



# Audit Committee

## NOTICE OF MEETING

Notice is hereby given that a meeting of the Audit Committee will be held in the

**Kingston Room, Civic Centre  
24 Jetty Road, Brighton**

**Wednesday 4 April 2018 at 6.30pm**

Justin Lynch  
CHIEF EXECUTIVE OFFICER

Please note: This agenda contains Officers' reports and recommendations that will be considered by the Committee. Any confidential items listed on the agenda will be circulated to Members separately.



## Audit Committee Agenda

### 1. OPENING

The Chairman, Councillor Smedley will declare the meeting open at \_\_\_\_\_ pm.

### 2. APOLOGIES

2.1 Apologies received

2.2 Absent

### 3. DECLARATION OF INTEREST

*If a Member has an interest (within the terms of the Local Government Act 1999) in a matter before the Committee they are asked to disclose the interest to the Committee and provide full and accurate details of the relevant interest. Members are reminded to declare their interest before each item.*

### 4. CONFIRMATION OF MINUTES

#### Motion

**That the minutes of the Audit Committee held on 31 January 2018 be taken as read and confirmed.**

Moved \_\_\_\_\_, Seconded \_\_\_\_\_

**Carried**

### 5. ACTION ITEMS

### 6. REPORTS BY OFFICERS

- 6.1 Standing Items – April 2018 (Report No: 98/18)
- 6.2 Prudential Management Policy and Procedure (Report No: 102/18)
- 6.3 Unsolicited Proposals Policy and Procedure (Report No: 103/18)
- 6.4 Governance and Compliance Frameworks (Report No: 105/18)
- 6.5 Internal Audit – Alwyndor Payroll Process (Report No: 101/18)
- 6.6 2017 Annual Report from Audit Committee (Report No: 99/18)
- 6.7 Draft 2018-19 Annual Business Plan (Report No: 100/18)

### 7. URGENT BUSINESS – Subject to the Leave of the Meeting

### 8. CONFIDENTIAL ITEMS

**9. DATE AND TIME OF NEXT MEETING**

The next meeting of the Audit Committee will be held on Wednesday 6 June 2018 in the Kingston Room, Civic Centre, 24 Jetty Road, Brighton.

**10 CLOSURE**

**JUSTIN LYNCH  
CHIEF EXECUTIVE OFFICER**



**AUDIT COMMITTEE  
ACTION ITEMS  
As at 31 January 2018**

Meeting	Agenda Item	Action Required	Responsibility	Estimated Completion Date	Current Status
31 January 2018	6.1 Standing Items	Review forward meeting schedule as 18 April meeting as two members will be unavailable.	R.Bria	15 March 2018	New meeting date established for 4 April 2018, combining 21 March and 18 April meetings. With a new meeting set for 6 June. These new dates have been integrated into the 2018/19 draft budget development timeframe.
31 January 2018	6.1 Standing Items	Further information to be provided in regards to the transition discussed in the 31 December 2017 Budget Review report.	R Bria	4 April 2018	
31 January 2018	6.1 Standing Items	Discuss with Alwyndor project governance of system implementation. Discussion to occur with Bentley's in regards to whether a project assurance internal audit on the Alwyndor finance system implementation can be undertaken in place of next internal audit.	R. Bria	4 April 2018	Discussion with Alwyndor occurred in regards to system implementation. High level Project Scope and Plan sited. Care systems providing implementation planning assistance.  Discussion occurred with Bentley's and draft scope for project assurance developed.
31 January 2018	7. Urgent Business	A calendar of events to be developed, identifying business that is forecasted to be brought forward in future meetings	R.Bria	4 April 2018	

Item No: **6.1**  
Subject: **STANDING ITEMS – APRIL 2018**  
Date: 4 April 2018  
Written By: Manager Finance  
General Manager: Business Services, Mr R Bria

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### **SUMMARY**

The Audit Committee is provided with a report on standing items at each ordinary meeting.

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### **RECOMMENDATION**

**That the Audit Committee advises Council it has received and considered a Standing Items Report addressing:**

- **Monthly financial statements**
  - **Internal control**
  - **Risk management**
  - **Whistleblowing**
  - **Internal audit**
  - **Economy and efficiency audits**
- 

### **COMMUNITY PLAN**

Culture: Enabling high performance  
Culture: Being financially accountable  
Culture: Supporting excellent, efficient operations

### **COUNCIL POLICY**

Not applicable

### **STATUTORY PROVISIONS**

*Local Government Act 1999, Sections 41 and 126*  
*Whistleblowers Protection Act 1993*

## **BACKGROUND**

At its meeting on 23 January 2008, the Audit Committee resolved that a report be included in the agenda of each meeting of the Committee addressing the following standing items:

- Monthly financial statements
- Internal control and risk management
- Whistle blowing
- Internal audit
- Economy and efficiency audits

Also included in this Standing Items report is an item to formally advise the Committee of the outcomes of its recommendations and advice to Council. This is aimed at 'closing the communication loop' between the Committee and Council.

## **REPORT**

### ***Monthly Financial Reports***

Members of the Committee receive copies of the monthly financial reports as soon as practical after they are provided to Council.

Financial reports for Municipal and Alwyndor operations for the month ended 31 January 2018 and 28 February 2018 were considered by Council at its meetings on 27 February and 27 March 2018. Members of the Committee have received copies of the January and February report.

### ***Risk Management***

Administration is not aware of any material changes to Council's risk profile not otherwise disclosed since the previous Standing Items Report on 31 January 2018.

### ***Internal Controls***

Administration is not aware of any material changes to Council's internal controls not otherwise disclosed since the previous Standing Items report on 31 January 2018.

Internal controls are being self-assessed and reviewed by managers during March and April 2018 using the ControlTrack software product. Council's internal auditor is facilitating this process, and it is expected that Council's external auditor will review the assessments and outcomes as part of the 2017-18 transaction audit.

### ***Internal Audit***

Council's internal auditor, Bentleys, completed an Alwyndor Payroll Process audit in February 2018 and a report on the outcomes is included in this agenda.

**External Audit**

Council's external auditor, BDO, will be attending Council and Alwyndor during May 2018 to commence the 2017-18 transaction audit. A detailed 2017/18 audit plan, timetable and risk analysis has been supplied.

*Refer Attachment 1*

**Whistle-Blowing**

There have been no whistleblower complaints made to Council since the previous standing items report on 31 January 2018.

**Sec 130A Economy and Efficiency Audits**

Council has not initiated any review pursuant to section 130A of the *Local Government Act* since the previous Standing Items Report on 31 January 2018.

**Council Recommendations**

At its meeting on 13 February 2018 Council received the minutes and endorsed the recommendations of the meeting of the Audit Committee held on 31 January 2018.

**2018 Meeting Schedule**

In order to accommodate the budget development and annual financial statements and based on last meeting's feedback, the following ordinary meeting schedule is proposed for the rest of the calendar year:

- Wednesday 6 June 2018
- Wednesday 29 August 2018
- Wednesday 17 October 2018.

**BUDGET**

This report does not have any budget implications.

**LIFE CYCLE COSTS**

This report does not have any full life cycle costs implications.



# CITY OF HOLDFAST BAY

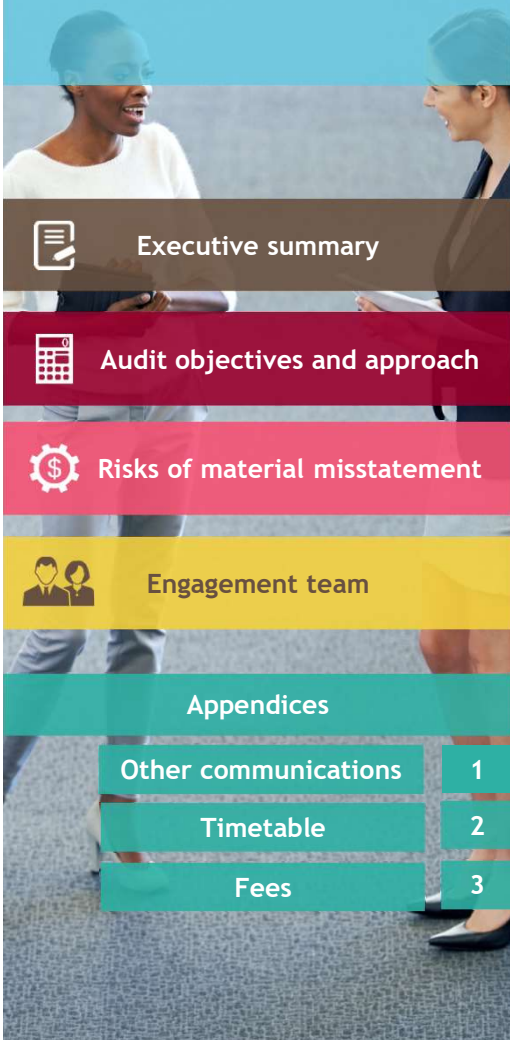
## Annual Audit Plan

Year ended 30 June 2018





# KEY CONTACTS



- Executive summary
- Audit objectives and approach
- Risks of material misstatement
- Engagement team
- Appendices
  - Other communications 1
  - Timetable 2
  - Fees 3



Geoff Edwards  
Engagement Partner  
Tel: +61 8 7324 6061  
geoff.edwards@bdo.com.au



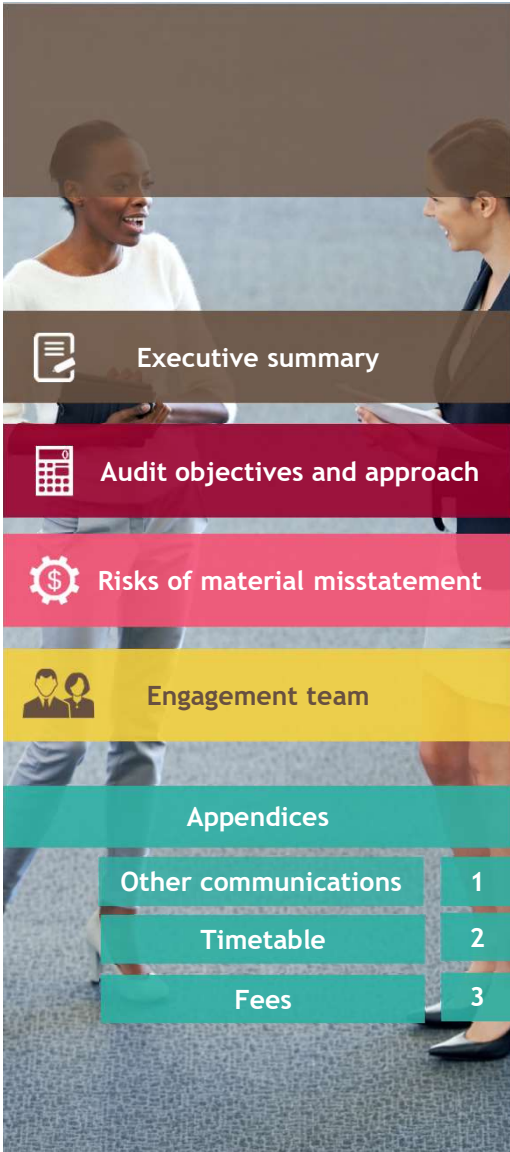
Chelsea Aplin  
Engagement Manager  
Tel: +61 8 7324 6097  
chelsea.aplin@bdo.com.au



# EXECUTIVE SUMMARY



# EXECUTIVE SUMMARY



## Introduction

We have set out in this document the key considerations in relation to our audit of City of Holdfast Bay (the Council) for the year ended 30 June 2018. This summary covers those matters we believe to be material in the context of our work.

## Scope of engagement

The scope of our work is to carry out

1. The audit of the financial report of the Council and Alwyndor Aged Care, which comprises the statement of financial position as at 30 June 2018, the statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes comprising a summary of significant accounting policies and other explanatory information, and the certification of financial statements.
2. The audit of the controls exercised by the Council in relation to the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities.

## Audit objectives and approach

The objectives of the audit and key information on our audit approach are set out in section 2.

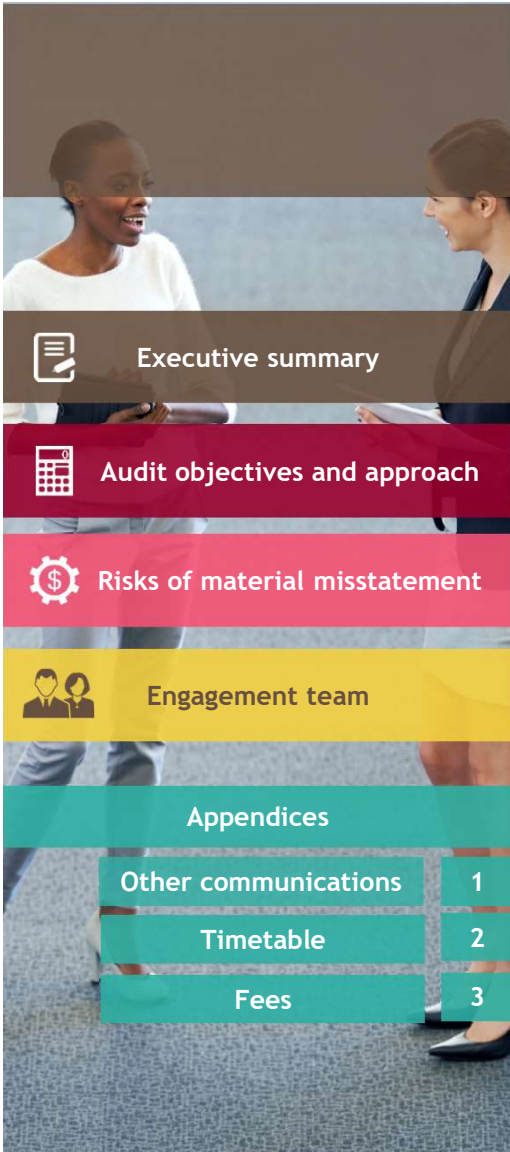
## Risks of material misstatement

The risks of material misstatement identified in our planning are set out in section 3.

## Engagement team

The key members of the engagement team are detailed in section 4.

# EXECUTIVE SUMMARY (CONTINUED)



<b>Independence</b>	▶	We confirm that we have complied with the ethical requirements regarding our independence as your auditor. Please refer to Appendix 1 for more details.
<b>Timetable</b>	▶	A timetable has been prepared in accordance with your reporting requirements. This timetable covers our on-site visits, key meeting dates and reporting deadlines. Please refer to Appendix 2 for details.
<b>Fees</b>	▶	Our fee for the audit is \$30,470. Please refer to Appendix 3 for details.



# AUDIT OBJECTIVES AND APPROACH



# AUDIT OBJECTIVES AND APPROACH



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## Audit objectives

The objective of the audit is to enable us to express an opinion as to whether:

- The financial report is prepared, in all material respects, in accordance with Australian Accounting Standards, the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011, and
- Controls exercised by the Council in relation to the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities are sufficient to provide reasonable assurance that the financial transactions of the Council have been conducted properly and in accordance with law based on criteria established in the Better Practice Model - Financial Internal Control for South Australian Councils issued by the Local Government Association of South Australia.

## Our approach

Our audit is performed in accordance with the BDO Audit Approach which consists of six phases and is documented using our global audit tool, APT.

The approach is centred around:

- Obtaining an understanding of the business being audited from an internal and external point of view
- Assessing the risk of material misstatements and the controls in place to address and prevent these risks
- Choosing appropriate procedures to obtain evidence, including the use of data analytics where appropriate
- Ensuring rigorous quality control over audit performance
- Providing constructive ideas for improving internal controls and business systems.

Other key aspects of the approach are set out on subsequent pages.



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## Audit quality and professional scepticism

To support and promote audit quality at BDO, we have developed an Audit Quality Framework (AQF) that sets out the key drivers of audit quality, including the specific attributes that are important for audit quality to be maintained and enhanced. Refer to our [Transparency report](#) for further information.

The AQF recognises that professional scepticism is essential to obtain audit evidence which is sufficient and appropriate to reduce the likelihood of a material misstatement to an acceptable level.

Professional scepticism is defined in the auditing standards as ‘an attitude that includes a questioning mind, being alert to conditions which may indicate possible misstatement due to error or fraud, and a critical assessment of audit evidence.’

The application of professional scepticism by all members of the engagement team is central to BDO’s Audit Approach.

## Going concern

As part of our audit we will review management’s assessment of the ability of City of Holdfast Bay to continue as a going concern for the 12 months from the date of signing the financial report and therefore whether the going concern basis for the preparation of the financial report is appropriate.

As part of this process we require management to document their assessment of going concern (including cash flow projections for 12 months after the expected date of approval of the financial report), and we will be reviewing actual outcomes against previous estimates and representations made by management.

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## Materiality

Materiality means, in the context of an audit, if financial information is omitted, misstated or not disclosed it has the potential to (adversely) affect the decisions of users of the financial report. Materiality is used by auditors in making judgements on the amount of work to be performed, which balances require work and for evaluating the effect of misstatements. Materiality is initially calculated at the planning stage and re assessed prior to providing our opinion. Materiality is not only based on a numeric quantification but is assessed qualitatively for some balances and disclosures.

During the course of our audit we may identify misstatements and these will be reported to you at the conclusion of our work based on our assessment of materiality at that stage (this may have been updated from the materiality calculated at the planning stage). It should be noted that the auditing standards do not require us to communicate misstatements that are considered 'clearly trivial' and as such, if we identify such misstatements we will not communicate these to you.

## Fraud

During the course of our audit we make enquiries of those charged with governance, management and others to identify any known instances of fraud. We also make enquiries to understand where you consider the risks are in relation to fraud and if you have any knowledge of actual or suspected fraud. This also includes considering the risk of management override of controls. It should be noted that our audit is not designed to detect fraud however, should instances of fraud come to our attention, we will report them to you.



# OUR APPROACH



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### Internal control

In accordance with the auditing standards, we obtain an understanding of the system of internal control relevant to the audit to assist us with our risk assessment procedures. Our understanding covers the five areas listed below:

- The overall control environment
- The entity's risk assessment process
- The information system, including the related business processes, relevant to financial reporting, and communication
- Control activities relevant to the audit
- Activities the entity uses to monitor internal controls relevant to financial reporting.

We communicate to the Audit and Governance Committee in writing any significant deficiencies that come to our attention during the audit on a timely basis.

In addition we communicate with management the significant deficiencies being reported to those charged with governance and any other deficiencies identified that in our judgement are of sufficient importance to merit management's attention.

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## Laws and regulations

We make enquiries in relation to any non-compliance with laws and regulations impacting the period under audit. Should we become aware of any instances of non-compliance with laws and regulations which would materially impact on the financial position or performance of the entity, then we will report them to you on a timely basis to consider the impact on the financial report.

## Confirmations

In accordance with auditing standards we will be sending the following confirmation requests:

- Bank confirmations
- Confirmations of balances with the LGFA; and
- Solicitor's representation letter.



# RISKS OF MATERIAL MISSTATEMENT



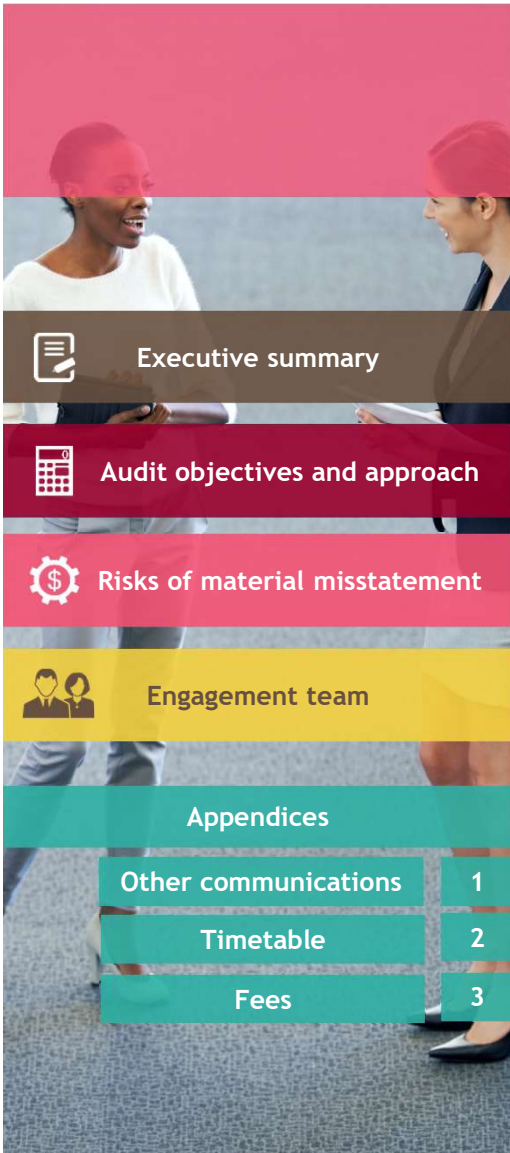
# RISKS OF MATERIAL MISSTATEMENT

In line with our audit approach, and based on our understanding of City of Holdfast Bay, we will identify and assess the risks of material misstatement at both the engagement and assertion level.

Our audit procedures are focused on areas that are considered to represent risks of material misstatement to the financial report or in relation to controls. We have identified the following risk areas based on our historical knowledge of the Council, and will update these as part of our risk assessment procedures during the planning phase.

Further discussions will be held with management prior to the commencement of our audit to determine whether any additional risks exist in relation to the year ending 30 June 2018, and to determine which risks we will consider to be significant for the purpose of our audit.

Risk description
Revaluation, useful lives and residual values of infrastructure, land and buildings
Recoverability of loans made to community organisations
Management override of internal controls - presumed risk under Australian Auditing Standards
Potential deficiencies in internal controls, including those reported in our previous Audit Completion Report



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# RISKS OF MATERIAL MISSTATEMENT

## Our planned responses

Our response to the risks identified above will be to obtain an understanding of Council's controls that are relevant to those risks, including control activities, evaluate the design, implementation and operating effectiveness of these controls, and perform substantive procedures that are specifically responsive to the individual risks.

This may include where applicable:

- Reviewing the documentation provided to management including any supporting correspondences from relevant third parties, the Council's legal advisors and other consultants to confirm our understanding of the specific circumstances for each item.
- Holding discussions with key Council staff members involved in managing the risk and those responsible for recording the impact in the financial report and review responses from legal representation letters sent to legal representatives.
- Working with Council staff to assist in the interpretation and application of the financial reporting framework applying to Council.
- Additional detailed testing of transactions or balances.
- Ensuring that mitigating controls are appropriately designed and implemented, and are operating effectively throughout the period.



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# ENGAGEMENT TEAM



# ENGAGEMENT TEAM

The following staff members have been assigned to your engagement team. Any changes to key members of the engagement team will be communicated to you on a timely basis.

Role	Name	Telephone	Email address
Engagement partner	Geoff Edwards	08 7324 6061	geoff.edwards@bdo.com.au
Engagement manager	Chelsea Aplin	08 7324 6097	chelsea.aplin@bdo.com.au
Audit senior	Jordan Rosenfield	08 7324 6055	Jordan.Rosenfield@bdo.com.au

## Contractual arrangements and rotation requirements

The year ended 30 June 2018 is the third year of our five year contractual arrangement as auditor of the Council. We look forward to working with Council and its staff this year, and the following two years.



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# APPENDICES





# APPENDIX 1

## Other communications



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### Ethics and independence

In conducting our audit, we are required to comply with the independence requirements of the *Local Government Act 1999*, the *Local Government (Financial Management) Regulations 2011* made under that act and s290 of APES 110 *Code of Ethics for Professional Accountants*.

We obtain independence declarations from all staff engaged in the audit. We also have policies and procedures in place to identify any threats to our independence, and to appropriately deal with and if relevant mitigate those risks.

Should any independence matters be raised, we will bring them to your immediate attention.

For the comfort of those charged with governance, we note that the following processes assist in maintaining our independence:

- Restrictions on BDO employees having financial interests in audit clients
- No other work is permitted to be undertaken by any BDO division or office without the express approval of the engagement director/partner
- Services including valuation and similar services are specifically prohibited to be provided by any other BDO office to you.

BDO has not provided any other services during the year to the Council.

# APPENDIX 1

## Other communications (continued)

### Communications with those charged with governance

City of Holdfast Bay has an Audit and Governance Committee. It is usual practice for the auditor to liaise with the Audit and Governance Committee. All our reporting will be to the Chairman of Audit and Governance Committee.

To enhance our communication and to reduce any potential expectation gaps with clients, BDO has adopted a structured reporting system. We will communicate with Audit and Governance Committee and management via:

- This audit plan
- An interim management letter
- An audit completion report at the conclusion of the audit

Communications will include the following matters:

- Our response to identified risks of material misstatement
- Expected modifications to the audit report
- Corrected and uncorrected misstatements
- Significant deficiencies in internal control and any other deficiencies identified that in our judgement are of sufficient importance to merit management's attention
- Views about the qualitative aspects of the entity's accounting practices and financial reporting including the application of Accounting Standards by management
- Changes in significant accounting policies
- Material uncertainties relating to the entity's ability to continue as a going concern
- Any matters of governance interest identified, including any specifically required by Auditing Standards
- New developments.



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# APPENDIX 2

## Timetable

We have set out below the timing of significant milestones to include on-site visits, key meeting dates and reporting deadlines with respect to the completion of the audit.

Milestone	Responsibility	Date
Audit and Governance Committee meeting and submission of Annual audit plan	BDO & the Council	4 <sup>th</sup> April 2018
Interim audit visit commences	BDO & the Council	30 <sup>th</sup> April 2018 - 11 <sup>th</sup> May 2018
Management letter for interim audit visit	BDO	27 <sup>th</sup> May 2018
Draft financials ready for the audit	The Council	3 <sup>rd</sup> September 2018
Final audit visit commences	BDO & the Council	3 <sup>rd</sup> September 2018 - 14 <sup>th</sup> September 2018
Closing meeting with auditors	BDO & the Council	14 <sup>th</sup> September 2018
Audit committee meeting and submission of Audit completion report	BDO & the Council	TBC October 2018
Chief Executive Officer and Principal Member of the Council to approve and sign off Regulation 14 Certification of Financial Statements, Certificate of Auditor Independence and management representation letter	BDO & the Council	TBC October/November 2018
Independent Auditor's Report signed	BDO	TBC October/November 2018
Acquittal audits	BDO & the Council	TBC - By 31 <sup>st</sup> October



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# APPENDIX 3

## Fees

The proposed fee for all services provided for the year ending 30 June 2018 is \$30,470 excluding GST (\$33,517 including GST).

This fee encompasses the audits of:

- Annual financial statements
- Internal controls
- Roads to Recovery Chief Executive Officer's Financial Statement
- LGAWCS Actual Wages Declaration

### Estimates

Our proposed fee do not include any advice or assistance that may be given in respect of accounting issues. Whilst brief ad hoc advice provided in the course of our audit will generally be included in our fee, formal advice, assistance with complex issues or meetings to discuss these issues will fall outside the scope of our proposed engagement fee. Fees for any assistance provided in this regard will be negotiated prior to the services being performed.

The proposed fees assume that all engagement schedules and reports will be available as agreed in the timetable and that the financial report will be prepared by your staff. If schedules and reports are not provided within the agreed timetable, additional costs could be incurred and charged to you.

Should these assumptions not remain valid BDO will inform you prior to the occurrence of additional costs.



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### Assistance required

In order to keep our time and costs to a minimum, we appreciate your assistance with the following:

- Management providing all deliverables in line with the agreed timetable
- Assistance from your staff with supporting documentation and explanations during the audit process
- Disclosure by your staff of all information relevant to the engagement in a timely manner.

Prior to the commencement of our audit, we will provide you with an audit preparation package.

We have prepared this report solely for the use of City of Holdfast Bay. As you know, this report forms part of a continuing dialogue between the company and us and, therefore, it is not intended to include every matter, whether large or small, that has come to our attention. For this reason we believe that it would be inappropriate for this report to be made available to third parties and, if such a third party were to obtain a copy of this report without prior consent, we would not accept any responsibility for any reliance they may place on it.

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Item No: **6.2**

Subject: **PRUDENTIAL MANAGEMENT POLICY**

Date: 10 April 2018

Written By: Team Leader Governance

General Manager: Business Services, Mr R Bria

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### **SUMMARY**

Section 48 of the Local Government Act (the Act) requires Council to develop policies, procedures and practices in relation to the assessment of projects to ensure that Council acts with due care, identifies risk, makes informed decisions and is accountable for the use of resources (prudential management).

A Prudential Management Policy has been developed to address the requirements of the Act. A Prudential Management Procedure has also been developed to provide more detail around how the Policy will be delivered. Together the documents outline the key requirements, purpose and scope in relation to Prudential Management.

The Policy was presented to Council for endorsement on 13 March 2018. The Procedure is presented to Council for information at the same meeting, and will be managed by the Senior Leadership Team.

The Policy and Procedure are presented to the Audit Committee for information and noting.

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### **RECOMMENDATION**

**That the Audit Committee note the development of the Prudential Management Policy and Procedure.**

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### **COMMUNITY PLAN**

Culture: Being financially accountable  
Culture: Supporting excellent, efficient operations

### **COUNCIL POLICY**

Prudential Management Policy  
Procurement Policy  
Risk Management Policy

## **STATUTORY PROVISIONS**

*Local Government Act 1999*

## **BACKGROUND**

Section 48 of the Local Government Act (the Act) requires Council to develop policies, procedures and practices in relation to the assessment of projects to ensure that Council acts with due care, identifies risk, makes informed decisions and is accountable for the use of resources (prudential management).

Whilst Council has not had a policy to meet this requirement in the past, Council has been compliant with the requirements outlined within s48 of the Act. This includes compliance with the specific requirement for Council to obtain a Prudential Reports for projects where the expenditure will exceed \$4 million (indexed). Prudential Reports have been prepared for King Street Bridge, Glenelg Cinema and Car Park, Kauri Parade Sporting Complex and Brighton Oval Masterplan.

## **REPORT**

The Prudential Management Policy and Procedure have been developed in order to detail Council's approach to Prudential Management activities. The documents outline the key requirements, purpose and scope in relation to Prudential Management.

### **Prudential Management Policy**

The Prudential Management Policy outlines the requirements for obtaining a Prudential Report for projects, including the engagement of an independent author, the required content of the report, presentation of the report to Council, and public access to the report.

*Refer Attachment 1*

### **Prudential Management Procedure**

The Prudential Management Procedure details the requirement for Council's prudential management of all projects, no matter the budget, to ensure that maximum community benefit is obtained with the sustainable allocation of resources. The Procedure details the requirements before starting a project including obtaining prudential reports for larger projects, and the due diligence process for smaller projects. The procedure also describes the process for due diligence during project delivery and evaluation after project delivery.

*Refer Attachment 2*

## **BUDGET**

There are no budget implications with the review of these documents.

## **LIFE CYCLE COSTS**

There are no life cycle costs associated with this report.



Classification:	Statutory Policy.
Trim Container	<b>TRIM Container Number</b>
Trim Document Number:	<b>TRIM Document Number</b>
First Issued / Approved:	<b>Date of first issue/approval</b>
Last Reviewed:	<b>Date of last review</b>
	<b>Resolution Number</b>
Next Review:	<b>Review Date</b>
Responsible Officer:	<b>Responsible Officer</b>
Date Placed on Web:	Date placed on the Web

## 1. PREAMBLE

### 1.1 Background

This policy is made pursuant to Section 48(aa1) of *the Local Government Act 1999 (the Act)*, which provides that Council must develop and maintain policies practices and procedures for the assessment of projects to ensure that the Council:

- (a) acts with due care diligence and foresight; and
- (b) identifies and manages risks associated with a project; and
- (c) makes informed decisions; and
- (d) is accountable for the use of Council and other public resources.

### 1.2 Purpose

This policy ensures that decision making in respect of any project is made with reliable, accurate and timely information. This policy seeks to enhance Council's existing policies governing Council's strategic management processes.

### 1.3 Scope

Under Section 48(1) of the Act, there are specific prudential review requirements for projects that meet the following criteria:

- (a) where the expected expenditure of Council over the ensuing five years is likely to exceed 20 per cent of the Council's average operating expenses over the previous five financial years; or
- (b) The expected capital costs over the ensuing five years is likely to exceed \$4.5 million (indexed); or
- (c) Council considers that it is necessary or appropriate.

In accordance with Section 48(3) this policy does not apply to road construction or maintenance or drainage works.

### 1.5 Definitions

**Project** May include a new or discreet undertaking or activity that would involve the expenditure of money, deployment of resources.

**1.5 Strategic Reference**

Culture: Being financially accountable

Culture: Supporting excellent, efficient operations

**2. PRINCIPLES**

**2.1 Prudential Report**

Projects falling within the scope of this policy require a Prudential Report and the following criteria will be applied.

**2.2 Prudential Report Author**

Council will engage a suitably qualified independent author to undertake Prudential Reviews in accordance with this policy. This may be an employee of Council; however in such instance the person must not have an interest in the proposed project.

**2.3 Prudential Report content**

In accordance with Section 48(2) of the Act, the report will address the following:

- (a) the relationship between the project and relevant strategic management plans
- (b) the objectives of the Development Plan in the area where the project is to occur
- (c) the expected contribution of the project to the economic development of the local area, the impact that the project may have on businesses carried on in the proximity and, if appropriate, how the project should be established in away that ensures fair competition in the market place;
- (d) the level of consultation with the local community, including contact with persons who may be affected by the project and the representations that have been made by them, and the means by which the community can influence or contribute to the project or its outcomes;
- (e) if the project is intended to produce revenue, revenue projections and potential financial risks;
- (f) the recurrent and whole-of-life costs associated with the project including any costs arising out of proposed financial arrangements;
- (g) the financial viability of the project, and the short and longer term estimated net effect of the project on the financial position of the council;
- (h) any risks associated with the project, and the steps that can be taken to manage, reduce or eliminate those risks (including by the provision of periodic reports to the chief executive officer and to the council);
- (i) the most appropriate mechanisms or arrangements for carrying out the project.

**2.4 Consideration of the Prudential Report**

The author will prepare a Prudential Report in accordance with this policy and the legislation for consideration of Council prior to the project commencement.

**2.5 Public Access of the Prudential Report**

The Prudential Review Report will form part of the Council Agenda papers and will be a public document unless it been determined otherwise by the Council in accordance with Section 90 of the Local Government Act 1999.

**3. REFERENCES**

**3.1 Legislation**

- *Local Government Act 1999*

**3.2 Other References**

- Procurement Policy
- Risk Management Policy

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**1. PREAMBLE**

**1.1 Background**

Council has obligations to undertaken prudential management activities in relation to projects, under both Council’s Prudential Management Policy and the Local Government Act.

**1.2 Purpose**

This procedure outlines the processes to be following in order to ensure that Council achieves its due diligence requirements. These processes will ensure that decision making in respect of any project is made with reliable, accurate and timely information

**1.3 Scope**

This procedure details the requirements for Council’s prudential management of all projects.

**1.4 Definitions**

**Due Diligence** means the conduct of a systematic review of assumptions, risks and financial projections, prior to entering into any transaction, agreement or partnership.

**Project** May include a new or discreet undertaking or activity that would involve the expenditure of money, deployment of resources.

**1.5 Strategic Reference**

Culture: Being financially accountable  
 Culture: Supporting excellent, efficient operations

**2. PRINCIPLES**

**2.1** Council is committed to delivering projects that provide the maximum community benefit whilst ensuring the prudent and sustainable allocation of resources.

**2.2** Council is committed to ensuring it exercises appropriate levels of due care, due diligence, and foresight when assessing any proposed project or expenditure.

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### 3. PROCEDURE

**3.1** Outside of Councils Annual Business Planning cycle, opportunities may arise to advance the Council's Strategic Directions or initiate a project in partnership with other levels of government, local government areas or private entities.

#### **3.2 Larger Projects – Prudential Reports**

3.2.1 Prudential reports will be prepared where projects fall within the criteria prescribed in Section 48 of the Local Government Act 1999.

3.2.2 Prudential reports will be prepared once the scope of the project is known, before the project proceeds past an initial concept phase (eg. upon completion of a master plan or concept plan).

3.2.2 An independent author will be engaged to prepare a prudential report in accordance with the Prudential Management Policy and Procurement Policy.

3.2.3 The appointed author will be required to provide a statement that they have no conflicts of interest, and that they do not derive a benefit or have any direct or indirect pecuniary interest in the proposed project.

3.2.4 Prudential reports will be presented to Council to aid it in its decision making process.

#### **3.3 Smaller Projects – Due Diligence**

3.3.1 An appropriate level of due diligence reporting will be performed for smaller projects (which do not trigger the requirement for a full prudential report), where the project involves the following:

- a. The allocation of additional funding which has not previously been accommodated in Council's Long Term Financial Plan, Annual Business Plan or Budget.
- b. An extension of services which will require additional budget allocations in future years (including programs initially funded through external grants).
- c. The acquisition or development of new assets requiring additional allocations beyond those already accommodated in the Long Term Financial Plan.
- d. The exposure or possible exposure to additional financial or reputational risk to the Council
- e. Entering into a partnership with a third party to deliver a project, particularly where the arrangement includes funding commitments, or managing external grant funds.

3.3.2 A project concept will be provided to the Senior Leadership Team describing:

- a. The relationship between the proposed project and the relevant strategic management plans.

- b. The specific community benefits or needs to be addressed
- c. The indicative cost and commitment.

3.3.3 The Senior Leadership Team will determine the level of due diligence required and may:

- a. Be satisfied that the proposed project is of sufficiently low financial risk as not to warrant any further assessment.
- b. Require a Business Case to be submitted that further explores the risks, benefits, assumptions, alternatives, financial cost, required resource levels and project management aspects of the proposal.
- c. Require further assessments to be conducted that ensure appropriate foresight and due care has been applied.
- d. Defer further consideration or development of the project.

#### **3.4 Due Diligence during a project**

Council will maintain internal controls to manage, track and report on any performance, procurement, risk, and governance process associated with the delivery of a project to ensure that it achieves the desired outcomes.

#### **3.5 Due Diligence after a project**

On completion of a prudential project, it will be evaluated, according to the principles of due diligence, to determine the extent to which the project has achieved the public benefits or needs identified and avoided or mitigated the financial risks identified.

### **4. REFERENCES**

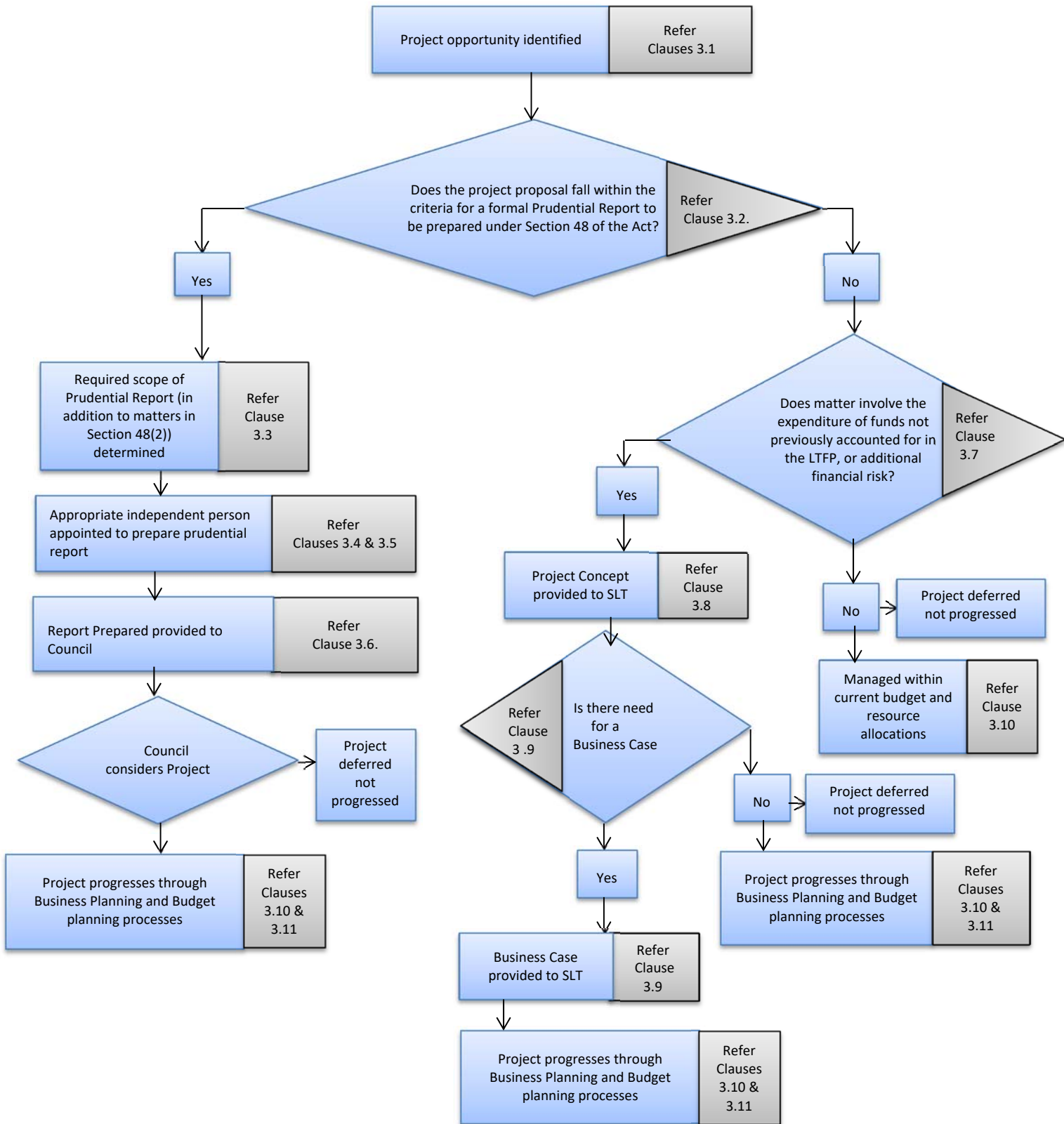
#### **4.1 Legislation**

- *Local Government Act 1999*

#### **4.2 Other References**

- Procurement Policy
- Code of Conduct For Employees
- Risk Management Policy
- Long Term Financial Plan
- Asset Management Plans
- Annual Business Plan

5. FLOW CHART



Item No: **6.3**

Subject: **UNSOLICITED PROPOSALS POLICY**

Date: 4 April 2018

Written By: Team Leader Governance

General Manager: Business Services, Mr R Bria

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### **SUMMARY**

The Unsolicited Proposals Policy is developed for the purpose of section 49 of the Local Government Act, providing a defined approach and record keeping process for entering into contracts through a process other than a tender. The Policy has been developed to address the receipt and assessment of unsolicited proposals.

An Unsolicited Proposals Procedure has also been developed to provide more detail around how the Policy will be delivered. Together the documents outline the key requirements in relation to the receipt, assessment and management of Unsolicited Proposals.

The Policy and Procedure are presented to Audit Committee for endorsement. Following the endorsement of these documents the Policy will be presented to Council for endorsement. The Procedure will be presented to Council for information, and will be managed by the Senior Leadership Team.

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### **RECOMMENDATION**

- 1. That the draft Unsolicited Proposals Policy and Procedure be endorsed.**
  - 2. That the draft Unsolicited Proposals Policy be presented to Council for consideration and adoption.**
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### **COMMUNITY PLAN**

Culture: Being financially accountable  
Culture: Supporting excellent, efficient operations  
Economy: Supporting and growing local business  
Economy: Making it easier to do business  
Economy: Harnessing emerging technology



## **COUNCIL POLICY**

Disposal of Assets Policy  
Procurement Policy  
Privately Funded DPA Policy  
Prudential Review Policy

## **STATUTORY PROVISIONS**

Local Government Act 1999

## **BACKGROUND**

Following the issues faced by the State Government during the Gillman Land sale, and the subsequent legal proceedings, the LGA developed and released model guidelines for the receipt and assessment of Unsolicited Proposals in 2016.

As Council has received unsolicited proposals in the past, such as the Glenelg Cinema and Car Park, it would be best practice for Council to adopt an Unsolicited Proposals Policy. Having a policy position will ensure that Proposals are managed in a manner that is transparent, fair and ethical.

Section 49 of the Local Government Act (the Act) requires Council to develop policies on procurement as well as the disposal of land and assets. The Unsolicited Proposal process is designed to manage proposals resulting in contracts, which do not meet the requirements of the Procurement or Disposal of Assets Policies.

## **REPORT**

### **Unsolicited Proposals Policy**

The Unsolicited Proposals Policy is developed for the purpose of section 49 of the Local Government Act, providing a defined approach and record keeping process for entering into contracts through a process other than a tender. The Policy has been developed to address the receipt and assessment of unsolicited proposals.

The Policy will promote the development of innovative ideas, whilst ensuring that benefits for the community are maximised and value for money is achieved. The Policy will apply to proposals greater than \$500,000 in value, for the purchase, lease or development of Council land or assets or the provision of goods, services or infrastructure. Proposals may progress through up to three stages including Initial Proposal, Detailed Proposal and Contract Negotiation.

*Refer Attachment 1*

### **Unsolicited Proposals Procedure**

The Unsolicited Proposals Procedure details the processes around how the Policy will be delivered. The Procedure details the criteria that a proposal must meet in order to be considered

under the Policy, and the nomination of an Unsolicited Proposals Coordinator to manage the assessment of the proposal.

The Proposal details the processes to be followed for each of the three assessment stages, namely the Initial Proposal, Detailed Proposal and Contract Negotiation. A report would be presented to Council for consideration at the conclusion of each of these stages.

*Refer Attachment 2*

#### **BUDGET**

There are no budget implications with the development of these documents.

#### **LIFE CYCLE COSTS**

There are no life cycle costs associated with this report.

Classification:	Statutory Policy.
Trim Container	<b>TRIM Container Number</b>
Trim Document Number:	<b>TRIM Document Number</b>
First Issued / Approved:	<b>Date of first issue/approval</b>
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	<b>Resolution Number</b>
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## 1. PREAMBLE

### 1.1 Background

As facilitators and enablers of economic growth, it is reasonable for Council to work with the private and not-for-profit sectors to pursue innovative ideas that will create jobs, contribute to the best use of public assets and deliver high quality services.

This policy provides a defined process for new and innovative ideas to be brought to Council. It also gives confidence to investors and their community that unsolicited proposals will be considered in a consistent, transparent and lawful manner to deliver the highest standards of public value.

### 1.2 Purpose

Council has adopted this policy for the purpose of section 49 of the Local Government Act 1999. The following objectives will guide Council's consideration of unsolicited proposals:

- 1.2.1 promoting the development of innovative ideas by the private and community sectors to support the Council's role and functions, and broad objectives as outlined in its Strategic Plan;
- 1.2.2 ensuring that unsolicited proposals are received and assessed through a transparent and fair process that involves high standards of probity and public accountability;
- 1.2.3 ensuring that the unsolicited proposals process is not used to circumvent the Council's regular procurement processes;
- 1.2.4 ensuring value for money for the Council and the community is achieved from any unsolicited proposal;
- 1.2.5 maximising the benefits from unsolicited proposals for the Council and the community; and
- 1.2.6 ensuring the Intellectual Property of a party submitting an unsolicited proposal is appropriately protected.

### 1.3 Scope

This policy applies to any unsolicited proposal that a proponent submits to the Council.

# UNSOLICITED PROPOSALS POLICY

## 1.4 Strategic Reference

Culture: Being financially accountable  
Culture: Supporting excellent, efficient operations  
Economy: Supporting and growing local business  
Economy: Making it easier to do business  
Economy: Harnessing emerging technology

## 2. UNSOLICITED PROPOSALS

- 2.1 An unsolicited proposal is a new and innovative proposal from the private and non-government sector that could assist the Council to achieve its strategic objectives or satisfy a community need, which has not been requested by the Council through its regular procurement processes.
- 2.2 An unsolicited proposal may include a proposal for:
- the purchase, lease or development of Council owned or managed land (see also the Privately Funded DPA Policy);
  - the delivery of goods or services to or on behalf of the Council; or
  - the provision of infrastructure for the community.
- 2.3 The minimum financial threshold for an unsolicited proposal under this policy is \$500,000.
- 2.4 Where an unsolicited proposal involves more than one council, the relevant councils may resolve to adopt any one of their unsolicited proposals policies, with any required variations, to apply to that proposal in place of their individual policy.

## 3. PERIOD OF EXCLUSIVITY

- 3.1 Council may, in its absolute discretion, enter into a period of exclusive negotiation with a proponent. Council recognises that circumstances may arise where it is beneficial to deal exclusively with one party in relation to a particular proposal that has been submitted. These circumstances include where a party's Intellectual Property should be protected.
- 3.2 The criteria that Council will consider to determine if a period of exclusivity should be entered into are:
- No competing proposals
  - Community need/Council priority
  - Uniqueness
  - Value for money
  - Capacity and capability of proponent

## 4. PROCESS FOR RECEIPT AND CONSIDERATION OF UNSOLICITED PROPOSALS

### 4.1 Pre-lodgement meeting

Before formally submitting an unsolicited proposal, the proponent may request a pre-lodgement meeting with Council's Unsolicited Proposals Coordinator.

# UNSOLICITED PROPOSALS POLICY

## 4.2 Receipt and assessment process

There is a three stage process for managing unsolicited proposals:

Stage 1 – Initial Proposal

Stage 2 – Detailed Proposal

Stage 3 – Contract Negotiation

## 4.3 Intellectual Property Rights

Council acknowledges unsolicited proposals may contain Intellectual Property of the proponent and/or third parties. If Council declines to consider, or ends its consideration of an unsolicited proposal, and elects to approach to the market in relation to the subject matter of the proposal, Council will respect any Intellectual Property rights of the proponent and/or third parties as legally required.

## 4.4 Publication of Details of Unsolicited Proposals

When an unsolicited proposal enters Stage 3, Contract Negotiation, Council will publish details of the proposal on its website.

## 5. GENERAL TERMS

### 5.1 No legal relationship

Council is under no contractual or other legal obligation to the proponent with respect to the receipt, assessment, consideration, acceptance or rejection of any proposal or the failure to receive, assess, consider or accept any proposal.

### 5.2 Legislative obligations

Council may have legislative obligations that it needs to comply with in relation to a particular proposal and nothing in this policy is intended to override or circumvent those obligations.

### 5.3 No soliciting or outside discussions

5.3.1 All queries or communications in relation to unsolicited proposals must be directed to the Unsolicited Proposals Coordinator to ensure consistency and transparency in the unsolicited proposals process.

5.3.2 Council reserves the right to discontinue the process if the proponent discusses the proposal with members of Council staff or Elected Members other than as directed by the Unsolicited Proposals Coordinator.

### 5.4 Conflict of interest

Proponents must inform Council of any circumstances or relationships which will constitute a conflict or potential conflict of interest if the proponent is successful in negotiating a contract. If any conflict or potential conflict exists, the proponent must advise Council how it proposes to address this.

### 5.5 Costs of proposal

A proponent bears its own costs of preparing, discussing and negotiating any unsolicited proposal with the Council.

# UNSOLICITED PROPOSALS POLICY

## 5.6 Interaction with other Council policies

- 5.6.1 Unless specifically stated in this policy or determined by Council, this policy is not intended to override any other policy of Council that may apply to an unsolicited proposal.
- 5.6.2 Council's Disposal of Asset Policy and Procurement Policy do not apply to an unsolicited proposal that is covered by this policy.

## 5.7 Council's General Rights

Council may:

- 5.7.1 at any stage of the process if it assesses that a proposal does not meet the criteria to be considered or considered further, make an approach to the market in respect of the subject matter of the proposal and end consideration of the proposal and withdraw from any negotiation with the proponent in relation to it;
- 5.7.2 amend, vary or revoke and replace this policy at any time;
- 5.7.3 accept or reject any unsolicited proposal;
- 5.7.4 subject to any period of exclusivity, negotiate with any person in relation to the subject matter of an unsolicited proposal;
- 5.7.5 accept all or part of an unsolicited proposal;
- 5.7.6 discontinue negotiations with any proponent; and
- 5.7.7 include any proponents name in council reports and, subject to any period of exclusivity and any agreement with a proponent to the contrary, make them public.

## 5.8 Departure from Policy

The Council may, by resolution, where it is justified in the circumstances, determine that this policy will not apply to a particular unsolicited proposal.

## 6. REFERENCES

### 6.1 Legislation

*Local Government Act 1999 (SA)*

### 6.2 Other References

Disposal of Assets Policy  
Procurement Policy  
Privately Funded DPA Policy  
Prudential Review Policy

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Trim Container	TRIM Container Number
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	Resolution Number
Next Review:	Review Date
Responsible Officer:	Responsible Officer
Date Placed on Web:	Date placed on the Web

## 1. PREAMBLE

### 1.1 Background

This procedure describes the process for receipt and assessment of new and innovative ideas. This procedure ensures that unsolicited proposals will be considered in a consistent, transparent and lawful manner to deliver the highest standards of public value.

### 1.2 Purpose

The Council will consider unsolicited proposals in accordance with the objectives outlined in the Unsolicited Proposals Policy. This procedure provides further detail as to the processes that must be followed.

### 1.3 Scope

This procedure applies to any unsolicited proposal that a proponent submits to the Council.

### 1.4 Strategic Reference

Culture: Being financially accountable  
 Culture: Supporting excellent, efficient operations  
 Economy: Supporting and growing local business  
 Economy: Making it easier to do business  
 Economy: Harnessing emerging technology

## 2. UNSOLICITED PROPOSALS

2.1 An unsolicited proposal may include a proposal for:

- the purchase, lease or development of Council owned or managed land;
- the delivery of goods or services to or on behalf of the Council; or
- the provision of infrastructure for the community.

2.2 The minimum financial threshold for an unsolicited proposal under this procedure is \$500,000.

# UNSOLICITED PROPOSALS PROCEDURE

## 3. PERIOD OF EXCLUSIVITY

The Council may, in its absolute discretion, enter into a period of exclusive negotiation with a proponent who has submitted an unsolicited proposal. The criteria that the Council will consider to determine if a period of exclusivity should be entered into with a particular proponent are:

### 3.1 No competing proposals

The Council will consider whether the subject matter of an unsolicited proposal is already the subject of existing or proposed procurement processes. If the subject matter of an unsolicited proposal is already being considered or proposed to be considered by the Council in this way, then it is unlikely that an unsolicited proposal will pass Stage 1.

### 3.2 Community need/Council priority

An unsolicited proposal must promote the Council's role and functions, be broadly consistent with the Council's objectives outlined in its Strategic Plan and provide an economic, social or environmental outcome for the Council.

### 3.3 Uniqueness

It is imperative that an unsolicited proposal demonstrates how and why it is unique to justify the Council considering the proposal under this policy rather than through its usual procurement processes.

A proponent may be able to establish the uniqueness of its proposal by demonstrating that:

- (a) its proposal cannot be readily delivered by competitors at all or within the timeframes proposed by the proponent;
- (b) the proponent owns something that would limit other parties from being able to deliver the proposal (for example, Intellectual Property, strategic landholdings);
- (c) that the proponent has unique finance arrangements that enable it to deliver the proposal where other parties would not be able to; or
- (d) a combination of factors which may not stand alone as being unique but which together create a unique proposal.

### 3.4 Value for money

The proposal must represent value for money for the Council. 'Value' can include financial, economic and community benefits.

### 3.5 Capacity and capability of proponent

The proponent must have the skills, experience and resources required to enable it to deliver the proposal.

## 4. PROCESS FOR RECEIPT AND CONSIDERATION OF UNSOLICITED PROPOSALS

### 4.1 Unsolicited Proposals Coordinator

The Chief Executive Officer will nominate a member of Council staff to act as the Unsolicited Proposals Coordinator for the purposes of this procedure.



# UNSOLICITED PROPOSALS PROCEDURE

## 4.2 Pre-lodgement meeting

Before formally submitting an unsolicited proposal via the process detailed below, the proponent may request a pre-lodgement meeting with the Unsolicited Proposals Coordinator. This meeting is not mandatory but it may assist the proponent to determine if their proposal is one that may be considered under this policy.

Proponents are encouraged to bring a draft completed Application Form with them to this meeting.

Nothing that is discussed at the pre-lodgement meeting binds the Council or the proponent and the proponent may continue with lodgement of its proposal notwithstanding any feedback that it may receive at or following the pre-lodgement meeting.

## 4.3 Receipt and assessment process

The process by which the Council will receive and consider unsolicited proposals is a three state process, as outlined below.

### 4.4 Stage 1: Initial Proposal

- 4.4.1 The objective this stage is for the proponent to provide the Council with a high level overview of its proposal, to enable the Council to form a preliminary view as to whether the proposal may be considered under this policy and if the proposal should be considered further.
- 4.4.2 A proposal should include a completed Application Form (available on Council's website) and may include other details from the proponent.
- 4.4.3 A proposal must be lodged electronically to: [mail@holdfast.sa.gov.au](mailto:mail@holdfast.sa.gov.au)
- 4.4.5 Once a proposal has been submitted and the Unsolicited Proposals Coordinator determines that there is sufficient information to consider the proposal, the Unsolicited Proposals Coordinator will convene a meeting with staff from relevant Council departments, depending on the subject matter of the proposal (Steering Committee).
- 4.4.6 The Steering Committee will determine whether the proposal meets the criteria to be considered. To make its decision, the Steering Committee may consult with other staff and professional advisers as necessary.
- 4.4.7 If the Steering Committee determines that the proposal should proceed to the next stage of the process, a recommendation and report will be prepared for consideration of the Council's Elected Members.
- 4.4.8 If the Steering Committee recommends that the proposal not be accepted or the Council Elected Members do not endorse the proposal, the proponent will be notified in writing of this outcome by the Unsolicited Proposals Coordinator.
- 4.4.9 Where the Council Elected Members endorse the proposal, it will proceed to Stage 2. The proponent will be provided with notification that the proposal has been approved to proceed to Stage 2 together with a copy of the Council's resolution.

## UNSOLICITED PROPOSALS PROCEDURE

- 4.4.10 The anticipated timeframe for the completion of Stage 1, commencing from when the Unsolicited Proposals Coordinator determines that it has all of the information it needs to consider the proposal, is 60 Days.
- 4.4.11 Any endorsement of a proposal at Stage 1 is “in principle” endorsement only so that the proposal may proceed to Stage 2 consideration.

### 4.5 Stage 2: Detailed Proposal

- 4.5.1 At the commencement of Stage 2, Council will enter into a Heads of Agreement with the Proponent to outline the fundamental principles to be agreed and included in any subsequent contract.
- 4.5.2 Stage 2 will be an interactive process between the Council and the proponent within a framework established by the Council.
- 4.5.3 The Council will establish a framework for Stage 2 to clearly outline the process that will be followed including probity requirements, timeframes and assessment criteria.
- 4.5.4 The matters that the Council will consider during Stage 2 are:
  - (a) the value for money proposition for the Council
  - (b) if the proposal is legally, technically and financially feasible
  - (c) how the proposal should be structured to deliver the best outcome
  - (d) a cost/benefit analysis and Prudential Review where required
  - (e) whether the proposal or any part of it would more appropriately be the subject of a competitive bidding process;
  - (f) the appropriate allocation of risk; and
  - (g) the proposed delivery method.
- 4.5.5 During Stage 2, the Unsolicited Proposals Coordinator will:
  - (a) convene meetings of the Steering Committee with any other subject matter experts and professional advisers and obtain reports and further information for the Council’s consideration of the proposal as required
  - (b) convene meetings with the proponent and request further information as required
- 4.5.6 During Stage 2, a proponent must develop a detailed proposal, provide additional information as required, and make themselves available to participate in meetings and respond to communications from the Unsolicited Proposals Coordinator.
- 4.5.7 At the end of Stage 2, a report and recommendation will be prepared for the Council Elected Members’ consideration and the proponent will be advised of the Council’s resolution that all or part of the proposal:
  - (a) will proceed to Stage 3 on an exclusive consideration basis
  - (b) will not continue to be considered on an exclusive basis but that the proposal warrants a competitive bidding process
  - (c) is not suitable for further consideration and its consideration is now at an end.

## UNSOLICITED PROPOSALS PROCEDURE

### 4.6 Stage 3: Contract Negotiation

- 4.6.1 Once a proposal enters Stage 3, Council will publish details of the proposal on its website.
- 4.6.2 Stage 3 allows the Council and the proponent to negotiate a suitable contract or contracts for the implementation of the proposal.
- 4.6.2 At the commencement of Stage 3, the Unsolicited Proposals Coordinator will advise the proponent of the process and protocols for the development of a contract.
- 4.6.3 Once a contract has been agreed in principle between the Council Administration and the proponent, the contract will be submitted to the Council Elected Members to seek their approval for the Contract to be executed. The Unsolicited Proposals Coordinator will then advise the proponent in writing that the Council:
  - (a) agrees to the terms and conditions of the contact and will proceed to execute it;
  - (b) agrees to the contract, subject however to specified variations or conditions;
  - (c) does not agree to enter into the contract but instead determined to pursue or consider pursuing the unsolicited proposal through another process, including a competitive bidding process; or
  - (d) does not agree to enter into the contract and that its consideration of the proposal under this policy is now at an end.

### 5. PROBITY FRAMEWORK

It is a primary objective of this procedure to ensure the probity of the processes employed by the Council to consider unsolicited proposals. Probity principles and protocols when dealing with proponents in relation to their unsolicited proposals will ensure:

- (a) that proposals are received, assessed and negotiated, and decisions are made, through an approved and transparent framework.
- (b) that decisions are made through a robust framework and so that they will deliver the best outcomes for the Council and its community.
- (c) that confidential information is protected.
- (d) that any perceived conflict of interest, bias or misconduct is eliminated.
- (e) The Council may, at any Stage, engage a probity adviser or auditor.

### 6. GENERAL TERMS

#### 6.1 No legal relationship

- 6.1.1 No legally binding contract is existing or is to be implied between Council and the proponent unless and until a formal contract document is signed by both parties.

## UNSOLICITED PROPOSALS PROCEDURE

- 6.1.2 Council is under no contractual or other legal obligation to the proponent with respect to the receipt, assessment, consideration, acceptance or rejection of any proposal or the failure to receive, assess, consider or accept any proposal.

### **6.2 Legislative obligations**

- 6.2.1 Council may have legislative obligations that it needs to comply with in relation to a particular proposal and nothing in this procedure is intended to override or circumvent those obligations.
- 6.2.2 Processes established by this procedure are separate from, and do not override, other legislative approval processes that a proponent may need to participate in, in order to progress its proposal (for example, development approval or rezoning).

### **6.3 No soliciting or outside discussions**

- 6.3.1 All queries or communications in relation to unsolicited proposals must be directed to the Unsolicited Proposals Coordinator to ensure consistency and transparency in the unsolicited proposals process.
- 6.3.2 Council reserves the right to discontinue the process if the proponent discusses the proposal with members of Council staff or Elected Members other than as directed by the Unsolicited Proposals Coordinator.

### **6.4 Conflict of interest**

Proponents must inform Council of any circumstances or relationships which will constitute a conflict or potential conflict of interest if the proponent is successful in negotiating a contract. If any conflict or potential conflict exists, the proponent must advise Council how it proposes to address this.

### **6.5 Costs of proposal**

A proponent bears its own costs of preparing, discussing and negotiating any unsolicited proposal with the Council.

### **6.6 Change in circumstances**

A proponent must inform the Council promptly in writing of any material change to any of the information contained in the proponent's submission.

### **6.7 Use of documents**

Any documents provided by the Council to a proponent must only be used for the purpose of progressing a proposal in accordance with this policy and must be returned to the Council at the end of the process on request.

### **6.8 Review of guidelines**

This procedure will be reviewed regularly by the Council to ensure that the objectives remain relevant and are met.

## UNSOLICITED PROPOSALS PROCEDURE

### 6.9 Council's General Rights

In considering an unsolicited proposal Council:

- (a) makes no representations or undertakings that it will enter into any agreement or contract with any proponent in respect of the subject matter of any unsolicited proposal;
- (b) may undertake 'due diligence' checks on any proponents;
- (c) will not be responsible for any costs or expenses incurred by a proponent arising in any way from the preparation, submission or negotiation of a proposal;
- (d) accepts no responsibility for any proponents failing to undertake any investigations or understanding any matters that may impact on its proposal;
- (e) will not be liable for or pay any expenses or losses incurred by a proponent, in the preparation of a proposal or prior to the signing of any agreement relating to a proposal or otherwise;
- (f) will not be bound by any verbal advice given or information furnished by any member, officer or agent of Council except written advice or information provided by the Unsolicited Proposals Coordinator.

## 7. REFERENCES

### 7.1 Legislation

*Local Government Act 1999 (SA)*

### 7.2 Other References

Disposal of Assets Policy  
Procurement Policy  
Privately Funded DPA Policy  
Prudential Review Policy

Item No: **6.4**

Subject: **GOVERNANCE AND COMPLIANCE FRAMEWORKS**

Date: 4 April 2018

Written By: Team Leader Governance

General Manager: Business Services, Mr R Bria

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### **SUMMARY**

The Governance and Compliance Frameworks have been prepared to demonstrate the Councils commitment to the principles of good governance and compliance, and the role that Governance and legislative compliance play in delivering effective and efficient operations.

The Governance Framework is an overarching summary of the governance structure that support Council operations. It will be used to educate new staff, and to clarify governance and operational matters.

The Governance and Compliance Frameworks are presented to Audit Committee to note and provide any relevant feedback.

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### **RECOMMENDATION**

**That the Audit Committee note the Governance and Compliance Frameworks.**

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### **COMMUNITY PLAN**

Culture: Supporting excellent, efficient operations

### **COUNCIL POLICY**

Risk Management Policy  
Procurement Policy  
Records Management Policy  
Treasury Management Policy  
Whistleblower Policy  
Fraud, Corruption, Misconduct and Maladministration Policy  
Order Making Policy  
Asset Management Policy  
Community Consultation and Engagement Policy

## **STATUTORY PROVISIONS**

Local Government Act 1999

## **BACKGROUND**

It was identified during the development of the Strategic Risk Register that Council did not have a means of recording legislative compliance. The Internal Audit program also included a component for compliance mapping, which was deferred until such time as Council could put appropriate mechanisms in place. The Compliance Framework will provide a clear process for monitoring and reporting to facilitate this audit role.

## **REPORT**

The Governance and Compliance Frameworks have been prepared to demonstrate the Council's commitment to the principles of good governance and compliance, and the role that Governance and legislative compliance play in delivering effective and efficient operations.

### **Governance Framework**

A Governance Framework has been developed as an overarching summary of the governance structures that support Council operations. It will be used to educate new staff, and to clarify governance and operational matters.

The Framework provides context to the Council's policies and practices. The Framework contains an overview of the different measures which have been put into place to assist elected members and employees to meet their governance responsibilities, under the different legislation in which local government operates.

*Refer Attachment 1*

### **Compliance Framework**

The Compliance Framework has been developed to ensure that Council business is conducted in compliance with legislative and policy requirements and will be used to monitor and track legislative compliance across Council. The Framework outlines Responsibilities for Council and all levels of Council administration. An annual report will be provided to the Audit Committee and Council on compliance activities. The Framework provides transparency about the approach Council takes to compliance, and is designed to ensure compliance with legislative and common law requirements, Council Policies and Procedures, and other best practice codes and standards.

*Refer Attachment 2*

To support the delivery of the Compliance Framework, a set of spreadsheets have been developed to ensure that Council has an appropriate tool and structure in place to audit and report on legislative compliance. The Compliance Spreadsheets outline the Council's responsibilities under 22 Acts. The spreadsheet details the frequency of the compliance check,

responsible business units and the appropriate testing methodology, to verify Council's compliance with each requirement.

Now that a Compliance Framework has been developed, The Governance Team will proceed to complete an initial audit (self-assessment) of legislative compliance. The first priority will be to conduct an audit of compliance under the Local Government Act., as this Act imposes the most compliance requirements with a total of 212 controls. This review will be completed by 30 June 2018. An audit (self-assessment) of the remaining 21 Acts will be conducted in the 2018/2019 financial year.

A sample of the Compliance Spreadsheet is attached for reference, detailing the controls under the Local Government Act 1999.

*Refer Attachment 3*

It is recommended that the proposed Compliance Internal Audit as proposed in the Internal Audit Plan be rescheduled into the 2018/19 financial year to allow for the Compliance Framework to be implemented with self-assessment being undertaken.

#### **BUDGET**

There are no budget implications with this report.

#### **LIFE CYCLE COSTS**

There are no Life Cycle costs associated with this report.





# Governance Framework

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## Section 1 Introduction

Elected Members and employees of the City of Holdfast Bay are committed to the democratic process and the principles of good governance.

The Governance and Compliance Framework has been prepared to demonstrate to the community that Elected Members and employees understand good governance and its importance to the effective and efficient operations of Council.

### 1.1 Purpose

The Governance Framework exists to provide context to Council's governance policies and practices and is not a policy or statement of intent. It provides an overview of the measures that have been put in place in order to assist Elected Members, the Chief Executive Officer (CEO) and employees to meet their governance responsibilities as required under various legislation, in particular the *Local Government Act 1999*.

### 1.2 What is Governance

Good governance is about Council's performance in the provision of goods, services and programs and how the organisation meets its legislative requirements, non-legislative requirements (e.g. Standards) and community expectations. This is achieved by having decision making processes and structures in place that are transparent and accountable, and having integrity when interacting with the community, businesses and government departments.

The Governance Framework improves efficiency and demonstrates accountability to everyone Council has a relationship with.

### 1.3 Why Good Governance is Important

By establishing good governance principles, Council and the community can be confident the organisation is being run efficiently, is viable and is carrying out the objectives, policies and plans of Council.

Good governance is important because it:

- Establishes and maintains confidence and trust people have in Council
- Improves the quality of services provided
- Ensures Council meets its legislative responsibilities
- Is a value adding activity
- Is a strong reminder of accountability to the community
- Ensures the community has the opportunity to be involved in the decision making process.

## Section 2 Governance Framework

### 2.1 Framework Overview

The Governance Framework provides information about the Council, Elected Members and administration, the relationships that exist and how they work together to provide good corporate governance.

#### 2.1.1 Composition of Council

The Council comprises 13 Elected Members including the Mayor.

General elections for the whole of Council are held every four years on a fixed date set by legislation. The Mayor is directly elected by the community across the whole of the Council. The community elects a total of 12 ward Councillors, being three members from each of the four wards of the Council (Refer Appendix 1 for ward maps).

There are no qualifications and only a few limitations on who should be an Elected Member. Section 17 of the Elections Act outlines the criteria for an eligible candidate for election.

Further information about the Elected Members can be found on Council's website:

[www.holdfast.sa.gov.au](http://www.holdfast.sa.gov.au)

#### 2.1.2 Review of Ward Boundaries

A legislated periodic review of the composition, size and ward structure of the Council must be held at least every eight years.

Council undertook its last review of ward boundaries (Representation Review) in 2013. Reviews are required in accordance with the regulations. Council's next review is due in 2020. Alternatively ECSA can require Council to conduct a review.

Under section 28 of the Act a group of at least 20 eligible electors may initiate a public process through a submission to Council that it consider a proposal to alter the composition of the Council or the representative structure of the Council (including the creation, alteration or abolition of wards).

#### 2.1.3 Roles Functions and Objectives of Council

The roles, functions and objectives of Councils are set out in the *Local Government Act 1999*.

Council also exists to achieve the vision and goals as set out in the Our Place 2030 Strategic Plan, which can be found on Council's website: [www.holdfast.sa.gov.au](http://www.holdfast.sa.gov.au).

#### 2.1.4 Council Services

Mostly Council decides which services they will provide locally, however there are some non-discretionary (legislative) services that Council are required to provide. These include:

- Formulation of planning policy for the area (note that planning policy must be approved by the State Minister for Planning)
- Assessment of development proposals including the enforcement of breaches of the *Development Act 1993* Council Assessment Panel (CAP)
- Some environmental health services, including monitoring cooling towers for Legionnaire's Disease, food inspections, maintaining sanitary conditions
- Fire prevention
- Dog and cat management
- Administrative requirements, such as preparing strategic plans for the area, maintaining an office, employing a CEO and supporting the Elected Members
- Emergency management
- Audit Committee
- Strategic Planning and Development Policy Committee
- Records Management
- Waste collection and disposal.
- Maintenance and upgrade of key assets

Discretionary services that Councils choose to provide are numerous with some of the main services provided listed below:

- |                                      |   |
|--------------------------------------|---|
| • Aged care                          | • Footpaths                               |
| • Arts and cultural programs         | • Immunisation                            |
| • Internal administrative support    | • Information services                    |
| • Cemeteries                         | • Libraries                               |
| • Committees                         | • Local museums and heritage support      |
| • Community buses                    | • On street parking                       |
| • Community centres                  | • Ovals                                   |
| • Community development programs     | • Parks and gardens                       |
| • Community leadership and advocacy  | • Private parking                         |
| • Community services                 | • Recreation facilities and centres       |
| • Control of pest animals and plants | • Recycling                               |
| • Control of public nuisances        | • Reserves and picnic areas               |
| • Crime prevention                   | • Roads (local roads)                     |
| • Dry zones                          | • Skate parks, bike paths, cycling tracks |
| • Economic development               | • Street lighting                         |
| • Environmental management           | • Street trees                            |
| • Festivals and events               | • Traffic management                      |

### 2.1.5 Specific Roles and Responsibilities

The Council and the CEO have specific responsibilities that, if addressed with due care and diligence, will ensure they exercise effective control over the management and operation of the Council. These are termed governance responsibilities.

The Act provides formal distinctions between the role of the Council (Elected Members) as set out in sections 58 and 59, and the CEO at sections 99 and 103..

It is good governance that the Elected Members, CEO and employees recognise and respect each other's roles and responsibilities, and maintain a good relationship with each other to benefit the community.

Council should not become involved in management and operational functions, and for management not to set strategies and policies that have not been authorised by the Council.

Apart from the formal processes of Council, open communication is facilitated by:

- Weekly meetings between the CEO and Mayor
- Regular meetings between the CEO and General Managers
- Individual Elected Members having access to the Senior Leadership Team
- Regularly scheduled informal gatherings for all Elected Members and the Senior Leadership Team.

### 2.1.6 Ethical and Legal Issues for Council Members

As holders of public office, Elected Members, exercise powers under the Act, functions and duties on behalf of the Council's community and the public at large.

Elected members are required to put public interest before self-interest and to respect and uphold principles and laws designed to protect the public interest and to preserve public trust and confidence in the integrity of government.

Under the *Independent Commissioner for Corruption Act 2012* (ICAC Act), Elected Members are also 'public officers' and have specific obligations to report any reasonable suspicions of corruption or serious or systematic misconduct or maladministration.

### 2.1.7 Code of Conduct for Elected Members

The Act (s62) sets out the general duties and Code of Conduct requirements for Council Members. The Minister for Local Government has gazetted a Code of Conduct for all Council Members. This is a public statement of the standards of behavior that is expected of Elected Members, there is also a mandatory Code of Conduct for Council employees.

The community judges a Council according to its perception of the behavior and whether the Elected Members conduct themselves in a manner that will promote respect for their public office and a high standing of the Council within the community.

### 2.1.8 Conflict of Interest

Managing conflicts of interest and perceived conflicts of interest is integral to the accountability, transparency and effectiveness of local government. It is each Member's responsibility under the Act to identify where they have a conflict or perceived conflict of interest and then to act as required by the Act. There are three categories of conflict of interest under the Act:

- material conflict of interest;
- actual conflict of interest; and
- perceived conflict of interest.

Where a member has an interest in a matter to be discussed at a Meeting which does not constitute a material conflict of interest, the Member should consider whether the interest gives rise to an actual conflict of interest or a perceived conflict of interest.

To discharge this responsibility, a Member needs to be aware of the matters which are to come before a Meeting and consider whether they have an interest which may give rise to a conflict in respect of any matter. Members should consider not only their own interests, but also (for the purposes of a material conflict of interest) the interests of nominated persons, including relatives.

### 2.1.9 Elected Members Protection from Personal Liability

Section 39 of the Act specifies:

“No civil liability attaches to a member of a Council for an honest act or omission in the exercise, performance or discharge, or purported exercise, performance or discharge, of the members or Council’s powers, functions or duties under this or other Acts”

A liability that would, but for this section, attach to a member of a Council attaches instead to the Council. This does not provide any protection for Elected Members charged with any criminal acts and is only of benefit to members for civil matters where they have acted honestly.

### 2.1.10 Support for Elected Members

The CEO, ensures that Elected Members understand their roles and responsibilities and are able to add value and bring independent, informed and objective judgement to the decision making process of Council. Elected Members may seek support and advice from Council employees, although the first point of contact should be through a General Manager or the CEO.

Elected Members participate in an induction program, which meets the minimum training requirements for Council Members under Regulation 8AA of the *Local Government (General)*



*Regulations 2013* and have access to continuing education and development programs as necessary.

Under section 76 of the Act, Elected Members are entitled to an allowance, as determined by the Remuneration Tribunal, to assist them in the performance of their roles and responsibilities.

## 2.2 Decision Making Processes

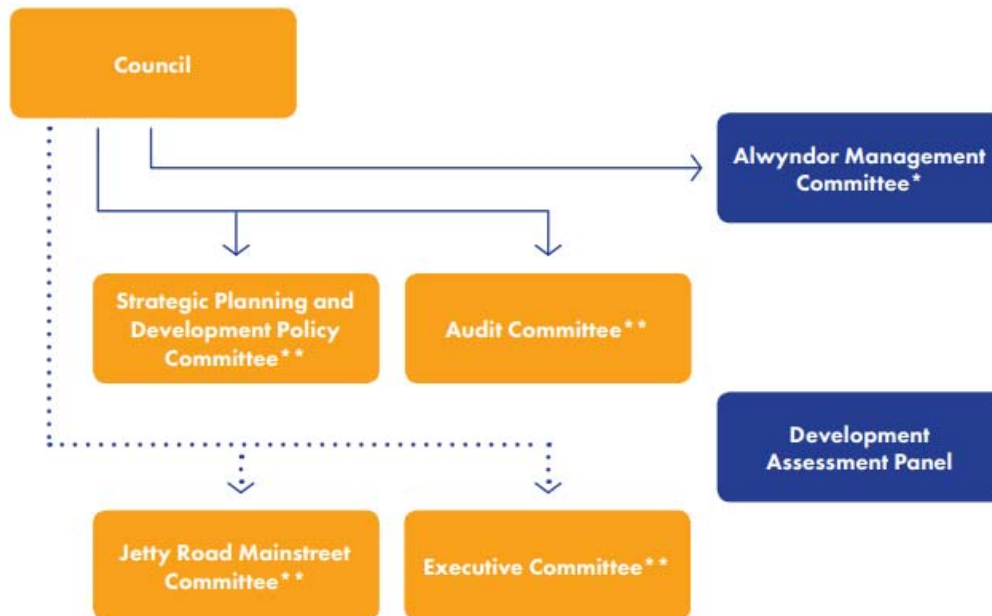
Council decision making and processes must be transparent and the community needs to understand how a decision was made. To assist in the decision making processes, Council may establish committees under section 41 of the Act. The Council currently has a number of committees established under s41 which include:

- Alwyndor Management Committee
- Audit Committee
- Building Fire Safety Committee (*Section 71 Development Act*)
- Council Assessment Panel
- Executive Committee
- Jetty Road Mainstreet Committee
- Strategic Planning and Development Policy Committee

The CAP has statutory and regulatory decision making powers for development applications assigned by the *Development Act 1993*. Rules applying to public access to CAP meetings and documents and conflict of interest are specified in the *Development Act 1993*, not the *Local Government Act 1999*. The *Freedom of Information Act 1991* is applicable to documents of a CAP.

The Alwyndor Management Committee have powers delegated to them by Council to permit them to make specific types of decisions on behalf of Council.

Each committee has a Terms of Reference which outlines its membership, meeting schedule, establishment, context, quorum, reporting, voting, delegations and other information considered necessary for that committee. This information is provided is available on Council's website.



\* delegated authority from Council to make decisions within budget and terms of reference.

\*\* advisory only, with no delegations.

### 2.3 Subsidiaries and Regional Subsidiaries

Council can establish subsidiaries under section 42 of the Act, but these subsidiaries cannot perform a regulatory function as its primary purpose. A subsidiary may provide services, manage property or any other function of Council. A regional subsidiary can be established under section 43 of the Act and must be established by two or more Councils to provide the same functions.

Southern Region Waste Resource Authority (SRWRA) is a Regional Subsidiary established by the Cities of Onkaparinga, Marion and Holdfast Bay, pursuant to s43 of Act. Under its Charter, SRWRA is responsible for providing and operating waste management services on behalf of the Constituent Councils.

### 2.4 Appointments to External Bodies

At times Elected Members and employees represent Council on a number of external bodies. Council provides representation and, in some instances, financial support to these bodies.

The table on the next page outlines the external bodies Council has appointed representatives to.

	<b>Appointment made by</b>	<b>External bodies attended to by Elected Members</b>	<b>External bodies attended to by employees</b>
<b>SRWRA</b>	Council – at the start of the Council term	Councillor L Yates Councillor J Smedley (proxy)	Roberto Bria, General Manager Business Services
<b>Brighton and Seacliff Yacht Club</b>	Council – at the start of the Council term	Councillor L Yates	
<b>Murray Darling Association</b>	Council – if a financial member of the association	Councillor L Yates	
<b>Kauri Community and Sport Centre Inc.</b>	Council – at the start of the Council term	Councillor B Snewin Councillor R Clancy (Proxy)	
<b>Brighton Performing Arts Centre</b>	Council – at the start of the Council term	Councillor S Lonie	Rosie Bartlett, Community Centre Coordinator
<b>West Beach Trust<sup>1</sup></b>	Minister for Planning	Councillor R Clancy <sup>2</sup>	

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<sup>1</sup> Council nominates representatives for the Ministers' consideration – the term of appointment to the West Beach Trust as Council's representative may extend beyond the members association of Council.

<sup>2</sup> Appointed by the Minister on 24 January 2017 for a term of 4 years commencing on 1 January 2017.

## 2.5 Authorised Persons

The Council may, by an instrument in writing, appoint a person (other than a member of Council) as an authorised person under specific legislation. A Register of Authorised Persons under the following Acts is maintained:

- Burial and Cremation Act 2013
- Development Act 1993
- Dog and Cat Management Act 1995
- Environment Protection Act 1993
- Expiation of Offences Act 1996
- Fire and Emergency Services Act 2005
- Food Act 2001
- Graffiti Control Act 2001
- Impounding Act 1920
- Local Government Act 1999
- Local Nuisance and Litter Control Act 2016
- Native Vegetation Act 1991
- Planning, Development and Infrastructure Act 2016
- Safe Drinking Water Act 2011
- South Australian Public Health Act 2011
- Supported Residential Facilities Act 1992.

If power is granted/delegated to an authorised person, the decision is then up to the authorised person to act on behalf of Council.

## 3. Governance Principles

Under this Governance Framework, the following principles are important to provide good governance:

- Leadership and strategy
- Ethics and probity
- Financial management
- Communication and community engagement
- Risk management
- Performance review
- Policies
- Procedures
- Internal controls
- Records management
- Strategy
- Technology.

Overall, it is essential to have:

- Clear roles and responsibilities of Elected Members and employees
- An appropriate organisational structure to implement Strategic Plan vision and goals in accordance with Council's priorities and approved budget
- Clear decision making processes
- Appropriate authorisations and delegations
- Knowledge of legal and best practice responsibilities
- Accountability to the community
- Appropriate reporting systems
- Cooperation between Council and stakeholders.

### 3.1 Leadership

Elected Members have an important role as leaders of the community. It is important that Council establishes and maintains relationships with the State and Federal governments and local community groups to better represent the local community.

As part of the leadership role, Council has adopted various strategies including:

- Our Place 2030 Strategic plan
- Community land management plans
- Open space strategies
- Risk management framework
- Community Engagement policy
- Infrastructure and Asset Management Plans

The strategies listed are supplemented by the practice of reporting and communication with stakeholders through meeting agendas and information placed in local newspapers.

### 3.2 Ethics

Ethical behaviour is a key aspect of good governance. The Act requires a number of written codes, policies and guidelines are in place to support ethical behavior and set minimum standards. They include:

- Codes of Conduct for Elected Members, Employees and CAP members
- Conflict of interest provisions
- Policies including: Procurement; Work, Health and Safety; Community Consultation and Engagement; Internal Review of Council Decisions; Elected Member Training and Development
- Public registers such as the register of Elected Members Allowances and Benefits, Confidential Items Register, Conflict of Interest Register
- Code of Practice for Council and Council Committee Meeting Procedures
- Code of Practice – Access to Council Meetings and Documents

### 3.3 Financial Governance

*Excellence in Governance for Local Government* identifies sound financial management as a key component of good governance. It describes the principle behind sound financial management as:

*“There should be robust and transparent financial management established and maintained to meet local government’s accountability to its stakeholders, particularly in terms of stewardship of community assets, now and into the future”.*

This can be expanded into a series of aims and principles:

- Council is financially sustainable
- Infrastructure is managed effectively and efficiently
- Budgets and other financial information are reported
- Council has considered its position on the funding of services and has suitable resources to enable it to evaluate the strategic benefit of all of its services
- An equitable, transparent and accountable rating system is in place
- Achievement of Council’s strategic objectives is facilitated through the effective management of borrowings and assets
- There are systems and procedures in place that improve the efficiency and effectiveness of Council services
- The integrity of financial systems and reports.

The Long Term Financial Plan, Infrastructure and Asset Management Plans and the Council’s Strategic Plan are the key guiding documents to achieve these aims and principles. Each document is the subject of regular review and reporting to Council.

The Council receives quarterly reviews about the budget and the annual financial statements for adoption. The audited annual statements are reviewed by Council’s Audit Committee before being considered by Council and are included in Council’s Annual Report.

### 3.4 Communication

Effective communication is essential to responsible decision making, especially in local government. There are different mechanisms for the community to have input into Council decisions including community engagement, deputations to Council, petitions, internal review of decisions and public forums.

Good governance requires accountability to the community, and this in turn requires communication about performance.

Council has a Communications and Engagement Strategies, which provide for the sharing of information, to help Council ensure the community is kept informed about Council’s activities and initiatives.

At present, Council has the following in place to facilitate communication with stakeholders:

- Community Consultation and Engagement Policy
- Fortnightly columns and advertising in the local newspaper

- Council meetings that are open to the public
- Council website
- Direct communication e.g. telephone, letters, customer service desk, website feedback
- Targeted communications with ratepayers affected by Council decisions
- Annual Report
- Market research sampling
- Hand delivered or posted circulars
- Online Community Consultation
- Telephone and online surveys.

Deputations are permitted in Council or committee meetings as a mechanism for a person or a group of people to raise their concerns. Each Deputation is limited to a maximum of 5 minutes.

Occasionally Council holds public meetings held to disseminate information and to obtain community input. These forums are for collecting information and are not for making decisions.

### 3.5 Community Engagement

Community engagement provides residents and other key stakeholders with opportunities to have a greater say in what happens in the Council and to be more active in the decision making process. The aim of the Community Consultation and Engagement Policy is to strengthen and build relationships with key stakeholders.

The Community Consultation and Engagement Policy ensures that employees undertake discretionary and non-discretionary engagement. Council is committed to going beyond the minimum requirements for public consultation. The Community Consultation and Engagement Policy is available on Council's website: [www.holdfast.sa.gov.au](http://www.holdfast.sa.gov.au).

### 3.6 Risk Management

The Council is responsible for providing a wide and diverse range of services to its community.

All of these activities involve some form of risk, which must be managed to ensure that the aims and objectives of Council are achieved, services are delivered and that opportunities to deliver better and more cost effective services are realised.

If the Council is not aware of, or has not adequately assessed or managed some risks, it could result in financial loss, threats to public or employee safety or lead to substantial adverse publicity. The CEO engages the assistance of external advisers when necessary, to monitor and evaluate the Council's activities and internal controls.

The Council has established a Risk Management Framework, which is aimed at contributing to the corporate governance arrangements within the Council. The framework explains the Council's approach to risk management and sets out the roles and responsibilities throughout the organisation. The document also outlines the key features of risk management and the potential benefits and its importance to Council. The CEO and senior leadership team ensure that processes are in place for identifying and managing risks and responding to and minimising such risks.

### 3.7 Performance Review

The performance of Council is an important factor. The Council has a number of mechanisms in place to ensure that performance is continually monitored and reviewed, and that corrective action is taken where required.

#### 3.7.1 Financial Reporting

Financial reports are provided to Council monthly and budget reviews are provided to Council quarterly. Audited Annual Statements are reviewed by Council's Audit Committee before being considered by Council.

Capital works reports are provided to Council to monitor progress of the annual capital works program every six months. The Long Term Financial Plan, Infrastructure and Asset Management Plan and Strategic Plan are key guiding documents for Council that are reviewed annually.

#### 3.7.2 Performance Reporting

Council has performance reporting in place in order to monitor the Strategic Plan and Annual Business Plans. The methodology seeks to report on a range of performance indicators critical to achieving the strategic objectives of the Council.

#### 3.7.3 Annual Report

Requirements for the Annual Report are detailed in sections 128(9), 131 and schedule 4 of the Act, and Regulation 22A in the *Local Government (General) Regulations 2013*. The Annual Report is published in December of each year. Each Annual Report becomes historical information about Council's performance and includes its audited financial statements.

#### 3.7.4 Community survey

Council conducts an annual Quality of Life Survey, and is an important way for Council to understand how the community views the performance and delivery of services.

#### 3.7.5 Audit Committee

The Audit Committee provides advice to Council. To assist the Audit Committee undertake its duties and responsibilities, an Audit Committee Work Program is developed, reviewed and endorsed by the Audit Committee on an annual basis.



The Audit Committee Work Program provides a structured schedule of key activities that the Audit Committee is required to review and provide advice upon. These activities include:

- Internal Controls – appraisal of Council’s internal controls to assess their effectiveness in achieving the organisation’s goals and objectives
- Fiduciary and legislative responsibilities
- Providing recommendations to Council and the organisation in accordance with the Audit Committee Terms of Reference
- Risk management of Council’s operations.

The Audit Committee meets a minimum of four times a year. The Audit Committee meets with the external auditor on an annual basis to review the external auditor’s report.

### 3.7.6 Staff Performance Review

The Executive Committee is responsible for recommending to Council the CEO’s annual Key Performance Indicators (KPIs). The Executive Committee undertakes an annual review of the CEO’s performance against the KPIs, including seeking feedback from Elected Members.

The organisation has a Performance Development and Review (PDR) process in place for all employees. PDRs are designed to establish a shared understanding of what is to be achieved, and how it is to be achieved. This helps to ensure that individual performance contributes to the achievement of the Strategic Plan objectives. Individual PDRs provide the opportunity for employees to improve their performance by setting clear goals, receiving feedback on their performance and behaviour, and identify and addressing their learning and development needs.

## 3.8 Policies and Procedures

A policy is a decision of Council and sets out agreed views and direction concerning a particular area of responsibility.

An essential element of policy making is identifying community needs, setting objectives to meet those needs, establishing priorities between competing needs, and allocating appropriate resources.

All of Council’s policies and procedures are documented in the Electronic Records Management System and accessible to all employees and the community, on the Council website. Policies are updated on at regular intervals, as well as when there are legislative or organisational changes.

Procedures are regularly reviewed and updated in line with legislative, technology, policy and service changes.

### 3.9 Internal Controls

Internal Controls assist Council to set the operational tone of the organisation. The CEO has a responsibility to support Council's operations by reviewing internal controls which should be proactive, and have a risk management element to identify key business risks. Those risks are then mitigated by identifying, developing and managing policies, procedures or any other relevant tools.

Internal controls should include:

- Structure of the organisation
- Culture of the organisation
- Knowledge, skills and experience of employees
- Processes employed by the organisation to conduct business
- Accountability and integrity in relation to any financial transactions.

Strategies that Council has implemented to achieve effective risk management and internal controls include the following:

- Reporting to the Audit Committee
- Annual internal audit program to review compliance with major regulatory, strategic and operational requirements
- An external audit is undertaken annually to provide assurance that Council's Annual Financial Statements are true and fair and to review the adequacy of the internal controls in operation in accordance with s129 of the Act
- Policies and procedures
- Limits of authority are delegated in accordance with the Act and appropriate approval processes implemented
- Organisational reviews when required
- Position descriptions are established for all positions
- Performance reviews
- Training for Elected Members and employees.

### 3.10 Records management

Corporate records are to be managed in accordance with the Council's Record Management Policy. All Elected Members, employees and contractors are responsible for maintaining complete, accurate and reliable evidence of all business transactions. All corporate documents are retained within the Electronic Document Management system at the point of creation, regardless of the format, in accordance with:

- *State Records Act 1997*
- *Evidence Act 1929*
- *Freedom of Information Act 1991*
- *Local Government Act 1999.*

An Information Statement is updated annually and published on the Council's website in accordance with the requirements of section 9 (1a) of the *Freedom of Information Act 1991*.

### 3.11 Technology

Technology is rapidly changing in the local government environment. It is important to ensure that technologies adopted by Council are compatible, assist with managing compliance, and provide effective and efficient records. Employees will need to be provided with continuous training to maintain suitable service and compliance levels.

Elected Members receive all correspondence, including Agendas and Minutes, electronically. iPads (or similar devices) are provided to each Member to use for Council business during their term of office.

## 4. Definitions

<b>Term</b>	<b>Meaning</b>
The Act	The <i>Local Government Act 1999</i> .
Audit	The inspection or examination of a Council activity or facility to evaluate or improve its appropriateness, efficiency or compliance.
Business Unit	A functional work group of the organisation that consists of a Manager and employees that perform particular functions of the Council.
CEO	The Chief Executive Officer who is most senior employee in the organisation. The CEO is appointed by and directly accountable to the Council.
City	The local government of the City of Holdfast Bay and includes the Council and the organisation.
Committee	A Committee of Council established by Council under the Act and constituted by Elected Members, employees or members of the public.
Committee member	A member of a committee appointed by the Council but does not include an Elected Member.
Community	The entire population within the City of Holdfast Bay. It also extends to those who work or invest in the district, or visit the area for recreational or similar reasons.
Council	The Elected Members meeting as a Council under the Act.
Council meeting	A meeting of Council conducted in accordance with the Act.
Councillor	An individual elected representative of a local government, but does not include the Mayor.
Elected Member	The Mayor and Councillors of the Council.
Employee	A person employed by the local government in accordance with the Act.

General Manager	A senior position in the organisation engaged by and directly responsible to the CEO. Classified as a senior employee under the Act.
Local government Manager	A body corporate established under the Local Government Act 1999. An employee in the organisation directly accountable and responsible for a Business Unit of the organisation.
Mayor	A person elected by the community to hold the position as the leader of the local government under the Act.
Organisation	Includes employees of the local government, lead by the Chief Executive Officer.
Our Place 2030	The Council’s Strategic Community Plan adopted by Council in accordance with the Act.
Senior Leadership Team	Means the CEO and General Managers.
Stakeholders	Individuals and organisations that have an impact on the strategic direction and decision-making processes of the Council.
Strategic Community Plan	The overarching plan that provides strategic direction for all activities and guides the development and provision of the Council’s services and programs.
Strategic Financial Plan	Long-term financial plan summarising the financial impacts of the objectives and strategies in the Strategic Community Plan.
Ward	A part of the Council’s district that delineates an electoral boundary.

## 5. References

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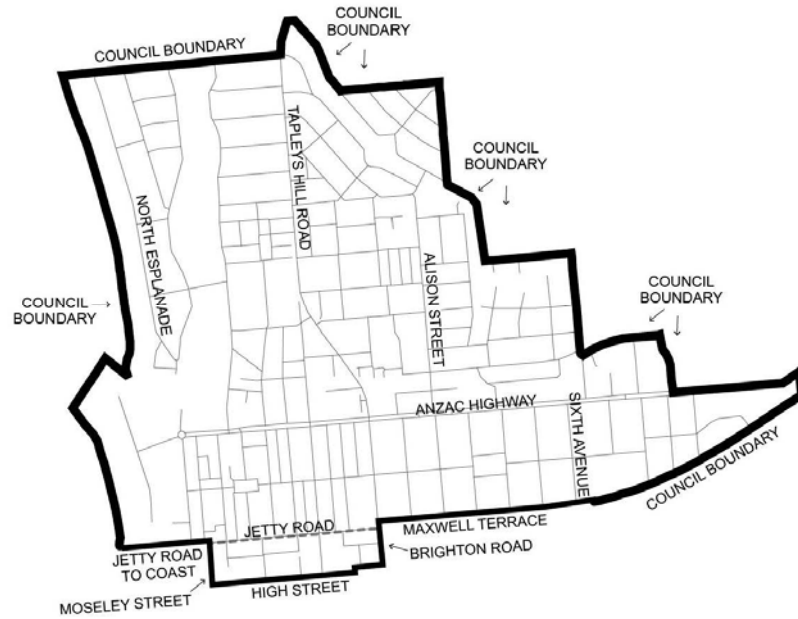
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## Appendix 1 – Ward Boundaries

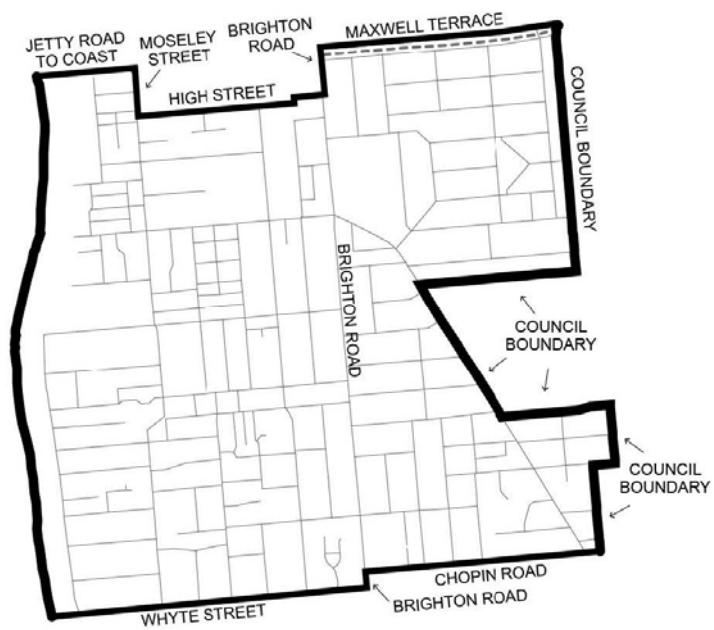
### Glenelg Ward

- Council Boundary
- Ward Boundary



### Somerton Ward

- Council Boundary
- Ward Boundary



## Brighton Ward

- Council Boundary
- Ward Boundary



## Seacliff Ward

- Council Boundary
- Ward Boundary





# Compliance Framework



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## 1. Introduction

The Council is a large, multi-faceted organisation with diverse operations. It operates in a complex compliance environment, responding to compliance obligations imposed by State and Federal Governments as well as self-imposed obligations.

The Compliance Framework is an overarching document providing a responsive and accountable framework, which enables business to be conducted in compliance with legal and internal policy requirements. The Framework is aimed at providing transparency about our approach to compliance and to foster public confidence. The framework is designed to ensure compliance with the following:

- legislative and common law requirements,
- industry codes
- organisational standards,
- standards of good corporate governance,
- risk management,
- best practices,
- ethics
- community expectations.

## 2. Compliance Framework

The Compliance framework consists of:

- a listing of the Councils compliance documents
- allocation of accountability in the compliance register to a department and business unit
- allocation of responsibilities for compliance to the relevant managers to monitor changes to the compliance environment and compliance obligations
- responsibility to relevant managers ensure that policies and procedures are compliant
- consideration of compliance in the risk management framework
- a process for ensuring Council's policies, guidelines, processes and procedures are regularly reviewed for compliance.
- development of a compliance database/register?
- a commitment to continuous improvement.

The Compliance framework will be integrated within the following functions:

- Risk Management
- Internal and External Audit plans
- Organisational planning and development
- Governance – through policies, procedures and guidelines, Measurement and monitoring of the Councils performance management system.

The purpose of the compliance framework is to provide assurance that the Council is meeting its key compliance obligations.

### 3. Responsibilities

Compliance responsibilities are outlined below:

#### **Council**

Council will actively demonstrate a commitment to a compliance culture, with the aim of promoting good governance, accountability and transparency of decision making.

#### **CEO**

- Responsible for the management of compliance obligations.
- Report on key compliance obligations and compliance activity to the Audit Committee
- Ensure Council promotes a compliance culture and commitment to, lawful and ethical behaviour.

#### **Senior Leadership Team**

- Responsible for the management of compliance obligations
- Lead by example and demonstrate active commitment to and support for the compliance activities, policies and procedures
- Monitor changes to the compliance environment and obligations for their business units
- Ensure all policies and procedures are compliant
- Ensure compliance in relation to Council's strategic objectives
- Demonstrate a commitment to continuous improvement
- Ensure there are learning and development opportunities for employees in relation to their roles and responsibilities for compliance.

#### **Managers**

- Demonstrate an active commitment to and support for the compliance activities, policies and procedures
- Embed compliance in the organisation's day-to-day operations.

#### **Governance**

- Maintain Council's Policy Register
- Maintain Council's Compliance Register
- Report to the Senior Leadership Team as required in relation to compliance matters
- Assist Managers and the Senior Leadership Team to achieve their responsibilities under the compliance framework
- Conduct Compliance reviews on an annual basis and report outcomes to the Audit Committee.

#### **Employees**

- Council employees must be conscientious in complying with the relevant obligations in the course of their duties
- Report any non-compliance issues to their Managers.

## 4. Compliance, Monitoring and Review

The CEO, General Managers and Managers actively manage compliance, embedding compliance in policies, guidelines, processes and procedures and regularly reviewing them for compliance with changes to legislation. All staff are responsible for following their compliance obligations and reporting non-compliance through the relevant processes.

Periodic reviews of compliance will be conducted, by the Governance Team and the results will be reported to the Senior Leadership Team and the Audit Committee. This provides Council with assurance that the Compliance Framework is effective and will highlight any areas that can be improved.

General Managers and Managers are responsible for ensuring their compliance (legislative and non-legislative) obligations relevant to their business units are met. This includes making the necessary updates to policies and procedures to ensure that they are compliant.

The Compliance Register is the primary audit tool for legislative compliance across the organization. The register details each compliance activity required under each act and the testing methodology for each measure.

## 5. Reporting

An annual report will be provided to the Council, through the Audit Committee on the Compliance Framework and will include:

- Compliance with Council's legislative compliance obligations, including any instances of non-compliance and the remedial action taken
- The status of the framework/ register? and the level of compliance across the organisation
- Any opportunities for continuous improvement in relation to the development of the framework.

## 6. Systems, Policies and Documents

The Council has a number of systems, policies and documents in place to manage compliance, including, but not limited to:

- Codes of Conduct – Elected Members, Staff and Volunteers
- Risk Management Framework, Policy and Procedure
- Procurement Policies
- Internal Controls – managed in Control Track
- Records Management Policy and Procedures
- Treasury Management Policy
- Whistleblower Policy
- Fraud, Corruption, Misconduct and Maladministration Policy
- Order Making Policy
- Asset Management Policy and Plans
- Code of Practice for Access to Meetings and Documents
- Code of Practice – Procedures at Meetings
- Bylaws
- Community Consultation and Engagement Policy

The *Local Government Act 1999* (the Act) requires Council to make a number of codes and registers available to the public and includes:

- Registers
  - Section 68 - Members Register of Interests
  - Section 79 - Members Register of Allowances and Benefits
  - Section 105 - Officers Register of Salaries
  - Section 116 - Officers Register of Interests
  - Section 188 - Fees and Charges
  - Section 207 - Community Land
  - Section 231 - Public Roads
  - Section 252 - By-Laws
- Codes
  - Section 63 - Members Code of Conduct
  - Section 92 - Code of Practice for Access to Meetings and Documents
  - Section 110 - Employees Code of Conduct
  - Reg 6 *Local Government (Procedures at Meetings) Regulations 2013* - Code of Practice for Meeting Procedures

Act	Description	Section of Act	Requirement of the Act	Frequency	Department	Responsible Business Unit	Assurance Activities	Testing Methodology	Status	Date of review	Comments	Actions
LG Act 1999	Composition & Wards	12(4)	Council must ensure that all aspects of its composition are reviewed at least once in the relevant period	Every 8 years	Business Services	Strategic and Commercial Services	Desktop Review	Section 12 – Representation Review If the Council has undertaken a representative review in the last 4 years obtain copies of the following: 1.1. the representation options paper; 1.2. the public notice regarding preparation of the options paper as published in the newspaper in the Council's area (including the date of the notice); 1.3. report prepared following consultation on the options paper; 1.4. notice published in the newspaper circulating in the Council's area informing of the preparation of the report and inviting written submissions; and 1.5. minutes of the Council meeting at which the matter was considered and the Council report				
LG Act 1999	Provision relating to contracts and transactions	37	Contracts are entered into either under the common seal of the Council or by an officer, employee or agent authorised by the Council to enter into the contract on its behalf	Annual	Business Services	Strategic and Commercial Services	Desktop Review	Contracts and Transactions and the Common Seal - Select a sample of contracts and obtain the relevant following documents: 2.1 A copy of an agreement executed under Council seal 2.2 A copy of an agreement executed under delegated authority 2.3 An extract from the Council's common seal register				
LG Act 1999	The common seal	38(1)	Common seal is not affixed to a document except to give effect to a resolution of the Council	Annual	Chief Executive Officer	Chief Executive Officer	Desktop Review	• Select a random sample of 3 Sealing legal documents and ensure that common seal has been affixed only to give effect to Council resolution and not otherwise.				
LG Act 1999	The common seal	38(2)	Affixation of the common seal is attested to by the principal member and the Chief Executive Officer	Annual	Chief Executive Officer	Chief Executive Officer	Desktop Review	• Check if the common seal in the sample is attested by the principal member and the CEO				
LG Act 1999	Committees	41(2)	Council committees are established by resolution of the Council within the purposes allowed by the Act	Every 2 years	Business Services	Strategic and Commercial Services	Desktop Review	Obtain copies of minutes evidencing Council resolutions to establish existing section 41 committees (including the audit committee) and, in respect of each committee, copies of the following: 3.1 terms of reference and meeting procedures  3.2 list of committee members				
LG Act 1999	Committees	41(3)	Membership of committees has been determined by the Council	Every 2 years	Business Services	Strategic and Commercial Services	Desktop Review	Obtain copies of minutes evidencing Council resolutions to establish existing section 41 committees (including the audit committee) and, in respect of each committee, copies of the following: 3.1 terms of reference and meeting procedures  3.2 list of committee members				
LG Act 1999	Committees	41(4)	The Council has either appointed a presiding member for a committee or made provision of appointment	Every 2 years	Business Services	Strategic and Commercial Services	Desktop Review	Obtain copies of minutes evidencing Council resolutions to establish existing section 41 committees (including the audit committee) and, in respect of each committee, copies of the following: 3.1 terms of reference and meeting procedures  3.2 list of committee members				
LG Act 1999	Committees	41(8)	Council has determined the reporting and other accountability requirements that are to apply in relation to the committee	Every 2 years	Business Services	Strategic and Commercial Services	Desktop Review	Obtain copies of minutes evidencing Council resolutions to establish existing section 41 committees (including the audit committee) and, in respect of each committee, copies of the following: 3.1 terms of reference and meeting procedures  3.2 list of committee members				

LG Act 1999	Committees	41(9)	Committees performing regulatory activities report at least quarterly to the Council	Quarterly	Business Services	Strategic and Commercial Services	Desktop Review	Obtain copies of minutes evidencing Council resolutions to establish existing section 41 committees (including the audit committee) and, in respect of each committee, copies of the following: 3.1 terms of reference and meeting procedures  3.2 list of committee members
LG Act 1999	Ability of council to establish a subsidiary	42(1)	Council has established subsidiaries within the purposes allowed by the Act	Every 2 years	Business Services	Strategic and Commercial Services	Desktop Review	Obtain copy of all Council subsidiary or regional subsidiary and the charters for those subsidiaries
LG Act 1999	Ability of council to establish a subsidiary	42(2)	Subsidiaries established by the Council do not perform regulatory activities	Every 2 years	Business Services	Strategic and Commercial Services	Desktop Review	Obtain copy of all Council subsidiary or regional subsidiary and the charters for those subsidiaries
LG Act 1999	Ability of council to establish a subsidiary	42(3)	Ministerial approval has been obtained for the establishment of subsidiaries	Every 2 years	Business Services	Strategic and Commercial Services	Desktop Review	Obtain copy of all Council subsidiary or regional subsidiary and the charters for those subsidiaries
LG Act 1999	Ability of councils to establish a regional subsidiary	43(1)	Council has resolved to establish regional subsidiaries with at least one other Council for the purposes allowed under the Act	Every 2 years	Business Services	Strategic and Commercial Services	Desktop Review	Obtain copy of all Council subsidiary or regional subsidiary and the charters for those subsidiaries
LG Act 1999	Ability of councils to establish a regional subsidiary	43(2)	Regional subsidiaries performing a regulatory activity do not perform any significant and related service activity	Every 2 years	Business Services	Strategic and Commercial Services	Desktop Review	Obtain copy of all Council subsidiary or regional subsidiary and the charters for those subsidiaries
LG Act 1999	Ability of councils to establish a regional subsidiary	43(3)	Ministerial approval has been obtained for the establishment of regional subsidiaries	Every 2 years	Business Services	Strategic and Commercial Services	Desktop Review	Obtain copy of all Council subsidiary or regional subsidiary and the charters for those subsidiaries
LG Act 1999	Delegations	44(2)	Delegations have only been made to persons allowed under the Act	Annual	Business Services	Strategic and Commercial Services	Desktop Review	For a sample of [add no] check that delegations have been assigned to staff with the appropriate job responsibility. 5.1. the Council resolution to adopt its existing schedule of delegations; and  5.2. the schedule of delegations under the Local Government Act  5.3. an instrument of delegation for 2 Council officers
LG Act 1999	Delegations	44(3)	Council has not delegated any of the powers under this section (which now includes power to revoke the classification of land as community land)	Annual	Business Services	Strategic and Commercial Services	Desktop Review	For a sample of [add no] check that delegations have been assigned to staff with the appropriate job responsibility. 5.1. the Council resolution to adopt its existing schedule of delegations; and  5.2. the schedule of delegations under the Local Government Act  5.3. an instrument of delegation for 2 Council officers
LG Act 1999	Delegations	44(6)	A separate record is kept of all delegations under this section and is reviewed at least once in every financial year	Annual	Business Services	Strategic and Commercial Services	Desktop Review	For a sample of [add no] check that delegations have been assigned to staff with the appropriate job responsibility. 5.1. the Council resolution to adopt its existing schedule of delegations; and  5.2. the schedule of delegations under the Local Government Act  5.3. an instrument of delegation for 2 Council officers

LG Act 1999	Delegations	44(7)	The record of delegations is available for inspection (without charge) at the principal office of the Council during normal business hours	Annual	Business Services	Strategic and Commercial Services	Desktop Review	For a sample of [add no] check that delegations have been assigned to staff with the appropriate job responsibility. 5.1. the Council resolution to adopt its existing schedule of delegations; and  5.2. the schedule of delegations under the Local Government Act  5.3. an instrument of delegation for 2 Council officers
LG Act 1999	Delegations	44(8)	A person is entitled on payment of a fee fixed by the Council to an extract from the record of delegations under s44(6)	Annual	Business Services	Strategic and Commercial Services	Desktop Review	For a sample of [add no] check that delegations have been assigned to staff with the appropriate job responsibility. 5.1. the Council resolution to adopt its existing schedule of delegations; and  5.2. the schedule of delegations under the Local Government Act  5.3. an instrument of delegation for 2 Council officers
LG Act 1999	Prudential requirements for certain activities	48(aa1)	Council has developed and maintained prudential management policies, practices and procedures in accordance with the section.	Annual	Business Services	Financial Services	Desktop Review	6.1. if a prudential report has been prepared by the Council, a copy of the prudential report and the officer report to Council accompanying the prudential report and minutes relating to the agenda item  6.2. copies of Council's prudential management policy and procedures adopted under section 48(aa1)
LG Act 1999	Prudential requirements for certain activities	48(a1)	The prudential management policies, practices and procedures are consistent with the regulations	Annual	Business Services	Financial Services	Desktop Review	6.1. if a prudential report has been prepared by the Council, a copy of the prudential report and the officer report to Council accompanying the prudential report and minutes relating to the agenda item  6.2. copies of Council's prudential management policy and procedures adopted under section 48(aa1)
LG Act 1999	Contracts and tenders policies	49(a1)	Council must develop and maintain procurement policies, practices and procedures in accordance with this section	Annual	Business Services	Strategic and Commercial Services	Desktop Review	Copies of the Council's contracts and tenders policy and any other tendering procedures observed by the Council
LG Act 1999	Contracts and tenders policies	49(1)	Council must prepare and adopt policies on contracts and tenders in accordance with this section	Annual	Business Services	Strategic and Commercial Services	Desktop Review	Copies of the Council's contracts and tenders policy and any other tendering procedures observed by the Council
LG Act 1999	Contracts and tenders policies	49(2)	The policies must cover the matters set out in this subsection	Annual	Business Services	Strategic and Commercial Services	Desktop Review	Copies of the Council's contracts and tenders policy and any other tendering procedures observed by the Council
LG Act 1999	Contracts and tenders policies	49(4)	A policy of the Council under this section must be available for inspection at the principal office of the Council during ordinary office hours	Annual	Business Services	Strategic and Commercial Services	Desktop Review	Copies of the Council's contracts and tenders policy and any other tendering procedures observed by the Council
LG Act 1999	Contracts and tenders policies	49(5)	A copy of a policy under this section must be available for purchase on payment of a fee fixed by the Council	Annual	Business Services	Strategic and Commercial Services	Desktop Review	Copies of the Council's contracts and tenders policy and any other tendering procedures observed by the Council
LG Act 1999	Public Consultation Policies	50(1)	Council must prepare and adopt a public consultation policy	Annual	Community Services	City Activation	Desktop Review	Review the Council's public consultation policy
LG Act 1999	Public Consultation Policies	50(2)	The policy must cover the matters identified in subsections (2), (3) and (5)	Annual	Community Services	City Activation	Desktop Review	Review the Council's public consultation policy
LG Act 1999	Declaration Made by Members of Council	50(6)	Council has followed the steps in this subsection before adopting, altering or substituting its public consultation policy (unless Council determines the change is only of minor significance that would attract little (or no)	Annual	Community Services	City Activation	Desktop Review	Review the Council's public consultation policy
LG Act 1999	Material conflict of interest	50(8)	A policy of the Council under this section must be available for inspection at the principal office of the Council during ordinary office hours	Annual	Community Services	City Activation	Desktop Review	Review the Council policy for material conflict of interest and ensure it available for inspection
LG Act 1999	Allowances & Benefits	50(9)	A copy of a policy under this section must be available for purchase on payment of a fee fixed by the Council	Annual	Community Services	City Activation	Desktop Review	Review the Council policy for material conflict of interest and ensure it available for inspection



LG Act 1999	Declaration to be made by members of councils	60	Members have made an undertaking in the prescribed manner and form at or before the first meeting attended	Every 4 years following a general election	Business Services	Strategic and Commercial Services	Desktop Review	9.1 Minutes of the first ordinary meeting of Council following the November 2014 election  9.2 Copy of any policy regarding elected member access to information and/or related procedure
LG Act 1999	Code of Conduct	63	The prescribed code of conduct by Governor, by regulation must be observed by Council members.	Annual	Business Services	Strategic and Commercial Services	Desktop Review	Review the Council's elected member code of conduct complaint handling procedure
LG Act 1999	Register of Interest	64	The register of interest must be maintained for ordinary and primary returns of incumbent members and the members of any council committees and subsidiaries to whom the register of interest provisions apply.	Quarterly	Business Services	Strategic and Commercial Services	Desktop Review	Register of Interests for Elected Members The Register of Interest comprising all ordinary and primary returns of incumbent members and the members of any council committees and subsidiaries to whom the register of interest provisions apply
LG Act 1999	Lodging of primary returns	65	Each member of the Council has submitted to the Chief Executive Officer a primary return within six weeks after election or appointment	Every 4 years following a general election	Business Services	Strategic and Commercial Services	Desktop Review	Register of Interests for Elected Members The Register of Interest comprising all ordinary and primary returns of incumbent members and the members of any council committees and subsidiaries to whom the register of interest provisions apply
LG Act 1999	Lodging of ordinary returns	66	Each member of Council has submitted to the Chief Executive Officer an ordinary return on or within 60 days after 30 June each year	Annual	Business Services	Strategic and Commercial Services	Desktop Review	Register of Interests for Elected Members The Register of Interest comprising all ordinary and primary returns of incumbent members and the members of any council committees and subsidiaries to whom the register of interest provisions apply
LG Act 1999	Register of Interests	68(1)	The Chief Executive Officer maintains a Register of Interests and has caused to be entered in the Register all information furnished pursuant to this Division and Schedule 3	Annual	Business Services	Strategic and Commercial Services	Desktop Review	Register of Interests for Elected Members The Register of Interest comprising all ordinary and primary returns of incumbent members and the members of any council committees and subsidiaries to whom the register of interest provisions apply
LG Act 1999	Inspection of Register	70(a1)	Council has published on the website the required details from the register as set out in this section,	Annual	Business Services	Strategic and Commercial Services	Desktop Review	Register of Interests for Elected Members The Register of Interest comprising all ordinary and primary returns of incumbent members and the members of any council committees and subsidiaries to whom the register of interest provisions apply
LG Act 1999	Inspection of Register	70(1)	The Register is available for inspection without charge at the principal office of the Council during ordinary office hours	Annual	Business Services	Strategic and Commercial Services	Desktop Review	Register of Interests for Elected Members The Register of Interest comprising all ordinary and primary returns of incumbent members and the members of any council committees and subsidiaries to whom the register of interest provisions apply
LG Act 1999	Inspection of Register	70(2) &(3)	A copy of a Register under this section must be available for purchase on application in writing and payment of a fee fixed by the Council	Annual	Business Services	Strategic and Commercial Services	Desktop Review	Register of Interests for Elected Members The Register of Interest comprising all ordinary and primary returns of incumbent members and the members of any council committees and subsidiaries to whom the register of interest provisions apply
LG Act 1999	Application of Division to members of committees and subsidiaries	72(1)	Council committee members submit returns if resolved by the Council	Every 4 years following a general election	Business Services	Strategic and Commercial Services	Desktop Review	Register of Interests for Elected Members The Register of Interest comprising all ordinary and primary returns of incumbent members and the members of any council committees and subsidiaries to whom the register of interest provisions apply

LG Act 1999	Material conflict of interest	73	Material conflict of interest must be recorded	Annual	Business Services	Strategic and Commercial Services	Desktop Review	<p>Sections 73 – 75 - Conflict of Interest for Elected Members</p> <p>12.1 Copies of minutes of three different Council meetings held since 1 April 2016 at which a material, actual or perceived conflict of interest has been disclosed</p> <p>12.2 Details of Conflict of Interest training provided to elected members and members of Committees or subsidiaries</p> <p>12.3 Details of any protocols in place to assist an elected member in seeking clarification in regards to conflict of interest requirements and whether or not the member has a material, actual or perceived conflict of interest.</p>
LG Act 1999	Material conflict of interest	74	<p>If a member of a council has a material conflict of interest in a matter to be discussed at a meeting of the council, the member must—</p> <p>(a) inform the meeting of the member’s material conflict of interest in the matter; and</p> <p>(b) leave the meeting room (including any area set aside for the public) such that the member cannot view or hear any discussion or voting at the meeting, and stay out of the meeting room while the matter is being discussed and voted on.</p>	Annual	Business Services	Strategic and Commercial Services	Desktop Review	<p>Sections 73 – 75 - Conflict of Interest for Elected Members</p> <p>12.1 Copies of minutes of three different Council meetings held since 1 April 2016 at which a material, actual or perceived conflict of interest has been disclosed</p> <p>12.2 Details of Conflict of Interest training provided to elected members and members of Committees or subsidiaries</p> <p>12.3 Details of any protocols in place to assist an elected member in seeking clarification in regards to conflict of interest requirements and whether or not the member has a material, actual or perceived conflict of interest.</p>
LG Act 1999	Material conflict of interest	75	Actual and perceived conflicts of interest (1)	Annual	Business Services	Strategic and Commercial Services	Desktop Review	<p>Sections 73 – 75 - Conflict of Interest for Elected Members</p> <p>12.1 Copies of minutes of three different Council meetings held since 1 April 2016 at which a material, actual or perceived conflict of interest has been disclosed</p> <p>12.2 Details of Conflict of Interest training provided to elected members and members of Committees or subsidiaries</p> <p>12.3 Details of any protocols in place to assist an elected member in seeking clarification in regards to conflict of interest requirements and whether or not the member has a material, actual or perceived conflict of interest.</p>
LG Act 1999	Reimbursement of expenses	77(1)(b) & 77(2)	Council has approved, either specifically or under a policy approved by the Council to reimburse expenses of a kind prescribed by the regulations since the last periodic election	Every 4 years following a general election	Business Services	Strategic and Commercial Services	Desktop Review	<p>13.1 Copy of Council’s elected member allowances and benefits policy (or policies) addressing reimbursement of elected member expenses and facilities and support provided to members</p> <p>13.2 Copy of any minutes of a Council meeting that including a resolution to provide a benefit or reimbursement to a member that is not otherwise provided for in the Council’s policy.</p>
LG Act 1999	Reimbursement of expenses	77(3)	A policy of the Council under this section must be available for inspection at the principal office of the Council during ordinary office hours	Annual	Business Services	Strategic and Commercial Services	Desktop Review	<p>13.1 Copy of Council’s elected member allowances and benefits policy (or policies) addressing reimbursement of elected member expenses and facilities and support provided to members</p> <p>13.2 Copy of any minutes of a Council meeting that including a resolution to provide a benefit or reimbursement to a member that is not otherwise provided for in the Council’s policy.</p>

LG Act 1999	Reimbursement of expenses	77(4)	A copy of a policy under this section must be available for purchase on payment of a fee fixed by the Council	Annual	Business Services	Strategic and Commercial Services	Desktop Review	13.1 Copy of Council's elected member allowances and benefits policy (or policies) addressing reimbursement of elected member expenses and facilities and support provided to members  13.2 Copy of any minutes of a Council meeting that including a resolution to provide a benefit or reimbursement to a member that is not otherwise provided for in the Council's policy.
LG Act 1999	Register of allowances and benefits	79(1)	A register of allowances and benefits is kept by the Chief Executive Officer in accordance with this section	Annual	Business Services	Strategic and Commercial Services	Desktop Review	Review the register of allowances and benefits for elected members
LG Act 1999	Register of allowances and benefits	79(2)	An appropriate record is made in the Register of the matters contained in this section	Annual	Business Services	Strategic and Commercial Services	Desktop Review	Review the register of allowances and benefits for elected members
LG Act 1999	Register of allowances and benefits	79(3)	The Register under this section must be available for inspection at the principal office of the Council during ordinary office hours	Annual	Business Services	Strategic and Commercial Services	Desktop Review	Review the register of allowances and benefits for elected members
LG Act 1999	Register of allowances and benefits	79(4)	An extract of the Register under this section must be available for purchase on payment of a fee fixed by the Council	Annual	Business Services	Strategic and Commercial Services	Desktop Review	Review the register of allowances and benefits for elected members
LG Act 1999	Insurance of members	80	Council has in place a policy of insurance for every member of the Council, and a spouse domestic partner or another person who may be accompanying a member of the Council, against risks associated with the performance or discharge of official functions and duties by members	Annual	Business Services	Strategic and Commercial Services	Desktop Review	inspect insurance policy
LG Act 1999	Training and development	80A(1)	Council has prepared and adopted a training and development policy for its members	Annual	Business Services	Strategic and Commercial Services	Desktop Review	Training and Development Council's training and development policy for members
LG Act 1999	Training and development	80A(2)	The policy is aimed at assisting members in the performance and discharge of their functions and duties and complies with any requirements prescribed by the	Annual	Business Services	Strategic and Commercial Services	Desktop Review	Training and Development Council's training and development policy for members
LG Act 1999	Training and development	80A(4)	A policy of the Council under this section must be available for inspection at the principal office of the Council during ordinary office hours	Annual	Business Services	Strategic and Commercial Services	Desktop Review	Training and Development Council's training and development policy for members
LG Act 1999	Training and development	80A(5)	A copy of a policy under this section must be available for purchase on payment of a fee fixed by the Council	Annual	Business Services	Strategic and Commercial Services	Desktop Review	Training and Development Council's training and development policy for members
LG Act 1999	Frequency and timing of ordinary meetings	81(1)	Council has resolved the times and places for the holding of ordinary Council meetings	Annual	Business Services	Strategic and Commercial Services	Desktop Review	Meeting schedule setting out dates of all Council ordinary meetings
LG Act 1999	Frequency and timing of ordinary meetings	81(2)	The resolution provides for at least one ordinary meeting in each month	Annual	Business Services	Strategic and Commercial Services	Desktop Review	Meeting schedule setting out dates of all Council ordinary meetings
LG Act 1999	Frequency and timing of ordinary meetings	81(5)	Ordinary meetings are not held on Sundays, or on public holidays	Annual	Business Services	Strategic and Commercial Services	Desktop Review	Meeting schedule setting out dates of all Council ordinary meetings
LG Act 1999	Frequency and timing of ordinary meetings	81(6)	Ordinary meetings are not held before 5pm unless the Council resolves otherwise by a resolution supported unanimously by all members of the Council	Annual	Business Services	Strategic and Commercial Services	Desktop Review	Meeting schedule setting out dates of all Council ordinary meetings
LG Act 1999	Notice of ordinary or special meetings	83(1)	Each member of Council is given at least three clear days' notice of an ordinary meeting	Annual	Business Services	Strategic and Commercial Services	Desktop Review	17.1 A copy of a public notice given for a Council and Committee meeting and details of the method adopted by Council to give public notice of committee and Council meetings 17.2 Copy of a Notice and Agenda for a special meeting of the Council
LG Act 1999	Notice of ordinary or special meetings	83(2)	In the case of a special meeting, Council members are given at least four hours' notice of the meeting	Annual	Business Services	Strategic and Commercial Services	Desktop Review	17.1 A copy of a public notice given for a Council and Committee meeting and details of the method adopted by Council to give public notice of committee and Council meetings 17.2 Copy of a Notice and Agenda for a special meeting of the Council

LG Act 1999	Notice of ordinary or special meetings	83(3)	Notice of a meeting of the Council complies with the requirements of this section	Annual	Business Services	Strategic and Commercial Services	Desktop Review	17.1 A copy of a public notice given for a Council and Committee meeting and details of the method adopted by Council to give public notice of committee and Council meetings 17.2 Copy of a Notice and Agenda for a special meeting of the Council
LG Act 1999	Notice of ordinary or special meetings	83(4)	The Chief Executive Officer provides an agenda to members with items that are described with reasonable particularity and accuracy, and supplies a copy of any documents or reports that are to be considered at the meeting (as far as this is practicable)	Annual	Business Services	Strategic and Commercial Services	Desktop Review	17.1 A copy of a public notice given for a Council and Committee meeting and details of the method adopted by Council to give public notice of committee and Council meetings 17.2 Copy of a Notice and Agenda for a special meeting of the Council
LG Act 1999	Notice of ordinary or special meetings	83(6)& (7)	Notice is given to Council members in accordance with this requirements of this section	Annual	Business Services	Strategic and Commercial Services	Desktop Review	17.1 A copy of a public notice given for a Council and Committee meeting and details of the method adopted by Council to give public notice of committee and Council meetings 17.2 Copy of a Notice and Agenda for a special meeting of the Council
LG Act 1999	Notice of ordinary or special meetings	83(8)	The Chief Executive Officer maintains a record of all notices of meetings given under this section to members of the Council	Annual	Business Services	Strategic and Commercial Services	Desktop Review	17.1 A copy of a public notice given for a Council and Committee meeting and details of the method adopted by Council to give public notice of committee and Council meetings 17.2 Copy of a Notice and Agenda for a special meeting of the Council
LG Act 1999	Public notice of council meetings	84(1)	The Chief Executive Officer gives notice to the public of the times and places of meetings of the Council	Annual	Business Services	Strategic and Commercial Services	Desktop Review	17.1 A copy of a public notice given for a Council and Committee meeting and details of the method adopted by Council to give public notice of committee and Council meetings 17.2 Copy of a Notice and Agenda for a special meeting of the Council
LG Act 1999	Public notice of council meetings	84(1a)	The Chief Executive Officer gives notice in accordance with this subsection	Annual	Business Services	Strategic and Commercial Services	Desktop Review	17.1 A copy of a public notice given for a Council and Committee meeting and details of the method adopted by Council to give public notice of committee and Council meetings 17.2 Copy of a Notice and Agenda for a special meeting of the Council
LG Act 1999	Public notice of council meetings	84(2)	The notice is given at least three clear days before the date of the meeting for ordinary meetings, and as soon as practicable after the time that notice of the meeting is given to members in the case of special meetings	Annual	Business Services	Strategic and Commercial Services	Desktop Review	17.1 A copy of a public notice given for a Council and Committee meeting and details of the method adopted by Council to give public notice of committee and Council meetings 17.2 Copy of a Notice and Agenda for a special meeting of the Council
LG Act 1999	Public notice of council meetings	84(3)	A copy of a notice and agenda under this section must be available for purchase on payment of a fee fixed by the Council	Annual	Business Services	Strategic and Commercial Services	Desktop Review	17.1 A copy of a public notice given for a Council and Committee meeting and details of the method adopted by Council to give public notice of committee and Council meetings 17.2 Copy of a Notice and Agenda for a special meeting of the Council
LG Act 1999	Public notice of council meetings	84(4)	The notice and agenda are kept on public display and on the website until completion of the relevant meeting	Annual	Business Services	Strategic and Commercial Services	Desktop Review	17.1 A copy of a public notice given for a Council and Committee meeting and details of the method adopted by Council to give public notice of committee and Council meetings 17.2 Copy of a Notice and Agenda for a special meeting of the Council

LG Act 1999	Public notice of council meetings	84(5)& (6)	The Chief Executive Officer ensures that a reasonable number of copies of any document or report supplied to members of the Council for consideration at a meeting of the Council are available for inspection by members of the public in accordance with this section	Annual	Business Services	Strategic and Commercial Services	Desktop Review	17.1 A copy of a public notice given for a Council and Committee meeting and details of the method adopted by Council to give public notice of committee and Council meetings 17.2 Copy of a Notice and Agenda for a special meeting of the Council
LG Act 1999	Calling and timing of committee meetings	87(1)	Ordinary meetings of Council committees are held at times and places appointed by the Council or, subject to a decision of the Council, the Council committee	Annual	Business Services	Strategic and Commercial Services	Desktop Review	17.1 A copy of a public notice given for a Council and Committee meeting and details of the method adopted by Council to give public notice of committee and Council meetings 17.2 Copy of a Notice and Agenda for a special meeting of the Council
LG Act 1999	Calling and timing of committee meetings	87(2)	The Council or committee has taken into account that matters in this subsection when appointing a time for the holding of an ordinary meeting of a committee	Annual	Business Services	Strategic and Commercial Services	Desktop Review	17.1 A copy of a public notice given for a Council and Committee meeting and details of the method adopted by Council to give public notice of committee and Council meetings 17.2 Copy of a Notice and Agenda for a special meeting of the Council
LG Act 1999	Calling and timing of committee meetings	87(4)	Notice is given to each member of a Council committee of an ordinary meeting at least three clear days before the date of the meeting	Annual	Business Services	Strategic and Commercial Services	Desktop Review	17.1 A copy of a public notice given for a Council and Committee meeting and details of the method adopted by Council to give public notice of committee and Council meetings 17.2 Copy of a Notice and Agenda for a special meeting of the Council
LG Act 1999	Calling and timing of committee meetings	87(7)	Notice is given to each member of a Council committee of a special meeting at least four hours before the commencement of the meeting	Annual	Business Services	Strategic and Commercial Services	Desktop Review	17.1 A copy of a public notice given for a Council and Committee meeting and details of the method adopted by Council to give public notice of committee and Council meetings 17.2 Copy of a Notice and Agenda for a special meeting of the Council
LG Act 1999	Calling and timing of committee meetings	87(8)	Notice of a committee meeting meets the requirements of this section	Annual	Business Services	Strategic and Commercial Services	Desktop Review	17.1 A copy of a public notice given for a Council and Committee meeting and details of the method adopted by Council to give public notice of committee and Council meetings 17.2 Copy of a Notice and Agenda for a special meeting of the Council
LG Act 1999	Calling and timing of committee meetings	87(9)	The Chief Executive Officer provides an agenda to members of a Council committee with items that are described with reasonable particularity and accuracy, and supplies a copy of any documents or reports that are to be considered at the meeting (as far as this is practicable)	Annual	Business Services	Strategic and Commercial Services	Desktop Review	17.1 A copy of a public notice given for a Council and Committee meeting and details of the method adopted by Council to give public notice of committee and Council meetings 17.2 Copy of a Notice and Agenda for a special meeting of the Council
LG Act 1999	Calling and timing of committee meetings	87(11)& (12)	Notice is given to members of a Council committee in accordance with this requirements of this section	Annual	Business Services	Strategic and Commercial Services	Desktop Review	17.1 A copy of a public notice given for a Council and Committee meeting and details of the method adopted by Council to give public notice of committee and Council meetings 17.2 Copy of a Notice and Agenda for a special meeting of the Council
LG Act 1999	Calling and timing of committee meetings	87(13)	The Chief Executive Officer maintains a record of all notices of meetings given under this section	Annual	Business Services	Strategic and Commercial Services	Desktop Review	17.1 A copy of a public notice given for a Council and Committee meeting and details of the method adopted by Council to give public notice of committee and Council meetings 17.2 Copy of a Notice and Agenda for a special meeting of the Council

LG Act 1999	Public notice of committee meetings	88(1)	The Chief Executive Officer gives notice to the public of the times and places of meetings of a Council committee	Annual	Business Services	Strategic and Commercial Services	Desktop Review	17.1 A copy of a public notice given for a Council and Committee meeting and details of the method adopted by Council to give public notice of committee and Council meetings 17.2 Copy of a Notice and Agenda for a special meeting of the Council
LG Act 1999	Public notice of committee meetings	88(1a)&(2)	The Chief Executive Officer gives notice in accordance with these subsections	Annual	Business Services	Strategic and Commercial Services	Desktop Review	17.1 A copy of a public notice given for a Council and Committee meeting and details of the method adopted by Council to give public notice of committee and Council meetings 17.2 Copy of a Notice and Agenda for a special meeting of the Council
LG Act 1999	Public notice of committee meetings	88(3)	A copy of a notice and agenda under this section must be available for purchase on payment of a fee fixed by the Council	Annual	Business Services	Strategic and Commercial Services	Desktop Review	17.1 A copy of a public notice given for a Council and Committee meeting and details of the method adopted by Council to give public notice of committee and Council meetings 17.2 Copy of a Notice and Agenda for a special meeting of the Council
LG Act 1999	Public notice of committee meetings	88(4)	The notice and agenda are kept on public display and on the website until completion of the relevant meeting	Annual	Business Services	Strategic and Commercial Services	Desktop Review	17.1 A copy of a public notice given for a Council and Committee meeting and details of the method adopted by Council to give public notice of committee and Council meetings 17.2 Copy of a Notice and Agenda for a special meeting of the Council
LG Act 1999	Public notice of committee meetings	88(5)&(6)	The Chief Executive Officer ensures that a reasonable number of copies of any document or report supplied to members of the Council for consideration at a meeting of the Council are available for inspection by members of the public in accordance with this section	Annual	Business Services	Strategic and Commercial Services	Desktop Review	17.1 A copy of a public notice given for a Council and Committee meeting and details of the method adopted by Council to give public notice of committee and Council meetings 17.2 Copy of a Notice and Agenda for a special meeting of the Council
LG Act 1999	Proceedings of council committees	89	the procedure to be observed in relation to the conduct of meetings of a council committee will be— (a) as prescribed by regulation; (b) insofar as the procedure is not prescribed by regulation—as determined by the council;	Annual	Business Services	Strategic and Commercial Services	Desktop Review	
LG Act 1999	Meetings to be held in public except in special circumstances	90(1)	Subject to this section, meetings of a Council or Council committee are conducted in a place open to the public	Annual	Business Services	Strategic and Commercial Services	Desktop Review	Confidentiality provisions and Informal Gatherings 18.1 Copies of extracts of the minutes of 5 different Council meetings that relate to agenda items that have been considered in confidence  18.2 Copy of the Council's Informal Gathering Policy and a copy of the notice given for any public informal gathering held since 1 April 2016.
LG Act 1999	Meetings to be held in public except in special circumstances	90(7)	If an order is made under s90(2), a note is made in the minutes of the making of the order and the grounds on which it is made; the basis on which the order falls within each ground; and, if relevant, the reason why the dealing with the matter in the open is not in the public interest	Annual	Business Services	Strategic and Commercial Services	Desktop Review	Confidentiality provisions and Informal Gatherings 18.1 Copies of extracts of the minutes of 5 different Council meetings that relate to agenda items that have been considered in confidence  18.2 Copy of the Council's Informal Gathering Policy and a copy of the notice given for any public informal gathering held since 1 April 2016.

LG Act 1999	Meetings to be held in public except in special circumstances	90(8a) (a) & (b)	Council has adopted a policy on the holding of informal gatherings and the informal gatherings held comply with the policy	Annual	Business Services	Strategic and Commercial Services	Desktop Review	<p>Confidentiality provisions and Informal Gatherings</p> <p>18.1 Copies of extracts of the minutes of 5 different Council meetings that relate to agenda items that have been considered in confidence</p> <p>18.2 Copy of the Council's Informal Gathering Policy and a copy of the notice given for any public informal gathering held since 1 April 2016.</p>
LG Act 1999	Meetings to be held in public except in special circumstances	90(8b)	The policy made under s90(8a) complies with any regulations[1]	Annual	Business Services	Strategic and Commercial Services	Desktop Review	<p>Confidentiality provisions and Informal Gatherings</p> <p>18.1 Copies of extracts of the minutes of 5 different Council meetings that relate to agenda items that have been considered in confidence</p> <p>18.2 Copy of the Council's Informal Gathering Policy and a copy of the notice given for any public informal gathering held since 1 April 2016.</p>
LG Act 1999	Meetings to be held in public except in special circumstances	90(8d)	The policy made under s90(8a) is available for inspection without charge at the principal office and on the council website	Annual	Business Services	Strategic and Commercial Services	Desktop Review	<p>Confidentiality provisions and Informal Gatherings</p> <p>18.1 Copies of extracts of the minutes of 5 different Council meetings that relate to agenda items that have been considered in confidence</p> <p>18.2 Copy of the Council's Informal Gathering Policy and a copy of the notice given for any public informal gathering held since 1 April 2016.</p>
LG Act 1999	Minutes and release of documents	91(1)& (2)	Minutes are kept of the proceedings at every meeting of the Council or a Council committee and, where relevant, contain the information specified under sections 74 and 75A	Annual	Business Services	Strategic and Commercial Services	Desktop Review	<p>Confidentiality provisions and Informal Gatherings</p> <p>18.1 Copies of extracts of the minutes of 5 different Council meetings that relate to agenda items that have been considered in confidence</p> <p>18.2 Copy of the Council's Informal Gathering Policy and a copy of the notice given for any public informal gathering held since 1 April 2016.</p>
LG Act 1999	Minutes and release of documents	91(3)	Each member of the Council is provided with a copy of all minutes of the proceedings of the meeting kept under this section within five days after the meeting of Council or a Council committee	Annual	Business Services	Strategic and Commercial Services	Desktop Review	<p>Confidentiality provisions and Informal Gatherings</p> <p>18.1 Copies of extracts of the minutes of 5 different Council meetings that relate to agenda items that have been considered in confidence</p> <p>18.2 Copy of the Council's Informal Gathering Policy and a copy of the notice given for any public informal gathering held since 1 April 2016.</p>
LG Act 1999	Minutes and release of documents	91(4)	Minutes of a meeting of the Council are placed on public display in the principal office of the Council within five days after the meeting and kept on display for a period of one month	Annual	Business Services	Strategic and Commercial Services	Desktop Review	<p>Confidentiality provisions and Informal Gatherings</p> <p>18.1 Copies of extracts of the minutes of 5 different Council meetings that relate to agenda items that have been considered in confidence</p> <p>18.2 Copy of the Council's Informal Gathering Policy and a copy of the notice given for any public informal gathering held since 1 April 2016.</p>
LG Act 1999	Minutes and release of documents	91(5)	Documents required to be available for inspection at the principal office of the Council under this section are available	Annual	Business Services	Strategic and Commercial Services	Desktop Review	<p>Confidentiality provisions and Informal Gatherings</p> <p>18.1 Copies of extracts of the minutes of 5 different Council meetings that relate to agenda items that have been considered in confidence</p> <p>18.2 Copy of the Council's Informal Gathering Policy and a copy of the notice given for any public informal gathering held since 1 April 2016.</p>

LG Act 1999	Minutes and release of documents	91(6)& (7)	A copy of documents under s91(5) must be available for purchase on payment of a fee fixed by the Council	Annual	Business Services	Strategic and Commercial Services	Desktop Review	<p>Confidentiality provisions and Informal Gatherings</p> <p>18.1 Copies of extracts of the minutes of 5 different Council meetings that relate to agenda items that have been considered in confidence</p> <p>18.2 Copy of the Council's Informal Gathering Policy and a copy of the notice given for any public informal gathering held since 1 April 2016.</p>
LG Act 1999	Minutes and release of documents	91(8)	Council has not made confidentiality orders in relation to matters contained in this subsection	Annual	Business Services	Strategic and Commercial Services	Desktop Review	<p>Confidentiality provisions and Informal Gatherings</p> <p>18.1 Copies of extracts of the minutes of 5 different Council meetings that relate to agenda items that have been considered in confidence</p> <p>18.2 Copy of the Council's Informal Gathering Policy and a copy of the notice given for any public informal gathering held since 1 April 2016.</p>
LG Act 1999	Minutes and release of documents	91(9)	All confidentiality orders comply with this subsection	Annual	Business Services	Strategic and Commercial Services	Desktop Review	<p>Confidentiality provisions and Informal Gatherings</p> <p>18.1 Copies of extracts of the minutes of 5 different Council meetings that relate to agenda items that have been considered in confidence</p> <p>18.2 Copy of the Council's Informal Gathering Policy and a copy of the notice given for any public informal gathering held since 1 April 2016.</p>
LG Act 1999	Minutes and release of documents	91(9)	In the case of an order of specified duration, the duration is not extended after the expiry date or trigger; and no delegation has been given by the council to extend the duration of an order of specified duration	Annual	Business Services	Strategic and Commercial Services	Desktop Review	<p>Confidentiality provisions and Informal Gatherings</p> <p>18.1 Copies of extracts of the minutes of 5 different Council meetings that relate to agenda items that have been considered in confidence</p> <p>18.2 Copy of the Council's Informal Gathering Policy and a copy of the notice given for any public informal gathering held since 1 April 2016.</p>
LG Act 1999	Access to meetings and documents—code of practice	92(1)	Council has prepared and adopted a code of practice in accordance with this section	Annual	Business Services	Strategic and Commercial Services	Desktop Review	<p>Access to Meetings and Documents – Code of Practice</p> <p>19.1 The Code of Practice adopted by the Council regarding access to meetings and meeting procedures adopted under section 92 and details of when they were last reviewed</p> <p>19.2 Copy of resolution to adopt the Code of Practice</p>
LG Act 1999	Access to meetings and documents—code of practice	92(2)	Council has reviewed its code of practice within 12 months of the last periodic election	Every 4 years following a general election	Business Services	Strategic and Commercial Services	Desktop Review	<p>Access to Meetings and Documents – Code of Practice</p> <p>19.1 The Code of Practice adopted by the Council regarding access to meetings and meeting procedures adopted under section 92 and details of when they were last reviewed</p> <p>19.2 Copy of resolution to adopt the Code of Practice</p>
LG Act 1999	Access to meetings and documents—code of practice	92(4)	Council's code of practice includes any mandatory requirements prescribed by the regulations	Annual	Business Services	Strategic and Commercial Services	Desktop Review	<p>Access to Meetings and Documents – Code of Practice</p> <p>19.1 The Code of Practice adopted by the Council regarding access to meetings and meeting procedures adopted under section 92 and details of when they were last reviewed</p> <p>19.2 Copy of resolution to adopt the Code of Practice</p>
LG Act 1999	Access to meetings and documents—code of practice	92(5)	Council has complied with the requirements of this subsection before it has adopted, altered or substituted its code of practice and has made a copy of the code available on the website	Annual	Business Services	Strategic and Commercial Services	Desktop Review	<p>Access to Meetings and Documents – Code of Practice</p> <p>19.1 The Code of Practice adopted by the Council regarding access to meetings and meeting procedures adopted under section 92 and details of when they were last reviewed</p> <p>19.2 Copy of resolution to adopt the Code of Practice</p>



LG Act 1999	Access to meetings and documents—code of practice	92(6)	A code of practice of the Council under this section must be available for inspection at the principal office of the Council during ordinary office hours	Annual	Business Services	Strategic and Commercial Services	Desktop Review	Access to Meetings and Documents – Code of Practice 19.1 The Code of Practice adopted by the Council regarding access to meetings and meeting procedures adopted under section 92 and details of when they were last reviewed  19.2 Copy of resolution to adopt the Code of Practice
LG Act 1999	Access to meetings and documents—code of practice	92(7)	A copy of a code of practice under this section must be available for purchase on payment of a fee fixed by the Council	Annual	Business Services	Strategic and Commercial Services	Desktop Review	Access to Meetings and Documents – Code of Practice 19.1 The Code of Practice adopted by the Council regarding access to meetings and meeting procedures adopted under section 92 and details of when they were last reviewed  19.2 Copy of resolution to adopt the Code of Practice
LG Act 1999	Appointment of other staff	103 (2) (3)	2) The chief executive officer must ensure that an appointment under subsection (1) is consistent with strategic policies and budgets approved by the council. (3) The chief executive officer must, in acting under subsection (1), comply with any relevant Act, award or	Annual	Business Services	People and Culture	Desktop Review	Appointment of Employees by CEO and General Principles of HR Management Details of Council's human resource policies and procedures including details of employee disciplinary procedures
LG Act 1999	Register of remuneration, salaries and benefits	105(1)&(2)&(5)	The Register of Salaries is kept in accordance with this section	Annual	Business Services	People and Culture	Desktop Review	Register of Remuneration, Salaries and Benefits Copies of the Council's register of remuneration, salaries and benefits under section 105 of the Act and details of the frequency at which the register is updated
LG Act 1999	Register of remuneration, salaries and benefits	105(3)	The Register under this section is available for inspection at the principal office of the Council during ordinary office hours	Annual	Business Services	People and Culture	Desktop Review	Register of Remuneration, Salaries and Benefits Copies of the Council's register of remuneration, salaries and benefits under section 105 of the Act and details of the frequency at which the register is updated
LG Act 1999	Register of remuneration, salaries and benefits	105(4)	An extract from the Register under this section is available for purchase on payment of a fee fixed by the Council	Annual	Business Services	People and Culture	Desktop Review	Register of Remuneration, Salaries and Benefits Copies of the Council's register of remuneration, salaries and benefits under section 105 of the Act and details of the frequency at which the register is updated
LG Act 1999	General principles of human resource management	107	The chief executive officer must ensure that sound principles of human resource management are applied to employment in the administration of the council, and must take reasonable steps to ensure that those principles are known to all employees.	Annual	Business Services	People and Culture	Desktop Review	Appointment of Employees by CEO and General Principles of HR Management Details of Council's human resource policies and procedures including details of employee disciplinary procedures
LG Act 1999	General duty	109	An employee of a council must at all times act honestly and with with reasonable care and diligence in the performance of official duties.	Annual	Business Services	People and Culture	Desktop Review	Complaint Handling Procedure for Complaints Against Employees Council's complaint handling procedure for complaints against employees, including under the employee code of conduct
LG Act 1999	Application of Division	111(b)	Council has resolved whether any other officers or class of officers of Council are subject to the requirements of Chapter 7, Part 4, Division 2	Annual	Business Services	People and Culture	Desktop Review	Register of Interests for CEO and other Officers as Declared Register of interest in respect of the Chief Executive Officer and staff declared by the Council to be subject to the operation of sections 111 - 119 of the Act.
LG Act 1999	Register of Interests	116(1)	The Register of Interests is maintained and includes all information furnished pursuant to this Division	Annual	Business Services	Strategic and Commercial Services	Desktop Review	Register of Interests for CEO and other Officers as Declared Register of interest in respect of the Chief Executive Officer and staff declared by the Council to be subject to the operation of sections 111 - 119 of the Act.
LG Act 1999	Register of Interests	116(2)	Where a person has not provided a return in the time allowed, the Chief Executive Officer has notified any person, in writing, of that fact as soon as practicable	Annual	Business Services	Strategic and Commercial Services	Desktop Review	Register of Interests for CEO and other Officers as Declared Register of interest in respect of the Chief Executive Officer and staff declared by the Council to be subject to the operation of sections 111 - 119 of the Act.
LG Act 1999	Inspection of Register	118	The Register must be available for inspection at the request of a member of Council	Annual	Business Services	Strategic and Commercial Services	Desktop Review	Register of Interests for CEO and other Officers as Declared Register of interest in respect of the Chief Executive Officer and staff declared by the Council to be subject to the operation of sections 111 - 119 of the Act.

LG Act 1999	Restrictions on disclosure (1)		A person must not disclose to any other person any information furnished pursuant to this Division unless the disclosure— (a) is necessary for the purposes of the preparation or use of the Register by the chief executive officer; or (b) is made at a meeting of the council, a council committee	Annual	Business Services	Strategic and Commercial Services	Desktop Review	Register of Interests for CEO and other Officers as Declared Register of interest in respect of the Chief Executive Officer and staff declared by the Council to be subject to the operation of sections 111 - 119 of the Act.
LG Act 1999	Conflict of Interest		The chief executive officer of a council who has an interest in a matter in relation to which he or she is required or authorised to act in the course of official duties— (a) must disclose the interest to the council; and (b) must not, unless the council otherwise determines during a council meeting that is open to the public, act in relation to the matter. Maximum penalty: \$5 000. (2) An employee of a council (other than the chief executive officer) who has an interest in a matter in relation to which he or she is required or authorised to act in the course of official duties— (a) must disclose the interest to the chief executive officer;	Annual	Business Services	Strategic and Commercial Services	Desktop Review	Details of conflict of interest training for employees
LG Act 1999	Strategic management plans	122(1), (1b), (2), (3)	Council has developed and adopted strategic management plans in accordance with this section, including having financial projections in the long term financial plan consistent with those in the infrastructure and asset management plan				Desktop Review	25.1 copies of all documents comprising the Council's strategic management plan including the Council's Long Term Financial Plan and Asset Management Plan  25.2 copies of the reports to Council and minutes regarding the adoption of the plans  25.3 details of when the plans were last reviewed and related report(s) to Council
LG Act 1999	Strategic management plans	122(1a)	The Council has developed and adopted a long term financial plan for a period of at least 10 years and an infrastructure and asset management plan for a period of at least 10 years				Desktop Review	25.1 copies of all documents comprising the Council's strategic management plan including the Council's Long Term Financial Plan and Asset Management Plan  25.2 copies of the reports to Council and minutes regarding the adoption of the plans  25.3 details of when the plans were last reviewed and related report(s) to Council
LG Act 1999	Strategic management plans	122(4), (4a)	Council has undertaken a review in accordance with the requirements of this subsection	Annual			Desktop Review	25.1 copies of all documents comprising the Council's strategic management plan including the Council's Long Term Financial Plan and Asset Management Plan  25.2 copies of the reports to Council and minutes regarding the adoption of the plans  25.3 details of when the plans were last reviewed and related report(s) to Council
LG Act 1999	Strategic management plans	122(6)	Council has adopted a process or processes to ensure members of the public are given a reasonable opportunity to be involved in the development and review of its strategic management plans	Annual	Business Services	Strategic and Commercial Services	Desktop Review	25.1 copies of all documents comprising the Council's strategic management plan including the Council's Long Term Financial Plan and Asset Management Plan  25.2 copies of the reports to Council and minutes regarding the adoption of the plans  25.3 details of when the plans were last reviewed and related report(s) to Council

LG Act 1999	Strategic management plans	122(7)	The strategic management plans under this section are available for inspection and purchase at the principal office of the Council during ordinary office hours	Annual	Business Services	Strategic and Commercial Services	Desktop Review	<p>25.1 copies of all documents comprising the Council's strategic management plan including the Council's Long Term Financial Plan and Asset Management Plan</p> <p>25.2 copies of the reports to Council and minutes regarding the adoption of the plans</p> <p>25.3 details of when the plans were last reviewed and related report(s) to Council</p>
LG Act 1999	Strategic management plans	122(8)	Council has specifically declared which plans constitute the strategic management plans of the Council	Annual	Business Services	Strategic and Commercial Services	Desktop Review	<p>25.1 copies of all documents comprising the Council's strategic management plan including the Council's Long Term Financial Plan and Asset Management Plan</p> <p>25.2 copies of the reports to Council and minutes regarding the adoption of the plans</p> <p>25.3 details of when the plans were last reviewed and related report(s) to Council</p>
LG Act 1999	Annual business plans and budgets	123(1)	Council has, for each financial year, an annual business plan and a budget	Annual	Business Services	Strategic and Commercial Services	Desktop Review	<p>26.1 copy of the Council's most recently adopted annual business plan;</p> <p>26.2 copy of the notices published in the newspaper regarding the draft annual business plan and inviting persons to attend a public meeting and to make submissions</p> <p>26.3 details of public meetings held by the Council regarding the draft ABP</p> <p>26.4 the report to Council and minutes regarding adoption of the ABP</p> <p>26.5 a copy of the summary of the Council's ABP</p> <p>26.6 Copies of minutes and report regarding the adoption of Council's most recent budget</p>
LG Act 1999	Annual business plans and budgets	123(2)	Council's annual business plan meets the requirements of this subsection	Annual	Business Services	Strategic and Commercial Services	Desktop Review	<p>26.1 copy of the Council's most recently adopted annual business plan;</p> <p>26.2 copy of the notices published in the newspaper regarding the draft annual business plan and inviting persons to attend a public meeting and to make submissions</p> <p>26.3 details of public meetings held by the Council regarding the draft ABP</p> <p>26.4 the report to Council and minutes regarding adoption of the ABP</p> <p>26.5 a copy of the summary of the Council's ABP</p> <p>26.6 Copies of minutes and report regarding the adoption of Council's most recent budget</p>

LG Act 1999	Annual business plans and budgets	123(3)&(4)	Before adoption of the annual business plan, Council prepared a draft annual business plan and followed the steps of its public consultation policy and subsection (4)	Annual	Business Services	Strategic and Commercial Services	Desktop Review	<p>26.1 copy of the Council's most recently adopted annual business plan;</p> <p>26.2 copy of the notices published in the newspaper regarding the draft annual business plan and inviting persons to attend a public meeting and to make submissions</p> <p>26.3 details of public meetings held by the Council regarding the draft ABP</p> <p>26.4 the report to Council and minutes regarding adoption of the ABP</p> <p>26.5 a copy of the summary of the Council's ABP</p> <p>26.6 Copies of minutes and report regarding the adoption of Council's most recent budget</p>
LG Act 1999	Annual business plans and budgets	123(5)	Copies of the draft annual business plan are available at the meeting and for inspection and purchase at the principal office of the Council at least 21 days before the date of that meeting and a copy of the draft is placed on the website	Annual	Business Services	Strategic and Commercial Services	Desktop Review	<p>26.1 copy of the Council's most recently adopted annual business plan;</p> <p>26.2 copy of the notices published in the newspaper regarding the draft annual business plan and inviting persons to attend a public meeting and to make submissions</p> <p>26.3 details of public meetings held by the Council regarding the draft ABP</p> <p>26.4 the report to Council and minutes regarding adoption of the ABP</p> <p>26.5 a copy of the summary of the Council's ABP</p> <p>26.6 Copies of minutes and report regarding the adoption of Council's most recent budget</p>
LG Act 1999	Annual business plans and budgets	123(5a)	Provision is made for the asking and answering of questions and the receipt of submissions on the Council website during the public consultation period	Annual	Business Services	Strategic and Commercial Services	Desktop Review	<p>26.1 copy of the Council's most recently adopted annual business plan;</p> <p>26.2 copy of the notices published in the newspaper regarding the draft annual business plan and inviting persons to attend a public meeting and to make submissions</p> <p>26.3 details of public meetings held by the Council regarding the draft ABP</p> <p>26.4 the report to Council and minutes regarding adoption of the ABP</p> <p>26.5 a copy of the summary of the Council's ABP</p> <p>26.6 Copies of minutes and report regarding the adoption of Council's most recent budget</p>

LG Act 1999	Annual business plans and budgets	123(6)	Council has adopted the annual business plan after considering the matters in this subsection	Annual	Business Services	Strategic and Commercial Services	Desktop Review	<p>26.1 copy of the Council's most recently adopted annual business plan;</p> <p>26.2 copy of the notices published in the newspaper regarding the draft annual business plan and inviting persons to attend a public meeting and to make submissions</p> <p>26.3 details of public meetings held by the Council regarding the draft ABP</p> <p>26.4 the report to Council and minutes regarding adoption of the ABP</p> <p>26.5 a copy of the summary of the Council's ABP</p> <p>26.6 Copies of minutes and report regarding the adoption of Council's most recent budget</p>
LG Act 1999	Annual business plans and budgets	123(7)	The budget has been considered in conjunction with the Council's annual business plan, is consistent with that plan is adopted after adoption of the annual business plan	Annual	Business Services	Strategic and Commercial Services	Desktop Review	<p>26.1 copy of the Council's most recently adopted annual business plan;</p> <p>26.2 copy of the notices published in the newspaper regarding the draft annual business plan and inviting persons to attend a public meeting and to make submissions</p> <p>26.3 details of public meetings held by the Council regarding the draft ABP</p> <p>26.4 the report to Council and minutes regarding adoption of the ABP</p> <p>26.5 a copy of the summary of the Council's ABP</p> <p>26.6 Copies of minutes and report regarding the adoption of Council's most recent budget</p>
LG Act 1999	Annual business plans and budgets	123(8)	The annual business plan and budget is adopted after 31 May and before 31 August	Annual	Business Services	Strategic and Commercial Services	Desktop Review	<p>26.1 copy of the Council's most recently adopted annual business plan;</p> <p>26.2 copy of the notices published in the newspaper regarding the draft annual business plan and inviting persons to attend a public meeting and to make submissions</p> <p>26.3 details of public meetings held by the Council regarding the draft ABP</p> <p>26.4 the report to Council and minutes regarding adoption of the ABP</p> <p>26.5 a copy of the summary of the Council's ABP</p> <p>26.6 Copies of minutes and report regarding the adoption of Council's most recent budget</p>

LG Act 1999	Annual business plans and budgets	123(9), (11)	After adoption of the annual business plan and budget, a summary has been prepared and is available in accordance with this subsection, and a copy of the annual business plan and the budget (as adopted) is available on the website	Annual	Business Services	Strategic and Commercial Services	Desktop Review	<p>26.1 copy of the Council's most recently adopted annual business plan;</p> <p>26.2 copy of the notices published in the newspaper regarding the draft annual business plan and inviting persons to attend a public meeting and to make submissions</p> <p>26.3 details of public meetings held by the Council regarding the draft ABP</p> <p>26.4 the report to Council and minutes regarding adoption of the ABP</p> <p>26.5 a copy of the summary of the Council's ABP</p> <p>26.6 Copies of minutes and report regarding the adoption of Council's most recent budget</p>
LG Act 1999	Annual business plans and budgets	123(10)	The preparation, form and content of the annual business plan, summary and budget meet the requirements of the regulations	Annual	Business Services	Strategic and Commercial Services	Desktop Review	<p>26.1 copy of the Council's most recently adopted annual business plan;</p> <p>26.2 copy of the notices published in the newspaper regarding the draft annual business plan and inviting persons to attend a public meeting and to make submissions</p> <p>26.3 details of public meetings held by the Council regarding the draft ABP</p> <p>26.4 the report to Council and minutes regarding adoption of the ABP</p> <p>26.5 a copy of the summary of the Council's ABP</p> <p>26.6 Copies of minutes and report regarding the adoption of Council's most recent budget</p>
LG Act 1999	Annual business plans and budgets	123(13)	Council has reconsidered the annual business plan or budget as required by the regulations	Annual	Business Services	Strategic and Commercial Services	Desktop Review	<p>26.1 copy of the Council's most recently adopted annual business plan;</p> <p>26.2 copy of the notices published in the newspaper regarding the draft annual business plan and inviting persons to attend a public meeting and to make submissions</p> <p>26.3 details of public meetings held by the Council regarding the draft ABP</p> <p>26.4 the report to Council and minutes regarding adoption of the ABP</p> <p>26.5 a copy of the summary of the Council's ABP</p> <p>26.6 Copies of minutes and report regarding the adoption of Council's most recent budget</p>
LG Act 1999	Internal control policies	125	Council has implemented and maintained appropriate policies, practices and procedures of internal control in accordance with this section	Annual	Business Services	Financial Services	Desktop Review	Copy of Council's internal controls policy and details of other internal control policies and procedures
LG Act 1999	Financial statements	127(1), (2)	Council has prepared for each financial year financial and other statements required by this section and the regulations	Annual	Business Services	Financial Services	Desktop Review	<p>28.1 Copies of Council's most recent audited financial statements and the minutes adopting them.</p> <p>28.2 Details of the Council's auditor and Minutes reflecting the appointment of the Auditor by Council</p>

LG Act 1999	Financial statements	127(3)	The statements prepared for each financial year must be audited by the Council's auditor	Annual	Business Services	Financial Services	Desktop Review	28.1 Copies of Council's most recent audited financial statements and the minutes adopting them.  28.2 Details of the Council's auditor and Minutes reflecting the appointment of the Auditor by Council
LG Act 1999	Financial statements	127(4)	A copy of the audited statements have been submitted by the Council to the persons or bodies prescribed by the regulations on or before the day prescribed	Annual	Business Services	Financial Services	Desktop Review	28.1 Copies of Council's most recent audited financial statements and the minutes adopting them.  28.2 Details of the Council's auditor and Minutes reflecting the appointment of the Auditor by Council
LG Act 1999	Financial statements	127(5)	The audited statements are available for inspection and purchase at the principal office of the Council during ordinary office hours	Annual	Business Services	Financial Services	Desktop Review	28.1 Copies of Council's most recent audited financial statements and the minutes adopting them.  28.2 Details of the Council's auditor and Minutes reflecting the appointment of the Auditor by Council
LG Act 1999	The auditor	128(1)	Council has appointed an auditor	Annual	Business Services	Financial Services	Desktop Review	28.1 Copies of Council's most recent audited financial statements and the minutes adopting them.  28.2 Details of the Council's auditor and Minutes reflecting the appointment of the Auditor by Council
LG Act 1999	The auditor	128(2)	Council's auditor has been appointed on the recommendation of the Council's audit committee	Annual	Business Services	Financial Services	Desktop Review	28.1 Copies of Council's most recent audited financial statements and the minutes adopting them.  28.2 Details of the Council's auditor and Minutes reflecting the appointment of the Auditor by Council
LG Act 1999	The auditor	128(2a)	The audit committee has taken into account the matters in the regulations when making a recommendation for appointment	Annual	Business Services	Financial Services	Desktop Review	28.1 Copies of Council's most recent audited financial statements and the minutes adopting them.  28.2 Details of the Council's auditor and Minutes reflecting the appointment of the Auditor by Council
LG Act 1999	The auditor	128(3)	The auditor is a registered company auditor or a firm comprising at least one registered company auditor	Annual	Business Services	Financial Services	Desktop Review	28.1 Copies of Council's most recent audited financial statements and the minutes adopting them.  28.2 Details of the Council's auditor and Minutes reflecting the appointment of the Auditor by Council
LG Act 1999	The auditor	128(4)	The auditor is not a member of Council or a nominated candidate for election as a member of Council	Annual	Business Services	Financial Services	Desktop Review	28.1 Copies of Council's most recent audited financial statements and the minutes adopting them.  28.2 Details of the Council's auditor and Minutes reflecting the appointment of the Auditor by Council
LG Act 1999	The auditor	128(5)	The term of appointment of the auditor does not exceed 5 years	Annual	Business Services	Financial Services	Desktop Review	28.1 Copies of Council's most recent audited financial statements and the minutes adopting them.  28.2 Details of the Council's auditor and Minutes reflecting the appointment of the Auditor by Council
LG Act 1999	The auditor	128(6)	The auditor is not disqualified from holding office due to the conditions under this subsection	Annual	Business Services	Financial Services	Desktop Review	28.1 Copies of Council's most recent audited financial statements and the minutes adopting them.  28.2 Details of the Council's auditor and Minutes reflecting the appointment of the Auditor by Council
LG Act 1999	The auditor	128(7)	The appointment of the auditor is subject to the terms and conditions prescribed in the regulations	Annual	Business Services	Financial Services	Desktop Review	28.1 Copies of Council's most recent audited financial statements and the minutes adopting them.  28.2 Details of the Council's auditor and Minutes reflecting the appointment of the Auditor by Council

LG Act 1999	The auditor	128(8)	The Council and Council's auditor are compliant with the requirements prescribed in the regulations regarding the auditor's independence	Annual	Business Services	Financial Services	Desktop Review	28.1 Copies of Council's most recent audited financial statements and the minutes adopting them.  28.2 Details of the Council's auditor and Minutes reflecting the appointment of the Auditor by Council
LG Act 1999	The auditor	128(9)	Council's annual report contains the information required by this subsection	Annual	Business Services	Financial Services	Desktop Review	28.1 Copies of Council's most recent audited financial statements and the minutes adopting them.  28.2 Details of the Council's auditor and Minutes reflecting the appointment of the Auditor by Council
LG Act 1999	Conduct of audit	129(1)	Council's audit includes the matters contained in this subsection	Annual	Business Services	Financial Services	Desktop Review	28.1 Copies of Council's most recent audited financial statements and the minutes adopting them.  28.2 Details of the Council's auditor and Minutes reflecting the appointment of the Auditor by Council
LG Act 1999	Conduct of audit	129(2)	Council's audit has been carried out in accordance with the standards prescribed by the regulations	Annual	Business Services	Financial Services	Desktop Review	28.1 Copies of Council's most recent audited financial statements and the minutes adopting them.  28.2 Details of the Council's auditor and Minutes reflecting the appointment of the Auditor by Council
LG Act 1999	Conduct of audit	129(3), (4), (5)	The auditor has provided to the Council an audit opinion in accordance with these subsection	Annual	Business Services	Financial Services	Desktop Review	28.1 Copies of Council's most recent audited financial statements and the minutes adopting them.  28.2 Details of the Council's auditor and Minutes reflecting the appointment of the Auditor by Council
LG Act 1999	Conduct of audit	129(5a)	The audit opinions and advice are provided to members of the Council and the audit committee in accordance with this subsection	Annual	Business Services	Financial Services	Desktop Review	28.1 Copies of Council's most recent audited financial statements and the minutes adopting them.  28.2 Details of the Council's auditor and Minutes reflecting the appointment of the Auditor by Council
LG Act 1999	Conduct of audit	129(5b), (5c)	The audit opinion and advice are placed on the agenda for consideration in accordance with these subsections	Annual	Business Services	Financial Services	Desktop Review	28.1 Copies of Council's most recent audited financial statements and the minutes adopting them.  28.2 Details of the Council's auditor and Minutes reflecting the appointment of the Auditor by Council
LG Act 1999	Conduct of audit	129(9)	The opinions provided under s129(3) accompany the financial statements of the Council	Annual	Business Services	Financial Services	Desktop Review	28.1 Copies of Council's most recent audited financial statements and the minutes adopting them.  28.2 Details of the Council's auditor and Minutes reflecting the appointment of the Auditor by Council
LG Act 1999	Annual report to be prepared and adopted	131(1)	Council has prepared and adopted an annual report relating to the operations of the Council for the financial year ending on the preceding 30 June by 30 November	Annual	Community Services	City Activation	Desktop Review	Copy of the Council's most recent Annual Report and Minutes of its adoption
LG Act 1999	Annual report to be prepared and adopted	131(2)	The annual report includes the material and matters specified in Schedule 4 as amended by regulation	Annual	Community Services	City Activation	Desktop Review	Copy of the Council's most recent Annual Report and Minutes of its adoption
LG Act 1999	Annual report to be prepared and adopted	131(3)	The annual report complies with the regulations	Annual	Community Services	City Activation	Desktop Review	Copy of the Council's most recent Annual Report and Minutes of its adoption
LG Act 1999	Annual report to be prepared and adopted	131(4)	The annual report has been provided to each member of the Council	Annual	Community Services	City Activation	Desktop Review	Copy of the Council's most recent Annual Report and Minutes of its adoption
LG Act 1999	Annual report to be prepared and adopted	131(5)	The annual report has been submitted in accordance with the subsection	Annual	Community Services	City Activation	Desktop Review	Copy of the Council's most recent Annual Report and Minutes of its adoption
LG Act 1999	Annual report to be prepared and adopted	131(8)	Copies of the annual report are available for inspection and purchase at the principal office of the Council during ordinary office hours	Annual	Community Services	City Activation	Desktop Review	Copy of the Council's most recent Annual Report and Minutes of its adoption



LG Act 1999	Borrowing and related financial arrangements (1)	134-139	However, a council must not enter into a financial arrangement under subsection (3) unless or until— (a) the council has obtained and considered independent and impartial advice about the proposed financial arrangements and the appropriate risk-management policies, controls and systems that should be in place from a person whom the council reasonably believes to be	Annual	Business Services	Financial Services	Desktop Review	Copies of Council's Treasury or other Finance Policies that address Council's position regarding borrowing, provision of security and investments
LG Act 1999	Review of investments	140	Council, at least once in every year, reviews the performance (individually and as a whole) of its investments	Annual	Business Services	Financial Services	Desktop Review	Copy of a report to the Council regarding a review of its investments under section 140 and related minutes to adopt report
LG Act 1999	Writing off bad debts	143(2)	Bad debts are not written off unless the Chief Executive Officer has made the certification required under this subsection	Annual	Business Services	Financial Services	Desktop Review	Copy of a report to the Council regarding a review of its investments under section 140 and related minutes to adopt report
LG Act 1999	Writing off bad debts	143(3)	The delegation to write off debts include an amount above which the delegation will not apply	Annual	Business Services	Strategic and Commercial Services	Desktop Review	Copy of a report to the Council regarding a review of its investments under section 140 and related minutes to adopt report
LG Act 1999	Rates and charges	150	A council may impose rates and charges of the following kinds on land within its area: (a) general rates; (b) separate rates; (c) service rates; (d) service charges.	Annual	Business Services	Financial Services	Desktop Review	33.1 Copies of the notices of declaration of rates published in the gazette and local paper (including date of publication)  33.2 a copy of the minutes of the Council's most recent rate declaration  33.3 a Copy of any rating policy adopted by the Council
LG Act 1999	Rebates of Rates	159	If grounds exist for a person or body to receive a rebate of rates in pursuance of this Division, the person or body may apply to the council in a manner and form determined by the council (supplying such information as the council may reasonably require).	Annual	Business Services	Financial Services	Desktop Review	34.1 Details of at least 3 mandatory rebates provided and copies of corresponding rates notices  34.2 Copy of the Council's rate rebate application form (if any)  34.3 Copy of report regarding a discretionary rebate granted under section 166
LG Act 1999	Chief executive officer to keep assessment record	172(1)	The Assessment Record is kept by the Chief Executive Officer in accordance with the subsection	Annual	Business Services	Financial Services	Desktop Review	35.1 Copy of extract from the Council's Assessment Record for 3 rateable properties within its area  35.2 Details of the procedure observed by the Council for the suppression of information regarding a ratepayer from the Assessment Record and regarding alterations to the Assessment Record
LG Act 1999	Chief executive officer to keep assessment record	172(2)	The Chief Executive Officer has determined the manner and form for an occupier of land to make an application under this subsection	Annual	Business Services	Financial Services	Desktop Review	35.1 Copy of extract from the Council's Assessment Record for 3 rateable properties within its area  35.2 Details of the procedure observed by the Council for the suppression of information regarding a ratepayer from the Assessment Record and regarding alterations to the Assessment Record
LG Act 1999	Chief executive officer to keep assessment record	172(3)	The Chief Executive has entered occupier's names in the assessment record where an application has been made	Annual	Business Services	Financial Services	Desktop Review	35.1 Copy of extract from the Council's Assessment Record for 3 rateable properties within its area  35.2 Details of the procedure observed by the Council for the suppression of information regarding a ratepayer from the Assessment Record and regarding alterations to the Assessment Record
LG Act 1999	Chief executive officer to keep assessment record	172(4), (5)	Suppression of names and addresses from the assessment record have been done in accordance with these subsections	Annual	Business Services	Financial Services	Desktop Review	35.1 Copy of extract from the Council's Assessment Record for 3 rateable properties within its area  35.2 Details of the procedure observed by the Council for the suppression of information regarding a ratepayer from the Assessment Record and regarding alterations to the Assessment Record

LG Act 1999	Alterations to assessment record	173(2)	The Chief Executive Officer has determined the manner and form for application to alter the assessment record	Annual	Business Services	Financial Services	Desktop Review	35.1 Copy of extract from the Council's Assessment Record for 3 rateable properties within its area  35.2 Details of the procedure observed by the Council for the suppression of information regarding a ratepayer from the Assessment Record and regarding alterations to the Assessment Record
LG Act 1999	Alterations to assessment record	173(5)	The Council has determined a procedure for the review of decisions under this section	Annual	Business Services	Financial Services	Desktop Review	35.1 Copy of extract from the Council's Assessment Record for 3 rateable properties within its area  35.2 Details of the procedure observed by the Council for the suppression of information regarding a ratepayer from the Assessment Record and regarding alterations to the Assessment Record
LG Act 1999	Service of rate notice	180	A rates notice must incorporate, or be accompanied by, the information required by the regulations and comply with any other requirement prescribed by the regulations.	Annual	Business Services	Financial Services	Desktop Review	A copy of a Council rates notice
LG Act 1999	Sale of Land for Non-payment of Rates	184	Before a council sells land in pursuance of this section, it must send a notice to the principal ratepayer at the address appearing in the assessment record— (a) stating the period for which the rates have been in arrears; and (b) stating the amount of the total liability for rates presently outstanding in relation to the land; and (c) stating that if that amount is not paid in full within one month of service of the notice (or such longer time as the council may allow), the council intends to sell the land for non-payment of rates.	Annual	Business Services	Financial Services	Desktop Review	Where the Council has sold land for non-payment of rates under section 184, copies of the following: 37.1 the notice sent to the ratepayer as required under 184(2)  37.2 the reports to Council in relation to the sale and related minutes  37.3 details of procurement of the auctioneer and the application of money received from the sale
LG Act 1999	Fees and charges	188	Fees or charges under subsection (1)(d) must not exceed a reasonable estimate of the direct cost to the council in providing the information, materials, copies or extracts.	Annual	Business Services	Financial Services	Desktop Review	Copy of Council's schedule of fees and charges
LG Act 1999	Classification of Community Land	193(4a)	All local government land (except roads) that is owned by a council or under a council's care, control and management at the commencement of this section (the commencement date) is taken to have been classified as community land unless (a) the council resolves to exclude the land from classification as community land within three years after the commencement date; and (b) the land is unaffected by provisions of a reservation,	Annual	City Assets and Services	Leasing and Commercial Operations	Desktop Review	Copy of any resolution of Council to exclude newly acquired land from classification as community land under section 193(4a) a copy of Gazette notice relating to this resolution
LG Act 1999	Revocation of Community Land		A council may (subject to the following exceptions and qualifications) revoke the classification of land as community land in accordance with a prescribed procedure	Annual	City Assets and Services	Leasing and Commercial Operations	Desktop Review	Where Council has revoked the classification of land as community land, a copy of the relevant reports to Council for this purpose
LG Act 1999	Management plans	196(1), (7)	Council has prepared and adopted management plans for its community land where required by the section	Annual	City Assets and Services	Leasing and Commercial Operations	Desktop Review	Copy of Council's management plan(s) for community land and details of when it was adopted including copies of relevant minutes and report to Council
LG Act 1999	Management plans	196(3), (5)	The Council's management plans meet the requirements of this subsection	Annual	City Assets and Services	Leasing and Commercial Operations	Desktop Review	Copy of Council's management plan(s) for community land and details of when it was adopted including copies of relevant minutes and report to Council
LG Act 1999	Register	207(1)	Council has a register of all community land in its area	Annual	City Assets and Services	Leasing and Commercial Operations	Desktop Review	The Council's register of community land
LG Act 1999	Register	207(2)	The register contains the information set out in this subsection	Annual	City Assets and Services	Leasing and Commercial Operations	Desktop Review	The Council's register of community land
LG Act 1999	Register	207(3)	The register is available for inspection (without charge) by the public at the principal office of the Council during ordinary office hours	Annual	City Assets and Services	Leasing and Commercial Operations	Desktop Review	The Council's register of community land
LG Act 1999	Register	207(4)	An extract of the register is available for purchase on payment of a fee fixed by the Council	Annual	City Assets and Services	Leasing and Commercial Operations	Desktop Review	The Council's register of community land

LG Act 1999	Conversion of Private to Public Road	210	council may declare a private road to be a public road if— (a) the owner of the road asks for, or consents to, the declaration; or (b) the council makes reasonable inquiries to find the owner and fails to do so.	Every 2 years	City Assets and Services	Assets and Facilities	Desktop Review	Where Council has exercised its power to convert a private road to a public road the following: 43.1 a copy of the required notice to the owner of the private road regarding the proposed declaration or any public notice published in the newspaper in respect to the declaration; and  43.2 a copy of the gazettal notice of the declaration
LG Act 1999	Power to assign a name, or change the name, of a road or public place	219(5)&(7)	Council has prepared and adopted a policy relating to the assigning of names under this section and a notice of the adoption or alteration to the policy has been published on the website	Every 2 years	City Assets and Services	Assets and Facilities	Desktop Review	44.1 Where the Council has changed the name assigned to a road or public place, a copy of the public notice given notifying of the change under section 219(4) and the related Council report  44.2 A copy of the Council's policy regarding the assigning of names to roads and public places  44.3 A copy of a public notice given in relation to the adoption of the Council's road naming policy (as required by section 219(7))
LG Act 1999	Control of Work on Roads	221-225	A person (other than the council or a person acting under some other statutory authority) must not make an alteration to a public road unless authorised to do so by the council.	Annual	City Assets and Services	Assets and Facilities	Desktop Review	Copy of an authorisation and permit issued by the Council under sections 221 and 222 respectively and details of any public consultation conducted in relation to the permit/authorisation
LG Act 1999	Register	231(1)	Council has a register of public roads in its area	Annual	City Assets and Services	Assets and Facilities	Desktop Review	An extract from the Council's register of public roads for at least 5 roads
LG Act 1999	Register	231(2)	The register contains the information required by this subsection	Annual	City Assets and Services	Assets and Facilities	Desktop Review	An extract from the Council's register of public roads for at least 5 roads
LG Act 1999	Register	231(3)	The register is available for inspection (without charge) by the public at the principal office of the Council during	Annual	City Assets and Services	Assets and Facilities	Desktop Review	An extract from the Council's register of public roads for at least 5 roads
LG Act 1999	Register	231(4)	An extract of the register is available for purchase on payment of a fee fixed by the Council	Annual	City Assets and Services	Assets and Facilities	Desktop Review	An extract from the Council's register of public roads for at least 5 roads
LG Act 1999	Trees	232	Before a council plants vegetation, or authorises or permits the planting of vegetation, on a road, the council must (in addition to complying with any other statutory	Annual	City Assets and Services	Field Services	Desktop Review	Copy of Council's tree/vegetation management policy
LG Act 1999	Removal of vehicles	237	If a vehicle has been left on a public road or place, or on local government land for at least 24 hours, an authorised person may place a prescribed warning notice on the vehicle.  (2) After 24 hours has expired since the placement of a prescribed warning notice, an authorised person may have the vehicle removed to an appropriate place.	Annual	City Assets and Services	Regulatory Services	Desktop Review	48.1 Copy of any Council policy or procedure regarding the removal of vehicles under section 237 of the Act  48.2 Where the Council has exercised powers to remove a vehicle under section 237, copies of the following: - the towing warning notice; - the notice to the owner of the vehicle advising that it has been moved, or notice published in the newspaper advising same; and - details of how the vehicle was disposed of.
LG Act 1999	By-laws	246-253	a council may make by-laws— (a) that are within the contemplation of this or another Act; or (b) that relate to a matter in relation to which the making of by-laws is authorised by the regulations under this or another Act.	Annual	City Assets and Services	Regulatory Services	Desktop Review	By-laws 49.1 the Council's register of By-laws  49.2 the public notice published in the paper inviting submissions in relation to the proposed by-laws  49.3 the minutes and report regarding the adoption of Council's by-laws including the report that addresses the bylaws impact upon National Competition Policy and the certificates of Validity signed by a legal practitioner  49.4 the gazette notice advising of the adoption of the By-laws and of the related notice published in the local paper  49.5 a gazette notice advising of any Council resolution regarding the areas to which provisions of a by-law apply and the related notice published in the local paper

LG Act 1999	Register of by-laws and certified copies	252(1)	Council has a register of all by-laws made or adopted by the Council	Annual	City Assets and Services	Regulatory Services	Desktop Review	By-laws 49.1 the Council's register of By-laws  49.2 the public notice published in the paper inviting submissions in relation to the proposed by-laws  49.3 the minutes and report regarding the adoption of Council's by-laws including the report that addresses the bylaws impact upon National Competition Policy and the certificates of Validity signed by a legal practitioner  49.4 the gazette notice advising of the adoption of the By-laws and of the related notice published in the local paper  49.5 a gazette notice advising of any Council resolution regarding the areas to which provisions of a by-law apply and the related notice published in the local paper
LG Act 1999	Register of by-laws and certified copies	252(2)	The register includes the matters contained in this subsection	Annual	City Assets and Services	Regulatory Services	Desktop Review	
LG Act 1999	Register of by-laws and certified copies	252(3)	The register is available for inspection (without charge) by the public at the principal office of the Council during ordinary office hours	Annual	City Assets and Services	Regulatory Services	Desktop Review	
LG Act 1999	Register of by-laws and certified copies	252(4)	An extract of the register is available for purchase on payment of a fee fixed by the Council	Annual	City Assets and Services	Regulatory Services	Desktop Review	
LG Act 1999	Power to Make Orders	254-255	A council may order a person to do or to refrain from doing a thing specified in Column 1 of the following table if in the opinion of the council the circumstances specified opposite it in Column 2 of the table exist and the person comes within the description opposite it in Column 3 of the table.	Annual	City Assets and Services	Regulatory Services	Desktop Review	A file relating to the issue of an Order under section 254 including a copy of the order and notice of intention
LG Act 1999	Councils to develop policies	259(1)	Council has taken reasonable steps to prepare and adopt policies concerning the operation of Chapter 12, Part 2	Annual	City Assets and Services	Regulatory Services	Desktop Review	The Council's order making policy
LG Act 1999	Councils to develop policies	259(6)	The policy is available for inspection (without charge) by the public at the principal office of the Council during ordinary office hours	Annual	City Assets and Services	Regulatory Services	Desktop Review	The Council's order making policy
LG Act 1999	Councils to develop policies	259(7)	The policy is available for purchase on payment of a fee fixed by the Council				Desktop Review	The Council's order making policy
LG Act 1999	Appointment of authorised persons	260(3)	Council has issued identify cards to all authorised persons in accordance with this subsection	Annual	Business Services	People and Culture	Desktop Review	52.1 Copy of an instrument of appointment of an authorised person and ID card  52.2 Details of training provided to authorised persons
LG Act 1999	Powers under this Act	261	An authorised person may— (a) after giving reasonable notice to the owner or occupier of land, enter land— 31.3.2016—Local Government Act 1999 Regulatory functions—Chapter 12 Authorised persons—Part 3 [1.3.2017] This version is not published under the Legislation Revision and Publication Act 2002 13 (i) for a purpose related to the operation, administration or enforcement of this or another Act by the council (including to ascertain whether an order should be made or other action taken by the council under this or another Act);	Annual	Business Services	People and Culture	Desktop Review	52.1 Copy of an instrument of appointment of an authorised person and ID card  52.2 Details of training provided to authorised persons
LG Act 1999	Procedures for review of decisions and requests for services	270(a1), (a2), (1), (2), (4a)	Council has developed and maintained policies, practices and procedures as required by these subsections	Annual	Business Services	Strategic and Commercial Services	Desktop Review	53.1 Council's policy for internal review of decisions under section 270  53.2 Details of practices or procedures for dealing with reasonable requests for services and complaints handling procedure and a copy of any related policy and a copy of any other complaint handling policies/procedures adopted by the Council

LG Act 1999	Procedures for review of decisions and requests for services	270(5)	A document concerning the policies, practices and procedures is available for inspection (without charge) and purchase by the public at the principal office of the Council during ordinary office hours	Annual	Business Services	Strategic and Commercial Services	Desktop Review	53.1 Council's policy for internal review of decisions under section 270  53.2 Details of practices or procedures for dealing with reasonable requests for services and complaints handling procedure and a copy of any related policy and a copy of any other complaint handling policies/procedures adopted by the Council
LG Act 1999	Procedures for review of decisions and requests for services	270(8)	Council considers a report on an annual basis in accordance with this subsection	Annual	Business Services	Strategic and Commercial Services	Desktop Review	53.1 Council's policy for internal review of decisions under section 270  53.2 Details of practices or procedures for dealing with reasonable requests for services and complaints handling procedure and a copy of any related policy and a copy of any other complaint handling policies/procedures adopted by the Council
Local Government (Financial Management) Regulations 2011	Local Government (Financial Management) Regulations 2011	9(1), (2)	A council, council subsidiary or regional subsidiary must prepare and consider the following reports: (a) at least twice, between 30 September and 31 May (both dates inclusive) in the relevant financial year	Annual	Business Services	Financial Services		Copy of budget review reports to Council and the Minutes reflecting Council's consideration of them pursuant to regulation 9
Local Government (Financial Management) Regulations 2011	Local Government (Financial Management) Regulations 2011	10(1), (2)	A council, council subsidiary or regional subsidiary must, by no later than 31 December in each year, prepare and consider a report showing the audited financial results of each item shown in the statement of comprehensive income and balance sheet of the budgeted financial statements of the council, council subsidiary or regional subsidiary (as the case may be) for the previous financial year compared with the estimated financial results set out	Annual	Business Services	Financial Services		The report regarding financial results considered by the Council under regulation 10 and the minutes reflecting Council's consideration of the report
Local Government (Financial Management) Regulations 2011	Revaluation of Assets	12	A council, council subsidiary or regional subsidiary must undertake a revaluation of all material non-current assets in accordance with the requirements of Australian Accounting Standard AASB 116.	Annual	Business Services	Financial Services		Details of when Council undertook its re-evaluation of non-current assets in accordance with regulation 12
Local Government (Financial Management) Regulations 2011	Auditor of Subsidiary	20	A council subsidiary or regional subsidiary must have an auditor. (2) The auditor must be— (a) a registered company auditor; or (b) a firm comprising at least 1 registered company auditor.	Annual	Business Services	Financial Services		Details of the auditors appointed for any Council subsidiary or regional subsidiary

Item No: **6.5**

Subject: **INTERNAL AUDIT REPORT – ALWYNDOR PAYROLL PROCESS**

Date: 4 April 2018

Written By: Chief Financial Officer

General Manager: Business Services, Mr R Kluge

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### **SUMMARY**

Council's Internal Auditor, Bentleys, have provided their Internal Audit Report on Alwyndor's Payroll Process and it is presented for discussion and noting.

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### **RECOMMENDATION**

**That the Audit Committee notes the Internal Audit regarding Alwyndor's Payroll Process.**

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### **COMMUNITY PLAN**

Culture: Enabling High Performance

### **STATUTORY PROVISIONS**

Local Government Act 1999, section 126

### **REPORT**

Council's internal auditor, Bentleys, undertook an internal audit on Alwyndor's Payroll Processes in November 2017. Prior to the audit Alwyndor had identified numerous gaps in the current payroll system and identified the need to invest in a contemporary payroll system. A new payroll system, CareSystems, has been purchased and is currently being implemented, this system will address many of the items raised in the audit report. The outcomes, recommendations and Administration's agreed actions are included in the attached report.

*Refer Attachment 1*

### **BUDGET**

This report does not have any budget implications.

### **LIFE CYCLE COSTS**

This report does not have any full life cycle cost implications.

# Alwyndor Aged Care

## Payroll Process Internal Audit Report

December 2017





**Bentleys (SA) Pty Ltd**

Level 2  
139 Frome Street  
Adelaide SA 5000

GPO Box 939  
Adelaide SA 5001

ABN 39 582 939 963

T +61 8 8372 7900

F +61 8 8372 7999

admin@adel.bentleys.com.au  
bentleys.com.au

16 January 2018

Rick Kluge  
General Manager – Alwyndor  
Alwyndor Aged Care  
52 Dunrobin Road,  
Hove SA 5048

Dear Rick,

**Internal Audit Report – Payroll Process**

Please find attached our report on the Payroll Process for Alwyndor Aged Care.

We would like to take this opportunity to thank management and staff for the assistance provided to us during the course of our audit.

If you have any queries please feel free to contact me on 08 8372 7900 at any time.

Yours sincerely,

DAVID PAPA  
PARTNER

Enclosure



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#### **Inherent Limitations**

Due to the inherent limitations of any internal control structure, it is possible that fraud, error or non-compliance with laws and regulations may occur and not be detected. Further, the internal control structure, within which the control procedures that have been subject to this review operate, has not been reviewed in its entirety and, therefore, no opinion or view is expressed as to its effectiveness of the greater internal control structure. This review is not designed to detect all weaknesses in control procedures as it is not performed continuously throughout the period and the tests performed on the control procedures are on a sample basis. Any projection of the evaluation of control procedures to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate. We believe that the statements made in this report are accurate, but no warranty of completeness, accuracy or reliability is given in relation to the statements and representations made by, and the information and documentation provided by Alwyndor Aged Care management and personnel. We have indicated within this report the sources of the information provided. We have not sought to independently verify those sources unless otherwise noted within the report. We are under no obligation in any circumstance to update this report, in either oral or written form, for events occurring after the report has been issued in final form unless specifically agreed. The findings expressed in this report have been formed on the above basis.

#### **Third Party Reliance**

This report is solely for the purpose set out in the Official Order and for Alwyndor Aged Care information, and is not to be used for any other purpose or distributed to any other party without Bentleys (SA) Pty Ltd's prior consent.

This summary report has been prepared at the request of Alwyndor Aged Care management or its delegate. Other than our responsibility to the management of Alwyndor Aged Care, neither Bentleys (SA) Pty Ltd nor any member or employee of Bentleys (SA) Pty Ltd undertakes responsibility arising in any way from reliance placed by a third party, including but not limited to Alwyndor Aged Care external advisors, on this summary report. Any reliance placed is that party's sole responsibility. Liability limited by a scheme approved under Professional Standards Legislation.

# EXECUTIVE SUMMARY

## Background

Alwyndor Aged Care (Alwyndor) has engaged Bentleys SA Pty Ltd to conduct an internal audit project – Payroll Process review in December 2017 in line with the City of Holdfast Bay's (CHB) Audit Committees Internal Audit Program. CHB has been Trustee of the Dorothy Cheater Trust since 1973. As trustee, CHB is responsible to ensure the Trust is operated by Alwyndor in such a way to provide the benefits outlined in the Trust.

Payroll management is concerned with all aspects of the arrangements that are in place to ensure that employees of an organisation receive remuneration which is in accordance with their terms of employment, is lawful and is appropriately recognised in the financial statements of the organisation.

This report outlines findings and recommendations in respect of Payroll Process.

## Audit Objectives

The overall objective of the audit was to review the system of internal controls and related management processes, providing reasonable assurance that adequate management controls exist to mitigate risk and maximise opportunity.

The specific objectives of the audit were to:

- Review and assess the controls over existing processes for pay runs, time sheeting, adding, editing and terminating employees from the payroll system;
- Perform testing on a sample basis to ensure adequacy and effectiveness of key controls; and
- Assess whether policies, procedures and relevant legislation have been complied with and adhered to.

Governance objectives, where relevant, were considered. This included an assessment of whether governance processes were in place, including:

- Defined roles and responsibilities;
- Segregation of duties;
- Appropriate levels of delegated authority;
- Monitoring and reporting of abnormal activity; and
- Records management and documented audit trails.

## Audit Scope and Approach

The Audit considered whether payroll processes were efficient and effective; and assess the controls in place to mitigate the risk of fraud and theft in payroll. Specifically, the audit scope included the following for the payroll activities from July 2016 up to current:

### **Compliance**

- Assess compliance with the Aged Care Act 1997, relevant Enterprise Agreement and Award;
- Assess compliance with the organisation's payroll policies; and
- Assess compliance with the internal controls framework focusing on the implementation of the ControlTrack action plans.

### **Payroll system**

- Understand and assess the process of applying the requirements of relevant Enterprise Agreement and Award for residential aged care staff and community care staff, including wage rate, in the BRS Payroll System;
- Review and ensure consistent and appropriate processes of adding, editing and terminating employees from the system are in place;
- Perform data analytics on payroll bank accounts to purchasing bank accounts to determine whether controls are in place to prevent fraudulent payments;
- Assess and determine whether standard programmed formulas perform employee provision calculations are applied; and
- Review and determine whether user access is assigned appropriately to ensure implementation of payroll processes (including reconciliations, review and payment authorisation) and segregation of duties.

### **Fortnightly pay run management**

- Understand and assess the fortnightly pay run process, including the payroll master file data entry, and authorisation of payment;
- Assess the validity and integrity of timesheet, including timesheet reconciliation against the rostering (manual spreadsheet for residential aged care staff and the iCareHealth Rostering System for community care staff) and leave/overtime application; and
- Determine whether appropriate reporting and escalation is in place.

### **Leave/Overtime management**

- Understand and assess the leave/overtime application process;
- Determine whether leave/overtime approval and records in the timesheet is appropriate and correct; and
- Determine whether correct leave/overtime payment is made.

Our approach involved reviewing the process, procedures, policies and documentation; interviewing key staff; observation, walkthrough and substantive testing where possible.

Our audit reviewed the key processes and documents which drive the Alwyndor's Payroll process. Refer to Documents Accessed and Consultation (Appendix 3) for detailed information.

We conducted this audit in accordance with the International Standards for the Professional Practice of Internal Auditing of the Institute of Internal Auditors.

## **Process Overview and Good Practices Observed**

The current payroll process is labour-intensive and relies on manual controls. Alwyndor uses the BRS Payroll System (BRS) to perform award interpretations with data input of the manual timesheets performed by Payroll Officer and checked by Senior Accounting Officer.

Alwyndor currently has 256 full-time, part-time and casual staff, including 66 community care staff and 190 residential aged care staff. The community care staff's timesheet information is generated in the iCareHealth rostering system and imported to BRS during the fortnightly payroll process. The residential aged care staff use manual timesheets and their rostering is run on an excel spreadsheet. The manual timesheets are checked against the rostering spreadsheet and signed off by the Residential Rostering Officer. Refer to payroll processes flow charts (Appendix 4) for detailed information.

A new payroll system CARE is being implemented and is scheduled to roll out by 30 June 2018. With regards to this, the most payroll processes will be changed shortly. At the time of the audit, the new system roll-out program was at the initial planning stage.

The following good practices were observed during the review:

- Internal controls related to payroll addressed in the ControlTrack action plans were implemented by Finance and monitored by the Audit Committee;
- Fortnightly payroll EFT transfer was appropriately authorised by Manager – Finance & Administration and Senior Accounting Officer and reviewed by General Manager – Alwyndor and Manager – Finance & Administration;
- Payroll exceptions were independently reviewed by General Manager – Alwyndor and Manager – Finance & Administration; and
- Payroll payment including leave, allowances and overtime was accurately paid according to the Enterprise Agreements and Award.

## Key Findings and Observations

A summary of the residual risk rated findings are provided below:

Ref #	Description of Findings	Residual Risk Rating
1	System access and data integrity	High
2	Termination process	Low
3	Leave application process and approval	Low
4	Payment in lieu of taking annual leave	Low
5	Monitoring of annual leave balance	Low
6	Pay run record management	Low
Ref #	Improvement Opportunities	
1	Timesheet submission requirements for Senior Management Team	n/a
2	Retain New Employees Entering Form	n/a

Refer to Detailed Findings and Agreed Action Plan (Appendix 1), Improvement Opportunities (Appendix 2) for detailed information.

Each key finding is rated based on the impact to the process considered. Refer to Risk Framework (Appendix 7) for detailed information.

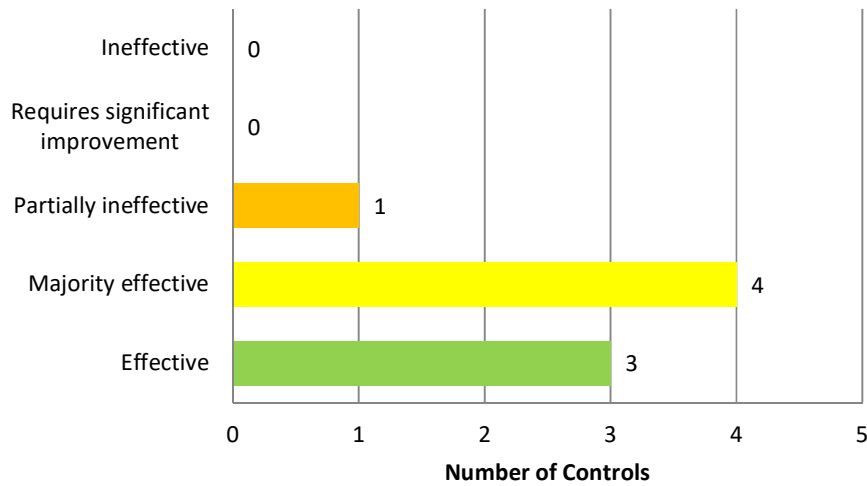
## Controls Assessment

The control effectiveness assessment next page is an indicator of the current state of the control environment within business operations and its ability to mitigate against the risk exposures.

Key controls were identified during the audit. Refer to Controls Assessment (Appendix 6) for detailed information.

Based on the internal audit work completed, documents inspected and interviews with key stakeholders, it is the view of Bentleys SA that the control environment of Payroll Process is Majority Effective.

### Control Effectiveness Graph

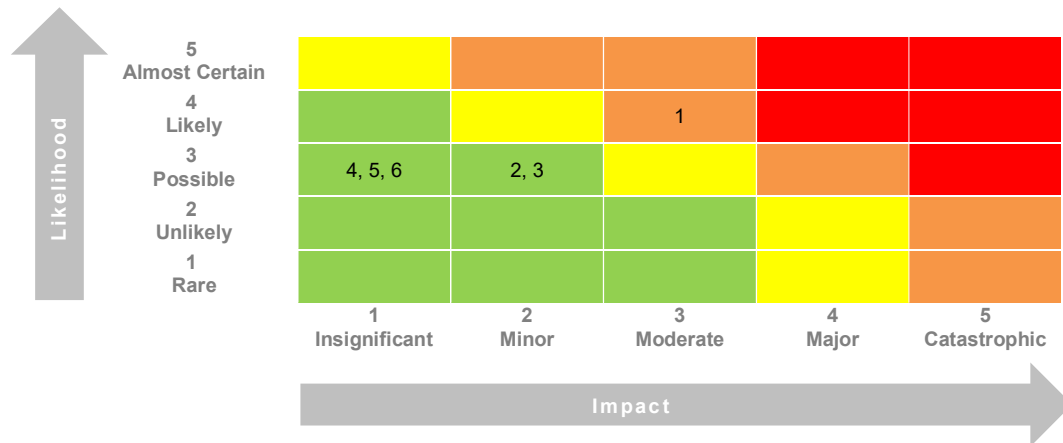


Overall Controls Assessment <sup>(1)</sup>				
Effective	Majority effective	Partially ineffective	Requires significant improvement	Ineffective

(1) Limited to audit scope and based on test results.


## Risk Assessment

Provided below is an audit assessment of the residual risk (based on the CHB's risk framework) in respect of the process reviewed, having regard to the issues identified by the audit.



Key inherent risks (before controls) include:

- Non-compliance with the *Local Government Act 1999* and regulations;
- Non-compliance with Enterprise Agreements and awards;
- Non-compliance with policies and procedures;
- Payroll calculation is inaccurate or incomplete and incorrect payment is made;
- Integrity of business data and information assets, including inaccurate employee information could be entered into the payroll system and duplicate employees etc; and

- 
- ▶ Payroll-related fraud risks such as unauthorised access to payroll master file and modification of records.

## Acknowledgement

We appreciate the assistance and cooperation received from management and staff of Alwyndor Aged Care in completing this review.

# APPENDIX 1

## Detailed Findings and Agreed Action Plan

Finding 1. System access and data integrity		Risk Category	A, B
		Impact:	Moderate
		Likelihood:	Likely
		Risk Rating:	High
<b>Finding(s)</b>			
<p>BRS Payroll System (BRS) has weak controls over access. System users have the same level of access and can modify any data.</p> <p>Also, reports/data from BRS were not accurate and included irrelevant information. For example,</p> <ul style="list-style-type: none"> <li>➤ BRS Sick Leave Taken Report recorded sick leave per period not per day; and did not split the hours correctly when charging to different business areas;</li> <li>➤ BRS Employees Bank Accounts Report had 113 bank details not attached to any employees although it was unable to send pay to a bank account that was not attached to an employee; and</li> <li>➤ BRS Employees Tax File Numbers (TFN) Report had TFNs of 16 people who had terminated their employment.</li> </ul> <p>These have been addressed by the organisation and Alwyndor has started implementing the new system CARE which is scheduled to roll out by 30 June 2018. With regards to this, the most payroll processes will be changed shortly.</p>			
<b>Risk</b>			
<ul style="list-style-type: none"> <li>➤ Incorrect payroll data may be entered, processed, summarised, and reported;</li> <li>➤ Authorisation, completeness, and accuracy of payroll processing may be compromised; and</li> <li>➤ Incorrect payroll payment due to data corruption.</li> </ul>			
Recommendation	Management Response and Agreed Action Plan		
<p>We recommend management to implement appropriate and regular manual controls to address findings above and enhance the control environment until the new system takes over.</p> <p>We also recommend when the new system is implemented, management:</p> <ul style="list-style-type: none"> <li>➤ Ensure appropriate system access levels are designed and allocated to the responsible officers to perform their duties;</li> <li>➤ Regularly review the system access and ensure controls are in place and people who left the relevant positions are taken out of the system;</li> <li>➤ Design the system reporting function to serve the payroll process; and</li> <li>➤ Ensure regular reporting and monitoring of data integrity is in place to remove irrelevant and out-of-date data.</li> </ul>	<p>New payroll software is being implemented which will address all of the issues noted.</p> <p>In regards to BRS password has been updated and only three team members have access to the payroll software and password.</p>		
	Responsible Officer	Target Date	
	Pam Warburton	28 Feb 2018	
		1 July 2018 (for new payroll software)	

<b>Finding 2. Termination process</b>		<b>Risk Category</b>	<b>A, B</b>
		<b>Impact:</b>	<b>Minor</b>
		<b>Likelihood:</b>	<b>Possible</b>
		<b>Risk Rating:</b>	<b>Low</b>
<b>Finding(s)</b>			
<p>Termination process is not fully formalised with the following findings identified:</p> <ul style="list-style-type: none"> <li>➤ No exit checklist was applied including return of properties; and</li> <li>➤ No exit interview was applied to permanent employees, therefore, not compliant with the relevant Alwyndor's Exit Interview Policy &amp; Procedure dated March 2016.</li> </ul> <p>In absence of a termination policy, Alwyndor follows relevant requirements of the Alwyndor's Enterprise Agreement (EA). Although EA states the notice requirement and the employee's entitlement for payment; however, the following key areas are not included in the agreement:</p> <ul style="list-style-type: none"> <li>➤ Termination payments are correct;</li> <li>➤ Alwyndor's assets, such as purchasing cards, all mobile devices and IT equipment are returned prior to termination; and</li> <li>➤ Access to IT systems, such as BRS, are removed prior to termination.</li> </ul> <p>Although there was no issue identified so far, there is a potential of incorrect termination payment, assets loss, and inappropriate access to IT systems by terminated employees.</p>			
<b>Risk</b>			
<ul style="list-style-type: none"> <li>➤ Incorrect payroll practice conducted by someone unfamiliar with the termination process may result in financial loss or breach of EA or legislation;</li> <li>➤ Increased errors in process with no formalised and reviewed policies and procedures where there is a change of staff may result in financial loss or breach of EA or legislation; and</li> <li>➤ Incorrect payment, assets loss, and inappropriate access due to lack of Termination Policy.</li> </ul>			
<b>Recommendation</b>		<b>Management Response and Agreed Action Plan</b>	
<p>We recommend management:</p> <ul style="list-style-type: none"> <li>➤ Formalise the standard termination process;</li> <li>➤ Apply an exit checklist including return of properties, and remove of system access;</li> <li>➤ Conduct exit interview as required by the Exit Interview Policy &amp; Procedure; and</li> <li>➤ Provide education and training to employees to ensure consistent implementation.</li> </ul>		<p>We are reviewing the current termination process and developing a new policy on terminations, which will include a process on exit interviews.</p>	
		<b>Responsible Officer</b>	<b>Target Date</b>
		Brett Capes	30 Jun 2018



<b>Finding 3. Leave application process and approval</b>		<b>Risk Category</b>	<b>B</b>
		<b>Impact:</b>	<b>Minor</b>
		<b>Likelihood:</b>	<b>Possible</b>
		<b>Risk Rating:</b>	<b>Low</b>
<b>Finding(s)</b>			
<p>Leave application process is not formalised. It was advised that the Rostering Officer verifies the leave balance and advises the Line Manager to approve. However, Leave Application Form was not always used and approved; although there was no negative leave balance.</p> <p>Sample testing of 25 timesheets for the period from July 2016 up to 5 December 2017 found that:</p> <ul style="list-style-type: none"> <li>➤ There were eight out of 12 sick leaves (67%) with no Leave Application Form used, and three out of 12 (25%) with Leave Application Form not approved;</li> <li>➤ There were one out of ten annual leaves (10%) with no Leave Application Form used and one out of 10 (10%) with Leave Application Form not approved; and</li> <li>➤ There were two leave without pays (LWOP) taken by permanent employees (100%) with no Leave Application Form used; however, the EA requires General Manager – Alwyndor’s approval on LWOP taken by permanent employees.</li> </ul> <p>For details, refer to Appendix 5.</p>			
<b>Risk</b>			
<ul style="list-style-type: none"> <li>➤ Financial loss if leave is not appropriately recorded or authorised</li> <li>➤ Culture of non-compliance with internal policy; and</li> <li>➤ Non-compliance with the EAs and awards requirements.</li> </ul>			
<b>Recommendation</b>		<b>Management Response and Agreed Action Plan</b>	
<p>We recommend management:</p> <ul style="list-style-type: none"> <li>➤ Formalise the leave application process;</li> <li>➤ Apply the Leave Application Form consistently for different types of leave;</li> <li>➤ Ensure the approval of leave (other than sick leave) is obtained prior to the leave taken; and</li> <li>➤ Provide refresher training to employees to ensure consistent implementation.</li> </ul>		<p>Implementation of new payroll system will include an employee portal.</p> <p>All leave will be applied through this portal and a workflow will be linked to ensure correct line management approval of leave.</p> <p>Training will be held as part of the implementation process of the new payroll system.</p>	
		<b>Responsible Officer</b>	<b>Target Date</b>
		Nadia Andjelkovic	1 July 2018

<b>Finding 4. Payment in lieu of taking annual leave</b>	<b>Risk Category</b>	<b>B</b>
	<b>Impact:</b>	<b>Insignificant</b>
	<b>Likelihood:</b>	<b>Possible</b>
	<b>Risk Rating:</b>	<b>Low</b>
<b>Finding(s)</b>		
<p>General Manager – Alwyndor approved a Home Care Assistant (permanent part-time staff) to receive a payment (gross amount of \$3,916) in lieu of taking 150 hours annual leave on 5 December 2017. This was not compliant with the award requirement.</p> <p>According to the Section 7.1.1.3 of the Health Services Employees Award, “Payment must not be made or accepted in lieu of taking annual leave, except in the case of termination of employment”.</p> <p>As advised by the General Manager – Alwyndor, this payout was once off urgent event as the employee had a major car accident.</p>		
<b>Risk</b>		
<ul style="list-style-type: none"> <li>➤ No sufficient funding to cover other potential payout requests;</li> <li>➤ Potential dispute if similar requests approved or denied; and</li> <li>➤ Non-compliance with the EAs and awards requirements.</li> </ul>		
<b>Recommendation</b>	<b>Management Response and Agreed Action Plan</b>	
<p>We recommend management:</p> <ul style="list-style-type: none"> <li>➤ Establish a leave management strategy in line with the following factors: <ul style="list-style-type: none"> <li>○ EAs and awards requirements;</li> <li>○ The employee’s conditions of employment;</li> <li>○ Equity issues across the division; and</li> <li>○ Budgetary constraints;</li> </ul> </li> <li>➤ Ensure no payout in lieu of taking annual leave occurs; and</li> <li>➤ Provide refresher training and education to the relevant managers to enhance the controls.</li> </ul>	<p>New payroll system will provide us with a greater capacity to plan for leave and it will be calibrated to contemplate all industrial instruments.</p> <p>Refresher training will be provided in conjunction with training on the new payroll system.</p>	
	<b>Responsible Officer</b>	<b>Target Date</b>
	Nadia Andjelkovic	1 July 2018

<b>Finding 5. Monitoring of annual leave balance</b>	<b>Risk Category</b>	<b>B</b>
	<b>Impact:</b>	<b>Insignificant</b>
	<b>Likelihood:</b>	<b>Possible</b>
	<b>Risk Rating:</b>	<b>Low</b>

**Finding(s)**

There was no regular monitoring of annual leave (A/L) balance, leading to an excess A/L balance. This was not compliant with the Clause G.2. "Annual Leave" of the EA, which requires that "Employees with 8-weeks or more accrued Annual Leave may be directed to take annual leave, provided that a balance of equal to or less than 4-weeks remains". This oversight issue may be due to the changes of senior management within last year.

The following employees had over 304 hours (equivalent to eight weeks full-time) A/L balance at the time of the audit on 5 December 2017:

Employee Number	Work Hours per Fortnight	A/L Balance	A/L Booked		A/L Taken This Pay Run	A/L Balance Adjusted	8 weeks (or pro-rata)	A/L below 8 weeks
		hours	hours	period	hours	hours	hours	
		a	b		c	d=a-b-c	e	If d<=e
2901	64.00	415.51	-	-	16.00	399.51	256.00	x
6357	69.75	379.41	-	-	-	379.41	279.00	x
6587	56.25	325.23	-	-	-	325.23	225.00	x
1705	64.00	395.76	96.00	15/1/2018 to 1/2/2018	-	299.76	256.00	x

**Risk**

- Financial commitment of excess A/L balance on employment termination;
- Increasing leave liability as pay increases are applied each year;
- Reliance on one employee subjects the council to risks such as "key man risk" and succession issues;
- A reluctance to take leave is an indicator for fraud;
- Employee's health and welfare may be influenced if no leave taken for a long time; and
- Non-compliance with the EAs and awards requirements.

<b>Recommendation</b>	<b>Management Response and Agreed Action Plan</b>	
<p>We recommend management:</p> <ul style="list-style-type: none"> <li>➤ Direct employees who have accrued in excess of eight weeks (i.e. 304 hours full-time or pro-rata) A/L to take their annual leave with written notice as suggested by the EA; and</li> <li>➤ Provide refresher training to the relevant managers to enhance the controls.</li> </ul>	<p>A monthly report will be sent to line managers of leave balances in excess of eight weeks.</p> <p>Line managers to communicate with staff and ensure a leave plan is in place.</p> <p>Training to managers will occur as part of the implementation of new payroll software.</p>	
	<b>Responsible Officer</b>	<b>Target Date</b>
	Nadia Andjelkovic	1 July 2018

Finding 6. Pay run record management		Risk Category	B
		Impact:	Insignificant
		Likelihood:	Possible
		Risk Rating:	Low
Finding(s)			
<p>For the testing period from July 2016 to 5 December 2017, ten fortnightly pay runs were reviewed and the following was identified:</p> <ul style="list-style-type: none"> <li>➤ Inconsistent report name was used. There were eight pay runs addressing Exception Report and two (20%) pay runs addressing Gross Pay Report; however, the report contents were the same and relating to exceptions;</li> <li>➤ All (100%) Department Total Reports had no reviewer (Senior Accounting Officer) sign off and one (10%) was not signed off by preparer (Payroll Officer);</li> <li>➤ There were four (40%) EFT Payments Reports not consistently signed by two reviewers; and</li> <li>➤ No preparer (Payroll Officer) and reviewer (Senior Accounting Officer) signed off on the Time Sheet Checklist for Community Staff (100%).</li> </ul>			
Risk			
<ul style="list-style-type: none"> <li>➤ Controls are not evident due to no audit trails retained;</li> <li>➤ Errors may occur due to inconsistent practice; and</li> <li>➤ Noncompliance with the Section 124 "Accounting records to be kept" of the <i>Local Government Act 1999</i>.</li> </ul>			
Recommendation	Management Response and Agreed Action Plan		
<p>We recommend management:</p> <ul style="list-style-type: none"> <li>➤ Unify the name of the report used during the fortnightly pay run process;</li> <li>➤ Improve the process and apply preparer and reviewer's signoff on the Department Total Reports and the Time Sheet Checklist for Community Staff;</li> <li>➤ Streamline the process and ensure one rather than two senior managers to review and sign off EFT Payments Reports; and</li> <li>➤ Ensure the consistency of the process.</li> </ul>	<p>As part of the implementation of the new payroll system, payroll processes will also be reviewed and recommendations will all be addressed.</p> <p>The new system will ensure consistency of reports.</p>		
	Responsible Officer	Target Date	
	Nadia Andjelkovic	1 July 2018	

## APPENDIX 2

### Improvement Opportunities

#### 1. Opportunity – Timesheet submission requirements for Senior Management Team

##### Observation(s)

During our review, we noted that 13 people within the Senior Management Team (SMT) did not submit timesheets as this was agreed about five years ago. When they applied for leave, the application was raised in the Leave Application Form and General Manger – Alwyndor’s approval was obtained. However, this special entitlement was not formally documented and the SMT was changing over the time. There was no transparency for this practice.

##### Opportunity(ies)

We recommend management review the timesheet submission processes of the SMT and formalise the timesheet submission requirements and process for Senior Management Team.

##### Management Response

We will review this in line with the roll out of the new payroll system.

##### Responsible Officer

Nadia Andjelkovic

##### Target Date

1 July 2018

#### 2. Opportunity – Retain New Employees Entering Form

##### Observation(s)

During our review, we tested five new employees for the recruitment process and found the New Employees Entering Form was destroyed a few months after Payroll Officer entered the payroll information within the form. Without this form, it is impossible to identify who enters the payroll information into BRS.

As prescribed by Section 99 of the *Local Government Act 1999*, the CEO is responsible for ensuring that systems are in place to cause all records required under any legislation to be kept and maintained properly.

##### Opportunity(ies)

We recommend management review the recruitment data entering process and investigate the feasibility of retaining and archiving the New Employees Entering Form.

##### Management Response

All records are being stored electronically.

In the new payroll software system users will be identified through an audit trail as each user will have a unique login.

##### Responsible Officer

Nadia Andjelkovic

##### Target Date

1 July 2018



## APPENDIX 3

# Documents Accessed and Consultation

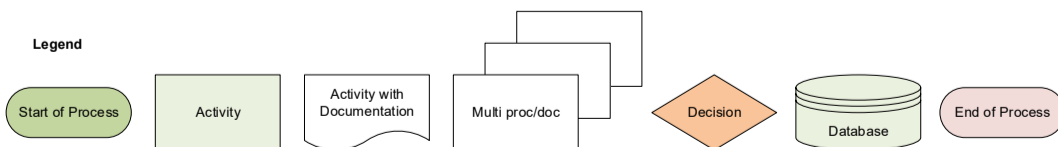
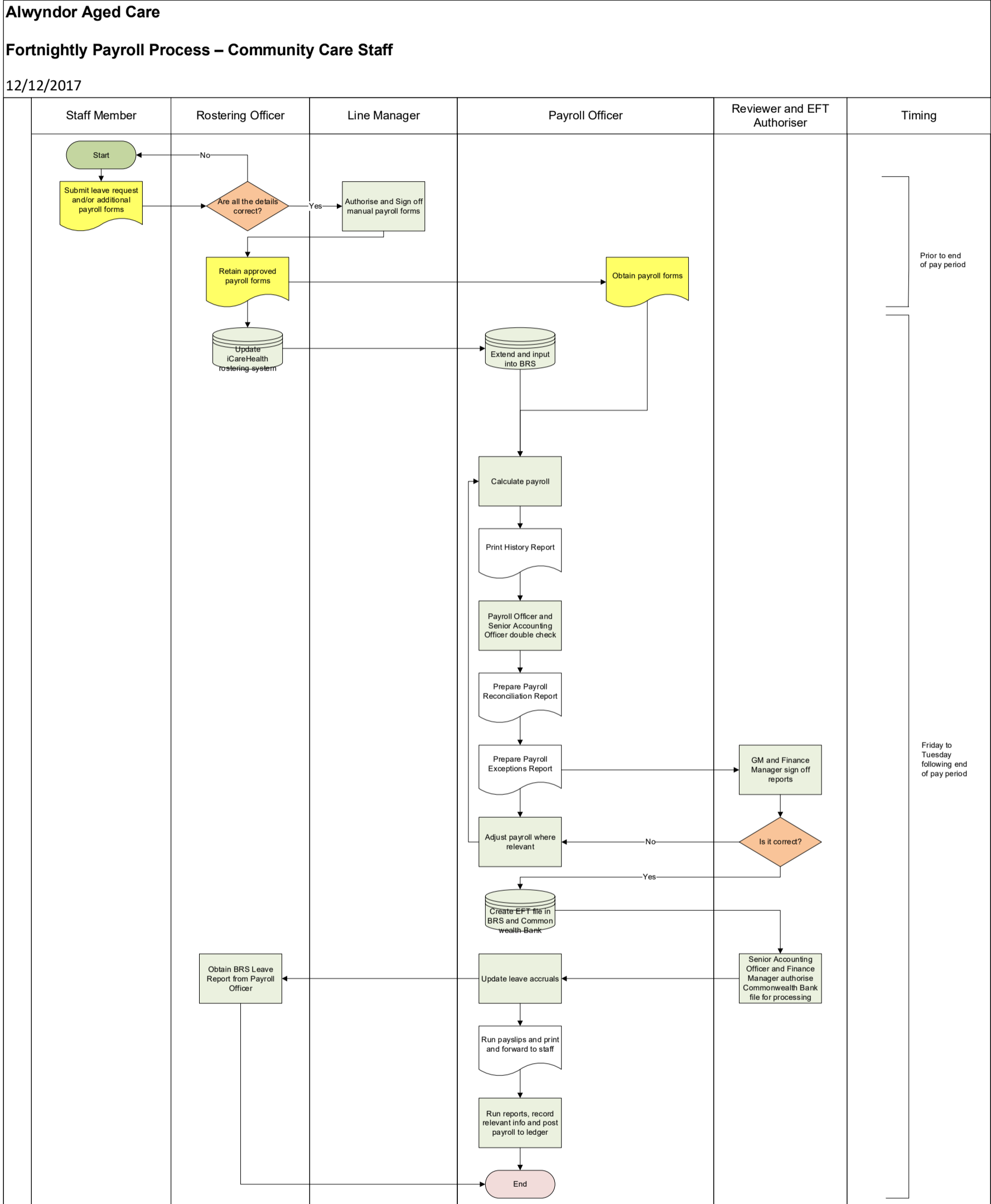
Documents provided by Alwyndor Aged Care and accessed include:

- Organisation enterprise agreements and awards
- Payroll policy and procedures
- Leave records for the period from July 2016 to current
- Timesheet records for the period from July 2016 to current
- Pay run reconciliations for the period from July 2016 to current
- Instrument of Delegation for GM Alwyndor - November 2016

We would like to extend our appreciation to the following individuals who participated in, and provided information during this internal audit review.

- Rick Kluge, General Manager – Alwyndor
- Pam Warburton, Manager – Finance & Administration
- Margaret Miatke, Payroll Officer
- Amy, Senior Accounting Officer
- Ann Rice, Finance Officer
- Tim Schulz, Residential Rostering Officer
- Tracie White, Community Rostering Officer
- Brett Capes, HR Manager

# APPENDIX 4 Process Flow Chart

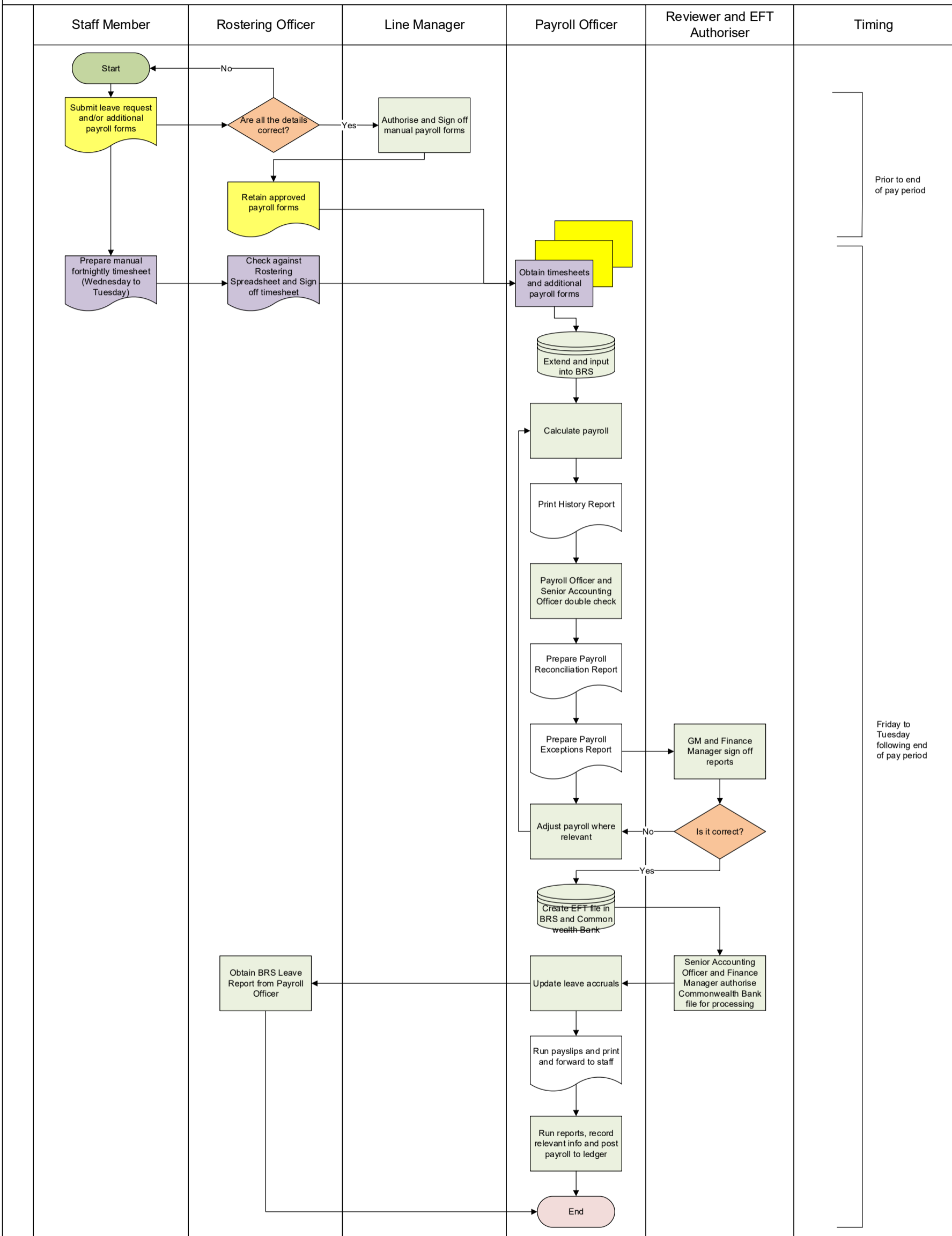


There are 66 Community Care Staff including Home Care Assistants, Support Workers, and Enrolled Nurses Community etc.

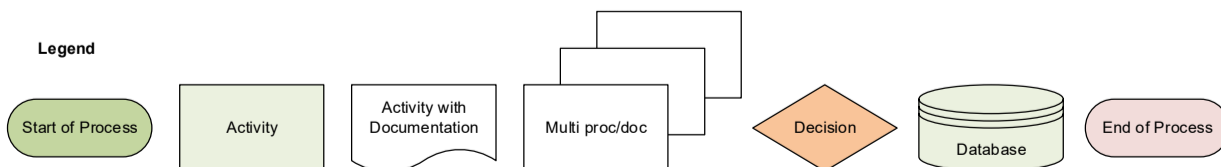
**Alwyndor Aged Care**

**Fortnightly Payroll Process – Residential Aged Care Staff**

12/12/2017



**Legend**



There are 190 Residential Aged Care Staff including Administrative Officers, Registered Nurses, and Care Workers etc.



# APPENDIX 5

## Leave Application Form

The following leave applications were not appropriately approved via Leave Application Form:

Employee No.	End of Pay Period	Annual Leave			Sick Leave			Leave without Pay		
		Hours	Leave Application Form Used	Approved	Hours	Leave Application Form Used	Approved	Hours	Leave Application Form Used	Approved
6500	15/8/2017	-	-	-	7.5	√	X	-	-	-
2901	1/8/2017	-	-	-	16	√	X	-	-	-
2901	25/10/2016	-	-	-	32	√	X	-	-	-
6726	21/11/2017	-	-	-	1	X	X	-	-	-
1025	21/11/2017	-	-	-	8	X	X	-	-	-
6521	13/9/2016	15	√	√	7.75	X	X	-	-	-
2902	31/1/2017	-	-	-	7.75	X	X	-	-	-
6554	10/10/2017	22.5	√	√	14.3	√	√	0.7	X	X
6599	10/10/2017	46.59	√	X	7.16	X	X	-	-	-
6379	10/10/2017	9.5	√	√	5.5	X	X	-	-	-
6543	5/12/2017	150	√	√	5.75	X	X	-	-	-
6599	14/2/2017	29.25	√	√	-	-	-	16.75	X	X
6463	19/7/2016	6.25	X	X	-	-	-	-	-	-
6493	2/8/2016	-	-	-	7.6	X	X	-	-	-

# APPENDIX 6

## Controls Assessment

### Key Controls

Key controls identified during the audit include:

NO.	CONTROL NAME	CONTROL EFFECTIVENESS
1	Defined policies and procedures	Majority effective
2	Defined roles and responsibilities	Effective
3	Segregation of duties	Partially ineffective
4	Delegated authority	Effective
5	Payroll Master File (Time Entry, Add/Edit/Terminate Employees, Leave)	Majority effective
6	Fortnightly Payroll Reconciliation	Effective
7	Monitoring and Reporting	Majority effective
8	Records management	Majority effective

# APPENDIX 7

## Risk Framework

The following framework for Assurance ratings was developed by Alwyndor to prioritise findings according to their relative significance depending on their impact to the process.

LIKELIHOOD	CONSEQUENCES				
	Insignificant 1	Minor 2	Moderate 3	Major 4	Catastrophic 5
Almost Certain (E)	Moderate	High	High	Extreme	Extreme
Likely (D)	Low	Moderate	High	Extreme	Extreme
Possible (C)	Low	Low	Moderate	High	Extreme
Unlikely (B)	Low	Low	Low	Moderate	High
Rare (A)	Low	Low	Low	Moderate	High

### Measures of Corporate Risk Likelihood

The likelihood of a risk eventuating must be identified in the context of existing controls using the following as a reference:

LIKELIHOOD RATING	DESCRIPTION
Almost Certain (E)	Is expected to occur in most circumstances – 95% to 100% probability over next 5 years or had occurred in the last 12 months.
Likely (D)	Will probably occur in most circumstances – 76% to 94% probability over next 5 years or had occurred in the last 12-24months.
Possible (C)	Might occur at some time – 26% to 75% probability over next 5 years or had occurred in the last 2-10years.
Unlikely (B)	Could occur at some time– 6% to 25% probability over next 5 years or had occurred in the last 10-100 years.
Rare (A)	May occur only in exceptional circumstances– 0% to 6% probability over next 5 years or had occurred in over 100 years.

## Measures of Corporate Risk Consequence or Impact

Where a risk has implications across a number of areas of impact, the highest rating should be used to determine the overall level of risk. However each identified risk should be assessed from a mitigation / action.

IMPACT SCALE	REPUTATION (A)	BUSINESS IMPACT (B)	PUBLIC SAFETY (C)	ENVIRONMENT (D)	SERVICE DELIVERY (E)
<b>1. Insignificant</b>	<ul style="list-style-type: none"> <li>No adverse effect on public image</li> <li>No media interest</li> <li>Insignificant level of community concern. A slight but manageable increase in the number of adverse resident complaints</li> <li>Negligible adverse impact upon social health and wellbeing of the community which has little or no impact upon established community relationships and links.</li> </ul>	<ul style="list-style-type: none"> <li>Low financial loss – impact of less than \$5k</li> <li>Operational issues manageable within normal activities</li> </ul>	<ul style="list-style-type: none"> <li>No injuries</li> <li>Minor repairs required of an insignificant nature to property / infrastructure.</li> </ul>	<ul style="list-style-type: none"> <li>“Nuisance” category under the SA Environment Protection Act (1993) met</li> <li>Short term, immediately reversible effects on ecosystem</li> </ul>	<ul style="list-style-type: none"> <li>Insignificant impact on organisation’s ability to achieve strategic outcomes</li> </ul>
<b>2. Minor</b>	<ul style="list-style-type: none"> <li>Minor adverse effect on public image</li> <li>Minor media coverage in paper distributed within the local area (small scale single article).</li> <li>Minor level of community concern, an increase in the number of resident complaints requiring direct effort to resolve/attend to.</li> <li>Minor adverse impact upon social health and wellbeing of the community that may have a minor impact upon established community relationships &amp; links.</li> </ul>	<ul style="list-style-type: none"> <li>Medium financial loss – impact of between \$5k and \$20k</li> <li>Minor impact in undertaking routine activities</li> </ul>	<ul style="list-style-type: none"> <li>Only First Aid treatment required</li> <li>Minor loss or infrastructure damage.</li> <li>Normal seasonal illness leading to minor disruption to activities</li> </ul>	<ul style="list-style-type: none"> <li>“Nuisance” category under SA Environment Protection Act (1993)</li> <li>Some minor adverse effects to few species/ ecosystem parts that are short term and immediately reversible.</li> <li>Contamination – on-site release immediately contained</li> </ul>	<ul style="list-style-type: none"> <li>Some delays in delivery of strategic initiatives, but only minor aspects impacted. Overall strategic intent still achievable</li> </ul>
<b>3. Moderate</b>	<ul style="list-style-type: none"> <li>Moderate adverse effect on public image</li> <li>Adverse media campaign in Messenger over two or more issues, supported by uptake of issue in Advertiser and or local electronic media</li> <li>Moderate level of community concern, large number of complaints and letters to editor in Messenger Paper</li> <li>Minor common law action or ombudsman investigation threatened/ initiated.</li> </ul>	<ul style="list-style-type: none"> <li>Moderate financial loss – impact of between \$20k and \$50k</li> <li>Impaired ability to maintain normal operations. Reprogramming required.</li> <li>Minor legal issues, non-compliances and breaches of regulation.</li> </ul>	<ul style="list-style-type: none"> <li>Medical treatment required which may include short term admission to hospital</li> <li>Moderate loss/ or infrastructure damage</li> <li>Local epidemic leading to noticeable disruption of activities</li> </ul>	<ul style="list-style-type: none"> <li>“Material” category under the SA Environment Protection Act (1993)</li> <li>Contamination – on-site release contained with outside assistance</li> <li>Ecosystems- temporary, reversible damage, loss of habitat and migration of animal populations, some reduction in numbers and die back of plants. Pollution requires physical removal, air quality constitutes potential long term health problems.</li> <li>Manageable restrictions in resource usage</li> </ul>	<ul style="list-style-type: none"> <li>Some key components of the Strategic Plan cannot be achieved within expected timeframes.</li> <li>Additional funding/resources or some strategies reprioritisation is required</li> </ul>
<b>4. Major</b>	<ul style="list-style-type: none"> <li>Significant adverse effect on public image</li> <li>Widespread adverse media campaign including electronic local and national media.</li> <li>Social media going viral requiring management intervention. Pressure on State Government and Agencies to intervene</li> <li>Significant level of community concern</li> <li>Social health and wellbeing of the community seriously affected by major community unrest and/or significant breakdown of established community relationships and links.</li> <li>Significant Common Law Action threatened, major ombudsman investigation initiated</li> </ul>	<ul style="list-style-type: none"> <li>Major financial loss - impact of between \$50k and \$100k</li> <li>Significant effects loss of ability to complete programs, major restrictions to services and project delivery</li> <li>Serious breach of regulation with investigation or report to authority with prosecution and/or moderate fine possible.</li> </ul>	<ul style="list-style-type: none"> <li>Serious &amp; extensive injuries</li> <li>Serious structural damage to infrastructure or serious loss of assets.</li> <li>Widespread epidemic that causes significant disruption to activities</li> </ul>	<ul style="list-style-type: none"> <li>“Serious” category under the SA Environment Protection Act (1993)</li> <li>Contamination – off-site release with no detrimental effects</li> <li>Ecosystems – recoverable damage, death of animals in large numbers, widespread habitation destruction, significant air quality issues. Pollution issues requiring long term management, serious introduction of invasive species</li> <li>Restrictions on resource usage threatening viability of accepted lifestyle</li> </ul>	<ul style="list-style-type: none"> <li>Key Strategic Objectives unable to be achieved; review of Strategic Plan is required</li> </ul>
<b>5. Catastrophic</b>	<ul style="list-style-type: none"> <li>Major effect on public image</li> <li>Widespread adverse media campaign including electronic local, national and international media.</li> <li>Widespread community outrage</li> <li>Social media going viral, unable to be contained. State Government and Agencies to intervene.</li> <li>Social health &amp; wellbeing of the community severely affected resulting in fracturing of established community relationships &amp; links.</li> <li>Class Actions, Judicial Inquiries Initiated</li> </ul>	<ul style="list-style-type: none"> <li>Critical financial loss/exposure – impact greater than \$100k</li> <li>Projects &amp; programs failure, inability to meet minimum acceptable standards,</li> <li>Major breaches of regulation, sanctions imposed</li> </ul>	<ul style="list-style-type: none"> <li>Fatalities</li> <li>Critical loss, irreversible damage property / infrastructure with a replacement cost that overwhelms the capital budget (&gt;25%)</li> <li>Community movements restricted under State Emergency Plan</li> </ul>	<ul style="list-style-type: none"> <li>“Serious Material harm” category under the SA Environment Protection Act (1993) and EPA actions initiated</li> <li>Off-site contamination requiring immediate and significant remediation actions</li> <li>Ecosystems – irreversible damage, widespread loss of animals, and key stone species extinctions, destruction of flora species, widespread domination of invasive species. Pollution unable to be effectively remediated.</li> <li>Restriction on resource usage resulting in permanent disruption of accepted life-style</li> </ul>	<ul style="list-style-type: none"> <li>Goals of Strategic Plan not achievable; total and immediate re-work of Plan is required</li> </ul>

Item No: **6.6**  
Subject: **2017 AUDIT COMMITTEE ANNUAL REPORT**  
Date: 04 April 2018  
Written By: General Manager, Mr R Bria

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### **SUMMARY**

Under its terms of reference the Audit Committee is required to provide an annual report to Council.

A draft annual report for the calendar year ending 31 December 2017 is attached for the Committee's endorsement, so that it can be presented to Council.

A self-assessment questionnaire has been drafted to allow the Audit Committee to review its annual performance.

---

### **RECOMMENDATION**

- 1. That the Audit Committee endorses the annual report contained in Attachment 1 to Report 99/18 for presentation to Council.**
  - 2. That the Audit Committee note the self-assessment questionnaire and undertake to complete it prior to the next meeting.**
- 

### **COMMUNITY PLAN**

A Place that Provides Value for Money

### **COUNCIL POLICY**

Audit Committee Terms of Reference

### **STATUTORY PROVISIONS**

*Local Government Act, 1999, Sec 126*

### **REPORT**

Clause 6.9.3 of the Audit Committee's terms of reference that were endorsed by Council on 12 September 2017 require that the Audit Committee Presiding Member shall report annually to Council summarising the activities of the Committee during the previous financial year.

The last annual report was undertaken for the calendar year ending 31 December 2016. Therefore this report has been written to cover the calendar year ending 31 December 2017. It is proposed to do another report at the end of this financial year which will be for a period of six months that would then get the annual reporting period to be on a financial year basis.

A proposed annual report for the calendar year ending 31 December 2017 is included at Attachment 1.

*Refer Attachment 1*

In Clause 5.1 of the terms of reference the Audit Committee shall, at least once per year following the adoption of the audited financial statements by Council, review its own performance, terms of reference and provide a report to Council including any recommended changes. The Terms of Reference were reviewed in August 2017 by the Committee and subsequently endorsed by Council on 12 September 2017, however a self-review of the Audit Committee's performance has not been undertaken.

To facilitate the review of performance, a self-assessment questionnaire has been drafted for use by the Committee. It is recommended that the Committee provide any comments on the questionnaire and then the final questionnaire to be completed by the Committee and staff supporting the Committee before the next Committee meeting so that the results can be provided at the next meeting, for consideration.

*Refer Attachment 2*

## **BUDGET**

There are no budget implications from this report.

## **LIFE CYCLE COSTS**

There are no full life cycle cost implications from this report.

## 2017 ANNUAL REPORT FROM AUDIT COMMITTEE TO COUNCIL

### Background

Clause 6.9.3 of the Audit Committee's terms of reference require that, the Audit Committee Presiding Member shall report annually to Council summarising the activities of the Committee during the previous financial year.

### Work program

The Audit Committee is required to meet at least once each quarter. In 2017 the Committee met 5 times. The attendance record for each member is as follows:

Councillor John Smedley (Presiding Member)	4
Councillor Sam Charlick	4
Ms Vicki Brown	1
Mr Sam Spadavecchia	5
Mr John Wood	5
Mr Sean Tu	4

The term of Mr Wood expired on 20 March 2016 and Council re-appointed him for a further 3 year term. Ms Brown's term expired on 20 February 2017 and Council appointed Mr Sean Tu for a 3-year term as from 28 February 2017.

The workload of the Committee during 2017 comprised:

1. Receiving and considering a 'Standing Items' report at each meeting that addresses:
  - a. Monthly financial statements
  - b. Internal control
  - c. Risk management
  - d. Whistleblowing
  - e. Internal audit
  - f. Economy and efficiency audits
2. Considering a new 3-year internal audit work program that addresses some of the identified risks as part of the Strategic Risk Survey.
3. Receiving and considering Quarterly Budget Updates concurrently with Elected Members and offering commentary and recommendations thereon, as necessary.
4. Receiving and considering reports from Council's Internal Auditor, at appropriate meetings on the internal audit program and activities and providing practical assistance including draft templates for risk and internal audit "action item" reporting, ensuring focus on high risk items.

5. Considering Council's draft annual business plan and budget for 2017/18, challenging assumptions and contributing comments back to Council, prior to its adoption of the Budget;
6. Considering two internal audit projects undertaken by Bentleys and monitoring the progress of subsequent actions. Those reports being:
  - a. Asset Management, and
  - b. Procure to Pay Implementation.
7. Considering a report on the outcomes of a Strategic Risk Workshop facilitated by Bentley's which included, key internal personnel, Chair of Alwyndor Management Committee, Chair of Audit Committee and an independent member. A Strategic Risk register was developed and internal audit plan developed addressing some of the identified risks.
8. Receiving a report on the costs and benefits of Council being a member of the Local Government Association of SA.
9. Receiving and considering the review of Council's loan impairments prior to Annual Accounts finalisation and making recommendations to Council.
10. Receiving from Bentley's an Internal Audit Recommendations Implementation Annual Report.
11. Receiving and consideration of a review of asset capitalisation thresholds and changes to accounting policies to reflect changes and making recommendations to Council.
12. Receiving the revaluation of land and building assets by Maloney Field Services.
13. Considering the 2017/18 annual financial statements including discussion with partner Geoff Edwards.
14. Considering and assessing a report reviewing Council's Risk Management Framework.
15. Receiving and considering the review of the Long Term Financial Plan.
16. Receiving the 2017 South Australian Local Government Risk Scheme Membership Summary.

### **Terms of reference**

The terms of reference was last reviewed and amended by Council on 12 September 2017. It is appropriate that they be reviewed regularly to ensure they continue to meet requirements of the *Local Government Act*, the needs of Council and reflect contemporary practice including.



**AUDIT COMMITTEE SELF-ASSESSMENT  
For the Year Ended 31 December 2017**

	Rating						Comment
	No				Yes	Unsure	
	1	2	3	4	5		
<b>1. Terms of Reference</b>							
Do you believe that the Council sufficiently understand the nature, responsibility and function of the Audit Committee?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Are you satisfied with the effectiveness of the Committee to date in terms of meeting its Terms of Reference?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Are the terms of reference reviewed and amended in a timely and appropriate manner?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<b>2. Membership and Appointments</b>							
Is the number of independent members appropriate to effectively discharge the responsibilities of the Audit Committee?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<b>3. Meetings</b>							
Are Audit Committee meetings well attended by members?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Do Audit Committee meetings allow sufficient time for discussion and questions?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

**AUDIT COMMITTEE SELF-ASSESSMENT  
For the Year Ended 31 December 2017**

<p>Are meeting agendas and related background information circulated in a timely manner to enable full and proper consideration to be given to the issues?</p>	<p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p>	
<p>Is sufficient time allowed between Audit Committee meetings and Council meetings to allow any work arising to be carried out and reported to the Council as appropriate?</p>	<p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p>	
<p>Does the Audit Committee Presiding Member, and to a lesser extent the other members, keep in touch on a continuing basis with the key people involved in the Council's governance e.g. the Council Presiding Member, the Chief Executive Officer and the General Managers?</p>	<p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p>	
<p>Are you satisfied with the decision making process/conduct of the Committee?</p>	<p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p>	
<p>Are you satisfied with the contribution that each Committee Member makes?</p>	<p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p>	
<p><b>4. Training and Resources</b></p>		
<p>Does the Audit Committee have sufficient skills, experience, time and resources to undertake its duties?</p>	<p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p>	
<p>Do Audit Committee members receive relevant training in financial reporting and related legislation on an ongoing and timely basis?</p>	<p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p>	

**AUDIT COMMITTEE SELF-ASSESSMENT  
For the Year Ended 31 December 2017**

<p>Do Audit Committee members have the opportunity to attend courses and seminars, run by external advisers such as the Local Government Association, the External and Internal Auditors and Lawyers?</p>	<p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p>	
<p><b>5. Financial Reporting</b></p>		
<p>Does the Audit Committee review and challenge where necessary:</p>	<p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p>	
<ul style="list-style-type: none"> <li>The consistency of, and any changes to, accounting policies on a year to year basis?</li> </ul>	<p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p>	
<ul style="list-style-type: none"> <li>The methods used to account for significant or unusual transactions where different approaches are possible?</li> </ul>	<p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p>	
<ul style="list-style-type: none"> <li>Whether the Council has followed appropriate accounting standards and made appropriate estimates and judgements, taking into account the views of the External Auditor?</li> </ul>	<p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p>	
<ul style="list-style-type: none"> <li>The clarity of disclosures in the Council's financial reports and the context in which statements are made?</li> </ul>	<p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p>	
<ul style="list-style-type: none"> <li>All material information presented with financial statements, such as the operating and financial review and the corporate governance statement (insofar as it relates to the audit and risk management)?</li> </ul>	<p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p>	

**AUDIT COMMITTEE SELF-ASSESSMENT  
For the Year Ended 31 December 2017**

<b>6. Internal Controls and Risk Management Systems</b>		
Does the Audit Committee keep under review the effectiveness of the Council's internal controls and risk management systems?	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	
<b>7. Internal Audit</b>		
Does the Audit Committee monitor and review the effectiveness of the Council's Internal Audit function in the context of the Council's overall risk management system?	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	
Does the Audit Committee consider and make recommendations on the Internal Audit program?	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	
<b>8. External Audit Process</b>		
Does the Audit Committee review the findings of the External Audit with the External Auditor, including, but not limited to:		
• A discussion of any major issues which arose during the audit?	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	
• Any accounting and audit judgements?	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	
• Levels of errors identified during the audit?	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	

**AUDIT COMMITTEE SELF-ASSESSMENT  
For the Year Ended 31 December 2017**

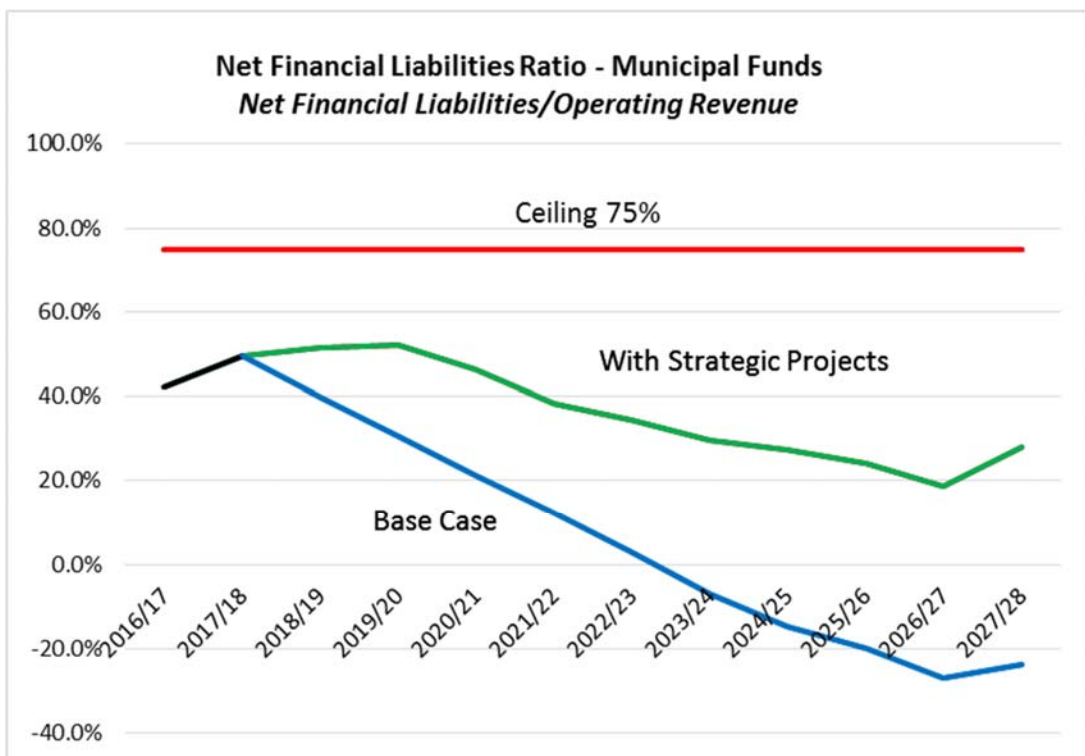
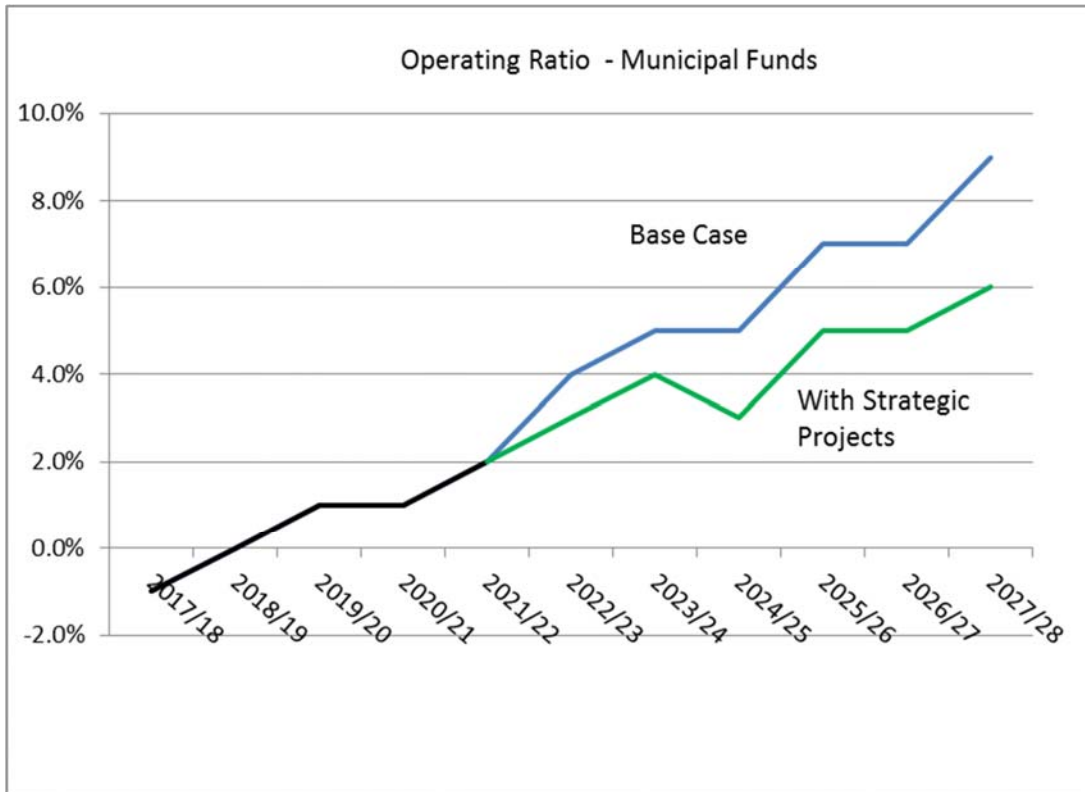
Does the Audit Committee also review the effectiveness of the External Audit?	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	
<b>9. Relationship with the Council</b>		
Are you satisfied with the relationship the AGAC has with Council?	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	
Are you satisfied with Councils understanding of the role and advice of the AGAC?	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	
<b>10. Communications with Stakeholders</b>		
Does the Annual report on the Audit Committee's activities provide sufficient detail to enable stakeholders to understand how the Audit Committee has discharged its duties?	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	
<b>11. Communication and Training</b>		
Are you happy with the style and amount of communication with Council management?	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	
<b>12. Opportunities for Improvement</b>		
Is there any way you think the Committee can improve its performance?		

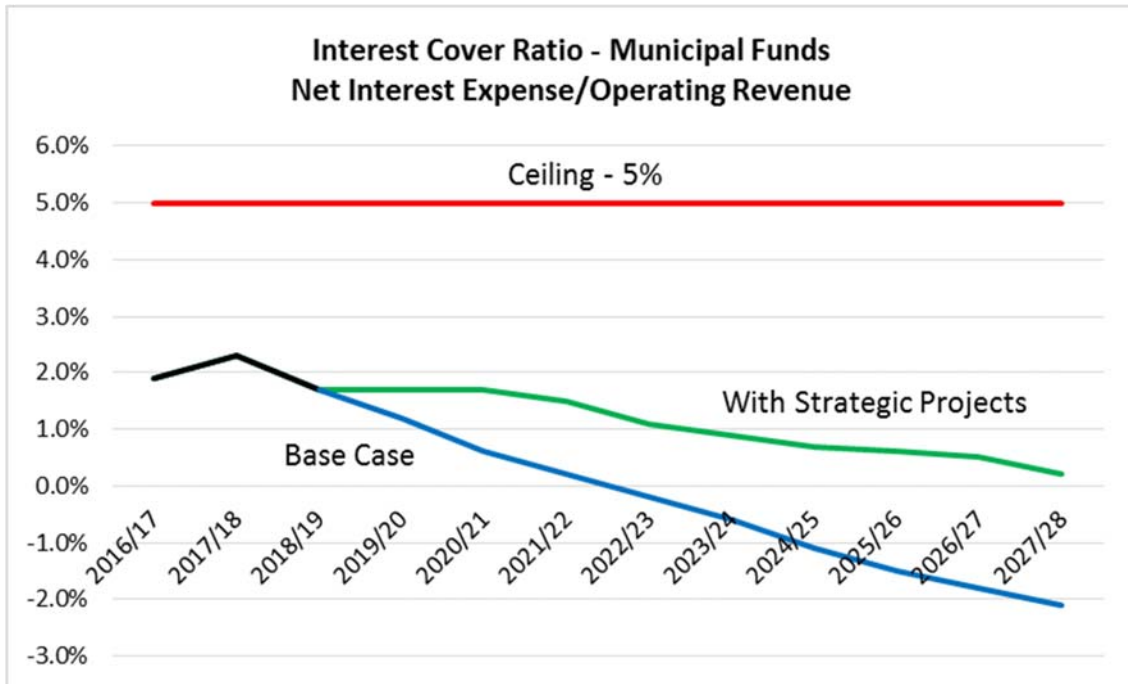
**AUDIT COMMITTEE SELF-ASSESSMENT  
For the Year Ended 31 December 2017**

Do you have any other comments?	
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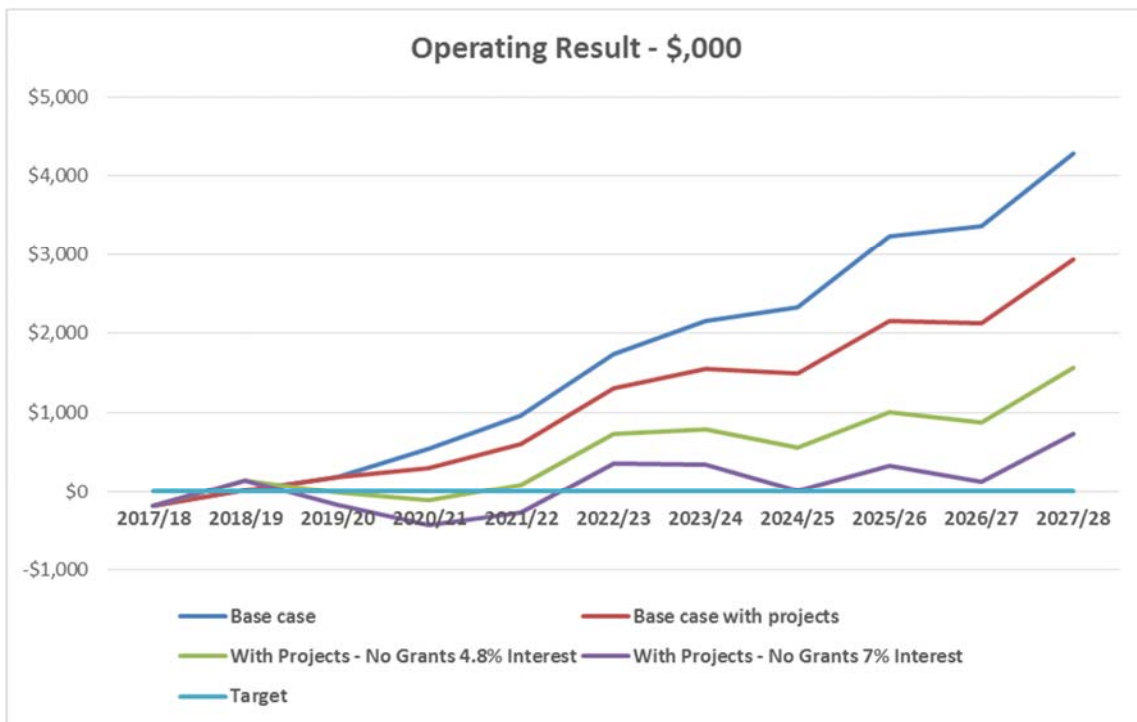
Relationship to Audit Committee: Independent Member  Staff member  Elected member

***Thank you for your participation in this survey!***

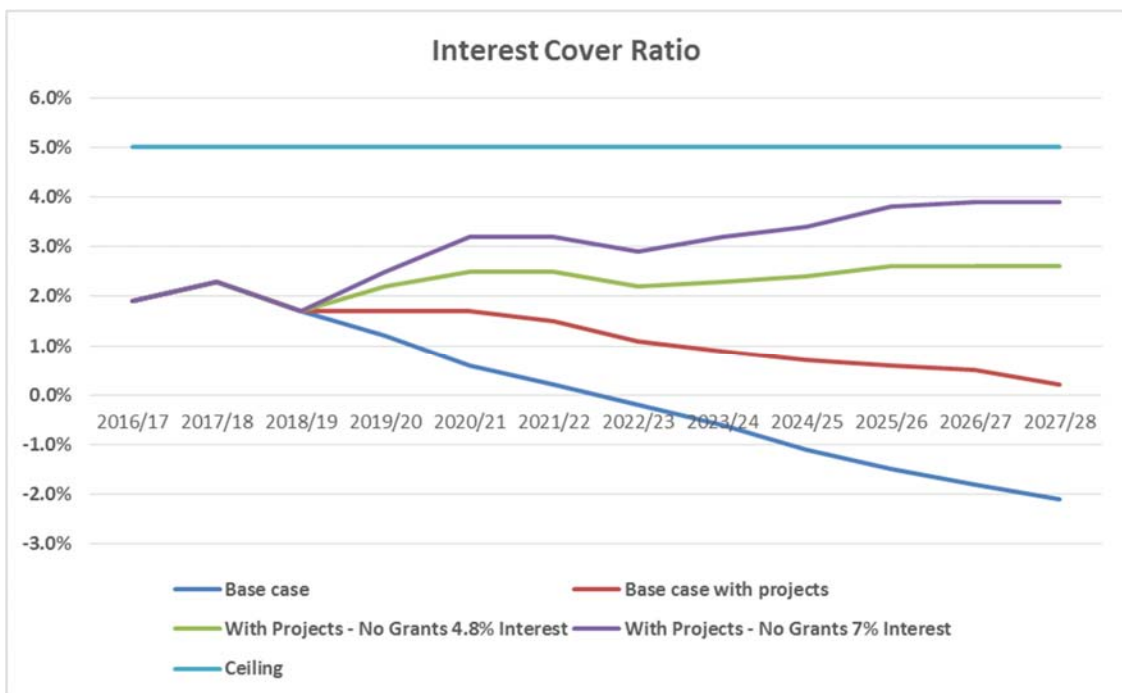
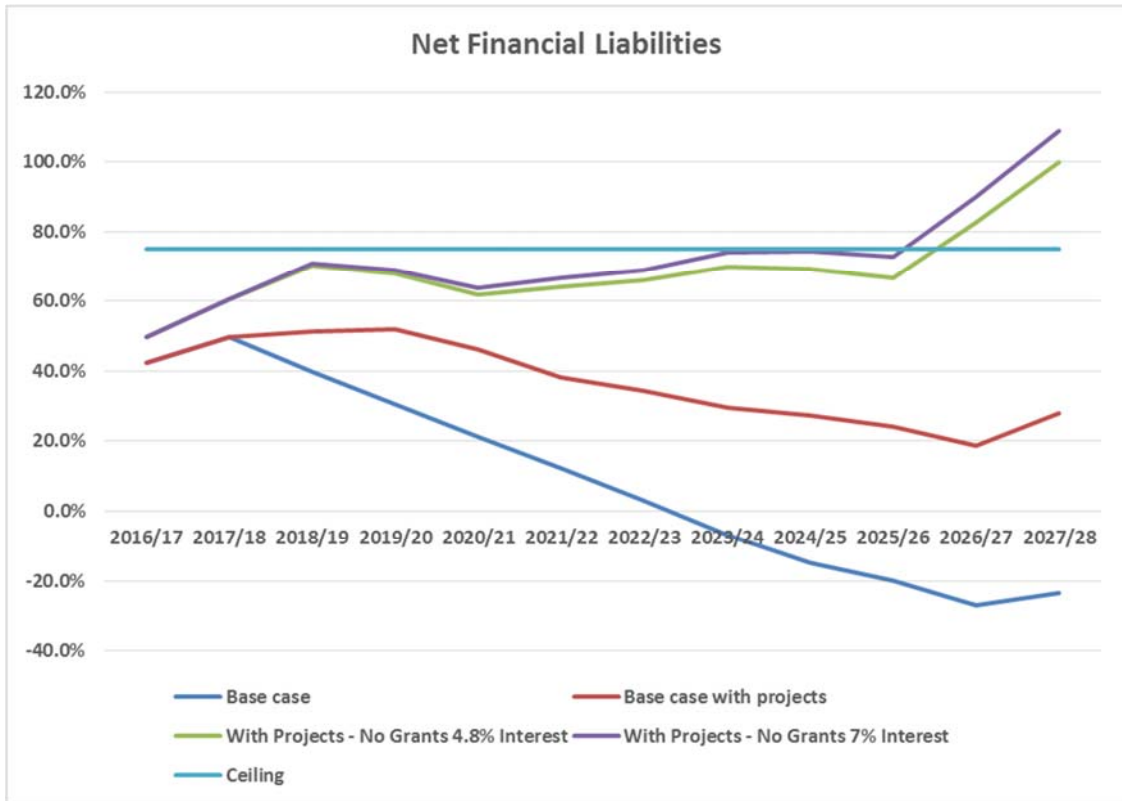




LTFP - Sensitivity Analysis







Item No: **6.7**

Subject: **DRAFT 2018-19 ANNUAL BUSINESS PLAN AND BUDGET**

Date: 4 April 2018

Written By: Manager Finance

General Manager: Business Services – Mr R Bria

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### **SUMMARY**

A first draft 2018-19 budget was presented to Council at a workshop on 6 March 2018. It was developed on the assumptions and parameters discussed at a Council workshop held on 6 February 2018. The draft budget satisfies Council's financial sustainability and performance measures.

Pursuant to its term of reference, the Audit Committee has an opportunity to review the assumptions, parameters and outcomes providing comments to Council in relation to the draft budget and associated Annual Business Plan.

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### **RECOMMENDATION**

**That the Audit Committee support the draft 2018-19 Annual Business Plan, as presented, for presentation to Council for the purpose of public consultation.**

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### **COMMUNITY PLAN**

Culture: Being financially accountable

### **COUNCIL POLICY**

Not Applicable.

### **STATUTORY PROVISIONS**

Section 123 of the *Local Government Act, 1999* (the Act).

### **BACKGROUND**

The first draft of the 2018-19 Budget (excluding Alwyndor operations) was presented to Council at a workshop on 6 March 2018. It was developed in response to a previous workshop held on 6 February 2018.

The Audit Committee has an opportunity to provide comments to Council on the draft. A further opportunity will arise for the Audit Committee to receive information on community consultation outcomes and provide further advice on the Draft Budget and Annual Business Plan (DB&ABP) at its next meeting on 6 June 2018.

## **REPORT**

### **Development of the Draft 2018–19 Annual Business Plan and Budget**

The Draft 2018-19 Budget (excluding Alwyndor) was based on a number of parameters and considerations as listed:

#### **Key Parameters**

- Target of 0.5% (\$154,000) operating surplus.
- 2.7% general rate revenue increase (excluding separate rates/NRM levy).
- 0.5% rate revenue increase for new development growth.
- 2.4% Local Government Price Index (LGPI) applied where applicable to revenue and expenditure. The annual percentage change in LGPI December 2016 – December 2017 is 2.9%. This change was unknown at the time of drafting the budget.
- 2.5% employment cost increase.
- Alwyndor budget to be self-funding. The draft Alwyndor budget was presented to the Alwyndor Management Committee on 20 March 2018. The outcome is to be presented at the Council workshop on 3 April 2018.

#### **Other considerations/inclusions**

- NRM Levy expected to increase by 7% (\$82,000). Levy is collected by Council on behalf of NRM Board. Proposed increase advised by the Board on 12 February 2018.
- Jetty Road Mainstreet budget – cost neutral with 0% rate increase.
- Marina separate rate increased by 2% (\$2,000). Rate based on existing NPV model which considers cost of upkeep of boat lock and walkway.
- Heritage Rate Rebate reduced from \$50,000 to \$0 with an equivalent amount allocated to the Heritage and Shopfront council grant scheme.
- Supplementary Road Grant (untied - \$188,000) included. Year 2 of the reinstated Federal Government program.

- Roads to Recovery Grant (\$300,000) included. This is the final allocation for the 1/7/14 - 30/6/19 program. It represents a 44% reduction (\$236,000) from 2017/18. The Federal Government has committed to an extension of the program from 2019/20 onwards with details anticipated closer to commencement.
- Depreciation is based on existing asset valuations and has increased by 4.7% (\$410,000). Buildings and stormwater asset classes were revalued as at 30 June 2017.
- EPA landfill levy expected to increase from \$87 to \$100 per tonne.
- Proposed operational new initiatives based on business cases included totaling \$1,155,971 net.
- Capital renewal program based on Asset Management Plans totaling \$4,782,700 included.
- Proposed capital new initiatives based on business cases included totaling \$7,374,197 net.
- Fees and charges have been reviewed and assessed in accordance with a user pays principle, taking LGPI into account.

#### **Commercial Activities – Increase net earnings compared to 17/18 budget**

- Brighton Caravan Park increase - \$63,700.
- Partridge House increase - \$21,700.
- Partridge Street Car Parks increase - \$13,000.

#### **Rate Revenue**

The major variable determining the ability to meet the draft budget program of services, works and financial targets is rate revenue. This is budgeted to increase by 2.7% excluding separate rates, development growth (estimated at 0.5%) and the NRM Levy.

The apportionment of rate revenue derived from industrial, commercial properties and vacant land is proposed to remain at 13.8%. The Differential Rate premium applied to these properties will be determined once land valuations are received by the Valuer-General. The premium applied to industrial, commercial properties and vacant land in the 2017-18 financial year is 57%.

The Heritage Rate Rebate has been phased out and an equivalent amount (\$50,000) has been applied to the Shopfront Character and Heritage grant scheme. This provides a more targeted incentive for owners of heritage properties to maintain, restore and preserve these premises.

The Patawalonga Marina Separate Rate of \$70,000 has been calculated on the expected cost of Lock maintenance over a five period. It is adjusted to provide an annual maintenance cost and to provide a 50% discount to account for the general public's use of the lock. This approach provides greater certainty for our ratepayers who are the subject of the Patawalonga Separate Rate.

### Draft Budget Financial Performance and Position

The draft budget (excluding Alwyndor) features:

- an operating surplus of \$272,076 for Council's municipal activities;
- capital expenditure of \$12.965m comprising \$4.783m on renewal and replacement of existing assets and \$7.374m for new and upgraded assets and \$816,000 for employee costs capitalised;
- Council's Net Financial Liabilities Ratio ceiling is 75%. The ratio is expected to be 48%. The projected Interest Cover Ratio of 1.54%, which measures the affordability of its indebtedness, shows that Council can manage debt without adversely affecting the sustainability of its long term financial position.

Measure	Target	2.7% Increase	Comments
<b>Operating Result</b> – after proposed new initiatives Forecast for 2018/19 <i>Operating revenue less operating expenditure</i>	≥ 0	\$272,076 surplus	<input checked="" type="checkbox"/> Draft result
<b>Net Financial Liabilities Ratio</b> – after allowing for proposed new initiatives Forecast to 30 June 2019 <i>Total liabilities less financial assets as a percentage of operating revenue (excluding NRM levy)</i>	≤ 75%	48%	<input checked="" type="checkbox"/> Current (17/18 forecast) ratio is 43.6%. Increase in ratio due to new borrowings (\$3.37m) required to fund proposed new (18/19) capital new initiatives.
<b>Interest Cover Ratio</b> Forecast for 2018/19 <i>Net interest expense as a percentage of operating revenue (excluding NRM levy)</i>	≤ 5%	1.54%	<input checked="" type="checkbox"/> Low interest-bearing debt and historically low interest rates.

### Long Term Financial Plan

The long term financial plan (LTFP) was reviewed and presented to the audit committee on 25 October 2017. The report commented that the plan would be enhanced as part of the 2018/19 budget process to include major projects that have been identified to be undertaken over the next 10 years.

The enhanced LTFP including strategic projects and borrowing sensitivities was presented in chart form to the Council workshop on 6 March 2018.

*Refer Attachment 1*

New strategic projects included in the plan are:

- Brighton Sporting Community Centre - \$6m net over 2 years.
- Glenelg Oval Masterplan - \$10.1m net over 10 years.
- Jetty Road Glenelg Master Plan - \$9.34m net over 10 years.
- Minda Coast park -\$1m over 2 years.
- Coast Park and Kinston Park Masterplan - \$1.65m over 3 years.

The charts indicate that Council is financially sustainable and has the financial capacity to fund new strategic projects when they arise.

Sensitivity analysis was conducted to indicate the worse-case scenario of no capital grant funding for new projects combined with increasing interest rates. Under these circumstances funding requirements would be met from borrowings.

The model shows that under these conditions the main financial indicators substantially remain within the targets and thresholds until 2025 when additional capital renewal is required and the net financial liabilities ratio increases.

### **Draft Annual Business Plan**

The Draft 2018–19 Annual Business Plan document has been prepared taking into consideration the objectives and directions of the Our Place Strategic Plan, Long Term Financial Plan and Asset Management Plans.

The Draft 2018–19 Annual Business Plan contains a more detailed analysis of the projected financial performance for the coming year including new strategic initiatives. The document includes Alwyndor operations and will be presented to Council on 10 April 2018 for endorsement for community consultation. This will be sent out under separate cover prior to the meeting. The draft budget financial statements are attached which form part of the Annual Business Plan

*Refer Attachment 2*

### **Budget and Annual Business Plan Timeline**

A Council workshop was held on 3 April 2018 to receive an update on the development of the draft budget. On 10 April 2018 Council will receive the recommendations of the Audit Committee and receive a report to endorse the updated 2018-19 Draft Budget and Annual Business Plan for community consultation.

A number of further meetings and workshops are scheduled to meet the requirements of the budget timetable as follows:

- 10 April: Council receives audit committee recommendations and endorse Draft Budget and Annual Business Plan for community consultation.
- 16 April – 11 May: Community consultation period.
- 8 May: Council hears and considers community submissions.
- 15 May: Council workshop to review consultation results.
- 22 May: Council accept and note results of consultation.
- 6 June: Audit Committee review updated DB&ABP.
- 12 June: Council receives Audit Committee recommendations and endorse final 2018/19 Budget and Annual Business Plan.
- 26 June: Council rate declaration.

The Audit Committee has a further opportunity on 6 June to:

- propose and provide information relevant to a review of Council's Annual Business Plan; and
- review and provide recommendations to Council on the sustainability of Council financial performance and proposals.

## **BUDGET**

The cost of production of the 2018–19 Annual Business Plan and associated community engagement will be met within the current budget.

## **LIFE CYCLE COSTS**

This report does not have any direct full lifecycle cost implications.

FINANCIAL STATEMENTS – MUNICIPAL



**CITY OF HOLDFAST BAY**  
**BUDGET FUNDING STATEMENT - MUNICIPAL FUNDS**

<u>Municipal</u> <u>17/18 Original</u> <u>BUDGET</u> \$		<u>Municipal</u> <u>18/19</u> <u>BUDGET</u> \$
33,102,490	Rates - General	34,199,000
564,539	Rates - Jetty Road Glenelg	564,539
68,000	Rates - Patawalonga Marina	70,000
1,172,440	Rates - NRM Levy	1,254,308
2,136,410	Statutory Charges	2,246,405
3,862,857	User Charges	4,034,965
3,032,086	Operating Grants & Subsidies	3,014,246
31,060	Investment Income	42,400
638,980	Reimbursements	682,370
521,267	Other	511,975
230,000	Net Equity Gain - Joint Ventures	230,000
45,360,129	<b>Operating Revenue</b>	46,850,208
17,180,220	Employee Costs	17,561,902
18,742,263	Materials, contracts and other expenses	18,882,016
1,081,458	Finance Charges	761,230
8,623,000	Depreciation	9,033,000
( 796,085)	Less full cost attribution - % admin costs capitalised	( 815,987)
426,733	New Initiatives - Operating	1,155,971
45,257,589	<b>Less Operating Expenditure</b>	46,578,132
102,540	<b>= Operating Surplus/(Deficit)</b>	272,076
8,623,000	Depreciation	9,033,000
61,200	Other non-cash provisions	17,240
8,684,200	<b>Plus Non-Cash items in Operating Surplus/Deficit</b>	9,050,240
8,786,740	<b>= Funds Generated from Operating Activities</b>	9,322,316
-	New Initiatives - Capital (External Contributions)	9,584,707
230,750	Proceeds from disposal of assets	1,202,000
230,750	<b>Plus funds sourced from Capital Activities</b>	10,786,707
( 4,950,000)	Capital Expenditure-Asset Renewal and Replacement	( 4,782,700)
( 796,085)	Capital Expenditure-Full Cost Attribution	( 815,987)
( 477,950)	New Initiatives - Capital (Gross Expenditure)	( 16,958,904)
(6,224,035)	<b>Less total capital expenditure</b>	( 22,557,591)
208,797	Plus: Repayments of loan principal by sporting groups	208,431
208,797	<b>Plus/(less) funds provided (used) by Investing Activities</b>	208,431
3,002,252	<b>= FUNDING SURPLUS/(REQUIREMENT)</b>	( 2,240,137)
<b>Funded by:</b>		
1,421,056	Increase/(Decrease) in cash and cash equivalents	
-	Less: Proceeds from new borrowings	( 3,380,697)
1,581,196	Plus: Principal repayments of borrowings	1,140,560
3,002,252		( 2,240,137)

**CITY OF HOLDFAST BAY**  
**PROJECTED INCOME STATEMENT- MUNICIPAL FUNDS**  
**FOR THE YEAR ENDED 30TH JUNE 2019**

<u>Municipal</u> <u>17/18 Original</u> <u>BUDGET</u>		<u>Municipal</u> <u>18/19</u> <u>BUDGET</u>
\$	<b>REVENUES</b>	\$
33,102,490	Rates - General	34,199,000
564,539	Rates - Jetty Road Glenelg	564,539
68,000	Rates - Patawalonga Marina	70,000
1,172,440	Rates - NRM Levy	1,254,308
2,136,410	Statutory Charges	2,246,405
3,862,857	User Charges	4,034,965
3,032,086	Operating Grants & Subsidies	3,014,246
31,060	Investment Income	42,400
638,980	Reimbursements	682,370
521,267	Other	511,975
230,000	Net Equity Gain - Joint Ventures	230,000
<u>45,360,129</u>	<b>TOTAL REVENUES</b>	<u>46,850,208</u>
	<b>EXPENSES</b>	
17,180,220	Employee Costs	17,561,902
18,742,263	Materials, contracts and other expenses	18,882,016
1,081,458	Finance Charges	761,230
8,623,000	Depreciation	9,033,000
(796,085)	Less full cost attribution	( 815,987)
426,733	New Initiatives - Operating	1,155,971
<u>45,257,589</u>	<b>TOTAL EXPENSES</b>	<u>46,578,132</u>
<u>102,540</u>	Operating Surplus/(Deficit) - Before Capital Revenue	<u>272,076</u>
	- Amounts specifically for new or upgraded assets	9,584,707
<u>102,540</u>	<b>NET SURPLUS/(DEFICIT)</b>	<u>9,856,783</u>

**CITY OF HOLDFAST BAY**  
**PROJECTED BALANCE SHEET - MUNICIPAL FUNDS**  
**AS AT 30TH JUNE 2019**

<u>Municipal</u> <u>17/18 Original</u> <u>BUDGET</u> \$		<u>Municipal</u> <u>18/19</u> <u>BUDGET</u> \$
	<b>CURRENT ASSETS</b>	
3,168,541	Cash and cash equivalents	593,154
2,097,645	Trade and Other Receivables	2,351,000
6,380	Inventory	9,000
5,272,566	<b>TOTAL CURRENT ASSETS</b>	2,953,154
	<b>NON-CURRENT ASSETS</b>	
1,638,106	Financial Assets	1,276,772
3,009,176	Equity accounted investments-Council businesses	3,215,000
625,378,271	Land, Infrastructure, Property, Plant & Equipment	710,964,809
630,025,553	<b>TOTAL NON-CURRENT ASSETS</b>	715,456,581
635,298,119	<b>TOTAL ASSETS</b>	718,409,735
	<b>CURRENT LIABILITIES</b>	
4,320,504	Trade and Other Payables	4,363,000
3,053,619	Borrowings	1,036,804
3,345,662	Short-term Provisions	2,808,200
10,719,785	<b>TOTAL CURRENT LIABILITIES</b>	8,208,004
	<b>NON-CURRENT LIABILITIES</b>	
17,781,343	Long-term Borrowings	18,129,137
377,643	Long-term Provisions	641,240
18,158,986	<b>TOTAL NON-CURRENT LIABILITIES</b>	18,770,377
28,878,771	<b>TOTAL LIABILITIES</b>	26,978,381
606,419,348	<b>NET ASSETS</b>	691,431,354
	<b>EQUITY</b>	
161,255,733	Accumulated Surplus	174,956,354
445,127,615	Asset Revaluation Reserve	516,439,000
36,000	Other Reserves	36,000
606,419,348	<b>TOTAL EQUITY</b>	691,431,354

**CITY OF HOLDFAST BAY**  
**PROJECTED STATEMENT OF CHANGES IN EQUITY - MUNICIPAL FUNDS**  
**FOR THE YEAR ENDED 30TH JUNE 2019**

<u>Municipal</u> <u>17/18 Original</u> <u>BUDGET</u> \$		<u>Municipal</u> <u>18/19</u> <u>BUDGET</u> \$
	<b>ACCUMULATED SURPLUS</b>	
161,153,193	Balance at beginning of period	165,099,571
102,540	Net Surplus/(Deficit)	9,856,783
161,255,733	Balance at end of period	174,956,354
445,127,615	<b>ASSET REVALUATION RESERVE</b>	516,439,000
36,000	<b>MUNICIPAL RESERVES</b>	36,000
445,163,615	<b>TOTAL RESERVES CLOSING BALANCE</b>	516,475,000
606,419,348	<b>TOTAL EQUITY</b>	691,431,354

**CITY OF HOLDFAST BAY**  
**PROJECTED BUDGETED STATEMENT OF CASH FLOWS - MUNICIPAL FUNDS**  
**FOR THE YEAR ENDED 30TH JUNE 2019**

<u>Municipal</u> <u>17/18 Original</u> <u>BUDGET</u> \$ (OUTFLOWS)	<u>Municipal</u> <u>18/19</u> <u>BUDGET</u> \$ (OUTFLOWS)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<u>Receipts</u>		
45,130,129	Operating Receipts	46,620,208
<u>Payments</u>		
(35,261,931)	Operating payments to suppliers and employees	( 36,536,662)
(1,081,458)	Finance Payments	( 761,230)
8,786,740	<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	9,322,316
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<u>Receipts</u>		
-	Grants specifically for new or upgraded assets	9,584,707
230,750	Sale of replaced assets	202,000
-	Sale of surplus assets	1,000,000
208,797	Repayments of loans (principal) by community groups	208,431
<u>Payments</u>		
( 6,224,035)	Expenditure on renewal/replacement of assets	( 5,103,933)
-	Expenditure on new/upgraded assets	( 17,453,658)
(5,784,488)	<b>NET CASH (USED IN) INVESTING ACTIVITIES</b>	( 11,562,453)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<u>Receipts</u>		
-	Proceeds from Borrowings - External	3,380,697
<u>Payments</u>		
(1,581,196)	Repayments of Borrowings - External	( 1,140,560)
(1,581,196)	<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>	2,240,137
1,421,056	<b>NET INCREASE (DECREASE) IN CASH HELD</b>	-
1,747,485	<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF</b>	593,154
	<b>REPORTING PERIOD</b>	
	<b>CASH AND CASH EQUIVALENTS AT END OF</b>	593,154
3,168,541	<b>REPORTING PERIOD</b>	593,154

**RECONCILIATION OF INCOME STATEMENT TO BUDGETED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30TH JUNE 2019**

102,540	<b>SURPLUS FROM INCOME STATEMENT</b>	9,856,783
<b>NON-CASH ITEMS IN INCOME STATEMENT</b>		
8,623,000	Depreciation	9,033,000
61,200	Increase (decrease) in provisions - nett	17,240
8,684,200	<b>TOTAL NON-CASH ITEMS</b>	9,050,240
<b>CASH ITEMS NOT IN INCOME STATEMENT</b>		
(6,224,035)	Capital Expenditure	( 22,557,591)
(1,581,196)	Loan Repayments - External	( 1,140,560)
-	Proceeds from Borrowings - External	3,380,697
208,797	Repayments of loans (principal) by community groups	208,431
230,750	Proceeds from Disposal of Assets	1,202,000
(7,365,684)	<b>TOTAL CASH ITEMS</b>	( 18,907,023)
	<b>NET INCREASE/(DECREASE)</b>	-
1,421,056	<b>IN CASH AND CASH EQUIVALENTS</b>	-

**CITY OF HOLDFAST BAY**  
**PROJECTED SUMMARY OF OPERATING AND CAPITAL INVESTMENT ACTIVITIES**  
**FOR THE YEAR ENDED 30TH JUNE 2019**

<b><u>Municipal</u></b> <b><u>17/18 Original</u></b> <b><u>BUDGET</u></b>	<b><u>Municipal</u></b> <b><u>18/19</u></b> <b><u>BUDGET</u></b>
\$	\$
45,360,129 Operating Revenues	46,850,208
<u>(45,257,589) less Operating Expenses</u>	<u>( 46,578,132)</u>
102,540 Operating Surplus/(Deficit) before Capital Amounts	272,076
<b>Less net outlays on Existing Assets</b>	
6,224,035 Capital Expenditure on renewal & replacement of existing assets	5,103,933
<u>(8,623,000) Less Depreciation</u>	<u>( 9,033,000)</u>
(2,398,965)	( 3,929,067)
<b>Less outlays on New and Upgraded Assets</b>	
- Capital Expenditure on new & upgraded assets	17,453,658
<u>- Less amounts received for for new &amp; upgraded assets</u>	<u>( 9,584,707)</u>
-	7,868,951
<u>2,501,505</u> Net lending/(borrowing) for financial year	<u>( 3,667,808)</u>

**PROJECTED FINANCIAL INDICATORS - MUNICIPAL FUNDS**  
**FOR THE YEAR ENDED 30TH JUNE 2019**

<b><u>Municipal</u></b> <b><u>17/18 Original</u></b> <b><u>BUDGET</u></b>	<b><u>Municipal</u></b> <b><u>18/19</u></b> <b><u>BUDGET</u></b>
\$	\$
<b>OPERATING SURPLUS/(DEFICIT) - BEFORE CAPITAL AMOUNTS</b>	
\$102,540	\$272,076
<b>OPERATING SURPLUS RATIO</b>	
(Operating surplus/(deficit) before capital amounts as % of total operating revenue)	
0.2%	0.6%
<b>NET FINANCIAL LIABILITIES - (Total liabilities less financial assets)</b>	
\$21,974,479	\$22,757,455
<b>NET FINANCIAL LIABILITIES RATIO</b>	
(Total liabilities less financial assets as % of total operating revenue)	
48%	49%
<b>INTEREST COVER RATIO</b>	
(Net interest expense as % of total operating revenue less investment income)	
2.3%	1.6%
<b>ASSET SUSTAINABILITY RATIO</b>	
(Capital expenditure on renewal/replacement of existing assets, excluding new capital expenditure as % of depreciation expense)	
72%	57%

# FINANCIAL STATEMENTS – ALWYNDOR

**CITY OF HOLDFAST BAY**  
**PROJECTED FINANCIAL STATEMENTS**  
**BUDGET FUNDING STATEMENT - ALWYNDOR FUNDS**

<b><u>Alwyndor</u></b> <b><u>17/18</u></b> <b><u>BUDGET</u></b> \$		<b><u>Alwyndor</u></b> <b><u>18/19</u></b> <b><u>BUDGET</u></b> \$
3,979,235	User Charges	3,723,292
10,485,816	Operating Grants & Subsidies	10,224,308
373,852	Investment Income	423,861
1,669,942	Reimbursements	3,144,828
1,621,927	Other	1,934,068
<u>18,130,772</u>	<b>Operating Revenue</b>	<u>19,450,358</u>
12,944,551	Employee Costs - Salaries & Wages	14,039,400
3,744,767	Materials, contracts and other expenses	4,248,011
80,000	Finance Charges	70,000
896,979	Depreciation	906,639
<u>17,666,297</u>	<b>Less Operating Expenditure</b>	<u>19,264,050</u>
<u>464,475</u>	<b>= Operating Surplus/(Deficit)</b>	<u>186,308</u>
896,979	Depreciation	906,639
269,086	Other non-cash provisions	127,250
<u>1,166,065</u>	<b>Plus Non-Cash items in Operating Surplus/Deficit</b>	<u>1,033,889</u>
<u>1,630,540</u>	<b>= Funds Generated from Operating Activities</b>	<u>1,220,197</u>
( 741,663)	Capital Expenditure-Asset Renewal and Replacement	( 889,190)
<u>( 741,663)</u>	<b>Less total capital expenditure</b>	<u>( 889,190)</u>
<u>888,877</u>	<b>= FUNDING SURPLUS</b>	<u>331,007</u>
 <b>Funded by:</b>		
888,877	Increase/(Decrease) in cash and cash equivalents	331,007
<u>888,877</u>		<u>331,007</u>

**CITY OF HOLDFAST BAY**  
**PROJECTED INCOME STATEMENT - ALWYNDOR FUNDS**  
**FOR THE YEAR ENDED 30TH JUNE 2019**

<b><u>Alwyndor</u></b> <b><u>17/18</u></b> <b><u>BUDGET</u></b>		<b><u>Alwyndor</u></b> <b><u>18/19</u></b> <b><u>BUDGET</u></b>
\$	<b>REVENUES</b>	\$
3,979,235	User Charges	3,723,292
10,485,816	Operating Grants & Subsidies	10,224,308
373,852	Investment Income	423,861
1,669,942	Reimbursements	3,144,828
1,621,927	Other	1,934,068
<u>18,130,772</u>	<b>TOTAL REVENUES</b>	<u>19,450,358</u>
	<b>EXPENSES</b>	
12,944,551	Employee Costs	14,039,400
3,744,767	Materials, contracts and other expenses	4,248,011
80,000	Finance Charges	70,000
896,979	Depreciation	906,639
<u>17,666,297</u>	<b>TOTAL EXPENSES</b>	<u>19,264,050</u>
<u>464,475</u>	Operating Surplus/(Deficit) - Before Capital Revenue	<u>186,308</u>
<u><u>464,475</u></u>	<b>NET SURPLUS/(DEFICIT)</b>	<u><u>186,308</u></u>



**CITY OF HOLDFAST BAY**  
**PROJECTED BALANCE SHEET - ALWYNDOR FUNDS**  
**FOR THE YEAR ENDED 30TH JUNE 2019**

<u>Alwyndor</u> <u>17/18</u> <u>BUDGET</u> \$		<u>Alwyndor</u> <u>18/19</u> <u>BUDGET</u> \$
	<b>CURRENT ASSETS</b>	
15,825,121	Cash and cash equivalents	18,103,399
2,459,486	Trade and Other Receivables	2,697,564
<u>18,284,607</u>	<b>TOTAL CURRENT ASSETS</b>	<u>20,800,963</u>
	<b>NON-CURRENT ASSETS</b>	
38,104,941	Land, Infrastructure, Property, Plant & Equipment	40,369,224
<u>38,104,941</u>	<b>TOTAL NON-CURRENT ASSETS</b>	<u>40,369,224</u>
<u>56,389,548</u>	<b>TOTAL ASSETS</b>	<u>61,170,187</u>
	<b>CURRENT LIABILITIES</b>	
29,433,698	Trade and Other Payables	33,392,245
1,838,595	Short-term Provisions	1,541,577
<u>31,272,293</u>	<b>TOTAL CURRENT LIABILITIES</b>	<u>34,933,822</u>
	<b>NON-CURRENT LIABILITIES</b>	
181,715	Long-term Provisions	162,370
<u>181,715</u>	<b>TOTAL NON-CURRENT LIABILITIES</b>	<u>162,370</u>
<u>31,454,008</u>	<b>TOTAL LIABILITIES</b>	<u>35,096,192</u>
<u>24,935,540</u>	<b>NET ASSETS</b>	<u>26,073,995</u>
	<b>EQUITY</b>	
12,205,149	Accumulated Surplus	10,588,985
6,419,288	Asset Revaluation Reserve	9,070,656
6,311,103	Other Reserves	6,414,354
<u>24,935,540</u>	<b>TOTAL EQUITY</b>	<u>26,073,995</u>

**CITY OF HOLDFAST BAY**  
**PROJECTED STATEMENT OF CHANGES IN EQUITY - ALWYNDOR FUNDS**  
**FOR THE YEAR ENDED 30TH JUNE 2019**

<u>Alwyndor</u> <u>17/18</u> <u>BUDGET</u> \$		<u>Alwyndor</u> <u>18/19</u> <u>BUDGET</u> \$
	<b>ACCUMULATED SURPLUS</b>	
11,740,674	Balance at beginning of period	10,402,677
464,475	Net Surplus/(Deficit)	186,308
-	Transfers from reserves	-
<u>12,205,149</u>	Balance at end of period	<u>10,588,985</u>
6,419,288	<b>ASSET REVALUATION RESERVE</b>	9,070,656
6,311,103	<b>ALWYNDOR RESERVES</b>	6,414,354
<u>12,730,391</u>	<b>TOTAL RESERVES CLOSING BALANCE</b>	<u>15,485,010</u>
<u>24,935,540</u>	<b>TOTAL EQUITY</b>	<u>26,073,995</u>

**CITY OF HOLDFAST BAY**  
**PROJECTED BUDGETED STATEMENT OF CASH FLOWS - ALWYNDOR FUNDS**  
**FOR THE YEAR ENDED 30TH JUNE 2019**

<u>Alwyndor</u> <u>17/18</u> <u>BUDGET</u> \$		<u>Alwyndor</u> <u>18/19</u> <u>BUDGET</u> \$
(OUTFLOWS)		(OUTFLOWS)
	<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
	<u>Receipts</u>	
18,130,772	Operating Receipts	19,450,358
	<u>Payments</u>	
( 16,420,232)	Operating payments to suppliers and employees	( 18,160,161)
( 80,000)	Finance Payments	( 70,000)
<u>1,630,540</u>	<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>1,220,197</u>
	<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
	<u>Payments</u>	
( 741,663)	Expenditure on renewal/replacement of assets	( 889,190)
<u>( 741,663)</u>	<b>NET CASH (USED IN) INVESTING ACTIVITIES</b>	<u>( 889,190)</u>
888,877	<b>NET INCREASE (DECREASE) IN CASH HELD</b>	331,007
	<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF</b>	
14,936,244	<b>REPORTING PERIOD</b>	17,772,392
	<b>CASH AND CASH EQUIVALENTS AT END OF</b>	
<u>15,825,121</u>	<b>REPORTING PERIOD</b>	<u>18,103,399</u>

**RECONCILIATION OF INCOME STATEMENT TO BUDGETED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30TH JUNE 2019**

464,475	<b>SURPLUS FROM INCOME STATEMENT</b>	186,308
	<b>NON-CASH ITEMS IN INCOME STATEMENT</b>	
896,979	Depreciation	906,639
269,086	Increase (decrease) in provisions - nett	127,250
<u>1,166,065</u>	<b>TOTAL NON-CASH ITEMS</b>	<u>1,033,889</u>
	<b>CASH ITEMS NOT IN INCOME STATEMENT</b>	
( 741,663)	Capital Expenditure	( 889,190)
<u>( 741,663)</u>	<b>TOTAL CASH ITEMS</b>	<u>( 889,190)</u>
	<b>NET INCREASE/(DECREASE)</b>	
<u>888,877</u>	<b>IN CASH AND CASH EQUIVALENTS</b>	<u>331,007</u>

**CITY OF HOLDFAST BAY**  
**PROJECTED SUMMARY OF OPERATING AND CAPITAL INVESTMENT ACTIVITIES**  
**FOR THE YEAR ENDED 30TH JUNE 2019**

<b><u>Alwyndor</u></b> <b><u>17/18</u></b> <b><u>BUDGET</u></b> \$		<b><u>Alwyndor</u></b> <b><u>18/19</u></b> <b><u>BUDGET</u></b> \$
18,130,772	Operating Revenues	19,450,358
( 17,666,297)	less Operating Expenses	( 19,264,050)
464,475	Operating Surplus/(Deficit) before Capital Amounts	186,308
<b>Less net outlays on Existing Assets</b>		
741,663	Capital Expenditure on renewal & replacement of existing assets	889,190
( 896,979)	Less Depreciation	( 906,639)
( 155,316)		( 17,449)
619,791	<b>Net lending/(borrowing) for financial year</b>	203,757

**PROJECTED FINANCIAL INDICATORS - ALWYNDOR FUNDS**  
**FOR THE YEAR ENDED 30TH JUNE 2019**

<b><u>Alwyndor</u></b> <b><u>17/18</u></b> <b><u>BUDGET</u></b> \$		<b><u>Alwyndor</u></b> <b><u>18/19</u></b> <b><u>BUDGET</u></b> \$
<b>OPERATING SURPLUS/(DEFICIT) - BEFORE CAPITAL AMOUNTS</b>		
\$464,475		\$186,308
<b>OPERATING SURPLUS RATIO</b>		
(Operating surplus/(deficit) before capital amounts as % of general revenue)		
2.6%		1.0%
<b>NET FINANCIAL LIABILITIES - (Total liabilities less financial assets)</b>		
\$13,169,401		\$14,295,229
<b>NET FINANCIAL LIABILITIES RATIO</b>		
(Total liabilities less financial assets as % of total operating revenue)		
73%		73%
<b>INTEREST COVER RATIO</b>		
(Net interest expense as % of total operating revenue less investment income)		
0.5%		0.4%
<b>ASSET SUSTAINABILITY RATIO</b>		
(Capital expenditure on renewal/replacement of existing assets, excluding new capital expenditure as % of depreciation expense)		
83%		98%