NOTICE OF MEETING

Members are advised that THE BAROSSA COUNCIL AUDIT COMMITTEE meeting will be held on Monday 16 December 2019 in the Council Chamber, 43-51 Tanunda Road, Nuriootpa, commencing at 4.00pm.

Martin McCarthy
CHIEF EXECUTIVE OFFICER
THE BAROSSA COUNCIL

AGENDA

1. Welcome

2. Present:

3. Apologies: Cr John Angas

4. Conflict of Interest Declarations

5. Confirmation of Minutes of previous meeting:
   29 October 2019

6. Business Arising from Previous Minutes

7. Consensus Agenda

7.1 Reports for Information
   7.1.1 Audit Committee Workplan
   7.1.2 Adopted Annual Financial Statements 2018/19
   7.1.3 Adopted Quarterly Budget Update as at 30 September 2019
   7.1.4 The Barossa Council Annual Report
   7.1.5 Audit Committee Annual Self-Assessment
   7.1.6 Timetable – Long Term Financial Plan and Annual Budget & Business Plan
   7.1.7 Public Interest Disclosure Policy
   7.1.8 Re-appointment of Independent Member, Mr Ian Swan

7.2 Correspondence
   Nil
8. Adoption of Consensus Agenda
   8.1 Items for Exclusion from the Consensus Agenda
   8.2 Receipt of Consensus Agenda

9. Debate Agenda
   9.1 Reports
      9.1.1 Quarter 1 2019/20 Performance & Activity Report 24
      9.1.2 Update – Risk Management Programs and Projects 69

10. Confidential Agenda
    Nil

11. Other Business
    Presentation from Chief Executive Officer on Strategic Risk Register and Activities

12. Next Meeting
    February or mid/late March 2020

13. Close

NOTE: Should any Member be unable to attend, please contact the Presiding Member, Peter Brass, with comments on the Agenda Items, for discussion at the meeting.
1. **WELCOME**
   Mr Brass declared the meeting open at 10.35am and welcomed all in attendance.

2. **MEMBERS PRESENT**
   Mr Peter Brass, Mr Ian Swan, Ms Ellen Ewing, Cr John Angas, Cr Russell Johnstone
   **Invited Staff Members**
   Ms Jo Thomas, Acting Chief Executive Officer
   Mr Mark Lague, Manager Financial Services
   Ms Nicole Rudd, Internal Control Compliance Officer
   Ms Vicky Rohrlach, Senior Accountant
   Mr Derek Jones, Risk Advisor
   Ms Jo Moen, Manager Executive Services
   Ms Annette Randall, Executive Assistant (Minute Secretary)
   **In Attendance**
   Mr David Papa and Mr Matthew Brunato from Bentleys SA Pty Ltd
   (External Auditor)

3. **APOLOGIES**
   Mr Martin McCarthy, Chief Executive Officer

4. **CONFLICT OF INTEREST DECLARATIONS**
   Mr Swan indicated that he will be disclosing a conflict of interest in the matter 6.1.5 regarding the expiration of his 2 year term as an Independent Member.

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

   **MOVED** Mr Swan that the Minutes of the Audit Committee Meeting held 7 June 2019 be confirmed as a true and correct record of the proceedings of that meeting.
   **Seconded** Cr Johnstone
   **CARRIED 2019-20/1**

6. **BUSINESS ARISING FROM PREVIOUS MINUTES**
   Nil

7. **CONSENSUS AGENDA**
   **7.1 ITEMS FOR EXCLUSION FROM THE CONSENSUS AGENDA**
   Mr Ian Swan
   6.1.5 - Expiration of 2 Year Term – Independent Member, Mr Ian Swan
7.2 **RECEIPT OF CONSENSUS AGENDA**

**MOVED** Cr Johnstone that the information and correspondence items contained in the Consensus Agenda with the exception of:
- 6.1.5 – Expiration of 2 Year Term – Independent Member – Mr Ian Swan
- 6.1.7 – Local Government Reform
be received and that any recommendations contained therein be adopted.

**Seconded** Cr Angas  

CARRIED 2019-20/2

7.3 **DEBATE OF ITEMS EXCLUDED FROM THE CONSENSUS AGENDA**

6.1.5  
**EXPIRATION OF 2 YEAR TERM – INDEPENDENT MEMBER – MR IAN SWAN**

Pursuant to S73 of the Local Government Act 1999, Mr Swan disclosed a conflict of interest in the matter regarding the expiration of his 2 year term as an Independent Member, as he receives a sitting fee as a Committee member, to attend Audit Committee meetings.

Mr Swan advised the Committee of the conflict of interest and left the meeting at 10.40am.

**MOVED** Cr Johnstone that Mr Ian Swan be reappointed as an Independent Member of the Audit Committee for further 2 year term expiring January 2022, subject to Council approval.

**Seconded** Cr Angas  

CARRIED 2019-20/3

The Audit Committee Terms of Reference (clause 3.2.1) allows for Independent Members to be appointed for a 2 year term (unless otherwise determined by Council), with a right of extension of the appointment by Council.

Mr Swan was appointed to the Audit Committee in January 2018, with the current term expiring on 27 January 2020. Mr Swan has advised that he wishes to extend his appointment for a further 2 year term, subject to Council approval. A report will be provided to the December 2019 Council Meeting, recommending an extension of appointment.

Independent Members Peter Brass (Chair) and Ellen Ewing were appointed at the 22 January 2019 Council Meeting, with their term expiring on 27 January 2021. Appointments have been staggered to secure consistency of Independent Members on the Committee.

Mr Swan returned to the meeting at 10.43am.

6.1.7  
**LOCAL GOVERNMENT REFORM**

Mr Brass referred the meeting to page 141 of the Agenda – (page 7 of Council’s Response to Reforming Local Government in South Australia Discussion Paper) Reform Area 2: Lower Costs and Enhanced Financial Accountability, in particular, OLG Ref 2.2 and 2.3.

2.2: Proposal – “Strengthen the role of audit committees in councils’ external audits, through oversight of the appointment of the auditor and determining the scope of the audit, and as the chief liaison point with the auditor.”
Mr Brass stated that the Audit Committee has oversight in the tender process and makes recommendations to Council.

2.3: Proposal – “Require audit committees to report on the council’s approach to internal audit processes.”

Mr Brass stated that the Audit Committee has risk, audit and governance responsibilities and suggests that further governance be incorporated into its Terms of Reference at the next review of the document.

MOVED Cr Angas that the Local Government Reform report and Council submission be received and that the Audit Committee Chairman’s concerns in relation to OLG Ref 2.2 and 2.3 be noted.  
Seconded Mr Swan  
CARRIED 2019-20/4

For the information of members, the Council report and submission to the Local Government Reform process of the Minister was attached to the report. Should the Audit Committee wish to make its own submission, it will need to resolve what it wishes to be submitted as part of this report, as submissions close on 1 November and Council’s submission has already been endorsed and made.

8. DEBATE AGENDA

With the leave of the Audit Committee, Mr Brass approved the bringing forward of the Debate Reports 8.1.2 and 8.1.3 to allow the External Auditors to address the Committee and leave for their next appointment.

8.1.2 NURIOOTPA CENTENNIAL PARK AUTHORITY – 2018/19 ANNUAL FINANCIAL STATEMENTS  
B9085

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

MOVED Mr Swan that the 2018/19 Annual Financial Statements for the Nuriootpa Centennial Park Authority be endorsed and presented to Council for adoption.  
Seconded Ms Ewing  
CARRIED 2019-20/5

PURPOSE

To provide a copy of the Nuriootpa Centennial Park Authority (NCPA) Annual Financial Statements (FS) for the year ended 30 June 2019. (Refer attached).

REPORT

Introduction

In accordance with Section 126(4) of the Local Government Act 1999, the Committee must review the Annual Financial Statements to ensure that they present fairly the state of affairs of the Council.

Discussion

The Council Auditors commenced their Balance Date Audit on 23-25 September 2019.

At the NCPA Audit Committee Meeting, 15 October 2019 consideration of the NCPA FS resulted in a couple of sentences added at Note 14 indicator no. 3 to assist readers understand the results with the Asset Renewal Funding Ratio. The FS will be presented for adoption to the NCPA Board at their November meeting.

Council and NCPA officers have provided information to the auditors to ensure they were able to conduct their audit and have made necessary adjustments to the report as required.

The audited final signed copy of the Financial Statements has been provided (as attached).
ATTACHMENTS OR OTHER SUPPORTING REFERENCES

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 – Section 126(4)

FINANCIAL, RESOURCE AND RISK MANAGEMENT CONSIDERATIONS

Financial
The financial statements have been incorporated into Council’s consolidated Financial Statements.

COMMUNITY CONSULTATION
No separate consultation is required under Council’s Public Consultation Policy. The Statements are public documents, accessible to the community via Council’s website.

8.1.3 THE BAROSSA COUNCIL 2018/19 ANNUAL FINANCIAL STATEMENTS

Mr Lague provided a brief overview of the Financial Statements and answered questions from the Members.

Mr Swan left the meeting at 11.43am and returned at 11.45am.

MOVED Mr Swan that subject to final confirmation with Council auditors, the 2018/19 Annual Financial Statements be endorsed and presented to Council for adoption.

Seconded Cr Johnstone

CARRIED 2019-20/6

PURPOSE
To provide a copy of the Annual Financial Statements for the year ended 30 June 2019 for review. (Refer Attachment 1).

REPORT
Introduction
In accordance with the Local Government Act 1999, Section 126(4) the Committee must “…review the adequacy of the financial management systems and practices of the Council…”. This is to ensure that they present fairly the state of affairs of the Council.
NOT CONFIRMED
As required in the Terms of Reference “the Committee shall monitor the integrity of the financial statements of the Council, including its annual report, reviewing significant financial reporting issues and judgements they contain”.

Discussion
The Council Auditors conducted their Balance Day Audit on 23-25 September 2019. Council Officers have provided information to the Auditors to ensure they were able to conduct their audit and have made necessary adjustments to the report as required.

The Auditors have reviewed the financial statements and have provided Council with the following:
- A draft Independent Auditor’s Report – Internal Controls 2018/19 (Attachment 4)
- Audit clearance letter - Unmodified Report for 2019 (Attachment 5)

A final copy of the financial statements will be presented to Council at a meeting on 6 November 2019.

ATTACHMENTS OR OTHER SUPPORTING REFERENCES
Attachment 1: Draft - The Barossa Council 2018/19 Annual Financial Statements
Attachment 4: Draft - Independent Auditor’s Report – Internal Controls 2018/19
Attachment 5: Letter Bentleys SA – Financial Statements Audit 2019

COMMUNITY PLAN / CORPORATE PLAN / LEGISLATIVE REQUIREMENTS

Corporate Plan

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
Section 126(4) of the Local Government Act 1999
Local Government (Financial Management) Regulations 2011

FINANCIAL, RESOURCE AND RISK MANAGEMENT CONSIDERATIONS

Financial
All known financial and resourcing requirements as at 30 June 2019 have been included in the financials.

Risk Management
Risk management issues are considered by Management throughout the financial year and communicated to Council as required.

COMMUNITY CONSULTATION
No separate consultation is required under Council’s Public Consultation Policy. The Statements are public documents, accessible to the community via Council’s website.
Mr Papa and Mr Brunato left the meeting at 11.50am.

### 8.1.1 THE BAROSSA COUNCIL QUARTER 4 - 2018/19 PERFORMANCE & ACTIVITY REPORT

Ms Thomas and Ms Moen spoke to the report.

**MOVED** Cr Johnstone that the Audit Committee receives and notes The Barossa Council Quarter 4 - 2018/19 Performance & Activity Report.

**Seconded** Mr Swan

**CARRIED 2019-20/7**

### PURPOSE


### REPORT

#### Background

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

#### Introduction

The Barossa Council Quarter 4 - 2018/19 Performance & Activity Report provides performance results against Corporate Plan measures as at 30 June 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

As part of ongoing continuous improvement activity 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.

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

The Barossa Council Quarter 4 - 2018/19 Performance & 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.
8.1.4 REPORT ON FINANCIAL RESULTS 2018/2019 (AS AT 30 JUNE 2019)

Mr Lague spoke to the report and answered questions from the Members. Noted that the favourable/unfavourable indicators in the Variance Report (page 22-23) are in reverse and will be corrected.

MOVED Mr Swan that the Report on Financial Results for 2018/2019 be endorsed and presented to Council for adoption.

Seconded Cr Angas

CARRIED 2019-20/8

PURPOSE

To provide a copy of the Report on Financial Results for 2018/2019 (as at 30 June 2019) for review. (Refer Attachment 1).

REPORT

Discussion

The Report on Financial Results is prepared following the completion of the Financial Statements. This report provides a final variance report for the actual results as compared to the adopted budget, along with suggested budget adjustments including carried forward requests to the 2019/2020 financial year.

The report provides information as to the financial position of Council, containing: Executive Summary, Uniform Presentation of Finances, Key Performance Indicators, Financial Statements with Variance Reporting as compared to the original budget and compared to last year actual results.

The report also provides a list of proposed Operating and Capital Budget carried forward adjustments. Many of these adjustments are for projects not completed by 30 June 2019 for various reasons and/or are attached to grant funding/contributions for programs in 2019/2020.

For further analysis, reference should be made to the Annual Financial Statements 2018/2019, attached to Agenda item 8.1.3.

The report also includes capital expenditure and new initiatives review.

ATTACHMENTS OR OTHER SUPPORTING REFERENCES

Attachment 1: Report on Financial Results 2018/2019

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

Section 126(4) of the Local Government Act 1999
Financial Resource and Risk Management Considerations

Financial
To enable Council to make effective and strategic financial decisions, a regular up to date high level financial report is 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.

At the 27 June 2019 Special Council Meeting, Council approved for continuation of works in progress estimated at over $6.1m. These capital expenditure projects, along with a number of others and operating items, are included within this report as carried forward to the 2010/20 financial year for Council consideration and approval.

Community Consultation
Community Consultation was part of the original budget adoption process in June 2018, as per legislation.

8.1.5 Internal Financial Control Report
Ms Rudd spoke to the report.

As the new Public Interest Disclosure Act has replaced the Whistleblower Act, Mr Brass requested that Council’s Public Interest Disclosure Policy and Process be included in the schedule for Audit Committee review.

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 2019-20/9

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 June to September 2019.

Attachments or Other Supporting References
Internal Financial Control Report - June to September 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 ongoing 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.

8.1.6 UPDATE – RISK MANAGEMENT PROGRAMS AND PROJECTS

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

Mr Brass queried the status of proposed presentations by executive staff to the Audit Committee regarding Council’s strategic risks and how they are being managed on a directorate by directorate basis (item on Audit Committee Workplan). Ms Thomas advised that there is a Council adopted Strategic Risk Register and that a Director will provide a presentation to the next Audit Committee meeting to commence that anticipated rolling reporting cycle.

MOVED Cr Johnstone that the Audit Committee receives and notes report 8.1.6 Update – Risk Management Programs and Projects, incorporating the Quarter 4 2018/19 & Quarter 1 2019/20 Risk Management Report.

Seconded Mr Swan

CARRIED 2019-20/10

PURPOSE

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

REPORT

Risk Management Quarterly Report

Council’s Risk Management Quarterly Report for Quarter 4 - 2018/2019 and Quarter 1 2019/2020, were provided to the Corporate Management Team (CMT) for consideration at its weekly meeting of 23 October 2019. The Reports are provided in Attachment 1 and Attachment 2 for the Audit Committee to review.

Local Government Association Mutual Liability Scheme (LGAMLS)

The Quarterly Risk Reports give an overview of insurance claims in graphical form, with comparisons to similar sized councils.

During the two quarters reported on within the nominated period, five enquiries were taken which may have resulted in possible claims. All claims fell within the indemnities provided by the Civil Liability Act or The Local Government Act. Claims were not progressed once indemnity provision were explained to the customer.

New and Potential Claims lodged with the LGA Mutual Liability Scheme:

1. Potential Claim - Alleged loss arising from planning issue.
2. Potential Claim – Crush Injury, Child of three years old, sustained on Steam Locomotive in Nuriootpa.
3. Submitted Claims – Three separate claims for damage to vehicles. A contractor engaged to remove entire trees, including stumps, removed the tree and left stumps unprotected; resulting in damage due to poor visibility of stumps between parking bays. Claim forwarded onto contractors insurer for payment.
4. Claim Submitted and Denied – Civil Liability Indemnity – Trip Incident resulting in facial injury
5. Claim Submitted and Denied – Civil Liability Indemnity – Trip Incident resulting in ankle injury
6. Claim Submitted and Denied – Civil Liability Indemnity – Motor Vehicle Collision with Tree
Audit Committee - Minutes of meeting held 29 October 2019

ATTACHMENTS OR OTHER SUPPORTING REFERENCES

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.

8.1.7 DRAFT ANNUAL REPORT FOR THE BAROSSA COUNCIL - 2018/19 FINANCIAL YEAR

MOVED Cr Johnstone that the Audit Committee, having reviewed The Barossa Council draft Annual Report for the 2018/19 financial year, receive and note the Report.
Seconded Ms Ewing
CARRIED 2019-20/11

PURPOSE
To review and endorse The Barossa Council draft Annual Report for the 2018/19 financial year.

REPORT
Council is required to prepare an Annual Report in accordance with Section 131 of the Local Government Act and adopt the report by 30 November 2019.

The draft Report, excluding the consolidated financial statements, which in draft form are also presented under another Agenda item for the Audit Committee, is provided at the Attachment. The Report provides pertinent and legislative disclosure requirements.

The Report is currently being reviewed by relevant officers and information gaps filled. Committee members are asked to review the document and provide any comments or suggested changes at the meeting.

The Audit Committee has a role in reviewing the Report to review Council performance against goals and the efficiency and economy aspects of service delivery which are encased within the Report.

Clause 2.2.2 of its Terms of Reference requires the Committee to “Review and recommend the approval, where appropriate, of statements to be included in the annual report concerning internal controls and risk management.”

ATTACHMENTS OR OTHER SUPPORTING REFERENCES
Draft Annual Report for 2018/19 Financial Year
Community Plan

How We Work – Good Governance

Corporate Plan

6.1 Ensure that the community has access to information regarding the discussions held and decisions made by Elected Members.

6.7 Implement strategies for the community to be actively engaged in Council decision making through sound information and communication.

6.16 Provide contemporary internal administrative and business support services in accordance with mandated legislative standards and good practice principles.

Legislative Requirements

Section 131 of the Local Government Act

FINANCIAL, RESOURCE AND RISK MANAGEMENT CONSIDERATIONS

Existing resources are adequate. There are no risk management considerations.

COMMUNITY CONSULTATION

No consultation is required or proposed to be undertaken. The Report once completed, will be made publicly available.

8.1.8 DRAFT ANNUAL REPORT OF AUDIT COMMITTEE S ACTIVITIES 2018-19

B9085

MOVED Cr Angas that the draft Annual Report of Audit Committee’s Activities for 2018-19 be approved for submission to Council.

Seconded Cr Johnstone

CARRIED 2019-20/12

PURPOSE

A draft Annual Report of the Audit Committee’s activities is attached for approval.

REPORT

Introduction

One of the activities of an Audit Committee identified in the LGA Information Paper 14 ‘Model Work Program for Council Audit Committees’ is its annual reporting to Council. Subsequent Information Paper 19 ‘Audit Committee Reporting’ presents a ‘best practice’ approach for Council’s to adopt.

Discussion

The Chairman’s draft report follows the model template set out in the Information Paper. The Chairman will present his report to the December Council meeting.

ATTACHMENTS OR OTHER SUPPORTING REFERENCES

Attachment 1: Draft Annual Report of Audit Committee’s Activities 2018-19
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 – Section 126

LGA Information Paper 19 ‘Audit Committee Reporting’

**FINANCIAL, RESOURCE AND RISK MANAGEMENT CONSIDERATIONS**

Council’s Audit Committee has a key role in its good governance framework. Good communication between the Committee and the Council will ensure that financial and risk management issues raised receive appropriate consideration and attention.

**COMMUNITY CONSULTATION**

Council’s Audit Committee Annual Report on Activities for 2018-19 will be available to the public via Council’s website.

8.2 **POLICIES FOR REVIEW**
Nil

9. **OTHER BUSINESS**
Nil

10. **NEXT MEETING**
December 2019 – Date to be advised

11. **CLOSURE OF MEETING**
There being no further business, Mr Brass closed the meeting at 12.50pm.

Confirmed:

**Chairman:** .............................................  **Date:** .............................................
7.1 REPORTS FOR INFORMATION

7.1.1 AUDIT COMMITTEE WORK PLAN 2019/20
The Audit Committee Work Plan (Attachment 1) has been updated.

7.1.2 RECEIVE FINAL ADOPTED 2018/19 ANNUAL FINANCIAL STATEMENTS
Further to Report 8.1.3 from the 29 October 2019 Audit Committee meeting, the final adopted 2018/19 Annual Financial Statements were adopted by Council on 6 November 2019, and are available on Council's website – www.barossa.sa.gov.au

7.1.3 RECEIVE ADOPTED QUARTERLY BUDGET UPDATE AS AT 30 SEPTEMBER 2019
The quarterly budget update as at 30 September 2019 was adopted by Council on 19 November 2019 and is available on Council’s website.

7.1.4 THE BAROSSA COUNCIL ANNUAL REPORT
Further to Report 8.1.7 from the 29 October 2019 Audit Committee meeting, The Barossa Council Annual Report 2018/19 was adopted by Council on 19 November 2019 and is available on Council's website.

7.1.5 AUDIT COMMITTEE ANNUAL SELF-ASSESSMENT OF COMMITTEE PERFORMANCE
Further to Report 6.1.6 from the 29 October 2019 Audit Committee Meeting, the Chief Executive Officer has reviewed the Audit Committee Annual Self-Assessment summary of responses (Attachment 2). The document will also be provided to Elected Members via a Consensus Report to the next available Council Meeting.

7.1.6 TIMETABLE - LONG TERM FINANCIAL PLAN AND ANNUAL BUDGET & BUSINESS PLAN
A report has been prepared for Council’s 17 December 2019 meeting, seeking endorsement of the proposed timetable for the annual review, consideration and adoption of the Long Term Financial Plan 2020/21 to 2029/30 and the Annual Budget and Business Plan 2020/21. The full Agenda report is available on Council’s website.

7.1.7 PUBLIC INTEREST DISCLOSURE POLICY
As noted at the last Audit Committee Meeting, the Public Interest Disclosure Act 2018 came into operation on 1 July 2019, replacing the Whistleblowers Protection Act 1993. It is a requirement for councils to have a procedure in place for the making of public interest disclosures and for Workers who deal with such disclosures. Council, at its meeting held 15 October 2019, approved a draft Public Interest Disclosure Policy and received a draft Public Interest Disclosure Process which has subsequently been approved by the Chief Executive Officer in accordance with administrative processes. The Policy and Process are available on Council’s website.
REAPPOINTMENT OF INDEPENDENT MEMBER, MR IAN SWAN
The Audit Committee, at its meeting held 29 October 2019, resolved the following:

MOVED Cr Johnstone that Mr Ian Swan be reappointed as an Independent Member of the Audit Committee for further 2 year term expiring January 2022, subject to Council approval.
Seconded Cr Angas
CARRIED 2019-20/3

Council, at its meeting held 19 November 2019, reviewed the Minutes of the 29 October 2019 Audit Committee meeting and adopted the Resolutions contained therein (Ref: 2018-22/379).

RECOMMENDATION:
That Reports for Information items 7.1.1 to 7.1.8 be received.
# The Barossa Council Audit Committee Work Plan 2019/20

(4 meetings each financial year - October, December, February, June)

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<th>Responsible Officer</th>
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<th>Frequency</th>
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<td>Review and establish Audit Committee budget</td>
<td>Manager Financial Services</td>
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<td>Review draft Budget &amp; LTFP - assumptions and indexation</td>
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<td>Review Treasury Management performance</td>
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<td>Review Budget Update – Quarterly as at 31 March</td>
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<tr>
<td>Review Budget Update – Quarterly as at 30 September</td>
<td>Manager Financial Services</td>
<td>Dec meeting</td>
<td>Annually</td>
<td></td>
<td>16/12/2019</td>
<td>Refer Agenda Item 7.1.3</td>
</tr>
<tr>
<td>Review Mid – year Budget Review – Quarterly as at 31 December</td>
<td>Manager Financial Services</td>
<td>Feb Meeting</td>
<td>Annually</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receive draft Financial Statements for last financial year - Council and Nuriootpa Centennial Park Authority including Auditor attendance</td>
<td>Manager Financial Services</td>
<td>Oct meeting</td>
<td>Annually</td>
<td></td>
<td>29/10/2019</td>
<td></td>
</tr>
<tr>
<td>Draft Report on Financial Results, including carry forwards</td>
<td>Manager Financial Services</td>
<td>Oct meeting</td>
<td>Annually</td>
<td></td>
<td>29/10/2019</td>
<td></td>
</tr>
<tr>
<td>Receive adopted Financial Statements and Report on Financial Results for last year - Council and Nuriootpa Centennial Park Authority</td>
<td>Manager Financial Services</td>
<td>Dec meeting</td>
<td>Annually</td>
<td></td>
<td>16/12/2019</td>
<td>Refer Agenda Item 7.1.2</td>
</tr>
<tr>
<td>Review of Finance / Accounting Policies</td>
<td>Manager Financial Services</td>
<td></td>
<td>As required</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Internal Controls and Risk Management Systems**
<table>
<thead>
<tr>
<th>Activity</th>
<th>Responsible Officer</th>
<th>Estimated Timing</th>
<th>Frequency</th>
<th>Current Status</th>
<th>Date Completed</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Review and recommend the approval of statements to be included in the</td>
<td>Coordinator Internal Controls</td>
<td>Oct Meeting</td>
<td>Annually</td>
<td></td>
<td>29/10/2019</td>
<td></td>
</tr>
<tr>
<td>annual report on internal control (Audit Committee TOR requirement)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receive Internal Financial Controls Compliance report from Internal</td>
<td>Coordinator Internal Controls</td>
<td>Each normal</td>
<td>Quarterly</td>
<td></td>
<td>29/10/2019</td>
<td></td>
</tr>
<tr>
<td>Control Co-ordinator</td>
<td></td>
<td>meeting</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Review and recommend the approval of statements to be included in the</td>
<td>Risk Manager</td>
<td>Oct Meeting</td>
<td>Annually</td>
<td></td>
<td>29/10/2019</td>
<td></td>
</tr>
<tr>
<td>annual report on risk management.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receive quarterly Performance and Activity Reports</td>
<td>CEO</td>
<td>Each normal</td>
<td>Quarterly</td>
<td></td>
<td>29/10/19 16/12/19</td>
<td>Refer Agenda item 9.1.1</td>
</tr>
<tr>
<td></td>
<td></td>
<td>meeting</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receive Risk Management report from Risk Manager - Reports regarding</td>
<td>Risk Manager</td>
<td>Each normal</td>
<td>Quarterly</td>
<td></td>
<td>29/10/19 16/12/19</td>
<td>Refer Agenda item 9.1.2 and CEO Presentation on Strategic Risk Register</td>
</tr>
<tr>
<td>WHS Planning Review, in particular, improvements made to the Organisational</td>
<td></td>
<td>meeting</td>
<td></td>
<td></td>
<td></td>
<td>and Activities</td>
</tr>
<tr>
<td>Risk Register</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receive directorate risk reports showing relevant risks and how they</td>
<td>CMT Members / Risk Manager</td>
<td></td>
<td>As required</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>are being managed</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Report on Local Government Mutual Liability Risk Management Review</td>
<td>Risk Manager</td>
<td></td>
<td>As required</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Review decisions on interpretations of accounting standards taking</td>
<td>Manager Financial Services</td>
<td></td>
<td>As required</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>into account the views of management and the external auditors.</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

**External Audit**

<table>
<thead>
<tr>
<th>Activity</th>
<th>Responsible Officer</th>
<th>Estimated Timing</th>
<th>Frequency</th>
<th>Current Status</th>
<th>Date Completed</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Review any representation letter(s) requested by the external auditors</td>
<td>Manager Financial Services</td>
<td></td>
<td>As required</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Discuss with management and/or external auditors any matters arising</td>
<td>Manager Financial Services</td>
<td></td>
<td>As required</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>from the interim audits</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Discuss with management and/or external auditors any matters arising</td>
<td>Audit Committee</td>
<td>Oct Meeting</td>
<td>Annually</td>
<td></td>
<td>29/10/2019</td>
<td></td>
</tr>
<tr>
<td>from the year end audit</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Activity</td>
<td>Responsible Officer</td>
<td>Estimated Timing</td>
<td>Frequency</td>
<td>Current Status</td>
<td>Date Completed</td>
<td>Comments</td>
</tr>
<tr>
<td>-------------------------------------------------------------------------</td>
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<td>---------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Oversee the selection process for new auditors or reappointment of existing auditors</td>
<td>Audit Committee</td>
<td>prior to 30/6/17</td>
<td>By 30/6/17 and as required</td>
<td>Completed</td>
<td></td>
<td>Contract in place review as per scheduled requirements</td>
</tr>
<tr>
<td>Reporting Responsibilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Establish meeting schedule and work plan</td>
<td>Manager Financial Services</td>
<td>June Meeting</td>
<td>Annually</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Propose and provide information relevant to the review of Council's Strategic Management Plans</td>
<td>CEO</td>
<td></td>
<td>As required</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Risk Management/ Governance/Strategic/Finance policies review as required</td>
<td>Various Officers</td>
<td></td>
<td>As required</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Annual report on Audit Committee activities to Council</td>
<td>Audit Committee Chairperson</td>
<td>Oct meeting</td>
<td>Annually</td>
<td></td>
<td>29/10/2019</td>
<td></td>
</tr>
<tr>
<td>Chairperson to present Audit Committee Annual Report to Council</td>
<td>Audit Committee Chairperson</td>
<td>Nov/Dec Council meeting</td>
<td>Annually</td>
<td></td>
<td>29/10/2019</td>
<td>Mr Brass presenting to 17 December Council Meeting</td>
</tr>
<tr>
<td>Review Council Annual Report</td>
<td>CEO</td>
<td>Oct Meeting</td>
<td>Annually</td>
<td></td>
<td>29/10/2019</td>
<td></td>
</tr>
<tr>
<td>Complete Audit Committee annual self-assessment</td>
<td>Audit Committee</td>
<td>Dec meeting</td>
<td>Annually</td>
<td></td>
<td>29/10/2019</td>
<td></td>
</tr>
<tr>
<td>Business Continuity Plan update</td>
<td>Risk Manager</td>
<td></td>
<td>As required</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The annual LGAWCS KPI Audit Report</td>
<td>Risk Manager</td>
<td></td>
<td>Annually</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>From Audit Committee Self Assessment 2019</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Induction/training of new Committee members</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Council to consider internal audit function expansion beyond financial controls</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Activity</td>
<td>Meeting Actions</td>
<td>Estimated Timing</td>
<td>Current Status</td>
<td>Frequency</td>
<td>Date Completed</td>
<td>Comments</td>
</tr>
<tr>
<td>-------------------------------------------------------------------------</td>
<td>---------------------------------------------------------------------------------</td>
<td>--------------------</td>
<td>------------------</td>
<td>-------------</td>
<td>------------------</td>
<td>----------</td>
</tr>
<tr>
<td>Audit Committee Membership - recruiting to ensure appropriate skill set and ability</td>
<td>[12/6/13 and 8/26/14 meetings] Policy and Process for treatment of Active Assets and review of current controls to ensure they are adequate.</td>
<td>MFS</td>
<td>Work in progress</td>
<td>Quarterly</td>
<td>29/10/2019</td>
<td>14/12/2019</td>
</tr>
<tr>
<td></td>
<td>[5/10/17 meeting] Strategic Corporate Risks - CEO Undertakes assessments to the Audit Committee as works are undertaken.</td>
<td>CEO</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>[9/10/17 meeting] Service Review and Continuous Improvement - CEO continue to provide reports and feedback to the Audit Committee as works are undertaken.</td>
<td>CEO</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Further governance be incorporated into the Audit Committee terms of reference at the next review of the document.
The Barossa Council Audit Committee

Annual Self Assessment of Committee Performance – Survey of Members 2019

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

<table>
<thead>
<tr>
<th>Creating &amp; Running an Effective Committee</th>
<th>Yes / No</th>
<th>M1</th>
<th>M2</th>
<th>M3</th>
<th>M4</th>
<th>M5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Do you understand and agree with the functions of the Committee as detailed in its Terms of Reference? If not, why?</td>
<td>yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Does the committee collectively have sufficient skills, experience, time and resources to undertake its duties? If not, why?</td>
<td>yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Rate 1 - 5</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Does the committee work constructively as a team and work well with others attending the meetings? If not, how do you suggest this is addressed?</td>
<td>4</td>
<td>4</td>
<td>yes</td>
<td>5</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>Does the relationship between committee members strike the right balance between challenge and mutuality? If not, please provide comments.</td>
<td>4</td>
<td>4</td>
<td>yes</td>
<td>5</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>Do the meeting arrangements enhance the Committee’s effectiveness (e.g. frequency, timing, duration, venue and format) to allow sufficient time for the discussion of agenda items?</td>
<td>4</td>
<td>4</td>
<td>yes</td>
<td>5</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Are the reports for each meeting sufficiently comprehensive and yet understandable enough for you to make informed decisions?</td>
<td>4</td>
<td>4</td>
<td>yes</td>
<td>5</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>Are the presentations an interesting and helpful way of informing members about various issues?</td>
<td>5</td>
<td>3</td>
<td>Yes</td>
<td>5</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>Are effective minutes prepared, distributed and followed up?</td>
<td>5</td>
<td>5</td>
<td>Yes</td>
<td>5</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>HOW DO YOU RATE THE OVERALL EFFICIENCY AND EFFECTIVENESS OF THE COMMITTEE? PLEASE PROVIDE REASONS FOR YOUR RANKING</td>
<td>5</td>
<td>4</td>
<td>10</td>
<td>5</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>----------------------------------------------------------------------------------------------------------------</td>
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<td></td>
</tr>
<tr>
<td>• Well qualified members. Competent back up by staff.</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>• Agenda is usually full and all items are discussed during meetings and not held over.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• The Committee works very well - Collaboratively with a good Chair</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• As above</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>DO STAFF AND MEMBERS CONDUCT THEMSELVES IN ACCORDANCE WITH HIGH STANDARDS OF BEHAVIOUR (EG. CODE OF CONDUCT AND CORPORATE VALUES)?</th>
<th>5</th>
<th>5</th>
<th>Yes</th>
<th>5</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>• High Standards displayed</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Exemplary</td>
<td></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>HOW DO YOU RATE THE PERFORMANCE OF THE PRESIDING MEMBER IN PREPARING FOR AND CONDUCTING THE MEETINGS? WHAT ARE THE REASONS FOR YOUR RANKING?</th>
<th>5</th>
<th>N/A</th>
<th>10</th>
<th>5</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Other Committee Members to provide comments.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Manages the agenda well, includes all members in discussions</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>• Peter shows his experience, ability and care as the chair. Very effective</td>
<td></td>
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</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>HOW DO YOU RATE THE PERFORMANCE OF THE OTHER MEMBERS OF THE COMMITTEE IN FULFILLING THEIR ROLE ON THE COMMITTEE? WHAT ARE THE REASONS FOR YOUR RANKING?</th>
<th>5</th>
<th>4</th>
<th>9</th>
<th>5</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>• As above</td>
<td></td>
<td></td>
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<tr>
<td>• Understand the issues being considered and willing to challenge management and staff.</td>
<td></td>
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</tr>
<tr>
<td>• Regular attendance, pertinent questions of staff, interest in Council activities</td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>• Really too soon for me to comment as above.</td>
<td></td>
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</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>HOW DO YOU RATE YOUR PERFORMANCE AS A MEMBER OF THE COMMITTEE? WHAT ARE THE REASONS FOR YOUR RANKING?</th>
<th>4</th>
<th>10</th>
<th>4</th>
<th>3</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Well prepared and allows all members, management and staff to be involved in discussing agenda items.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• As above (Regular attendance, pertinent questions of staff, interest in Council activities)</td>
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<td></td>
</tr>
<tr>
<td>• Minimal Experience (2 meetings)</td>
<td></td>
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<tr>
<td>• Because I don’t feel as yet that I have been able to pull my weight.</td>
<td></td>
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</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>HOW DO YOU RATE THE PERFORMANCE OF THE SUPPORT STAFF IN FACILITATING THE COMMITTEE’S ROLE AND FUNCTION? WHAT ARE THE REASONS FOR YOUR RANKING?</th>
<th>5</th>
<th>4</th>
<th>10</th>
<th>5</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Committed and competent</td>
<td></td>
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<tr>
<td>• Management provide meeting papers on time and usually follow up requests for additional information.</td>
<td></td>
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</tr>
<tr>
<td>• Well prepared for meetings, speak to reports very well, good interaction with members</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>• Very responsive staff with good behaviours</td>
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</tbody>
</table>

| OVERSEEING GOVERNANCE, RISK MANAGEMENT AND ASSET PLANNING | |
|----------------------------------------------------------------------------------------------------------------|---|---|----|---|---|
| DOES THE COMMITTEE ASSURE ITSELF THAT THE EXECUTIVE TAKE RESPONSIBILITY FOR RISK IDENTIFICATION AND CONTROL, AND GIVE FORMAL ASSURANCE THROUGH REPORTING THAT KEY RISKS ARE BEING ADEQUATELY MANAGED? | Yes | 4 | Yes | 5 | 4 |
| • Improved focus on strategic risk management with regular reporting to provide greater assurance on risks being managed | | | | | |
| • Yes, this has been the focus of several discussions. | | | | | |

<table>
<thead>
<tr>
<th>IS THE COMMITTEE SATISFIED THAT THERE IS AN EFFECTIVE PROGRAM IN PLACE TO ENSURE THAT RISK MANAGEMENT BECOMES AN INTEGRAL PART OF THE WAY IN WHICH COUNCIL CONDUCTS BUSINESS?</th>
<th>Yes</th>
<th>4</th>
<th>Yes</th>
<th>5</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>• The development and roll out has had greater focus this year with dedicated resource. Culture to be assessed over longer time period</td>
<td></td>
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</tr>
<tr>
<td>• Yes, but it is likely a work in progress.</td>
<td></td>
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</tr>
</tbody>
</table>

<p>| ARE INTERNAL AUDIT FINDINGS AND RECOMMENDATIONS IMPLEMENTED? | Yes | 4 | Yes | 5 | 22 | 4 |
|----------------------------------------------------------------------------------------------------------------|---|---|----|---|---|
| • Implementation of some recommendations requiring extension is | | | | | |</p>
<table>
<thead>
<tr>
<th>Overseeing Financial Reporting and external Audit</th>
<th>Yes / No</th>
<th>Yes</th>
<th>Yes</th>
<th>Yes</th>
<th>-</th>
<th>Yes</th>
<th>Yes</th>
<th>Yes</th>
<th>Yes</th>
<th>-</th>
</tr>
</thead>
<tbody>
<tr>
<td>Does the Committee review the work of the external auditor?</td>
<td></td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>-</td>
<td>Annual work plan reviewed. The performance of external auditor needs to be formally assessed</td>
<td>No doubt we will when the opportunity arises with the ’19 financials</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Does the Committee review and discuss the external auditor’s management letter?</td>
<td></td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>-</td>
<td>Track through Action Item reporting</td>
<td>No doubt we will when the opportunity arises with the ’19 financials</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Is the Committee effective in managing and monitoring the relationship with the external auditor?</td>
<td></td>
<td>yes</td>
<td>Yes</td>
<td>Yes</td>
<td>-</td>
<td>Audit management letters and annual in-camera discussion is effective.</td>
<td>No doubt we will when the opportunity arises with the ’19 financials</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

**General**

| Do you have any suggestions for improving any aspect of the Committee’s performance, role or functions? |        | No. | Noted in above comments. Also need to consider appropriate induction and training for new Committee Members | None – a very well-run committee | No | Continue to focus on risk. |
9.1.1
THE BAROSSA COUNCIL QUARTER 1 - 2019/20 PERFORMANCE & ACTIVITY REPORT
19/66143
Author: Manager Executive Services

PURPOSE

RECOMMENDATION
That the Audit Committee receives and notes The Barossa Council Quarter 1 – 2019/20 Performance & Activity Report.

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

Introduction
The Barossa Council Quarter 1 – 2019/20 Performance & Activity Report provides performance results against Corporate Plan measures as at 30 September 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
As part of ongoing continuous improvement activity 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.

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

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.
QUARTERLY PERFORMANCE & ACTIVITY REPORT
Quarter 1 – 2019/2020
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  Measure under review due to data limitations.
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Tourism Customer Satisfaction with Visitor Information Services 24
Target met for Quarter 1 with an average rating of high customer service.

Visitor Information Centre Bookings 25
Quarter 1 revenue collected showed a downturn compared to the same period in 2018/19.

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Result within target range for 2018/19.

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Quarter 1 target exceeded.

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Quarter 1 target not met, however showing ongoing strong improvement

Operational Expenditure Against Budget 33
Quarter 1 target range met

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Quarter 1 targeted actual spend not met however actual plus commitments fell within the target range.

Organisational Culture Improvement 35
It is desirable for organisations to have constructive styles, causal factors and outcomes at or above the 49th percentile, and defensive styles in the circumplex at or below the 49th percentile.

Staff Development - Training 38
Target met for 2018/19.
Staff Development – Performance Partnering
Result 6% short of target for 2018/19.

Staff Retention
During 2018/19, 87% of employees were retained.

Activity Snapshot

Legend

Target not met
Target at risk or not improving
Heading toward target or progress acceptable
Target achieved
Measure under review
Theme 1 - Natural & Built Heritage

Building Rules Consent Processing

The percentage of Building Rules Consent Applications completed within legislative timeframe.

Measure under review due to data limitations.

Planning Consent Processing

The percentage of Planning Consent Applications completed within legislative timeframe.

Measure under review due to data limitations.

EXPLANATION

Due to detailed business rules review and system parameter analysis under the Lodgement to Inspection Change Program Project, further anomalies have been identified in the data, counting rules and analysis presented in previous reports for the above two measures. As a result, it is believed the data is not an accurate representation of the percentage of consents being completed within the legislative timeframe.

It is anticipated that the re-configuration of Pathway in accordance with agreed business rules regarding stop the clock activities and global status and decision parameters will result in reliable, comparable and accurate data to monitor ongoing performance from Quarter 2, 2019/20.

In the interim, an analysis of the activity data provided on pages 6 and 7 of this report indicates that the first quarter of 2019/20 saw a significant increase in the number of applications lodged (254) compared to 197 at the same time in 2018/19 and 204 in 2017/18. There was also a concurrent increase in the number of applications approved in Quarter 1 (220) compared to the same period in 2018/19 (155) and 2017/18 (176) showing the increased productivity of the team in responding to demand.
Activity Snapshot

Development Applications

Development Applications Activity - Quarter 1

- **254 Development Applications Lodged**
  - 220 Approved, 6 Withdrawn and 0 Refused

- **198 Active Development Application Files as at 30 September**
  - 143 Active Planning Consents, 52 Active Building Rules Consents & 3 Active Land Division Consent Applications as at 29 October 2019

- **200 Planning Consent Applications Lodged**
  - 176 Planning Consents Approved

- **223 Building Rules Consent Applications Lodged**
  - 211 Building Rules Consents Approved (135 Issued by Council and 76 Issued by Private Certifiers)

Number of Development Applications Lodged by Category - Quarter 1

Applications Approved by Quarter

Number of Applications Approved by Category - Quarter 1
Applications Approved Per Development Type - Quarter 1

- Residential: 117
- Industrial: 20
- Commercial: 13
- Public & Institutional: 7

Estimated Value of Applications Approved Per Development Type - Quarter 1

- Residential: $22,170,028
- Public & Institutional: $7,891,301
- Commercial: $7,566,011
- Industrial: $968,352

Percentage of Building Rules Consents Granted by Private Certifiers - Quarter 1

- 36%

Building Rules Consent Activity

- Building Rules Consent Applications Approved
- Building Rules Consents Received From Private Certifiers
- Total Building Rules Consent Applications
Theme 2 - Community & Culture

Library Visits

The number of library visits and participation within the Barossa Council Area

<table>
<thead>
<tr>
<th>Target exceeded</th>
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</table>

RESULTS

Library Visits Per Capita

![Bar Chart of Library Visits Per Capita from 2013/14 to 2018/19]

INTERPRETATION

Annual Measure - Library visits (150,101 during 2018/19) continue to exceed the target of 5 visits per capita due to the diverse range of activities and uses of the library including regular borrowing (209,986 items) and use of eResources (43,403 items), internet and WiFi access for homework, job seekers, Tech Savvy Seniors program, printing and family history. Regular events contribute to library visitor numbers, with 964 library events held during 2018/19 with 10,690 participants. Events included author talks, story times and children’s programs, health events, book clubs, book week activities, Scrabble, Mah-jong, chess, writers groups, craft, art and writing groups.

RESPONSE

Library visits, although meeting the target of 5 per capita, did show a slight decline in 2018/19 with the total result of 150,101 being 9,462 or 6% less than 2017/18. Library items
borrowed also reduced by 25,026 or 11%. The reduction was mainly at the Tanunda Library where the impact of the reduced services from May to June during renovations reduced visits and loans. From January - March, Public Library Services introduced a new courier service. During the transition period loans were extended, transfer of items from other libraries was restricted and new items from other libraries did not circulate. These restrictions contributed to reduced library borrowing and visits, particularly at Nuriootpa library. To compensate, library borrowers increased their use of eResources which reached 43,403 loans, an increase of 14% from 20017/18. Participation in library events increased by 6% with many events being held in other venues across the Barossa which are not included in the library door count.
**Activity Snapshot**

### Community Assistance Grants

**Grants Activity - Quarter 1 Results**

- **11 Applications Received**
  - 3 Community Grants & 8 Youth Grants
- **11 Applications Approved**
  - 3 Community Grants & 8 Youth Grants
- **$6,075 Grant Funds Approved**
  - $4500 for Community Grants & $1575 for Youth Grants

### Value of Grant Funds Approved

![Graph showing the value of grant funds approved over the quarter.]

### Community Grant Recipients - Quarter 1

![Pie chart showing community grant recipients.]

### Youth

**Youth Activity - Quarter 1**

- **11**
  - Number of young people on Youth Advisory Committee
- **2**
  - Youth Advisory Committee meetings held
- **28**
  - Young people attended events

### Regional Gallery

**Gallery Activity - Quarter 1**

- **40 Community Events**
- **3,218 Visitors**
- **23 Gallery Workshop Programs**
- **413 Gallery Workshop Attendees**
- **288 Gallery Items Sold**
- **$9,193 Value of Gallery Items Sold**
Volunteer Management

Volunteer Activity - Quarter 1

- **391** Registered Council Volunteers as at 30 September 2019
- **6,310** Council Volunteer Hours
- **165** Flyers Provided to Prospective Volunteers
- **58** Visitors to Volunteer Resource Centre
- **62** Phone Calls to Volunteer Resource Centre
- **9** New Council Volunteer Inductions

Registered Volunteers - As At September 2019

*The above charts do not represent Council’s full volunteering profile, with additional volunteers currently contributing to the community committees and other programs which don’t currently formally collect volunteer data.*

Library Services

Library Activity - Quarter 1

- **33,710** Library Visits
- **54,538** Items Loaned
- **13,604** eResource Loans
- **50,560** Collection Items
- **8,097** Active Library Members
- **238** Library Events Held
- **2,253** Participants in Library Events
 Theme 3 - Infrastructure

Asset Sustainability

Ratio of Capital expenditure on renewal or replacement of assets for a period compared to depreciation.

<table>
<thead>
<tr>
<th>RESULTS</th>
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</table>

Target not met for 2018/19.

**INTERPRETATION**

Annual Measure – The Asset Sustainability Ratio uses asset depreciation expense as the denominator and expenditure on replacement and renewal as the numerator.

The Financial data reported as at 30 June 2019 in Quarter 4 – 2018/19 was based on preliminary figures and was subject to change based on the finalisation of Council’s end of financial year calculations.

The updated 2018/19 result was $4,989K/$7,358K or a ratio of 67.8% which is outside the target range.

Generally the calculation to compile the Asset Sustainability Ratio does not include any upgrade costs as it is not considered to be 'renewal/replacement'. This is then effectively
understating the expenditure for asset replacement and the ratio is not then reflecting the true actual net asset renewals.

**RESPONSE**

During the final quarter of 2018/19, Council transitioned to a new measure within its organisational financial reporting which seeks to monitor the asset renewal funding ratio. The new measure, to be reported from 2019/20 in the fourth quarter Performance and Activity Report, will transition from a focus on depreciation or consumption/use of assets to the monitoring of renewal/replacement of assets due for that period as identified in the Infrastructure Asset Management Plans (IAMPs). The new measure seeks for capital outlays on renewing/replacing assets to be greater than 80% but less than 110% of recommended spend identified within IAMPs. The IAMPs are due to be reviewed in 2020 which will provide a reliable indication of performance.

The current indicator above will not align with Council’s financial statements as the expenditure is compared against depreciation instead of the IAMPs. This will be resolved as outlined in the paragraph above during the 2019/20 financial year. By way of comparison the financial indicators for the past three years significantly exceed the target:

- 2018/19  443%
- 2017/18  373%
- 2016/17  254%
Asset Spending Ratio

Ratio of asset expenditure on renewal, replacement and upgraded assets and maintenance on assets.

Target met for 2018/19.

RESULTS

Asset Spending (Renewal & Upgrade) Compared to Depreciation and Target Maintenance

![Graph showing asset spending ratios over years]

INTERPRETATION

Annual Measure – The financial data reported as at 30 June 2019 was based on preliminary figures and was subject to change based on the finalisation of Council’s end of financial year calculations.

The updated 2018/19 result shows the ratio of expenditure on renewal, replacement and upgraded assets plus maintenance expenditure on assets equaled 129.3%, which is within the target range. Analysis of expenditure over a three year period also shows performance within the target range.

RESPONSE

No response required.
Activity Snapshot

Traffic, Road & Footpath Management

Footpath Maintenance Activity - Quarter 1

- 6 Reports Relating to Trip Hazards on Footpaths compared to 8 during the same period in 2018/19
- 32 Reports Regarding Footpath Maintenance compared to 30 during the same period in 2018/19
- 2 Reports of Injuries Sustained on Footpaths compared to 3 at the same time in 2018/19

Traffic & Road Management - Customer Requests

Cemetery Management

Cemetery Enquiries
Parks, Gardens & Reserves Maintenance

Requests for Parks, Gardens & Reserves Maintenance - Quarter 1

- 33 Requests for Parks, Gardens or Reserves Maintenance
  12 more than the same period in 2018/19
- 8 Requests for Playground Maintenance
  8 less than the same period in 2018/19
- 5 Reports Relating to Sprinklers or Irrigation
  3 more than at the same time in 2018/19

Community Facility Management

Data not supplied
Theme 4 – Health & Wellbeing

Waste Disposal Rate

Percentage of waste disposed to landfill

Target of <60.8% surpassed with a total of 59% of waste disposed to landfill during the 1st Quarter

RESULTS

Waste Disposal Rate

INTERPRETATION

During the first quarter for 2019/20, Council recorded a waste to landfill rate of 59%, beating the target of less than 60.8% waste to landfill.

During the first quarter, 1,236 tonnes of rubbish (landfill waste) was collected.

RESPONSE

Following implementation of the new kerbside waste collection contract, Council has continued to see a reduction in the percentage of waste disposed to landfill.

Council will be undertaking a waste audit in 2019-20 which will involve 100 randomly selected households, to assess Council’s waste reduction and recycling performance. This waste assessment will provide valuable data to the Council regarding the amount and type of waste currently presented at the kerbside for collection.
Access to accurate waste data will enable Council to:

- Determine the performance of the 240 litre recycling bins
- Provide feedback to the community on their recycling efforts and;
- Better plan future recycling and waste reduction strategies

In addition, Council will continue to roll out its waste education campaign around encouraging residents to take the challenge to Waste Less, Recycle More. This will include an emphasis on social media, and using the State Government’s ‘Which bin?’ messaging.
Recycling Rate

Percentage of waste recycled

| Target of >39.2% exceeded with 41% of waste recycled during Quarter 1 |

RESULTS

Recycling statistics consist of both co-mingled recycling collected via Council’s yellow lidded bins and organic material collected via the currently voluntary green lidded bin green waste collection service.

During the first quarter for 2019/20, Council recorded a recycling rate of 41% (23% yellow lidded waste and 18% green waste), exceeding the target of greater than 39.2%.

During the first quarter, 477 tonnes of yellow lidded recycling and 365 tonnes of green waste was collected, which represents a slight increase in recycling plus a larger increase in green waste compared to the same period in 2018/19 (yellow – 474 and green – 274). Over the same period the total tonnes of rubbish has only grown marginally compared to 2018/19 resulting in the percentage of waste recycled being the highest recorded to date.

RESPONSE

Council will continue to promote recycling, including green organics. The average garbage bin contains 60% organic material waste. The bulk of which is food (40%) and
garden waste (20%). The introduction of green organic bins as part of the new waste service is contributing to the pleasing result of an overall decrease in the percentage of waste to landfill in the household sector.

Council will be undertaking a waste audit in 2019-20 which will involve 100 randomly selected households, to assess Council’s waste reduction and recycling performance. This waste assessment will provide valuable data to the Council regarding the amount and type of waste currently presented at the kerbside for collection.

Access to accurate waste data will enable Council to:

- Determine the performance of the 240 litre recycling bins
- Provide feedback to the community on their recycling efforts and;
- Better plan future recycling and waste reduction strategies

The audit will compare results for those households with and without a green organic bin to assess the level of contamination/recycling material that is placed in the red waste bin.
**Activity Snapshot**

**Animal Management**

Dog Management Activity

*Note – large increase in Jan-Mar 2018 was due to 66 reports relating to wasps.*

**Animal Based Customer Requests**

(Excluding Dog Management)

*Note – overall recycling rate reported on page 21 includes both recycling and green waste as recyclable materials diverted from landfill.*

**Waste Management**

Waste Activity - Quarter 1

- 1,236 tonnes of Landfill Waste
- 477 Tonnes of Recycling
- 365 Tonnes of Organic Waste
- 2,078 Total Tonnes of Waste (All Three Streams) Collected

*Note – overall recycling rate reported on page 21 includes both recycling and green waste as recyclable materials diverted from landfill.*
**Community Transport**

**Community Transport Activity - Quarter 1**

- **283 Individual Clients Provided with Car Transport**
  Equal to 94 Clients Per Month
- **1,305 One Way Client Trips**
  Equals approximately 22 Trips Per Business Day
- **269 One Way Carer Trips**
  Equal to approximately 22 Carer Trips Per Week
- **488 Car Trips**
  Equal to approximately 40 Trips Per Week
- **71,148 Kilometers Travelled**
  Equivalent to 1.76 Laps of the Earth
- **378 Shopping Bus Client Trips**
  Delivered over 24 Occasions.

**Home Assist & Social Support**

**Quarter 1 Activity**

- **1,976 Total Hours of Support**
- **395 Clients Assisted**
  With an average of 5 hours of assistance provided per client
- **903 Domestic Assistance Hours**
- **987 Home Maintenance Hours**
- **50 Shopping & Individual Social Support Hours**
- **865 Men’s Shed Hours**
  229 hours more attendance than the same period last year due to growing membership

**Tree Management**

**Quarter 1 Results**

- **74 Tree Inspections Requested**
  compared to 36 during the same period in 2018/19
- **33 Reports Relating to Fallen Trees & Limbs**
  compared to 26 during the same period in 2018/19
Quarterly Performance & Activity Report – Quarter 1 – 2019/20

Note – the above inspections do not reflect the full number of inspections undertaken – only those property inspections of compliance interest due to previous or current inspection failure are recorded within Council’s inspection system.
Theme 5 - Business & Employment

Tourism Customer Satisfaction with Visitor Information Services

Average Customer Satisfaction Rating

<table>
<thead>
<tr>
<th>RESULTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Target met for Quarter 1 with an average rating of high customer service.</td>
</tr>
</tbody>
</table>

**INTERPRETATION**

During Quarter 1 2019/20, this measure transitioned to new counting rules and an alternate data source to increase the reliability of data. This measure will now be reported bi-annually based on data sourced from the SA Accredited Visitor Information Centre Network Survey, which has more representative numbers of respondents.

Based on data released in August 2019, 55 customer ratings were collected using a scale of 1 to 5, where 1 = low and 5 = high. The survey produced an average rating for customer service of 4.95 (high) which exceeded the target of 4 and was slightly higher than the State average of 4.89. Results also indicated an average rating for information display and range of 4.87, and an average rating for the range and quality of souvenirs of 4.76. In addition, 60% of visitors surveyed said that they definitely feel that based on advice received at the Visitor Information Centre they would experience more, stay longer or spend more money than they had intended.

**RESPONSE**

No response required.
Visitor Information Centre Bookings

Booking Revenue (Accommodation/Tours/Tickets)

Quarter 1 revenue collected showed a downturn compared to the same period in 2018/19.

RESULTS

Visitor Information Centre Booking Revenue for Accommodation/Tickets & Tours

INTERPRETATION

Total booking revenue for the fourth quarter equaled $103,959.

Overall a number of external factors continue to impact booking sales performance. These include strong and aggressive competition for our booking site from Air BnB, Bookings.com, wotif, Expedia, stayz, Trip Advisor etc. Many of these international companies spend billions of dollars in google advertising and digital marketing to ensure their websites are within the top 3 search results. Barossa.com has in fact seen an overall decline in visitation as a result. The Tourism Services team are currently working with key regional stakeholders on a redevelopment of the Barossa.com to improve overall website performance, usability and booking functionality – particularly on mobile devices. The new Barossa.com website is due to be completed in November 2019.

In addition to these factors, visitation to the visitor centre has been tracking down. With new Centre just opened at the end of August and better access off the main street, we hope to experience an increase in foot traffic and consequently booking sales. This will be tracked over the coming months.

RESPONSE

No response required.
Cycle Hub - Bike Hire Revenue

Sales Revenue

Quarter 1 Bike Hire Revenue shows a declining trend

RESULTS

Cycle Hub - Bike Hire Revenue

INTERPRETATION

During Quarter 1 the Cycle Hub recorded $4,957 in bike hire revenue, which is significantly lower than revenue collected during the same period in 2018/19 ($7,732) and continues an ongoing decline recorded over 2018-19.

Visitation to the Visitor Centre/Cycle Hub has been tracking down, this is a general feeling across the region, with many businesses reporting decline in visitation and spend.

Over the first quarter, 144 bikes were hired.

In addition to the revenue being generated by this initiative, Council’s ongoing investment and service delivery in cycling creates strong destination awareness of the Barossa leading to greater visitor yield and length of stay.

RESPONSE

No response required.
Activity Snapshot

Visitor Information Centre & Cycle Hub

Cycle Hub & Visitor Information Centre Activity - Quarter 1

- 10,228 Total Visitor Enquiries
- 8,893 Face to Face Enquiries at the Barossa Visitor Information Centre
- 1,043 Total Visitor Phone Enquiries
- 292 Total Visitor Email Enquiries
- 3,648 Interstate Visitors
- 2,856 Inntestate Visitors
- 1,312 International Visitors
- 516 Tours, Accommodation, Ticket & Sealink Bookings
- 751 Merchandise, Sales Transactions
- 144 Bikes Hired
- 127 Cycle Hub - Bike Enquiries

Value of Visitor Information Centre Sales - Quarter 1

Visitor Origin - Domestic - Quarter 1

Visitor Origin - International - Quarter 1

ATTACHMENT
Operating Surplus/(Deficit) Ratio

Operating surplus (deficit) expressed as a percentage of operating income

RESULT

Annual Measure – The financial data reported as at 30 June 2019 was based on preliminary figures and was subject to change based on the finalisation of Council’s end of financial year calculations. The updated 2018/19 result shows an operating surplus/(deficit) ratio of 4.74% which is well within the target range and shows a sustainable surplus position.

The operating surplus for 2018/19 equaled $1.843M. Operating surplus increased as a result of the receipt of unexpected income including a Financial Assistance Grant of $717k and Supplementary Funding $474k which was slated for future years but paid in June 2019. There were also numerous increases in other sources of income including interest income $106k as well as decreases to expenditure, including contracts costs $169k together with a budget carry forward (for approval) of expenditure of approximately $467k.

RESPONSE

No response required.
Net Financial Liabilities Ratio

Net financial liabilities at the end of the financial year as a percentage of operating income for the year

Result exceeded target for 2018/19.

RESULTS

INTERPRETATION

Annual Measure – The Financial data reported as at 30 June 2019 was based on preliminary figures and was subject to change based on the finalisation of Council’s end of financial year calculations. The updated 2018/19 result shows the Actual Net Liabilities fell within the targeted range but was well below budgeted Net Financial Liabilities due to holding more cash at the end of the financial year than originally expected. This result is largely due to increased operating surplus (as identified in the previous measure) along with a decrease to liabilities, additional cash holdings brought forward from the previous year, savings from budget projections and $7.7m Capital and Operating expenditure not spent and carried forward to next year

RESPONSE

No response required.
**Customer Request Completion Rate**

Percentage of Customer Requests Completed (On Time and Overdue)

| Quarter 1 target exceeded. |

**RESULTS**

![Customer Request Completion Rate Graph]

**INTERPRETATION**

The first Quarter for 2019/20 saw a 105.46% request completion rate, exceeding the target of 85%. This measure is calculated using the number of requests completed year to date (regardless of when they were logged or due) versus the number of requests due for the same period. As a result, it is possible for the number of requests completed during the period to exceed the number logged.

**RESPONSE**

Council is continuing to focus on the improvement of customer request response times, particularly in relation to administrative process optimisation within the customer service supply chain via the Customer Service Reboot Project. The Project includes a full review of customer request configuration, roles and responsibilities within the lifecycle of a request, arrangements for updating Customers and closing the loop on the status of request and broadening of mobility options for both staff and customer’s in responding to and tracking requests.
Customer Request Resolution Rate

Percentage of Customer Requests Resolved on Time

<table>
<thead>
<tr>
<th>RESULTS</th>
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<tbody>
<tr>
<td>Quarter 1 target not met, however showing ongoing strong improvement</td>
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</table>

RESULTS

Customer Request Resolution Rate

![Graph showing resolution rate progression over time](image)

INTERPRETATION

The targeted resolution rate was again not met during Quarter 1, with 74.67% of requests completed by the nominated due date.

As demonstrated in the chart below, the number of requests received during the first quarter continued to be high (3,574 requests). Despite the high number of incoming customer requests, a total of 3,769 requests were completed during the first quarter, reflecting ongoing efforts to resolve both current and long standing (overdue) requests.

Despite the notable improvements being seen over the past 12 months in the resolution rate as a result of efforts under the Change Program to improve processes and systems within the customer request lifecycle, Officers understand there are still a number of factors affecting the integrity of data used to calculate this measure. The counting rules and scope of data currently in place are very broad, bringing all request types within the calculation. However a number of request types are not customer initiated, instead being entered into the request system by Officers to drive and monitor internal work processes. This is having a significant effect on the resolution rate where the timeframes for internal
request completion are not necessarily aligned to agreed service levels for customer facing requests.

![Customer Request Analysis - Received Vs Completed](image)

**RESPONSE**

As identified in the previous measure, key strategic projects currently being implemented to address customer request close out issues, to identify system and administrative process improvements and the review of customer service methodologies more broadly, and the implementation of Pathway Smart Mobile applications will result in continued progress towards achieving the nominated target.

In addition to this broader project work, over the second Quarter Officers will refine the counting rules for this measure to ensure that it reflects true performance in relation to the close out of Customer initiated requests. Further, work will continue to align the configuration of requests within Council’s Customer Request Management System with approved service levels ensuring that the timeframes to respond are accurate and measurable.
Operational Expenditure Against Budget

Actual Operating Expenditure as a % of Budgeted Operating Expenditure

Quarter 1 target range met

RESULTS

INTERPRETATION

The Financial data reported as at 30 June 2019 was based on preliminary figures and was subject to change based on the finalisation of Council’s end of financial year calculations. The updated 2018/19 result shows that as at 30 June 2019, 97.9% ($37,796K) of the 2018/19 operational budget had been spent which was in the target range.

As at 30 September 2019, 88.1% ($8,119K) of the quarterly operational budget had been spent, with performance falling within the target range.

RESPONSE

No response required.
**Capital Expenditure Against Budget**

Actual Capital Expenditure as a percentage of Budgeted Capital Expenditure

Quarter 1 targeted actual spend not met however actual plus commitments fell within the target range.

### RESULTS

![Graph showing actual and committed capital expenditure against budget over time.]

### INTERPRETATION

The Financial data reported as at 30 June 2019 was based on preliminary figures and was subject to change based on the finalisation of Council's end of financial year calculations. The updated 2018/19 result shows that as at 30 June 2019, 62.35% ($12,765K) of the $20,472K capital budget had been spent.

As at 30 September 2019, just 4.56% ($1,593K) of the $18,839K capital budget had been spent, with actual spend falling short of the target range. An analysis of actual spend plus commitments (where a purchase order has been released but payment not made) shows a result of $5,522K or 29% which is within the target range.

### RESPONSE

Performance will improve during Quarter 2 as commitments are converted to actuals. The 1st Quarter capital work activity has been dominated by project planning and procurement. Detailed designs for smaller drainage projects are still pending and will roll over to commitments during Quarter 2.
Organisational Culture Improvement

Culture survey results show the organisation progressively improving achievement and self-actualising styles of operation.

It is desirable for organisations to have constructive styles, causal factors and outcomes at or above the 49th percentile, and defensive styles in the circumplex at or below the 49th percentile.

RESULTS

Organisational Culture Inventory
Organisational Effectiveness Inventory

Organisational Outcomes Bar Chart
INTERPRETATION

Biennial Measure - Results from the 2019 Organisational Culture Inventory survey show no defensive styles above the 50th percentile ring, and a slight (but non-significant) shift downward in the constructive styles. The response rate for the survey was 94%, which is a very high level of engagement. The results shown above are aggregated scores from all teams across the organisation. There is a reasonable amount of variation between the team scores, with some teams and directorates rating as either more defensive or more constructive in comparison with the organisational results depending on the team.

The results from the Organisational Effectiveness Inventory show 20 of the 31 causal factors at or above the 50th percentile, which is desirable. As with the Organisational Culture Inventory, the aggregated scores above do not display the variation across teams in the organisation.

The results from the Organisational Outcomes Bar Chart show 8 of the 12 outcomes above the historical average, which is desirable.

RESPONSE

Teams are currently formulating action plans to address gaps between the preferred and existing culture of the organisation.
Percentage of staff with an approved training needs analysis

**RESULTS**

<table>
<thead>
<tr>
<th>Year</th>
<th>% of Staff With Up-To-Date Training Needs Analysis</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013/14</td>
<td></td>
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<tr>
<td>2014/15</td>
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<td>2015/16</td>
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<tr>
<td>2018/19</td>
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</tbody>
</table>

**INTERPRETATION**

Annual Measure - All employees have an individual training plan which is scheduled for review on a 12-month cycle.

As at 30 June 2018/19 the rate of staff with an approved Training Needs Analysis equaled 95%.

**RESPONSE**

No response required.
Staff Development - Performance Partnering

Percentage of staff who have completed performance partnering


**RESULTS**

Staff Development - Performance Partnering

<table>
<thead>
<tr>
<th>Year</th>
<th>Performance Partnering % Complete</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013/14</td>
<td>10%</td>
<td>10%</td>
</tr>
<tr>
<td>2014/15</td>
<td>60%</td>
<td>70%</td>
</tr>
<tr>
<td>2015/16</td>
<td>80%</td>
<td>90%</td>
</tr>
<tr>
<td>2016/17</td>
<td>60%</td>
<td>70%</td>
</tr>
<tr>
<td>2017/18</td>
<td>90%</td>
<td>90%</td>
</tr>
<tr>
<td>2018/19</td>
<td>80%</td>
<td>90%</td>
</tr>
</tbody>
</table>

**INTERPRETATION**

Annual Measure – Council achieved a performance partnering completion rate of 79% for 2018/19. Performance partnering workbooks were due to be completed by the end of March 2019.

During 2018/19, 125 of 158 employees completed Performance Partnering.

**RESPONSE**

Whilst the target rate was not met during 2018/19 it is noted that the completion rate is significantly higher than previous years (prior to 2017/18). Improvements were made to the Performance Partnering Workbook in 2018/19 and tutorial sessions held with the People Management Group and all staff during 2019 – the delay in updating the Performance Partnering Workbook and training for staff subsequently impacted the completion rate. There is also a percentage of staff (7.5%) not completed due to long term absence, casual or within their probationary period.
Percentage of employees retained

During 2018/19, 87% of employees were retained.

RESULTS

Employee Retention Rate

INTERPRETATION

Annual Measure – During 2018/19, Council recorded a retention rate of 87% During the first quarter of 2019/20 Officers reviewed the definition of data to be utilised in this measure and clarified the scope of the measure to include employees not retained as a result of cessation of fixed term contracts, resignation and termination of employment.

Turnover in 2018/19 occurred due to natural attrition and cessation of fixed term contracts. We have also seen increasing competition for skilled workers in the planning and building fields, resulting in the movement of staff within the industry.

RESPONSE

Council continues to support the retention of staff through the development and implementation of contemporary organisational development and human resource management practices.
Activity Snapshot

Rate Management

Rate Activity - Quarter 1

- **12,916** Number of Rateable Properties
- **$5,259,788,454** Value of Rateable Properties
- **0.58%** Rate Enquiry & Adjustment Request Rate

Searches Completed on Time

- 95.71% Searches Completed On Time

Search Process Turnaround Time

- Average Turnaround Time = 2 Days

Council Decision Making

Council Decisions - Quarter 1

- **97** Decisions made at Council meetings
- **3.09%** Decisions made at meetings closed to the public

Elected Member Attendance - Quarter 1

- **83.33%** Elected Member Council Meeting Attendance Rate

Local Government Records Searches

Local Government Search Requests Vs Completions

Procurement

Procurement Activity as at 30 June 2019

- Bar chart showing active contractors, active contracts, and tenders with data for the year.
Customer Requests

Customer Request Activity

Help Desk Resolution Rate - Quarter 1

84%

% of Requests Resolved

Human Resources & Payroll

Workforce Demographics

Total Headcount: 156
Females: 85
Males: 71

Knowledge & Technology Services

Knowledge & Technology - Quarter 1

- 1,299 Helpdesk Requests Logged
- 1,338 Helpdesk Requests Resolved
- 68 Outstanding Requests as at 30 September 2019
- 52,265 Documents registered in Council's Record Management System by all staff
- 3,348 Documents registered in Council's Record Management System by Records Staff

HR Activity - Quarter 1

- 11 Positions Vacant
- 4 New Starters
- 7 Inductions Completed
- 3 Probation Periods Completed
- 6 Staff Exits
- 224 Training Hours
Payroll Activity - 2018/19 Overview

- 2536 Hours of Sick Leave Taken During 2018/19
  An average of 19 hours taken per FTE
- 4658 Annual Leave Hours Taken During 2018/19
  An average of 35 hours per FTE
- 24,185 Total Annual Leave Liability
  An average of 179 hours per FTE
- 45,173 Total Long Service Leave Liability

Risk Management Activity - Quarter 1

- 42 Active Corrective and Preventative Action Items in Council's Risk Register - 28 new items added in Quarter 1
- 2 Hazard/Near Miss Reports Submitted
- 16 WHS Incidents Reported
- 11 Incidents Involving Property or Equipment
- 11 Mutual Liability Claims Made Against Council - Zero Successful

Communications & Engagement Activity - Quarter 1

- 99 Community Responses Received for Consultation
- 2,402 Facebook Followers
  108 Posts and 457 Facebook followers clicked through to Council's website
- 236 E-News Subscribers
  373 E-News Opens & Reads
- 31,453 Website Visits
  Accessed 18,079 times from desktop devices and 13,374 times from mobile devices
- 19 Media Releases Prepared
  29 News Items Published
- 1 Video Developed
  597 Views of Video Content and an overall Video Reach of 1,117
9.1.2
UPDATE - RISK MANAGEMENT PROGRAMS AND PROJECTS

B7531
Author: Risk Advisor

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

RECOMMENDATION
That the Audit Committee receives and notes report 9.1.2 Update – Risk Management Programs and Projects.

REPORT
Local Government Association Mutual Liability Scheme (LGAMLS)
Between 1 October 2019 and 9 December 2019, the following claims were submitted:

Motor Vehicle Claims:
1. Depot Vehicle collided with a deer near Springton - Repaired.
2. Community Transport Vehicle collided with a Kangaroo - Repaired.
3. Director Vehicle collided with a Kangaroo - Repaired.
5. Community Transport Vehicle struck from behind, shunted into vehicle in front – financial write off; to be replaced.
6. Grader collided with 3rd Party Vehicle, no damage to Grader; dispute over liability.
7. Depot Vehicle – Damage to under body sliding toolbox, not appropriately latched before operating vehicle - Repaired.

Due to the large number of vehicle incidents involving Animals, the Risk Team has distributed advice to staff to raise awareness about the large number of kangaroos currently traversing our local road network and cautioning drivers to take care and drive to the conditions.

Mutual Liability Claims:
1. Damaged Fence, storm damage when tree branch snapped off and landed on front boundary fence; claim denied under Local Government Act
2. Damaged Fence and retaining wall – tree roots (planted by developer) lifted and cracked retaining wall bricks and twisted 2 fence panels. 1 fence panel damaged in the removal of the tree. Negotiating outcome with Director Works and Engineering, likely to deny claim for damages caused by tree root under Local Government Act.
4. Damage to SA Water infrastructure – damaged domestic water supply while cleaning drains. Less than excess, release and indemnity form completed, amount to be paid out of Works and Engineering budget.

Historic Mutual Liability Claim
Received communications from Duncan Basheer Hannon, representing a Claimant for injuries sustained on 22 November 2011 while riding on a Council managed cycle path. LGA Mutual Liability Scheme and The Barossa Council are represented by Wallmans Lawyers. The Claimant was a minor at the time of the injury providing him the opportunity to claim from 18 to 21 years of age; claim totals $105,348.75.
**Risk Management Activities**

- Drug and Alcohol Management Policy and Process drafted and out for consultation.
- Smarter Ways of Working Safety Project
  - Hazard Management Policy and Process – significant review and redrafting of documents based on One System model and alignment with simplified electronic reporting and monitoring.
  - Skytrust – Organisational structure, security and user access requirements reviewed and reconfigured to allow development of workflows/system setup for electronic submission of hazard and incident reports, WHS inspections and corrective and preventative action monitoring.
- Risk Management Policy and Process – significant review and redrafting of documents based on One System model and alignment with enterprise level risk assessment methodology. It is anticipated a revised enterprise level risk management framework will be presented to the Audit Committee during Quarter 3 2019/20.
- Emergency Management
  - Business Continuity Plan – currently reviewing critical function identification methodology and Sub Plan Templates.
  - Council Ready Program – The following are either drafted or being drafted from templates provided through the Council Ready Program:
    - Action Plan for Council Ready
    - Community Emergency Management Policy
    - Incident Operations Arrangements
  - Internal Emergency Management
    - Policy under review
    - Emergency Planning Committee meeting regularly to progress training and internal exercises.
  - Zone Emergency Management Committee
    - Joint Meeting with Barossa & Yorke and Mid North regions held on 3 December 2019.

**ATTACHMENTS OR OTHER SUPPORTING REFERENCES**

Nil

**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.