.54	4.59%	410,447.83	5.26%
OAKLANDS	7,797.44	10.93%	7,914.76	1.50%	8,232.92	4.02%
PORT MOOROWIE	152,176.23	9.00%	159,458.33	4.79%	169,483.90	6.29%
SULTANA POINT	106,205.58	7.36%	108,435.25	2.10%	115,020.30	6.07%
HD DALRYMPLE	171,320.26	8.77%	184,379.01	7.62%	196,733.56	6.70%
HD MELVILLE	240,549.47	8.76%	259,126.28	7.72%	278,409.58	7.44%
HD MOOROWIE	97,578.28	10.02%	104,298.77	6.89%	110,268.45	5.72%
CORNY POINT	187,230.96	6.10%	200,066.29	6.86%	211,554.96	5.74%
MARION BAY	366,004.83	7.05%	378,891.63	3.52%	394,159.34	4.03%
POINT TURTON	459,071.34	8.44%	489,380.69	6.60%	519,428.64	6.14%
THE PINES	162,172.27	9.14%	170,798.65	5.32%	179,512.59	5.10%
WAROOKA	113,798.22	10.66%	119,943.57	5.40%	126,433.19	5.41%
COUCH'S BEACH	26,174.73	9.97%	27,680.42	5.75%	29,182.99	5.43%
FOUL BAY	47,907.09	9.28%	50,777.28	5.99%	53,731.21	5.82%
INNES NATIONAL PARK	18,280.19	0.62%	19,125.64	4.62%	20,063.64	4.90%
THE DRAIN/POINT SOUTTAR	157,225.34	9.10%	169,013.68	7.50%	179,839.84	6.41%

**Option 3**

TOWN / LOCATION	RATES PROPOSED 2013/2014	PERCENTAGE INCREASE / DECREASE	RATES PROPOSED 2014/2015	PERCENTAGE INCREASE / DECREASE	RATES PROPOSED 2015/2016	PERCENTAGE INCREASE / DECREASE
HD CARRIBIE	93,277.66	9.70%	99,563.38	6.74%	105,756.75	6.22%
HD COONARIE	67,858.67	9.86%	73,012.25	7.59%	76,533.48	4.82%
HD PARA WURLIE	146,969.65	8.70%	158,770.90	8.03%	168,612.91	6.20%
HD WARRENBEN	49,844.92	11.45%	52,468.47	5.26%	55,000.59	4.83%
PORT VINCENT MARINA	125,209.37	6.77%	102,564.36	-18.09%	109,290.84	6.56%
	<b>13,618,443.89</b>	<b>9.50%</b>	<b>14,530,796.99</b>	<b>6.70%</b>	<b>15,410,524.99</b>	<b>6.05%</b>
<u>Less Rebates</u>	105,072.91	13.82%	111,371.92	5.99%	116,809.61	4.88%
	<b>13,513,370.99</b>	<b>8.66%</b>	<b>14,419,425.07</b>	<b>6.70%</b>	<b>15,293,715.38</b>	<b>6.06%</b>

## **BUSINESS IMPROVEMENT OFFICER**

### **5. INTERNAL AUDIT ACTIVITY REPORT**

(File Ref: 9.14.1.6)

#### **INTRODUCTION**

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

#### **RECOMMENDATION**

That the report be received.

#### **COMMENT**

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

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

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

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

#### **LEGISLATION/POLICY/COUNCIL STRATEGIC PLAN**

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

#### **FINANCIAL AND RISK MANAGEMENT CONSIDERATIONS**

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

# Internal Audit Activity Report (May 15 – June 15)

## 1. INTERNAL AUDIT PLAN

The following table highlights the status of audit projects:

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

<b>8</b>	<b>Independent verification of control self-assessment</b>	Undertake annual random verification of staff's self-assessment ratings against the identified controls. (Controltrack)	<b>Scoping completed. Audits are in progress.</b> Project will initially review 8 controls - Inherent risk rating of extreme, controls reduce residual risk to low.
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## 2. MANAGEMENT REQUESTS

Internal Audit function has attended to the following Management requests:

Request	Requestor	Audit Scope / Objective	Project Status
<b>Bush Camping Review</b>	Director Development Services	Audit of the key bush camping permit controls to determine areas for improvement. The review was limited to reviewing the current processes for Council staff and the local businesses that issue permits and collect fees on behalf of Council.	<b>Project Completed</b>
<b>Financial Management – Payroll (carry forward from 13/14)</b>		Audit of the procedures and internal controls relating to the fortnightly processing of the payroll. Processes include new payroll additions, terminations, pay rate changes, payroll changes and deductions.	<b>Project Completed</b>

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

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

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

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



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## Implementation of Agreed Actions

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

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

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

## 1. Internal Audit Activities

### Water Recovery Charges Review – June 2013

Finding Name	Agreed Action	Responsible Officer	Due Date	Revised Due Date	Status	Comments
1. Usage Invoicing Spreadsheet	An independent review of the Water Supply Invoicing spreadsheets will be performed by Internal Audit after each roll over to ensure completeness and accuracy of the process.	Business Improvement Officer and DC&CS	1/03/14	30/06/15	Completed	The Finance section have developed and implemented new processes. Internal Audit have now completed the independent review following roll-over in March 2015.

### IT User Access Review – July 2013

Finding Name	Agreed Action	Responsible Officer	Due Date	Revised Due Date	Status	Comments
1. IT Security Policy and Procedure & User Guidelines	Agreed with recommendation: <ul style="list-style-type: none"> <li>Develop a set of basic internal IT procedures</li> <li>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.</li> </ul>	Manager Information Services	30/08/13	31/05/15	In Progress	These requirements are part of the set of current projects to review and overhaul the IT policies and procedures. A draft IT policy was developed, however an alternate, more rigorous, long term approach for policy, procedure and guideline development has been initiated. An overarching framework has been identified and a suite of ISO and State Govt. compliant policies will be delivered by 31/08/15.



## Accountability and Disclosure Audit – October 2013

Finding Name	Agreed Action	Responsible Officer	Due Date	Revised Due Date	Status	Comments
1. Give consideration of a central records management system that will also capturing emails to and from Elected Members	A centralised electronic records management system will be considered as part of the FY15 budget.	CEO	30/06/15	31/12/15	In Progress	<p>The IT Manager has commenced investigations of potential records management systems and a preferred option has been selected.</p> <p>Expenditure for the project was requested in the FY15 budget, however due to competing priorities the project did not proceed.</p> <p>The project has been put forward again for inclusion in the FY16 budget.</p>

## Procurement, Part 1 Purchasing – February 2014

Finding Name	Agreed Action	Responsible Officer	Due Date	Revised Due Date	Status	Comments
1. Purchase of Goods and Services Policy <div style="background-color: yellow; padding: 2px; display: inline-block;"> <b>Risk Level</b>              High           </div>	<p>A Project Team to address procurement issues has been established and the project will commence in March 2014.</p> <p>Draft procurement policies have been sought from the LGA and will be implemented as necessary.</p>	Governance Officer	30/06/15	28/02/15	Completed	<p>The revised Purchasing and Procurement Policy and supporting workflows, forms and documentation have been completed and implemented. Additional improvements will not be an ongoing matter.</p>

## Leased Caravan Parks Review – March 2014

Finding Name	Agreed Action	Responsible Officer	Due Date	Revised Due Date	Status	Comments
1. Minlaton Caravan Park Lease Agreement <b>Risk Level</b> Moderate	Management will review and renegotiate the Minlaton Caravan Park lease agreement in June 2015. Current known issues will be considered and addressed at that time.	DC&CS	30/06/15	31/07/15	In Progress	Market rental evaluation completed. Awaiting feedback.
2. Lack of consistency across Caravan Park lease agreements <b>Risk Level</b> Low	The current lease spreadsheet will be incorporated into the SharePoint application to ensure automation of key dates etc.	Property Tenure Officer	30/09/14	30/06/15	In Progress	Underway

## Fuel Management Review – March 2014

Finding Name	Agreed Action	Responsible Officer	Due Date	Revised Due Date	Status	Comments
1. Fuel Sheets <b>Risk Level</b> High	1. Agreed, a standard fuel sheet template will be developed (if it is considered that the current system will not be overhauled with an automated system). 2. Agreed the Director Corporate & Community Services will source system information and costs to be considered by CMT	1. Financial Accountant 2. DC&CS	31/12/14 30/09/14	 30/09/15	1. Completed 2. In Progress	1. Outdoor workers are now using electronic fuel sheets. 2. Awaiting quotes for automatic tank gauges.

## Bush Camping Review – July 2014

Please note: Elected Members were briefed at a Council workshop held on 25 March 2015 regarding all recommendations, all subsequently endorsed by Council on 8 April 2015.

Finding Name	Agreed Action	Responsible Officer	Due Date	Revised Due Date	Status	Comments
1. Timing of obtaining permits <b>Risk Level</b> <b>High</b>	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.	1. Manager Developmt Services	31/03/15	31/07/15	In Progress	1. Underway
	2. Signage to be reviewed, costs identified and a budget submission is prepared for 2015/16 Annual Business Plan and budget.	2. Operations Manager	28/02/15	30/06/16	In Progress	2. \$5,000 has been allocated for bush camping signage in the 2015/2016 budget.
	3. Agreed, Council to contact local businesses in the known 'gap areas' (e.g. Pt Wakefield, Ardrossan, Stansbury, Pt Vincent, Pt Victoria etc.).	3. Manager Developmt Services	30/09/14	30/06/15	In Progress	3. Underway
	4. Further investigation to be undertaken to identify the costs, risks and benefits of alternate methods and a report prepared for Council's consideration.	4. Manager Developmt Services	31/12/14	30/06/15	In Progress	4. Investigation underway
	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.	5. Manager Developmt Services	31/03/15	01/01/16	Future Dated	



Finding Name	Agreed Action	Responsible Officer	Due Date	Revised Due Date	Status	Comments
4. Information collected on permits <b>Risk Level</b> Moderate	Consider suitable technology (e.g. hand held palm pilot, tablets) for the Rangers to document and issue bush camping permits. Investigate to identify the costs, risks and benefits and prepare a report for Council's consideration.	Manager Development Services	31/12/14	30/06/15	In Progress	Underway. VIC looking at including "do's and don't's", environmental details and issues plus on-line booking forms.
5. Obtaining permits – inconsistent information <b>Risk Level</b> Low	Review information on the Council and Visitor Information Websites and update appropriately to reflect the correct locations where permits can be obtained.	Corporate Services Officer	30/09/14	30/06/15	In Progress	Visitor Information Centre review and update their website on a regular basis. Work still to be completed on Council's website.
6. Review of Ranger responsibilities <b>Risk Level</b> Low	Review the role of the Rangers so that standardised duties are undertaken and work is allocated by geographic area. Also consider resource requirements of Rangers, particularly for weekend and peak times	Manager Development Services	31/03/15	31/12/15	In Progress	Currently being reviewed
7. Further opportunities for improvement <b>Risk Level</b> 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.	1. Manager Development Services 2. Corporate Services Officer	28/02/15 31/03/15	30/06/15 31/12/15	In Progress In Progress	1. Investigation underway. 2. Investigation underway.



## Payroll Review – July 2014

Finding Name	Agreed Action	Responsible Officer	Due Date	Revised Due Date	Status	Comments
1. Payroll Procedures <b>Risk Level</b> Low	Payroll procedures reviewed and updated to reflect current practices.	Payroll Officer	30/06/15	31/03/16	In Progress	Current procedures have been documented and incorporated into the Finance Manual (on track to be completed by 30/06/15). In the new year an additional project will commence to review current practices, identify process improvements and then update within the Finance Manual.
2. Electronic Timesheets and Leave Requests <b>Risk Level</b> Low	Consideration or research into the Authority capabilities to automate / streamline the timesheet and leave request process.	Manager Org Development	30/06/15		In Progress	The timesheet project has been given to a consultant to develop suitable options for both indoor and outdoor staff. The on-line leave process has been set-up will be rolled-out to indoor staff in conjunction with the changes to the timesheet process.

## 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	Ensure future plans indicate likely service level and risk trends resulting from adopted LTFP	DC&CS	30/09/15	31/12/15	Future Dated	Currently completed as best as possible, however with limited data. New AM system and the data available will improve LTFP.

Finding Name	Agreed Action	Responsible Officer	Due Date	Revised Due Date	Status	Comments
<div>Risk Level</div> <div>Low</div>	Consider including in the next update of the Strategic Plan commentary on the future outlook for infrastructure including any challenges/risks & ensure that Strategic Plan performance measures are aligned with the AMP service levels utilising state of the assets reporting.	Governance Officer	31/12/15		Future Dated	The review of Strategic Plan will commence in the 15/16 year and will consider wording in relation to the Asset Management.
2. Annual Budget	Include commentary in the budget to provide a statement of whether the budget will achieve the Strategic Plan objectives and sustain current service levels	DC&CS	30/06/15		Completed	
<div>Risk Level</div> <div>Low</div>	Develop ongoing councillor and community engagement strategy on affordable service levels based on current LTFP	DA&I	TBA			
	Ensure that the depreciation projections in the LTFP are related to forecast movements in the asset base. To do this a reconciliation of the movements in Property, Plant and Equipment values is needed within the forecast	DC&CS	30/06/15		Completed	
3. Annual Report	Include "state of the assets" reporting in annual report (& AMPs) to show service level trends e.g. % or assets at Poor/Fair/Good condition, function and capacity. This will provide an annual snapshot of service level trends.	Business Improvement Officer	30/11/15		Future Dated	This will be included in the Annual Report for the FY15 financial period, once the Asset Management System (AMS) has been in production for a full year.
<div>Risk Level</div> <div>Low</div>						

Finding Name	Agreed Action	Responsible Officer	Due Date	Revised Due Date	Status	Comments
4. AM Policy <b>Risk Level</b> High	<p>Implement an Asset Management Policy. When policy has been developed, ensure it is communicated to all key stakeholders including a briefing to Council regarding their roles and responsibilities. The policy should include (but not limited to) the following:</p> <ul style="list-style-type: none"> <li>- Document methodology for determining asset lives, useful lives, conditions and financial reporting in an asset accounting policy as per Australian Infrastructure Management Guidelines</li> <li>- Develop business processes and documentation to ensure audit trail for financial transactions, asset register updates and annual reporting. This should be done as part of the CRV and new Asset Management System implementation process</li> <li>- Document an Asset Management Improvement Program. Annually review asset management maturity &amp; conduct annual review of policy implementation by the Asset Management Team and Audit Committee</li> <li>- Training requirements for staff</li> <li>- Responsibilities for staff (i.e. Finance and Asset Management staff)</li> <li>- Reporting mechanisms and timeframes</li> <li>- Linkages to risk</li> <li>- Continuous improvement</li> </ul>	Asset Manager	30/06/15	31/07/15	In Progress	<p>Draft Policy (Asset Management) to be presented to Council on 11 June 2015 for endorsement and adoption.</p> <p>Draft Asset Accounting Policy will be presented to Council in July 2015.</p>
5. AM Strategy <b>Risk Level</b> Extreme	<p>Implement an Asset Management Strategy (using templates provided). Strategy must identify 'critical' assets and includes risk management strategies for these assets. Strategy should also include specific actions to improve asset management capabilities, projected resource requirements &amp; timeframes.</p>	Asset Manager	30/06/15	30/06/16	In Progress	<p>An AM strategy will be developed as all data collection is finalised and draft AMPs for each asset category are completed.</p>

Finding Name	Agreed Action	Responsible Officer	Due Date	Revised Due Date	Status	Comments
6. AM Plans <b>Risk Level</b> High	Update the Asset Management Plans (Optimal Scenario) and what will be done with available funding (Balanced Scenario) & complete risk management plans for the Balanced Scenario.	Asset Manager	30/06/15	31/08/15	In Progress	Draft AMP (Roads category) has been completed and initial discussions with Council held at the May 2015 workshop. A further presentation to Council is tentatively scheduled for the July 2015 workshop.  Data for buildings category has been collected (albeit with some 'tidying' up). Data collection for CWMS & Stormwater currently underway.
	Complete service levels for AMPs using state of the assets reporting (condition / function / capacity) as per example provided by the consultants & ensure that service level targets for the next 10 years for each AMP are achievable and it is clear what Council can and cannot do within the budget constraints of the LTFP.	Asset Manager	30/06/15	31/08/15	In Progress	Draft AMP (Roads category) has been completed and initial discussions with Council held at the May 2015 workshop. A further presentation to Council is tentatively scheduled for the July 2015 workshop.
7. Governance and Management <b>Risk Level</b> High	Identify if the Asset Management Team will continue, if so adopt charter for the Asset Management Team. The focus of the group should be on the implementation of Asset Management Improvement Program and to report risk and service level trends	Asset Manager	31/12/14		Completed	Asset management will become a regular agenda item of future Managers meetings. As this is now part of a combined meeting format, an adopted Charter is not necessary.
	Ensure whole of life costing is used for all capital upgrade/expansion projects with a feedback loop into the LTFP.	Asset Manager	30/06/15		Future Dated	
8. Levels of Service <b>Risk Level</b> High	Develop additional AMP scenarios as required to align with the LTFP and show service outcomes and risk consequences of LTFP resourcing levels. Aim is to ensure the community service levels and targets in AMPs align with the SP and annual reporting	Asset Manager	30/06/15	31/08/15	In Progress	To be progressed as part of the development of the AMPs. Roads to be discussed with Council in July 2015.

Finding Name	Agreed Action	Responsible Officer	Due Date	Revised Due Date	Status	Comments
9. Data and Systems	Provide a data improvement program as part of the asset management improvement program based on benefit/cost/risk. This should be done in conjunction with the development of the Asset Accounting Policy and Implementation of both the Authority CRV module and new Asset Management System. This process should determine the level of data required to meet both financial and asset management requirements	Asset Manager	30/06/15	31/03/16	In Progress	Draft Asset Accounting Policy scheduled to go to Council in July 2015. Data collection procedures are being documented within the draft AMPs. This will continue to proceed in conjunction with the development of the AMPs.
<b>Risk Level</b> High	Ensure that the current register is kept up to date and asset condition is monitored & annually updated with 'useful lives' and reported as part of the annual review of the works program. Includes annual update of unit rates (replacement and renewal cost rates) based on the completed works program	Asset Manager	30/06/15	30/06/16	In Progress	Aligned to the data collection and development of the AMPs for each asset category. Data RE: road and buildings categories is completed, CWMS and Stormwater currently in progress.



## Attractive Assets Review – August 2014

Finding Name	Agreed Action	Responsible Officer	Due Date	Revised Due Date	Status	Comments
1. Acquisition and disposal processes of attractive assets <b>Risk Level</b> High	A standard process for the acquisition and disposal of assets is developed and deployed internally with training for staff	Manager Financial Services	30/06/15		In Progress	Is included in the Finance Manual, which will be finalised by 30 June.
	As a checking mechanism, the Accounts Payable Officer to check whether newly acquired assets have been captured within the correct registers at the time of paying the invoice	Manager Financial Services	30/06/15		Completed	
2. Recording of attractive assets <b>Risk Level</b> 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	In Progress	This is an ongoing process with data being incrementally added into the Conquest system.
	All assets meeting the threshold requirements are also immediately transferred into the Attractive Asset register, thereby bringing this register up to date	Manager Financial Services	30/06/15		Completed	
	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	30/06/15	In Progress	All artworks have been captured in a separate document, in the process of being transferred to the Asset Register.
	Regular stocktakes of all categories of assets are planned and undertaken at least once every two years (some such as plant and machinery should be completed annually)	Manager Financial Services	31/12/15		In Progress	Currently underway
	Standard forms to assist the stocktakes are developed	Manager Financial Services	30/09/15		Completed	
3. Asset Management and Accounting Policy <b>Risk Level</b> Moderate	Council's current Asset Management and Accounting Policy is reviewed and updated taking into account the findings of this review	Manager Financial Services	30/06/15		Completed	Presented to and endorsed by Council on 10 June 2015.

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

## WHS Legislation Review – January 2015

Finding Name	Agreed Action	Responsible Officer	Due Date	Revised Due Date	Status	Comments
1. Incident Reporting and Investigation	Periodically remind staff of the requirement to report incidents within 24 hours.	Risk Management Officer	31/03/15		Completed	Included in the March 2015 issue of Safety First Newsletter.
<b>Risk Level</b> Moderate	Update the Incident Register to show risk ratings.	Risk Management Officer	30/06/15		In Progress	
	Determine who should be responsible for undertaking the risk assessments following an incident and then update procedures, booklets and forms accordingly.	Risk Management Officer	30/06/15		In Progress	

Finding Name	Agreed Action	Responsible Officer	Due Date	Revised Due Date	Status	Comments
2. Identification of Corrective and Preventative Actions <b>Risk Level</b> <b>Moderate</b>	Develop a process to identify and report on systemic/repeated non-conformances thereby allowing the CMT to take appropriate action when required.	Risk Management Officer	30/06/15		In Progress	
	Guidelines are developed, endorsed and incorporated into existing procedures regarding appropriate timeframes for the implementation of corrective/ preventative actions based on risk ratings.	Risk Management Officer	30/06/15		In Progress	
	Resolve all items on the CAR that are greater than 12 months old.	CEO	28/02/15		In Progress	Discussed at May 2015 Annual System Review meeting with CMT. Discussed at June WHS Committee meeting.
	Implement a process to document decisions by the WHS Committee to permit continued exposures to any identified risks and forward to the CEO for formal ratification to retain the risk until it can be addressed.	Risk Management Officer	31/03/15		In Progress	Discussed at June WHS Committee meeting and now included as a regular agenda item for WHS Committee meetings.
	Budget Managers ensure that all corrective / preventative actions that have been 'referred to next budget' are included in the budget preparations.	Risk Management Officer	31/05/15		Completed	Discussed at June WHS Committee meeting.
	Chair of the WHS Committee will allocate more time on the agendas to facilitate deeper discussions regarding the development and resolution of issues.	Chair of WHS Committee	31/03/15		Completed	Occurred at March and June WHS Committee meetings.

Finding Name	Agreed Action	Responsible Officer	Due Date	Revised Due Date	Status	Comments
3. Assessing Effectiveness of Corrective and Preventative Actions <b>Risk Level</b> High	Provide advice to staff regarding how to correctly verify and report on the effectiveness of corrective / preventative actions via Tool Box meetings, Departmental meetings etc.	Risk Management Officer	30/06/15		In Progress	
	Determine the best method (e.g. re-training key staff, updating relevant procedures and/or standard forms) to ensure that appropriate staff are assessing the effectiveness of controls and that the WHS Committee will report to CMT every six months on the effectiveness of controls.	Risk Management Officer	30/09/15		Future Dated	
4. Compliance with OHS&W Procedure Responsibility Booklets <b>Risk Level</b> Low	Administratively review all OSH&W Procedure Responsibility Booklets.	Risk Management Officer	30/06/15		Completed	Distributed in February 2015.
	Ensure that all SDS folders in all locations are reviewed and brought up to date where necessary.	Risk Management Officer	30/09/15		Future Dated	
	Finalise the Risk Assessment, Confined Space and Substance Registers and communicate with staff regarding the use and location of these registers.	Risk Management Officer	30/09/15		Future Dated	
5. Workplace Inspections <b>Risk Level</b> Low	Review all Workplace Inspection Checklist and update where appropriate (particularly areas where staff have difficulty in assessing).	Risk Management Officer	30/06/15		Completed	To be used for next inspections.
	Conduct refresher training for HSR's on the procedures for accurately conducting workplace inspections.	Risk Management Officer	30/06/15		Future Dated	
	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		Future Dated	

Finding Name	Agreed Action	Responsible Officer	Due Date	Revised Due Date	Status	Comments
6. Other Issues <b>Risk Level</b> Moderate	Ensure that the staff 'WHS Survey' is conducted and results reported to CMT and the WHS Committee. Also determine if an annual survey is an appropriate frequency (i.e. every 2 years may be more appropriate) and update references to frequency in all relevant procedures, forms etc.	Risk Management Officer	31/03/15		In Progress	WHS Survey included as part of overall staff (Insync) survey. Survey closed 20 March 2015. Results to be communicated when they become available.
	Consider utilising the Promapp software for future development of Standard Operating Procedures and determine the best method to facilitate direct involvement of key staff.	Risk Management Officer	31/12/15		Future Dated	

## 2. External Audit Activities

### March 2013 Half Year Management Letter

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



### 3. LGA Mutual Liability and Workers Compensation Schemes - KPI Action Plan Audit

Finding Name	External Audit Finding	Responsible Officer	Due Date	Revised Due Date	Status	Comments
Procedures and processes in place to identify, evaluate and control hazards	Provide training to carry out tasks, duties and responsibilities relating to hazard management system procedures with a focus on hazard reporting, plant, substance, pre purchase processes, the use of the hierarchy of control and the Corrective Action Register. (In line with the Implementation Schedule/ Training Program)	Risk Management Officer	31/10/15		In progress	Responsibility Booklets distributed to all staff and employee signature required once understood. Online procedural training through E3 Learning to be undertaken this year. Practical training sessions to be conducted with workgroups.
	Coordinate the review of existing Safe Operating Procedures and completion of additional ones resulting from risk assessments in consultation with relevant workers.	Risk Management Officer	31/12/15		In progress	Prioritised draft SOPS currently out for consultation and review, to be endorsed at June WHS Committee meeting. Also refer to Internal Audit - WHS Legislation - Compliance with OHS&W Procedure Responsibility Booklets, Action 3 and Action 2 under "Other Issues.
Legislative requirements are identified, documented, addressed and tested.	CMT to review the monitoring of inspections, testing and activities relating to legislation (specifically CMT's ability to demonstrate that corrective actions are being undertaken where scheduled events have not occurred).	Risk Management Officer	30/06/15		In progress	Reports submitted to CMT every 2 months. Workplace Monitoring Calendar reported at WHS Committee meetings Also refer to Internal Audit - WHS Legislation - Identification of Corrective & Preventative Actions, Action 1 and Workplace Inspections, Action 4.

## **BUSINESS IMPROVEMENT OFFICER**

### **6. INTERNAL CONTROLS PROJECT UPDATE**

(File Ref: 9.14.1.6)

#### **INTRODUCTION**

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

#### **RECOMMENDATION**

That the Audit Committee receives this report.

#### **COMMENT**

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

To ensure we are adequately prepared for future auditing, a full round of assessments and reviews was completed In December 2014. As a result, 21 controls required an Action Plan due to genuine gaps within internal procedures.

An outline of these action plans was presented to the May 2015 Audit Committee. It was requested by members that all action plans to be prioritised.

Attachment A therefore provides an updated overview with priorities, revised due dates and commentary on the current status of these action plans.

#### **LEGISLATION/POLICY/COUNCIL STRATEGIC PLAN**

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

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

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

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

Institute of Internal Audit Standards

#### **FINANCIAL AND RISK MANAGEMENT CONSIDERATIONS**

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

Assessment		2014 Interim Assessment					
Assessment period		03/11/2014 - 30/06/2015					
Strategic Financial Planning							
General Ledger	Rating	Action plan	Responsible Officer	Priority	Due Date	Status	Comments
General Ledger policies and procedures are appropriately created, updated & communicated to relevant personnel in the finance department. BPM Control Type: Core	3	Completion of finance manual by 30/6/15	Financial Accountant	Medium	30/06/15	In Progress	Finance Manual has been drafted, final updates to be made. Will be finalised by the due date.
Formal disaster recovery plan adopted by Council or Senior Executive. BPM Control Type: Core	2	BCP Plans currently being reviewed prior to adoption.	Risk Management Officer	High	30/06/15	In Progress	
All updates and changes to General Ledger programmes are authorised, tested and documented. BPM Control Type: Core	2	Review methodology of notifications and implement a structured flowchart to ensure specific procedure is followed when changes are implemented.	Information Technology Coordinator	Medium	31/08/15	Not Started	
Statutory Reporting	Rating	Action plan	Responsible Officer	Priority	Due Date	Status	Comments
Finance policies and manual is documented and regularly updated. BPM Control Type: Additional	3	Finance manual to be completed by 30/6/15	Financial Accountant	Medium	30/06/15	In Progress	Finance Manual has been drafted, final updates to be made. Will be finalised by the due date.
Management Reporting	Rating	Action plan	Responsible Officer	Priority	Due Date	Status	Comments
Accounting Policies and Procedures are appropriately created, updated & communicated to appropriate personnel in the financial reporting department. Knowledgeable personnel monitor changes in guidance & regulations that affect the entity & make the appropriate changes to the entity's corporate accounting policies & procedures on a timely basis. BPM Control Type: Core	3	Finance Manual to be completed by 30/6/15	Financial Accountant	Medium	30/06/15	In Progress	Finance Manual has been drafted, final updates to be made. Will be finalised by the due date.
Management to confirm the accuracy of the information contained within their respective report. BPM Control Type: Core	3	Monthly reports are provided to Managers. Review PO142 Budget Reporting and Amendment Policy and include further details regarding responsibilities for ensuring accuracy of the budget information.	Manager Financial Services	Low	30/06/15	Completed	Scheduled to be presented to Council at the July 2015 meeting.

Management Reporting	Rating	Action plan	Responsible Officer	Priority	Due Date	Status	Comments
Management review the exception reports on a regular basis and investigate all significant variances; evidence of review demonstrated must be provided. BPM Control Type: Core	3	Review PO142 Budget Reporting and Amendment Policy and include further details staff responsibility for investigating and explaining any significant variances. To be led by CEO - clear ramifications of non-compliance to be evident	Manager Financial Services	Medium	30/06/15	Completed	Scheduled to be presented to Council at the July 2015 meeting.
<b>Assets</b>							
Petty Cash	Rating	Action plan	Responsible Officer	Priority	Due Date	Status	Comments
Access (i.e. passwords or keys) to the cash floats and petty cash safes/registers is limited to authorised officers. BPM Control Type: Core	2	Investigate a method of safe/secure access for authorised officers only. Internal Audit currently conducts regular spot checks.	Manager Information Services	High	31/08/15	Not Started	Front counter cash registers will be investigated.
Banking	Rating	Action plan	Responsible Officer	Priority	Due Date	Status	Comments
All cash held securely in safe/registers with access restricted to appropriately designated personnel. BPM Control Type: Core	2	See above.	Manager Information Services	High	31/08/15	Not Started	Front counter cash registers will be investigated.
Debtors	Rating	Action plan	Responsible Officer	Priority	Due Date	Status	Comments
A listing of bad debt write-offs should be maintained. BPM Control Type: Additional	3	Procedure as to the correct recording and listing of bad debts will be incorporated into the Finance Manual.	Manager Financial Services	Low	30/06/15	In Progress	Finance Manual has been drafted, final updates to be made. Will be finalised by the due date.
Inventory	Rating	Action plan	Responsible Officer	Priority	Due Date	Status	Comments
Subject to the relevant Council Procurement policy, a purchase order must be raised prior to ordering the goods from a supplier (within OLR system). BPM Control Type: Core	3	Training and reiteration of the appropriate policies and procedures will be undertaken with relevant staff as part of the rollout of the newly adopted Procurement Policy.	Director Corporate & Community Services	High	30/06/15	Completed	Managers trained in new policy and procedures
Goods and services are approved for order within the Delegations of Authority and in line with formal Tender and Procurement policy. BPM Control Type: Core	3	As above	Director Corporate & Community Services	High	30/06/15	Completed	

<b>Inventory</b>	<b>Rating</b>	<b>Action plan</b>	<b>Responsible Officer</b>	<b>Priority</b>	<b>Due Date</b>	<b>Status</b>	<b>Comments</b>
The usability of inventory and level of inventory is assessed regularly including a review during physical inventory counts. BPM Control Type: Core	2	Review and update PO128 Asset Management and Accounting Policy to include management and staff responsibilities related to regular stocktake of major inventory.	Manager Financial Services	Medium	30/06/15	Completed	
<b>Liabilities</b>							
<b>Accounts Payable</b>	<b>Rating</b>	<b>Action plan</b>	<b>Responsible Officer</b>	<b>Priority</b>	<b>Due Date</b>	<b>Status</b>	<b>Comments</b>
Purchase Orders must be raised for the purchase of goods and services in line with the Council's Procurement policy or over a predetermined amount where applicable. BPM Control Type: Core	3	Training and reiteration of the appropriate policies and procedures to be undertaken with relevant staff.	Governance Officer	High	30/06/15	Completed	
Statements received from suppliers are reconciled to the supplier accounts in the accounts payable sub-ledger regularly and differences are investigated. BPM Control Type: Core	1	Process required to show reconciliation of statements, to be completed by end of March 2015	Accounts Payable Officer	Low	31/03/15	Completed	
Separation of accounts payable and procurement duties i.e. the Accounts Payable Officer has no delegation for raising purchase orders. BPM Control Type: Core	1	AP Officer access will be removed and delegation for orders to be arranged by responsible officers.	Accounts Payable Officer	High	31/03/15	Completed	
<b>Taxation</b>	<b>Rating</b>	<b>Action plan</b>	<b>Responsible Officer</b>	<b>Priority</b>	<b>Due Date</b>	<b>Status</b>	<b>Comments</b>
Accounting policies and procedures specify correct treatment for preparing the fringe benefit tax and goods & services taxation returns within any given financial year. BPM Control Type: Core	3	Completion of finance manual by 30/6/15	Financial Accountant	Medium	30/06/15	In Progress	Finance Manual has been drafted, final updates to be made. Will be finalised by the due date.
<b>Revenue</b>							
<b>Grants</b>	<b>Rating</b>	<b>Action plan</b>	<b>Responsible Officer</b>	<b>Priority</b>	<b>Due Date</b>	<b>Status</b>	<b>Comments</b>
Council has a clear policy on Grant funding detailing assessment process, recognition, treatment, claim collection, community expectations and funding period and, disclosure of any conflicts of interest. BPM Control Type: Core	3	Policy to be developed and endorsed.	Manager Financial Services	Low	31/12/15	Not Started	



Grants	Rating	Action plan	Responsible Officer	Priority	Due Date	Status	Comments
Management and/or Council to approve all grants (prior to funds being received by Council) to ensure that Council will be able to meet the terms and obligations of the grant, and that the grant is in line with the Council's Strategic Objectives. BPM Control Type: Core	3	CEO signs and approves all grants, Council is made aware through formal meeting processes. Documented process required	Financial Accountant	Low	30/06/15	In Progress	Finance Manual has been drafted, final updates to be made. Will be finalised by the due date.
Management performs regular review of all grant income and to monitor compliance with both the terms of grants and Council's Grant policy (including claiming and collecting funds on a timely basis). BPM Control Type: Core	3	Process to be developed. Currently CMT reviews large grants and Directors are responsible for reviewing minor applications.	Financial Accountant	Low	30/06/15	In Progress	Finance Manual has been drafted, final updates to be made. Will be finalised by the due date.
User Pay Income - Fee for Service	Rating	Action plan	Responsible Officer	Priority	Due Date	Status	Comments
Amounts charged are in accordance with the Council's Fees and Charges register. BPM Control Type: Core	3	To be added to the 2015/16 Internal Audit Plan to determine and review any instances overriding the adopted fees	Business Improvement Officer	Low	31/01/16	In Progress	Added to the draft Internal Audit Plan (scheduled for Oct 2015). Draft Plan to be endorsed by the Audit Committee.
Receipting	Rating	Action plan	Responsible Officer	Priority	Due Date	Status	Comments
Cash is stored securely at all times including the duration of the cash management process. BPM Control Type: Core	3	Investigate a method of safe/secure access for authorised officers only. Internal Audit currently conducts regular spot checks.	Manager Information Services	High	31/08/15	Not Started	Front counter cash registers will be investigated.
<b>External Services</b>							
Contracting	Rating	Action plan	Responsible Officer	Priority	Due Date	Status	Comments
Commitments are not being made without funding being approved in the budget, this is managed through the OLR system. BPM Control Type: Core	2	System needs to be locked down so users cannot continue unless there are available funds (currently disabled).	Manager Information Services	Medium	31/01/16	Not Started	To be completed as part of the next upgrade to the Authority system (scheduled for Jan 2016).
Within records, a contract register is maintained for all contracts. BPM Control Type: Core	1	Contract Register to be developed and requirement reiterated with staff.	Director Corporate & Community Services	Medium	31/07/15	In Progress	Template has been developed. Awaiting retrospective data to be inputted.

## **BUSINESS IMPROVEMENT OFFICER**

### **8. FY2016 -2018 INTERNAL AUDIT PLAN**

(File Ref: 9.14.1.6)

#### **INTRODUCTION**

To consider the proposed three year Internal Audit Plan.

#### **RECOMMENDATION**

The Audit Committee endorse the three year Internal Audit Plan for FY2016 – 2018.

#### **COMMENT**

The three year Internal Audit Plan was developed to focus the limited internal audit resources to areas of most importance and concern to Council Management.

The internal audit plan was developing using the following considerations:

- Internal audits that were not fully completed in the FY15 financial year will be rolled over and addressed as a priority;
- Previous discussions with the Chief Executive Officer, Directors, management team and external auditors;
- Independent verification of internal controls;
- Review of the Council's strategic plan;
- Suggested key risks and audits performed at other councils; and
- Professional judgement of internal audit.

#### **LEGISLATION/POLICY/COUNCIL STRATEGIC PLAN**

Local Government Act 1999 – Section 125 – Internal control policies

Council's Internal Audit Activity – Framework

#### **FINANCIAL AND RISK MANAGEMENT CONSIDERATIONS**

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

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# Internal Audit Plan 2016 - 2018

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## 1. OBJECTIVE

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

The three year Internal Audit Plan covering the 2016 – 2018 financial year sets out the proposed internal audit projects to be undertaken by Council. This Internal Audit Plan is approved by the Chief Executive Officer and endorsed by the Audit Committee. It will be reviewed at the end of each financial year to ensure that it addresses the high business risks facing the Council.

## 2. METHODOLOGY

The three year Internal Audit Plan was developed to focus the limited internal audit resources to areas of most importance and concern to Council Management.

The internal audit plan was developed using the following considerations:

- Internal audits that were not fully completed in the FY15 financial year will be rolled over and addressed as a priority
- Previous discussions with the Chief Executive Officer, Directors, management team and external auditors
- Independent verification of internal controls
- Review of the Council's strategic plan
- Suggested key risks and audits performed at other councils
- Professional judgement of internal audit.

## 3. REPORTING

The Business Improvement Officer will report on the following to the Chief Executive Officer and Audit Committee (on at least a quarterly basis):

- Ongoing status of the approved Internal Audit Plan
- Outcomes / reports of individual engagements and any identified significant risk, control, fraud or governance issues
- Status of implementation of agreed actions resulting from internal and external audits, internal controls project and other external bodies.

#### 4. INTERNAL AUDIT PLAN

The following table presents the proposed audit projects, linkages to strategic risks for the immediate year with a tentative scope and proposed timing for those planned for FY2016 and beyond:

	Project	Scope Overview	Proposed Timing	2016	2017	2018
1	CSR Operational Review <i>Risk 7, 11 &amp; 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 and reporting to Council.	July 2015	✓		
2	WHS – Hazard Management <i>Risk 4</i>	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.  Specific scope will be developed in consultation with the Risk Management Officer at a later stage.	Sept 2015	✓		
3	Post Implementation Review - Asset System (Road Infrastructure Only) <i>Risk 6 &amp; 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.	Nov 2015	✓		
4	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 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.	April 2016	✓		
5	Volunteer Management <i>Risk 17</i>	This review will assess the management of volunteers and compliance with the Volunteer Management Handbook.	May 2016	✓		
6	Fees and Charges <i>Risk 11 &amp; 12</i>	Review to determine anomalies from the adopted fee schedule.	Oct 2015	✓		
7	Independent verification of Yorke Peninsula	Undertake annual random verification of staff's self-assessment ratings against the identified	Ongoing	✓	✓	✓

	Project	Scope Overview	Proposed Timing	2016	2017	2018
	control self-assessment	controls. (ControlTrack)				
8	Ongoing compliance audits (petty cash, till float and caravan parks)	Undertake regular spot checks of key compliance areas.	Ongoing	✓	✓	✓
9	Management Requests	Allowance for special projects, investigations and requests by Management that may arise during the year.	Ongoing	✓	✓	✓
1	Financial Management – Accounts Payable	A review of key accounts payable controls including approval and disbursement process, maintenance of supplier master file and general ledger reconciliations.	Aug 2016		✓	
2	Corporate Governance	<p>The objective of the review will be to assess the adequacy of Council's governance mechanisms (policies, structures, processes and information) to provide strategic direction and oversight of activities in support of the department. Specific areas that may be included are:</p> <ul style="list-style-type: none"> <li>• Tone at the Top</li> <li>• Strategic Planning and Budgeting</li> <li>• Internal Controls, Internal Audit and Risk Management</li> <li>• Formally established Council and Management committees</li> <li>• Performance Monitoring and Reporting</li> <li>• Legislative Compliance</li> </ul>	Sept 2016		✓	
3	Dog and Cat Management	Review of annual report provided to Cat and Dog Management Board, pounds, dog registrations and associated documentation is accurate. Furthermore the review will assess the performance against the Animal Management Plan objectives.	Nov 2016		✓	
4	Post Implementation Review - Asset System (All other categories)	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.	Jan 2017		✓	
5	Underperforming Assets	Review and analyse a sample of assets to identify assets where cost outlays performance or service charges associated with the asset.	Jan 2017		✓	
6	Mobile Phones	This review will assess the processes for allocation of mobile phones, usage and ongoing monitoring processes.	April 2017		✓	



	<b>Project</b>	<b>Scope Overview</b>	<b>Proposed Timing</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>7</b>	WHS – Contractor Management	Review of the process for hiring and entering into contracts and/or agreements, approvals, compliance requirements including insurance, licenses and Return to Work SA are managed.	Jun 2017		✓	
<b>1</b>	Elected Member Expenses	Review to confirm correct payment of allowances, reimbursement of expenses and accurate and timely recording in legislated registers.	Aug 2017			✓
<b>2</b>	Financial Management – Rates/Rate Rebates	A review of rate and rate rebate controls including process for correct calculation of rate invoices, application of rebates and changes and access to the property Masterfile	Sept 2017			✓
<b>3</b>	WHS – Emergency Management	Review of the policy and procedures for legislative compliance and adherence to the policies and procedures.	Nov 2017			✓
<b>4</b>	Post Implementation Review – Electronic Document and Records Management System	A new electronic document and records management system (EDRMS) will be implemented in 2015/16. This review will be an assessment of the effectiveness of the implementation of the new system against the outlined objectives and legislative compliance, review of the policies and procedures in place and staff adherence to the new processes.	Jan 2018			✓
<b>5</b>	Financial Management - Banking	A review of banking controls including cash flow decisions and forecasting, security of cash held on the premises, cash transactions, security of blank cheques, system access to the EFT banking systems and cash transfers plus the completion of regular reconciliations.	Mar 2018			✓
<b>6</b>	Town Hall and Council Asset Hire	Review of the processes associated with hiring of hall and other assets to the community. Including financial, WHS, risk management and insurance controls.	May 2018			✓
<b>7</b>	Borrowing & Investments	A review of financial borrowing and investment controls including a review of the processes regarding the decisions to borrow taking into consideration the impacts on the financial sustainability of Council.	May 2018			✓
<b>8</b>	Special Event Permits	Review of the processes associated with issuing special event permits including financial, WHS, risk management and insurance controls.	June 2018			✓

## **ASSET MANAGER**

### **9. ASSET MANAGEMENT**

(File Ref: 9.24.1.1)

#### **INTRODUCTION**

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

#### **RECOMMENDATION**

That the report be received.

#### **COMMENT**

##### **Transport Infrastructure**

A draft Transport Asset Management Plan was presented to Council at the May workshop. A further workshop to the plan will be held in July, with the main focus being on Levels of Service and Road Categorisation and Hierarchy.

Data collection on the unsealed road network has now been completed and this information will be uploaded into Conquest and used for future renewal and maintenance of the road network.

##### **Implementation of Conquest**

Stormwater data continues to be collected and validated against data held in our system, the data is also being digitally mapped in Councils mapping system.

#### **LEGISLATION/POLICY/COUNCIL STRATEGIC PLAN**

Local Government Act 1999, Chapter 8

#### **FINANCIAL AND RISK MANAGEMENT CONSIDERATIONS**

Not applicable.

## **DIRECTOR CORPORATE AND COMMUNITY SERVICES**

### **10. ASSET MANAGEMENT POLICY REVIEW** (File Ref: 9.14.1.6)

#### **INTRODUCTION**

To update the Audit Committee following Council's adoption of the newly developed Asset Management Policy.

#### **RECOMMENDATION**

That the Audit Committee receives the PO128 Asset Management Policy as endorsed by Council at its meeting held 10 June 2015.

#### **COMMENT**

Council Policy PO128, Asset Management and Accounting Policy, required full review to reflect current legislative requirements and best practice guidelines.

Comparison to the current LGA draft policy and similar policies in SA Councils indicated the current Policy was no longer relevant, and it is recommended that the old policy (PO128 Asset Management and Accounting Policy) is not updated, but replaced with two new policies based on the LGA draft templates for both Asset Management and Asset Accounting Principles. PO128, Asset Management Policy, was submitted for Council consideration. (PO124, Asset Accounting Policy, is yet to be written and will be brought to the July meeting of council for endorsement.)

The new policy aims to set guidelines for implementing consistent asset management processes reflective of legislative requirements within both AASB116 and the Local Government Act 1999.

#### **LEGISLATION/POLICY/COUNCIL STRATEGIC PLAN**

Local Government Act, 1999

Australian Accounting Standards Board, AASB116

Strategic Plan

Key Theme: Sustainable Communities  
1. Sustainable Infrastructure

Strategic Goal: 1.1 Provide infrastructure assets that are sustainable and safe

#### **FINANCIAL AND RISK MANAGEMENT CONSIDERATIONS**

It is essential that Council has the appropriate policies and delegations in place to protect rate payer funds from misappropriation. Public accountability, transparency and consistency of decision making are necessary components of compliance with Australian Standards and the Local Government Act and it is essential that Council follow recommended best practice guidelines with regard to the management of its assets.



# COUNCIL POLICY

## Asset Management

<b>Policy Number:</b>	PO128		
<b>Strategic Plan Objective</b>	Sustainable Communities 1. Sustainable Infrastructure 1.1 Provide infrastructure assets that are sustainable and safe		
<b>Policy Owner:</b>	Chief Executive officer	<b>File Number:</b>	14.63.1
<b>Responsible Officer:</b>	Asset Manager	<b>Minute Reference:</b>	
<b>Date Adopted:</b>		<b>Next Review Date:</b>	

### 1. POLICY OBJECTIVES

To set guidelines for implementing consistent asset management processes throughout Yorke Peninsula Council and to ensure adequate provision is made for the long term replacement of major assets by:

- Ensuring that Council's services and infrastructure are provided sustainably, with the appropriate levels of service to residents, visitors and the environment
- Safeguarding Council assets including physical assets and employees by implementing appropriate asset management strategies and appropriate financial treatment of those assets
- Creating an environment where all Council employees take an integral part in overall management of Council assets by creating and sustaining an asset management awareness throughout the Council
- Meeting and surpassing legislative requirements for asset management
- Ensuring resources and operational capabilities are identified and responsibility for asset management is allocated
- Demonstrating transparent and responsible asset management processes that align with demonstrated best practice

### 2. SCOPE

This Policy applies to all Council activities.

### 3. DEFINITIONS

Assets	Resources controlled by the entity as a result of past events and from which future economic benefits are expected
Infrastructure	the basic physical and organisational structures and facilities (e.g. buildings, roads, water supplies) needed for the operation of a society or enterprise

## **4. POLICY STATEMENT**

### **4.1. Background**

- 4.1.1. Council is committed to implementing a systematic asset management methodology in order to implement appropriate asset management best practices across all areas of Council. This includes ensuring that assets are planned, created, operated, maintained, renewed and disposed of in accordance with Council's priorities of service delivery
- 4.1.2. Council owns and uses approximately \$324m of non-current assets to support its core business of delivery of service to the community.
- 4.1.3. Asset management practices impact directly on the core business of Council and appropriate asset management is required to achieve our strategic service delivery objectives
- 4.1.4. Asset management relates directly to Council's strategic plan key theme of Sustainable Infrastructure – Provide infrastructure assets that are sustainable and safe
- 4.1.5. A strategic approach to asset management will ensure that Council delivers the highest appropriate level of service through its assets. This will provide positive impact on:
  - Members of the public and staff
  - Council's financial position
  - The ability of Council to deliver the expected level of service and infrastructure
  - The political environment in which Council operates; and
  - The legal liabilities of Council

### **4.2. Principles**

- 4.2.1. A consistent Asset Management Strategy must exist for implementing systematic asset management and appropriate asset management best practice throughout all Departments of Council
- 4.2.2. All relative legislative requirements and political, social and economic environments are to be taken into account in asset management
- 4.2.3. Integration of asset management within existing planning and operational processes is to occur
- 4.2.4. An inspection regime will be used as part of asset management to ensure agreed service levels are maintained and to identify asset renewal priorities
- 4.2.5. Council's vision is that asset renewal will be fully funded through depreciation in the annual budget estimates
- 4.2.6. Council's vision is that service levels agreed through the budget process and defined in Asset Management Plans will be fully funded in the annual budget estimates
- 4.2.7. Asset renewal plans will be prioritised and implemented progressively based on the level of service required and the effectiveness of the current assets to provide that level of service
- 4.2.8. Systematic and cyclic renewal reviews will be applied to all asset classes to ensure that assets are managed, valued and depreciated in accordance with appropriate best practice and applicable Australian Standards
- 4.2.9. Future life cycle costs will be reported and considered in all decisions relation to new services and assets and upgrading of services and assets



## 5. COMPLAINTS

Complaints about this policy can be made in writing to the Director Assets & Infrastructure Services. Complaints will be managed in accordance with Council's complaints policy PO147.

## 6. REVIEW

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

## 7. TRAINING

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

## 8. RELATED COUNCIL POLICIES AND DOCUMENTS

PO147 Complaints Policy  
PO124 Asset Accounting Policy  
Associated Asset Management Plans

## 9. REFERENCES AND LEGISLATION

Local Government Act 1999 (SA)  
Australian Accounting Standards Board AASB116

## 10. COUNCIL DELEGATION

<b>Details of Delegation:</b>	Chief Executive Officer
<b>Delegate:</b>	Director Assets and Infrastructure Services

## 11. VERSION HISTORY

Archived Policy Name	Policy Number	Date Adopted	Last Reviewed
Asset Management and Accounting Policy	PO 128	10/6/2008	10/8/2010