NOTICE OF MEETING

Members are advised that THE BAROSSA COUNCIL AUDIT COMMITTEE meeting will be held on Wednesday 31 March 2021 in the Council Chamber, 43-51 Tanunda Road, Nuriootpa, commencing at 3.30pm

Martin McCarthy
CHIEF EXECUTIVE OFFICER
THE BAROSSA COUNCIL

AGENDA

1. Welcome

2. Present

3. Apologies:

4. Conflict of Interest Declarations

5. Confirmation of Minutes of previous meeting
   Ordinary meeting held 18 December 2020

6. Business Arising from Previous Minutes

7. Consensus Agenda
   7.1 Reports for Information
       7.1.1 Audit Committee Workplan
       7.1.2 Mid-year Budget Review 2020/21 as at 31 December 2020
       7.1.3 Nuriootpa Centennial Park Authority Audit Committee – Minutes of Meeting held 10 December 2020

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 Update – Risk Management Programs and Projects
   (includes Internal Financial Control report)
9.1.2 Treasury Management Review
9.1.3 2021/22 Audit Committee Draft Budget

10. Confidential Agenda
    10.1 Information and Technology Security Systems and Management
         Organisational Security Measures and Opportunities for Improvement

11. Other Business

12. Next Meeting

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

held digitally via Microsoft Teams on Friday 18 December 2020, commencing at 9.40am in the Council Chamber, 43-51 Tanunda Road, Nuriootpa

1. WELCOME
Mr Brass declared the meeting open at 9.40am and welcomed all in attendance.

2. MEMBERS PRESENT
Mr Peter Brass, Mr Ian Swan, Ms Ellen Ewing (9.44am), Cr John Angas, Cr Russell Johnstone

Invited Staff Members
Mr Martin McCarthy, Chief Executive Officer
Mr Mark Lague, Manager Financial Services
Ms Nicole Rudd, Internal Control Compliance Officer
Ms Jo Moen, Manager Executive Services
Ms Annette Randall, Executive and Project Support Officer (Minute Secretary)

3. APOLOGIES
Nil

4. CONFLICT OF INTEREST DECLARATIONS
Nil

5. CONFIRMATION OF MINUTES FROM PREVIOUS MEETING

MOVED Cr Johnstone that the Minutes of the Audit Committee Meeting held 21 October 2020 be confirmed as a true and correct record of the proceedings of that meeting.

Seconded Mr Swan

CARRIED 2020-21/14

6. BUSINESS ARISING FROM PREVIOUS MINUTES
Nil

7. CONSENSUS AGENDA

Mr Brass invited discussion on each of the Consensus Agenda reports.

7.1.1 AUDIT COMMITTEE WORK PLAN 2020/21
B7455

Mr Brass requested that the date be amended to “2022” in Activity line “Oversee the selection process for new auditors or reappointment of existing auditors”.

NOT CONFIRMED
The Audit Committee Work Plan (Attachment 1) has been updated.

7.1.2 **RECEIVE FINAL ADOPTED 2019/20 ANNUAL FINANCIAL STATEMENTS**  
B10476

*MOVED* Mr Swan that the Report be received and noted.  
*Seconded* Cr Johnstone  
*CARRIED 2020-21/15*

Further to Report 9.1.2 from the 21 October 2020 Audit Committee meeting, the final adopted 2019/20 Annual Financial Statements were adopted by Council on 17 November 2020, and are available on Council’s website – www.barossa.sa.gov.au

7.1.3 **RECEIVE ADOPTED 2020/21 QUARTERLY BUDGET UPDATE AS AT 30 SEPTEMBER 2020**  
B9880

*MOVED* Cr Johnstone that the Report be received and noted.  
*Seconded* Mr Swan  
*CARRIED 2020-21/16*

The 2020/21 quarterly budget update as at 30 September 2020 was adopted by Council on 17 November 2020 and is available on Council’s website.

7.1.4 **THE BAROSSA COUNCIL ANNUAL REPORT**  
B9858

Mr McCarthy advised that the Annual Report has been posted on Council’s website and information also provided on Council’s Facebook page.

*MOVED* Cr Angas that the Report be received and noted.  
*Seconded* Ms Ewing  
*CARRIED 2020-21/17*

The Barossa Council Annual Report 2019/20 was adopted by Council on 17 November 2020 and is available on Council’s website.

7.1.5 **AUDIT COMMITTEE ANNUAL SELF-ASSESSMENT OF COMMITTEE PERFORMANCE**  
B10476

*MOVED* Cr Johnstone that the Report be received and noted.  
*Seconded* Mr Swan  
*CARRIED 2020-21/18*

The Local Government Association ‘Audit Committee Reporting’ Information Paper 19 recommends that “in the process of preparing its annual report to Council, the audit committee should also undertake a self-assessment of its performance over the previous twelve months”.

Audit Committee members have completed an annual self-assessment of Committee performance and a collation of responses is provided in the Attachment.

7.1.6 **TIMETABLE – LONG TERM FINANCIAL PLAN 2021/22 to 2030/31 AND ANNUAL BUDGET & BUSINESS PLAN 2021/22**  
B7181

Mr Lague spoke to the Report.

*MOVED* Cr Johnstone that the Report be received and noted.  
*Seconded* Ms Ewing  
*CARRIED 2020-21/19*
A report has been prepared for Council’s 15 December 2020 meeting, seeking endorsement of the proposed timetable for the annual review, consideration and adoption of the Long Term Financial Plan 2021/22 to 2030/31 and the Annual Budget and Business Plan 2021/22. The full Agenda report is available on Council’s website.

7.1.7 **ADOPTED ENTERPRISE RISK MANAGEMENT POLICY AND FRAMEWORK**  
**B11249**

It was noted that the Nuriootpa Centennial Park Authority also works under Council’s adopted Enterprise Risk Management Policy and Framework.

**MOVED** Cr Angas that the Report be received and noted.  
**Seconded** Mr Swan  
**CARRIED 2020-21/21**

Further to Report 9.2.1 from the 21 October 2020 Audit Committee meeting, the revised Enterprise Risk Management Policy and proposed Enterprise Risk Management Framework were adopted by Council on 17 November 2020.

7.1.8 **INFRASSTRUCTURE ASSET MANAGEMENT PLAN – COMMUNITY CONSULTATION**  
**B11500**

**MOVED** Cr Johnstone that the Report be received and noted.  
**Seconded** Cr Angas  
**CARRIED 2020-21/22**

A report has been prepared for Council’s 15 December 2020 meeting, seeking endorsement of the Communications Plan for the three week community consultation period for the 2020-2030 Infrastructure Asset Management Plan. The full Agenda report (and the IAMP attachment) is available on Council’s website.

7.1.9 **EXTENSION OF APPOINTMENT OF INDEPENDENT MEMBERS PETER BRASS AND ELLEN EWING**  
**B10476**

**MOVED** Mr Swan that the Report be received and noted.  
**Seconded** Cr Johnstone  
**CARRIED 2020-21/23**

Further to Report 7.1.8 from the 21 October 2020 Audit Committee meeting, Council, at its meeting held 17 November 2020, approved the extension of appointment of Mr Peter Brass and Ms Ellen Ewing for a further two year term.

7.1.10 **MINUTES – NURIOOTPA CENTENNIAL PARK AUTHORITY AUDIT COMMITTEE**  
**B10477**

**MOVED** Cr Angas that the Report be received and noted.  
**Seconded** Mr Swan  
**CARRIED 2020-21/24**

Attached are Minutes from the Nuriootpa Centennial Park Authority Audit Committee meeting held 14 October 2020.

8. **DEBATE AGENDA**

Nil

9. **CONFIDENTIAL AGENDA**

Nil

11. **OTHER BUSINESS**
11.1 **REVIEW OF AUDIT COMMITTEE TERMS OF REFERENCE**
Mr Lague advised Members that the Terms of Reference is due for review, but suggests waiting on the introduction of the Local Government Reform Bill so that any new requirements may be included in the document.

12. **NEXT MEETING**
Date to be advised

13. **CLOSURE OF MEETING**
There being no further business, Mr Brass wished the Members, Management and Staff a safe and happy Christmas and closed the meeting at 10.05am.

Confirmed:

Chairman: ........................................... Date: ...........................................
7.1.1 AUDIT COMMITTEE WORK PLAN 2020/21
B7455
The Audit Committee Work Plan (Attachment 1) has been updated.

RECOMMENDATION:
That the Report be received and noted.
# The Barossa Council Audit Committee Work Plan 2020/21

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

<table>
<thead>
<tr>
<th>Activity</th>
<th>Responsible Officer</th>
<th>Estimated Timing</th>
<th>Frequency</th>
<th>Current Status</th>
<th>Date Completed 2020/21</th>
<th>Comments</th>
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<tbody>
<tr>
<td><strong>Financial Reporting</strong></td>
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<tr>
<td>Review and establish Audit Committee budget</td>
<td>Manager Financial Services</td>
<td>Feb Meeting</td>
<td>Annually</td>
<td></td>
<td>31/03/2021</td>
<td>Refer Agenda item 9.1.3</td>
</tr>
<tr>
<td>Review draft Budget &amp; LTFP - assumptions and indexation</td>
<td>Manager Financial Services</td>
<td>Feb Meeting</td>
<td>Annually</td>
<td></td>
<td>31/03/2021</td>
<td>Refer Agenda item 9.1.4</td>
</tr>
<tr>
<td>Review draft AB&amp;BP document</td>
<td>Manager Financial Services</td>
<td>June meeting</td>
<td>Annually</td>
<td></td>
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<tr>
<td>Review Treasury Management performance</td>
<td>Senior Accountant</td>
<td>Feb Meeting</td>
<td>Annually</td>
<td></td>
<td>31/03/2021</td>
<td>Refer Agenda item 9.1.2</td>
</tr>
<tr>
<td>Review Budget Update - Quarterly as at 31 March</td>
<td>Manager Financial Services</td>
<td>June meeting</td>
<td>Annually</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>18/12/2020</td>
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<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>31/03/2021</td>
<td>Refer Agenda item 7.1.2</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>21/10/2020</td>
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<tr>
<td>Draft Report on Financial Results, including carry forwards</td>
<td>Manager Financial Services</td>
<td>Oct meeting</td>
<td>Annually</td>
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<td>21/10/2020</td>
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<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>
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<td>18/12/2020</td>
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<tr>
<td>Review of Finance / Accounting Policies</td>
<td>Manager Financial Services</td>
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<td>As required</td>
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<tr>
<td>Review decisions on interpretations of accounting standards taking into account the views of management and the external auditors.</td>
<td>Manager Financial Services</td>
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<td>As required</td>
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<td><strong>Enterprise Risk Management</strong></td>
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<tr>
<td>Review and recommend the approval of statements to be included in the annual report on risk management and internal control (Audit Committee TOR requirement)</td>
<td>Risk Coordinator</td>
<td>Oct Meeting</td>
<td>Annually</td>
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<tr>
<td>Receive Risk Management Report - includes updates on:</td>
<td>Manager Executive Services / Risk Coordinator</td>
<td>Each normal meeting</td>
<td>Quarterly</td>
<td></td>
<td>21/10/2020</td>
<td>Included in Agenda item 9.1.1</td>
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<tr>
<td>- Risk Management and WHS&amp;IM Plans</td>
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<tr>
<td>- Risk Register</td>
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<td>- Local Government Risk Services</td>
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<td>- WHS Committee</td>
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<td>- Emergency Management</td>
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<tr>
<td>- Risk/WHs Incidents</td>
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<td>- Corrective and Preventative Actions</td>
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<td>- Workplace Inspections</td>
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<td>- Internal Financial Control</td>
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<tr>
<td>Receive directorate risk reports showing relevant risks and how they are being managed</td>
<td>CMT Members / Risk Coordinator</td>
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<td>As required</td>
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<td>21/10/2020</td>
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<td><strong>External Audit</strong></td>
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<td>Activity</td>
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<tr>
<td>Review any representation letter(s) requested by the external auditors</td>
<td>Manager Financial Services</td>
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<td>As required</td>
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<tr>
<td>Discuss with management and/or external auditors any matters arising</td>
<td>Manager Financial Services</td>
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<td>As required</td>
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<td>from the interim audits</td>
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<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>21/10/2020</td>
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<td>from the year end audit</td>
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<tr>
<td>Override the selection process for new auditors or reappointment of</td>
<td>Audit Committee</td>
<td>prior to 30/6/22</td>
<td>By 30/6/22 and as required</td>
<td>21/10/2020</td>
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<td>existing auditors</td>
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**Reporting Responsibilities**

| Establish meeting schedule and work plan                               | Manager Financial Services    | June Meeting     | Annually     |                |                        |                                                                          |
|------------------------------------------------------------------------|------------------------------|------------------|-------------|----------------|------------------------|                                                                          |
| Propose and provide information relevant to the review of Council's    | CEO                          |                  | As required |                |                        |                                                                          |
| Strategic Management Plans                                             |                              |                  |            |                |                        |                                                                          |
| Receive quarterly Performance and Activity Reports on measures          | CEO                          | Each normal meeting | Quarterly | 21/10/2020 |                        | No reports have been produced for 2020/2021 due to system reconfiguration |
| adopted within the Corporate Plan                                      |                              |                  |            |                |                        |                                                                          |
| Review Policies as required:                                           | Various Officers             |                  | As required |                |                        |                                                                          |
| Risk Management / Governance / Strategic / Finance                      |                              |                  |            |                |                        |                                                                          |
| Review Council's Public Disclosure Policy and Process (refer 29/10/19  | CEO                          | Oct meeting      | Annually    | 21/10/2020     |                        |                                                                          |
| meeting)                                                               |                              |                  |            |                |                        |                                                                          |
| Annual report on Audit Committee activities to Council                 | Audit Committee Chairperson  | Oct meeting      | Annually    | 21/10/2020     |                        |                                                                          |
| Chairperson to present Audit Committee Annual Report to Council         | Audit Committee Chairperson  | Nov/Dec Cncl mtg| Annually    | 27/01/2021     | Mr Brass presented to 27 January 2021 Council Meeting              |
| Review Council Annual Report                                           | CEO                          | Oct Meeting      | Annually    | 18/12/2020     |                        |                                                                          |
| Complete Audit Committee annual self-assessment                        | Audit Committee              | Dec meeting      | Annually    | 18/12/2020     |                        |                                                                          |
| Business Continuity Plan update                                        | Manager Executive Services    |                  | As required |                |                        |                                                                          |

**Other**

| Review Terms of Reference (Incorporate any Actions below)             | CEO                          |                  | Annually    | 18/12/2020     |                        | Suggest waiting on introduction of Local Govt Reform Bill so that any new requirements can be included |

**From Audit Committee Self Assessment 2020**

- Performance of external auditor needs to be formally assessed
- Formal induction for new Committee Members
- A need to review the completeness and range of Performance Indicators that are reported to Council

**From Audit Committee Self Assessment 2019**

- Induction/training of new Committee members
- Council to consider internal audit function expansion beyond financial controls
- Audit Committee Membership - recruiting to ensure appropriate skill set and ability

<p>| ATTACHMENT |</p>
<table>
<thead>
<tr>
<th>Meeting Actions</th>
<th>Responsible Officer</th>
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<th>Frequency</th>
<th>Current Status</th>
<th>Date Completed 2020/21</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>(12/6/13 and 8/6/16 meetings) Policy and Process for treatment of Attractive Assets and review of current controls to ensure they are adequate</td>
<td>MFS</td>
<td>Work in progress</td>
<td></td>
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<tr>
<td>(5/10/17 meeting) Strategic Corporate Risks - CEO continue to provide reports and updated risk assessments to the Audit Committee as works are undertaken.</td>
<td>CEO</td>
<td>Quarterly</td>
<td></td>
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<tr>
<td>(5/10/17 meeting) Service Review and Continuous Improvement - CEO continue to provide reports and findings to the Audit Committee as works are undertaken.</td>
<td>CEO</td>
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<tr>
<td>(29/10/19 meeting) Further governance be incorporated into the Audit Committee Terms of Reference at the next review of the document.</td>
<td>CEO</td>
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<tr>
<td>(16/12/19 meeting) Consideration be given to engaging a consultant to test non-financial risks, particularly any categorised as Extreme or High</td>
<td>CEO</td>
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<tr>
<td>(23/6/2020 meeting) Any impact to Council operations from changes to legislation be presented to Committee for consideration</td>
<td>CEO</td>
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<tr>
<td>(21/10/2020 meeting) MES and R&amp;CCC to review recent audits and consider any benefits (or not) of an external review of the procurement system.</td>
<td>MES</td>
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<tr>
<td>(21/10/2020 meeting) CEO to present further information in relation to assessment against cyber security standards (to consider in confidence)</td>
<td>CEO</td>
<td>Refer Agenda item 10</td>
<td></td>
<td></td>
<td>31/03/2021</td>
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<tr>
<td>(21/10/2020 meeting) Officers to discuss with Chair of NCPA Audit Committee, the introduction of annual Self-Assessment</td>
<td>CEO</td>
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</tbody>
</table>
7.1.2 RECEIVE ADOPTED 2020/21 MID-YEAR BUDGET REVIEW AS AT 31 DECEMBER 2020

The 2020/21 Mid-Year Budget Review as at 31 December 2020 was adopted by Council on 16 February 2021 and is available on Council’s website.

RECOMMENDATION:
That the Report be received and noted.
7.1.3 MINUTES - NURIOOTPA CENTENNIAL PARK AUTHORITY AUDIT COMMITTEE

ATTACHED are Minutes from the Nuriootpa Centennial Park Authority Audit Committee meeting held 10 December 2020.

RECOMMENDATION:
That the Report be received and noted.
NURIOOTPA CENTENNIAL PARK AUTHORITY (NCPA)
Thursday 10th December 2020, 12:30pm, NCPA Boardroom

AUDIT COMMITTEE (AC)
MINUTES OF MEETING

Meeting opened at 12.30pm.

1. COMMENCEMENT
   1.1 Welcome
       Dafydd Llewelyn, as Chairperson, welcomed everyone to the meeting.

       Present
       Committee: Dafydd Llewelyn (Independent Chair), Cr Tony Hurn, Guy Martin and Mark Lague
                   (The Barossa Council, Appointed Officer).
       Invited: Tanya Pumpa (TP) (Business Manager, Minutes).

   1.2 Apologies
       Elaine Ratcliffe (as Independent Member).

   1.3 Declarations of Interest
       Nil.

2. CONFIRMATION OF PREVIOUS MINUTES
   The Minutes of Meeting held on the 14th of October 2020 were tabled.
   MOVED Guy Martin that the Minutes of the Audit Committee Meeting held on 14th of October 2020 be
   confirmed as a true and correct record of the proceedings of that meeting.
   SECONDED Cr Tony Hurn
   CARRIED

3. BUSINESS ARISING FROM PREVIOUS MINUTES
   The Action Register was tabled, discussed, and noted as an ongoing document.

4. CONSENSUS AGENDA
   4.1 Audit Committee (AC) Work Plan 2020
       The ongoing document was tabled. This document is now complete for 2020. Received and noted.

   4.2 Audit Committee (AC) Annual Activity Report 2020
       The ongoing document was tabled for 2020. This report can be finalised after this meeting and
       presented to the NCPA Board. Received and noted.
       MOVED Cr Tony Hurn that the Audit Committee (AC) Annual Activity Report 2020 be accepted.
       SECONDED Guy Martin
       CARRIED

   4.3 NCPA Financial Statements 2019-20 Final
       The General Purpose Financial Statements for year ended 30 June 2020, in their final format, were
       tabled. Received and noted. It was noted that single subsidiaries, like NCPA, legally do not require
       an independent website to publicly publish documents such as Financials and Minutes of Meeting
       etc. Council are going to revisit this in the coming year to ensure this remains correct.
       MOVED Guy Martin that the final copy of the 2019-20 Financials be accepted.
       SECONDED Cr Tony Hurn
       CARRIED
5. **DEBATE AGENDA** – Nil.

6. **NEW BUSINESS**

   6.1 **High Level Compliance Requirements for NCPA**

   The Improvement Program Update (Risk Analysis) – High Level Compliance Requirements for NCPA was tabled, as tabled to the NCPA Board in September 2020. Comments made:

   At 1.5 – The Grand Plan Review is the Strategic Management Plan (SMP) Requirement – Strategic Plan. Update the spreadsheet under notes to reflect this. The SMP needs to be reviewed, updated and accepted by Board – All before March 2021 (every 4 years).

   At 3.3 – Fraud and Corruption Framework – consider the adoption of Councils documents.

   At 3.8 – Complaint Handling Policy – We have Councils, we need to amend the document and have in place for NCPA.

   At 4.1 HRM Policy – NCPA relies on Council for any HR support, and draw on our own resources with recruitment procedures. Whenever it is appropriate or necessary we make contact with Council. Get something in writing / what is the process / communication channel from Martin McCarthy.

   Dafydd would like a review of all comments and the document updated to reflect the current situation and any actions that need to be taken.

   Received, noted, and discussed.

   **MOVED** Cr Tony Hurn that the document be updated to reflect the above amendments.

   **SECONDED** Guy Martin

   **CARRIED**

   6.2 **Other Business - Payment Card Industry Data Security Standard (PCIDSS)**

   We need to review our current systems with regards to credit card details and how they are managed. Tanya Pumpa confirming guest credit card details are not being recorded anywhere in the booking system, nor written down or accepted via email. Mark Lague will provide relevant requirements relating to PCIDSS.

7. **DATE OF NEXT MEETING**

   The date of the next meeting is set for Wednesday 24th March 2021 at 12.30pm.

8. **CLOSE**

   Chairperson, Dafydd Llewelyn, declared the meeting closed at 1.50pm.

   Confirmed at Audit Committee Meeting -

   **DATE:** ....................................................  **CHAIRPERSON:** ....................................................
9.1.1
UPDATE – RISK MANAGEMENT PROGRAMS AND PROJECTS
B7531
Author: Manager Executive Services

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

RECOMMENDATION
That the Audit Committee receives and notes report 9.1.1 Update – Risk Management Programs and Projects.

REPORT
Risk Management Quarterly Report
Council’s Risk Management Quarterly Report for Quarter 2 – 2020/21 is provided at Attachment 1 for information and noting.

Risk Management Activity Summary
1. Drug and Alcohol - causal and random testing commenced in January 2021 following the Drug and Alcohol Policy adoption and mandatory awareness training for all staff in November 2020.

2. Incident and Hazard Reporting in Skytrust - roll-out to all staff. Benefits of the project include:
   - Electronic lodgement/management of incidents/hazards (vs paper based approach).
   - Notification to HSR’s/supervisor/Risk Team is automatic (which was not the case with paper based reports)
   - A robust system based workflow for each incident or hazard report from reporting through to inspection through to closeout with each step visible to all parties including the Risk Team should they need to be involved.
   - Ownership of the incident or hazard is identified at the time of the report dependent on the rating given. Supervisors are responsible for closing out low to medium incidents/hazards and the Risk Team get involved for high rated incidents/hazards.

3. 2020/21 Internal Financial Control self-assessment cycle has begun and is due to be completed prior to 30 June 2021.

4. Insurance policy review for the 2021/22 renewals has begun to ensure appropriate coverage is in place from 1 July 2021.

ATTACHMENTS OR OTHER SUPPORTING REFERENCES
Attachment 1: Risk Management Quarterly Report – Quarter 2, 2020/21

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.
QUARTERLY RISK MANAGEMENT REPORT
Quarter 2 – 2020/2021
Contents

Risk Management and WHS & IM Plans .................................................................3
Risk Registers ..................................................................................................4
Local Government Risk Services (LGA MLS/WCS/AMF) .................................4
WHS Committee ..............................................................................................4
Workplace Emergency Management ...............................................................5
Community Emergency Management ...............................................................5
Risk/WHS Incidents ..........................................................................................6
Corrective and Preventative Actions .................................................................7
Workplace Inspection Schedule ........................................................................8
Internal Financial Control (ControlTrack) ........................................................9
Quarterly Risk Management Report

The following report has been developed to assist Council’s Corporate Management Team (CMT) in monitoring and reviewing their Risk, Work Health Safety and Injury Management (Return to Work) duties. It is comprised of Risk/WHS monitoring information, current WHS Plan actions, and insurance data.

Risk Management and WHS & IM Plans

RESULTS/INTERPRETATION

During Quarter 2 the Risk Team developed the 2020/21 LGRS KPI Action Plan setting out Council’s targeted ‘Work Health Safety and Injury Management (WHS & IM)’ and the ‘Enterprise Risk Management’ improvement targets for the financial year.

Key Actions for the year include:

WHS & Injury Management

- Introduction of Electronic Vehicle & Plant Safety Inspections
- Introduction of Electronic Workplace Safety Inspections
- Introduction of Electronic Safety Checklists for Slings & Chains, Emergency Eye Wash Bottles and Showers, Stop Buttons and Ladders
- Review of Contract and Contractor Management Software Solution
- Introduction of online WHS on-boarding and training modules
- Review and updating of Site Emergency Management Plans

Enterprise Risk Management

- Collation and centralisation of strategic and operational risk registers within an agreed software platform
- Review of Section 221 Permit Application process
- Review of approach to footpath maintenance and repair
- Complete annual review of Council Business Continuity Plan and finalise development of suite of sub-plans
- Embed Risk Management Framework within associated Council processes and templates
- Finalise implementation of the Council Ready Framework for community emergency management.

A key achievement during Quarter 2 was the implementation of Skytrust for Hazard and Incident Reporting across the entire organisation. The introduction of electronic reporting coincided with the rollout of phones for all depot officers, connecting our outside workers to electronic communication for the first time and providing capacity to move to mobile, field based reporting and access to both safety and broader organisational information.

RESPONSE

The Risk Team is progressing the implementation of the above actions and is on track to meet targeted milestones.
Risk Registers

RESULTS/INTERPRETATION

Risk register arrangements have been reviewed as part of the development of Council’s overarching Enterprise Risk Management Framework. Planning for a full review and update of Council’s Strategic and Operational Risk Registers has commenced. This will include looking at how we capture and ensure that the risk of Council are being managed and that any controls put in place to mitigate those risks are being regularly monitored.

RESPONSE

No response required.

Local Government Risk Services (LGA MLS/WCS/AMF)

RESULTS/INTERPRETATION

Claims History

- During the second quarter there were a total of 12 general insurance claims, compared to 11 during the same period in 2019. The total value of claims paid during the period was $15,151 compared to $46,974 during the same period in 2019 (a reduction of 80%).
- Of the 12 claims submitted, 4 were public liability claims, 4 were property claims, 3 claims were motor vehicle related and 1 claim related to personal injury.
- During the second quarter there were 2 Workers Compensation Scheme claims compared to 3 during the same period in 2019. The total value of claims paid was $4,102 compared to $23,337 during the same period in 2019+ (a reduction of 82%).

Please refer to Appendix A for graphical analysis of insurance claims.

RESPONSE

No response required.

WHS Committee

RESULTS/INTERPRETATION

An Organisational WHS Committee Meeting was held on 16 December 2020. Key matters discussed included the commencement of Drug and Alcohol Testing, Skytrust Implementation and Staff Health and Safety Representative changes.
A Depot WHS Sub-Committee Meeting was held on 9 December 2020.

**RESPONSE**

No action required, quarterly meetings are being held in accordance with Council policy commitments.

### Workplace Emergency Management

**RESULTS/INTERPRETATION**

Emergency Planning Committee (EPC)
- Meeting held 7 October 2020

Workplace Emergency Management Policy and Process under review with a view to simplification in accordance with broader risk framework review. Site Emergency Management Plans and risk assessments are currently being reviewed.

**RESPONSE**

No response required

### Community Emergency Management

**RESULTS/INTERPRETATION**

Zone Emergency Management Committee (ZEMC)
- 8 December 2020 held at CFS Region 2 Headquarters, Roseworthy
  - Summary communicated with relevant stakeholders

Training and preparedness
- i-Responda Essentials training completed for key staff (including the Business Continuity Management Team) on 20 October 2020.
- i-Responda Fire and Fire Plant training also completed 20 October 2020 for staff requiring refresher.

Council Ready Framework Implementation

**RESPONSE**

No response required
## Risk/WH&S Incidents

### RESULTS

<table>
<thead>
<tr>
<th>Type</th>
<th>CCS</th>
<th>DES</th>
<th>ES</th>
<th>WES</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hazards</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Near Misses</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>*WHS Incidents</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>10</td>
<td>14</td>
</tr>
<tr>
<td>Property / Equipment Damage</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>3</td>
<td>3</td>
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<tr>
<td><strong>Total of Incidents for this Quarter</strong></td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>14</td>
<td>18</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>*WHS Incidents</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Process</td>
<td>0</td>
</tr>
<tr>
<td>Environmental Impact</td>
<td>0</td>
</tr>
<tr>
<td>ICT</td>
<td>1</td>
</tr>
<tr>
<td>Member of Public</td>
<td>2</td>
</tr>
<tr>
<td>Motor Vehicle</td>
<td>4</td>
</tr>
<tr>
<td>Non-work related</td>
<td>0</td>
</tr>
<tr>
<td>Occupational illness / disease</td>
<td>0</td>
</tr>
<tr>
<td>Other</td>
<td>2</td>
</tr>
<tr>
<td>Personal Injury</td>
<td>4</td>
</tr>
<tr>
<td>Personal Injury (Report Only)</td>
<td>1</td>
</tr>
<tr>
<td>Pre-existing medical condition</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total WH&amp;S Incident</strong></td>
<td></td>
</tr>
</tbody>
</table>

### RESULTS/INTERPRETATION

Nil significant incidents in this quarter

### RESPONSE

No response required.
Corrective and Preventative Actions

RESULTS/INTERPRETATION

Corrective And Preventative Actions (CAPAs) 2019/2020 Quarter 2

<table>
<thead>
<tr>
<th>Risk Rating</th>
<th>Corporate &amp; Community Services</th>
<th>Development &amp; Environmental Services</th>
<th>Executive Services</th>
<th>Works &amp; Engineering Services</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>New</td>
<td>Closed</td>
<td>Active</td>
<td>New</td>
</tr>
<tr>
<td>Extreme</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>High</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Moderate</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Low</td>
<td>0</td>
<td>0</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>0</td>
<td>0</td>
<td>3</td>
<td>0</td>
</tr>
</tbody>
</table>

RESULTS/INTERPRETATION

28 Active CAPA items
0 New CAPA item entered
0 CAPA items closed

RESPONSE

The Risk team will continue to follow up with Responsible Officers to determine the status of outstanding CAPA items during 2020/21.
## Workplace Inspection Schedule

<table>
<thead>
<tr>
<th>Inspection – Location and Type</th>
<th>Frequency Months</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Wk2</td>
<td>Wk3</td>
<td>Wk4</td>
</tr>
<tr>
<td>Nuriootpa Office</td>
<td>6M</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dog Pound - Nuriootpa</td>
<td>6M</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Barossa Regional Gallery Tanunda</td>
<td>6M</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Library - Angaston</td>
<td>6M</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Library - Mt Pleasant</td>
<td>6M</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Library - Lyndoch</td>
<td>6M</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Springton Transfer Station</td>
<td>6M</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Library – Nuriootpa</td>
<td>6M</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Altona Landcare Trail</td>
<td>6M</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>CWMS Treatment Plants/Lagoons/Pump Stations</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Tanunda</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tanunda Lagoons</td>
<td>12M</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Williamstown</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Williamstown Waste Water Treatment Plant</td>
<td>12M</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Little Adams - Pump Station</td>
<td>12M</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Williamstown - Wild Street Pump Station</td>
<td>12M</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Williamstown - South Terrace Pump Station</td>
<td>12M</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Williamstown - Yettie Road Pump Station</td>
<td>12M</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Williamstown - Caravan Park</td>
<td>12M</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Mt Pleasant</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mt Pleasant Williamstown Rd Pump Station</td>
<td>12M</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mt Pleasant Waste Water Treatment Plant</td>
<td>12M</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Springer Waste Water Treatment Plant</td>
<td>12M</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Springer Redford Rd Pump Station</td>
<td>12M</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Springer William Street Pump Station</td>
<td>12M</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stockwell Sturt Highway Waste Water Treatment Plant</td>
<td>12M</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Parks/Halls/Men's Shed</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mt Pleasant Soldiers Memorial Hall</td>
<td>12M</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Ladders</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Barossa Visitors Centre</td>
<td>6M</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### RESULTS/INTERPRETATION
24 Inspections were carried out in accordance with the inspection schedule during Quarter 2.

**RESPONSE**

No response required

**Internal Financial Control (ControlTrack)**


**The 3 year residual risk review and control self-assessment cycle is as follows:**

1st yr - 2019/20
- all financial controls from the Better Practice Model to be assessed/reviewed and rated.

2nd yr - 2020/21
- all extreme/high rated risks and their associated controls to be assessed/ reviewed and rated; and
- progress any incomplete actions plans from previous assessments; and
- any controls that were assigned to new assessors (eg new staff, role changes).

3rd yr - 2021/22
- all extreme/high rated risks and associated controls to be assessed/reviewed and rated; and
- progress any incomplete actions plans from previous assessments; and
- any controls that were assigned to new assessors (eg new staff, role changes); and
- residual risk assessment of all financial risks from the Better Practice Model - in preparation for the control self-assessment of all financial controls in the following year.

**2020/2021 Control Self-Assessment cycle**

The 2020/21 Financial Control Self-Assessment Cycle has begun.

There will be 252 controls assessed by 24 assessors. A large number of controls will again be assessed this year as there has been a change-over in Finance staff.
Appendix A

Insurance Claim Graphical Analysis
2020/2021 Financial Year Insurance Claims:

The Barossa Council Dashboard – 20/21 Financial Year to date

<table>
<thead>
<tr>
<th>Total Claims</th>
<th>Open Claims</th>
<th>Closed Claims</th>
</tr>
</thead>
<tbody>
<tr>
<td>25</td>
<td>13</td>
<td>12</td>
</tr>
</tbody>
</table>

- 2021 Incurred: 25 (24%)
- 2020 Incurred: 38

Total Paid:
- 2021 Paid: $29,280 (77%)
- 2020 Paid: $97,133

Class of Business % of Claims:
- Motor: 36%
- Liability: 32%
- Property: 24%
- Personal Injury: 8%

Class of Business % of Paid:
- Motor: 43%
- Liability: 27%
- Property: 21%
- Personal Injury: 8%

Total Number of Claims - Open & Closed:
- Open:
  - Jul-20: 1
  - Aug-20: 1
  - Sep-20: 1
  - Oct-20: 1
  - Nov-20: 2
  - Dec-20: 2
  - Jan-21: 1
- Closed:
  - Jul-20: 1
  - Aug-20: 1
  - Sep-20: 1
  - Oct-20: 1
  - Nov-20: 1
  - Dec-20: 2
  - Jan-21: 1
  - Feb-21: 1
Injury by Body Location – 20/21 Financial Year to date

- Total Claims: 2
- Total Paid: $10,735
- Average Paid: $5,378
Workers Compensation - Claims Count 0 - Net Paid $4,102 - Financial Year to Date
Workers Compensation – Claims Count 2 - By Mechanism of Injury Comparison – Financial Year to Date

Blue represents The Barossa Council,
Red represents the average of similar sized councils
Motor Claims – Claim Count 8 - Net Paid $12,155 - Financial Year to Date
Motor Claims – Claim Count 4 – By Cause - Financial Year to Date

- Blue represents The Barossa Council,
- Red represents the average of similar sized councils
Property Claims – Claim Count 4 – Net paid $2,080 - Financial Year to Date
Property Claims – Claim Count 4 – By Cause Comparison - Financial Year to Date

Blue represents The Barossa Council,
Red represents the average of similar sized councils.
Mutual Liability Scheme – Claim Count 7 - Net paid inclusive of costs incurred $0 - Financial Year to Date
Mutual Liability Scheme – Claim Count 7 – By Cause Comparison - Financial Year to Date

Blue represents The Barossa Council,
Red represents the average of similar sized councils.
PURPOSE
Pursuant to Section 140 of the Local Government Act 1999, and in accordance with Council’s Treasury Management Policy, Council must undertake an annual performance review of its Treasury Management activities.

RECOMMENDATION
That the report on Council’s 2020 Treasury Management activities be received and noted.

REPORT
The key principles within Council’s Treasury Management Policy are as follows:

Council will:

• Maintain target ranges for its Net Financial Liabilities ratio;
• Generally only borrow funds when it needs cash and not specifically for particular projects;
• Not retain and quarantine money for particular future purposes unless required by legislation or agreement with other parties;
• Apply any funds that are not immediately required to meet approved expenditure (including funds that are required to be expended for specific purposes but are not required to be kept in separate bank accounts) to reduce its level of borrowings or to defer and/or reduce the level of new borrowings that would otherwise be required.

Comments regarding the 2020 performance with regard to the above principles are outlined below:

Net Financial Liabilities Ratio
Council’s policy regarding its net financial liabilities is that they shall not exceed 100% of total operating revenue (adopted February 2010).

As at 30 June 2020, Council’s net financial liabilities represented 13% of total operating revenue, and it is projected to increase to 50.1% as at 30 June 2021 (as per September 2020 Budget Review). Accordingly, Council is currently operating within its policy threshold.

Loan Borrowings
Council’s policy relative to loan borrowings states that the use of internal reserves be considered prior to consideration of external loan borrowings. The total variable borrowings for Nuriootpa Centennial Park Authority and Council that are currently available is $5.16m - currently no funds have been drawn down on these facilities. One
new fixed debenture loan was borrowed by NCPA in 2020 (Debenture 116). It was utilised to pay off the Cash Advance Debenture (110) for NCPA which was due to close in June 2020 and to take advantage of a lower fixed interest rate of 2.05%.

The use of internal cash reserves has continued to be used in funding Council’s capital works programs and has subsequently minimised the net interest cost to Council.

A summary of the fixed interest rate borrowings provided though the Local Government Finance Authority are shown below:

<table>
<thead>
<tr>
<th>No.</th>
<th>Loan Amount</th>
<th>Interest Rate</th>
<th>Final Payment Date</th>
<th>Principal Outstanding as at 31 December 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>101</td>
<td>2,500,000</td>
<td>6.24%</td>
<td>15/03/21</td>
<td>125,615</td>
</tr>
<tr>
<td>102</td>
<td>5,000,000</td>
<td>6.62%</td>
<td>16/10/21</td>
<td>505,608</td>
</tr>
<tr>
<td>103</td>
<td>100,000</td>
<td>6.80%</td>
<td>15/11/21</td>
<td>10,214</td>
</tr>
<tr>
<td>104</td>
<td>2,900,000</td>
<td>6.90%</td>
<td>15/03/22</td>
<td>439,410</td>
</tr>
<tr>
<td>105</td>
<td>7,000,000</td>
<td>7.02%</td>
<td>16/11/21</td>
<td>4,326,580</td>
</tr>
<tr>
<td>106</td>
<td>2,000,000</td>
<td>6.85%</td>
<td>15/04/26</td>
<td>973,663</td>
</tr>
<tr>
<td>107*</td>
<td>113,000</td>
<td>4.75%</td>
<td>16/07/22</td>
<td>27,030</td>
</tr>
<tr>
<td>108*</td>
<td>515,000</td>
<td>6.20%</td>
<td>15/01/34</td>
<td>410,073</td>
</tr>
<tr>
<td>109*</td>
<td>125,000</td>
<td>5.30%</td>
<td>15/09/29</td>
<td>86,324</td>
</tr>
<tr>
<td>112*</td>
<td>180,000</td>
<td>4.25%</td>
<td>15/12/27</td>
<td>133,702</td>
</tr>
<tr>
<td>113*</td>
<td>80,000</td>
<td>4.50%</td>
<td>15/02/28</td>
<td>63,204</td>
</tr>
<tr>
<td>114</td>
<td>1,750,000</td>
<td>3.60%</td>
<td>15/08/28</td>
<td>1,448,091</td>
</tr>
<tr>
<td>116*</td>
<td>1,000,000</td>
<td>2.05%</td>
<td>15/06/30</td>
<td>954,695</td>
</tr>
</tbody>
</table>

* Loans approved by Council, provided for the Community to Clubs, Societies or Groups. The repayments to Council are on schedule for the community loans outstanding - a total principal balance at 31 December 2020 of $744,839.

- NCPA debenture loan

Variable interest rate borrowings (Cash Advance Debentures)
Nuriootpa Centennial Park Authority CA111 was fully paid off in 2020. CA110 ended in June and a new fixed debenture loan was taken out to pay off the cash advance, to take advantage of lower interest rates (Debenture 116 as detailed above).

A summary of the variable interest rate borrowings are shown below:

<table>
<thead>
<tr>
<th>No.</th>
<th>Council/ NCPA</th>
<th>Total Facility Loan Amount</th>
<th>Total amount borrowed</th>
<th>Current Interest Rate</th>
<th>Facility End Date</th>
<th>Principal Outstanding as at 31 December 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>CA70</td>
<td>Council</td>
<td>1,000,000</td>
<td>0</td>
<td>2.05%</td>
<td>15/04/23</td>
<td>0</td>
</tr>
<tr>
<td>CA110</td>
<td>NCPA</td>
<td>1,000,000</td>
<td>Closed</td>
<td>2.05%</td>
<td>15/06/20</td>
<td>0</td>
</tr>
<tr>
<td>CA111</td>
<td>NCPA</td>
<td>260,000</td>
<td>0</td>
<td>2.05%</td>
<td>15/03/21</td>
<td>0</td>
</tr>
<tr>
<td>CA115</td>
<td>Council</td>
<td>3,000,000</td>
<td>0</td>
<td>* 1.45%</td>
<td>15/05/30</td>
<td>0</td>
</tr>
<tr>
<td>CA117</td>
<td>Council</td>
<td>900,000</td>
<td>0</td>
<td>* 1.45%</td>
<td>15/10/23</td>
<td>0</td>
</tr>
</tbody>
</table>

* COVID special rate for 3 years only

Council Funded Loans
Council has previously approved external loans not included in the Debenture Loan Summary table that have been paid from Council funds:

1) Barossa Valley Machinery Preservation Society Inc
2) Nuriootpa Centennial Park Authority (NCPA). The current adopted long term financial plan (LTFP) includes a $130k repayment in 2021/22 and the loan is to be fully repaid during 2023/24. The NCPA loan repayment schedule is subject to an annual review of their LTFP, checking the operational and capital expenditure, cash flow requirements and the financial sustainability of the business. The NCPA loan is charged at the current cash advance loan interest rate. The Council Funded loan summary is shown in the following table:

<table>
<thead>
<tr>
<th>Name.</th>
<th>Total Facility Loan Amount</th>
<th>Current Interest Rate</th>
<th>Facility End Date</th>
<th>Principal Outstanding as at 31 December 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barossa Valley Machinery Preservation Society Inc</td>
<td>25,000</td>
<td>4.30%</td>
<td>8/11/28</td>
<td>20,813</td>
</tr>
<tr>
<td>Nuriootpa Centennial Park Authority</td>
<td>650,000</td>
<td>2.05%</td>
<td>2023/24</td>
<td>520,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>540,013</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Investments**

Council currently holds investments with National Australia Bank (NAB) and the Local Government Finance Authority (LGFA). Council’s total investments as at 31 December 2020 were:

<table>
<thead>
<tr>
<th></th>
<th>Variable Interest Rate $’000</th>
<th>&lt;1 year Fixed $’000</th>
<th>&gt;1 year Fixed $’000</th>
<th>&gt;5 years Fixed $’000</th>
<th>TOTAL $’000</th>
<th>Interest Rate Range 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>LGFA</td>
<td>4,489</td>
<td>1,684</td>
<td>0</td>
<td>0</td>
<td>6,173</td>
<td>0.30% to 1.75%</td>
</tr>
<tr>
<td>NAB Investment A/c</td>
<td>7,630</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>7,630</td>
<td>0.45% to 1.25%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>12,119</strong></td>
<td><strong>1,684</strong></td>
<td><strong>0</strong></td>
<td><strong>0</strong></td>
<td><strong>13,803</strong></td>
<td></td>
</tr>
</tbody>
</table>

The level of funds invested during the year is presented in the graph below. The graph excludes Council’s separate operating bank account which was maintained at minimum working capital levels in accordance with the Policy. Due to the uncertainty of COVID-19, investments were not fixed with the LGFA during this time, but Council utilised the NAB investment account. Fixed investments with the LGFA are likely to be built up over the coming months, depending on cash flow requirements and any changing situations with COVID-19.
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.

6.16 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 140

FINANCIAL, RESOURCE AND RISK MANAGEMENT CONSIDERATIONS

Financial
A review of investments and borrowings is required as per the Treasury Management Policy and Local Government Act

COMMUNITY CONSULTATION
No separate consultation is required under Council’s Public Consultation Policy.
AUDIT COMMITTEE
MANAGER FINANCIAL SERVICES
31 MARCH 2021

9.1.3
2021/22 AUDIT COMMITTEE BUDGET
B11571

PURPOSE
To consider a draft 2021/22 budget for the Audit Committee’s operations.

RECOMMENDATION:
That for the 2021/22 draft Audit Committee budget, the Audit Committee recommend Council:

(1) Include an amount for Consultants of $XXX and Training of $XXX,
(2) Consider and approves the other budgets listed in this report during the budget processes.

REPORT
The budget for 2021/22 is being prepared by completing the base budget for activities that are externally and internally required by the Audit Committee.

In the Audit Committee budget, two items that require review are Consultant and Training/Seminar expenditure.

In the past, consultants have been used to undertake reviews and compliance checks for taxation and accounting, along with purchase and implementation of the internal control tracking tool. The training budget has previously been used by Independent Members to attend LGA programs.

A proposed 2021/22 budget to support the operations of the Audit Committee is outlined in the following table:

Audit Committee Financial Statement as at 28 February 2021:

<table>
<thead>
<tr>
<th>496 - Audit Committee</th>
<th>February 2021 YTD Actuals</th>
<th>Budget Review 2020/21 Q2</th>
<th>Budget % YTD</th>
<th>Draft 2021/22 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries &amp; related costs (preparation of reports/agendas, attendance at meetings - CEO, Director C&amp;CS, Manager Financial Services, Minute Secretary)</td>
<td>15,336</td>
<td>22,868</td>
<td>67%</td>
<td>23,325</td>
</tr>
<tr>
<td>Consultants (provision for sundry project work undertaken as part of Committee work plan or specifically requested by Council)</td>
<td>0</td>
<td>0</td>
<td>0%</td>
<td>0</td>
</tr>
<tr>
<td>Training / Seminar expenses</td>
<td>1,000</td>
<td>0%</td>
<td>1,000</td>
<td></td>
</tr>
<tr>
<td>Sitting Fees (Independent Members)</td>
<td>5,965</td>
<td>55%</td>
<td>6,055</td>
<td></td>
</tr>
<tr>
<td>Advertising</td>
<td>700</td>
<td>0%</td>
<td>700</td>
<td></td>
</tr>
<tr>
<td>Total 496 - Audit Committee</td>
<td>18,611</td>
<td>30,533</td>
<td>61%</td>
<td>31,080</td>
</tr>
</tbody>
</table>
* Provides for expected increase for salary costs for Enterprise Agreement. Depending on cost centre allocations, this amount may change when the budget is finalised.

~ Training and advertising expenses provide for one independent member appointment if required.

# Provides for Sitting Fees as follows: Chairperson $595 and Independent Members x 2 - $385 to attend 4 meetings each and annual report attendance at Council meeting for the Chairperson; to be considered and approved by Council – only provided for Audit Committee members’ information.

**ATTACHMENTS OR OTHER SUPPORTING REFERENCES**

**Policy**
Budget & Business Plan and Review Policy

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

**Corporate Plan**

How We Work – Good Governance

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.

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

**Legislative Requirements**

Local Government (Financial Management) Regulations 2011 - Reg 9(1)(b)
LGA Information paper no. 25 – Monitoring Council Budget Performance

**FINANCIAL, RESOURCE AND RISK MANAGEMENT CONSIDERATIONS**

**Financial**

Funding to support the operations of the Audit Committee is required to ensure resources are adequate to undertake this vital role within Council and is included in the annual budget.

As part of the draft Budget 2021/22, Council has approved budget processes where costs should be reviewed with actual $ required for that ongoing service provision. Selected costs are increased by indexation where agreements, contracts, EBA, licensing, arranged service charges etc. provide for that option, along with costs outside of Council’s control, can be increased where the service provider(s) initiate increases, i.e. fuel, postage.

The Independent Members’ Sitting Fee is not subject to agreement or contract but should ensure Council can attract and retain qualified and experienced people and receive value for service provision. It is recommended that Council increase the fee by the CPI for Adelaide, September 2020 being 1.0% (December 2020 at 0.7%), rounded up to the nearest $5. In 2020/21, the sitting fee for the Chairperson is $585 and Independent Members is $380. The proposed amount for 2021/22 financial year is $595 and $385 respectively. The Sitting Fee will be included in the draft 2021/22 budget to be considered and approved by Council.

**COMMUNITY CONSULTATION**

Public Consultation will be included as part of the draft 2021/22 Budget/Business Plan consultation and adoption process.
9.1.4 REVIEW DRAFT BUDGET 2021/22 AND ANNUAL REVIEW LONG TERM FINANCIAL PLAN INDEXATION AND ASSUMPTIONS

PURPOSE
As per the 2021/22 Annual Budget/Business Plan timetable endorsed by Council in January 2021, the Audit Committee needs to receive and can provide comment on the indexation and assumptions for the Annual Budget & Business Plan (AB&BP) 2021/22 and Long Term Financial Plan (LTFP) 2021/22 to 2030/31.

RECOMMENDATION
That the Audit Committee notes the indexation and assumptions for the Annual Budget & Business Plan 2021/22 and Long Term Financial Plan 2021/22 to 2030/31.

REPORT
Overview
The review of indexing and assumptions for the Annual Budget & Business Plan 2021/22 and Long Term Financial Plan (LTFP) 2021/22 to 2030/31 has been considered by Council at the information briefing Workshop on 3 February 2021. This process enables Council to take a long term view and ‘set the big picture’ before starting the annual budget process.

Key Assumptions and Enhancements
Each annual review process provides an opportunity to introduce new assumptions or enhance the information base as required, using the existing indexation and assumptions.

The main assumptions and indexation being considered during this early stage of budget preparation is the income and expenditure indexation. As included in the presentation paper, Council reviews the proposed rate increase and the indexation application to operational expenditure.

The LGPI (Local Government Price Index) is used as a base for the plan(s) and considering local needs and requirements to meet service levels, including external influences such as service contracts where fuel prices and employment costs may vary the service cost. The Local Government Price Index (LGPI) increase for 12 months to 31 December 2020 was 0% (noting the Adelaide CPI for the 31 December 2020 period was 1.0%).

As the cost indexation has been reducing from previous adopted Long Term Financial Plans, Council will reconsider the cost of delivering services and any changes to the level of service to ensure income or charges for the services are appropriate. The following indexation is sourced from the adopted LTFP.

Income
Rate increases to fund and ensure service level provision is maintained in line with revised sustainability requirements.
General Rate revenue increases for the 2020/21 year was reduced to 1.44%, as Council provided a lower increase to assist rate payers for financial impacts due to COVID-19. As this significantly reduced income and the future operating results, general rate revenue was then budgeted to increase at 2.75% pa from 2021/22 to 2025/26, all plus growth at 1% pa. And then from 2026/27 and the remaining years of the LTFP, an increase of 2.5% pa, all plus growth at 1% pa. During the preparation of the 2021/22 draft budget, Council Management will review the revenue and expenditure requirements and report this to Council. Council will then assess and approve the general rate revenue increases required to ensure Council’s financial sustainability in the annual review of the LTFP.

In 2020/21 Waste Services had a combined rate revenue increase of 6.73%, this was a result of significant recycling disposal costs and the State Waste Levy increases. In the adopted LTFP, the Waste Service Rate Revenue indexation service charge is set to increase at 2.5% from 2021/22 to 2028/29 and then at 2.25% for 2029/30, plus growth for new services budgeted at 1% pa.

Community Wastewater Management Systems (CWMS) Service Rate Revenue indexation rates in the adopted LTFP was budgeted to increase in 2021/22 at 1.5% and forward years ranging from 1.5% to 2.5% for the remaining years in the LTFP.

Service charge revenue is established to recover the cost to provide the services ensuring ongoing service delivery in a sustainable manner.

Other income indexation has a base increase of 2.0%.

**Expenditure**

Operating expenditure indexation will be assessed individually for internal and external factors. All indexation quoted is from the adopted LTFP for 2021/22, and will be reviewed.

- employee costs increase for 2021/22 and 2022/23 was set at 2.25% and the remaining years at 2.5% the draft budget will use existing awards, enterprise bargaining agreements and salary packaging costs and the ASU is a 2% increase pa for 2021/22 and the AWU is a 2.3% increase pa for 2021/22 and 2022/23;
- contractor, materials and other expenses will be reviewed to meet service requirements, the increase for these costs for 2021/22 and 2022/23 was set at 2.25% and the remaining years at 2.5% Indexation will be adjusted to meet existing service requirements:
- selected costs are increased by indexation where agreements, contracts, licensing, arranged service charges, etc. provide for that option, along with costs outside of our control, inc. fuel, postage; these will be considered where the relevant service provider(s) initiates the increases,
- where costs will increase but the quantum is unknown a default increase in line with LGPI,
- some areas of expenditure may actually be the same or less the expected; and
- for changes to service provision, ie. increased number of services provided (eg. no. of waste collection(s)) or usage (eg. water usage at parks and gardens).

**New Initiatives**

As discussed at the Council Workshop 27 January 2021, New Initiatives* (NIs) will be considered for the 2021/22 budget year; the process is as follows:

---

*Note: The asterisk (*) indicates that NIs are being considered for the upcoming budget year (2021/22); the specific details and parameters of the New Initiatives process may vary from year to year and are subject to further discussion and approval by Council.
To assess last year’s (and possibly prior year’s) New Initiatives with the knowledge that COVID-19 stopped the progress of last year’s bids.

No administrative New Initiatives will be considered unless they are high or extreme risks as demonstrated (this includes normal operational service levels changes, risk and work health and safety and legislative tests) against our new Enterprise Risk Framework.

In terms of community bids, there is absolutely not any direction that says they cannot bring matters forward, but any advice provided needs to be measured with the previous 2 dot points.

Council’s existing programs include, not in any particular order and/or limited to:

- Existing service provision, governance and administration,
- Capital renewal/replacement programs,
- Revaluation and condition assessment of assets update the estimate replacement cost over the LTFP. Council’s understanding and management will continually refine the operating result,
- Heavy vehicle and Plant utilisation review,
- Existing long term projects including,
  - Solar, LED and Climate Control – efficiency, financial and environmental benefits/requirements
  - Change Program – internal program for innovative and simple systems, process and productivity improvements,
- Infrastructure Asset Management Plans due 2021,
- Strategic Management Plans,
- The Big Project(s),
- Transport renewal programs year 3 of the 3 year program,
- Asset maintenance and operational requirements

The LTFP for Capital expenditure will be reassessed, ensuring funding is allocated for renewal and replacement assets along with an allowance for new discretionary projects in the later years of the LTFP.

**ATTACHMENTS OR OTHER SUPPORTING REFERENCES**

Nil

**Policy**

Budget & Business Plan and Review Policy

**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
Local Government Act 1999 Section 123
Local Government (Financial Management) Regulations 2011

**FINANCIAL, RESOURCE AND RISK MANAGEMENT CONSIDERATIONS**

**Financial**

Long term financial planning is an ongoing regular process. As new information is included in the planning process, the plans are reviewed and updated.

Each annual review process provides an opportunity to introduce new assumptions or enhance the information base as required.

**COMMUNITY CONSULTATION**

Included as part of the draft 2021/22 Budget/Business Plan consultation and adoption process.
10. CONFIDENTIAL AGENDA - CHIEF EXECUTIVE OFFICER

10.1 INFORMATION AND TECHNOLOGY SECURITY SYSTEMS AND MANAGEMENT - ORGANISATIONAL SECURITY MEASURES AND OPPORTUNITIES FOR IMPROVEMENT

The matter of the agenda item being Information and Technology Security Systems and Management - Organisational Security Measures and Opportunities for Improvement pursuant to Section 90(3)(e) of the Local Government being matters affecting the security of the council, members or employees of the council, or council property, or the safety of any person must be considered in confidence in order to ensure that the report identifies potential vulnerabilities that could be exploited if made public.

There is strong public interest in enabling members of the public to observe transparent and informed decision-making. This helps to ensure accountability, maintain transparency of public expenditure, facilitate public participation, assist public awareness and allow for the scrutiny of information. Attendance at an Audit Committee meeting is one means of satisfying this interest. The public will only be excluded from a committee meeting when the need for confidentiality pursuant to Section 90(2) of the Act outweighs the public interest of open decision-making.

In this matter, the reasons that receipt, consideration or discussion of the information or matter in a meeting open to the public would be contrary to the public interest are that:
- the disclosure of certain information would prevent the efficient and effective governance of the Council or committee;
- the disclosure of sensitive information would be unfair or harmful.

On balance, the above reasons which support the need for confidentiality pursuant to Section 90(2) of the Act outweighs the factors in favour of the public interest of open decision-making.

**RECOMMENDATION**

That the Audit Committee:

(1) Under the provisions of Section 90(2) of the Local Government Act 1999, make an order that the public be excluded from the meeting with the exception of the Chief Executive Officer, Manager Financial Services, Manager Executive Services, Manager Knowledge and Technology Services, Risk Coordinator and the Minute Taker, in order to consider in confidence a report relating to Section 90(3) (e) of the Local Government Act 1999, relating to Information And Technology Security Systems And Management - Organisational Security Measures And Opportunities For Improvement, being information that must be considered in confidence in order to ensure that the Council does not disclose information that could reasonably be expected to affect the security of the council, members or employees of the council, or council property, or the safety of any person; and

(2) Accordingly, on this basis, the Committee is satisfied that public interest in conducting meetings in a place open to the public has been outweighed by the need to keep the information and discussion confidential to ensure the disclosure of certain information would not prevent the efficient and effective governance of the Council or committee; or the disclosure of sensitive information does not become unfair or harmful to Council.