

NOTICE OF COUNCIL MEETING

Pursuant to the provisions of section 88 (1) of the
Local Government Act 1999

Audit & Risk Committee Meeting of the



will be held in

**Council Chamber
Redbanks Road
Mallala**

on

Monday 12 February 2024 at 3:30pm

A handwritten signature in black ink, appearing to be "James Miller", is located above the printed name.

James Miller
CHIEF EXECUTIVE OFFICER

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1 ACKNOWLEDGEMENT OF COUNTRY

Council acknowledges that we meet on the traditional country of the Kurna people of the Adelaide Plains and pays respect to elders past, present and emerging. We recognise and respect their cultural heritage, beliefs and relationship with the land and we acknowledge that they are of continuing importance to the Kurna people living today.

2 ATTENDANCE RECORD

3 MINUTES

3.1 Confirmation of Minutes - Audit & Risk Committee Meeting - 13 November 2023

“that the minutes of the Audit & Risk Committee Meeting held on Monday 13 November 2023 (MB Folios 284 to 290, inclusive), be accepted as read and confirmed.”

3.2 Confirmation of Minutes - Special Audit & Risk Committee Meeting - 13 November 2023

“that the minutes of the Audit & Risk Committee Meeting held on Monday 13 November 2023 (MB Folios 280 to 283, inclusive), be accepted as read and confirmed.”

MINUTES

of the

Audit Committee Meeting



Held, pursuant to the provisions of the
Local Government Act 1999, in the

**Council Chamber
Redbanks Road
Mallala**

on

Monday 13 November 2023 at 4:05pm

The Chairperson formally declared the meeting open at 4:11pm.

1 ACKNOWLEDGEMENT OF COUNTRY

Council acknowledges that we meet on the traditional country of the Kurna people of the Adelaide Plains and pays respect to elders past, present and emerging. We recognise and respect their cultural heritage, beliefs and relationship with the land and we acknowledge that they are of continuing importance to the Kurna people living today.

2 ATTENDANCE RECORD

2.1 Present

Mr Alan Rushbrook (Chairperson) *(by electronic means)*

Mr Peter Fairlie-Jones (Independent Member)

Acting Mayor Marcus Strudwicke

Councillor Margherita Panella *(by electronic means)*

Also in Attendance

Chief Executive Officer

Mr James Miller

Director, Finance

Mr Rajith Udugampola

Director, Development and Community

Mr Michael Ravno

Manager Governance

Ms Rachel Kammermann

Accountant

Ms Carmel Vandermolen

Executive Assistant to the Mayor and Chief Executive Officer

Ms Susan Cook

Audit Partner, Galpins Accountants, Auditors and Business Consultants

Mr Tim Muhlhausler

2.2 Apologies

Mayor Mark Wasley (leave of absence)

3 MINUTES**3.1 CONFIRMATION OF MINUTES - AUDIT COMMITTEE MEETING - 4 SEPTEMBER 2023****COMMITTEE RESOLUTION 2023/62**

Moved: Acting Mayor Strudwicke

Seconded: Mr Fairlie-Jones

“that the minutes of Audit Committee Meeting held on 4 September 2023 be confirmed.”

CARRIED

3.2 CONFIRMATION OF MINUTES - SPECIAL AUDIT COMMITTEE MEETING - 16 OCTOBER 2023**COMMITTEE RESOLUTION 2023/63**

Moved: Acting Mayor Strudwicke

Seconded: Mr Fairlie-Jones

“that the minutes of Special Audit Committee Meeting held on 16 October 2023 be confirmed.”

CARRIED

4 BUSINESS ARISING

Nil

5 DECLARATION OF MEMBERS' INTEREST

Nil

6 REPORTS FOR DECISION

Mr Tim Muhlhausler of Galpins Accountants, Auditors and Business Consultants (Audit Partner) was admitted to the meeting via electronic means at 4:16pm.

6.1 DRAFT AUDITED FINANCIAL STATEMENTS 2022 - 2023**COMMITTEE RESOLUTION 2023/64**

Moved: Councillor Panella

Seconded: Mr Fairlie-Jones

“that the Audit Committee, having considered Item 6.1 – *Draft Audited Financial Statements 2022-2023*, dated 13 November 2023, receives and notes the report and in doing so, receives and notes the Annual Financial Statements and notes forming part of the Annual Financial statements for the 2022/2023 Financial Year.”

CARRIED

COMMITTEE RESOLUTION 2023/65**Moved:** Acting Mayor Strudwicke**Seconded:** Mr Fairlie-Jones

“that the Audit Committee, having considered Item 6.1 – *Draft Audited Financial Statements 2022-2023*, dated 13 November 2023, receives and notes the report and in doing so, acknowledges that it has reviewed the Annual Financial Statements for the year ended 30 June 2023 and formed the opinion that they present a true and fair view, and recommends to the Council that they be formally adopted and be certified on behalf of the Council by the Mayor and Chief Executive Officer.”

CARRIED**COMMITTEE RESOLUTION 2023/66****Moved:** Mr Fairlie-Jones**Seconded:** Acting Mayor Strudwicke

“that the Audit Committee, having considered Item 6.1 – *Draft Audited Financial Statements 2022 - 2023*, dated 13 November 2023, receives and notes the report and in doing so, authorises its Chairman to sign the Certification of Auditor Independence.”

CARRIED**COMMITTEE RESOLUTION 2023/67****Moved:** Mr Fairlie-Jones**Seconded:** Acting Mayor Strudwicke

“that the Audit Committee, having considered Item 6.1 – *Draft Audited Financial Statements 2022-2023*, dated 13 November 2023, receives and notes the report and in doing so, acknowledges that Council’s independent Auditor Mr Tim Muhlhausler of Galpins Accountants, Auditors & Business Consultants intends to issue an unmodified opinion in relation to the Financial Statements and the Internal Financial Controls of the Council for the 2022/2023 Financial Year.”

CARRIED

Mr Tim Muhlhausler of Galpins Accountants, Auditors and Business Consultants (Audit Partner) left the meeting at 4:54pm.

6.2 UPDATE ON AUDIT COMMITTEE ANNUAL WORK PROGRAM 2023/2024**COMMITTEE RESOLUTION 2023/68****Moved:** Councillor Panella**Seconded:** Acting Mayor Strudwicke

“that the Audit Committee, having considered Item 6.2 – *Update on Audit Committee Annual Work Program 2023/2024*, dated 13 November 2023, receives and notes the report and in doing so recommends to the Council that the Council acknowledges the progress made to complete the activities identified for Audit Committee during 2023/2024 Financial Year. Consideration be given

to the inclusion of budget reviews and impact of the draft asset revaluations in the Audit Committee Annual Work Program.”

CARRIED

7 REPORTS FOR INFORMATION

7.1 REVIEW OF AUDITED FINANCIAL RESULTS FOR 2022/2023 AGAINST ADOPTED BUDGET

COMMITTEE RESOLUTION 2023/69

Moved: Acting Mayor Strudwicke

Seconded: Mr Fairlie-Jones

“that the Audit Committee, having considered Item 7.1 – *Review of Audited Financial Results for 2022/2023 against Adopted Budget*, dated 13 November 2023, receives and notes the report.”

CARRIED

7.2 COMMITTEE RESOLUTIONS

COMMITTEE RESOLUTION 2023/70

Moved: Councillor Panella

Seconded: Acting Mayor Strudwicke

“that the Audit Committee, having considered Item 7.2 – *Committee Resolutions*, dated 13 November 2023, receives and notes the report.”

CARRIED

8 QUESTIONS WITHOUT NOTICE

Nil

9 MOTIONS WITHOUT NOTICE

Nil

10 URGENT BUSINESS

Nil

11 CONFIDENTIAL ITEMS

11.1 ANNUAL REVIEW COUNCIL’S INSURANCE PROGRAM - 2023/2024

COMMITTEE RESOLUTION 2023/71

Moved: Councillor Panella

Seconded: Mr Fairlie-Jones

“that:

- 1. Pursuant to section 90(2) of the *Local Government Act 1999*, the Audit Committee orders that all members of the public, except Chief Executive Officer, Director Development and Community, Director Finance, Director Infrastructure and Environment, Manager Governance and Executive Assistant to the Chief Executive Officer and Mayor/Minute Taker be excluded from attendance at the meeting of Council for Agenda Item *11.1 Annual Review Council’s Insurance Program - 2023/2024*;**
- 2. The Audit Committee is satisfied that pursuant to section 90(3)(d) of the *Local Government Act 1999*, Item *11.1 Annual Review Council’s Insurance Program - 2023/2024* concerns information of a confidential nature, the disclosure of which would involve the unreasonable disclosure of commercial information of a confidential nature (not being a trade secret) the disclosure of which could reasonably be expected to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party; and**
- 3. The Audit Committee is satisfied that the principle that Council meetings should be conducted in a place open to the public has been outweighed by the need to keep the information, matter and discussion confidential.”**

CARRIED

COMMITTEE RESOLUTION 2023/73

Moved: Acting Mayor Strudwicke

Seconded: Councillor Panella

“that Audit Committee, having considered the matter of Agenda Item *11.1 Annual Review Council’s Insurance Program - 2023/2024* in confidence under sections 90(2) and 90(3)(d) of the *Local Government Act 1999*, resolves that:-

- 1. The staff report pertaining to Agenda Item *11.1 Annual Review Council’s Insurance Program - 2023/2024*, remain confidential and not available for public inspection until further order of the Council;**

2. Attachments pertaining to Agenda Item 11.1 *Annual Review Council's Insurance Program - 2023/2024* remain confidential and not available for public inspection until further order of Council;
3. Pursuant to section 91(9)(a) of the *Local Government Act 1999*, the confidentiality of the matter will be reviewed every twelve (12) months; and
4. Pursuant to section 91(9)(c) of the *Local Government Act 1999*, Council delegates the power to revoke this confidentiality order to the Chief Executive Officer."

CARRIED

12 NEXT MEETING

Special Meeting Late November 2023

Ordinary Meeting 12 February 2024

13 CLOSURE

There being no further business, the Chairperson declared the meeting closed at 5:20pm.

Confirmed as a true record.

Chairperson:.....

Date: ____/____/____

MINUTES

of the

Resumption of Adjourned Special Audit Committee Meeting



Held, pursuant to the provisions of the
Local Government Act 1999, in the

**Council Chamber
Redbanks Road
Mallala**

on

Monday 13 November 2023 at 4:00pm

The Chairperson formally declared the meeting open at 4:00pm.

1 ACKNOWLEDGEMENT OF COUNTRY

Council acknowledges that we meet on the traditional country of the Kurna people of the Adelaide Plains and pays respect to elders past, present and emerging. We recognise and respect their cultural heritage, beliefs and relationship with the land and we acknowledge that they are of continuing importance to the Kurna people living today.

2 ATTENDANCE RECORD

2.1 Present

Mr Alan Rushbrook (Chairperson) *(by electronic means)*

Mr Peter Fairlie-Jones (Independent Member)

Acting Mayor Marcus Strudwicke

Councillor Margherita Panella *(by electronic means)*

Also in Attendance

Chief Executive Officer

Mr James Miller

Director, Finance

Mr Rajith Udugampola

Director, Development and Community

Mr Michael Ravno

Manager Governance

Ms Rachel Kammermann

Accountant

Ms Carmel Vandermolen

Executive Assistant to the Mayor and Chief Executive Officer

Ms Susan Cook

2.2 Apologies

Mayor Mark Wasley (leave of absence)

3 BUSINESS ARISING

Nil

4 DECLARATION OF MEMBERS' INTEREST

Nil

5 QUESTIONS WITHOUT NOTICE

Nil

6 MOTIONS WITHOUT NOTICE

Nil

7 URGENT BUSINESS

Nil

8 CONFIDENTIAL ITEMS**8.1 TWO WELLS TOWN CENTRE DEVELOPMENT - LAND FACILITATION AGREEMENT (TERM SHEET) BETWEEN PREFERRED PROPONENT AND ADELAIDE PLAINS COUNCIL****COMMITTEE RESOLUTION 2023/62**

Moved: Acting Mayor Marcus Strudwicke

Seconded: Mr Fairlie-Jones

“that:

1. Pursuant to section 90(2) of the *Local Government Act 1999*, the Audit Committee orders that all members of the public, except Chief Executive Office, Director Corporate Services, Director Development and Community, Director Finance, Director Infrastructure and Environment, Manager Governance, Executive Assistant to the Chief Executive Officer and Mayor/Minute Taker, Information Technology Officer be excluded from attendance at the meeting of Council for Agenda Item *8.1 Two Wells Town Centre Development - Land Facilitation Agreement (Term Sheet) between Preferred Proponent and Adelaide Plains Council*;
2. The Audit Committee is satisfied that pursuant to section 90(3)(b) of the *Local Government Act 1999*, Item *8.1 Two Wells Town Centre Development - Land Facilitation Agreement (Term Sheet) between Preferred Proponent and Adelaide Plains Council* concerns information of a confidential nature, the disclosure of which would involve the unreasonable disclosure of information the disclosure of which could reasonably be expected to confer a commercial advantage on a person with whom Council is conducting, or proposing to conduct, business, or to prejudice the commercial position of Council; and
3. The Audit Committee is satisfied the principle that Council meetings should be conducted in a place open to the public has been outweighed by the need to keep the information, matter and discussion confidential.”

CARRIED

COMMITTEE RESOLUTION 2023/64**Moved: Councillor Panella****Seconded: Acting Mayor Strudwicke**

“that the Audit Committee, having considered the matter of Item 8.1 *Two Wells Town Centre Development - Land Facilitation Agreement (Term Sheet) between Preferred Proponent and Adelaide Plains Council* in confidence under sections 90(2) and 90(3)(b) of the *Local Government Act 1999*, resolves that:-

- 1. The Staff Report pertaining to Item 8.1 *Two Wells Town Centre Development - Land Facilitation Agreement (Term Sheet) between Preferred Proponent and Adelaide Plains Council*, remain confidential and not available for public inspection until further order of Council;**
- 2. Attachment 1 pertaining to Item 8.1 *Two Wells Town Centre Development - Land Facilitation Agreement (Term Sheet) between Preferred Proponent and Adelaide Plains Council* remain confidential and not available for public inspection until further order of Council except such disclosure as the Chief Executive Officer determines necessary or appropriate for the purpose of furthering the discussions or actions contemplated;**
- 3. Pursuant to section 91(9)(a) of the *Local Government Act 1999*, the confidentiality of the matter will be reviewed every twelve (12) months; and**
- 4. Pursuant to section 91(9)(c) of the *Local Government Act 1999*, Council delegates the power to revoke this confidentiality order to the Chief Executive Officer.”**

CARRIED**9 NEXT MEETING**

13 November 2023

10 CLOSURE

There being no further business, the Chairperson declared the meeting closed at 4:10pm.

Confirmed as a true record.

Chairperson:.....

Date: ____/____/____

4 BUSINESS ARISING

5 DECLARATION OF MEMBERS' INTEREST

6 REPORTS FOR DECISION

6.1 2024/2025 ANNUAL BUSINESS PLAN, BUDGET AND 2025-2034 LONG TERM FINANCIAL PLAN DEVELOPMENT FRAMEWORK

Record Number: D24/6307

Author: Chief Executive Officer

Authoriser: Chief Executive Officer

Attachments: Nil

EXECUTIVE SUMMARY

- The purpose of this report is for the Audit & Risk Committee (the Committee) to consider and endorse the framework to be adopted in compiling/updating: -
 - 2024/2025 Annual Business Plan (ABP);
 - 2024/2025 Annual Budget (the Budget); and
 - 2025-2034 Long Term Financial Plan (LTFP).
- The development of the ABP and the Budget will continue to form the platform to position the Council to achieve “Financial Sustainability” that has been the fundamental focus during the preparation of budgets for the last six (6) financial years.
- In the 2024-2033 LTFP adopted by the Council on 28 August 2023, an operating deficit of \$0.884m has been forecast for 2024/2025 Financial Year based on average Adelaide Consumer Price Index (CPI) of 4%.
- Although the inflation in Australia has passed its peak, it remains persistently high due to higher fuel price and continued labour/goods supply constraints. In addition, recent flooding events in eastern Australia are expected have further negative impact on CPI in 2024.
- According to the most recent CPI updates, both Australian and Adelaide CPI have continued its downward trend to post 4.1% and 4.8% respectively for the year ending 31 December 2023.
- Therefore, financial challenge for the Council is to mitigate the impact of excessive inflation on Council services and manage a significant capital expenditure budget and donated assets while reducing the projected operating deficit overtime, without leaving a financial burden for the future generation (intergenerational equity).
- A well-thought and carefully considered operating deficit (with long term implications analysed and understood) will provide comfort to the community that the Council has a sound financial strategy to meet current/future service demands and capitalise on new growth opportunities.
- Council should/will continue to review its internal operations to identify areas for improvement/productivity gain while addressing resourcing requirements to cater for the substantial developments occurring within the Council district.
- Based on the schedule set out in **Table 2**, it is proposed to release the draft ABP, Budget and LTFP for public consultation on Monday the 29 April 2024 with the final adoption of the draft documents to occur at a Special Council Meeting on Monday the 8 July 2024 well ahead of the statutory deadline of 15 August.

RECOMMENDATION

“that the Audit & Risk Committee, having considered Item 6.1 – *2024/2025 Annual Business Plan, Budget and 2025-2034 Long Term Financial Plan Development Framework*, dated 12 February 2024, receives and notes the report and in doing so recommends that Council:

- 1. endorse the budget parameters and assumptions set out in Table 1 of this Report for the purpose of preparing the draft 2024/2025 Annual Business Plan, Budget and 2025-2034 Long Term Financial Plan; and**
- 2. endorse the schedule set out in Table 2 of this report as the process to be undertaken in the preparation of the 2024/2025 Annual Business Plan, Budget and 2025-2034 Long Term Financial Plan, subject to any date changes the Chief Executive Officer determines necessary.”**

BUDGET IMPACT

Estimated Cost:	Yet to be determined
Future ongoing operating costs:	Yet to be determined
Is this Budgeted?	Not applicable

RISK ASSESSMENT**Inflation risk**

Due to post-pandemic economic recovery and COVID-19 related supply chain issues, almost all the economies in the world have experienced a significant increase in inflation in 2023. Although the inflation has peaked in 2023, uncertainties in the Middle East and the Ukraine could pose a significant threat to maintain sustained reduction in inflation in Australian.

Therefore, if South Australia continue to face with higher inflation throughout 2024/2025 financial year (higher than 3.5% forecast in this report), it could potentially increase some of Council's expenses. It could also lead to increase in overdue rates due to diminishing purchasing power of the ratepayers.

Interest rate risks

In response to higher inflation, Reserve Bank of Australia has increased its cash rate from historical low level of 0.10% since May 2022 which had a flow on effect on interest expense on Council borrowings. RBA has indicated that they would continue to increase cash rate until inflation is within RBA's policy target of 2% - 3% range.

Cyber security

In recent years, Council has made significant investment in upgrading its information technology infrastructure to keep up-to-date with technological advancements that will safeguard its information and systems from potential cyber-attacks. This should continue to be high priority for the Council given continuing recent cyber security breaches reported at commercial, federal and other local government level.

Occupational Health and Safety Risk

There can be heavy financial and prosecution penalties applied against Council, if Council has not complied with the requirements of the *Work, Health and Safety Act 2012* (WHS Act) and is found guilty as a result of an incident occurring. Maintenance and replacement of plants and equipment

at the right time is crucial in ensuring the health and safety of workers (including contractors, volunteers etc.) and Council meets its due diligence obligations under the WHS Act. When maintenance is no longer effective, Council needs to replace equipment, and factor those costs into the capital budget to fulfil its WHS responsibilities.

Credit Risk

Council currently doesn't have any particular credit risks due to a relatively low level of debt compared to the rates revenue and the assets base. Although Council can borrow money due to its creditworthiness at a very competitive rate, any new long-term borrowings should be restricted to financing new assets or to upgrade existing assets with a clear strategy in focus, and not to finance operating deficits except for short-term cash flow management purposes.

DETAILED REPORT

Purpose

The purpose of this report is for the Audit & Risk Committee (the Committee) to consider and endorse the framework to be adopted in compiling the 2024/2025 ABP, Budget and the 2025-2034 LTFP.

Background

Legislative Requirements

Pursuant to section 123 of the *Local Government Act 1999* (the Act), Council is required to prepare an Annual Business Plan and Annual Budget each financial year Council must adopt its Annual Business Plan and Annual Budget between 31 May and 15 August (except in a case involving extraordinary administrative difficulty).

Section 123(2) of the Act requires that each Annual Business Plan of a Council must:

- a) include a summary of the Council's long-term objectives (as set out in its strategic management plans); and
- b) include an outline of-
 - i. the Council's objectives for the financial year; and
 - ii. the activities that the Council intends to undertake to achieve those objectives; and
 - iii. the measures (financial and non-financial) that the Council intends to use to assess the performance of the Council against its objectives over the financial year; and
- c) assess the financial requirements of the Council for the financial year and, taking those requirements into account, set out a summary of its proposed operating expenditure, capital expenditure and sources of revenue; and
- d) set out the rates structure and policies for the financial year; and
- e) assess the impact of the rates structure and policies on the community based on modelling that has been undertaken or obtained by the Council; and
- f) take into account the Council's long-term financial plan and relevant issues relating to the management and development of infrastructure and major assets by the Council; and
- g) address or include any other matter prescribed by the regulations.

Pursuant to Section 123(3) of the Act, prior to the adoption of the Annual Business Plan and Budget, a twenty-one (21) day public consultation period is required. As per recent amendments made to Schedule 5 of the Act, draft ABP and budget will only be available on Council website during the public consultation period.

At a Council Meeting, post the conclusion of the public consultation period, members of the public can ask questions and make written submissions regarding the draft Annual Business Plan.

Discussion

Economic and Fiscal Outlook for Australia

The Mid-Year Economic and Fiscal Outlook 2023/2024 released by the Government late in 2023 states that *'The outlook for the global economy remains highly uncertain and inflation continues to be a major challenge around the world. More persistent global inflation, Russia's invasion of Ukraine,*

the Hamas-Israel conflict, an ongoing adjustment in China's property sector and the lagged effects of sharp global monetary tightening all pose downside risks to growth. While some key economies have shown greater-than-expected resilience, global growth is still expected to moderate over the next two years as persistent inflation and higher interest rates weigh on economic activity...'

Although inflation in Australia has passed its peak, it remains persistently high. The outlook for inflation has, therefore, been revised up for 2023-24 by the Federal Government, reflecting the still high cost of living being experienced in many nations, including Australia.

Economic and Fiscal Outlook for South Australia

Based on the latest ABS data, Adelaide CPI have decreased to 4.80% for the year ending 31 December 2023. Mid-Year Budget Review 2023-24 released by the Government of South Australia in December 2023 estimates that for 2024/2025, the Adelaide Consumer Price Index (CPI) would be 3.50% which is projected to decrease further to 3.00% in 2025/2026 and decrease to 2.50% 2026/2027 which within the RBA's target range of between 2% to 3%.

Local Government Price Index (LGPI) which measures the price movement of goods and services consumed by the local government in South Australia and Adelaide CPI continued to decrease throughout the last 12 months as summarised below.

	Dec 22	Mar 23	Jun 23	Sept 23	Dec 23
LGPI					
- Recurrent	4.40%	4.40%	3.90%	4.70%	Not available
- Capital	12.50%	11.00%	9.10%	5.00%	Not available
- Combined	6.90%	6.40%	5.60%	4.80%	Not available
CPI – Adelaide					
	8.60%	7.90%	6.90%	5.90%	4.80%

Intergenerational Inequity

The financial challenge for Council and the community is to deliver planned infrastructure renewals in accordance with Council's Asset Management Plan (updated in October 2021) to provide the level of service expected by the Adelaide Plains community along with new/upgraded assets as envisaged in the updated strategic plan of the Council.

However, such a level of service and new assets comes at a cost and if the current generation of ratepayers do not contribute sufficiently through rates and user charges, Council leaves a legacy of financial burden for future generations. For example, since 2019/2020 Council undertook several road sealing programs which were partially/fully funded by government grants. These upgraded roads are expected to cause Council depreciation to go up by around \$0.130m in 2024/2025.

The 2024/2025 Annual Business Plan

The Annual Business Plan is Council's statement of its intended programs and objectives for a financial year. It will be developed based on the strategies set out in Council's Strategic Plan 2021-2024 and assets management plans within the parameters of the 2024/2033 LTFP adopted by the Council on 28 August 2023.

Elements of an Annual Budget

The annual budget of a council incorporates three (3) components of the Council Operations. They are;

- a) Recurrent (day-today) Income and Expenditure;
- b) One-off service initiatives or Operating Projects; and
- c) Infrastructure renewal and new/upgraded assets (Capital Projects).

Key Budget Influences

➤ **External Budget Influences**

- The Reserve Bank of Australia (RBA) has an inflationary target of between 2.00% and 3.00% per annum. The RBA has indicated that it will continue to maintain higher cash rates until the inflation is within its target range.
- Payment of Financial Assistance Grant for the past number of years has been paid in advance by the Federal Government. The advance payments pose a cash and budget risk when/if the Federal Government decide cease the advance payments being made. As this Grant is an untied grant the amount received in advance is classified as income in the year the amount is received. The current amount paid in advance is \$1.886m (paid out of 2023/2024 allocation) that was received in June 2023
- The Federal Mid-Year Economic and Fiscal Outlook 2023-24 released late in 2023 predicts that the CPI for Australia will be 3.75% in 2023/2024 and 2.75% in 2024/2025.
- The Australian unemployment is expected to remain under 5% in 2024 and 2025.
- In September quarter 2023, the seasonally adjusted Wage Price Index rose to 3.9% and 4.0% over the year for South Australia and Australia respectively.
- Both Australian and Adelaide CPI have continued its downward trend to post 4.1% and 4.8% respectively for the year ending 31 December 2023.
- The CPI for South Australia is forecast at 3.5% and 3% in 2024/2025 and 2025/2026 respectively.
- Depreciation expenses are expected to increase by more than CPI/LGPI. For example, as of 1 July 2023, unit rates that will be used to revalue stormwater assets have increased by 20%.
- Increase in population due to new residents moving in to the Council district. For example, following new rateable properties were created by the Council in recent years: -
 - 2019/2020 Financial Year : 173 + donated assets of \$5.3m
 - 2020/2021 Financial Year : 257 + donated assets of \$5.4m
 - 2021/2022 Financial Year : 146 + donated assets of \$4.7m
 - 2022/2023 Financial Year : 125+ donated assets of \$3.7m
 - 2023/2024 Financial Year: 97 for the period July-December 2023. Similar period last year, it was 78 properties.
- Increased demand for updated IT infrastructure to ensure cyber security, connectivity, storage, data integrity and facilitate work from home.

- Increase in community demand for new assets such as sealing of unsealed roads and stormwater drainage. For example, following roads have been sealed/will be sealed by the Council by 30 June 2024 at a cost of \$7.2m

2019/2020	2020/2021	2021/2022	2022/2023	2023/2024
Shannon Road		Coats Road		Middle Beach Road
	Carslake Road	Wheller Road	Glover Road	
		Cheek Road	Buckland Park Road	
		Aerodrome Road		
		Barabba Road		

- Continue with assets rationalisation - Potential to engage community organisations and groups to manage community assets (For example Mallala Campground, Parham Campground).
- Adelaide Plains Council population had grown by nearly 5.5% from 2011 to 8,801 in 2016. It is projected to grow by 10,557 persons to a population of 19,358 by 2050 at 1.20% per annum compared to 0.90% for Greater Adelaide.
- The Estimated Resident Population within the district as per Australian Bureau of Statistics is 10,456 as at 30 June 2022 (9,977 as of 30 June 2021);
- Commitments to projects and partnership initiatives continuing over more than one year e.g. Regional Procurement Group, Regional Development Australia Barossa Inc, Central Local Government Region of South Australia and Local Government Association of South Australia.
- Department for Environment & Water has advanced their body of work on the Gawler River Business Case; an initiative that seeks to provide options for flood mitigation within the Gawler River catchment. Should the option to raise the Bruce Eastick Dam be adopted, this is likely to cost in the vicinity of \$190 million which is a cost that would need to be borne by all three tiers of government. Council's share of this cost is currently unknown and could equate to a significant amount of money however advocacy and lobbying of the other tiers of government is needed to ensure a more equitable sharing of costs when factoring in ability to pay of constituent councils.

➤ Internal Budget Influences

- Cost of maintaining infrastructure assets handed over to the Council from the housing development in Two Wells. Budget for next financial year will be developed on the assumption that the new infrastructure will have same service level as previously provided by the developer unless Council decides otherwise.
- Conflict between Peri Urban Vs Rural services expectation of Council and the uplift in expectation of residents.
- Increase in overdue rates (as summarised below) which requires Council to rely on short-term borrowings to delivery its services to the community.
 - 30/06/2020 \$0.810m
 - 30/06/2021 \$1.050m
 - 30/06/2022 \$0.922m
 - 03/02/2023 \$1.012m
 - 30/06/2023 \$1.122m

- 31/01/2024 \$0.766m
- Additional depreciation expenses associated with significant infrastructure spending in 2021/2022, 2022/2023 and 2023/24 Financial Years and significant increases in unit rates since 1 July 2023. It's estimated that each upgrade of an unsealed road to a sealed road increases depreciation costs by 60% per road.
- The current Enterprise Bargaining Agreements for Indoor and Outdoor is schedule to conclude as of the 30 June 2024. The Council Employees are currently in the stages of negotiation a new EBA for the period of 1 July 2024 to 30 June 2027. As the increase in salaries/wages is yet to be determined. With the current Public Sector Wage Growth sitting at an average of 3.5% in the year to the September quarter of 2023, a rate of 3% will be used as an estimated for calculating increases in Salaries/wages for Council staff.
- Council's long-term financial objective of being financially sustainable by achieving an operating break-even position and the need to exercise prudent financial management practices to ensure financial sustainability.
- Requirements to maintain and improve infrastructure assets to acceptable standards including roads, kerbing, footpaths, Community Waste Management Scheme, storm water drainage, parks and gardens, Council's buildings, plants, machinery, equipment, furniture and fittings in consistent with the Infrastructure and Asset Management Plans.
- The 2024/2025 Budget and 2025-2034 LTFP will remain influenced by the current strategy documents: the Council Strategic Plan for the 2021-2024 Period and the Council Infrastructure and Asset Management Plan from 2021. Both Strategic Documents are scheduled for review in 2024.

Key Budget Assumptions and Parameters

1. Maintaining existing services at current service standards (business as usual)

The draft 2024/2025 Annual Budget and 2025-2034 LTFP will be prepared based on 'business as usual' assumption, which means that Council will continue to provide the existing services at the current service levels. This is not to say that the existing services that will be continued, will be delivered in the same way, as Council's management is constantly looking for innovative and cost-effective ways of delivering Council services. Accordingly, Council's budget managers will adjust their recurrent budgets for 2024/2025 based on the 2023/2024 budget and year-to-date January 2024 actual performance.

The "business as usual" assumption does not take into account any change in direction or service level in response to community expectations, legislative requirements, changing economic conditions or any changes that Council may wish to make, however the 2024/2025 Annual Budget and LTFP will be adjusted for such changes that are known. Accordingly, following budget parameters and assumptions will be made in preparing draft ABP, Budget and the LTFP.

Table 1: Budget & LTFP Parameters and Assumptions

Description	24/25 Budget Assumptions (Year 1)	LTFP Assumptions (Year 2 to 9)
General Rates	To be confirmed following workshops with Elected Members and the finalisation of budget.	3% + 2.75% growth per annum.

CWMS Charge	Mallala & Middle Beach – To be decided based on full cost recovery	Mallala and Middle Beach – continue to increase based on full cost recovery
Waste Collection Levy	To be determined based on expected costs to deliver the program which may include hard waste collection and other waste initiatives such as Transfer Station, Coastal Green Waste and Sustainability Officer.	4% increase p.a. on 2024/2025 waste charge.
Regional Landscape Levy	To be advised by Northern & Yorke Landscape Board.	3% increase p.a. on 2024/2025 levy.
Statutory/User Charges	Maximum increase of 4%. <i>(To be determined as part of Annual Fees and Charges Review).</i>	Maximum increase of 3% p.a.
Grants, subsidies and contributions	Will be estimated based on confirmed grant programs such as R2R, FAG, Library Grant & Supplementary Local Grant.	
Employee Costs (incl. on-costs)	EBA currently in negotiation, estimate a 3% for budgeting purposes only.	4% p.a.
Materials, contracts and other	To be confirmed following the finalisation of budget. Unlike in previous years, it's difficult to estimate a % increase so early in the budget process due to high inflation.	Overall increase of 3% p.a. excluding the cost of waste collection service.
Depreciation	Expected to be 12% based on 22/23 assets revaluation.	Expected to be 4% p.a. based on 23/24 assets revaluation.
Finance Costs	To be determined based on current/new borrowings and average interest rate of 5.6%.	To be determined based on new borrowings required and average interest rate of between 3% to 6%.
Donated Assets	\$5m worth donated assets to be given to the Council by developers every year.	
Overdue Rates, trade receivable, trade payables and provisions	No significant increase in overdue rates, trade receivable, trade payables and provisions.	
Forecast indices	Price Adelaide CPI 3.5%	Adelaide CPI 3%

2. Asset Renewal and Replacement

The Council has in place Infrastructure & Asset Management Plans (I&) that was last updated in October 2021 for each major class of assets. The financial projections to be included in the draft 2024/2025 Budget will be based on the asset renewal and replacement programs as outlined in the I&.

Due to the unique nature of the Council's asset base, the input costs to renew and replace the existing asset base, can be subject to cost escalations which are greater/lower than Adelaide CPI/LGPI.

3. New Operating and Capital Projects

New projects, both Operating and Capital, which are to be put forward for consideration by the Council staff and the Elected Members, should be aligned with: -

1. Council's Strategic Management Plan 2021-2024;
2. Infrastructure and Asset Management Plans; and
3. Long Term Financial Plans.

In addition, all new Operating and Capital Projects are to be considered and approved within the constraints of the current Long-Term Financial Plan. New services and one-off projects in excess of the current LTFP are to be funded through rate increases, loan borrowings and grant income or by expenditure savings.

4. Carry Forward Projects

Where this financial year Operating Projects are not completed by 30 June 2024 including projects carried forward from 2023/2024 Financial Year, future deficits can eventuate, as the rate revenue is raised in the year as the project is initially approved. As part of the draft Budget, the cost to complete the Operating Projects from prior financial years will be carried forward to the 2024/2025 financial year, however those carried forward projects will be excluded for 2024/2025 rate modelling purpose.

Budget Timetable

As set out in **Table 2** below, a budget timetable has been drafted to ensure that the Council is in a position to adopt 2024/2025 Annual Business Plan and the Budget at a Special Council Meeting on 8 July 2024. The proposed timetable includes;

- 5 X Information sessions with the Elected Members including a bus tour;
- 3 X Audit & Risk (A&R) Committee meetings;
- 1 X Infrastructure & Environment (I&E) Committee meeting;
- 4 X Council meetings.

Therefore, Council Members will have number of opportunities to review and ask questions on the draft 2024/2025 ABP, Budget and the 2025-2034 LTFP.

This timeline will also allow Council to approve the budget well ahead of the legislated deadline of 15 August 2023. It will also assist the Council staff to carry out all end of year processing as at 30 June 2024 on time, and plan for the new financial year.

Table 2 - Key Budget and LTFP Activities

KEY STEPS	DATES	MEETING
Strategic Plan Review, 2024/2025 Budget.	Monday, 5 February	Information/briefing session 1 from 5.30pm to 7.30pm
Budget process, parameters and objectives are presented to the A&R Committee for consideration and comment.	Monday, 12 February	A&R Committee meeting at 4.30pm
Bus tour of proposed infrastructure program for 2024/2025.	Tuesday, 13 February	Information/briefing session 2 from 9.30am to 5.00pm

Budget process, parameters and objectives presented to the Council for adoption.	Monday, 26 February	February Council Meeting at 5.30pm (Decision report)
Recurrent Budget, Operating Projects and four (4) Year Capital Program is discussed with EMs.	Monday, 4 March	Information/briefing session 3 from 5.30pm to 7.30pm
I&E Committee to consider four (4) year capital renewal program.	Thursday, 14 March	I&E Committee Meeting at 5.30pm
Draft 2024/2025 ABP, budget and draft 2025-2034 LTFP - Operating Budget: In-principle support.	Monday, 25 March	March Council meeting at 5.30pm (Decision report)
Recurrent Budget, Operating and Capital Projects Workshop with Council Members.	Monday, 8 April	Information/briefing session 4 from 5.30pm to 7.30pm
Draft 2024/2025 ABP, budget and draft 2025-2034 LTFP is presented to the A&R Committee.	Tuesday, 16 April	A&R Committee meeting at 4.30pm
Draft 2024/2025 Fees and Charges are presented to Council.	Monday, 22 April	April Council Meeting at 5.30pm (Decision report)
Draft 2024/2025 ABP, budget and draft 2025-2034 LTFP endorsed for public consultation.	Monday, 22 April	April Council Meeting at 5.30pm (Decision report)
21 Days public consultation period begins with advertisement in local newspapers.	Monday, 29 April	Public consultation (Start)
Special Council Meeting to receive public submissions on the draft ABP and the Budget.	TBC	Special Council Meeting at 5.30pm
21 Days public consultation period ends.	Monday, 20 May	Public consultation
Consideration of public submissions by the A&R Committee.	Monday, 17 June	A&R Committee meeting at 4.30pm
Draft 2024/2025 ABP, budget and draft 2025-2034 LTFP presented to the A&R Committee.	Monday, 17 June	A&R Committee meeting at 4.30pm
Recurrent Budget, Operating and Capital Projects Workshop with Council Members.	Monday, 17 June	Information/briefing session 5 from 6.30pm to 8.30pm
Public submissions received on the draft 2024/2025 ABP, budget and draft 2025-2034 LTFP are presented to the Council.	Monday, 24 June	June Council Meeting at 5.30pm (Information report)
Adoption of Draft 2024/2025 ABP, budget and draft 2025-2034 LTFP.	Monday, 8 July	Special Council Meeting at 5.30pm (Decision report)

Conclusion

A well-developed budget framework and timetable will assist Council Members and the management to monitor the progress of the budget process, so that 2024/2025 Budget can be adopted as planned on 8 July 2024.

In order to provide certainty to the community regarding the level and range of services provided by Council, the cost of providing those services, future Council borrowing requirements and general rate rises, Council should ensure that draft budget is compatible with the: -

- 1) Strategies of Council's Strategic Plan 2021-2024;
- 2) Draft 2025-2033 Long Term Financial Plan; and
- 3) Council's Infrastructure & Asset Management Plan.

References

Legislation

Local Government Act 1999

Local Government (Financial Management) Regulations 2011

Council Policies/Plans

Audit & Risk Committee Annual Works Program 2023/2024

Audit & Risk Committee Terms of Reference

Asset Management Policy

Budget Management Policy

Council Vehicle Policy

Funding Policy

Fixed Assets Accounting Policy

Prudential Management Policy

Rates Arrears and Debtor Management Policy

Treasury Management Policy

Long Term Financial Plan 2024-2033 (Updated 28 August 2023)

Strategic Plan 2021 – 2024

Infrastructure & Asset Management Plans (Updated 25 October 2021)

6.2 UPDATE ON AUDIT & RISK COMMITTEE ANNUAL WORKS PROGRAM 2023/2024**Record Number:** D24/6310**Author:** Accountant**Authoriser:** Chief Financial Officer**Attachments:** 1. **Audit & Risk Committee Annual Work Program 2023/2024 – February 2024 Update** [↓](#) **EXECUTIVE SUMMARY**

- The purpose of this report is to provide the Audit & Risk Committee (the Committee) with the progress update on the activities identified in the Committee's Annual Works Program for 2023/2024 Financial Year.
- At the meeting held on 4 September 2023, the Committee approved its 2023/2024 Works Program and the instructed 'the Chief Executive Officer to bring back a report to the next meeting of [the Committee] setting out timeframes and priorities'.
- Following reports were provided to the 13 November 2023 Committee meeting.
 - Final audit for 2022/2023 has been completed and draft audited financial statements, audit report on financial statements and internal controls;
 - Details of Council insurance policies; and
 - A report on the review of audited financial results of 2022/2023 against the adopted budget.
- Agenda for the 12 February 2024 meeting contains following reports.
 - 2024/2025 Annual Business Plan, Budget and 2025-2034 LTFP development framework and timetable;
 - Financial Performance for the period July-December 2023;
 - CEO Credit Card expenditure for the period July-December 2023;
 - Exemptions from the Procurement Policy; and
 - The currency of Council policies.

RECOMMENDATION

"that the Audit & Risk Committee, having considered Item 6.2 – Update on Audit & Risk Committee Annual Works Program 2023/2024, dated 12 February 2024, receives and notes the report and in doing so recommends the Council acknowledge the progress made to complete the activities identified for Audit & Risk Committee during 2023/2024 Financial Year."

BUDGET IMPACT

Estimated Cost:	Not applicable
Future ongoing operating costs:	Not applicable
Is this Budgeted?	Not applicable

RISK ASSESSMENT

The Committee must ensure the Annual Work Program addresses the statutory obligations and focuses on the adequacy of the Councils' systems and practices with respect to risk management, financial reporting, the internal control environment and other financial management systems. The ongoing monitoring of the Annual Work Program assist minimisation of exposure to associated risks allowing for adequate resourcing for mitigation strategies by the Council.

DETAILED REPORT**Purpose**

The purpose of this report is to provide the Audit & Risk Committee (the Committee) with the progress update on the activities identified in the Committee's Works Program for 2023/2024 Financial Year.

Background

At its meeting on 4 September 2023, the Committee approved the work program for 2023/2024 Financial Year and resolved as follows:

6.4 DRAFT ANNUAL WORK PROGRAM FOR 2023/2024 FINANCIAL YEAR**COMMITTEE RESOLUTION 2023/1**

Moved: Mr Fairlie-Jones

Seconded: Councillor Panella

"that the Audit Committee, having considered Item 6.4 – Draft Annual Work Program for 2023/2024 Financial Year, dated 4 September 2023, receives and notes the report and in doing so adopts Draft 2023/2024 Audit Committee Work Program and instructs the Chief Executive Officer to bring back a report to the next meeting of the Audit Committee setting out timeframes and priorities."

CARRIED

At its meeting on 13 November 2023, the Committee received and noted the updated report and resolved as follows:

6.2 UPDATE ON AUDIT COMMITTEE ANNUAL WORK PROGRAM 2023/2024**COMMITTEE RESOLUTION 2023/68**

Moved: Councillor Panella

Seconded: Acting Mayor Strudwicke

"that the Audit Committee, having considered Item 6.2 – Update on Audit Committee Annual Work Program 2023/2024, dated 13 November 2023, receives and notes the report and in doing so recommends to the Council that the Council acknowledges the progress made to complete the activities identified for Audit Committee during 2023/2024 Financial Year. Consideration be given to the inclusion of budget reviews and impact of the draft asset revaluations in the Audit Committee Annual Work Program."

CARRIED

Discussion

To ensure the requirements of the *Local Government Act 1999* and the Terms of Reference of the Committee are fulfilled, the Committee must develop a Work Program each year.

A regular update on the 2023/2024 Work Program will assist the members of the Committee to monitor their planned activities and the **Attachment 1** shows progress to date. Accordingly, following reports were provided to the 13 November 2023 meeting;

- Final audit for 2022/2023 has been completed and draft audited financial statements, audit report on financial statements and internal controls;
- Details of Council insurance policies; and
- A report on the review of audited financial results of 2022/2023 against the adopted budget.

In addition, the agenda for the 12 February 2024 meeting contains following reports.

- 2024/2025 Annual Business Plan, Budget and 2025-2034 LTFP development framework and timetable;
- Financial Performance for the period July-December 2023;
- CEO Credit Card expenditure for the period July-December 2023;
- Exemptions from the Procurement Policy; and
- The currency of Council policies.

As indicated in the **Attachment 1**, some of the reports do not have a 'target meeting' date as emergence of particular information is not time-bound. However, as and when the information become available, the Committee will be provided with relevant report as an ongoing basis.

Conclusion

This is the second progress update report since the adoption of the 2023/2024 Annual Works Program. Council management will provide further reports to future Committee meetings (expected to be held in April & June 2024) to complete the activities identified in the **Attachment 1**).

References

Legislation

Section 126 of the Local Government Act 1999

Local Government (Financial Management) Regulations 2011

Council Policies/Plans

Audit & Risk Committee Terms of Reference.

Audit & Risk Committee Annual Work Program 2023/2024

Activity	Target Meeting	Current Status/Outcome	Date Completed
1. Financial Reporting - LGA Act 1999 – Section 126(4)(a)			
1.1 Review Council’s Annual Financial Statements, the application of Australian Accounting Standards and Council’s policies with Council Management and the external auditor and provide a recommendation to the Council on whether Annual Financial Statements present a true and fair view of the Council’s financial position at year end and the results of its operations and cash flows for the financial year.			
▪ Review of draft audited financial statements	November 2023	Agenda of 13-Nov meeting	13/11/2023
▪ Review of assets revaluation results – methodology, unit rates, expired assets and impact on depreciation	April 2024	Report on the results of the assets revaluation as of 1 July 2023 will be presented to April 2024 meeting	
1.2 Review and make recommendations to the Council regarding any other significant financial, accounting and reporting issues as deemed necessary by the Audit Committee, the Council or Council Administration.			
▪ Impact on new accounting standards/changes to existing standards on Council’s operations	Ongoing	Ongoing	
▪ Accounting of significant income, expenses, assets and liabilities	Ongoing	Ongoing	
1.3 Consider and provide comment on the financial and risk related issues associated with any Council business referred to it by the Council for such comment.			
▪ Financial and risk relates issues associated with GRFMA flood mitigation work	Ongoing	Ongoing	
2. Strategic Management and Annual Business Plans - LGA Act 1999 – Section 126(4)(b)			
2.1 Review and provide recommendations/comment on Council’s Strategic Management Plan, LTFP, Annual Business Plan and Infrastructure & Assets Management Plans.			
▪ Review of strategic management plan (SMP)	April & June 2024	Workshop is to be held with Elected Members early 2024 on the review of Council’s SMP, LTFP, ABP & I&	
▪ Review of infrastructure & assets management plan (I&)			
▪ Review of Long-Term Financial Plan (LTFP)			
▪ Annual Business Plan (ABP)			
2.2 Monitor and review the effective delivery of these plans.			
▪ Progress update on strategic management plan initiatives	April & June 2024		
▪ Progress update on infrastructure & assets management plan implementation			

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▪ Progress update on the achievement of LTFP targets			
2.3 Review and make recommendations to the Council regarding the assumptions, financial ratios and financial targets in the Long-Term Financial Plan.	April & June 2024		
2.4 Provide commentary and advice on the financial sustainability of the Council and any risks in relation to, as part of the adoption of the Long-Term Financial Plan, Annual Budget and periodic Budget Reviews.	April & June 2024		
2.5 Review impact of the draft asset revaluation on the budget and Long-Term Financial Plan	April & June 2024		
3. Continuous improvement - LGA Act 1999 – Section 126(4)(c)			
3.1 Monitoring the responsiveness of the Council to recommendations for improvement based on previous audits and risk assessments, including those raised by a council's external auditor.	November 2023 August 2024		
4. Exercise of Powers under Section 130A - LGA Act 1999 – Section 126(4)(d)			
4.1 Determine whether a recommendation to the Council is required to request its auditor or some other person to examine and report on any matter considered significant relating to financial management or the efficiency and economy of the management of Council's resources that would not be addressed or included as part of the annual audit.	Ongoing		
5. Liaising with External Auditor - LGA Act 1999 – Section 126(4)(e)			
5.1 Consider and recommend to the Council on the appointment of an external auditor including the terms of engagement and fees of the external auditor at the start of each audit contract.	September 2024	Completed	13/11/2023
5.2 Make recommendation to the Council on the scope of work, reports and activities of the external auditor.	November 2023	Completed	13/11/2023
5.3 Ensure compliance with regulation 22 (1) of the <i>Local Government (Financial Management) Regulations 2011</i> which prevent a Council from engaging its auditor to provide any services to the Council outside the scope of the auditor's functions under the Local Government Act.	November 2023	Completed	13/11/2023

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5.4 Review the findings of the annual and interim audits with the external auditor.	November 2023	Completed	13/11/2023
5.5 Meet with the external auditor at least annually without the Council administration being present to enable discussion of any issues arising out of the external audit program during the year: <ul style="list-style-type: none"> assess the appropriateness of the Council's response to matters raised by the auditors; discuss any qualifications raised in the most recent audit or comments made in the accompanying management letter; assess the appropriateness of the Council's response to matters so raised. 	November 2023	Completed. Due to multiple participants attending the November meeting via Zoom, Audit and risk committee Independent Chair and the external auditors organised to meet up at another time	TBA
6. Internal Controls - LGA Act 1999 – Section 126(4)(f)			
6.1 Reviewing the adequacy of the accounting, internal control, reporting and other financial management systems and practices of the council on a regular basis.	November 2023 August 2024		
6.2 Review of self-assessment of internal financial controls.	February 2024	Currently under review by staff. Scheduled for April Meeting	
7. Review of Chief Executive Officer Internal Controls Report - LGA Act 1999 – Section 126(4)(g) (ii)			
7.1 Reviewing and commenting on an annual report provided by the CEO in relation to the policies and processes adopted by the council to evaluate and improve the effectiveness of its internal control practices and procedures.	November 2024		
8. Review of strategic, financial and operational risks - LGA Act 1999 – Section 126(4)(h)			
8.1 Reviewing and evaluating the effectiveness of policies, systems and procedures established and maintained for the identification, assessment, monitoring, management and review of strategic, financial and operational risks on a regular basis.	TBC		
8.2 Annually review Council's insurance program for adequacy having regard to business and insurable risks associated with Council's business.	November 2023	Completed	13/11/2023
8.3 Two Wells Town Centre Project Risk be reassessed throughout the life of the project.	Ongoing		
9. Reviewing any report obtained by the council under section 48(1) - LGA Act 1999 – Section 126 (4) (i)			
9.1 Prudential issues associated with Gawler River Floodplain Management Authority flood mitigation works.	Ongoing		

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9.2 Review any other report obtained by the Council under section 48(1) of the LGA Act 1999	Ongoing		
10. Performing any other function determined by the council or prescribed by the regulations - LGA Act 1999 – Section 126 (4) (j)			
10.1 Monitor and review the governance arrangements for Council's subsidiaries and provide advice on the effectiveness of such arrangements as they pertain to financial and other risk exposures to Council.	Ongoing		
11. Public Disclosure Act 2018			
11.1 Review and comment on the adequacy of Council's arrangements for its employees to raise concerns, in confidence, about possible wrongdoing in financial reporting or any other matters.	Ongoing		
11.2 Ensure these arrangements allow independent investigation of such matters and appropriate follow up action.	Ongoing		
12. Governance matters			
12.1 Review the adequacy and the currency of all policies of the Council.	February 2024	Agenda	12/2/2024
12.2 Periodic review of finance-related policies.	Ongoing		
12.3 Legislative compliance review.	TBC	LGA is currently working on developing a framework to provide guidance to support Councils achieving compliance with obligations in relevant legislation with initial focus on the Local Government Act	
13. Other Functions			
13.1 Risk Management of Major Projects.	Ongoing		
13.2 Review of Council's Investments and Borrowings.	August 2024		
13.3 Review of overdue Council rates.	August 2024		
13.4 Review of Council's leave liability.	February & August 2024		

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13.5 Review Information Technology updates.	February 2024	Scheduled for future meeting due to current Vacancy	
13.6 Annual Review of Audit Committee Terms of Reference.	February 2024	Ongoing	
13.7 Quarterly budget reviews	April 2024		
14. Reporting			
14.1 Ensure progress of the outstanding Audit Committee resolutions are followed up regularly.	Ongoing		
14.2 Ensure that significant, urgent matters identified through the work program are formally and promptly reported to Council.	Ongoing		
14.3 Report to the Council after each Audit Committee meeting summarising the work of the committee during the period preceding the meeting and the outcomes of the meeting	November 2023, February, April & June 2024		
14.4 Provide an annual report to the council on the work of the committee during the period to which the report relates; <ul style="list-style-type: none"> ▪ outlining outputs relative to the audit committee's Annual Work Program and the results of a self-assessment of performance for the preceding period including whether it believes any changes to its Terms of Reference are appropriate; ▪ outlining any identified training needs; ▪ Audit Committee Self-Assessment Survey ▪ advise on future work program proposals; and invite comment from the Council on all of the above. 	April 2023		

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7 REPORTS FOR INFORMATION

7.1 UPDATE - COUNCIL POLICIES

Record Number: D24/6187

Author: Manager Governance

Authoriser: Acting Director Corporate Services

Attachments: Nil

RECOMMENDATION

“that the Audit & Risk Committee, having considered Item 7.1 – *Update - Council Policies* , dated 12 February 2024, receives and notes the report.”

Purpose

The purpose of this report is to provide the Audit & Risk Committee (the Committee) with an update on the currency of Council policies.

Background

At its meeting held on 4 September 2023, the Committee approved its 2023/2024 Works Program which included an action to *‘Review the adequacy and the currency of all policies of the Council.’*

Discussion

As shown below, Council has 59 public policies. All policies adopted by Council are available on our website at www.apc.sa.gov.au/our-council/policies. Members will note that this does not include any procedures, guidelines, codes of conduct, codes of practice or the mandatory behavioural standards Government Gazette notice or behavioural management policy adopted by Council for Council Member Behavioural Standards. Out of the 59 Council policies, 15 are finance-related and indeed the responsibility of the Committee.

With a dedicated governance team now on board, Council’s *Policy Review Schedule* is currently being holistically reviewed, and is indeed a priority focus, for early 2024, (firstly focusing on mandatory policies) to ensure legislative compliance and currency. Therefore whilst, from an outset, some policies appear ‘overdue’ Council governance is not concerned Council is at major risk of legislative non-compliance as policies appear to only require an update of Council process, and basic administrative changes (template updates etc).

Policy	Adoption by council	Next Review	Department
Asset Management Policy	2023	2025	Finance/ Infrastructure
Borrow Pits Policy	2020	2022	Infrastructure
Budget Management Policy	2022	2024	Finance
Caretaker Policy*	2022	2026	Governance
Cemeteries Policy	2017	2019	Finance
Citizenship Ceremony Policy	2023	2025	Development

Community Engagement Policy – Public Forums	2023	2025	Governance
Community Wastewater Management System Policy	2019	2021	Infrastructure
Complaints Handling Policy*/**	2018	2020	Governance
Council Members Allowances and Benefits Policy*	2023	2026	Governance
Council Members Communication Policy**	2019	2021	Governance
Council Members Induction Policy	2022	2026	Governance
Council Members Information Management Policy**	2022	2024	Governance
Council Members Information Technology Policy**	2019	2021	Governance
Council Members Training and Development Policy*	2019	2021	Governance
Council Vehicle Policy**	2021	2022	Finance
Credit Card Policy	2023	2025	Finance
CWMS Customer Service Charter Policy	2022	2024	Infrastructure
Delegations Policy	2022	2024	Governance
Disposal of Land and Other Assets Policy*	2022	2024	Finance
Emergency Management Policy	2019	2021	Governance
Enforcement Policy	2019	2021	Development
Event Management Policy	2017	2020	Development
Fixed Assets Accounting Policy	2022	2024	Finance
Fraud, Corruption, Misconduct and Maladministration Prevention Policy	2023	2025	Finance
Funding Policy	2022	2024	Finance
Gifts and Benefits Policy for Council Employees*	2019	2021	Governance
Gifts and Benefits Policy for Council Members*	2019	2021	Governance
Internal Financial Controls Policy*	2022	2024	Finance
Internal Review of Council Decisions Policy*/**	2022	2024	Governance
Land Under Roads Policy	2021	2026	Infrastructure

Lease and Licence for Community Land and Building Policy	2022	2024	Governance
Light Fleet, Plant and Heavy Vehicles Replacement Policy	2021	2023	Infrastructure
Media Policy	2023	2025	Governance
Mobile Food Vendor Policy	2023	2025	Development
Order Making Policy*	2013	2015	Governance
Private Works Policy	2016	2015	Infrastructure
Procurement Policy*	2023	2025	Finance
Prudential Management Policy*	2022	2024	Finance
Public Consultation Policy*/**	2020	2022	Governance
Rates Arrears and Debtor Management Policy	2022	2024	Finance
Rating Policy*	2023	2024	Finance
Register of Interests Policy	2022	2024	Governance
Requests for Services Policy*/**	2018	2020	Governance
Reserve Development Policy	2010	2013	Infrastructure
Resident Contributions to Road Sealing Policy	2023	2025	Infrastructure
Risk Management Policy*	2022	2024	Governance
Road and Public Places Naming Policy*	2020	2022	Development
Rural Property Addressing Policy	2020	2022	Infrastructure
Safe Environment for Children Policy	2021	2023	Development
Short Stay Accommodation Policy	2021	2023	Development
Social Media Policy	2023	2025	Governance
Treasury Management Policy	2023	2025	Finance
Vegetation Management Policy	2023	2025	Infrastructure
Vehicle Crossover Policy	2023	2025	Infrastructure
Volunteer Management Policy	2018	2020	Development
Waiving Development Application Fees for Community Groups Policy	2019	2021	Development
Waste and Recycling Services Policy	2014	2016	Infrastructure
Water and Sewerage Hardship Policy	2019	2021	Infrastructure

- *Policies required under the Act.
- **Policies currently under review.

Conclusion

This report is provided for information, in accordance with the Committee's Work Program.

References

Legislation

Local Government Act 1999

Council Policies/Plans

Strategic Plan 2020-2024

Audit & Risk Committee Annual Works Program 2023-2024

7.2 COMMITTEE RESOLUTIONS**Record Number:** D24/6315**Author:** Accountant**Authoriser:** Chief Financial Officer**Attachments:** 1. Outstanding Audit & Risk Committee Resolutions [!\[\]\(e3f8612927870f2e0f9f5989e6dd3064_img.jpg\) !\[\]\(a86c7d1c9cb81c81614634a31267440d_img.jpg\)](#)**RECOMMENDATION**

“that the Audit & Risk Committee, having considered Item 7.2 – *Committee Resolutions*, dated 12 February 2024, receives and notes the report.”

Purpose

The purpose of this report is to provide an update to the Audit & Risk Committee (the Committee) on outstanding resolutions of the Committee, yet to be actioned.

Discussion

The Committee resolutions that require actioning by Council management are captured in the Committee’s Resolution Register and presented to each meeting of the Committee.

One (1) resolution remains outstanding from the February 2020 meeting which requires staff to develop a new policy framework in relation to Council’s credit card and travel expenditure.

In addition, 1 resolution is outstanding from 3 July 2023 meeting in relation to ‘*Review of Audit & Risk Committee Terms of Reference*’.

ReferencesLegislation

Local Government Act 1999

Council Policies/Plans

Audit and Risk Committee Annual Work Program 2023/2024

2020 Audit & Risk Committee Resolution Register								
D23/29063								
Meeting Date	Items No.	Title	Resolution Description	Resolution Number	Responsible Department	Status	Comment	Date Completed
10-Feb-20	9.1	Committee Resolution	"that the Audit Committee, recommend to Council that a report be prepared reviewing the adequacy of current Council policies in light of the recent Ombudsman reports on credit card and travel expenditure."	2020/016	Finance and Corporate Services	Ongoing	<p>Progress update was provided to 7 November 2022 meeting. Refer to the agenda item 7.3 titled 'Reporting of Credit Card Transactions'. Of note, are the additional annual reporting requirements included in the LG reforms in relation to credit card reporting and interstate/international travel.</p> <p>Gifts and Benefits for council employees have also been elevated directly into the LG Act (as opposed to the previous Code of Conduct) and so no policy is required for this.</p> <p>The LGA CEO network is currently looking at a unified sector approach in discussion with the LGA to develop a policy framework on credit card and travel expenditure.</p> <p>With this guidance, Council will be in a better position to consider its policy position in this regard.</p>	

2023 Audit & Risk Committee Resolution Register								
D23/29063								
Meeting Date	Items No.	Title	Resolution Description	Resolution Number	Responsible Department	Status	Comment	Date Completed
3-Jul-23	6.4	Review of Audit Committee Terms of Reference	"that the Audit Committee, having considered Item 6.4 – Review of Audit Committee Terms of Reference, dated 3 July 2023, receives and notes the report and request a further report be brought back to the next meeting of the Audit Committee."	2023/041	Finance	Ongoing	LGA is currently updating 'Financial Sustainability Information Paper No. 3 – Audit Committees' to reflect the LG reforms effective from 30 November 2023. This includes a Model Terms of Reference, Model Work Program and Model Annual Report.	

7.3 CHIEF EXECUTIVE OFFICER - CREDIT CARD EXPENDITURE - 1 JULY 2023 TO 31 DECEMBER 2023**Record Number:** D24/5906**Author:** Accountant**Authoriser:** Chief Financial Officer**Attachments:** Nil**RECOMMENDATION**

“that the Audit & Risk Committee, having considered Item 7.3 – Chief Executive Officer - Credit Card Expenditure - 1 July 2023 to 31 December 2023, dated 12 February 2024, receives and notes the report.”

Purpose

The Audit & Risk Committee (the Committee), by way of resolution, has called for the Chief Executive Officer's (CEO) credit card expenditure to be tabled twice yearly as a means of transparency and good governance. Accordingly, this report covers CEO credit card expenses occurred during the period 1 July 2023 to 31 December 2023.

Background

At the Committee meeting held on 7 November 2022, the Committee resolved as follows:

- “7.3 Moved Deputy Mayor Strudwicke Seconded Mayor Wasley 2022/ 062***
“that the Audit Committee, having considered Item 7.3 – Reporting of Credit Card Transactions, dated 7 November 2022, received and notes the report and in doing so;
1. notes that a report by the Auditor General in 2020 on credit card use at The Coorong District Council recommended that “Council should ... periodically report the CEO’s and Mayor’s credit card transactions to its audit committee” (page 8 of Auditor General’s Report 4 of 2020) and
2. Recommends to Council that it revise its Credit Card Policy to include the reporting of the Chief Executive Officer’s credit card transactions, to the Audit Committee, on a 6-monthly basis and including the details of ‘Supplier’, ‘Amount’ and ‘Description’.”

CARRIED”

Following resolution 2022/062 of the Committee, as part of Council's periodic review of the Credit Card Policy, clause 3.19 was inserted:

“3.19 A report containing the details such as ‘Supplier’, ‘Amount’ and ‘Description’ is presented to the Audit Committee on the Chief Executive Officer’s credit card transactions, on a 6-monthly basis.”

On 13 February 2023, the Committee then recommended to Council as follows:

“RESOLUTION 2023/013***Moved: Mayor Wasley******Seconded: Deputy Mayor Strudwicke******“that the Audit Committee having considered Item 6.6 – Policy Review – Credit Card Policy, dated 13 February 2023, receives and notes the report and in doing so recommends to the***

Council that the updated Credit Card Policy, as presented in Attachment 1 to this report, be adopted."

CARRIED"

Council then, at its meeting held on 27 February 2023, adopted the Credit Card Policy, which included clause 3.19 as abovementioned by resolving as follows:

"RESOLUTION 2023/042

Moved: Councillor Panella

Seconded: Councillor Keen

"that Council endorses resolution 2023/013 of the Audit Committee and in doing so adopts the revised Credit Card Policy as presented at Attachment 4 to this Report."

CARRIED"

Discussion

The CEO leads by example when it comes to applying discipline in expenditure of public money, as is evidenced through the CEO's credit card expenditure.

A majority of the CEO's city-based meetings sees the CEO either park in his personally funded car park or are commuted there and back by way of public transport, thus significant savings are realised in parking. Further, almost all of the CEO's meal expenses at stakeholder meetings are funded entirely by the CEO and not the ratepayer, with the only exclusions being evening meals where the CEO and Mayor are off site attending meetings.

This same discipline in expenditure of public funds cascades down throughout the organisation and, as a means of instilling confidence in the performance and diligence of its CEO, this report is provided for awareness and will continue to be provided twice yearly. Therefore, this report covers six (6) months period from 1 July 2023 to 31 December 2023. Total expenditure of \$2,475.42 (Incl. GST) has been made via CEO's credit card during the reporting period as summarised in the below table.

Date	Supplier	Amount	Description
July-Dec	News Limited	196.00	Monthly newspaper subscription
20/07/23	Fasta Pasta, Gawler	84.30	Evening meals-Mayor/Deputy Mayor/CEO - Regional reform round table meeting-Barossa Pavilions
26/07/23	CMI Toyota, Adelaide	1,072.92	CEO motor vehicle - Periodic service
28/07/23	Bank SA	55.00	Bank charges - Annual credit card fee
18/08/23	CMI Toyota, Adelaide	29.17	Replacement of motor vehicle key batteries
24/08/23	SMP Junction Hotel	51.74	Evening meals-Mayor/CEO-Legatus Board of Management meeting - Peterborough
29/08/23	UPK Parking, Adelaide	19.00	Parking - Meting at Local Government House
24/10/23	Auto Park, Adelaide	15.22	Parking - Meeting Norman Waterhouse Lawyers
26/10/23	Board of the Botanic	15.00	Parking - LGA - AGM
7/11/23	UPK Pirie, Parking	20.00	Parking - Interviews for independent member of the Audit & Risk Committee and Director – D&C
10/11/23	Waymouth Street, Car parking	16.39	Parking - Meeting re Gawler River Business Case with Deputy Premier and Minister for Local Government

15/11/20	OTR West Terrace	269.11	Diesel purchase - Awaiting replacement BP fuel card
6/12/23	CMI Toyota, Adelaide	611.67	CEO motor vehicle - Periodic service
13/12/23	City of Adelaide	4.60	Parking - Meeting with McCarthur regarding Enterprise Bargaining Agreement
13/12/23	City of Adelaide	15.30	Parking - Meetings at Local Government House
Total Payments		2,475.42	

References

Legislation

Section 124 (Accounting Records to be Kept) of the Local Government Act 1999

Section 125 (Internal Control Policies) of the Local Government Act 1999

Council Policies/Plans

Credit Card Policy

Internal Financial Control Policy

Procurement Policy

Audit & Risk Committee Annual Work Program 2023/2024

7.4 FINANCIAL PERFORMANCE FOR THE PERIOD JULY-DECEMBER 2023**Record Number:** D24/6321**Author:** Accountant**Authoriser:** Chief Financial Officer**Attachments:** Nil**RECOMMENDATION**

“that the Audit & Risk Committee, having considered Item 7.4 – Financial Performance For the Period July-December 2023, dated 12 February 2024, receives and notes the report.”

Purpose

The purpose of this report is to provide the Audit & Risk Committee (the Committee) with an update on Council’s financial performance for the 6 month period, July to December 2023.

DiscussionAdopted Budget for 2023/2024

Council’s Statement of Comprehensive Income or Profit & Loss account has two parts:

1. Recurrent Budget Deficit of \$0.334m;
2. Operating Project Budget expenditure of \$0.512m (net of grants);

resulting an operating deficit of \$0.846m for the 2023/2024 Financial Year.

Council also adopted a Capital Budget expenditure of \$3.986m for the 2023/2024 Financial Year, which comprised of;

- new/upgraded capital expenditure of \$0.463m; and
- assets renewal budget of \$3.523m.

First Budget Update

Following the First Budget Update in November 2023, it was estimated that an operating deficit of \$1.836m will be reported for 2023/2024 Financial Year which consists of: -

1. Recurrent Budget deficit of \$0.073m;
2. Operating Project Budget expenditure of \$1.763m (net of grants).

The total capital expenditure budget has also been increased by \$3.613m to \$7.599m due to carry over projects from 2022/2023 Financial Year. **Table 1** below shows the value of all the projects approved for 2023/2024 Financial Year after First Budget Update (Excluding grants).

Table 1: Value of Projects Budgeted for 2023/2024 Financial Year (\$'Mn)

	Adopted Budget	Carried Forward	New Expenditure	Q1 Approved Budget
Capital Projects	3.986	3.613	0.000	7.599
Operating Projects	0.856	1.693	0.369	2.918
Total	4.842	5.306	0.369	10.517

As shown in **Table 2** below, the number of new projects approved for 2023/2024 was 44. However, following the First Budget Update, total number of projects earmarked for implementation by 30 June 2024 has been increased to 73.

Table 2: Number of Projects Approved for 2023/2024 Financial Year

	Adopted Budget	Carried Forward	New Expenditure	Q1 Approved Budget
Capital Projects	36	11	0	47
Operating Projects	8	15	3	26
Total	44	26	3	73

July - December Financial Performance

Table 3 below shows the Profit and Loss account for the first 6 months of the 2023/2024 Financial Year. Council's total actual income for the first 6 months is 84% of the annual income projected for the financial year. In addition, Council have spent 46% of the annual employees, material, contract & other expenses during the first 6 months which is in line with annual projections. Actual interest expenses on borrowings have been less than budgeted and any savings in interest costs will be identified as part of the Mid-Year Budget Review.

Table 3: Income Statement for the Period 1 July 2023 to 31 December 2023 - \$'000

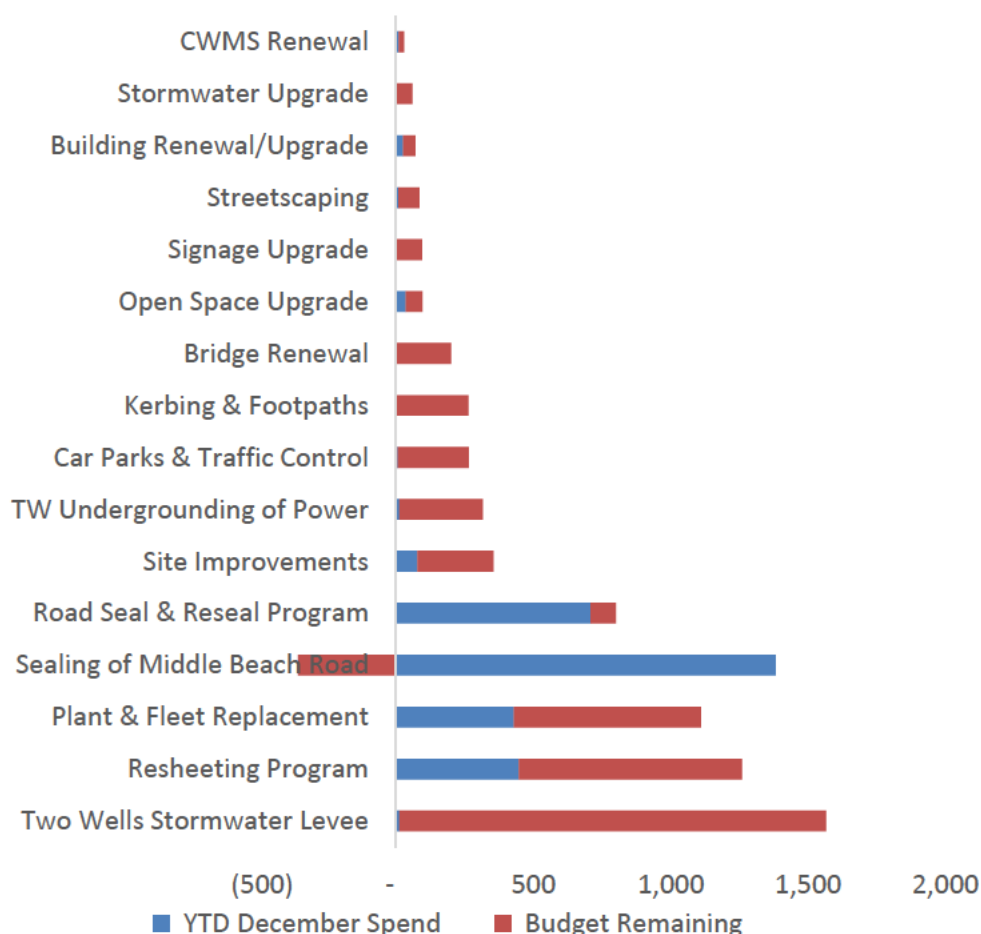
Description	2023/2024 Adopted Annual Budget	A 2023/2024 Q1 Revised Annual Budget	B YTD December 2023 Actual	C = B/A X 100 Actual as a % of Annual Revised Budget
Income				
Rates	13,714	13,714	13,690	100
Statutory charges	520	520	369	71
User charges	229	224	110	49
Grants, subsidies and contributions	2,585	3,688	1,031	28
Investment Income	3	3	2	71
Reimbursements	139	139	140	101
Other Income	48	48	18	38

Total Income	17,237	18,335	15,359	84
Expenses				
Employee Costs	7,243	7,164	3,293	46
Materials, contracts and other services	6,503	8,670	3,961	46
<i>Including legal expenditure</i>	<i>150</i>	<i>150</i>	<i>88</i>	<i>59</i>
Depreciation	3,517	3,517	1,758	50
Finance Costs	820	820	254	31
Total Expenses	18,083	20,171	9,266	46
Operating Surplus/(Deficit)	(846)	(1,836)	6,093	38

Capital Project Progress as at 31 December 2023

At the end of December, \$3.154m has been spent which is 42% of total Capital Project budget of \$7.599m. While some projects are to commence in early 2024, there are no expenses for other Capital Projects as those projects are currently either at planning/tendering stage and financial commitments have been made. **Figure 1** below shows actual capital expenditure from July to December compared to the Q1 revised budget approved by the Council.

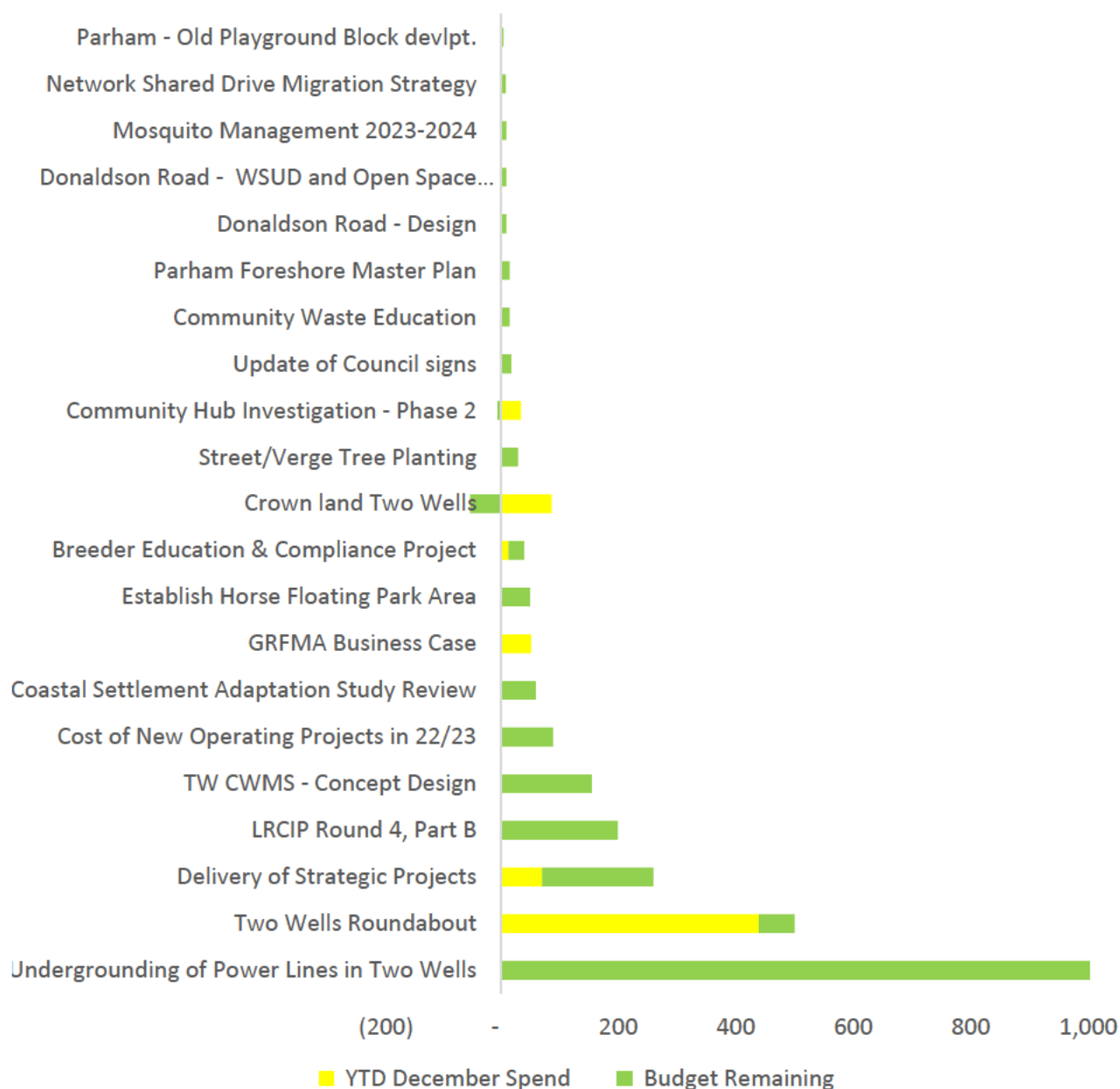
Figure 1: Capital Projects Progress (YTD December) - \$'000



Operating Project Progress as at 31 December 2023

Figure 2 below shows the progress of the operating projects program. At the end of December 2023, Council has spent 24% (\$0.702m) of the Operating Project budget.

Figure 2: Operating Project Progress (YTD December) - \$'000



A detailed project progress report will be presented to the February 2023 Council meeting as part of Mid-Year Budget Review.

Potential Carry Over Projects to 2024/2025 Financial Year

Table 4 below shows the summary of projects that could potentially be carry over to 2024/2025 Financial year. Final value of the carry over amount would be confirmed following the finalisation of the 2023/2024 Financial Year accounts in August 2024.

Table 4: Projects Expected to be carry over to 2024/2025 Financial Year

Project Name	Budget (\$)
• Capital Projects	
○ Street Lighting - Two Wells Main Street	315,000
○ Kerbing - Balaklava Road - Lisieux Street to Aerodrome Road	240,000
○ Sealed Road - Two Wells Mainstreet - Pedestrian Refuges/Crossing	195,000
○ Wasleys Bridge – Repairs	200,000
○ Two Wells Township Levee -100% grant funded	1,600,000
• Operating Projects	
○ Coastal adaptation study review - 100% grant funded	60,000
○ Undergrounding of Power Lines in Two Wells	1,300,000
○ Two Wells CWMS - Concept Design – 100% grant funded	155,000
○ LRCIP Round 4 & Part B	199,000

Treasury Management

At the beginning of the 2023/2024 Financial Year, Council had a short-term deposit balance of \$0.084m and short-term borrowings of \$7.948m. As of 31 December 2023, short-term borrowings and short-term deposits have increased to \$10.295m and \$0.123m respectively.

Council currently has a short-term borrowing facility of \$14.973m with Local Government Financing Authority at interest rates ranging from 5.40% to 6.15%.

Interest expenses associated with Council's borrowings for the period July to December 2023 is \$0.254m (for the similar period last financial year, it was \$0.106m).

References**Legislation**

Local Government Act 1999

Council Policies/Plans

Budget Management Policy

Treasury Management Policy

Audit & Risk Committee Annual Work Program 2023/2024

7.5 PROCUREMENT POLICY - EXEMPTIONS 2023/2024

Record Number: D24/5209

Author: Procurement Advisor

Authoriser: Chief Financial Officer

Attachments: 1. Register of Purchases Exempt from Procurement Policy - July-December 2023 [!\[\]\(c694a3ff3b077d76910920a6a1593ab4_img.jpg\) !\[\]\(42fc53a13f008e5bbf67aee5111990a5_img.jpg\)](#)

RECOMMENDATION

“that the Audit & Risk Committee, having considered Item 7.5 – *Procurement Policy - Exemptions 2023/2024*, dated 12 February 2024, receives and notes the report.”

Purpose

The purpose of this report is to provide the Audit & Risk Committee (the Committee) with an update of procurement processes which have been exempt from the Procurement Policy (the Policy).

Background

Per clause 8 of the Policy, exemptions are reported to the Committee on a bi-annual basis for Committee Members' information.

Presented as **Attachment 1** to this report is a 'Register of Purchases exempt from the Procurement Policy'. The register contains procurement activities exempt from the Policy from 1 July 2023 to present.

Discussion

Council employees procure in line with the Policy for the majority of the required procurement activities. However, in some circumstances such as an emergency or where a tender process will not necessarily deliver best outcome for the Council, and other market approaches may be more appropriate, an exemption may be sought.

All exemptions to the Policy are required to be approved by the Chief Executive Officer as stated in the Policy, appropriate documentation and justification is recorded in Council's record management system.

Conclusion

The Policy Exemptions Register report is a transparent and efficient reporting tool, ensuring Committee Members are updated in relation to procurement activities undertaken that require an exemption.

References

Legislation

Local Government Act 1999

Council Policies/Plans

Procurement Policy

Exemptions to the Procurement Policy - 2023/2024 *(from 1 July 2023 to present)*

Procurement Description	Date the Procurement was initiated	Expected Value of Procurement	Reasons for Exemption	Date of CEO Approval
Civica Contract Renewal	19/09/2023	\$330,500 per annum (2 year contract term)	Council commenced a Managed Services Agreement with Civica in 2010, due to the setup of the agreement there would be a significant cost to extract the data to another provider. Once the agreement allows for Council to dissolve the contact without break fees from the current incumbent, Council will complete the appropriate procurement approach.	26/09/2023
Mobile Phone Refresh 2023-2025	18/09/2023	> \$100,000	The Local Government Association Procurement Panel (LGAP 15001 - Telecommunications - voice, utility & data) has reduced its vendors from 3 to 2, therefore the exemption is to seek 2 quotes only. The approach will still allow Council to evaluate vendors in the market who are capable of providing the service in this region.	26/09/2023
Fuel Supply Upgrade	17/08/2023	\$20,000	Ryan Maintenance Services has installed and currently repairs the existing unit. They have knowledge, experience and expertise in the required goods. As this is a small business, costs are much lower than the industry leader and much more responsive, making it difficult for other prospective suppliers to compete.	17/08/2023

8 QUESTIONS WITHOUT NOTICE

9 MOTIONS WITHOUT NOTICE

10 URGENT BUSINESS

11 NEXT MEETING

Tuesday, 16 April 2024 at 4:30pm

12 CLOSURE