



*The Barossa Council*

**MINUTES OF THE MEETING OF THE AUDIT COMMITTEE  
OF THE BAROSSA COUNCIL**

held on Friday 7 June 2019, commencing at 3.15pm in the Council Chamber,  
43-51 Tanunda Road, Nuriootpa

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1. **WELCOME**

Mr Brass declared the meeting open at 3.15pm and welcomed all in attendance.

2. **MEMBERS PRESENT**

Mr Peter Brass, Mr Ian Swan, Ms Ellen Ewing, Cr John Angas

**Invited Staff Members**

Mr Martin McCarthy, Chief Executive Officer

Mr Mark Lague, Manager Financial Services

Mr Derek Jones, Risk Advisor

Ms Annette Randall, Executive Assistant (Minute Secretary)

3. **APOLOGIES**

Cr Russell Johnstone

4. **CONFLICT OF INTEREST DECLARATIONS**

Nil

5. **CONFIRMATION OF MINUTES FROM PREVIOUS MEETING**

**MOVED** Cr Angas that the Minutes of the Audit Committee Meeting held 21 March 2019 be confirmed as a true and correct record of the proceedings of that meeting.

**Seconded** Mr Swan

**CARRIED 2018-19/33**

6. **BUSINESS ARISING FROM PREVIOUS MINUTES**

Nil

7. **CONSENSUS AGENDA**

8. **ADOPTION OF CONSENSUS AGENDA**

8.1 **RECEIPT OF CONSENSUS AGENDA**

**MOVED** Mr Swan that Reports for Information items 7.1.1 and 7.1.2 be received.

**Seconded** Ms Ewing

**CARRIED 2018-19/34**

Mr Lague tabled Council's draft letter responding to Bentleys Draft Report on Audit Findings and discussed with the Members.

## NOT CONFIRMED

**MOVED** Mr Swan that Correspondence Report 7.2.1 and Council's draft response letter be received.

**Seconded** Ms Ewing

**CARRIED 2018-19/35**

### 9. DEBATE AGENDA

#### 9.1.1

#### INTERNAL FINANCIAL CONTROL REPORT

**B7455**

Mr Lague spoke to the report and answered questions from the Members.

**MOVED** Mr Swan that the report from the Coordinator Internal Control on the status of Internal Financial Control work, be received and noted.

**Seconded** Cr Angas

**CARRIED 2018-19/36**

#### PURPOSE

To provide an update on the status of Internal Financial Control work.

#### REPORT

Attached is a copy of the Internal Financial Control Report for March to May 2019.

#### ATTACHMENTS OR OTHER SUPPORTING REFERENCES

Internal Financial Control Report – March to May 2019

#### COMMUNITY PLAN / CORPORATE PLAN / LEGISLATIVE REQUIREMENTS

##### Community Plan



How We Work – Good Governance

##### Corporate Plan

How We Work – Good Governance

- 6.2 Ensure that Council's policies and process frameworks are based on principles of sound governance and meet legislative requirements.
- 6.4 Ensure that decisions regarding expenditure of Council's budget are based on an assessment of whole of life costs, risks associated with the activity and advice contained within supporting plans.

##### Legislative Requirements

Local Government Act 1999 – Section 125, 126, 129 (1) (b)

Local Government (Financial Management) Regulations 2011, 14(e)

#### FINANCIAL, RESOURCE AND RISK MANAGEMENT CONSIDERATIONS

The regular monitoring and review of Council's financial internal controls and risk assessments will significantly facilitate the on-going safeguarding of Council assets. The control and review of risks is a core officer function and responsibility.

#### COMMUNITY CONSULTATION

Not required under legislation or Council's Public Consultation Policy.

#### 9.1.2

#### BUDGET UPDATE (AS AT 31 MARCH 2019)

**B7181**

Author: Manager Financial Services

Mr Lague spoke to the report.

## NOT CONFIRMED

**MOVED** Cr Angas that the Budget Update for 2018/19 (as at 31 March 2019) be received and noted.

**Seconded** Mr Swan

**CARRIED 2018-19/37**

### PURPOSE

Council, at a Special Meeting held 15 May 2018, endorsed the Budget Update for 2018/19 (as at 31 March 2019) including adoption of budget variations.

A copy of the document is provided in Attachment 1.

### REPORT

#### Discussion

The report provides information as to the financial position of Council, containing budget update reports which include Executive Summary, Uniform Presentation of Finances, Key Performance Indicators, Summary of Operating Budget Variance Adjustments and Summary of Capital Budget Variance Adjustments.

The proposed variances between the original budget and this budget update are listed on the operating and capital budget adjustment pages. The report also includes details of new initiatives and capital expenditure adjustments.

Council received and approved this Budget update, including all variance adjustments, at a Special Council meeting on the 15 May 2019.

### ATTACHMENTS OR OTHER SUPPORTING REFERENCES

Attachment 1: Budget Update (as at 31 March 2019)

#### Policy

Budget & Business Plan and Review Policy

### COMMUNITY PLAN / CORPORATE PLAN / LEGISLATIVE REQUIREMENTS

#### Corporate Plan



How We Work – Good Governance

- 6.2 Ensure that Council's policy and process frameworks are based on principles of sound governance and meet legislative requirements.
- 6.3 Align operational strategy to strategic objectives and measure organisational performance to demonstrate progress towards achieving our goals.
- 6.4 Ensure that decisions regarding expenditure of Council's budget are based on an assessment of whole of life costs, risks associated with the activity and advice contained within supporting plans.
- 6.9 Provide access to Council's plans, policies and processes and communicate with the community in plain English.
- 6.16 Provide contemporary internal administrative and business support services in accordance with mandated legislative standards and good practice principles.

#### Legislative Requirements

Local Government Act 1999 Sect 123 (13)

Local Government (Financial Management) Regulations 2011 Regulation 9(1)(b)

### FINANCIAL, RESOURCE AND RISK MANAGEMENT CONSIDERATIONS

#### Financial

To provide the Audit Committee a regular up to date high level financial report as provided. This report contains budget adjustments for decisions Council has made since the last review and other adjustments to meet financial changes in capital and/or operational areas. The document contains comments and implications for the Long Term Financial Plan as a result of this review.

## NOT CONFIRMED

### COMMUNITY CONSULTATION

Community Consultation was part of the original budget adoption process in June 2018, as per legislation. This report is advising Council of the financial position as at 31 March 2019 compared to that budget.

#### 9.1.3

### **DRAFT ANNUAL BUDGET AND BUSINESS PLAN 2019/2020 INCORPORATING THE LONG TERM FINANCIAL PLAN 2019/2020 – 2028/29 – FOR CONSULTATION**

**B7455**

Mr Lague spoke to the report.

**MOVED** Mr Swan that the report on the draft Annual Budget and Business Plan 2019/20, incorporating the annual review of the Long Term Financial Plan 2019/20 to 2028/29 for consultation, be received and noted.

**Seconded** Ms Ewing

**CARRIED 2018-19/38**

### PURPOSE

Council, at a Special Meeting held 15 May 2019, endorsed the draft Annual Budget and Business Plan 2019/20 incorporating the Long Term Financial Plan 2019/20 to 2028/29 for public consultation.

A copy of the document is provided in [Attachment 1](#); also a copy of the Minutes of the Special Council Meeting in [Attachment 2](#).

### REPORT

#### Discussion

The Annual Budget and Business Plan (AB&BP) 2019/20 incorporates the Long Term Financial Plan (LTFP) 2019/20 to 2028/29 in the one document, but is divided under separate sections.

The financial information contained in this document has been prepared in accordance with Council's Budget and Business Plan and Review Policy and associated processes.

The formulation of the draft budget incorporates the work of numerous Council officers and teams (following an adopted timeline) which includes:

- budget preparation and input by budget managers
- checking and refining of data input, preparation of general budgets including utilities, depreciation, employee costs etc by the Finance officers
- review and approval by the Corporate Management Team

This work results in the Finance staff collating, checking, reconciling, and finally preparing a draft budget and long term plan for Council consideration.

The input from Council is gained by holding workshops where discussions (not decisions) are held on various parts of the budget preparation and process, which provides a direction for officers in the preparations of the draft budget.

#### Significant items

The Budget and LTFP forecasts for forward years include:

- General rate increases are held at 2.5% plus 1% growth
- Other operating income and expenditure indexation for future years in the LTFP has been maintained at low levels to reflect the expected cost of services.
- Community Wastewater Management Systems (CWMS) service charge and rate ranges from 2.5% to 2.75% pa.
- Waste service charges and costs are expected to be increased at 2.5% pa. reflecting the expected cost of providing the service.

## NOT CONFIRMED

Including carried forwards from 2018/19 Capital Expenditure is included as \$18.7m not including developer donated assets.

The Big Project (TBP) has been included in these processes to check and ensure Council was considering its financial sustainability for this significant program of work. During the 2018/19 precinct plans, community consultation and design costs has been undertaken with a capital budget provision of \$1.1m. The capital expenditure, income and financing relating to TBP allocated over the forward years 2019/20 to 2022/23 (not including relevant operating costs which have been estimated and inserted in the appropriate years in the LTFP) is as follows:

| 2019/20 to 2022/23                            | \$M    |
|---|--------|
| Capital Expenditure                           | 28.1   |
| Capital Income - Grants & Other Contributions | (14.1) |
| Loan Financing                                | (12.9) |
| Balance from cash reserves*                   | 1.1    |

\*Meeting the requirements of the Treasury Policy, loan financing is obtained to provide necessary funds to ensure Council's financial position is maintained.

The 2019 Federal Budget considerations:

- \$40m is provided for SA for Supplementary Local Roads Program\*\* for the 2019/20 and 2020/21 years; in the budget papers this will an early payment in 2018/19. This additional funding, estimated at a total of \$450,000, has been included as received in 2018/19;
- A prepayment in 2018/19 for half of the 2018/19 Financial Assistance Grant (FAGS) funding payment (estimated at \$616k\*\*). This results in a reduction of the operating result for 2019/20 by that amount and an increase in the operating result in 2018/19; and
- The Roads to Recovery (RTR) program\*\*, as announced by the local Federal Minister in December 2018. Allocation for the next five years for The Barossa Council is \$1,932,053 or \$386,410 pa. At this stage the LTFP does not allocate the RTR funding to specific related transport projects.

A further announcement by the Federal Government on 8 April 2019 documented that RTR funding will increase by \$483,013 to \$2,415,066. This increased funding amount has not been included in the draft budget or LTFP for consultation. As the Coalition Federal Government has been re-elected, the additional funding and allocation to works will now be added to the Budget.

With the inclusion of the Budget Update 2018/19 as at 31 March 2019 carried forward requests and other significant items as noted within this report\*\*, results in a reduction to the forecast operating surplus result to \$613k.

### Summary and Conclusion

Council has reviewed its financial parameters for the LTFP, including the indexation used for forward projections on income and expenditure.

This analysis indicates that Council is currently financially sustainable for the forecast period covered by the LTFP. Noting that with the inclusion of TBP grant funding and loan financing included in the LTFP, Council has the capacity to undertake TBP asset construction, operational costs as well as other minor additional discretionary proposed projects.

Consideration of other major works in future years will require a full review of the LTFP and as required, Due Diligence Reporting processes to check financial sustainability.

The adoption of the Budget is due to be held in the last week in June (date to be confirmed).

### ATTACHMENTS OR OTHER SUPPORTING REFERENCES

## **NOT CONFIRMED**

- Attachment 1: Draft Annual Budget and Business Plan 2019/20 and annual review of the Long Term Financial Plan 2019/20 and 2028/29
- Attachment 2: Minutes of Special Council Meeting held 15 May 2019

### **Policy**

Budget & Business Plan and Review Policy

## **COMMUNITY PLAN / CORPORATE PLAN / LEGISLATIVE REQUIREMENTS**

### **Corporate Plan**



How We Work – Good Governance

- 6.2 Ensure that Council's policy and process frameworks are based on principles of sound governance and meet legislative requirements.
- 6.3 Align operational strategy to strategic objectives and measure organisational performance to demonstrate progress towards achieving our goals.
- 6.4 Ensure that decisions regarding expenditure of Council's budget are based on an assessment of whole of life costs, risks associated with the activity and advice contained within supporting plans.
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- 6.16 Provide contemporary internal administrative and business support services in accordance with mandated legislative standards and good practice principles.

### **Legislative Requirements**

Local Government Act

Local Government (Financial Management) Regulations 2011 - Reg 9(1)(b)

## **FINANCIAL, RESOURCE AND RISK MANAGEMENT CONSIDERATIONS**

### **Financial**

The adoption of the Budget is required between 1 June and 31 August. To meet this timeline, the adoption of the draft public consultation document preferably should start in May.

The indexation applied to General rates in this LTFP has been held at previous year LTFP increments at 2.5% pa plus growth of 1%. The SA Local Government Price Index is 2.7% as at December 2018 and the general consumer price index for Adelaide is 1.3% as at March 2019.

Financial performance is managed using suitable financial indicators and targets. Council's adopted Targets are:

- KPI - No. 1 Achieve an operating breakeven position, or better, over any five year period
- KPI - No. 2 Achieve an operating surplus ratio of between (2%) to 10% over a rolling three year period
- KPI - No. 3 Net financial liabilities (NFL) ratio is greater than zero but less than 100% of total operating revenue
- KPI - No. 4 Capital outlays on renewing/ replacing assets net of proceeds from sale of replaced assets is greater than 80% but less than 110% of Infrastructure Asset Management Plans over a rolling three year period.

Financial Indicators report for the draft LTFP expected results are:

- KPI No. 1 – The cumulative years 2019/20 to 2023/24 is a surplus position at year five of \$736k.
- KPI No. 2 - Operating surplus ratios. Council's expected forecast results are well within the target range, and vary from a deficit (0.1%) to a surplus of 3.4%, and an average of 1%
- KPI No. 3 – Council's NFL forecast is 42.6% in 2019/20 peaking at 46.7% in 2022/23 and at 13.8% by 2028/29
- KPI No. 4 - the KPI target is being met over the ten year period, the average being 81%.

KPI No. 4 – Analysis:

The target is being met over the ten year period, the average being 81%. For three years in this review, the ratio is below the minimum rate, the lowest at 77%. A selection of TBP builds will

## **NOT CONFIRMED**

upgrade and replace a considerable amount of assets. These works will be identified and then re-assigned as appropriate to renewal works and will improve this ratio.

Planned expenditure from the Infrastructure and Asset Management Plan(s) for the major asset classes has been used, along with updated data for remaining life on selected asset(s) replacements. This has resulted in a more accurate measure for Council's KPI on asset sustainability. This KPI is assessed to ensure Council provides for replacement/renewal of existing assets as they wear out or are consumed.

A substantial amount of 'Upgraded' asset work completed each year are partly renewing components of existing assets. For normal work cycles, components of these assets would need to be replaced when the depreciation or consumption of them had reduced their remaining life to zero, but as they are being upgraded to a better service level, they are effectively replacing asset components that would normally need to be replaced as/when due; this could have a significant favourable impact on the indicator.

### **COMMUNITY CONSULTATION**

The public consultation period commenced on 22 May 2019 and closes on 12 June 2019 at 5pm. Verbal submissions will be considered at a Special Council meeting on 5 June 2019, held at 6.00pm, providing one hour for members of the public to ask questions and make submissions in relation to the AB&BP and annual review of the LTFP. Public submissions will be considered by Council after the consultation period has ended, at the June Council meeting.

The LTFP is incorporated with the AB&BP to ensure the two Plans align. This enables the community to be involved in the short and long term planning of Council's Budget.

#### **9.1.4**

### **THE BAROSSA COUNCIL QUARTER 3 – 2018/19 PERFORMANCE & ACTIVITY REPORT**

#### **B3865**

Author: Manager Strategic Projects

**MOVED** Cr Angas that the Audit Committee receives and notes The Barossa Council Quarter 3 – 2018/19 Performance and Activity Report.

**Seconded** Mr Swan

**CARRIED 2018-19/39**

### **PURPOSE**

To provide Council's Quarter 3 – 2018/19 Performance and Activity Report on measures adopted within The Barossa Council Corporate Plan 2016/17 to 2019/20.

### **REPORT**

#### Background

Since November 2016, Council and the Audit Committee has been presented with Quarterly Performance Reports on measures adopted within the Corporate Plan.

#### Introduction

The Barossa Council Quarter 3 – 2018/19 Performance and Activity Report (*attached*) provides performance results against Corporate Plan measures as at 31 March 2019. The report also includes a suite of activity measures, providing a snapshot of activity undertaken over the Quarter in the delivery of key internal and external Council services under each Community Plan Theme.

#### Discussion

With the ongoing implementation of Council's holistic enterprise level strategic planning and reporting software (Magiq), officers are continuing to refine counting rules and formulas for the extraction and analysis of data, which may result in the revision of previously reported results where the data has been refined or cleansed. Where this is the case, the report will include a disclaimer regarding the nature of any changes implemented and its impact on the data.

## NOT CONFIRMED

Additionally, where justification exists, performance targets may be amended to reflect a more realistic figure. As above, where this is the case, the report will include an explanation of the nature of and justification for any changes implemented and its impact on the data.

### ATTACHMENTS OR OTHER SUPPORTING REFERENCES

Attachment: The Barossa Council Quarter 3 – 2018/19 Performance and Activity Report.

### COMMUNITY PLAN / CORPORATE PLAN / LEGISLATIVE REQUIREMENTS

Community Plan



How We Work – Good Governance

Corporate Plan

A6.3 Align operational strategy to strategic objectives and measure organisational performance to demonstrate progress towards achieving our goals.

Legislative Requirements

Nil

### FINANCIAL, RESOURCE AND RISK MANAGEMENT CONSIDERATIONS

Current resources are sufficient to provide ongoing quarterly reporting.

### COMMUNITY CONSULTATION

Community consultation is not required under the Act or Council's Public Consultation Policy.

#### 9.1.5

#### UPDATE – RISK MANAGEMENT PROGRAMS AND PROJECTS

##### **B7531**

Author: Risk Advisor

Mr Jones spoke to the report and answered questions from the Members.

**MOVED** Mr Swan that the Audit Committee receives and notes report 9.1.5 Update – Risk Management Programs and Projects, incorporating the Quarter 3 Risk Management Report.

**Seconded** Cr Angas

**CARRIED 2018-19/40**

### PURPOSE

To present a report on the progress of Risk Management programs and projects.

### REPORT

#### Risk Management

"Control Track / Risk Manager" inputting of data into the system has not progressed as planned.

Adi Roy Chowdhury from Local Government Risk Services, met with Martin McCarthy (CEO), Vincent Marsland (MODR), Derek Jones (Risk Advisor), and Ruyiyya Martin (Governance Advisor) in early May 2019. A proposal for the fee free service should be received by the end of first week in June 2019.

#### Strategic Risk Management

This has not progressed since the last Audit Committee meeting.

#### Risk Management Action Plan

The Risk Management Action Plan has been drafted in consultation with the Regional Risk Coordinator. The successful completion of the Plan is not associated with rebates. The draft Plan



## **NOT CONFIRMED**

has seven actions, all aligning with the 2019-2021 Risk Plan and recommendations from the Risk Evaluation.

### **KPI Action Plan for 2019**

Approval for the Workers Compensation Scheme KPI Action Plan was received in early May 2019. Both Action Plans are due for final completion by the end of September 2019. 7 of the 38 actions in the KPI Action Plan are complete, with a further 12 in progress.

A key action carried over from the 2018 KPI Action Plan, Hazardous Chemicals Management, will be actioned through a Tailored Implementation Program (TIP). The program is facilitated by Local Government Risk Services (LGRS). The consultant met with Derek Jones on 30 May 2019 to discuss the scope for the program.

### **Risk Management Quarterly Report**

Council's Risk Management Quarterly Report for Quarter 3 - 2018/19, was provided to the Corporate Management Team (CMT) for consideration at the meeting scheduled for 5 June 2019. The Report is provided in [Attachment 1](#) for the Audit Committee to review.

### **Risk Team**

The review of administration requirements within Executive Services is finalised, with a full time administration position being created as a shared role between Risk and Procurement. The position was advertised locally, with approximately 30 applications received. Five candidates were interviewed and the selected candidate is due to start on Monday 3 June 2019. She has Local Government experience, as well as a sound understanding of Risk, WHS and Procurement.

### **WHS Procedural Validation**

Bob Raymond from Local Government Association Workers Compensation Scheme (LGAWCS), conducted a Hazard Management Procedural Validation (Audit) against The Barossa Council's Hazard Management Policy and Process on 13 and 14 March 2019.

An internal audit regime for all councils and prescribed bodies is a condition of the five year self-insured licence agreement with Return To Work SA. To assist councils who do not have an endorsed internal audit program to achieve this requirement, the Local Government Association has implemented a two yearly "Procedural Validation" program.

### **Local Government Association Mutual Liability Scheme (LGAMLS)**

The Quarter 3 Risk Report gives an overview of insurance claims in graph format, with comparisons to similar sized councils.

Interested parties from the Local Government Risk Managers Group, along with a representative from the LGAMLS, have formed a sub group. The group will develop a standardised process for managing claims, which will assist councils and the general public, as the claim process will be similar across those councils who adopt the process.

Four enquiries taken for possible claims in the Quarter. All claims fell within the indemnities provided by the Civil Liability Act or The Local Government Act. Claims were not progressed once indemnity explained.

### **New Claims:**

1. Damage to roof rack – indemnified by Local Government Act; claim for damage to roof rack by low hanging branch. Indemnity explained; claimant insisted on entering claim.
2. Damage to low rock wall – circumstantial evidence; portion of residential perimeter rock wall damaged on same day footpath work was undertaken. Council inspection on the day indicates that wall was intact at the suggested time of damage, damage to wall appears to be from the inside. Claim has come from the insurance company not the property owner; Scheme is denying claim in the first instance.

## **ATTACHMENTS OR OTHER SUPPORTING REFERENCES**

Attachment 1: Quarterly Risk Management Report – Quarter 3 – 2018/2019

## NOT CONFIRMED

### COMMUNITY PLAN / CORPORATE PLAN / LEGISLATIVE REQUIREMENTS

#### Corporate Plan



How We Work – Good Governance

- 6.2 Ensure that Council's policy and process frameworks are based on principles of sound governance and meet legislative requirements.
- 6.3 Align operational strategy to strategic objectives and measure organisational performance to demonstrate progress towards achieving our goals.

#### Legislative Requirements

Local Government Act 1999

Work Health Safety Act 2012

### FINANCIAL, RESOURCE AND RISK MANAGEMENT CONSIDERATIONS

Addressed within the Report.

### COMMUNITY CONSULTATION

Not required under legislation or Council's Public Consultation Policy.

#### 9.1.6

#### FINAL STRATEGIC RISK REGISTER

**B9085**

Mr McCarthy spoke to the report.

**MOVED** Mr Swan that the Audit Committee receive and note the report relating to the Final Strategic Risk Register.

**Seconded** Ms Ewing

**CARRIED 2018-19/41**

### PURPOSE

To table the Council endorsed finalised Strategic Risk Register.

### REPORT

In 2017 the Auditor-General undertook a review of The Barossa Council governance systems. Council also undertook a Risk Review internally as part of the service review project.

The Executive team, in the last half of 2018, have now completed the construction of a Strategic Risk Register which aligns with the findings of the two reports mentioned above. As part of that work, management have completely revised the assessment matrix for risk and, in line with Council's Risk Policy, have better aligned the risk profiles in this policy to applying it in the execution of Council directions.

The Strategic Risk Register will be reviewed on a periodic (likely to be quarterly) basis as part of the Executive team meetings to ensure our long term risks are being considered and managed appropriately within the confidence of resourcing availability. Executive staff will present on their actions to the Audit Committee, and the Audit Committee shall oversee the management of the risk register and report this back to Council via its minutes. This is being achieved, once automated, through the uploading of the register into Control Track.

The final steps in completing and implementing a full risk system are underway with updates to the risk framework and policy, finalisation of the risk process, and updates to the operational risk register well advanced.

### ATTACHMENTS OR OTHER SUPPORTING REFERENCES

Strategic Risk Register

## NOT CONFIRMED

### COMMUNITY PLAN / CORPORATE PLAN / LEGISLATIVE REQUIREMENTS

#### Community Plan



How We Work – Good Governance

#### Corporate Plan

6.5 Implement compliant and contemporary risk management initiatives.

### FINANCIAL, RESOURCE AND RISK MANAGEMENT CONSIDERATIONS

Nil

### COMMUNITY CONSULTATION

Not required under legislation or Council's Public Consultation Policy.

#### 9.1.7

#### CHANGE PROGRAM UPDATE

**B9085**

Author: Chief Executive Officer

**MOVED** Cr Angas that the Change Program Update be received and noted.

**Seconded** Mr Swan

**CARRIED 2018-19/42**

### PURPOSE

To update the Committee in the implementation of the key five Change Projects currently underway under the Change Program.

### REPORT

At the *attachment* is an update on each of the Change Program activities underway and presented to Council at its May workshop. The presentation also provides background to the Change Program as a refresher for members.

### ATTACHMENTS OR OTHER SUPPORTING REFERENCES

Attachment 1: Change Program Update

### COMMUNITY PLAN / CORPORATE PLAN / LEGISLATIVE REQUIREMENTS

#### Corporate Plan



How We Work – Good Governance

- 6.5 Implement compliant and contemporary risk management initiatives.
- 6.6 Define and deliver on agreed Customer Service Standards for Council service delivery.
- 6.10 Embed a culture of continuous improvement across Council, with tools, processes and systems being used to achieve business efficiencies and customer service improvements.
- 6.11 Maximise the use and integration of Information and Communications Technology systems to enhance external and internal customer service outcomes.
- 6.12 Ensure that our people (workers including employees, volunteers and contractors) have the skills, resources and understanding of organisational processes to do their job.
- 6.14 Pursue organisational excellence including shared services or other collaboration initiatives to reduce operating costs.
- 6.16 Provide contemporary internal administrative and business support services in accordance with mandated legislative standards and good practice principles.

### FINANCIAL, RESOURCE AND RISK MANAGEMENT CONSIDERATIONS

Nil

### COMMUNITY CONSULTATION

Not required under legislation or Council's Public Consultation Policy.

## NOT CONFIRMED

### 9.2 POLICIES FOR REVIEW

#### 9.2.1

#### REVIEW DRAFT NON-CURRENT ASSET ACCOUNTING POLICY

B1466

Author: Manager Financial Services

Mr Lague spoke to the report.

**MOVED** Mr Swan that the Audit Committee endorses in principle, the draft Non-Current Asset Accounting Policy and the Asset Classification Document.

**Seconded** Ms Ewing

**CARRIED 2018-19/43**

#### **PURPOSE**

The current Asset Accounting Policy was approved by Council on 27 June 2018. An updated draft version (Attachment 1) is presented for review and comment by the Audit Committee.

#### **REPORT**

##### Discussion

The Local Government Act 1999 and associated regulations, along with the Australian Accounting Standards, requires Council to develop and maintain prudential management policies, practices and procedures for the budgeting, assessment, procurement, management and recognition of projects.

Council Policies are normally reviewed every 4 years and set the overall direction of Council at a strategic level.

The Asset Accounting Policy is due for review 1 June 2019 and an updated draft version is attached to this report. As this Policy is restricted to assets held in Council's asset register, it is appropriate the Policy heading reflects that and has been renamed to the "Non-Current Asset Accounting Policy" (the Policy).

The Policy previously contained some asset classification information that, at times, required an annual update at the detailed level.

To enable the ability to maintain the asset information at a lower level, selected information is now incorporated into a document as an associated document to this Policy, known as the Asset Classification Document (Attachment 2). The content of the Policy has been simplified and unnecessary terminology has been removed.

Therefore the Policy will continue to be adopted by Council, but it is anticipated that the Asset Classification Document will be provided to, and endorsed by, the Audit Committee and subsequently approved by the Corporate Management Team.

Due to the timing of the Audit Committee and the due date for the Policy review, a draft version has been provided to the Audit Committee, and as such, the Corporate Management Team are yet to make comment on the Policy. Should there be changes made by the Corporate Management Team which are significant, then the Policy will be resubmitted to the Audit Committee members for their consideration.

#### **ATTACHMENTS OR OTHER SUPPORTING REFERENCES**

Attachment 1: Draft Non-Current Asset Accounting Policy

Attachment 2: Asset Classification Document

#### **COMMUNITY PLAN / CORPORATE PLAN / LEGISLATIVE REQUIREMENTS**

Corporate Plan



How We Work – Good Governance

## **NOT CONFIRMED**

- 6.2 Ensure that Council's policy and process frameworks are based on principles of sound governance and meet legislative requirements.
- 6.9 Provide access to Council's plans, policies and processes and communicate with the community in plain English.
- 6.16 Provide contemporary internal administrative and business support services in accordance with mandated legislative standards and good practice principles.

Legislative Requirements  
Local Government Act 1999

### **FINANCIAL, RESOURCE AND RISK MANAGEMENT CONSIDERATIONS**

#### Financial

Risk is reduced by the transparency and accountability provisions provided in the Local Government Act 1999 and this Policy.

### **COMMUNITY CONSULTATION**

No community consultation is required for this Policy as the content is mandated by legislation and facilitated according to internal processes.

#### **10. CONFIDENTIAL AGENDA**

Nil

#### **11. OTHER BUSINESS**

Nil

#### **12. NEXT MEETING**

Week commencing 14 October 2019 – Date to be advised

#### **13. CLOSURE OF MEETING**

There being no further business, Mr Brass closed the meeting at 5.10pm.

Confirmed:

Chairman: .....

Date: .....