



**Adelaide Hills**  
COUNCIL

## **AUDIT COMMITTEE**

### **NOTICE OF MEETING**

To: **Presiding Member** Cr Malcolm Herrmann

#### **Members**

David Moffatt  
Pamela Lee  
Sarah Beesley  
Cr Melanie Selwood

Notice is hereby given pursuant to the provisions under Section 87 of the *Local Government Act 1999* that the next meeting of the Audit Committee will be held on:

**Monday 18 November 2024**  
**6:00pm**  
**63 Mt Barker Road, Stirling**

A copy of the Agenda for this meeting is supplied under Section 87 of the Act.

Committee meetings are open to the public and members of the community are welcome to attend.

A Public notice of the Agenda for this meeting is supplied under Section 88 of the Act.

**Greg Georgopoulos**  
**Chief Executive Officer**



**Adelaide Hills**  
COUNCIL

## **AUDIT COMMITTEE**

**AGENDA FOR MEETING**  
**Monday 18 November 2024**  
**6:00pm**  
**63 Mt Barker Road, Stirling**

### **ORDER OF BUSINESS**

**1. COMMENCEMENT**

- 1.1. Acknowledgement of Country

*Council acknowledges that we meet on the traditional Country of the Peramangk and Kaurna people. We pay our respects to Ancestors and Elders past and present as the Custodians of this ancient and beautiful land.*

**2. APOLOGIES/LEAVE OF ABSENCE**

- 2.1. Apology  
2.2. Leave of Absence  
2.3. Absent

**3. MINUTES OF PREVIOUS MEETINGS**

- 3.1. Audit Committee Minutes – 14 October 2024

***Recommendation***

*That the minutes of the Audit Committee meeting held on Monday 14 October 2024, as supplied, be confirmed as an accurate record of the proceedings of that meeting.*

**4. PRESIDING MEMBER'S OPENING REMARKS**

**5. DELEGATION OF AUTHORITY**

The Audit Committee operates in accordance with the relevant sections of the Local Government Act 1999, and its Terms of Reference.

**6. DECLARATION OF CONFLICT OF INTEREST BY MEMBERS OF THE COMMITTEE**

**7. PRESENTATIONS, ACTION REPORT & WORKPLAN**

7.1. 2024 Action Report and Work Plan Update

1. *To receive and note the 2024 Action Report and Work Plan Update Report (item 7.1, 18 November 2024 Audit Committee meeting).*
2. *To note the 2024 Action Report, November 2024.*
3. *To adopt the 2024 Work Plan and Reporting Schedule in Appendix 2 (item 7.1, 18 November 2024 Audit Committee meeting).*
4. *To adopt the Draft Audit Committee Work Plan 2025 in Appendix 3 (item 7.1, 18 November 2024 Audit Committee meeting).*

**8. OFFICER REPORTS**

8.1. Presiding Members Report

8.2. Audit Committee Self-Assessment Review

*The Audit Committee resolves to receive and note the Audit Committee Self-Assessment report (item 8.2, 18 November 2024 Audit Committee meeting).*

8.3. Audit Committee Terms of Reference

1. *To receive and note the report titled Audit Committee Terms of Reference Review (Item 8.3, 18 November 2024 Audit Committee meeting)*
2. *To recommend the draft Audit and Risk Committee Terms of Reference at Appendix 1 (Item 8.3, 18 November 2024 Audit Committee meeting) to Council for adoption, with membership changes to be implemented on X date*

OR

2. *To recommend the draft Audit and Risk Committee Terms of Reference at Appendix 1 (Item 8.3, 18 November 2024 Audit Committee meeting) to Council for adoption, with membership changes to be adopted at the expiry of the current members' terms of office.*

8.4. 2025 Audit Committee Meeting Dates

1. *That the report on 2025 Audit Committee Meeting Dates be received and noted.*
2. *To approve the Audit Committee meeting schedule, timings, and locations for 2024 as follows:*

<i>Commencement</i>	<i>6.00pm</i>
<i>Meeting Dates and Locations</i>	<i>17<sup>th</sup> February 2025, 63 Mt Barker Road, Stirling</i>
	<i>21<sup>st</sup> April 2025, 63 Mt Barker Road, Stirling</i>
	<i>19<sup>th</sup> May 2025, 63 Mt Barker Road, Stirling</i>
	<i>18<sup>th</sup> August 2025, 63 Mt Barker Road, Stirling</i>
	<i>20<sup>th</sup> October 2025, 63 Mt Barker Road, Stirling</i>
	<i>17<sup>th</sup> November 2025, 63 Mt Barker Road, Stirling</i>

8.5. **Climate Change Adaption Governance and Risk Report**

1. *That the report on Climate Change Adaptation Governance and Risk Update be received and noted.*
2. *To note that the Administration will investigate the LGASA climate risk and governance approach recently developed for incorporation into the Risk Management Framework.*

8.6. **Strategic Plan Report 2024**

*The Audit Committee resolves that the report on Strategic Plan 2024 be received and noted.*

8.7. **Draft Annual Report 2023-24**

1. *That the report on the Draft Annual Report 2023-24 be received and noted*
2. *To advise Council that the Committee has reviewed the Draft 2023-24 Annual Report, as contained in Appendix 1, in terms of the reports adequacy in meeting its legislative requirements.*
3. *That on the basis of the Committee’s review, to recommend the Annual Report to Council for adoption.*

8.8. **Quarterly Performance Report – Q1 2024-25**

1. *That the report on the Quarterly Council Performance Report – Q1 2024-25 be received and noted.*

2. *To recommend to Council that changes be made to three of the adopted Corporate Performance Indicators as detailed in the table of this report.*

- 8.9. Finance Strategy and Strategic Considerations for Achieving Financial Sustainability

*The Audit Committee resolves the report on finance strategy and strategic considerations for achieving financial sustainability be received and noted.*

- 8.10. 2024-25 Budget Review 1

1. *That the report be received and noted.*
2. *To recommend to Council the proposed budget adjustments presented in Budget Review 1 which result in:*

- a. *A decrease in the Operating Surplus from \$0.457m to a deficit of \$1.728m for the 2024-25 financial year.*
- b. *Changes to Capital Works increasing capital expenditure by \$2.218 million for the 2024-25 financial year resulting in a revised capital expenditure budget of \$20.548 million.*

- 8.11. Quarterly Risk Management Report

*That the Quarterly Risk Management Report be received, accepted and noted.*

- 8.12. SafeWork SA – verbal update

- 8.13. Internal Audit Quarterly Report

*To receive and note the Internal Audit Quarterly Report (item 8.14, 18 November 2024, Audit Committee meeting).*

## **9. QUESTIONS WITHOUT NOTICE**

## **10. CONFIDENTIAL ITEMS**

- 10.1. Directorate Risk Profile Presentation
- 10.1.1. Corporate Services Directorate Risk Profile Presentation

## **11. NEXT MEETING**

The next Audit Committee meeting will be held at 6.00pm on 17 February 2025 at 63 Mount Barker Road, Stirling.

## **12. CLOSE MEETING**

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# **Minutes of Audit Committee**

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**ADELAIDE HILLS COUNCIL AUDIT COMMITTEE  
MINUTES OF MEETING  
MONDAY 21 October 2024  
63 MT BARKER ROAD STIRLING**

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**In Attendance**

**Members:**

Cr Malcolm Herrmann	Presiding Member
Sarah Beesley	Independent Member (online)
David Moffatt	Independent Member
Pamela Lee	Independent Member
Cr Melanie Selwood	Council Member

**In Attendance:**

Greg Georgopoulos	Chief Executive Officer
Gary Lewis	Director Corporate Services
Zoë Gill	Executive Governance Officer
Bruce Smith	Manager Financial Services
Skye Ludzay	Minute Secretary

**Guests in Attendance:**

Linh Dao, Audit and Insurance	BDO Australia
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**1. COMMENCEMENT**

The meeting commenced at 7.30pm.

**1.1. Acknowledgement of Country**

Council acknowledges that we meet on the traditional Country of the Peramangk and Kurna people. We pay our respects to Ancestors and Elders past and present as the Custodians of this ancient and beautiful land.

**ADELAIDE HILLS COUNCIL AUDIT COMMITTEE  
MINUTES OF MEETING  
MONDAY 21 October 2024  
63 MT BARKER ROAD STIRLING**

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**2. APOLOGIES/LEAVE OF ABSENCE**

**2.1. Apology**

**2.2. Leave of Absence**

**2.3. Absent**

**3. MINUTES OF PREVIOUS MEETINGS**

**3.1. Audit Committee Meeting – 19 August 2024**

Moved Cr Melanie Selwood  
S/- Pamela Lee

**AC38/24**

**That the minutes of the Audit Committee meeting held on 19 August 2024 as supplied, be confirmed as an accurate record of the proceedings of that meeting.**

<b>Carried Unanimously</b>
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**4. PRESIDING MEMBER'S OPENING REMARKS**

1. Council has approved a change to the Acknowledge of Country
2. Council has been requested to provide information to BDO, the consultants investing the CCC proposal to annex a portion of the AHC.
3. Council members received mid-term training on Financial Management. The session was targeted at AHC's current financial position.
4. Since the last meeting, the following senior staff have been recruited – Manager Financial Services - Bruce Smith and Manager People and Culture – Roger Hunter. The Governance team have recruited a Policy Officer and a Risk, Audit and Insurance Officer.

**5. DELEGATION OF AUTHORITY**

The Audit Committee operates in accordance with the relevant sections of the Local Government Act 1999, and its Terms of Reference.

**6. DECLARATION OF CONFLICT OF INTEREST BY MEMBERS OF AUDIT COMMITTEE**

Nil

**7. MOTION WITH NOTICE**

**7.1. Cr Malcolm Herrmann – Financial Strategy and Long Term Financial Plan**

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Presiding Member \_\_\_\_\_ 18 November 2024



**ADELAIDE HILLS COUNCIL AUDIT COMMITTEE  
MINUTES OF MEETING  
MONDAY 21 October 2024  
63 MT BARKER ROAD STIRLING**

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Moved Cr Malcolm Herrmann  
S/- Pamela Lee

AC39/24

That the Audit and Risk Committee requests that:

1. The CEO initiates the preparation of the Long-Term Financial Plan as soon as practicable with the first workshop being prior to 31 December 2024.
2. That a report be presented to the Audit and Risk Committee at its meeting of 18 November 2024 setting out advice for Council on:
  - (a) the formulation of the Financial Indicators
  - (b) Strategic considerations for achieving financial sustainability.

Carried Unanimously
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**8. PRESENTATIONS, ACTION REPORT & WORKPLAN**

**8.1. 2024 Action Report and Work Plan Update**

Moved David Moffatt  
S/- Sarah Beesley

AC40/24

1. That the 2024 Action Report and Work Plan Update report be received and noted.
2. That the 2024 Action Report, October 2024, be noted.
3. That the 2024 Work Plan and Reporting Schedule be adopted.

Carried Unanimously
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**9. OFFICER REPORTS – DECISION ITEMS**

**9.1. Auditors Completion Report 2024**

Moved Pamela Lee  
S/- Sarah Beesley

AC41/24

The Audit Committee resolves:

**ADELAIDE HILLS COUNCIL AUDIT COMMITTEE  
MINUTES OF MEETING  
MONDAY 21 October 2024  
63 MT BARKER ROAD STIRLING**

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1. That the “Annual Audit Completion Report for the year ended 30 June 2024” from Council’s external auditors, BDO, contained in Appendix 1 be received and noted.
2. Further notes that the Auditor proposes to issue an audit clearance subject to:
  - a) Review of subsequent events post 30 June 2024,
  - b) Receipt of signed management representation letter,
  - c) Receipt of the final Annual Financial Statements for 2023-24 being certified by the CEO and Presiding Member of the Audit Committee.

**Carried Unanimously**

The Audit Committee met with the Auditor, Linh Dao, BDO, without Council staff present, to discuss the External Auditor’s report and any issues arising from the audit.

**9.2. Report on Financial Results for 2023-24**

8:52pm The Committee’s discussion included mention of Council banking with Westpac. Pamela Lee declared that she is employed by Westpac, but not in the banking division.

**Moved David Moffatt**  
**S/- Pamela Lee**

**AC42/24**

The Audit Committee notes the 2023-2024 report on the financial results for the Adelaide Hills Council, contained in Appendix 1:

- Operating income: \$56,555,000
- Operating expense: \$60,908,000
- Operating deficit: \$ 4,353,000
- Operating surplus ratio: – 7.7% (target range 1-5%)
- Adjusted operating surplus ratio: – 3.2% (target range 1-5%)
- Net financial liabilities ratio: 49% (target range 25-75%)
- Asset renewal funding ratio: 106% (target range 90-110%)

**Carried Unanimously**

**9.3. 2023/24 Annual Financial Statements and End of Year Report**

**Moved David Moffatt**

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**ADELAIDE HILLS COUNCIL AUDIT COMMITTEE  
MINUTES OF MEETING  
MONDAY 21 October 2024  
63 MT BARKER ROAD STIRLING**

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S/- Sarah Beesley

AC43/24

The Audit Committee resolves that:

1. Having reviewed the Financial Statements for 2023-24 as per Appendix 1, that the Financial Statements present fairly the financial position of the Adelaide Hills Council.
2. It is appropriate that the Management Representation Letter requested by the external auditor, as per Appendix 2, is signed by management.
3. That it notes the Certification of Auditor Independence as per Appendix 3 is considered by the Chief Executive Officer and the Presiding Member of the Audit Committee.
4. That it Authorises the Chief Executive Officer and the Mayor to certify the Financial Statements for 2023-24 in their final form.

<b>Carried Unanimously</b>
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**9.4. Service Review Biannual Report**

Moved Melanie Selwood

S/- Pamela Lee

AC44/24

The Audit Committee resolves:

1. That the Service Review Biannual Report be received and noted.
2. That the Service Review Biannual Report – Civil Services report (Appendix 1) be received and noted
3. That the Service Review Biannual Report – Development Services (Appendix 2) be received and noted
4. To recommend to Council that the current schedule of biannual reports on the 2022 and 2023 service reviews be suspended until October 2025, pending the outcomes of the proposed organisation service review process which is anticipated to commence in late 2024/early 2025.

<b>Carried Unanimously</b>
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**9.5. Quarterly Performance Report – Q4 2023-24**

Moved Cr Melanie Selwood

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Presiding Member \_\_\_\_\_ 18 November  
2024

**ADELAIDE HILLS COUNCIL AUDIT COMMITTEE  
MINUTES OF MEETING  
MONDAY 21 October 2024  
63 MT BARKER ROAD STIRLING**

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S/- David Moffatt

AC45/24

The Audit Committee resolves that the Quarterly Performance Report – Q4 2023-24 be received and noted.

<b>Carried Unanimously</b>
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**10. QUESTIONS WITHOUT NOTICE**

Nil

**11. CONFIDENTIAL ITEMS**

Nil

**12. NEXT MEETING**

The next ordinary meeting of the Audit Committee will be held on Monday 18 November 2024 from 6.00pm at 63 Mt Barker Road, Stirling.

**13. CLOSE MEETING**

The meeting closed at 9:26pm.

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Presiding Member \_\_\_\_\_ 18 November  
2024

**ADELAIDE HILLS COUNCIL  
AUDIT COMMITTEE MEETING  
Monday 18 November 2024  
AGENDA BUSINESS ITEM**

**Item:** 7.1

**Responsible Officer:** Zoë Gill  
Executive Governance Officer  
Office of the Chief Executive

**Subject:** 2024 Action Report and Work Plan Update

**For:** Decision

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**SUMMARY**

A formal Audit Committee Action Report is maintained to record the items requiring ‘actioning’ that result from each of the Audit Committee meetings. This report also outlines the actions completed since the previous report.

The Audit Committee Work Plan assists the Committee members and staff in scheduling both discussion and reports to ensure appropriate coverage of the Committee functions over the 12-month period. The current Audit Committee Work Plan 2024 (*Appendix 2*) has been attached for information.

**RECOMMENDATION**

The Audit Committee resolves:

1. To receive and note the 2024 Action Report and Work Plan Update Report (item 7.1, 18 November 2024 Audit Committee meeting).
  2. To note the 2024 Action Report, November 2024, in *Appendix 1* (item 7.1, 18 November 2024 Audit Committee meeting)..
  3. To adopt the 2024 Work Plan and Reporting Schedule in *Appendix 2* (item 7.1, 18 November 2024 Audit Committee meeting).
  4. To adopt the Draft Audit Committee Work Plan 2025 in *Appendix 3* (item 7.1, 18 November 2024 Audit Committee meeting).
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**1. BACKGROUND**

Action Report

The Action List tracks the implementation of resolutions of the Audit Committee.

Work Plan

The functions of the Audit Committee are set out in part 7 (Role) of the Committee Terms of Reference. A Work Plan has been developed to assist the Committee members and staff in

scheduling discussion and reports to ensure appropriate coverage of the functions over the 12-month period.

## 2. ANALYSIS

### ➤ Strategic Management Plan/Functional Strategy/Council Policy Alignment

*Strategic Plan 2020-24 – A brighter future*

Goal 5 A Progressive Organisation

Objective O5 We are accountable, informed, and make decisions in the best interests of the whole community

Priority O5.1 Enhance governance structures and systems to prudently adapt to changing circumstances and meet our legislative obligations

Priority O5.2 Make evidence-based decisions and prudently assess the risks and opportunities to our community before taking action.

### ➤ Legal Implications

Section 126 of the *Local Government Act 1999* sets out the functions of an audit committee. Management of Committee’s action items and work plan facilitates the achievement of these functions.

### ➤ Risk Management Implications

The management of action items and the work plan will assist in mitigating the risk of:

*Poor governance practices occur which lead to a loss of stakeholder (i.e. customer and regulator) confidence and/or legislative breaches.*

Inherent Risk	Residual Risk	Target Risk
Extreme (5C)	Low (3E)	Low (3E)

The Audit Committee Action Report and Work Plan are current controls and therefore the Committee’s approval of this item will not impact the Residual or Target Risk ratings.

Note that there are many other controls that assist in mitigating this risk.

### ➤ Financial and Resource Implications

Council’s current budget contains provision for the costs associated with the notification and conduct of audit Committee meetings.

### ➤ Customer Service and Community/Cultural Implications

There is a community expectation that the audit committee monitors actions resulting from their resolutions and establishes a work plan.

### ➤ Sustainability Implications

Not applicable.

➤ **Engagement/Consultation conducted in the development of the report**

Consultation on the development of this report was as follows:

*Council Committees:* Not Applicable  
*Council Workshops:* Not Applicable  
*Advisory Groups:* Not Applicable  
*External Agencies:* Not Applicable  
*Community:* Not Applicable

➤ **Additional Analysis**

The review by the Audit Committee of the Action Report and Work Plan is an important element of Council’s commitment to open and transparent decision making which facilitates public accountability.

Action Report

There are six outstanding and eight completed items on the Audit Committee Action Report (**Appendix 1**) arising from previous Committee meetings. Commentary against the items is provided for the Committee’s information.

Work Plan and Reporting Schedule UPDATE

As per the *2024 Audit Committee Work Plan and Reporting Schedule (Appendix 2)*, the following items detailed below are either included in or deferred from this meeting.

Item	Commentary	Month Scheduled
<b>Financial Reporting</b>		
Long Term Financial Plan (LTFP)	Deferred until strategic plan adoption	
Annual Business Plan		April
Budget Review 1	Included in this meeting	November
Budget Review 2		February
Budget Review 3		May
End of Year Financial Report		October
End of financial year reporting timetable		May
End of financial year update		August
Final Annual Financial Statements (incl management representation letter)		October
<b>Internal Control and Risk Management</b>		
Placement of Council’s insurance portfolio (for noting)		August
Internal Financial Controls update		May
Quarterly Risk Management Report	Included in this meeting	February/ August/November
Results of LGRS Risk Management Review		February (Biennial)

<b>Item</b>	<b>Commentary</b>	<b>Month Scheduled</b>
LGRS Risk Evaluation - Action Plan Review	Deferred until 2025	May/November
<b>Internal Audit</b>		
Internal Audit quarterly update	Included in this meeting	February/May/ October/November
Internal audit reports	Deferred to 2025	As Required
Implementation of internal audit actions progress report		February/August
Internal Audit Plan review	Deferred to 2025	November
<b>External Audit</b>		
External audit interim letter		August
Implementation of external audit actions progress report		February/August
External Audit Plan review		April
Meeting attendance by external auditors		April/October
Review of auditor independence and legislative compliance		October
Audit Committee Completion Report		October
<b>Public Interest Disclosure</b>		
Public Interest Disclosure Policy review (replaces Whistle-blowers)		April
Public Interest Disclosure Arrangements and Compliance		May
<b>Service Review</b>		
Service Review Brief	Deferred until 2025	November
Service Review Report	Deferred until 2025	November
Implementation of service review actions progress report	Deferred until 2025	April/August
<b>Other Business</b>		
Audit Committee self-assessment review	Included in this meeting	November
Presiding Member's Report	Included in this meeting	November
Work Plan and Reporting Schedule	Included in this meeting	November
Audit Committee Meeting Dates	Included in this meeting	November
Debtors Report		February/August
Council's Annual Report	Included in this meeting	November
Action Report & Work Plan Update	Included in this meeting	All Meetings
Audit Committee Terms of Reference	Included in this meeting	October
Climate Change Adaptation Governance Assessment Report -	Included in this meeting	October



Item	Commentary	Month Scheduled
Quarterly Performance Reports	Included in this meeting	February/April/ August/October
Directorate Risk Profile Presentation	Included in this meeting	April/August/ November
Other Reports	None required	As Required

#### 2025 Work Plan Draft

A *Draft Audit Committee Work Plan 2025* is included for the Committee's consideration (**Appendix 3**).

### 3. OPTIONS

The Audit Committee has the following options:

- I. To note and adopt the status of the Action Report at **Appendix 1** (Recommended).
- II. To note the 2024 Work Plan and Reporting Schedule at **Appendix 2** (Recommended).
- II. To alter or substitute elements of the Action Report or Work Plan (Not Recommended).

### 4. APPENDICES

1. Audit Committee Action Report, November 2024
2. 2024 Work Plan and Reporting Schedule
3. Draft Audit Committee Work Plan 2025

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# **Appendix 1**

*Audit Committee Action Report, November 2024*

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# Action Report – 18 November 2024

Meeting Date	Meeting	Res No.	Item Name	Action Required (Council Resolution)	Responsible Director	Responsible Officer	Status	Date of Update	Due Date	Status (for Council reporting)
31/10/2023	Audit Committee	AC39/23	Development Services Service Review - Implementation Plan	<ol style="list-style-type: none"> <li>1. That the report be received and noted.</li> <li>2. To receive and note the Management Review and Action Plan in response to the Service Review 2022-23 – Development Services, as contained in Appendix 4.</li> <li>3. To note that that the implementation status of the agreed actions will be reported to Audit Committee and Council on a biannual basis, nominally March and August.</li> </ol>	Jess Charlton	Deryn Atkinson	In Progress	16/10/2024	30/09/2024	<p>Implementation of Action Plan in progress - immediate actions completed.</p> <p>Biannual Report presented to Audit Committee and Council at May meeting.</p> <p>Update is scheduled for the October 2024 Audit Committee.</p>
19/02/2024	Audit Committee	AC12/24	Risk Management and Audit Review	<ol style="list-style-type: none"> <li>1. That the report on Risk Management and Audit Review be received and noted.</li> <li>2. That Administration will propose a process for reviewing risk management and auditing procedures at the 15 April Audit Committee meeting.</li> </ol>	Greg Georgopoulos	Zoe Gill	Completed	16/10/2024	9/08/2024	<p>LGRS have been engaged to assist Council in reviewing their risk management processes.</p> <p>High level process presented to Audit Committee on 20 May 24.</p> <p>First meeting with ELT was 16 July 2024.</p> <p>LGRS have provided draft strategic risk document.</p> <p>New risk officer will lead this work. Commenced 21 Oct 24</p>
20/05/2024	Audit Committee	AC23/24	Internal Financial Controls Update	<ol style="list-style-type: none"> <li>1. That the Internal Financial Controls report be received and noted.</li> <li>2. To note the further developments and improvements that have been made to Council's internal controls environment.</li> <li>3. Request the CEO to prepare a remediation plan for controls rated three (3) or lower by either the reviewer or the assessor.</li> </ol>	Gary Lewis	Gary Lewis	In Progress	11/11/2024	31/12/2024	<p>Actions pending the appointment of new Manager Financial Services.</p> <p>A review of the internal controls is yet to be initiated and is expected to start in 2025.</p>
20/05/2024	Audit Committee	AC24/24	Public Interest Disclosure Arrangements and Compliance	The Audit Committee resolves that the Public Interest Disclosure Arrangements and Compliance report be received and notes that there have been no Public Interest disclosures made since May 2023.	Greg Georgopoulos	Skye Ludzay	In Progress	16/10/2024	31/12/2024	PID Training completed by staff PID Policy review to be completed - new Policy Officer commences 21 October 24. They will finalise Organisational Policy framework, with a confirmed review date at this time.
19/08/2024	Audit Committee	*	Purchase Cards	How frequently/infrequently are each of the purchase cards used? And what is the amount spent on these infrequently used purchased cards? What fees and charges to maintain each card?	Gary Lewis	Gary Lewis	Completed	10/09/2024	31/08/2024	The analysis has been completed and a number of potential reductions have been identified. These are to be considered by the relevant parties.
19/08/2024	Audit Committee	AC27/24	Action Report and Workplan Update	<ol style="list-style-type: none"> <li>1. That the 2024 Action Report and Work Plan Update report be received and noted.</li> <li>2. That the 2024 Action Report, August 2024, be noted.</li> <li>3. That the 2024 Work Plan and Reporting Schedule be adopted.</li> </ol> <p>ACTION: Can we look at colour coding the action report and removing approved items.</p>	Greg Georgopoulos	Zoe Gill	Completed	16/10/2024	16/10/2024	<p>Colour coding has been actioned for the report for this meeting.</p> <p>Approved items are removed with Council consist on a quarterly basis.</p>
19/08/2024	Audit Committee	AC31/24	End of Financial Year Update	<ol style="list-style-type: none"> <li>1. That Council notes the 2023-24 preliminary financial position as presented which include: <ol style="list-style-type: none"> <li>1.1 Total operating income of \$55.289m (budget \$57.021m)</li> <li>1.2 Total operating expenditure of \$61.152m (budget \$56.462m)</li> <li>1.3 An operating deficit of \$4.863m (budget \$559k surplus), primarily arising from: <ol style="list-style-type: none"> <li>a) the receipt of Federal Assistance Grants in July instead of June (\$1.71m)</li> <li>b) reassessment of depreciation assumptions (\$0.86m)</li> <li>c) detailed review of the approach to works in progress (\$0.752m)</li> <li>d) reassessment of the assumptions applied for the capitalisation of payroll expense (1.2 million)</li> </ol> </li> <li>1.3.1 That this represents an operating deficit ratio of 8.8%</li> <li>1.4 Capital works program expenditure of \$17.988 (budget of \$21.890m)</li> </ol> </li> <li>2. Notes the results presented are subject to external audit review and are subject to change.</li> </ol>	Greg Georgopoulos	Gary Lewis	Completed	26/08/2024	31/08/2024	

				3. Notes the capital works update.						
				4. Notes the capital carry forwards.						
19/08/2024	Audit Committee	*	Financial Management Council Report	See internal notes	Greg Georgopoulos	Gary Lewis	In Progress	11/11/2024	30/09/2024	Following the initial responses from the Auditor General the Administration have considered the next steps in their response to these matters.  The intention is that our Internal Auditors will be tasked with conducting a review which will consider what actions can be taken to improve the related processes.  This process will inform the response to this action item.
19/08/2024	Audit Committee	*	Interim Audit Management Letter	ACTION: Arrange meeting with BDO in regards to financial management.	Greg Georgopoulos	Gary Lewis	Completed	31/08/2024	31/08/2024	This is already scheduled to occur at the next Audit Committee meeting.
19/08/2024	Audit Committee	*	Debtors Report	ACTION: What is included in the misc. other line (pg 53 of the Agenda)	Gary Lewis	Gary Lewis	Completed	31/08/2024	31/08/2024	Personal Income Protection reimbursements \$2,952. Initial payment on 7 l pads
19/08/2024	Audit Committee	*	Placement of Councils Insurance Portfolio	ACTION: Have any of the excesses changed. Can we investigate if boat hull and Journey insurance is necessary Can we investigate what (if anything) is covered by the Advisory Group insurance, in particular the new Bushfire committee?	Greg Georgopoulos	Zoe Gill	Completed	26/08/2024	31/08/2024	Updated Audit Committee Members by email as requested.
14/10/2024	Audit Committee	*	Workshops	Invite members to relevant workshops	Greg Georgopoulos	Skye Ludzay	Completed	14/11/2024	18/11/2024	Invitations sent
14/10/2024	Audit Committee	*	Financial Reporting Risk	Add risks to financial reporting functionality to the risk register	Gary Lewis	Gary Lewis	In Progress	11/11/2024	18/11/2024	Risk addition still in progress
14/10/2024	Audit Committee	*	Elected members expenses	Breakdown of elected members expenses to be sent to all elected members.	Gary Lewis	Gary Lewis	Completed	04/11/2024	18/11/2024	Sent on 22 October 2024.

<b>Status Key</b>
Completed Items
In Progress Items
Not Started

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## **Appendix 2**

*Audit Committee 2024 Work Plan and Reporting  
Schedule*

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**ADELAIDE HILLS COUNCIL AUDIT COMMITTEE**  
**2024 Work Plan and Reporting Schedule**

Terms of Reference		
Financial Reporting & Prudential Requirements	Long Term Financial Plan (LTFP) (Finance)	Annual
	Annual Business Plan (Performance)	Annual
	Budget Review 1 (Finance)	Annual
	Budget Review 2 (Finance)	Annual
	Budget Review 3 (Finance)	Annual
	End of Year Financial Report (Finance)	Annual
	End of financial year reporting timetable (Finance)	Annual
	End of financial year update (Finance)	Annual
	Final Annual Financial Statements (incl management representation letter) (Finance)	Annual
Internal Control and Risk Management	Placement of Council's insurance portfolio (for noting) (Finance)	Annual
	Internal Financial Controls update (Finance)	Annual
	Quarterly Risk Management Plan Update (Governance)	Quarterly
	LGRS Risk Evaluation - Results (Governance)	Bi-annual
	LGRS Risk Evaluation - Action Plan Review (Governance)	Bi-annual
Internal Audit	Internal Audit quarterly update (Finance)	Quarterly
	Internal audit reports (Finance)	As required
	Implementation of internal audit actions progress report (Governance)	Bi-annual
	Internal Audit Plan review (Governance)	Annual
External Audit	External audit interim letter (Finance)	Bi-annual
	Implementation of external audit actions progress report (Finance)	Bi-annual
	External Audit Plan review (Finance)	Annual
	Meeting attendance by external auditors (Finance)	Annual
	Review of auditor independence and legislative compliance (Finance)	Annual
	Audit Completion Report (Finance)	Annual
Public Interest Disclosure	Public Interest Disclosure Policy review (replaces Whistleblowers) (Governance)	Triennial
	Public Interest Disclosure Arrangements and Compliance (Governance)	Annual
Service Review	Service Review Brief (Governance)	Annual
	Service Review Report (Governance)	Annual
	Implementation of service review actions progress report (Performance)	Annual
Other Business	Audit Committee self assessment review (Audit Committee)	Annual
	Presiding Member's Report (Presiding Member)	Annual
	Work Plan and Reporting Schedule (Governance)	Annual
	Audit Committee Meeting Dates (Governance)	Annual
	Debtors Report (Finance)	Bi-annual
	Council's Annual Report (Performance)	Annual
	Action Report & Work Plan Update (Governance)	All Mtgs
	Audit Committee's Terms of Reference (Governance)	Annual
	Climate Change Adaptation Governance Assessment Report - July 2019 (Governance)	Bi-annual
	Quarterly Performance Report (Performance)	Quarterly
	Directorate Risk Profile Presentation (Each Directorate)	Quarterly
	Other Reports	As required
	Version Control:	V1.0 - Draft December 2023

2024					
Feb	April	May	Aug	Oct	Nov
	Draft				
2023-2024					2024-2025
		2023-2024			
		2023-2024		2024-2025	
			2023-2024		
				2023-2024	
					Deferred to 2025
					Deferred to 2025
		Carried over from May meeting			
		verbal	Letter		
				in camera	
					Deferred to 2025
					Deferred to 2025
			Deferred to October meeting		
Q2 (pre-Council)	Q3 (pre-Council)		Deferred to October meeting		Q1 (pre-Council)
Community and Development as required	as required	as required	Environment and Infrastructure as required	as required	Corporate Services as required

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# **Appendix 3**

*Draft Audit Committee Work Plan 2025*

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# **Administration Reports**

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# REPORT TO THE ADELAIDE HILLS COUNCIL ON THE OPERATIONS OF THE AUDIT COMMITTEE DURING 2024

## INTRODUCTION

As outlined in Clause 8.1.2 of the Terms of Reference for the Audit Committee, the Presiding Member will attend a meeting of the Council at least once per annum to present a report on the activities of the Committee. This report provides an overview of the Adelaide Hills Council's Audit Committee operations for the 2024 calendar year.

This report includes:

- A summary of the work the Committee performed during the year aligned to the Committee's Terms of Reference; and
- Details of meetings, including the number of meetings held during the period, and the number of meetings attended by each member.

The report is intended to invite comment from the Council on all of the above.

## SUMMARY OF WORK PERFORMED AGAINST THE TERMS OF REFERENCE

For 2024, as in previous years, the Audit Committee had established a robust framework for the provision of information to meet the objectives established within the Terms of Reference. As a consequence, around 49 reports and other matters were considered by the Committee over seven meetings (including this one), and where appropriate, recommendations subsequently provided to Council.

The following sections of this report provide a brief summary of the work undertaken by the specific function of the Committee as set out in the Terms of Reference.

### **Financial Reporting and Prudential Requirements**

#### Strategic Management Planning

In relation to Council's suite of Strategic Management Plans (SMP), audit committee notes that the review of the *Long-Term Financial Plan* (LTFP) was deferred until Council's new strategic plan is adopted.

#### Annual Business Planning

In April, the Committee reviewed the draft *2024-25 Annual Business Plan and Budget* (ABP) in terms of its alignment with the strategic management plans and the adequacy of the plans in the context of maintaining financial sustainability. The Committee recommended the draft ABP to Council for approval for public consultation.

#### Budget Reviews

The Audit Committee reviewed the 2023-24 second (BR2) and third (BR3) budget reviews and the End of Year Financial Report 2023-24. The Committee reviewed the 2024-25 first (BR1) budget review prior to these reports going to Council.

#### Financial Statements and Annual Reports

At the August meeting, the Committee received and noted a report on Council's financial management. In particular, it noted the discrepancies between Council's expected surplus and its operating result of a deficit. This discrepancy was largely due to accounting assumptions and reporting in relation to works-in-progress, capitalisation of payroll and depreciation of assets, as well as changes to the timing of the issuing of federal grants. The Committee notes that the auditor-general was

advised of the discrepancy and that the auditor-general responded by noting that the “LG Act provides a sound framework for the financial governance of councils”.

At the October 2024 meeting, the Committee had an in-depth discussion around the draft Annual Financial Statements that had been presented. The Committee was satisfied that the Statements presented the state of affairs of Council in accordance with the *Local Government Act 1999*, the *Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards.

At the November 2024 meeting, the Committee considered the draft 2023-24 Annual Report in its capacity as advisors to Council on the report’s adequacy of meeting its legislative requirements, and recommended to Council that the report be adopted.

#### Quarterly Performance Reporting

Commencing in the 2019-20 financial year, the Committee receives quarterly performance reports on the achievement of strategic plan objectives and priorities, key projects, customer and other performance targets, capital works program implementation and financial performance.

These reports continued in the 2024 calendar year with the Quarter 2, 3 and 4 2023-24 reports and the Quarter 1 2024-25 report being considered at the February, April, October and November meetings respectively.

### **Internal Controls and Risk Management Systems**

#### Internal Controls

From the start of the 2015-16 financial year, Adelaide Hills Council has had additional obligations regarding the development and maintenance of a system of internal financial controls, consistent with the requirements of the *Local Government (Financial Management) Regulations 2011*. This has required Council’s external auditors to provide an opinion on internal financial controls in accordance with s129(3)(b) of the Act.

Monitoring against the key risks and controls has been generated from a system called ‘Control Track’. This system tracks the recognised ‘core’ controls and the agreed treatment plans by responsible officers. These have been provided to the Audit Committee on a bi-annual basis.

Audit Committee reviewed the operation of purchase cards and was satisfied that the internal controls were adequate to prevent misuse.

#### Risk Management

Throughout the year, the Audit Committee has reviewed quarterly updates on the organisation’s strategic risks and mitigation actions. The strategic risks are managed in the SkyTrust risk management platform.

At the February 2024 and April 2024 Audit Committee meeting, administration indicated they would be reviewing the risk management and audit procedures of Council. This work is ongoing and expected to form a focus of the audit committee in the next year.

At its August meeting, the Committee received a report on the placement of Council’s insurance portfolio. The Committee noted that increased costs have been impacted by the increase in declared estimated wages and the detailed reporting of current assets, as well as rising inflation, higher demand for material, labour and professional services which are impacting asset values.

#### Debtors

Bi-annual reporting of debtors continued to the Committee which demonstrated the ongoing improvement in the management of historic rate debtors as a result of the development and application of a *Debt Recovery Policy*.

## Policy Reviews

The Committee plays an important role in reviewing all financial and internal control related policies and making recommendations as appropriate to Council. During 2024, the Committee has not been required to review any policies. It is noted that with the development of the corporate policy framework, it is likely that audit committee will be asked to review these policies in the coming year.

## **Internal Audit**

The Committee received quarterly reports on the implementation of the Strategic Internal Audit Plan 2018-19 – 2022-23. Progress against the Plan has been behind schedule due to resource demands associated with the limited staff members in the Governance & Performance Team. It is noted that with staff onboarding completed in the Governance & Performance team in October 2024, the internal audit program is expected to resume in 2025.

The agreed actions from previous internal audits captured within the Committee's Audit Actions Implementation Register, continue to be reported to the Committee to ensure that appropriate actions are being undertaken. Further work is being undertaken to correctly record and report on actions from all internal audits conducted across the organisation.

## **External Audit**

At its April meeting, the Audit Committee received the *Annual Audit Plan 2023-24* from its recently appointed external auditor, BDO.

At the August meeting, the Committee considered the communication received from BDO regarding its interim visit relating to the 2023-24 Annual Financial Statements and Internal Financial Control Audit. A number of recommendations were made by BDO regarding potential improvements to the suite of internal financial controls and management responses and agreed actions adopted.

The Audit Committee met with BDO in the absence of management at the October meeting.

The Committee noted the certification of Auditor Independence at the October meeting.

In their audit of the Council's Annual Financial Statements, the External Auditors (BDO) have issued an unqualified audit opinion in the *2023-24 Audit Completion Report* providing the following statement:

*In our opinion the accompanying financial report presents fairly, in all material respects, the financial position of the Council as at 30 June 2024, and its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards, the Local Government Act 1999, and the Local Government (Financial Management) Regulations 2011.*

In auditing the internal financial controls, Council's External Auditors have issued an unqualified audit opinion in the *2023-24 Audit Completion Report* providing the following statement:

*In our opinion, in all material respects:*

*(a) The controls established by Council in relation to financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities were suitably designed to ensure such transactions have been conducted properly and in accordance with law; and*

*(b) The controls operated effectively as designed throughout the period from 1 July 2023 to 30 June 2024.*

## Other Matters

In February 2024, a special meeting was held for the Prudential Review Report for the design and construction of the Amy Gillet Bikeway, stage 4 by Council. Recommendations from the report were resolved and presented to Council.

At the October 2023 meeting, the Committee requested additional information about the Local Government Income Protection Fund (LGIPF) specifically analysing the history, scope, costs, use by Council and consideration of alternative arrangements. At the February meeting the committee considered this report and recommend to Council that the report on LGIPF be referred to the CEO for consideration in the negotiations for the Enterprise Development Agreement to commence 1 July 2025

### **COMMITTEE SELF-ASSESSMENT**

At its November meeting, the Committee considered the results of its annual Self-Assessment process. The feedback received is that the Committee is performing effectively in relation to its rule and functions under the Committee's Terms of Reference.

At the November meeting, the Committee reviewed the terms of reference to ensure they were in line with the November 2023 reforms. The review also considered the Auditor-General's advice that the "Local Government Association of South Australia's guidance on audit and risk committees encourages councils to appoint an independent member as chair consistent with good practice".

The Committee resolved to recommend to Council significant changes to the committee's terms of reference.

### **DETAILS OF MEETINGS**

During 2023, a total of seven (7) Audit Committee meetings were held being:

- 12 February 2024 – Special Audit Committee
- 19 February 2024
- 15 April 2024
- 20 May 2024
- 19 August 2024
- 14 October 2024
- 18 November 2024

The above meeting cycle is consistent with the requirements of the Committee's Terms of Reference which requires at least four meetings per year to be held.

The Audit Committee member attendance at meetings during the year was as follows:

Name	Attendance	Comments
Cr Malcolm Herrmann	7/7	Presiding Member
David Moffatt	7/7	Independent Member
Sarah Beesley	5/7	Independent Member
Pamela Lee	7/7	Independent Member

Cr Melanie Selwood	7/7	Committee Member
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Committee Membership is renewed in a manner to provide continuity of knowledge. Current Membership terms are as follows:

Role	Name	From	To
Presiding Member	Cr Malcolm Herrmann	1 December 2023	30 November 2025
Committee Member	Cr Melanie Selwood	1 December 2023	30 November 2025
Independent Member	David Moffatt	1 December 2023	30 November 2027
Independent Member	Sarah Beesley	1 December 2023	30 November 2027
Independent Member	Pamela Lee	1 May 2023	30 April 2027

#### **FUTURE WORK PROGRAM PROPOSAL**

The Committee reviewed its work plan for 2025 at its November 2024 meeting. This Work Plan will ensure that the Committee continues to undertake its principal functions as set out in the *Local Government Act 1999*.

#### **CONCLUSION**

The body of work undertaken by the Committee is continuing to develop over time and the Committee is striving to ensure that its work is useful in the context of contributing to Adelaide Hills Council strategic objectives.

Finally, I would like to thank the other members of the Committee for their ongoing efforts in ensuring that the work undertaken is done so at both a highly professional and robust level. I would also like to thank those staff involved in preparing the reports and responding to questions at meetings, as their involvement has significantly aided in the review and decisions of the Committee.

#### **Cr Malcolm Herrmann**

Presiding Member  
Adelaide Hills Council Audit Committee  
18 November 2024

**ADELAIDE HILLS COUNCIL  
AUDIT COMMITTEE MEETING  
Monday 18 November 2024  
AGENDA BUSINESS ITEM**

**Item:** 8.2

**Responsible Officer:** Zoë Gill  
Executive Governance Officer  
Office of the Chief Executive

**Subject:** Audit Committee Self-Assessment Report 2024

**For:** Information

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**SUMMARY**

As part of the Audit Committee Work Plan and schedule 2024 the Audit Committee acknowledges the prudence of periodically conducting an assessment of the Committee's performance with a view to identifying improvements in governance practices and performance.

The purpose of this report is to provide the Audit Committee with the results of the Self-Assessment 2024 (*Appendix 1*).

**RECOMMENDATION**

**The Audit Committee resolves to receive and note the Audit Committee Self-Assessment report (item 8.2, 18 November 2024 Audit Committee meeting).**

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**1. BACKGROUND**

As per the *Audit Committee Workplan 2024*, an annual self-assessment survey is completed by all members of the Audit Committee. The survey contains a series of questions to assist members in reflecting on the effectiveness, efficiency and improvement opportunities relating to:

- Meeting arrangements
- Staff and Committee Member performance, and
- The Organisation's risk management

The survey was completed by all members during November 2024 and the results are available in Appendix 1.

**2. ANALYSIS**

- **Strategic Management Plan/Functional Strategy/Council Policy Alignment**

*Strategic Plan 2020-24 – A brighter future*

- Goal 5                      A Progressive Organisation
- Objective O4              We actively represent our community.
- Priority O4.3              Attract and develop a diverse and capable elected body that represents, promotes and reflects the composition of the community.
- Priority O4.3              Advocate to, and exert influence with, our stakeholders on behalf of our community to promote the needs and ambitions of the region.
- Objective O5              We are accountable, informed, and make decisions in the best interests of the whole community.
- Priority O5.1              Enhance governance structures and systems to prudently adapt to changing circumstances and meet our legislative obligations.

➤ **Legal Implications**

Section 126 of the *Local Government Act 1999* sets out the functions of an audit committee. Management of Committee’s action items and work plan facilitates the achievement of these functions.

Under 4.8 of the *Audit Committee Terms of Reference*, the committee will at least once in its term, review its own performance and terms of reference to ensure it is operating at maximum effectiveness and recommend changes it considers necessary to the Council for approval.

➤ **Risk Management Implications**

Facilitating a well-functioning committee with a clear terms of reference will assist in mitigating the risk of

*Poor governance practices occur which lead to a loss of stakeholder (i.e. customer and regulator) confidence and/or legislative breaches.*

Inherent Risk	Residual Risk	Target Risk
Extreme (5C)	Low (3E)	Low (3E)

Note that there are many other controls that assist in mitigating this risk.

➤ **Financial and Resource Implications**

Council’s current budget contains provision for the costs associated with the notification and conduct of Audit Committee meetings.

➤ **Customer Service and Community/Cultural Implications**

The community could reasonably expect that the Committee evaluates its effectiveness in discharging its functions as set out in the Terms of Reference on the regular basis.

➤ **Sustainability Implications**

Not applicable



➤ **Engagement/Consultation conducted in the development of the report**

Consultation on the development of this report was as follows:

<i>Council Committees:</i>	Audit Committee members
<i>Council Workshops:</i>	Not Applicable
<i>Advisory Groups:</i>	Not Applicable
<i>External Agencies:</i>	Not Applicable
<i>Community:</i>	Not Applicable

➤ **Additional Analysis**

Five (5) of the five (5) members of the Audit Committee provided responses to the self-assessment. A consolidation of responses received has been provided as **Appendix 1** for review by the Committee.

As can be seen within the self-assessment **Appendix 1**, the scoring was generally very positive across all areas, and a number of comments were made by members of the Committee.

The Administration will consider the feedback and determine a range of actions to address concerns raised as relevant. Where significant changes are required, these will be further explored with the Committee (and Council if necessary) prior to implementation.

A number of the suggestions have been noted and will be considered in the development of the next Work and Action Plan, including:

- Time limit the risk presentations by the Directors
- More to be presented to the committee around the financials from internal and external audits
- Consideration to include an updated Financial Sustainability Information Paper
- Ensure alignment of reports to Audit Committee functions

### 3. **OPTIONS**

The Committee has the following options:

1. To note the outcomes of the Audit Committee Self-Assessment 2024.
2. To determine areas of improvement by way of resolution.

### 4. **APPENDICES**

- (1) Audit Committee Self-Assessment 2024 Result Summary

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# **Appendix 1**

*Audit Committee Self-Assessment 2024 Result Summary*

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# Audit Committee Self Assessment 2024

Thank you for your participation. The purpose of this assessment is to collect your feedback on Adelaide Hills Council (AHC) Audit Committee's meetings.

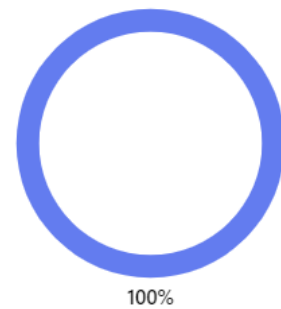
## 1. Your name:

5 Responses

ID ↑	Name	Responses
1	anonymous	Melanie
2	anonymous	Malcolm Herrmann
3	anonymous	Sarah Beesley
4	anonymous	David Moffatt
5	anonymous	Pamela Lee

## 2. Do you understand and agree with the functions of the Committee as detailed in its Terms of Reference?

● Yes 5  
● No 0



## 3. If you selected no, what do you not agree with or understand?

0  
Responses

0 responses submitted



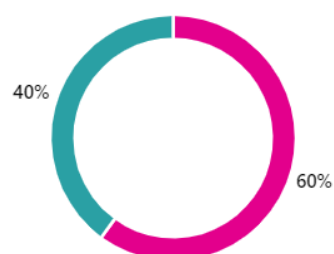
#### 4. Do you have any comments about the Terms of Reference or the Committee functions

##### 5 Responses

ID ↑	Name	Responses
1	anonymous	No
2	anonymous	Have the Terms of Reference been completely updated since the most recent amendments to the LGAct.? Please confirm
3	anonymous	I think the TOR is well written and concise, I would like to add that the papers be distributed 3 working days prior to the meeting, not 3 clear days and that their is a minimum number of meetings per year each member is expected to attend either in person or virtual as long as they can be seen.
4	anonymous	A Review of the Terms of Reference for the Audit Committee should be an agenda item every 12 or 24 months. The AHC AC terms of reference needs to be in line with Local Government trends in Audit Committee governance.
5	anonymous	1. Note the version on Council's website is dated 14/2/2023 and adopted 14/2/2023. 2. 19/2/2024 - An updated Financial Sustainability Information Paper No.3-Audit and Risk Committees is was made available on LGA website to support councils with reform implementation. Suggest including a copy with the next Committee agenda for information as it is not available without logging onto LGA and independent members may not have access. 3. With the amendments to the LG Act in November 2023, a review of AHC Audit and Risk Committee TOR is overdue. Some changes to be considered: - Name change from Audit Committee to Audit and Risk Committee. - Inclusion of governance as a subheading under section 3 Functions. - LG Act changes included appointing/having an independent member as the presiding member.

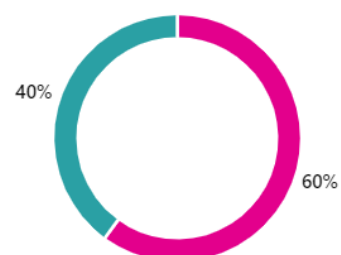
#### 5. The meeting arrangements enhance the Committee's effectiveness and allow sufficient time for the discussion of agenda items (e.g. frequency, timing, duration, venue, format).

● Not effective	0
● Effective	3
● Very effective	2



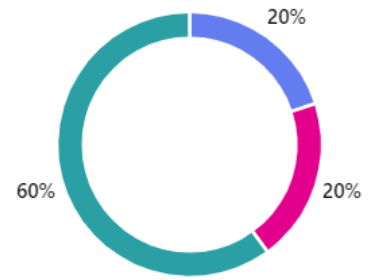
#### 6. The reports for each meeting are comprehensive and yet understandable enough for members to make informed decisions.

● Not effective	0
● Effective	3
● Very Effective	2



7. The presentations are an interesting and helpful way of informing members about various issues.

- Not effective 1
- Effective 1
- Very Effective 3



8. Agendas and Minutes are effectively prepared, distributed and followed up.

- Not effective 0
- Effective 2
- Very Effective 3



9. Overall the meetings are effective and efficient

- Not effective 0
- Effective 2
- Very Effective 3



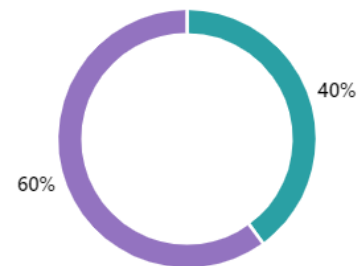
## 10. Comments about meeting administration and effectiveness

4 Responses

ID ↑	Name	Responses
1	anonymous	N/A
2	anonymous	1. Meetings run smoothly. PM provides the opportunity for members to contribute. Perhaps need to time limit the risk presentations by the Directors.
3	anonymous	High quality presentations are provided to the Audit Committee and the quality of papers is of a high standard.
4	anonymous	Would like to see reports (some not all) and presentations focused / include alignment with A+R Cmtt functions (refer to be updated TORs) and consider and answer questions that are likely to be asked by the Cmtt members. Appreciate this may not be all Cmtt members' views. Any way to qualify / quantify the value the Cmtt adds / contributes to Council? Good example of current A+R Cmtt TOR is City of Unley's A+R Cmtt TORs.

## 11. The Committee collectively has sufficient skills, experience, time and resources to undertake its duties.

● Strongly disagree	0
● Disagree	0
● Agree	2
● Strongly agree	3



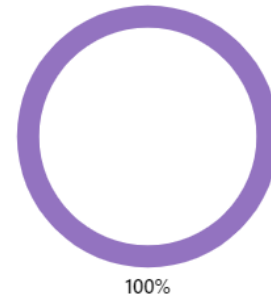
## 12. The Committee works constructively as a team and work well with others attending the meetings.

● Strongly disagree	0
● Disagree	0
● Agree	2
● Strongly agree	3



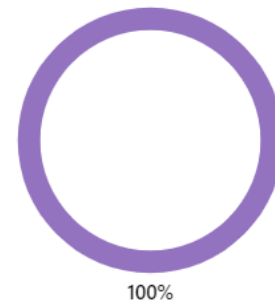
13. The relationship between Committee members strike the right balance between challenge and mutuality.

● Strongly disagree	0
● Disagree	0
● Agree	0
● Strongly agree	5



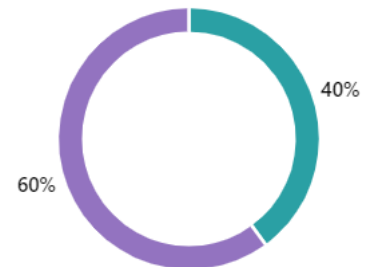
14. Staff and Committee members conduct themselves in accordance with high standards of behaviour.

● Strongly disagree	0
● Disagree	0
● Agree	0
● Strongly agree	5



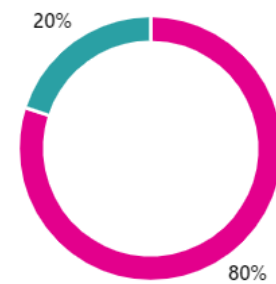
15. The Presiding Member is effective in preparing for and conducting the meetings.

● Strongly disagree	0
● Disagree	0
● Agree	2
● Strongly agree	3



16. How do you rate your own performance as a member of the Committee?

● Not effective	0
● Effective	4
● Very effective	1



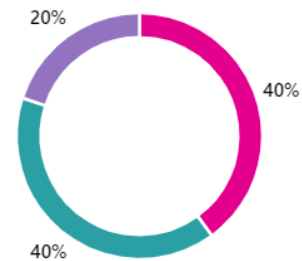
## 17. Comments about Staff and Committee Member Performance

3 Responses

ID ↑	Name	Responses
1	anonymous	1 Staff - The Director Corporate Services provides accurate reports. Minutes kept accurately and Governance advice is meaningful. 2 Members - All members actively contribute to the decision making.
2	anonymous	In the last 12 months, the AHC has been confronted with a negative media about its operations and managing adverse financial issues inherited from previous administrations. Given the increased level of the severity of issues discussed at meetings tone of discussions have remained professional and focused.
3	anonymous	Pleased to have Governance team resources in place and uplifting / addressing areas of governance and support to the Risk Committee that had been slim for part of 2024.

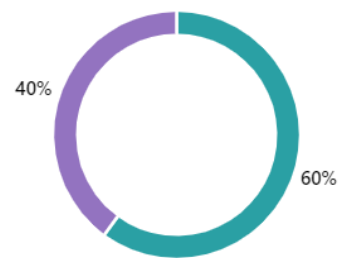
18. The Committee assures itself that the Executive take responsibility for risk identification and control, and give formal assurance through reporting that key risks are being adequately managed.

● Strongly disagree	0
● Disagree	2
● Agree	2
● Strongly agree	1



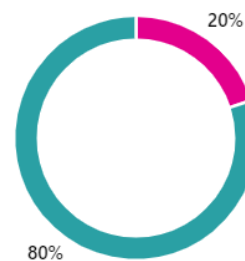
19. The Committee is satisfied that there is an effective program in place to ensure that risk management becomes an integral part of the way in which AHC conducts business.

● Strongly disagree	0
● Disagree	0
● Agree	3
● Strongly agree	2



20. Internal audit findings and recommendations are responded to in a timely and appropriate manner.

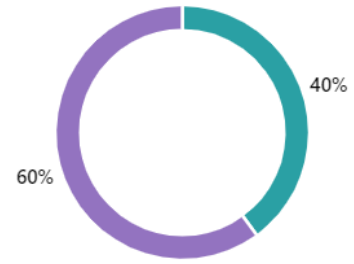
● Strongly disagree	0
● Disagree	1
● Agree	4
● Strongly agree	0





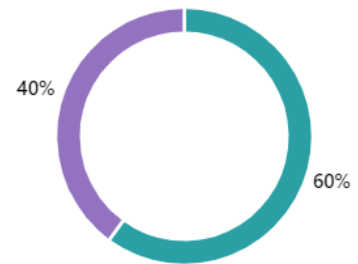
21. The Committee adequately reviews and discusses the external auditor's management letter.

- Strongly disagree 0
- Disagree 0
- Agree 2
- Strongly agree 3



22. The Committee is effective in managing and monitoring the relationship with the external auditor.

- Strongly disagree 0
- Disagree 0
- Agree 3
- Strongly agree 2



23. Comments about the organisation's risk management and audit functions

5 Responses

ID ↑	Name	Responses
1	anonymous	Administration is let down by a poor software solution for risk management. It is not fit for purpose and makes reporting difficult, and unclear.
2	anonymous	Risk reports are regularly considered by the Committee. All council reports consider the risk implications.
3	anonymous	I am not sure whether more should have been presented to the committee from the auditors both internal and external to prevent the large deficit experienced last financial year resulting in public criticism and bad publicity
4	anonymous	There has been discussion about the timeliness and number of internal audits that have been conducted at AHC. In addition, there is concern about the resources available at AHC to address internal audit and review recommendations in a timely manner.
5	anonymous	Some internal audit finding due dates have slipped out/been amended sometimes for valid reasons however it causes concern when it becomes a trend / pattern.

24. Do you have any other suggestions for improving any aspect of the Committee's performance, role or functions?

5 Responses

ID ↑	Name	Responses
1	anonymous	No
2	anonymous	no suggestions, but still stewing over how the depreciation, WIP and capitalization of salaries got through without detection.
3	anonymous	no
4	anonymous	No.
5	anonymous	Looking forward to presentation/report on Council's Risk Management Framework, how risk is embedded in Council's culture. It is noticeable in reports to varying degrees (particularly reports involving the finances). Looking for an uplift in areas such as: - Areas identified in the FY2024 EOFY Financial Results - WIP - looking to see an uplift in appreciation, awareness and understanding by staff. - Integration and alignment between Finance and Assets/Infrastructure Management particularly with asset planning, accounting for and reporting. - Uplift in grant planning, management and accounting for. - Organisational culture and change management as this can/does impact organisational performance and staff engagement and well-being.

**ADELAIDE HILLS COUNCIL  
AUDIT COMMITTEE MEETING  
Monday 18 November 2024  
AGENDA BUSINESS ITEM**

**Item:** 8.3

**Responsible Officer:** Zoë Gill  
Executive Governance Coordinator  
Office of the Chief Executive

**Subject:** Audit Committee Terms of Reference Review

**For:** Decision

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**SUMMARY**

As part of the Audit Committee's work plan and schedule 2024 the Audit Committee acknowledges the prudence to periodically conduct a review of the Committee's Terms of Reference (Terms of Reference) to ensure its alignment with the Strategic Plan.

The purpose of this report is to provide the Audit Committee with proposed new Terms of Reference as a result of the annual review (**Appendix 1**).

In 2021 the *Local Government Act 1999* went through significant legislative reform. In November 2023 changes to the Act in relation to the functions of Audit Committees came into effect. These have been incorporated into the proposed new Terms of Reference.

The key changes proposed to the Terms of Reference include:

- Name change to Audit and Risk Committee
- Internal and external audits
- Terms of membership
- The presiding members role

**RECOMMENDATION**

**That the Audit Committee resolves:**

1. To receive and note the report titled Audit Committee Terms of Reference Review (Item 8.3, 18 November 2024 Audit Committee meeting)
2. To recommend the draft Audit and Risk Committee Terms of Reference at Appendix 1 (Item 8.3, 18 November 2024 Audit Committee meeting) to Council for adoption, with membership changes to be implemented on X date

**OR**

2. To recommend the draft Audit and Risk Committee Terms of Reference at Appendix 1 (Item 8.3, 18 November 2024 Audit Committee meeting) to Council for adoption, with membership changes to be adopted at the expiry of the current members' terms of office.

## 1. BACKGROUND

At the 14 November 2023 Council Meeting, Council resolved to adopt the current terms of reference for the audit committee:

### 12.1 Audit Committee – Council Member and Presiding Member Appointments

Moved Cr Nathan Daniell  
S/- Cr Chris Grant

283/23

Council resolves:

1. That the report be received and noted.
2. To retain the Audit Committee Terms of Reference as previously adopted by Council on 14 February 2023 and as contained in Appendix 1.
3. To determine that the method of selecting the Audit Committee Members to be by an indicative vote to determine the preferred persons for the two Council Member positions utilising the process set out in this Agenda report.
4. To adjourn the Council meeting for the purposes of seeking nominations for and, if necessary, conducting an indicative vote to determine the preferred persons for the Audit Committee Member roles and for the meeting to resume once the results of the indicative vote have been declared.

Carried Unanimously

As per the *Audit Committee Workplan 2024*, an annual review of the Audit Committee Terms of Reference is conducted.

The review was completed by council staff and external consultant, Skopion, during November 2024 and the draft Terms of Reference are available in **Appendix 1**.

## 2. ANALYSIS

### ➤ Strategic Management Plan/Functional Strategy/Council Policy Alignment

*Strategic Plan 2020-24 – A brighter future*

Goal 5 A Progressive Organisation

Objective O4 We actively represent our community.

Priority O4.3 Attract and develop a diverse and capable elected body that represents, promotes and reflects the composition of the community.

Priority O4.3 Advocate to, and exert influence with, our stakeholders on behalf of our community to promote the needs and ambitions of the region.

Objective O5 We are accountable, informed, and make decisions in the best interests of the whole community.

Priority O5.1 Enhance governance structures and systems to prudently adapt to changing circumstances and meet our legislative obligations.

### ➤ Legal Implications

Section 126 of the *Local Government Act 1999* requires councils to have an audit and risk committee and it provides guidelines on the membership of the committee and the functions of the committee.

The above legislative obligations are further expanded by Part 5 of the *Local Government (Financial Management) Regulations 2011* which provide additional guidance on the number of members, the requirement for at least one independent member and the prohibition of a council's external auditor being a member.

The *Local Government (Procedures at Meetings) Regulations 2013* provide guidance on the meeting procedures that must apply to s41 committees (such as Audit Committees).

➤ **Risk Management Implications**

Structuring the terms of reference for the Audit and Risk Committee in a manner that is legislatively compliant and reflects good practice will assist in mitigating the risk of:

*Poor governance practices occur which lead to a loss of stakeholder (i.e. customer and regulator) confidence and/or legislative breaches.*

Inherent Risk	Residual Risk	Target Risk
Extreme (5C)	Low (3E)	Low (3E)

Note that there are many other controls that assist in mitigating this risk.

➤ **Financial and Resource Implications**

If Council adopts the draft Terms of Reference there may be minor financial implications regarding the fees paid to the independent presiding member. Currently, under the Remuneration Tribunal SA's Determination of the Allowances for Members of Local Government Council's (no.2 of 2022) the annual allowance for the presiding member of a s41 committee is equal to one and a quarter (1.25) times the annual allowance for councillors of that council. This equates to an additional \$429.70 monthly.

Independent members are paid a \$450 sitting fee per meeting. At its 28 August 2021 meeting Council resolved the sitting fees for Audit Committee Independent Members as follows:

Moved Cr Nathan Daniell  
S/- Cr Mark Osterstock

184/21

Council resolves:

1. That the report be received and noted.
2. That in relation to the Audit Committee and the Chief Executive Officer Performance Review Panel:
  - a. To determine the sitting fees for Members, effective 1 December 2021, as follows:
    - i. Independent Presiding Member - \$575 (excl GST) per attended meeting.
    - ii. Independent Ordinary Member - \$450 (excl GST) per attended meeting.
    - iii. Authorised Training - \$75 (excl GST) per hour of training attended excluding travel time but with a travel allowance being paid at the standard Council rate.
  - b. That in the event that an Independent Ordinary Member is required to preside at a meeting in the absence of the Presiding Member, then that Member receives the \$575 (excl GST) sitting fee for that meeting.

Carried Unanimously
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Council would need to determine the sitting fee for an independent presiding member. Should the Audit Committee endorse the draft Terms of Reference, Administration will provide advice on sitting fees to Council.

➤ **Customer Service and Community/Cultural Implications**

There is a high expectation that Council has appropriate governance arrangements in place such as a well-structured and functioning Audit Committee.

➤ **Sustainability Implications**

Not applicable

➤ **Engagement/Consultation conducted in the development of the report**

Consultation on the development of this report was as follows

*Council Committees:* Audit Committee members  
*Council Workshops:* Not Applicable  
*Advisory Groups:* Not Applicable  
*External Agencies:* Skorpion  
*Community:* Not Applicable

➤ **Additional Analysis**

On 17<sup>th</sup> June 2021, the *Statutes Amendment Act Local Government Review Act (Amendment Act) 2021* received the Governor's assent. The Amendment Act reforms were premised on ideas considered within the Reform Program in 2019, and have since been introduced in stages by proclamation. Further information about the reform program can be found at the Office of Local Government website [Statutes Amendment \(Local Government Review\) Act 2021 - Department for Infrastructure and Transport - South Australia](#).

As of the 30<sup>th</sup> November 2023, the proclaimed reforms were introduced having a direct impact on the Audit Committee and its Terms of Reference, now requiring its consideration and action.

The reforms proposed in the Terms of Reference and summarised below are, in the main, statutory in nature. However other reforms have also been adopted by the Local Government sector in South Australia as being considered 'best practice', complimenting these statutory reforms.

In summary the statutory changes include:

- Changing the name of the audit committee to the audit and risk committee;
- Extending the purpose of the committee “to provide independent assurance and advice to the council on accounting, financial management, internal controls, risk management and governance matters”;
- Requiring a majority of independent audit and risk committee members;
- Requiring a minimum of meeting once every quarter;
- Requiring the Chief Executive Officer (CEO) to report annually to the committee on internal audit processes and to consult the committee before appointing a person to be primarily responsible for the internal audit function; and
- The person primarily responsible for the internal audit function to report directly to the audit and risk committee.

In practice Council was already meeting a number of these requirements. The remainder have been incorporated into the draft Terms of Reference.

In relation to appointing a person primarily responsible (PPR) for the internal audit function Council adopted the Internal Audit Policy in May 2022 (see **Appendix 4**). This policy states the PPR role is aligned with the (now termed) Executive Governance Officer role along with their responsibilities:

*‘The Executive Manager Governance & Performance (EMGP) is responsible for the management of the internal audit function within Council. Internal audits are to be conducted by suitably qualified and experienced personnel and may be insourced, cosourced or outsourced.’*

*‘The EMGP is responsible, on a day to day basis, for the internal audit function of Council. In achieving operational independence of the internal audit function the CEO has ensured that the EMGP has dual reporting lines.’*

The Local Government Association of South Australia (LGASA) has assisted Councils to implement these reforms, specifically with the provision of updated Financial Sustainability Information Papers (FSIP). The LGASA has recently updated its *FSIP No.3 – Audit & Risk Committees* (February 2024), which provides guidance to Councils in regards to their Audit and Risk Committees, including the provision of a draft Terms of Reference template accompanied by Drafting Notes (see **Appendix 3**).

The template and Notes outline the substantive changes to Section 126 – Audit and Risk Committees to the Act as well as other impacted sections of the Act, and the implications for Council’s embarking on implementing the reforms.

#### New Requirements for Audit and Risk Committees

In addition to the changes outlined above, the statutory reforms specific to Committee responsibilities include:

- Extending the work of council audit committees to audit and risk committees that provide independent assurance and advice to councils on accounting, financial management, internal controls, risk management and governance matters (section 126(1)(a)).
- requiring audit and risk committees to consist of a majority of independent members (section 126(2)(a)).
- requiring that the members of the committee have (as whole) the skills, knowledge, and experience relevant to the functions of the committee – including financial management, risk management, and governance (section 126(2)(b)).
- providing that membership of the committee may not include an employee, but maybe include members of another council’s audit and risk committee or a regional audit and risk committee (section 126(2)(c)).
- providing that the functions of the audit and risk committee include (section 126(4)):
  - Reviewing financial statements;
  - Reviewing strategic management plans;
  - Monitoring responsiveness to improvement recommendations arising from prior audits and risk assessments, including external audit;
  - Proposing and reviewing the exercise of powers under section 130A – Other Investigations;
  - Liaising with the auditor as required by the financial management regulations (regulation 17B).
  - Reviewing the adequacy of the accounting, internal control, reporting, and other financial management systems and practices of the council on a regular basis.
- If council has an internal audit function (section 126(g)(i)):
  - Providing oversight of planning and scoping of the internal audit work plan; and
  - Reviewing reports provided by the person primarily responsible for the internal audit function at least on a quarterly basis.
- If council does not have an internal audit function (section 126(g)(ii)):
  - Reviewing and commenting on the annual report provided by the chief executive officer in relation to policies and processes adopted by the council to evaluate and improve the effectiveness of its internal control practices and procedures.
- reviewing and evaluating the effectiveness of policies, systems and procedures established and maintained for the identification, assessment, monitoring, management, and review of strategic, financial and operational risk on a regular basis (section 126(4)(h)).
- Reviewing any report obtained by the council under section 48(1) – Prudential issues report (section 126(4)(h)).

Other Audit and Risk Committee reforms codified within the Act also state;

- There must be at least one (1) meeting of the audit and risk committee in each quarter at (section 126(5)).
- That the Audit and Risk committee meeting procedures comply with those prescribed by the *Local Government (Procedure at Meetings) Regulations 2013*, or insofar as the procedure is not prescribed by regulation—as determined by the committee (section 126(6)).
- That the Audit and Risk committee must provide a report to the council after each meeting summarising the work of the committee during the period preceding the meeting and the outcomes of the meeting (section 126(8)).
- That the Audit and Risk committee provide an annual report to the council on the work of the committee during the period to which the report relates (section 129(9)).



Other requirements pertinent to the Committee operations relating to the implementation of section 125(A) – Internal Audit Functions, also have administrative impacts on Councils and their chief executive officers, such as;

- New requirements for Councils and their chief executive officers to ensure that effective policies, systems, and procedures relating to risk management are established and maintained (section 99(1)(ia));
- New requirements for chief executive officers of council to report annually to the audit and risk committee on council's internal audit processes (section 99(1)(ib));
- New requirements for chief executive officers of a council that have an internal audit function to consult with the relevant audit and risk committee before appointing a person to be primarily responsible for the internal audit function (section 125A(1));
- The person primarily responsible for the internal audit function must provide their reports regarding the internal audit function directly to the audit and risk committee and may report any matter relating to internal audit function directly to the audit and risk committee (125A(a)(b)).

In addition, the Auditor General's Department (SA) wrote to Council outlining the important role of audit and risk committees in overseeing Council's financial practices, and identified that best practice included having an independent presiding member (see **Appendix 5**).

#### Adoption of LGASA FSIP No.3 Audit & Risk Committees – Default Template

Given the congruency in Council requiring the review of the current Audit Committee Terms of Reference, overlaid with the LGASA providing a draft Terms of Reference template incorporating the reform changes, with accompanying Drafting Notes, it is appropriate to now adopt this template as the foundation for constructing new Terms of Reference.

To assist the Committee to identify where there has been changes to the current Terms of Reference, a copy, accompanied by reviewer comments identifying where changes have been made, is provided at (**Appendix 2**).

In drafting new Terms of Reference the review has also surveyed other SA Council's equivalent Audit and Risk Committee Terms of Reference, in particular noting those that have based their Terms of Reference on the FSIP template.

The default principle in drafting new Terms of Reference was to adopt the provisions outlined within the FSIP template for each relevant section.

By and large, this is not significantly different from some provisions of the current Audit Committee Terms of Reference. However there are some significant changes to the Committee functions, internal audit, external audit and membership sections. A brief outline of the inclusions within the proposed new Terms of Reference are summarised below;

#### *Internal Audit*

The Council CEO must appoint a 'person primarily responsible' (PPR) for reporting directly to the Committee as to the internal audit work plan and other internal audit activities (Section 125A).

Prior to the appointment of the PPR, the Council CEO must consult with the Committee as to the appointment (Section 125A).

The CEO must provide an annual report to the Committee as to the internal audit activities undertaken for the previous year (section 99(1)).

If the Council has an internal audit function, the Committee is responsible for providing oversight of planning and scoping of the internal audit workplan, and reviewing reports provided to it by the PPR on at least a quarterly basis (section 126(4)).

If the Council does not have an internal audit function, it is to review the annual report provided by the CEO as to the internal audit activities undertaken within the previous year (section 126(4)).

#### *External Audit*

An Audit and Risk Committee is required to liaise with an auditor at least once a year on a confidential basis, without the presence of Council employees or Councillor's, except for those appointed to the Committee (Regulation 17B);

#### *Membership*

An Audit and Risk Committee must comprise of between 3 and 5 members (inclusive) and cannot comprise the Council's external auditor (Regulation 17A);

The majority of the members of the Committee must be persons who are not members of any council (section 126(2)).

It is now deemed best practice that the member appointed by Council as the Presiding Member of the Audit and Risk Committee, is selected from the Independent Members of the Committee. This has also been reinforced within advice provided by the Auditor-General's Department of SA, as part of a formal response to Council's internal controls and risk management systems.

Under regulation 14 of the *Local Government (Transitional Provisions) Regulations 2021* any legislative changes to membership do not have to occur until the current terms of appointment expire:

#### **14—Council audit and risk committees—membership**

On and after the commencement of section 84(5) of the Amendment Act and despite paragraphs (a) and (b) of section 126(2) of the Act (as in force after that commencement)—

- (a) a member of a council audit and risk committee holding office immediately before the commencement of section 84(5) of the Amendment Act will continue to hold office for the remainder of their term of office; and
- (b) paragraphs (a) and (b) of section 126(2) of the Act do not apply to the membership of the committee for any period during which the continuation in office of a member of the council audit and risk committee under paragraph (a) results in the membership of the committee not being in accordance with those paragraphs.

However, under s41(5) of the *Local Government Act 1999*, a member of the committee holds that office 'at the pleasure of Council'. This means that Council could make changes to the membership of the Committee prior to the members current terms expiring.

It is recommended that any changes to membership, being the presiding member, council members or elected members, should not come into effect until February 2025 at the earliest to allow time for any relevant transition processes to be established.

#### *Meetings Frequency*

It is a statutory requirement for the Committee to meet at least once per quarter (section 126(5)).

*Reporting & Responsibilities*

The Committee provide an annual report to the council on the work of the committee during the period to which the report relates (section 126(8)).

As indicated, many of these requirements were already being met by Council but have now been explicitly incorporated into the terms of reference.

A copy of the proposed new Audit and Risk Committee Terms of Reference, incorporating the reform statutory requirements as well as best practice guidance, is provided at **Appendix 1**.

**1. OPTIONS**

The Committee has the following options:

- I. To recommend to Council to revise the Committee's Terms of Reference as contained in Appendix 1.
- II. To propose alternative changes to the Terms of Reference
- III. To propose a timeframe for any changes to Committee membership

**2. APPENDICES**

- (1) Audit and Risk Committee Draft Terms of Reference November 2024
- (2) Audit Committee current Terms of Reference with review comments
- (3) Local Government Association SA, *FSIP No.3 – Audit & Risk Committees* (February 2024)
- (4) Council's Internal Audit Policy
- (5) Letter from Auditor-General dated 10 September 2024

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# **Appendix 1**

*Audit and Risk Committee Draft Terms of Reference  
November 2024*

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**ADELAIDE HILLS COUNCIL  
Audit Committee**



**TERMS OF REFERENCE**

**Adopted 'Date'**

**1. ESTABLISHMENT AND PURPOSE**

- 1.1. The Audit and Risk Committee (Committee) has been established in accordance with Sections 41 and 126 respectively of the *Local Government Act 1999 (Act)*.
- 1.2. The purpose of the Committee is to provide independent assurance and advice to Council on accounting, financial management, internal controls, risk management, and governance matters.
- 1.3. The Committee is independent from Council management.
- 1.4. The Committee reports to Council and provides appropriate advice and recommendations on matters relevant to these Terms of Reference and statutory functions, to facilitate informed decision making in relation to the discharge of Council's responsibilities.

**Commented [MF1]:** LGA ToR Template - Clause 1

**2. DEFINITIONS**

Unless the context indicates otherwise, the following terms have the following meanings in these Terms of Reference:

**Act** means the *Local Government Act 1999 (SA)*.

**Presiding Member** means the Presiding Member of the Committee, appointed in accordance with clause 8 of these Terms of Reference.

**Committee** means the Audit and Risk Committee established by resolution of the Council, to be governed by these Terms of Reference.

**Council** means the Adelaide Hills Council.

**Member** means a member of the Committee.

**Procedures at Meetings Code of Practice** means the Council's Code of Practice – Meeting Procedures or any replacement Code of Practice adopted by the Council for the purpose of the *Local Government (Procedures at Meetings) Regulation 2013*.

**Regulations** includes the *Local Government (Financial Management) Regulations 2011* and *Local Government (Procedures at Meetings) Regulations 2013*.

**Terms of Reference** means these terms of reference.

**Commented [MF2]:** Council centric / Discretionary

**3. FUNCTIONS OF THE COMMITTEE**

**Commented [MF3]:** LGA ToR Template Clause 2 Full Outline of ARC Functions.

May wish to include other Functions as outlined within LGA ToR.

Functions included derived from s126(4) of the Act.

2027 2 / 1 2023 DM

EM - Nov25. Elections Nov26.1

Subject to the Act and Regulations, the functions of the Committee are to:

### 3.1. FINANCIAL REPORTING

- 3.1.1. Review the annual financial statements to ensure that they present fairly the state of affairs of Council.
- 3.1.2. Review the adequacy of the accounting, internal control, reporting and other financial management systems and practices of Council on a regular basis.
- 3.1.3. Review and challenge where necessary:
  - (i) The consistency of, and/or any changes to, accounting policies.
  - (ii) The methods used to account for significant or unusual transactions where different approaches are possible.
  - (iii) Whether the Council has followed appropriate accounting standards and made appropriate estimates and judgements, taking into account the views of the external auditor.
- 3.1.4. Monitor the integrity of the financial statements of the Council, reviewing significant financial reporting issues and judgements which they may contain.

### 3.2. STRATEGIC MANAGEMENT PLANS

- 3.2.1. Propose, and provide information relevant to, a review of Council's strategic management plans and annual business plans.

### 3.3. INTERNAL CONTROL & RISK MANAGEMENT POLICIES

- 3.3.1. Review and evaluate the effectiveness of policies, systems and procedures established and maintained for:
  - (i) the identification, assessment, monitoring, management, and review of strategic, financial, operational and corporate governance risks on a regular basis; and
  - (ii) internal financial controls in accordance with the Better Practice Model – Internal Financial Controls.
- 3.3.2. Review and monitor the responsiveness of Council to Committee recommendations for improvements in internal controls and risk management, based on previous audits and risk assessments, including those raised by Council's auditor.

### 3.4. EXTERNAL AUDITOR

- 3.4.1. Make recommendations to the Council in relation to the selection, appointment and removal of the Council's external auditor.
- 3.4.2. Assess the quality and effectiveness of the external audit conducted and evaluate the performance of the auditor, including:

**Commented [MF4]:** 4/11 - Added on group review.

LGA ToR Template. Functions - Financial Reporting - clause 2.3.2 (1-3)

**Commented [MF5]:** 4/11 - Added on group review.

LGA ToR Template Function - Financial Reporting clause 2.3.1

**Commented [MF6]:** 11/11 - Added reference to Corporate Governance 3.3.1(i) on group review.

Added 'Risk Management' to this clause consistent with Function outline of template .

Broadens context of Policy E&E review / monitoring to risk management (non-financial) across Council operations.

ARC should be monitoring / reviewing / approving all Council Policies in accordance with s126(4)(h) of current LGA Act.

**Commented [MF7]:** Added Risk Management in line with LGA Template Functions.

Broadens Policy review function context to non-financial risk management, to existing financial risk management.

In line with s126(4)(h) & LGA ToR 2.1(h) & 2.6.

In effect all Council Policy monitoring / review / endorsement for Council approval must pass through ARC, prior to being considered for approval by Council.

**Commented [MF8]:** 4/11 - included on AHC group review.

LGA ToR Template - Functions - Risk Management clause 2.6.2

Adapted from s126(4)c of the Act.

**Commented [MF9]:** 4/11 - Re-drafted section in line with group review.

Adopted LGA ToR Template - Functions - External Auditor.

Original Draft - External Auditor section taken from s128 of the Act. Not from Functions (External Audit) in LGA ToR - but still very pertinent.

Can discuss these provisions & the detail.

Conservative approach may be to retain - point for discussion.

Section directly derived from s17B of Regs.

- (i) Review the scope and terms of the audit and the audit fee, including a review on non-audit services provided by the external auditor.
  - (ii) Review the audit plan for coverage of material risks and financial reporting requirements.
  - (iii) Monitor and review the auditors independence and objectivity.
  - (iv) Discuss matters relating to the conduct of the audit, including any difficulties encountered, any restrictions on scope of activities or access to information, significant disagreements with management and the adequacy of management responses.
- 3.4.3 Review the findings of the audit with the external auditor, including but not limited to:
- (i) A discussion of any major issues which arose during the external audit.
  - (ii) Any accounting and audit judgements.
  - (iii) Levels of errors identified during the external audit.
- 3.4.4 Review any representation letter requested by the external auditor before they are signed by management.
- 3.4.5 Review the subsequent audit management letter from the external auditor and management's proposed response, by the Council, to the external auditor's findings and recommendations in that audit management letter.
- 3.4.6 Meet with the external auditor on at least one (1) occasion each year on a confidential basis, ensuring that a majority of members of the Committee are present for the meeting and that no Council members (other than Council members who are members of the Committee), or Council employees are present at the meeting.
- 3.4.7. Liaise with the Council's auditor in accordance with any other requirements prescribed by the Act or Regulations.

**3.5. INTERNAL AUDIT**

- 3.5.1. Provide oversight of planning and scoping of the internal audit work plan.
- 3.5.2. Consult with the Chief Executive Officer of Council as to the Chief Executive Officer's responsibility for appointing a person to be primarily responsible for the internal audit function, or assignment of such responsibility to an employee of Council.
- 3.5.3 Review and comment on reports provided directly to the Committee by the person primarily responsible for the internal audit function at least on a quarterly basis.
- 3.5.4 Review and monitor management's responsiveness to internal audit findings and recommendations.

**3.6. GOVERNANCE**

**Commented [MF10]:** LGA ToR Template Clause 2;

Focus on new IA provisions (s125 LG Act).

CEO must liaise and appt IA PPR. Then advise ARC of PPR choice to ARC.

\*CEO must provide a report to the ARC as to IA activities on an annual basis. LG Act s99(1)(ib) - CEO Responsibilities.

**Commented [MF11]:** 11/11 - Brought forward this clause and included 'governance' into it.

4/11 - Included Governance title (Replaces Other Matters).

- 3.6.1. Review the adequacy of the governance systems and practices of Council on a regular basis.
- 3.6.2. Review Council's arrangements and processes for its employees to raise concerns, in confidence, about possible wrongdoing in financial reporting or other governance matters—the Committee shall ensure these arrangements allow independent investigation of such matters and appropriate follow-up action.
- 3.6.3. Request an examination and report on any matter relating to financial management, or the efficiency and economy with which the council manages or uses its resources to achieve its objectives, that would not otherwise be addressed or included as part of an annual audit, in accordance with Section 130A of the Act.
- 3.6.4. Review any report obtained by Council under Section 48(1) of the Act in accordance with Council's prudential management policies, practices and procedures;
- 3.6.5. Perform any other governance function determined by Council or prescribed by the Regulations.

**Commented [MF12]:** 11/11 - Sourced directly from s130(A)(1) of the Act, as to Efficiency & Economy Audits.

#### 4. MEMBERSHIP

The following provisions are subject to regulation 14 of the *Local Government (Transitional Provisions) Regulations 2021*.

##### 4.1 CONFIGURATION & TERMS

- 4.1.1. Members of the Committee are appointed by Council in accordance with Section 126(2) of the Act and these Terms of Reference.

Committee Members	Method of Appointment	Term
Council Member	<ul style="list-style-type: none"> <li>• Council Resolution</li> </ul>	Determined by Council Resolution
Independent Members	<ul style="list-style-type: none"> <li>• Expression of Interest</li> <li>• Selection Panel Assessment Process and Recommendation report to Council</li> <li>• Appointment Approval by Council Resolution</li> </ul>	Partially overlapping terms with other Independent Members of up to four (4) years.  Maximum of eight (8) years consecutively.

**Commented [MF13]:** Convention with previous Amendment to ToR in February 2023.

Max 2 four year terms is appropriate. Evidence of Councils effectively do 3x3 = 9 yrs (too long). Others do 8 yrs, with option of extension if market approach dictates as such.

Other Councils indicate 1 term cap.

**Commented [MF14]:** Consistent with LGA ToR provisions (max 5 representation).

3 Ind. Members / 2 Councillors consistent with best-practice committee members configuration.

- 4.1.2. The Committee shall consist of five (5) members comprising:
  - (i) Three (3) Independent Members determined by Council; and
  - (ii) Two (2) members of Council determined by Council.

**Commented [MF15]:** 4/11 - Majority cannot be Council members Act s126(2)

Has implications limiting decision-making, if the PMoC / Ex-officio is not present at meetings.

Must still be a majority of IM and therefore may have equality of vote dilemma to resolve.

- 4.1.3. All members of the Committee must have skills, knowledge, and experience relevant to the functions of the Committee, including



financial management, risk management, governance, and any other prescribed matter.

## 5. INDEPENDENT MEMBERS

- 5.1. Recruitment of Independent Members will be undertaken by management calling for expressions of interest.
- 5.2. A selection panel will be formed by the Chief Executive Officer of the Council to assess applications and recommend to Council the preferred candidate for appointment to the Committee, and the term for which they should be appointed.
- 5.3. Senior Council Staff and Council Members and/or Independent Members of the Committee may be included on the selection panel. The selection panel is not a committee of the Council and will conduct its proceedings as the Chief Executive Officer sees fit.
- 5.4. On the panel completing its assessment, a selection panel assessment and recommendation report will be prepared by the Chief Executive Officer and put to Council for a decision. Appointments of Independent Members shall be made by resolution of Council.
- 5.5. Independent Member appointments will not align with timing of periodic Council elections (to maintain membership continuity over the Council election period). Each term of appointment for an Independent Member will be subject to the Act and these Terms of Reference.
- 5.6. Independent Member appointment terms will be for up to a maximum of four (4) years, as determined by the Council.
- 5.7. Independent Members may be re-appointed if assessed and subsequently recommended for re-appointment by an independent member selection panel at the time.
- 5.8. An independent member may not serve for more than eight (8) years continuously as a Committee member.

**Commented [MF16]:** Clause 5 / 6 / 7 - Additional to LGA ToR. Other Council ToR included.

Discuss with GL / ZG. Favour including at high-level, discussion as to detail.

**Commented [MF17]:** 4/11 - Specifically s41(5)

A member of a Committee holds office at the pleasure of Council.

**Commented [MF18]:** 11/11 - Requested amendment on review.

## 6. COUNCIL MEMBERS

- 6.1. Appointments of Council Members to the Committee shall be made by resolution of Council.
- 6.2. The term of a Council member appointment shall expire at the determination of, and resolution by Council, subject to Section 41(5) of the Act and these Terms of Reference at clause 7.2.

## 7. MEMBERSHIP CESSATION

- 7.1. A person ceases to be a Member upon any of the following circumstances occurring:
  - 7.1.1. the Member's term of appointment to the Committee expires and they are not reappointed;

- 7.1.2. the Member is removed from office by a resolution of Council in accordance with Section 41(5) of the Act;
  - 7.1.3. the Member resigns from office by written notice to the Council;
  - 7.1.4. the Member ceases to hold the office which entitles them to be a member (for example they cease to be a Member of Council); or
  - 7.1.5. the Member dies or becomes of unsound mind.
- 7.2. Nothing in these Terms of References gives rise to any right of procedural fairness or otherwise derogates from the Council's ability to remove any Member from the Committee at the Council's pleasure subject to Section 41(5) of the Act.

## 8. PRESIDING MEMBER

- 8.1. The Presiding Member of the Committee will be an Independent Member appointed by Council for a term decided by a resolution of Council.
- 8.2. Council may decide, by resolution, to extend the term or reappoint an Independent Member as the Presiding Member (noting however that the appointment of the Independent Member to the Committee cannot exceed a maximum consecutive period of eight (8) years as per clause 5.8).
- 8.3. The Committee may make an appointment to the position of Deputy Presiding Member for a term from one (1) of the Independent Committee members, not appointed as the Presiding Member.
- 8.4. If the Presiding Member is absent from a meeting of the Committee, the Deputy Presiding Member (if there is one) will preside at the meeting. If the Deputy Presiding Member is absent or there is no Deputy Presiding Member, an Independent Member will be chosen from those present to preside at the meeting as the Acting Presiding Member.
- 8.5. The Presiding Member appointed by Council (or other Member presiding in accordance with clause 8.4) is the Presiding Member of the Committee for the purposes of the Act and the Regulations.
- 8.6. Without limiting the functions conferred upon the office of the Presiding Member by virtue of above clause 8.4, the Presiding Member is to:
  - 8.6.1. Oversee the orderly conduct of meetings in accordance with the Act and the Regulations;
  - 8.6.2. Ensure that all Members have an opportunity to participate in discussions in an open and responsible manner;
  - 8.6.3. Liaise with Council administration between meetings regarding the preparation of the Committee's agenda and minutes;
  - 8.6.4. Prepare, on behalf of the Committee, a written report to Council once per year as per clause 12.2 below, to be made publicly available; and
  - 8.6.5. Execute, along with Council's Chief Executive Officer, the 'Independence of External Audit' certification required under the Regulations as part of the end of financial year audit process.

**Commented [MF19]:** "Presiding Member" adopted in LGA ToR template.

**Commented [MF20]:** LGA ToR & FSIP No. 3 - Audit & Risk Committees states;

*DRAFTING NOTE: The appointment of the Presiding Member is a matter for council to determine. It is at the discretion of the council whether an independent member is appointed to the role. The clause below refers to the appointment of an independent member as Presiding Member, consistent with good practice.*

*The Council shall appoint the Presiding Member from amongst the Independent Members.*

*Should it determine to do so, the council may include arrangements for the appointment of the Presiding Member by the Committee (rather than making the appointment directly) within the Terms of Reference. The clause should be amended to reflect the decision of the council regarding the appointment of the Presiding Member.*

Highly Recommend PM is a IM of the Committee.

## 9. SITTING AND PROFESSIONAL FEES

- 9.1. Independent Members of the Committee will receive a sitting fee determined by Council.
- 9.2. Sitting fees will be reviewed and set by Council within six (6) months of a periodic Council election.
- 9.3. Professional fees will also be paid for the advice and attendance of the person primarily responsible for the internal audit function (if they are not a Council employee), External Auditors, and legal and other professionals at the Committee Meetings.
- 9.4. There are no sitting fees for Council Members appointed to the Committee.<sup>i</sup>

## 10. ADMINISTRATION

- 10.1. Council's Chief Executive Officer shall provide sufficient administrative resources to the Committee to adequately carry out its functions.

## 11. MEETINGS

Committee meetings will be conducted primarily in accordance with the Act as well as Parts 1, 3 and 4 respectively of the *Local Government (Procedures at Meetings) Regulation 2013* applicable to any Council Committee meetings.

### 11.1. FREQUENCY

- 11.1.1. The Committee shall meet at least once per quarter.
- 11.1.2. A schedule of meetings, including the date and time of Committee meetings to be held, shall be determined by the Committee annually.
- 11.1.3 Council's Chief Executive Officer is delegated the authority to vary the Committee's meeting schedule after liaison with the Presiding Member.
- 11.1.4. Subject to clause 11.1.1 Council's Chief Executive Officer is delegated the authority to not call a meeting of the Committee within the meeting schedule, should the Committee have no matter for consideration, after liaison with the Presiding Member.

### 11.2. SPECIAL MEETINGS

- 11.2.1. Special meetings of the Committee may be called in accordance with the powers of any Council committee, outlined within the Act.

### 11.3. QUORUM

- 11.3.1. The quorum necessary for the Committee to conduct a meeting shall be three (3) members.
- 11.3.2. A Committee meeting can be conducted once a quorum has been formed and present to conduct the meeting.

### 11.4. NOTICE OF MEETINGS

**Commented [MF21]:** 11/11 - ZG advised sitting Fees are currently paid to all Members including Council members.

Have made changes to provisions in line with current state.

Survey - some Councils specifically state no fees for Council Member

LGA ToR Guidance

*4.2. Sitting Fees Any sitting fees payable to independent members of audit and risk committees is a matter for council to determine. Sitting fees currently paid vary widely across the sector, ranging from \$380 to \$1000 per meeting.*

*The legislation does not specify any requirements in relation to sitting fees.*

*Councils should have regard to the skill, knowledge and experience requirements.*

It would also be appropriate to consider any review mechanisms, including whether an annual adjustment process should be adopted, for audit and risk committee sitting fees.

MF - What are the Fees currently for IMs?

MF - Need to specifically exclude CMs of ARC from Fee recipients.

**Commented [MF22]:** 4/11 - Retain timeframe.

Not statutorily required.  
Sitting Fees range from \$380 to \$1000 per meeting (FSIP ARC Guidance narrative).

AHC Fees 2022/23  
PM - \$1,250  
IM - \$450

May wish to discuss this timeframe.

**Commented [MF23]:** LGA ToR Guidance / LGA Act s126(5) - meetings must be held at least quarterly.

**Commented [MF24]:** LGA ToR Guidance / LGA Act s125(6) - meetings must be held at least quarterly.

**Commented [MF25]:** MF - Any Committee of Council can call and conduct a special meeting (outside the regular meeting schedule) - must be done by CEO and at least 4 hours before being held s87(5) / (6) of the Act

11.4.1. The Committee shall conduct its meetings in the Adelaide Hills Council Chambers, 63 Mount Barker Road, Stirling unless otherwise determined by the Committee.

**Commented [MF26]:** Discuss default place of meetings to take place - Stirling Council premises?

11.4.2. In accordance with Section 87 of the Act, notice of each meeting confirming the venue, time, and date, together with an agenda of items to be discussed, shall be forwarded to each member of the Committee no later than three (3) clear days before the date of the meetings.

11.4.3. Supporting papers shall, whenever possible, be sent to Committee Members (and to other attendees as appropriate) at the same time.

11.4.4. Notice of meeting, agenda and supporting information will be placed on public display at Council's Customer Service Centre and Council's website.

## 11.5. PROCEDURES

**Commented [MF27]:** 4/11 - Retained directly from current AHC ToR 'Procedures' on no-change basis.

11.5.1 Meeting procedures for the Committee are subject to Council's current Code of Practice – Procedures at Meetings, informed by the Act and Parts 1,3 and 4 of the *Local Government (Procedures at Meetings) Regulation 2013*.

11.5.2 Insofar as the Act, the Regulations, or these Terms of Reference do not prescribe the procedures to be observed in relation to the conduct of a meeting of the Committee, the Committee may determine its own procedure.

11.5.3 In accordance with Section 90(7a), one or more Committee members may participate in the meeting by telephone or other electronic means provided that members of the public can hear the discussion between all Committee members.

11.5.4 Only members of the Committee are entitled to vote in Committee meetings. Unless otherwise required by the Act not to vote, each member must vote on every matter that is before the Committee for decision.

11.5.5 Council Employees may attend any meeting as observers or be responsible for preparing papers for the committee.

## 11.6. ACCESS TO MEETINGS AND DOCUMENTS

11.6.1. In accordance with the principles of open, transparent, and informed decision-making, Committee meetings must be conducted in a place open to the public, subject to the confidentiality provisions in the Act.

11.6.2. Members of the public can attend all meetings unless excluded by order of the Committee under Section 90(2) of the Act or part 17B of the *Local Government (Procedures at Meetings) Regulation 2013*.

11.6.3. Members of the public shall have access to all documents related to the Committee except documents subject to an order of the Committee under Section 91(7) of the Act.

## 11.7. MINUTES

11.7.1. Conflict of Interest declarations are required pursuant to Section 73 through to Section 75D of the Act and will be recorded in the minutes.

- 11.7.2. Council's Chief Executive Officer shall ensure that minutes are kept of the proceedings and resolutions of all meetings of the Committee and that the minutes comply with the requirements of the Regulations.
- 11.7.3. Minutes of Committee meetings shall be circulated within five (5) days after a meeting to all Members of the Committee and all Members of the Council.
- 11.7.4. Minutes of the Committee meeting will be placed on Council's website and on public display at Council's Customer Service Centre.

**Commented [MF28]:** CEO Responsibility - not Council itself s91 of the Act.

Important distinction to highlight with GL / ZG.

## 12. RESPONSIBILITIES & REPORTING

Without derogating from any of the above provisions, the Committee:

- 12.1. Shall always act in accordance with the Act, Regulations and these Terms of Reference in the performance of its functions.
- 12.2. Shall prepare an annual report on the work of the Committee in the 12 months preceding the preparation of the report, to be presented to Council by the Committee Presiding Member (refer clause 8.6.4), and to be made publicly available.
- 12.4. May make recommendations to Council that it deems appropriate on any area within these Terms of Reference where in its view, action or improvement is needed or desirable.
- 12.5. Will undertake an annual self-assessment for inclusion in the Committee's annual report; and recommend any changes it considers necessary to Council for approval.

**Commented [MF29]:** 4/11 - included Presiding Member

Good - Retain.

Part of LGA ToR Functions section.

FSIP - At the discretion of Council as to ARC PM presenting annual report, or another member of ARC.

Included as ARC PM presenting for the time being.

## 13. AUTHORITY

The Committee is authorised:

- 13.1. to obtain any relevant Council document it requires to perform its duties, by making a request to the Council's Chief Executive Officer; and
- 13.2. to obtain, at the Council's expense (after consultation with the Council's Chief Executive Officer) outside legal or other professional advice on any matter within its Terms of Reference.

## 14. REVIEW

- 14.1 The Committee shall review its Terms of Reference every four (4) years, so that it is operating at maximum effectiveness and recommend any changes it considers necessary to Council for approval.
- 14.2 Council may review and amend these Terms of Reference at any time.

**ADOPTION BY COUNCIL**

<b>Title</b>		Audit and Risk Committee Terms of Reference	
<b>Maintained by</b>		Corporate Services	
<b>Version Number</b>	<b>Description</b>	<b>Date</b>	<b>Minute Reference</b>
1	Adopted by Council		
2	Various amendments		
3	Various amendments		
4	Various amendments		
5			
6			
7			
8			
9			
10			

**Commented [MF30]:** Adoption and Major Changes Table may not be required.

<sup>i</sup> As per the Remuneration Tribunal SA determination 2 of 2022, "Allowances for Members of Local Government Councils", the a councillor who is a presiding member of a s41 Committee will receive an allowance 1.25 times the annual allowance for councillors of that council

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## **Appendix 2**

*Audit Committee current Terms of Reference with  
review comments*

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**ADELAIDE HILLS COUNCIL**  
**Audit Committee**



**TERMS OF REFERENCE**

**Adopted 14 February 2023**

**1. ESTABLISHMENT**

- 1.1 The Audit Committee (the Committee) of Council is established under Section 41 of the *Local Government Act 1999* (the Act), for the purposes of Section 126 of the Act and in compliance with regulation 17 of the *Local Government (Financial Management) Regulations 2011*.
- 1.2 The Audit Committee does not have executive powers or authority to implement actions in areas which management has responsibility and does not have any delegated financial responsibility. The Audit Committee does not have any management functions and is therefore independent from management.

**Commented [MF1]:** LGA ToR FSIP Template - consolidates Establishment & Purpose into 1 header.

**2. ROLE**

- 2.1 The overall role of the Audit Committee will be to assist Council to accomplish its objectives by monitoring and providing advice on the adequacy and effectiveness of the systems and processes regarding financial management and reporting, internal control and risk management, internal audit and governance functions through the following functions:

**3. SPECIFIC FUNCTIONS**

**3.1 Financial Reporting and Prudential Requirements**

The Committee shall:

- 3.1.1 Provide comment on the assumptions underpinning Council's Strategic Management Plans (Strategic Plan, Annual Business Plan and Budget and Long Term Financial Plan), the consistency between plans and the adequacy of Council's plans in the context of maintaining financial sustainability;
- 3.1.2 Review and provide advice to Council on the degree to which the annual financial statements present fairly the state of affairs of the Council;
- 3.1.3 Monitor the integrity of the financial statements of the Council, including its annual report, reviewing significant financial reporting issues and judgements which they contain.;
- 3.1.4 Review and challenge where necessary:
  - 3.1.4.1 The consistency of, and/or any changes to, accounting policies;
  - 3.1.4.2 The methods used to account for significant or unusual transactions where different approaches are possible;

**Commented [MF2]:** Adopted LGA FSIP ToR outline

Financial Reporting - retained majority of clauses in proposed v1.1

3.1.1 retained in proposed v1.1 under dedicated Functions header - Strategic Management Plans.



- 3.1.4.3 Whether the Council has followed appropriate accounting standards and made appropriate estimates and judgements, taking into account the views of the external auditor;
- 3.1.4.4 The clarity of disclosure in the Council's financial reports and the context in which statements are made; and
- 3.1.4.5 All material information presented with the financial statements, such as the operating and financial review and the corporate governance statement (insofar as it relates to the audit and risk management);

- 3.1.5 Review prudential reports prepared under Section 48(1) of the Act and provide advice to Council, upon request, on other prudential matters.

### 3.2 Internal Controls and Risk Management Systems

The Committee shall:

- 3.2.1 Ensure that appropriate policies, practices and procedures of internal control (and other financial and risk management systems) are implemented, reviewed and maintained in order to assist the Council to carry out its activities in an efficient and orderly manner to achieve its objectives;
- 3.2.2 Review Council's risk management framework and monitor the performance of Council's risk management program;
- 3.2.3 Monitor the corporate risk profile and significant risk exposures for the organisation to ensure that there are appropriate management plans to manage and mitigate this business risk; and
- 3.2.4 Ensure an appropriate legislative compliance framework exists to identify risks and controls over compliance with applicable legislation and regulations.

### 3.3 Public Interest Disclosures

The Committee shall:

- 3.3.1 Review annually the Council's Public Interest Disclosure arrangements and compliance with the requirements of the *Public Interest Disclosure Act 2018*.
- 3.3.2 Provide recommendations to Council regarding Public Interest Disclosure Policy and resourcing required to comply with legislative requirements

### 3.4 Internal Audit

The Committee shall:

- 3.4.1 Monitor and review the effectiveness of the Council's internal audit function in the context of the Council's overall risk management system;
- 3.4.2 Consider and make recommendation on the program of the internal audit function and the adequacy of its resources and access to information to enable it to perform its function effectively and in accordance with the relevant professional standards.

**Commented [MF3]:** Retained in 'Responsibilities & Reporting' in proposed new ToR.

**Commented [MF4]:** Adopted LGA FSIP ToR Template  
Reference to Better Practice Model now codified into LG Financial Regulations as primary / statutory risk management framework to evaluate and mitigate all Council risks.

**Commented [MF5]:** Removed - governed by PID Act 2018.

Within the scope of Access to Meeting & Documents in proposed new ToR.

**Commented [MF6]:** Required re-write based on new Act provisions to s126 / s125A & Regulations.

- 3.4.3 Review all reports on the Council's operations from the internal auditors;
- 3.4.4 Review and monitor management's responsiveness to the findings and recommendations of the internal auditor; and
- 3.4.5 Where appropriate, meet the "head" of internal audit (internal or outsourced) at least once a year, without management being present, to discuss any issues arising from the internal audits carried out. In addition, the head of internal audit shall be given the right of direct access to the Principal Member of the Council and to the Presiding Member of the committee.

3.5 External audit

The Committee shall:

- 3.5.1 Consider and make recommendations to the Council, in relation to the appointment, re-appointment and removal of the Council's external auditor. The Committee shall oversee the selection process for new auditors and if an auditor resigns the Committee shall investigate the issues leading to this and decide whether any action is required;
- 3.5.2 Oversee Council's relationship with the external auditor including, but not limited to:
  - 3.5.2.1 Recommending the approval of the external auditor's remuneration, whether fees for audit or non-audit services, and recommending whether the level of fees is appropriate to enable an adequate audit to be conducted;
  - 3.5.2.2 Recommending the approval of the external auditor's terms of engagement, including any engagement letter issued at the commencement of each audit and the scope of the audit;
  - 3.5.2.3 Assessing the external auditor's independence and objectivity taking into account relevant professional and regulatory requirements and the extent of Council's relationship with the auditor, including the provision of any non-audit services;
  - 3.5.2.4 Satisfying itself that there are no relationships (such as family, employment, investment, financial or business) between the external auditor and the Council (other than in the ordinary course of business);
  - 3.5.2.5 Monitoring the external auditor's compliance with legislative requirements on the rotation of audit partners; and
  - 3.5.2.6 Assessing the external auditor's qualifications, expertise and resources and the effectiveness of the audit process (which shall include a report from the external auditor on the audit committee's own internal quality procedures);

**Commented [MF7]:** Sections removed from initial ToR as part of actions from 4/11 meeting.

## Audit Committee Terms of Reference

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- 3.5.3 Meet as needed with the external auditor. The Committee shall meet the external auditor at least once a year, without management being present; to discuss the external auditor's report and any issues arising from the audit;
- 3.5.4 Review and make recommendations on the annual audit plan, and in particular its consistency with the scope of the external audit engagement;
- 3.5.5 Review the findings of the audit with the external auditor. This shall include, but not be limited to, the following;
  - 3.5.5.1 a discussion of any major issues which arose during the external audit;
  - 3.5.5.2 any accounting and audit judgements; and
  - 3.5.5.3 Levels of errors identified during the external audit. The committee shall also review the effectiveness of the external audit.
- 3.5.6 Review any representation letter(s) requested by the external auditor before they are signed by management;
- 3.5.7 Review the management letter and management's response to the external auditor's findings and recommendations.

### 3.6 Economy and Efficiency Audits

The Committee shall:

- 3.6.1 Propose and review the exercise of powers under Section 130A of the Act; to examine and report on any matter relating to financial management, or the efficiency and economy with which the council manages or uses its resources to achieve its objectives,

### 4. OTHER MATTERS

The Committee shall:

- 4.1 Have access to reasonable resources in order to carry out its duties, recognising the constraints within Council's Budget;
- 4.2 Be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members;
- 4.3 Give due consideration to laws and regulations of the Act;
- 4.4 Make recommendations on co-ordination of the internal and external auditors;
- 4.5 Oversee any investigation of activities which are within its terms of reference;
- 4.6 Oversee action to follow up on matters raised by the external and internal auditors;

**Commented [MF8]:** Retained in proposed ToR

**Commented [MF9]:** Retained in proposed new ToR - new Functions title 'Governance' 3.6.2

**Commented [MF10]:** Replaced Other Matters with Governance in proposed ToR.

4.1 - replaced with Administration title.  
4.2 - removed at 4/11 discussion.

4.8 - retained at 12.5 in proposed ToR.

Audit Committee Terms of Reference

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4.7 Invite Council's external auditors and internal auditors to attend meetings of the Committee, as considered appropriate; and

4.8 At least once in its term, review its own performance and terms of reference to ensure it is operating at maximum effectiveness and recommend changes it considers necessary to the Council for approval.

5. **MEMBERSHIP**

5.1 The Committee will comprise 5 members as follows:

5.1.1 Three (3) Independent Members; and

5.1.2 Two (2) Council Members

5.2 All members of the Committee will be appointed by the Council.

5.3 Independent Member(s) of the Committee shall have recent and relevant skills and experience in professions such as, but not limited to accounting, financial management, risk management, law, compliance, internal audit and governance.

5.4 It is desirable for the Council Members to be appointed to the Committee to have a sound understanding of financial management, risk management and governance.

5.5 In considering appointments to the Committee, Council should give consideration to the diversity of the membership.

5.6 Appointments to the Committee shall be for a period of up to three (3) years.

5.7 Members of the Committee are eligible for reappointment at the expiration of their term of office, however a maximum term of eight (8) years applies for Independent Members, along with a minimum two (2) year hiatus prior to being eligible for reappointment.

5.8 The terms of appointment of the Independent Members should be arranged to ensure the orderly rotation and continuity of membership despite changes to the composition of the Council.

6. **SITTING FEES**

6.1 The applicable Remuneration Tribunal (or its successor) Determination outlines the applicable allowance for Council Members on the Committee.

6.2 The Independent Members are to be paid a sitting fee as determined by Council for attendance at meetings and authorised training sessions. Council may determine a higher sitting fee for the presiding member.

7. **PRESIDING MEMBER**

7.1 The Council will appoint the Presiding Member of the Committee.

**Commented [MF11]:** Re-draft of Membership section based on s126 & Regulations.

Proposed new ToR have dedicated IM & CM sections.

**Commented [MF12]:** Retained as preferable option in proposed new ToR.

S126(2) - Council members cannot comprise the majority of Committee members.

**Commented [MF13]:** Can retain if deemed so.

**Commented [MF14]:** Retained in proposed ToR.

No provision as to '2 year hiatus'.

**Commented [MF15]:** Re-drafted Sitting Fees necessary.

No formal or statutory statement as to Sitting Fee payments or amounts.

**Commented [MF16]:** Retained and expanded on Presiding Member provisions.

Adopted LGA FSIP ToR Drafting Notes (Best Practice) approach.

PM to be appointed from IM cohort.

Reinforced within formal AG advice to Council in August 2024.

- 7.2 The Council authorises the Committee to determine if there will be a Deputy Presiding Member of the Committee and, if so, authorises the Committee to make the appointment to that position for a term determined by the Committee.
- 7.3 If the Presiding Member of the Committee is absent from a meeting the Deputy Presiding Member (if such position exists) will preside at that meeting. If there is no position of Deputy Presiding Member, or both the Presiding Member and the Deputy Presiding Member of the Committee are absent from a meeting of the Committee, then a member of the Committee chosen from those present will preside at the meeting until the Presiding Member (or Deputy Presiding Member, if relevant) is present.
- 7.4 The role of the Presiding Member includes:
  - 7.4.1 overseeing and facilitating the conduct of meetings in accordance with Act and the *Local Government (Procedures at Meetings) Regulations 2013* (the Regulations); and
  - 7.4.2 Ensuring all Committee members have an opportunity to participate in discussions in an open and encouraging manner.

**8. REPORTING RESPONSIBILITIES**

- 8.1 For the purposes of Section 41(8) of the Act, the Committee's reporting and accountability requirements are:
  - 8.1.1 The minutes of each Committee meeting will be included in the agenda papers of the next ordinary meeting of the Council;
  - 8.1.2 The Presiding Member will attend a meeting of the Council at least once per annum to present a report on the activities of the Committee;
  - 8.1.3 The Committee shall make whatever recommendations to the Council it deems appropriate on any area within its terms of reference where in its view action or improvement is needed; and
  - 8.1.4 The Presiding Member may attend a Council meeting at any time that the Presiding Member sees fit to discuss any issue or concern relating to the Committee's functions. Depending on the nature of the matter, this may be held in confidence in accordance with Section 90 of the Act and staff may be requested to withdraw from the meeting.

**9. MEETING PROCEDURE**

- 9.1 Meeting procedure for the Committee is as set out in the Act, Parts 1, 3 and 4 of the Regulations. Insofar as the Act, the Regulations, or these Terms of Reference do not prescribe the procedure to be observed in relation to the conduct of a meeting of the Committee, the Committee may determine its own procedure.
- 9.2 In accordance with Section 90(7a), one or more Committee members may participate in the meeting by telephone or other electronic means provided that members of the public can hear the discussion between all Committee members.

**Commented [MF17]:** Re-draft and expansion of this section in proposed new ToR.

Proposed new ToR now dedicates sections to; Minutes - Public Access to Documents and Meetings - Requirement to Report to Council annually.

**Commented [MF18]:** Fully retained in proposed ToR - as agreed with AHC working group.

9.3 Only members of the Committee are entitled to vote in Committee meetings. Unless otherwise required by the Act not to vote, each member must vote on every matter that is before the Committee for decision.

9.4 Council Employees may attend any meeting as observers or be responsible for preparing papers for the committee.

**10. SECRETARIAL RESOURCES**

10.1 The Chief Executive Officer shall provide sufficient administrative resources to the Committee to enable it to adequately carry out its functions.

**11. FREQUENCY OF MEETINGS**

11.1 The Committee shall meet at least four times a year at appropriate times and places as determined by the Committee. A special meeting of the Committee may be called in accordance with the Act.

11.2 If after considering advice from the CEO or delegate, the Presiding Member of the Committee is authorised to cancel the respective Committee meeting, if it is clear that there is no business to transact for that designated meeting.

**12. NOTICE OF MEETINGS**

12.1 Notice of the meetings of the Committee will be given in accordance with Sections 87 and 88 of the Act. Accordingly, notice will be given:

12.1.1 To members of the Committee by email or as otherwise agreed by Committee members at least 3 clear days before the date of the meeting; and

12.1.2 To the public as soon as practicable after the time that notice of the meeting is given to members by causing a copy of the notice and agenda to be displayed at the Council's offices and on the Council's website.

**12.2 PUBLIC ACCESS TO MEETINGS & DOCUMENTS**

12.3 Members of the public are able to attend all meetings of the Committee, unless prohibited by resolution of the Committee under the confidentiality provisions of Section 90 of the Act.

12.4 Members of the public have access to all documents relating to the Committee unless prohibited by resolution of the Committee under the confidentiality provisions of Section 91 of the Act.

**13. MINUTES OF MEETINGS**

13.1 The Chief Executive Officer shall ensure that the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance are minuted and that the minutes otherwise comply with the requirements of the Regulations.

13.2 Minutes of Committee meetings shall be circulated within five days after a meeting to all members of the Committee and will (in accordance with legislative requirements) be available to the public.

**Commented [MF19]:** Administration header in proposed new ToR.

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## **Appendix 3**

*Local Government Association SA, FSIP No.3 – Audit &  
Risk Committees (February 2024)*

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# Audit and risk committees

**Financial Sustainability  
Information Paper (FSIP)**

**No. 03**





The suite of Financial Sustainability Information Papers have been prepared by the Local Government Association of SA (LGA) in consultation with the SA Local Government Financial Management Group (SALGFMG) for the guidance of and use by member councils. The LGA is the statutory peak body for Local Government in South Australia, representing all 68 Councils in the State.

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## About the Local Government Association

The Local Government Association of South Australia (LGA) is the peak body for local government in South Australia. The LGA provides leadership and services to councils and represents the sector to state and federal governments and other key stakeholders. Membership of the LGA is voluntary, but all 68 of South Australia's councils are members.

The LGA provides competitive procurement and indemnity (insurance) services to councils as well as access to education and training, online services and a research and development scheme.

The LGA is a constituent member of the Australian Local Government Association.

The mission of the LGA is to provide leadership, support, representation and advocacy on behalf of South Australian councils.

### **Acknowledgements**

Development of this paper (historic and current versions) has benefited from contributions from the South Australian Local Government Financial Management Group (SALGFMG) and funding from the Local Government Research and Development Scheme (LGR&DS).

## 1. Introduction

This Information Paper is one of a series of Information Papers about Financial Sustainability and Financial Governance in Local Government.

The series of Information Papers was originally published in 2006 to 2011 as part of the Financial Sustainability Program. A complete list of the Financial Sustainability Information Papers (FSIP), including a glossary of terms and abbreviations, is provided at: [Financial Sustainability Resources | LGA South Australia](#)

The FSIP have undergone various revisions to take account of legislative changes and other developments. The FSIP are addressed to, and written primarily for, the benefit of council members and staff.

This paper was last updated in February 2024. A separate, word format document, containing the Appendices to this FSIP is also available.

## 2. Overview

Audit and risk committees are used widely throughout the commercial, government and local government sectors as an independent body that assists boards and councils to fulfil their oversight responsibilities in financial reporting, internal control systems, risk management systems and internal and external audit functions.

An audit and risk committee plays a critical role in the financial reporting framework of a council, by overseeing and monitoring the participation of management and external auditors in the financial reporting process.

A council audit and risk committee also considers the approach being adopted by councils and management to address business risk, corporate and financial governance responsibilities and legal compliance, as well as reviewing and evaluating the effectiveness of policies and procedures for the

identification, assessment, monitoring, management and review of strategic, financial and operational risks.

Sections of the Local Government Act 1999 (the Local Government Act) relevant to audit and risk committees have been extensively updated as part of the suite of financial and governance accountability changes arising from the passage of the Statutes Amendment (Local Government Review) Act 2021.<sup>1</sup>

Section 126 of the Local Government Act has, for some time, required that a council must have an audit committee. As part of the reforms, the scope of activity of the committee required under section 126 has been expanded to include risk management and functions relating to internal controls and internal audit. The description of the committee has been changed to 'audit and risk committee' to reflect its broader role.

Section 126A of the Local Government Act, which commenced on 30 November 2023, has introduced the ability for two or more councils to establish a regional audit and risk committee.

The purpose of an audit and risk committee in the local government sector is *"to provide independent assurance and advice to the council on accounting, financial management, internal controls, risk management and governance matters."*<sup>2</sup>

## 2.1. Similarity with other council committees

While section 126 of the Local Government Act mandates that each council have an audit and risk committee<sup>3</sup>, the audit and risk committee is established under section 41 of the Local Government Act, just like any other committee of council.

Audit and risk committees can only act in accordance with the functions provided in section 126(4) of the Local Government Act and the committee terms of reference (unless delegated other powers or functions by council).

In most respects, audit and risk committees are like other council committees and are subject to the requirements of section 41 of the Local Government Act (for example, reporting and accountability, appointment of the presiding member) and relevant obligations in Chapter 5, Part 4—Member integrity and behaviour.

Further, consideration needs to be given to the application (or not) of Part 2 of the Local Government (Procedures at Meetings) Regulations 2013 and whether it is appropriate to determine discretionary meeting procedures given the nature and functions of audit and risk committees, noting that if the committee is making or enforcing standards or other controls, then the provision of Part 2 must apply to committee meeting procedures.

## 3. Committee membership

The Local Government Act and the Local Government (Financial Management) Regulations 2011 specify details for the membership of council audit and risk committees and together require that an audit and risk committee:

- must have between 3 and 5 members (inclusive)<sup>4</sup>
- must not include, as a member, the council's auditor

<sup>1</sup> These changes commenced on 30 November 2023.

<sup>2</sup> Section 126(1a), Local Government Act 1999

<sup>3</sup> Section 126 applies to a council that has not established a regional audit and risk committee under section 126A.

<sup>4</sup> Regulation 17(1)(a), Local Government (Financial Management) Regulations 2011

- must have a majority of committee members who are not members of any council<sup>5</sup>
- when considered as a whole, must have members with skills, knowledge and experience relevant to the functions of the committee, including in financial management, risk management, governance and any other prescribed matter<sup>6</sup> (of which there are currently none).
- May:
  - not include an employee of the council in its membership (although staff members typically would be present at meetings and provide services to an audit and risk committee)
  - include members of another council audit and risk committee or regional audit and risk committee.<sup>7</sup>

Section 41(6) of the Local Government Act allows the council to appoint the principal member (Mayor) of the council as an *ex officio* member of a committee. In these circumstances, the principal member is not taken to be included in the membership of the committee unless actually present at a meeting of the committee.

In determining membership of the audit and risk committee, it is open to the council to make an *ex officio* appointment of the principal member subject to complying with the membership requirements outlined above, i.e., there must be a majority of independent members and when considered as a whole, the committee must have the skills, knowledge and experience relevant to the functions of the committee.

Given that an *ex officio* member is only included in the membership of the committee when present at the meeting, this would effectively limit the number of ordinary members (including the independent members) to a maximum of four (at least 3 of which must be independent members) to ensure that the total audit and risk committee membership does not exceed the five member cap when the *ex officio* member is present at a meeting.

### 3.1. Transitional arrangements relating to membership

Regulation 14(a) of the *Local Government (Transitional Provisions) Regulations 2021* provides that a member of a council audit and risk committee holding office immediately before the commencement of the changes to section 126(2)<sup>8</sup> may continue to hold office for the remainder of their term of appointment to the committee.

Regulation 14(b) provides that the requirement to have a majority of independent members and the overall skill/knowledge/experience requirements for the committee set out in section 126(2)(b) of the Local Government Act do not apply during a period of time that a member appointed to the committee prior to 30 November 2023 is continuing as a member of the audit and risk committee for the remainder of their term of appointment to the committee.

### 3.2. Committee member independence

Historically the local government sector has acknowledged that having more than one independent member, including an independent chair is best practice. Many councils have

<sup>5</sup> Section 126(2)(a), *Local Government Act 1999*

<sup>6</sup> Section 126(2)(b), *Local Government Act 1999*

<sup>7</sup> Section 126(2)(c), *Local Government Act 1999*

<sup>8</sup> Section 126(2)(a) requires the majority of the members of the committee must be persons who are not members of any council.

taken steps to improve the independence and standard of audit committee membership since the introduction of the requirement to establish an audit committee.

The audit and risk committee membership provisions now require a majority of independent members (being persons who are not a member of the council).

As noted previously, members of the audit and risk committee are also required to comply with register of interest<sup>9</sup> and conflict of interest<sup>10</sup> provisions set out within the Local Government Act, which supports members not acting in relation to matters where conflicts may exist.

The sector has also previously highlighted the separation of the roles of the principal member of council and the audit and risk committee chairperson as an important transparency consideration, on the basis that the principal member, in conjunction with the chief executive officer, certifies a council's financial statements.

While the appointment of the presiding member remains a matter for the elected council, consideration should be given to the separation of these roles.

Appointment of suitably qualified and experienced independent audit and risk committee members can present a challenge for some councils, particularly in regional areas. The legislation allows for councils to appoint persons who are members of another council audit and risk committee. This, coupled with the ability to convene audit and risk committee meetings via electronic means, may assist councils with achieving the membership requirements.

An employee of a council may not be appointed as a member of the audit and risk committee for their employing council. This does not preclude council employees from being appointed as an independent member of an audit and risk committee for a council where they are not an employee.

The obligation to have a majority of independent members must also be considered in conjunction with the requirement for the necessary skills, knowledge and experience of the committee when considered as a whole.

### **3.3. Skills, knowledge and experience**

When considered as a whole, the audit and risk committee members are required to have skills, knowledge and experience relevant to the functions of the committee, including (at a minimum):

- Financial management
- Risk management
- Governance

Whilst the legislation specifies minimum skill, knowledge and experience requirements for the audit and risk committee as a whole, councils may determine additional requirements based on the operations and activities of the council. For example, asset management and cyber security have been identified as content areas growing in relevance for consideration by audit and risk committees.

When appointing new committee members, consideration should be given to the skills available amongst current members and any gaps determined. A skills matrix can assist in assessing the available skills and any gaps that need to be filled.

<sup>9</sup> Register of interest provisions are set out in Chapter 5, Part 4, Division 1, Subdivision 2 of the *Local Government Act 1999*

<sup>10</sup> Conflict of interest provisions are set out in Chapter 5, Part 4, Division 1, Subdivision 4 of the *Local Government Act 1999*

It is useful, but not essential, for audit and risk committee members to have direct experience in the South Australian local government sector. However, if a prospective committee member has relevant skills, knowledge and experience required by the committee without the local government knowledge, this can be addressed through an induction process that provides an understanding of local government in South Australia and the legislative framework that councils operate within.

A sample Skills Matrix, to assist with achieving requirements relating to skills, knowledge and experience of the committee as a whole is included in Appendix 1.

### 3.4. Presiding member

The responsibility to appoint a person as the presiding member, or make provision for the appointment, rests with council<sup>11</sup>. Before determining an appointment, the council should have regard to a range of matters, including:

- the appointment process
- the term of appointment
- eligibility criteria (e.g., holding certain qualifications).

Given the nature and importance of the role of the presiding member, other factors to consider (in addition to the skills, knowledge and experience requirements discussed previously) as part of the selection and appointment process could include:

- ability to preside efficiently, firmly and fairly and to facilitate the meeting effectively
- expertise in chairing committee meetings in local government and understanding of prescribed meeting procedures
- understanding of relevant legislation, strategic and operational plans and the business of council
- strong communication skills, including the ability to promote effective working relationships among audit and risk committee members and with others, such as management and internal/external auditors.

The presiding member plays a pivotal role in the overall effectiveness of the audit and risk committee. As noted previously, separation of the role from the Principal Member (Mayor) warrants consideration as does the appointment of an independent presiding member.

The 'Audit committees—A guide to good practice' published jointly by the Auditing and Assurance Standards Board, the Australian Institute of Company Directors and the Institute of Internal Auditors-Australia, proposes that the chair of private sector audit committees should be an independent director and not the chair of the board<sup>12</sup>. As such, the appointment of an independent presiding member to the council audit and risk committee would be consistent with private sector practice.

The template Audit and Risk Committee Terms of Reference set out in Appendix 2 propose that an independent presiding member be appointed.

<sup>11</sup> Section 41(4), *Local Government Act 1999*

<sup>12</sup> Auditing and Assurance Standards Board, Australian Institute of Company Directors and Institute of Internal Auditors-Australia 2017, '*Audit Committees-A Guide to Good Practice 3rd Edition*', page 32



### 3.5. Committee member induction and training

Audit and risk committee members should receive an induction to ensure that all members clearly understand the audit and risk committee terms of reference and the relationship with other relevant committees of council.

Noting the functions of the audit and risk committee, the induction process should include a briefing on the council's suite of strategic management plans, annual business plan and operating environment.

Details of information and training available to support audit and risk committee members should also be provided.

The LGA provides access to a range of financial sustainability publications and resources to members via the LGA website. This information is able to be accessed by independent audit and risk committee members, subject to them having a council provided email address for the purposes of logging in to LGA website.

## 4. Functions of the audit and risk committee

On 30 November 2023, changes to section 126 of the Local Government Act commenced, expanding the functions of audit and risk committees.

The Local Government Act<sup>13</sup> sets out the functions of the audit and risk committee as:

- (a) *reviewing annual financial statements to ensure that they present fairly the state of affairs of the council; and*
- (b) *proposing, and providing information relevant to, a review of the council's strategic management plans or annual business plan; and*
- (c) *monitoring the responsiveness of the council to recommendations for improvement based on previous audits and risk assessments, including those raised by a council's auditor; and*
- (d) *proposing, and reviewing, the exercise of powers under section 130A; and*
- (e) *liaising with the council's auditor in accordance with any requirements prescribed by the regulations; and*
- (f) *reviewing the adequacy of the accounting, internal control, reporting and other financial management systems and practices of the council on a regular basis; and*
- (g) —
  - (i) *if the council has an internal audit function—*
    - (A) *providing oversight of planning and scoping of the internal audit work plan; and*
    - (B) *reviewing and commenting on reports provided by the person primarily responsible for the internal audit function at least on a quarterly basis; or*
  - (ii) *if the council does not have an internal audit function, reviewing and commenting on an annual report provided by the chief executive officer in relation to the policies and processes adopted by the council to evaluate and improve the effectiveness of its internal control practices and procedures; and*
- (h) *reviewing and evaluating the effectiveness of policies, systems and procedures established and maintained for the identification, assessment, monitoring, management and review of strategic, financial and operational risks on a regular basis; and*

<sup>13</sup> Section 126(4), Local Government Act 1999

- (i) reviewing any report obtained by the council under section 48(1); and
- (j) performing any other function determined by the council or prescribed by the regulations.

Relevant to subsection (4)(j) above, regulation 17B of the *Local Government (Financial Management) Regulations 2011* introduces a requirement for the council audit and risk committee to liaise with the council's auditor by meeting with the auditor on at least one occasion each year on a confidential basis. The regulations specify that a majority of members of the audit and risk committee must be present for the meeting and that no members or employees of the council should be present (other than council members who are members of the audit and risk committee).

## 4.1. Resourcing

The audit and risk committee operation and work program is resourced by the council and an appropriate budget/resource allocation should be considered as part of the annual business plan and budget process. The CEO is operationally responsible for ensuring that sufficient resources are made available to the Committee to discharge its legislated responsibilities, its terms of reference and the approved work program of the Committee. The consultation between the Committee, council and the CEO should balance the needs identified in the work program against the level of resources required.

## 4.2. Sitting Fees

Any sitting fees payable to independent members of audit and risk committees is a matter for council to determine. Sitting fees currently paid vary widely across the sector, ranging from \$380 to \$1000 per meeting.

The legislation does not specify any requirements in relation to sitting fees. Councils should have regard to the skill, knowledge and experience requirements for members of audit and risk committees in determining any sitting fees payable. It would also be appropriate to consider any review mechanisms, including whether an annual adjustment process should be adopted, for audit and risk committee sitting fees.

## 5. Internal audit

The introduction of section 125A—Internal audit function establishes the role of the audit and risk committee in relation to a council internal audit function.

The internal audit function is generally a formalised process of undertaking internal audits and reporting on these to council's audit and risk committee. It is separate from the internal controls processes (section 125 of the Local Government Act) which are mandatory for all councils to have in place.

The internal audit function is also not the mandatory application of the *Better Practice Model—Internal Financial Controls for South Australian councils* which is the standard by which auditors must assess the internal financial controls of councils.

Section 125A does not make it mandatory for councils to have an internal audit function, rather it sets mandatory requirements in circumstances where an internal audit function is established.

## 5.1. Role of the audit and risk committee in relation to internal audit

If a council has an internal audit function, the audit and risk committee is responsible for providing oversight of planning and scoping of the internal audit work plan and reviewing internal audit reports on at least a quarterly basis.<sup>14</sup>

If a council does not have an internal audit function, the audit and risk committee is responsible for reviewing and commenting on an annual report provided by the CEO in relation to the policies and processes adopted by the council to evaluate and improve the effectiveness of its internal control practices and procedures.<sup>15</sup>

## 5.2. Primary responsibility for the internal audit function

Before appointing a person to be primarily responsible for a council internal audit function (or assigning responsibility to an employee), the CEO must consult with the audit and risk committee.

Section 125A(2) establishes a direct reporting relationship between the person primarily responsible for the internal audit function and the audit and risk committee. This relationship should be considered when determining at which level 'primary responsibility' is to be assigned.

The obligation to consult the audit and risk committee arises in relation to any new appointment/assignment of 'primary responsibility for the internal audit function'.

Consultation should occur through placing a report on the agenda of the audit and risk committee. Noting the report will consider "suitability for a particular position", the CEO may indicate that the report be considered in confidence in accordance with section 90(3)(a) of the Local Government Act.

The report, along with a resolution of the audit and risk committee noting the proposed appointment, would provide evidence of the necessary consultation having taken place.

Importantly, consultation must occur with respect to the person to be appointed/assigned responsibility **before** the appointment/assignment is made. As such, this must be factored into the timeframe for any recruitment process. The audit and risk committee cannot veto any proposed appointment.

Consultation in relation to the appointment/assignment is required only for the person to be primarily responsible for the internal audit function. It is not necessary to consult with the audit and risk committee in relation to other officers acting in a support capacity to the person with primary responsibility for the internal audit function.

<sup>14</sup> Section 126(4)(g)(i), *Local Government Act 1999*

<sup>15</sup> Section 126(4)(g)(ii), *Local Government Act 1999*

### 5.3. Internal audit direct reporting to the audit and risk committee

Section 125A(2) of the Local Government Act provides that, despite any other law or instrument to the contrary, the person primarily responsible for the internal audit function:

- Must ensure that any reports they prepare relating to the internal audit function are provided directly to the audit and risk committee.
- May report any matters relating to the internal audit function directly to the audit and risk committee.

The intent of the requirements is to provide a direct pathway for information from the person primarily responsible for the internal audit function to the audit and risk committee. This means that reports for the Committee prepared by the person primarily responsible for the internal audit function must be presented **directly** to the committee, without going through a review or vetting process.

## 6. Meetings

Whilst section 126 of the Local Government Act specifies a range of requirements for the audit and risk committee a number of other legislative requirements need to be considered or determined in relation to the operation of the audit and risk committee.

These include:

- notification of meetings to the members of the committee and to the public
- the calling of special meetings
- the keeping and distribution of minutes
- the use of the confidentiality provisions at Sections 90 and 91 of the Local Government Act
- the application of regulated meeting procedures.

Importantly, an audit and risk committee is not exempt from the obligation to conduct its meetings in public.

### 6.1. Frequency and schedule

Section 126(5) of the Local Government Act prescribes that the audit and risk committee must meet at least quarterly. This does not preclude audit and risk committees meeting more frequently, it simply establishes the minimum number of meetings that must be held.

The meeting schedule of the audit and risk committee will likely be informed by the audit and risk committee work plan. The work plan will also likely support reporting by the audit and risk committee to council.

The example terms of reference, which must be approved by council, allow for the audit and risk committee to determine its meeting schedule.<sup>16</sup>

It is important to note section 87(3) of the Local Government Act provides that a resolution determining meeting times for a committee does not continue in operation after the

<sup>16</sup> Section 87(1), *Local Government Act 1999*

subsequent general election. This means that a decision will be required from the new council to set, at a minimum, the first meeting time and place for the audit and risk committee after a general election. Subject to the Terms of Reference of the committee the schedule for other meetings of the committee may then be determined by the committee.

## 6.2. Procedures

As a committee of council, meetings of the audit and risk committee continue to be bound by requirements within the Local Government Act, such as those within Chapter 6 (Meetings), Part 2 (Committee meetings) and Part 3 (Public access to council committee meetings), along with relevant provisions of the *Local Government (Procedures at Meetings) Regulations 2013*.

It is important to note that Regulation 5 of the *Local Government (Procedures at Meetings) Regulations 2013* states that the provisions of Part 2—Meetings of councils and key committees apply to “*the meetings of any other council committee if the council has, by resolution, determined that this Part should apply to that committee.*” This requires an active decision of the council to apply Part 2 of the regulations. The template terms of reference in Appendix 2 include optional text relating to the application of the regulations to the audit and risk committee.

Section 126(6) states the following in relation to procedures to be observed at a meeting of the audit and risk committee:

- (6) *Subject to this Act, the procedure to be observed at a meeting of a council audit and risk committee will be—*
  - (a) *as prescribed by regulation; or*
  - (b) *insofar as the procedure is not prescribed by regulation—as determined by the committee.*
- (7) *Without limiting subsection (6)(a), regulations under that subsection may provide for circumstances in which the public may be excluded from attendance at a meeting of a council audit and risk committee.*

Audit and risk committee meetings may be held using electronic means, subject to the requirements of section 90(7a) of the Local Government Act. The template terms of reference provided in Appendix 2 include procedures to be observed for attendance at committee meetings using electronic means.

## 6.3. Public access and confidentiality

The starting premise is that audit and risk committee meetings are required to be conducted in a place open to the public and attendance by the public is facilitated through notification of meeting details.

Section 88 of the Local Government Act sets out the requirements for giving of public notice of committee meetings, which includes the publication of the meeting notice and agenda on the council website.<sup>17</sup>

<sup>17</sup> Section 132 of the *Local Government Act 1999* specifies the requirements for provision of access to documents which includes the obligation for councils to publish a document referred to in Schedule 5 of the Local Government Act on a website determined by the CEO.

In certain circumstances, the Committee may form the view that it is necessary to exclude the public in relation to its consideration of a particular matter. This may occur where the Committee considers that the need for confidentiality outweighs the principle of open decision making and a basis for doing so is provided for in section 90(3) of the Local Government Act.

As such, should the Committee wish to hold a confidential session, the Committee must have regard to the confidentiality provisions set out in section 90(3) of the Local Government Act and will make an order excluding the public in the appropriate circumstances.

If such an order is made, the minutes must detail:

- The grounds on which the order was made.
- The basis on which the information or matter to which the order relates falls within the ambit of each ground on which the order was made.
- If relevant, the reasons that receipt, consideration or discussion of the information or matter at a meeting open to the public would be contrary to the public interest.

## 6.4. Confidential meeting with external auditor

Regulation 17B<sup>18</sup> of the *Local Government (Financial Management) Regulations 2011* requires the Committee to liaise with the council's auditor by meeting with the auditor on at least one occasion each year on a confidential basis.

Whilst this meeting is required to exclude members of the public and members or employees of council (other than council members who are members of the Committee), it is still necessary to comply with the meeting notice and other procedural requirements.

From a practical perspective, this discussion could be scheduled to occur in conjunction with a regular Committee meeting. If this approach is adopted, the item should be included in the confidential section on the Agenda for the Committee, noting it is the discussion required by regulation 17B.

Despite the regulation providing for the discussion to occur in confidence, it is appropriate for the Committee to make an order to exclude the public from attendance at the meeting during the discussion with the auditor. The relevant provision within section 90(3) is:

- (g) *matters that must be considered in confidence to ensure that the council does not breach any law, order or direction of a court or tribunal constituted by law, any duty of confidence, or other legal obligation or duty.*

It may also be that, depending on the circumstances and the matters to be discussed, other grounds within section 90(3) are relevant to the Committee's determination.

Incorporating the discussion as an item on the Committee meeting agenda provides legal certainty regarding the process for excluding persons other than Committee members, and also ensures appropriate records regarding who is in attendance can be maintained (noting the requirement in regulation 17B that a majority of the Committee members must be in attendance).

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<sup>18</sup> This regulation commenced operation on 30 November 2023.

The LGA Confidentiality Guidelines provide information on the use of confidentiality provisions. The following is an example of orders that could be used to facilitate the Committee discussion with the external auditor in confidence.

### **Confidentiality Order under Section 90(3)(g)**

1. Pursuant to section 90(2) and 90(3)(g) of the *Local Government Act 1999* the Audit and Risk Committee orders that the public be excluded from attendance at that part of this meeting relating to Agenda Item **[insert item number and title]**, except the following persons:

- **[insert names/description of external auditor representatives who may remain]**

to enable the Audit and Risk Committee to consider Item **[insert item number]** in confidence on the basis the Committee considers it necessary and appropriate to act in a meeting closed to the public (excepting those persons listed above) in order to receive, discuss or consider in confidence the matter relating to Item **[insert item number]** in order to ensure that the Committee does not breach a legal obligation or duty being, the requirement under Regulation 17B of the *Local Government (Financial Management) Regulations 2011* to liaise with the council's auditor by meeting with the auditor on at least one occasion each year on a confidential basis in circumstances where a majority of the members of the Committee are present and no member or employees of the council are present (other than members who are members of the committee).

2. Accordingly, on this basis, the principle that meetings of the Committee should be conducted in a place open to the public has been outweighed by the need to keep the information or matter confidential.

### **Section 91(7) Order**

1. Pursuant to Section 91(7) of the *Local Government Act 1999*, the Audit and Risk Committee orders that the discussion relating to Agenda Item **[insert item number and description]** shall be kept confidential, on the grounds that the discussion relates to information, which if disclosed, may result in a breach of a legal obligation or duty being, the requirement under Regulation 17B of the *Local Government (Financial Management) Regulations 2011* to liaise with the council's auditor by meeting with the auditor on at least one occasion each year on a confidential basis in circumstances where a majority of the members of the Committee are present and no member or employees of the council are present (other than members who are members of the committee).

2. This order shall operate:

- **[for a period of (insert period of time e.g. 6 months, 18 months); OR**
- **Until (trigger can be an event e.g. until further order has been made, until execution of a contract etc)]**

and be reviewed every 12 months **[if the confidentiality period is longer than 12 months in duration]**.

3. Pursuant to section 91(9)(c) of the *Local Government Act 1999*, the Council delegates to the Chief Executive Officer **[or insert other officer title]** the power to revoke this order in whole or part.

Given the requirement that no council employee remain present during the meeting with the external auditor, the Presiding Member must ensure minutes are kept.

## 7. Terms of reference

Terms of reference should be prepared for audit and risk committees. This document should encapsulate minimum requirements set out in the legislation and may also be tailored to the specific needs and circumstances of individual councils.

A Terms of Reference details the audit and risk committee's role and responsibilities, composition, membership requirements, level/delegation of authority and processes and should be determined and endorsed by the council.

Appendix 2 provides a template terms of reference for an audit and risk committee. These are provided to assist councils in formulating their own terms of reference for their own Committees. The template document is intended to not only meet the requirements of the Local Government Act but to also embody examples of good practice for the operation of audit and risk committees. The template must be adapted to suit individual council requirements.

## 8. Work plan

A work plan should be developed, in consultation with the council and CEO, to support the audit and risk committee with the delivery of its functions.

The work plan should address issues that fall within the functions assigned to the audit and risk committee within the Local Government Act and the activity areas determined by council as set out within the audit and risk committee terms of reference.

To support the development of the work plan, audit and risk committee members should have access to information about:

- Strategic management plans, including the annual business plan and budget.
- Financial performance and position of the council.
- Endorsed financial targets and key financial indicators.<sup>19</sup>
- Long term financial plan and asset and infrastructure management plan(s).<sup>20</sup>

The work plan should be updated throughout the year to reflect progress against planned activities. This may include adding further tasks that are identified throughout the year, subject to resourcing/capacity. The work plan can form the basis of the reports the audit and risk committee must provide to the council.

A sample work plan is provided in Appendix 3.

The sample work plan is intended to provide guidance only. The sample work plan should be modified to take account of local circumstances, including resource availability and priorities aligned with council strategic management plans and annual business plan to ensure the work of the audit and risk committee adds value relative to costs.

<sup>19</sup> See *Financial Sustainability Information Paper No. 5: Local Government Financial Indicators* (available at [lga.sa.gov.au/members/financial-sustainability/financial-sustainability-information-papers](http://lga.sa.gov.au/members/financial-sustainability/financial-sustainability-information-papers))

<sup>20</sup> See *Financial Sustainability Information Paper No. 8: Long Term Financial Plans* (available at [lga.sa.gov.au/members/financial-sustainability/financial-sustainability-information-papers](http://lga.sa.gov.au/members/financial-sustainability/financial-sustainability-information-papers))



## 9. Reporting

### 9.1. BY the audit and risk committee

#### —After each meeting

Section 126(8)(a) of the Local Government Act requires the audit and risk committee to provide a report to the council after each meeting, summarising the work of the committee during the period preceding the meeting and the outcomes of the meeting.

Ordinarily, the minutes of the audit and risk committee are presented to council following each meeting of the Committee. This process allows the council to consider recommendations from the Committee and make decisions regarding the preferred course of action.

In circumstances where the Committee has been delegated authority for decision making in certain matters, the council might note the exercise of delegated powers/functions by the Committee.

The reporting obligation is in addition to the presentation of the audit and risk committee meeting minutes and would ideally be informed by the audit and risk committee work plan.

There are no prescribed requirements for the format, structure or content of the report. It is a matter for the council to determine whether it requires the presiding member of the audit and risk committee to attend council meetings to present this report following each meeting of the Committee.

One option to action this regular reporting requirement is for a draft report summarising the work of the audit and risk committee to be included on the agenda for each meeting of the Committee. This would provide the opportunity for all members of the audit and risk committee to consider and finalise the content of the report. The report would then need to be presented to council and could accompany the presentation of the minutes of the Committee meeting.

#### —Annually

Section 126(8)(b) of the Local Government Act requires the audit and risk committee to provide an annual report to the council on the work of the Committee during the reporting period.

The council is also obligated to ensure that the annual report of the audit and risk committee is included in the annual report of the council.<sup>21</sup>

Noting this requirement, it would be appropriate to schedule the timing of preparation of the audit and risk committee annual report to occur at the same time as the overall council annual report (i.e., on a financial year basis).<sup>22</sup>

There are no prescribed requirements for the format, structure or content of the annual report. When preparing the content for the report, consideration should be given to the fact that it will be a public document so any confidential matters actioned by the Committee should be reported in accordance with any confidentiality orders in place.

<sup>21</sup> Section 126(9), *Local Government Act 1999*

<sup>22</sup> Section 131 and Schedule 4 of the *Local Government Act 1999* set out requirements for the council annual report. See the LGA Annual Report Guidelines available via [Governance policies, codes and guidelines | LGA South Australia](#) for more detail on the preparation of an annual report.

The audit and risk committee annual report should include general information relating to the operations of the Committee, such as:

- Committee membership
- Meetings scheduled and attended
- Activities of the Committee
- Progress against the Committee workplan

The annual report may also include, where appropriate, the Committee's comments on:

- Any areas of accounting treatment that are open to discretion and in particular have material impact on reported financial performance or position of the council.
- The veracity of financial information included in publications for external audiences.
- The adequacy of asset values and depreciation methodology.
- The adequacy of strategies to minimise the likelihood of occurrence and adverse consequence for obvious and major internal and other risks.
- The adequacy of arrangements for employees to confidentially raise concerns of alleged malpractice in accordance with legislative provisions.
- The effectiveness of the internal audit function, where this exists (in particular, the adequacy of the internal audit function for managing the risks to which the council's operations are exposed).
- The arrangements in place for initiating and undertaking efficiency and economy audits.
- The conformity of the appointment arrangements of the external auditor with legislative provisions.
- Its monitoring of progress in response to its previous recommendations regarding areas requiring improvement (including matters raised by the Council's external auditor).

It is a matter for the council to determine whether it requires the presiding member of the audit and risk committee to attend the relevant council meeting to present the annual report of the Committee.

### **—Self assessment**

In the process of preparing its annual report to council, the audit and risk committee may wish to consider undertaking self-assessment of its performance over the previous twelve months. The self-assessment should be prepared following consultation with all audit and risk committee members and may include:

- understanding of its role and responsibilities.
- membership (composition, skills, knowledge and experience).
- conduct of meetings including frequency, length, attendance, quality of meeting papers and participation of members.
- objectivity and independence of its operation over the reporting period.
- adequacy of resources available to the committee.
- relevance and clarity of its work program for the reporting period.
- outcomes achieved in its work program.
- effectiveness in providing advice and recommendations to council and/or management about actions to be taken to enhance financial governance.
- activities undertaken and their relevance to its terms of reference.

A sample self-assessment tool is provided in Appendix 4.

## 9.2. TO the audit and risk committee

### —Regularly

The person primarily responsible for the internal audit function must ensure that any reports they prepare are provided directly to the audit and risk committee. Given meeting frequency requirements for the audit and risk committee, this must occur at least quarterly.

### —Annually

Section 99(1)(ib) of the Local Government Act requires the CEO to report annually to the relevant audit and risk committee on the council's internal audit processes.

Irrespective of the arrangement in place for delivery of internal audit processes at a council (e.g., some council may have a dedicated internal audit function whereas others may engage external providers for internal audit services), a report must be provided to the audit and risk committee on an annual basis.

There is no prescribed format or timeframe for the report, so it is at the discretion of the CEO to determine when the annual report will be prepared. It may be appropriate to align the timing of the preparation of the report with other council annual reporting requirements.

For a council that does not have an internal audit function, the audit and risk committee also has a role to review and comment on an annual report provided by the CEO in relation to the policies and processes adopted by the council to evaluate and improve the effectiveness of its internal control practices and procedures. This obligation is in addition to the report required of the CEO under section 99(1)(ib).

## 10. Regional audit and risk committees

Section 126A of the Local Government Act creates the ability for two or more councils to establish a regional audit and risk committee. It is intended that such committees would operate in substitution for an audit and risk committee established by a single council. The statutory functions of a regional audit and risk committee are essentially the same as a committee established by a single council.

On its face, the ability for a group of councils to establish a single committee to exercise the functions of an audit and risk committee for that group collectively has some merit. However, as the legislation presently stands, there is some doubt about how such committees would operate in practice. Accordingly, councils considering establishing a regional audit and risk committee should seek specific advice regarding the operation of that committee.

There is a lack a clarity within the Local Government Act as to whether a regional audit and risk committee is intended to function as a Section 41 committee of the respective councils. The drafting of Section 41 of the Act does not appear to contemplate its application to committees established by more than one council. Because of this, some of the issues regarding the establishment and operation of regional audit and risk committees identified include:

- protection from liability for committee members: Section 41(12)-(13) provide a protection to members of council committees for honest acts or omissions in the exercise, performance and discharge, or purported exercise performance and discharge, of the member or committees' powers, functions and duties and for any liability to attach to the council

instead of the member. It is not clear how this provision would apply to a member of a regional audit and risk committee, if at all.

- meeting procedural requirements: Section 41 committees operate in accordance with Section 89 and the relevant provisions of the *Local Government (Procedures at Meetings Regulations) 2013*. It is not clear how these provisions operate with respect to regional audit and risk committees, if at all, or whether separate meeting procedures ought be established under Section 126A(6) of the Local Government Act.
- admitting and excluding the public at committee meetings: Section 126A(7) provides for the making of regulations to provide for circumstances when the public may be excluded from regional audit and risk committee meetings. If such committees are not taken to be Section 41 committees, then the Section 90 provisions for excluding the public would not apply, and there are currently no regulations.
- calling of meetings and provision of minutes: the notice of meetings for council committee meetings are provided by the CEO of the council under Section 87(7) of the Local Government Act. If a committee is established by multiple councils, it is not clear how this provision would operate in practice and who would be responsible for undertaking the relevant administrative tasks associated with the calling of the meeting. In addition, under Section 91(3) of the Local Government Act, minutes of council committee meetings, including confidential minutes, must be supplied to all members of the council – if this provision is taken to apply to regional audit and risk committees, then there may be a need to supply members with minutes that relate to matters that concern a council they are not a member of.
- Conflict of interest, register of interest and other integrity provisions: depending on what status regional audit and risk committees hold, the deeming provisions in Sections 62(7), 72 and 75D of the Local Government Act pertaining to conflict and register of interest provisions, as well as the general duty provisions, may or may not operate in respect of members and meetings. Lack of clarity in this regard is concerning for the transparency and accountability of regional audit and risk committee processes.

The LGA intends to liaise with the State Government regarding the current legislation, with a view to clarifying the issues identified.

This Information Paper will be updated with further information on the operation of regional audit and risk committees when it becomes available.

If the establishment of a Regional Audit and Risk Committee is something your council wishes to pursue you are encouraged to contact the LGA Governance Team to discuss the operation of these provisions before beginning the process.

## 10.1. Regional audit and risk committee membership

Regional audit and risk committees must be constituted on the basis that the majority of the members of the committee must be persons who are not members of any council<sup>23</sup>.

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<sup>23</sup> *Local Government Act 1999*, section 126A(3)(a)

The members of the committee (when considered as a whole) must have skills, knowledge and experience relevant to the functions of the committee, including in financial management, risk management, governance and any other prescribed matter<sup>24</sup>.

The membership of the committee<sup>25</sup>:

- May not include an employee of a constituent council (although an employee may attend a meeting of the committee if appropriate).
- May include, or be comprised of, members of a council audit and risk committee or another regional audit and risk committee.
- Must otherwise be determined in accordance with the requirements of the regulations.

Regulation 17A of the *Local Government (Financial Management) Regulations 2011* specifies that a regional audit and risk committee established by two or more councils:

- must have between three and five members (inclusive) and
- must not include, as a member, a constituent council's auditor under section 12 of the Local Government Act.

## 10.2. Regional audit and risk committee purpose and function

The purpose of the regional audit and risk committee is *'to provide independent assurance and advice to those councils on accounting, financial management, internal controls, risk management and governance matters'*.<sup>26</sup>

The functions of the regional audit and risk committee include:

- Reviewing annual financial statements to ensure that they present fairly the state of affairs of the constituent councils.
- Proposing and providing information relevant to, a review of the constituent councils' strategic management plans or annual business plans.
- Monitoring the responsiveness of the constituent councils to recommendations for improvement based on previous audits and risk assessments, including those raised by a constituent council's auditor.
- Proposing, and reviewing, the exercise of powers under section 130A—Other investigations.
- Liaising with the constituent councils' auditors in accordance with any requirements prescribed by the regulations.
- Reviewing the adequacy of the accounting, internal control, reporting and other financial management systems and practices of the constituent councils on a regular basis.
- In relation to a constituent council that has an internal audit function – providing oversight of planning and scoping of the internal audit work plan and reviewing and commenting on reports provided by the person primarily responsible for the internal audit function on at least a quarterly basis.

<sup>24</sup> *Local Government Act 1999*, section 126A(3)(b)

<sup>25</sup> *Local Government Act 1999*, section 126A(3)(c)

<sup>26</sup> *Local Government Act 1999*, section 126A(2)

- In relation to a constituent council that does not have an internal audit function – reviewing and commenting on an annual report provided by the CEO in relation to policies and processes adopted to evaluate and improve the effectiveness of internal control practices and procedures (which is a new role of the CEO set out in section 99(1)(ib) and which also commenced 30 November 2023).
- Reviewing and evaluating the effectiveness of policies, systems and procedures established and maintained for the identification, assessment, monitoring, management and review of strategic, financial and operational risks on a regular basis (this aligns with the new role of the CEO set out in section 99(1)(ia) which also commenced on 30 November 2023).
- Reviewing any report obtained by a constituent council under section 48(1) (Prudential requirements for certain activities) of the Local Government Act.
- Performing any other function determined by the constituent councils or prescribed by the regulations.

Regulation 17B of the *Local Government (Financial Management) Regulations 2011* requires a regional audit and risk committee to liaise with the constituent councils' auditor by meeting with the auditors on at least one occasion each year on a confidential basis. The regulation specifies that a majority of members of the regional audit and risk committee must be present for the meeting and that no members or employees of the council should be present (other than council members who are members of the regional audit and risk committee).

## 11. Audit committees of council subsidiaries

### 11.1. Single-council subsidiaries

A subsidiary established by a single council under section 42 of the Local Government Act must have an audit committee.

Subject to the regulations, membership of the audit committee will be determined by the council, and may include members of the council's audit and risk committee.

Regulation 17(2) of the *Local Government (Financial Management) Regulations 2011* provides that the audit committee of a council subsidiary:

- (a) must have between 3 and 5 members (inclusive); and
- (b) must include at least 1 person who is not a member of the board of management of the subsidiary and who is determined by the council to have financial experience relevant to the functions of the audit committee; and
- (c) must not include, as a member, the council's auditor under section 128 of the Local Government Act or the auditor of the subsidiary under Part 6.

The functions of a single-council subsidiary audit committee are set out in Schedule 2, Part 1, clause 13 of the Local Government Act and include:

- Reviewing annual financial statements to ensure they provide a timely and fair view of the state of affairs of the subsidiary.
- Liaising with external auditors.
- Reviewing the adequacy of the accounting, internal audit, reporting and other financial management systems and practices of the subsidiary on a regular basis.

## 11.2. Regional subsidiaries established by two or more councils

A regional subsidiary must, unless exempted by regulation, establish an audit committee.

Subject to the regulations, membership of the audit committee will be determined by the constituent councils and may include members of a regional audit and risk committee established by any of the constituent councils or a council audit and risk committee established by any of the constituent councils.

Regulation 17(3) of the *Local Government (Financial Management) Regulations 2011* provides that the audit committee of a regional subsidiary:

- (a) must have between 3 and 5 members (inclusive).
- (b) must include at least 1 person who is not a member of the board of management of the regional subsidiary and who is determined by the constituent councils to have financial experience relevant to the functions of the audit committee.
- (c) may include members who are members of a constituent council.
- (d) must not include, as a member, a constituent council's auditor under section 128 of the Local Government Act or the auditor of the subsidiary under Part 6.

The functions of a regional subsidiary audit committee are set out in Schedule 2, Part 2, clause 30 of the Local Government Act and include:

- Reviewing annual financial statements to ensure they provide a timely and fair view of the state of affairs of the subsidiary.
- Liaising with external auditors.
- Reviewing the adequacy of the accounting, internal audit, reporting and other financial management systems and practices of the subsidiary on a regular basis.

## Appendix 1 – Audit and risk committee sample skills matrix

The following skills matrix is provided as a sample. It incorporates the minimum skills, knowledge and experience requirements specified in section 126 of the Local Government Act. If a council adopts the use of a skills matrix, it should consider additional requirements that may be specific to the audit and risk committee and amend the matrix accordingly.

Skills Matrix - Rating Scale					
0	1	2	3	4	5
<p><b>No prior experience in the relevant subject area</b></p>	<p><b>Limited exposure to the relevant subject area.</b> For example, one or more of:</p> <ul style="list-style-type: none"> <li>- Holding a degree or relevant qualification but no specific role or accountability in the subject area</li> <li>- Familiarity with the field through having a senior role in an organisation but no specific role in this field</li> <li>- Familiarity with the field in management of an entity not specialising in this field</li> </ul>	<p><b>Some experience in relevant subject area</b> For example – one or more of:</p> <ul style="list-style-type: none"> <li>- A relevant qualification and 1-3 years' experience in a role within the subject area</li> <li>- Detailed experience in this field gained through management in an entity not specialising in this field</li> </ul>	<p><b>Demonstrated experience in the relevant subject area</b> For example – one or more of:</p> <ul style="list-style-type: none"> <li>- A relevant qualification and 5+ years' experience in a role within the subject area</li> <li>- Professional Membership in the subject area</li> <li>- Management experience in this field in an entity specialising in this field</li> <li>- Audit and Risk Committee positions held in other entities</li> </ul>	<p><b>Strong expertise and detailed technical understanding of the subject area</b> For example – one or more of:</p> <ul style="list-style-type: none"> <li>- A relevant qualification and 2-5 years' experience in an executive or senior leadership role with direct accountability for this subject area.</li> <li>- Professional Membership in the subject area</li> <li>- 5+ years' experience in an executive or senior leadership role in a professional firm with specialisation in the subject area</li> <li>- Audit and Risk Committee positions held for Councils</li> </ul>	<p><b>Advanced expertise and sophisticated and strategic understanding in the subject area</b> For example – one or more of:</p> <ul style="list-style-type: none"> <li>- A relevant qualification and 5+ years' experience in an executive or senior leadership role with direct accountability for this subject area</li> <li>- Professional Membership in the subject area</li> <li>- 10+ years' experience in an executive or senior leadership role in a professional firm with specialisation in the subject area</li> <li>- 8+ years' experience in Audit and Risk Committee positions held for Councils.</li> </ul>



The skills matrix should be completed in relation to all members of the audit and risk committee. For existing members, it may be appropriate to undertake a self-assessment to determine any skills gaps that may need to be addressed for future member appointments. For new members, it would be appropriate for the skills matrix to be completed as part of the appointment process and prior to appointment.

<b>Skills Matrix – Member Assessment</b>			
<b>Subject Area</b>	<b>Definition</b>	<b>Evidence examples</b>	<b>Rating</b>
<b>Financial Management</b>	<p>Understanding of the field of accounting, financial reporting, internal controls, including knowledge of relevant accounting standards.</p> <p>Able to contribute to the oversight of budgeting and long-term financial planning.</p> <p>Holds a formal qualification in accounting , finance, or internal audit</p> <p>Holds a professional membership in accounting, finance, or internal audit</p>	<p>An Accounting, Commercial or Business Degree at Undergraduate or Post Graduate level.</p> <p>Has achieved certification for the Institute of Internal Auditors and holds Professional Membership status.</p> <p>Holds a Professional Membership in CPA, CA or IPA</p> <p>Experience in this field</p>	
<b>Risk Management</b>	<p>Experience in systematic risk identification, evaluation, assurance, monitoring and review of key business risks.</p>	<p>Holds a qualification/certification in risk management.</p> <p>Level of experience assisting in the development of risk management frameworks, registers, policies and procedures</p> <p>Experience in this field</p>	
<b>Governance</b>	<p>Understanding of Governance Matters</p>	<p>Relevant qualification in Business or Law.</p> <p>Membership of the Australian Institute of Company Directors.</p> <p>Experience in this field</p>	
<b>Local Government</b>	<p>Experience with Local Government in South Australia</p>		

The results assessment table provides a consolidated summary of skills held by all committee members. It allows for easy identification of any skills/knowledge/experience gaps to inform future appointments.

To populate the results assessment table transfer individual member ratings from the Member Assessment form, using one column for each member.

<b>Skills Matrix – Results Assessment</b>					
<b>Skills</b>	<b>Member 1</b>	<b>Member 2</b>	<b>Member 3</b>	<b>Member 4</b>	<b>Member 5</b>
Financial Management					
Risk Management					
Governance					
Local Government					

## Appendix 2 – Template audit and risk committee terms of reference

The template terms of reference set out on the following pages are intended to be customised to suit council requirements. The document includes drafting notes that should be deleted prior to finalisation of the document. Drafting notes are formatted with a border, like this:

**DRAFTING NOTE:** *Subject to individual council requirements, the legislative provisions set out in clause 2.1 below may be sufficient detail about the functions/activities of the audit and risk committee.*

Where specific customisation of text is required within the Terms of Reference, or there are specific decisions required to retain text, this has been highlighted in yellow, like this, for ease of identification.

[Council Logo]

### Audit and Risk Committee Terms of Reference

Document reference:	[reference number]
Responsible department:	[name]
Responsible officer:	[name]
Date adopted:	[date]
Next review date:	[date]
Applicable legislation:	<i>Local Government Act 1999</i> <i>Local Government (Financial Management) Regulations 2011</i> <i>Local Government (Procedures at Meetings) Regulations 2011</i>

#### 1. Establishment and Purpose

- 1.1 The purpose of the Audit and Risk Committee (the Committee) is to provide independent assurance and advice to Council on accounting, financial management, internal controls, risk management and governance matters.
- 1.2 The Committee is established in accordance with the requirements of sections 126 and 41 of the *Local Government Act 1999* (the Local Government Act).

#### 2. Functions

**DRAFTING NOTE:** *Subject to individual council requirements, the legislative provisions set out in clause 2.1 may provide sufficient detail about the functions/activities of the audit and risk committee.*

*If further detail is preferred, the subsequent clauses provide examples of activities at a greater level of detail, aligned to the full scope of functions assigned to the audit and risk committee. These are not exhaustive, nor mandatory. They are provided as **examples** only.*

*Before adopting the Terms of Reference the level of detail to be included should be determined and the clauses below should be specifically reviewed and confirmed for inclusion based on individual council requirements.*

*When finalising this section of the Terms of Reference ensure that clauses that are not required are deleted.*

2.1 The Local Government Act assigns the following functions to audit and risk committees:

- (a) Review annual financial statements to ensure that they present fairly the state of affairs of the council.
- (b) Propose and provide information relevant to, a review of the council's strategic management plans or annual business plan.
- (c) Monitor the responsiveness of the Council to recommendations for improvement based on previous audits and risk assessments, including those raised by the Council's auditor.
- (d) Propose and review the exercise of powers under section 130A.
- (e) Liaise with the Council's auditor in accordance with any requirements prescribed by the regulations.
- (f) Review the adequacy of the accounting, internal control, reporting and other financial management systems and practices of the Council on a regular basis.
- (g) —

If the council has an internal audit function, provide oversight of planning and scoping of the internal audit work plan and review and comment on reports provided by the person primarily responsible for the internal audit function on at least a quarterly basis.

If the council does not have an internal audit function, review and comment on an annual report provided by the chief executive officer in relation to the policies and processes adopted by the Council to evaluate and improve the effectiveness of its internal control practices and procedures.

- (h) Review and evaluate the effectiveness of policies, systems and procedures established and maintained for the identification, assessment, monitoring, management and review of strategic, financial and operational risks on a regular basis.
- (i) Review any prudential report obtained by the council under section 48(1).
- (j) Make recommendations to the Council on the appointment of the Auditor pursuant to section 128 of the Local Government Act.
- (j) Perform any other function referred to it by the Council, another Council Committee or prescribed by the regulations.

2.2 Consistent with the legislative functions assigned to audit and risk committees, the Committee will undertake the following activities:

## **2.3 Financial Reporting**

- 2.3.1 Monitor the integrity of the financial statements of the Council, reviewing significant financial reporting issues and judgements which they contain.
- 2.3.2 Review and challenge where necessary:
- The consistency of, and/or any changes to, accounting policies.
  - The methods used to account for significant or unusual transactions where different approaches are possible.
  - Whether the Council has followed appropriate accounting standards and made appropriate estimates and judgements, taking into account the views of the external auditor.
  - The clarity of disclosure in the Council's financial reports and the context in which statements are made.
  - All material information presented with the financial statements.
- 2.3.3 Provide advice to Council relevant to budget reviews undertaken in accordance with the Local Government Act and Regulation 9 of the *Local Government (Financial Management) Regulations 2011*, including in relation to any revisions to the forecast Key Financial Indicators.

## **2.4 Management plans and business plans**

- 2.4.1 As the time of preparation or scheduled review, provide advice relevant to the scope of the Committees functions on the Council's strategic management plans, which may include:
- Community/Strategic Plan
  - Long Term Financial Plan
  - Annual Business Plan and Budget
  - Infrastructure and Asset Management Plan.

## **2.5 Internal controls**

- 2.5.1 Review the adequacy of Council's internal controls framework, processes and systems.

## **2.6 Risk management**

- 2.6.1 Review the effectiveness of policies, systems and procedures established and maintained for the identification, assessment, monitoring, management and review of strategic, financial and operational risks on a regular basis.
- 2.6.2 Monitor responsiveness to recommendations for improvement based on previous audits and risk assessments, including those raised by Council's auditor.

## **2.7 Internal audit**

- 2.7.1 Liaise with the CEO in relation to the appointment of a person, or the assignment of responsibility to an employee of the council, to be primarily responsible for the internal audit function.
- 2.7.2 Receive and comment on reports provided by the person primarily responsible for the internal audit function.

- 2.7.3 **[if the council has an internal audit function]** Provide oversight of planning and scoping of the internal audit work plan.
- 2.7.4 Review internal audit reports on the council operations.
- 2.7.5 Review and monitor management's responsiveness to internal audit findings and recommendations.
- 2.7.6 **[if the council does not have an internal audit function]** Review and comment on an annual report provided by the Chief Executive Officer in relation to the policies and processes adopted by the Council to evaluate and improve the effectiveness of its internal control practices and procedures.

## **2.8 External audit**

- 2.8.1 Make recommendations to the Council in relation to the selection, appointment and removal of the Council's external auditor.
- 2.8.2 Assess the quality and effectiveness of the external audit conducted and evaluate the performance of the auditor, including:
  - Review the scope and terms of the audit and the audit fee, including a review on non-audit services provided by the external auditor.
  - Review the audit plan for coverage of material risks and financial reporting requirements.
  - Monitor and review the auditors independence and objectivity.
  - Discuss matters relating to the conduct of the audit, including any difficulties encountered, any restrictions on scope of activities or access to information, significant disagreements with management and the adequacy of management response.
- 2.8.3 Review the findings of the audit with the external auditor, including but not limited to:
  - A discussion of any major issues which arose during the external audit.
  - Any accounting and audit judgements.
  - Levels of errors identified during the external audit.
- 2.8.4 Review any representation letter requested by the external auditor before they are signed by management.
- 2.8.5 Review the subsequent audit management letter from the external auditor and management's proposed response, by the Council, to the external auditor's findings and recommendations in that audit management letter.
- 2.8.6 Meet with the external auditor on at least one occasion each year on a confidential basis, ensuring that a majority of members of the Committee are present for the meeting and that no members or employees of the council are present (other than council members who are members of the Committee).

## **2.9 Other matters**

- 2.9.1 Review any report obtained by Council under section 48(1) of the Act in accordance with Council's Prudential Management Policy.
- 2.9.2 Propose and review the exercise of powers under section 130A of the *Local Government Act 1999* to examine and report on any matter relating to financial

management or the efficiency and economy of resource use to achieve council objectives not otherwise addressed as part of an annual audit and of such significance to warrant specific consideration.

- 2.9.3 Make recommendations to Council in relation to development of new and review of existing policies within the scope of the Committee's functions.

### 3. Membership

- 3.1 The Committee shall comprise [insert number - *must be between 3 and 5*] members appointed by the Council, with [insert number – *must be a majority*] being independent members and [insert number] Council Member[s].
- 3.2 When considered as a whole, the Committee must have skills, knowledge and experience relevant to the functions of the Committee, including in financial management, risk management, governance and any other prescribed matter.
- 3.3 The term of appointment for independent members will be up to [insert length of term of appointment in months/years] and appointment timing will be managed such that it does not align with council elections, to provide for continuity of Committee membership across terms of Council.

**DRAFTING NOTE:** The following clause is included for circumstances where a council wishes to impose a maximum number of terms for independent audit and risk committee members. It should be deleted if not required.

- 3.4 Independent Committee members are eligible for reappointment up to a maximum of [insert number of terms if a cap is to be applied] terms.
- 3.5 The term of appointment for Council Members will be [insert length of term of appointment in months/years].

**DRAFTING NOTE:** The following clause is included for circumstances where a council wishes to impose a maximum number of terms for council members appointed to the audit and risk committee. It should be deleted if not required.

- 3.6 Council Members are eligible for reappointment up to a maximum of [insert number of terms if a cap is to be applied] terms.

### 4. Presiding Member

**DRAFTING NOTE:** The appointment of the Presiding Member is a matter for council to determine. It is at the discretion of the council whether an independent member is appointed to the role. The clause below refers to the appointment of an independent member as Presiding Member, consistent with good practice.

Should it determine to do so, the council may include arrangements for the appointment of the Presiding Member by the Committee (rather than making the appointment directly) within the Terms of Reference.

The clause should be amended to reflect the decision of the council regarding the appointment of the Presiding Member.

- 4.1 The Council shall appoint the Presiding Member from amongst the Independent Members.

- 4.2 The role of the Presiding Member is to:
- 4.2.1 Oversee the orderly conduct of meetings in accordance with the Local Government Act, the *Local Government (Procedures at Meetings) Regulations 2013* and other procedures relevant to the Committee.
  - 4.2.2 Ensure that the Guiding Principles at Regulation 4 of the *Local Government (Procedures at Meetings) Regulations 2013* are observed and that all Committee members have an opportunity to participate in deliberations of the Committee.
  - 4.2.3 Certify, along with the Chief Executive Officer and in accordance with Regulation 22 of the *Local Government (Financial Management) Regulations 2001*, the 'Independence of External Auditor' as part of the end of financial year audit process.

**DRAFTING NOTE:** The following **optional** clause has been included to provide for the appointment of a Deputy Presiding Member or circumstances where the Presiding Member is absent.

Clause 4.3 and 4.3.1 should be deleted if not required. Consideration should be given to retaining an amended version of clauses 4.3.2 and/or 4.3.3 to provide for circumstances when the presiding member is absent.

#### 4.3 Deputy Presiding Member

- 4.3.1 The Committee will determine if there will be a Deputy Presiding Member of the Committee and, if so, the Committee will make the appointment to that position for a term determined by the Committee.
- 4.3.2 If the Presiding Member of the Committee is absent from a meeting the Deputy Presiding Member (if such position exists) will preside at that meeting.
- 4.3.3 If there is no position of Deputy Presiding Member, or both the Presiding Member and the Deputy Presiding Member of the Committee are absent from a meeting of the Committee, then a member of the Committee chosen from those present will preside at the meeting until the Presiding Member (or Deputy Presiding Member, if relevant) is present.

## 5. Meetings

**DRAFTING NOTE:** The following clauses should be amended to reflect the arrangements in place for the scheduling of meetings. The endorsement of the Terms of Reference by Council that specify the Committee will determine its own meeting schedule satisfies the requirements of section 87(1) of the Local Government Act 1999.

- 5.1 The Committee will meet at least once in each quarter, with meeting dates and times determined by the [Council/Committee].
- 5.2 Meetings will be held at [insert details of location of meetings].
- 5.3 Notice confirming the venue, time and date, together with an agenda of items to be discussed shall be provided to each member of the Committee no later than three clear days before the meeting.



- 5.4 Subject to the operation of section 90 of the Local Government Act, and in accordance with the requirements of section 132 of the Local Government Act, the agenda and minutes of the Committee will be published on a website determined by the Chief Executive Officer.
- 5.5 In accordance with section 88 of the Local Government Act, notice of meetings of the committee must be displayed at the principal office of the Council and on a website determined by the Chief Executive Officer, and must continue to be published and kept on display until the completion of the relevant meeting.
- 5.6 The Chief Executive Officer is authorised to adjourn a scheduled meeting, in circumstances where sufficient apologies have been received to indicate a quorum will not be achieved for the scheduled meeting.
- 5.7 **Meeting procedures**

5.7.1 For the purposes of regulation 5 of the *Local Government (Procedures at Meetings) Regulations 2013*, Council has determined that Part 2—Meetings of councils and key committees apply to the Committee.

**DRAFTING NOTE:** Council is required to resolve to apply Part 2 of the *Procedures at Meetings Regulations* to a committee. The above clause should be deleted if council does not wish to apply Part 2 procedures to the Audit and Risk Committee. In those circumstances, only Parts 1, 3 and 4 of the *Local Government (Procedures at Meetings) Regulations 2013* would apply to the Audit and Risk Committee.

5.7.2 Meetings of the Committee will be held in accordance with:

- Local Government Act 1999

**DRAFTING NOTE:** If council resolves to apply Part 2 of the *Procedures at Meetings Regulations* to the Committee the first dot point below should be retained and the second dot point deleted. If council does not resolve to apply Part 2, the second dot point below should be retained and the first dot point deleted.

- Local Government (Procedures at Meetings) Regulations 2013 **OR**

- Local Government (Procedures at Meetings) Regulations 2013, specifically Part 1—Preliminary, Part 3—Meetings of other committees and Part 4--Miscellaneous

- Council's Code of Practice [if applicable]

**DRAFTING NOTE:** The following **optional** clauses have been included to provide for participation in audit and risk committee meetings by committee members via electronic means in accordance with the requirements of section 90(7a) of the *Local Government Act*.

The clauses should be deleted if participation in meetings by electronic means is not relevant.

## 5.8 **Attendance at Committee meetings electronically**

5.8.1 Committee members may participate in a Committee meeting by electronic means.

5.8.2 A member of the Committee participating in a committee meeting by electronic means is taken to be present at the committee meeting provided that the member:

(a) can hear all other members present at the committee meeting; and

(b) can be heard by all other members present at the committee meeting.

## 5.9 **Form of participation by electronic means**

5.9.1 Where:

(a) a Committee member is to participate in an Committee meeting by electronic means; and

(b) the electronic means has the functionality to allow the member to participate in the Committee meeting by being **both** seen and heard; and

(c) the electronic means of the Council has the functionality to allow the Committee member to be **both** seen and heard,

the member **must** participate by being **both** seen and heard.

## 5.10 **Public access to electronic committee meetings**

5.10.1 Council will make available to the public a live stream of any Committee meeting which must be conducted in a place open to the public at which one or more members participate electronically and will ensure that members of the public can hear the discussions between all persons participating in the Committee meeting.

5.10.2 The live stream will be published on a website determined by the chief executive officer, provided that this requirement will not apply to any part of the Committee meeting that has been closed to the public.

### **Definitions**

Electronic means includes a telephone, computer or other electronic device used for communication.

## 5.11 **Voting**

5.11.1 Each member of the Committee at a meeting will have one vote.

5.11.2 The Presiding Member will have a deliberative vote and does not, in the event of an equality of votes, have a casting vote.

## 5.12 Quorum

**DRAFTING NOTE:** *The quorum calculation clause reflects regulation 26 of the Local Government (Procedures at Meetings) Regulations 2013.*

*Council may wish to determine an alternative quorum, for example, by setting a fixed number and/or requiring a majority of independent members to be present to constitute a quorum for a meeting of the Committee.*

- 5.12.1 A quorum for the Committee will be ascertained by dividing the total number of members of the Committee by 2, ignoring any fraction resulting from the division and adding one (in accordance with regulation 26, *Local Government (Procedures at Meetings) Regulations 2013*).

## 6. Reporting

- 6.1 As required by section 126(8)(a) of the Local Government Act, the Committee will provide a report to the Council after each meeting summarising the work of the Committee during the period preceding the meeting and the outcomes of the meeting.
- 6.2 As required by section 126(8)(b) of the Local Government Act, the Committee will provide an annual report to the Council on the work of the Committee. The Council must include this report in its Annual Report.
- 6.3 As required by section 99(1)(ib) of the Local Government Act, the Chief Executive Officer will provide an annual report to the Committee on the council's internal audit processes.
- 6.4 As part of the preparation of the annual report, the Committee will evaluate its performance, which may include consideration of these Terms of Reference, to ensure the Committee is operating at maximum effectiveness with recommendations for any changes presented to the Council for consideration.

## 7. Administrative support

- 7.1 The Chief Executive Officer shall provide sufficient administrative resources to the Committee to enable it to adequately carry out its functions.

## Appendix 3 – Example audit and risk committee work plan

The work plan set out below is provided as an example only and is not intended to be exhaustive. Categories of activity are based on the functions of the audit and risk committee set out in the *Local Government Act 1999* and activities are provided as examples of work relevant to the Committee.

The ‘responsible officer’ column may be used to identify the council officer with responsibility for facilitating each activity to be undertaken by the Committee. This may be the CEO or General Manager (or equivalent) responsible for finance/risk/audit functions or it may be the officer tasked with supporting Committee.

The timing columns indicate at which meeting the Committee would consider relevant activities. The example plan is based on the minimum quarterly meetings required to be held and assumes the work plan is developed on a financial year basis.

The ‘status update’ column may be used to provide updates on progress against activities and could form the basis of content for the report to be presented to the Council following each Committee meeting.

Activity	Responsible Officer	Timing				Status Update
		Meeting Date Q3 (Jan-Mar)	Meeting Date Q4 (Apr-Jun)	Meeting Date Q1 (Jul-Sept)	Meeting Date Q2 (Oct-Dec)	
<b>Audit &amp; Risk Committee performance</b>						
- Report to Council after each Committee meeting		X	X	X	X	
- Report annually to Council				X		
- Development of annual work plan			X			
- Undertake self assessment			X			
- Review of Terms of Reference (alternate years)		X				

Activity	Responsible Officer	Timing				Status Update
		Meeting Date Q3 (Jan-Mar)	Meeting Date Q4 (Apr-Jun)	Meeting Date Q1 (Jul-Sept)	Meeting Date Q2 (Oct-Dec)	
<b>Financial Reporting</b>						
- Review annual financial statements				X		
- Review asset valuations				X		
- Review methodology and approach to depreciation				X		
- Review significant accounting and reporting issues, changes to accounting standards and industry updates					X	
<b>Management Plans &amp; Business Plans</b>						
- Review of annual business plan and budget		X				
- Review of long term financial plan (s.122(4)(a) on an annual basis)		X				
- Review of infrastructure and asset management plan(s)		X				
- Review of community/strategic plan (s.122(4)(b) within 2 years after each general election)						

Activity	Responsible Officer	Timing				Status Update
		Meeting Date Q3 (Jan-Mar)	Meeting Date Q4 (Apr-Jun)	Meeting Date Q1 (Jul-Sept)	Meeting Date Q2 (Oct-Dec)	
<b>Internal Controls</b>						
- Review internal controls self assessment			X			
- Review internal control policies and procedures		X				
<b>Risk Management</b>						
- Review strategic risk register		X		X		
<b>Internal Audit</b>						
- Oversight of planning and scoping of internal audit plan <i>(if the council has an internal audit function)</i>			X			
- Review internal audit reports		X	X	X	X	
- Review annual report in relation to policies and processes adopted to evaluate and improve effectiveness of internal control practices/procedures <i>(if the council does not have an internal audit function)</i>				X		

Activity	Responsible Officer	Timing				Status Update
		Meeting Date Q3 (Jan-Mar)	Meeting Date Q4 (Apr-Jun)	Meeting Date Q1 (Jul-Sept)	Meeting Date Q2 (Oct-Dec)	
<b>External Audit</b>						
- Review interim audit report			X			
- Review final external audit report					X	
- Review management representation letters					X	
- Assess appropriateness of Council's response to Auditors findings and recommendations					X	
- Meet with External Auditor (in confidence)					X	
<b>Other Matters</b>						
- Review of section 48 Prudential Management report (as required)						
- Propose and review the exercise of powers under section 130A (as required)						
- Policy reviews (as required)						

## Appendix 4 – Sample audit and risk committee self-assessment

The self-assessment set out below is provided as an example of a tool that may be used by an audit and risk committee to assess its performance.

	0 Strongly disagree   Below standard	1 Disagree   Poor	2 Neutral	3 Agree   Good	4 Strongly agree   Exceptional	Comment
<b>Committee Members &amp; Meetings</b>						
The Committee understands the Council's business sufficiently to enable the Committee to fulfil its responsibilities						
The mix of skills on the Committee allows it to effectively perform its responsibilities						
Committee members have maintained relevant skills/knowledge/experience and undertaken relevant training and development						
Committee members have attended meetings on a regular basis						
The Committee meets frequently enough to be effective						
Meetings have been conducted in accordance with the agenda issued and allow sufficient time to discuss complex and critical issues						
Meeting agenda and supporting papers are of sufficient clarity and quality to make informed decisions						



	0 Strongly disagree   Below standard	1 Disagree   Poor	2 Neutral	3 Agree   Good	4 Strongly agree   Exceptional	Comment
Meetings have been conducted to allow Committee members to raise any issue they believe relevant and allow for open, frank and robust discussion of all matters raised						
The Committee has received all information, presentations or explanations it considers necessary to fulfil its responsibilities						
Committee minutes are appropriately maintained and are of good quality						
<b>Committee Planning &amp; Reporting</b>						
The Committee work plan set out achievable priorities and objectives for the year						
Appropriate progress against the work plan was achieved						
Committee recommendations/decisions and agreed actions are monitored and have been implemented within agreed timeframes						
The Committee reported to Council after each meeting summarising the work of the Committee during the period preceding the meeting and the outcomes of the meeting						
The Committee provided an annual report to the Council on the work of the Committee. The Council included this report in its Annual Report						
The Committee has reviewed and if appropriate, proposed amendments to, its Terms of Reference						

	0 Strongly disagree   Below standard	1 Disagree   Poor	2 Neutral	3 Agree   Good	4 Strongly agree   Exceptional	Comment
<b>External Audit</b>						
The Committee is satisfied that annual financial reports comply with applicable legislation and Australian accounting standards and are supported by appropriate management sign-off on financial statements						
The Committee has reviewed the findings of the interim and annual audits with the external auditor						
The Committee has reviewed the external auditor's management letter and monitored the implementation of recommendations by management						
The Committee has reviewed the external audit opinion, including whether appropriate action has been taken in response to audit recommendations and adjustments						
The Committee has considered contentious financial reporting matters in conjunction with management and external auditors						
The Committee has reviewed the processes in place to ensure financial information included in the annual report is consistent with the signed financial statements						
The Committee has met with the external auditor on at least one occasion on a confidential basis, with a majority of Committee members present and no members/employees of the council present (other than council members who are members of the Committee)						

	0 Strongly disagree   Below standard	1 Disagree   Poor	2 Neutral	3 Agree   Good	4 Strongly agree   Exceptional	Comment
<b>Internal Audit</b>						
The Committee has reviewed and approved the internal audit plan <i>(if the council has an internal audit function)</i>						
The Committee considers the internal audit resources were adequate for the completion of the internal audit program						
The Committee has monitored the implementation of internal audit recommendations and obtained all information and/or explanations it considers relevant to the progress of implementation of audit recommendations						
The Committee considers the audit reports provided as appropriate for the business needs of the Council and:						
a) The reports were structured, concise and constructive						
b) The recommendations provided were realistic and resulted in improvements to current procedures						
c) The conclusions reached were adequately supported by relevant evidence and reflected a realistic understanding of the area under review						
The Committee has reviewed the annual report provided by the Chief Executive Officer on the council's internal audit processes <i>(if the council does not have an internal audit function)</i>						

	0 Strongly disagree   Below standard	1 Disagree   Poor	2 Neutral	3 Agree   Good	4 Strongly agree   Exceptional	Comment
<b>Risk Management, Internal Control, Financial Management, Strategic Planning and Reporting</b>						
The Committee understands and reviews the effectiveness of Council's strategic plan and delivery program						
The Committee adequately understands and reviews the Council's risk management framework and whether an effective approach is being followed to manage major risks						
The Committee adequately understands and reviews the Councils financial reporting requirements						
The Committee reviews the effectiveness of the system for monitoring Council's compliance with relevant laws and regulations						
The Committee understands and reviews management's systems and arrangements for maintaining effective internal controls						
The Committee has reviewed the annual report prepared by the CEO in relation to policies and processes adopted to evaluate and improve effectiveness of internal control practices/procedures						
<b>Other Matters [as relevant/required]</b>						
The Committee reviewed and provided comment on any Prudential Management reports prepared in accordance with section 48 of the <i>Local Government Act 1999</i>						

	<b>0</b> Strongly disagree   Below standard	<b>1</b> Disagree   Poor	<b>2</b> Neutral	<b>3</b> Agree   Good	<b>4</b> Strongly agree   Exceptional	<b>Comment</b>
The Committee appropriately proposed and reviewed the exercise of powers under section 130A of the <i>Local Government Act 1999</i>						
The Committee reviewed and provided feedback on relevant policies						

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# **Appendix 4**

*Council's Internal Audit Policy*

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# *Council Policy*

## Internal Audit





# COUNCIL POLICY

 <p><b>Adelaide Hills</b> COUNCIL</p>	<b>INTERNAL AUDIT</b>
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<b>Policy Number:</b>	<b>GOV-18</b>
<b>Responsible Department(s):</b>	<b>Governance &amp; Performance</b>
<b>Relevant Delegations:</b>	<b>As per the Delegations Register and as detailed in this Policy</b>
<b>Other Relevant Policies:</b>	<i>Risk Management Policy Fraud &amp; Corruption Prevention Policy Public Interest Disclosure Policy WHS and IM Policy</i>
<b>Relevant Procedure(s):</b>	<b>Nil</b>
<b>Relevant Legislation:</b>	<i>Local Government Act 1999</i>
<b>Policies and Procedures Superseded by this policy on its Adoption:</b>	<b>Internal Audit Policy, 13 June 2017, Item 12.2, SP21/17</b>
<b>Adoption Authority:</b>	<b>Council</b>
<b>Date of Adoption:</b>	<b>24 May 2022</b>
<b>Effective From:</b>	<b>07 June 2022</b>
<b>Minute Reference for Adoption:</b>	<b>Item 12.12, 132/22</b>
<b>Next Review:</b>	<b>No later than April 2025 or as required earlier by legislation or changed circumstances.</b>

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## Version Control

<b>Version No.</b>	<b>Date of Effect</b>	<b>Description of Change(s)</b>	<b>Approval</b>
1.0	1/3/2014	New Policy	SPDPC - Res 3/14
1.1	27/06/2017	Minor amendments to achieve consistency with Council policy template and updated nomenclature	SPDPC - Res SP21/17
2.0	24/5/2022	Minor amendments to achieve consistency with nomenclature changes and with the Council policy template	Council – Res 132/22

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## INTERNAL AUDIT POLICY

### 1. INTRODUCTION

- 1.1. Internal controls are essential to assist the Council to carry out its activities in an efficient and orderly manner to achieve its objectives, to ensure adherence to legislation and council policies, to safeguard the Council's assets, and to secure the accuracy and reliability of council records
- 1.2. This policy includes a definition of internal audit as it applies to the Council, a set of internal audit principles and states the responsibilities for Council Members, the Audit Committee, the Leadership team and the Governance & Performance Department.

### 2. POLICY STATEMENT

- 2.1. The Council is committed to maintaining a robust and integrated Governance Framework that assures stakeholders that it is pursuing its objectives and fulfilling its responsibilities with due diligence and accountability.
- 2.2. A fundamental component of this Framework is the operation of an objective assurance function that evaluates the adequacy and effectiveness of the systems of internal control within the Council.
- 2.3. The purpose of this Policy is, through the establishment of an internal audit function, to support better decision-making through a good understanding of the adequacy and effectiveness of the systems of internal controls to mitigate Council's risks.

### 3. DEFINITION OF INTERNAL AUDIT

- 3.1. Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve the Council's operations. It helps the Council accomplish objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes<sup>1</sup>.
- 3.2. The Executive Manager Governance & Performance (EMGP) is responsible for the management of the internal audit function within Council. Internal audits are to be conducted by suitably qualified and experienced personnel and may be insourced, cosourced or outsourced.

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<sup>1</sup> Institute of Internal Auditors, *International Professional Practices Framework (IPPF)*, [www.iaa.org.au/technical-resources](http://www.iaa.org.au/technical-resources)

#### **4. POLICY PRINCIPLES**

4.1. The principles of the Council's approach to internal audit are:

##### **4.2. Independence**

4.2.1. Independence is essential to the effectiveness of the internal audit function.

4.2.2. The internal audit function has no direct authority or responsibility for the activities it reviews. The internal audit function has no responsibility for developing or implementing procedures or systems and does not prepare records or engage in original line processing functions or activities (except as noted below). The work of internal audit does not in any way relieve managers of their responsibilities for the development, implementation and maintenance of management control systems in their areas.

4.2.3. The EMGP is responsible, on a day to day basis, for the internal audit function of Council. In achieving operational independence of the internal audit function the CEO has ensured that the EMGP has dual reporting lines.

4.2.4. These reporting lines require that the EMGP must:

- report administratively to the CEO to facilitate day to day operations of the internal audit function and
- report to the Audit Committee for strategic direction and accountability of the internal audit function.

4.2.5. The EMGP has direct access to the Mayor, the Presiding Member of the Audit Committee and the CEO. Periodic 'in camera' meetings may be held between the EMGR and the Audit Committee.

4.2.6. Where the EMGP has responsibility for an activity that is scheduled for review, the Audit Committee will ensure that the internal audit assignment will be managed by another employee within Council and the independence of the function is not compromised.

##### **4.3. Authority and Confidentiality**

4.3.1. Subject to compliance with Council's security policies, internal auditors are authorised to have full, free and unrestricted access to all functions, premises, assets, personnel, records, and other documentation or information that the EMGP or the CEO considers necessary to enable the internal auditors to undertake the audit assignment.

4.3.2. All records, documentation and information accessed in the course of undertaking internal audit activities are to be used solely for the conduct of these activities. The EMGP is responsible and accountable for maintaining the confidentiality of the information the internal auditors receive during the course of their fieldwork.

4.3.3. Where necessary, EMGP may consult with and disclose audit matters to other local government entities, normally this will only occur where these matters affect other entities, or as directed by the Audit Committee or the CEO.

#### 4.4. Standards

4.4.1. Internal audit activities will be conducted in accordance with intent of relevant professional standards deemed appropriate and applicable including:

- International Professional Practices Framework (IPPF) issued by the Institute of Internal Auditors
- Standards relevant to internal audit issued by the Australian Society of Certified Practising Accountants and the Institute of Chartered Accountants in Australia
- The Statement on Information Systems Auditing Standards issued by the Information Systems and Control Association, and
- Standards issued by Standards Australian and the International Standards Organisation.

4.4.2. In the conduct of internal audit work, internal auditors will:

- comply with relevant professional standards of conduct
- possess the knowledge, skills and technical proficiency relevant to the performance of their duties
- be skilled in dealing with people and communicating audit, risk management and related issues effectively and
- exercise due professional care in performing their duties.

#### 4.5. No Surprises

4.5.1. Council's approach to internal audit is that there should be 'no-surprises' at the conclusion of the audit assignment. To this end, on-going discussions will be held with management as findings emerge and conclusions are developed. At the mid-point of the audit, a formal meeting may be sought with the audit sponsor to discuss the audit and any emerging issues. If necessary, EMGP will communicate significant matters of concern to the CEO and/or the Audit Committee prior to the completion of the final report.

### 5. **SCOPE**

5.1. Internal audit reviews cover all programmes and activities of the Council together with associated entities as provided for in relevant business agreements, memorandum of understanding and contracts. Internal audit activity encompasses the review of all financial and non-financial policies and operations as required.

### 6. **RESPONSIBILITIES**

6.1. The Council has ultimate responsibility that appropriate policies, practices and procedures of internal control are implemented and maintained in accordance with s125 of the Local Government Act 1999.

- 
- 6.2. The **Audit Committee** is responsible for (as per the Audit Committee Terms of Reference):
- 6.2.1. monitoring and reviewing the effectiveness of the internal audit function in the in the context of the Council's overall risk management system;
  - 6.2.2. consider and make recommendation on the program of the internal audit function and the adequacy of its resources and access to information to enable it to perform its function;
  - 6.2.3. review all reports on the Council's operations from the internal auditors;
  - 6.2.4. review and monitor management's responsiveness to the findings and recommendations of the internal auditor.
- 6.3. The **Chief Executive Officer** is responsible for ensuring that an internal audit function is established, implemented and maintained in accordance with this Policy.
- 6.4. **Employees** are accountable for assisting internal auditors in the conduct of their work through the provision of accurate and timely information to audit requests, providing responses to audit reports and updates on the implementation status of actions arising from audits.
- 6.5. The **Governance & Performance Department** is responsible for the development and continuous improvement of the Council's internal audit systems and processes; the development of internal audit plans, the engagement and management of internal audit providers; the monitoring of the implementation status of audit actions; and reporting to the Chief Executive Officer and Audit Committee regarding the Council's internal audit function.

## 7. RELATIONSHIP TO RISK MANAGEMENT

- 7.1. Internal audit provides an independent appraisal of key internal controls within the organisation. These controls are key mitigations of inherent risk and therefore inform the risk management process and the calculation of residual risk.

## 8. DELEGATION

- 8.1. The CEO has the delegation to:
- Approve, amend and review any procedures that shall be consistent with this Policy; and
  - Make any legislative, formatting, nomenclature or other minor changes to the Policy during the period of its currency.

## 9. AVAILABILITY OF THE POLICY

- 9.1. This Policy will be available via the Council's website [www.ahc.sa.gov.au](http://www.ahc.sa.gov.au)

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## **Appendix 5**

*Letter from Auditor-General dated 10 September 2024*

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Our ref: G24/008

Level   
State  Information Centre  
 Victoria  Square  
 Adelaide    
Tel      
     
enquire  audit

10 September 2024

Mr G Georgopoulos  
Chief Executive Officer  
Adelaide Hills Council  
email: ggeorgopoulos@ahc.sa.gov.au

Dear Mr Georgopoulos

**Proposed review of the accounts of Adelaide Hills Council**

I refer to your letter dated 15 August 2024 about the potential issues the Adelaide Hills Council’s (the Council) administration identified in reviewing its financial statement preparation practices. [REDACTED]

Thank you for meeting with my audit representatives Salv Bianco and Iolanda Telford on 9 September 2024 to discuss these potential issues and our response as provided in this letter.

**1 The legislative framework**

The *Local Government Act 1999* (LG Act) provides the legislative framework for a council to prepare reliable information on its financial position and performance. The framework provides for levels of review and certifications to ensure the financial statements present a true and fair view of the Council’s financial performance, financial position, and the cashflows for the financial year and that there is an adequate system of internal controls. These include:

**Audit and risk committee** – a council’s audit and risk committee provides an independent source of assurance and advice to a council on key financial and internal control matters. The LG Act requires that the membership of an audit and risk committee must be a majority of independent members. The Local Government Association of South Australia’s guidance on



audit and risk committees encourages councils to appoint an independent member as chair consistent with good practice.<sup>1</sup> This supports the concepts of independent review and transparency and the functions of an audit and risk committee.

The audit and risk committee is required to review and provide advice to the council on whether the financial statements present fairly the council's state of affairs and monitor the integrity of the financial statements. This includes:

- reviewing and challenging significant financial reporting issues, accounting policies, accounting treatments and judgements which they contain
- reviewing the adequacy of the council's accounting, internal control, reporting and other financial management systems and practices
- relating with the council's external auditor, reviewing the external audit plan and audit findings, including the levels of errors identified during the audit.

***Council's external auditor*** – the external auditor provides independent audit opinions on the financial statements and controls exercised by the Council over the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities.

We note that the external auditor's 2023-24 annual audit plan identified significant risks and areas of focus including the revaluation of assets and the accounting treatment of capital work in progress.

***Certification by the CEO and presiding member*** - the Council considers the audit and risk committee's advice and the external auditor's opinions in adopting the financial statements. Then authorises the CEO and the council's principal member to sign the financial statements certifying that:

- they comply with relevant legislation and Australian Accounting Standards
- they present a true and fair view of the financial position, results of the operations and cash flows of the Council for the financial year
- they accurately reflect the accounting and other records of the Council
- internal controls implemented by the Council provide a reasonable assurance that its financial records are complete, accurate and reliable and were effective throughout the financial year.

## 2 Our advice

The LG Act provides a sound framework for the financial governance of councils. As outlined above, this framework includes the important role of audit and risk committees and external auditors, who provide independent assurance and advice to the council. Consequently, it is important that these functions are involved in resolving the issues you have raised.

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<sup>1</sup> Local Government Association of South Australia, Audit and risk committees – Financial Sustainability Information Paper No. 03, 2024

The issues raised should be considered as part of the process to prepare the annual financial statements. We suggest that the first action is for the Council to continue working with its external auditors to resolve the identified matters, including the appropriate accounting treatment, in finalising the 2023-24 financial statements.

Secondly, we suggest the Council seek advice from its audit and risk committee on the adequacy of the accounting policies and practices implemented to address the identified matters.

On this basis, I have determined that I will not initiate a review under section 32(1)(b) of the *Public Finance and Audit Act 1987* at this time. A review initiated under section 32 requires the Auditor-General to prepare and provide a report on the results of the review to Parliament.

I would appreciate written advice from the Council on the outcome of its internal process review and how these matters were addressed.

Yours sincerely



Andrew Blaskett  
**Auditor-General**

**ADELAIDE HILLS COUNCIL  
AUDIT COMMITTEE MEETING  
Monday 18 November 2024  
AGENDA BUSINESS ITEM**

**Item:** 8.4

**Responsible Officer:** Zoë Gill  
Executive Governance Officer  
Office of the CEO

**Subject:** 2025 Audit Committee Meeting Dates

**For:** Decision

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**SUMMARY**

One of the fundamental principles of local government is that council meetings and council committee meetings, wherever possible, should be open to the public and documents made available.

The setting and publication of the meeting times and locations of Audit Committee meetings is required to enable public notices to be given under the *Local Government Act 1999*. This report contains the proposed Audit Committee 2025 meeting schedule for approval.

**RECOMMENDATION**

The Audit Committee resolves:

1. That the report on 2025 Audit Committee Meeting Dates be received and noted.
2. To approve the Audit Committee meeting schedule, timings, and locations for 2025 as follows:

<b>Commencement</b>	<b>6.00pm</b>
<b>Meeting Dates and Locations</b>	<b>17<sup>th</sup> February 2025, 63 Mt Barker Road, Stirling</b>
	<b>21<sup>st</sup> April 2025, 63 Mt Barker Road, Stirling</b>
	<b>19<sup>th</sup> May 2025, 63 Mt Barker Road, Stirling</b>
	<b>18<sup>th</sup> August 2025, 63 Mt Barker Road, Stirling</b>
	<b>20<sup>th</sup> October 2025, 63 Mt Barker Road, Stirling</b>
	<b>17<sup>th</sup> November 2025, 63 Mt Barker Road, Stirling</b>

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**1. BACKGROUND**

Council has resolved to meet on the 2<sup>nd</sup> and 4<sup>th</sup> Tuesday of each month for the duration of the current Council term.

Clause 11.1 of the *Audit Committee Terms of Reference* provides that the Committee shall meet at least four times a year at appropriate times and places as determined by the Committee. A special meeting of the Committee may be called in accordance with the Act.

**2. ANALYSIS**

➤ **Strategic Management Plan/Functional Strategy/Council Policy Alignment**

*Strategic Plan 2020-24 – A brighter future*

Goal 5	A Progressive Organisation
Objective O4	We actively represent our community
Priority O4.3	Attract and develop a diverse and capable elected body that represents, promotes and reflects the composition of the community
Priority O4.3	Advocate to, and exert influence with, our stakeholders on behalf of our community to promote the needs and ambitions of the region
Objective O5	We are accountable, informed, and make decisions in the best interests of the whole community
Priority O5.1	Enhance governance structures and systems to prudently adapt to changing circumstances and meet our legislative obligations
Priority O5.2	Make evidence-based decisions and prudently assess the risks and opportunities to our community before taking action.

➤ **Legal Implications**

Section 87(8) of the *Local Government Act 1999* requires that the notice an ordinary meeting of the committee must be given to members at least three (3) clear days before the date of the meeting.

Section 88(2) states that notice must be given as soon as practicable after the time that notice is given to the members of the committee.

➤ **Risk Management Implications**

The setting of a schedule of ordinary meetings for the Audit Committee will assist in mitigating the risk of:

*Poor governance practices occur which lead to a loss of stakeholder (i.e. customer and regulator) confidence and/or legislative breaches.*

Inherent Risk	Residual Risk	Target Risk
Extreme (5C)	Low (3E)	Low (3E)

Note that there are many other controls that assist in mitigating this risk.

➤ **Financial and Resource Implications**

Council's current budget contains provision for the costs associated with the notification and conduct of audit Committee meetings.

➤ **Customer Service and Community/Cultural Implications**

The timing and location of Audit Committee meetings should be considerate of the desire for community members to attend.

➤ **Sustainability Implications**

Not applicable.

➤ **Engagement/Consultation conducted in the development of the report**

Consultation on the development of this report was as follows:

*Council Committees:* Not Applicable  
*Council Workshops:* Not Applicable  
*Advisory Groups:* Not Applicable  
*External Agencies:* Not Applicable  
*Community:* Not Applicable

➤ **Additional Analysis**

During 2024 the Audit Committee generally met on the third Monday of the nominated months. On this basis, the following schedule is proposed for the Audit Committee in 2025 which will allow recommendations from the Audit Committee, where appropriate, to be considered by the Council in that same month.

<b>Commencement</b>	<b>6.00pm</b>
<b>Meeting Dates and Locations</b>	<b>17<sup>th</sup> February 2025, 63 Mt Barker Road, Stirling</b>
	<b>21<sup>st</sup> April 2025, 63 Mt Barker Road, Stirling</b>
	<b>19<sup>th</sup> May 2025, 63 Mt Barker Road, Stirling</b>
	<b>18<sup>th</sup> August 2025, 63 Mt Barker Road, Stirling</b>
	<b>20<sup>th</sup> October 2025, 63 Mt Barker Road, Stirling</b>
	<b>17<sup>th</sup> November 2025, 63 Mt Barker Road, Stirling</b>

**3. OPTIONS**

The Committee has the following options:

- I. To resolve to adopt the recommendations regarding the schedule, timing, and locations of Audit Committee meetings (Recommended); or
- II. To amend any/all aspect(s) of the recommendations regarding the schedule, timing, and locations of Audit Committee meetings (Not Recommended).

**4. APPENDICES**

Nil

**ADELAIDE HILLS COUNCIL  
AUDIT COMMITTEE MEETING  
Monday 18 November 2024  
AGENDA BUSINESS ITEM**

**Item:** 8.5

**Responsible Officer:** David Waters  
Director  
Environment and Infrastructure

**Subject:** Climate Change Adaptation Governance and Risk Update

**For:** Decision

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**SUMMARY**

The purpose of this report is to provide an update on an approach to incorporating climate risk into Council's governance framework. A Climate Risk Governance Assessment (the Assessment) was presented at an Audit Committee meeting on Monday 17 February 2020 and a subsequent update on Monday 19 October 2020. This Assessment was the first South Australian pilot of Climate Planning's Informed.City™ climate risk governance assessment process and was undertaken with four partner councils from Resilient South and Resilient Hills & Coasts – Adelaide Hills, Mt Barker, Marion and Onkaparinga.

However, without undertaking another Assessment utilising the same process and model it is challenging to gauge the changes and improvements. There has also been further developments and understanding of how councils can respond to climate risk especially taking into consideration the local context.

The Local Government Association of SA (LGASA) has recently developed a suite of training and engagement tools on climate risk for South Australian councils. The Administration consider that this approach needs to be considered and will be undertaking a review of these tools and information to incorporate within the Risk Management Framework.

**RECOMMENDATION**

**The Audit Committee resolves:**

- 1. That the report on Climate Change Adaptation Governance and Risk Update be received and noted.**
- 2. To note that the Administration will investigate the LGASA climate risk and governance approach recently developed for incorporation into the Risk Management Framework.**

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## 1. BACKGROUND

There is growing recognition of the need for councils to manage their exposure to climate related legal and financial risks. In response, four partner councils from Resilient South and Resilient Hills & Coasts – Adelaide Hills, Mt Barker, Marion and Onkaparinga – participated in the first South Australian pilot of Climate Planning’s Informed.City™ climate risk governance assessment process.

The councils were assessed against ten quantitative and seven qualitative key performance indicators and specific recommendations were provided to each council about how to lift performance against each indicator.

The assessments indicated that while there are sound foundations for effective climate risk governance, notable gaps leave partner councils exposed to legal and financial liabilities. Councils can address these gaps to a reasonable level by systematically and incrementally following the recommendations laid out in the Assessment.

The Quantitative indicators included:

- Strategic Plan
- Financial Management
- Public Risk Disclosure
- Asset Management
- Land Use Planning
- Emergency Management
- Greenhouse Gas Emissions Reduction
- Climate Risk Management
- Adaptation Policy
- Climate Change Policy

Council was above average of the assessed councils for Strategic Planning, Financial Management and Adaptation Planning and on-par with the average for Public Risk Disclosure and Greenhouse Gas Emissions Reduction. Council had a basic score or above for five of the ten climate change adaptation governance indicators and importantly scored high for Financial Management which is very rare for any council in Australia. This is due to the inclusion of climate change adaptation and biodiversity funding within the Long-Term Financial Plan (LTFP).

The Assessment was presented at an Audit Committee meeting on 17 February 2020. The next step in the process was to present at a Council Workshop but with the start of COVID-19 and associated implications this did not happen and instead a summary was provided to Council Members via an email. However, the Assessment was presented as part of a broader climate adaptation and mitigation update at a Council Workshop on 13 October 2020. An update was also provided to the Audit Committee on 19 October 2020. As Council has not undertaken a further formal assessment utilising the Informed.city tool the update was an estimate only to gauge progress against the initial assessment.



At this update it was identified that Council had improved its position substantially by the completion of the draft Emergency Management Plan, the increase in further solar PV panel installation, ongoing energy efficiency improvements, incorporation of reference to climate change in the asset management plans and changing the majority of streetlights to LEDs.

Council has continued to progress actions against the indicators to improve the climate risk governance of Council. Refer **Appendix 1** for an updated Climate Risk and Governance Assessment Against Quantitative and Qualitative Indicators.

## 2. ANALYSIS

### ➤ Strategic Management Plan/Functional Strategy/Council Policy Alignment

*Strategic Plan 2020-24 – A brighter future*

Goal	A functional Built Environment
Objective B3	Consider external influences in our long-term asset management and adaptation planning
Priority B3.4	Proactively adapt our built environment to changes in social and environmental factors to minimise the impact from natural hazards such as fire and flood

Goal	A valued natural environment
Objective N3	Nurture valuable partnerships and collaborations and engage the local community in the management of our natural environment
Priority N3.3	Continue to work in partnership with the Resilient Hills and Coasts region to build Council and community resilience to the impacts of climate change

Within the Trends and Considerations section of the Strategic Plan there is also a paragraph on climate change as follows:

*In March 2019, we declared a climate emergency and made a commitment to provide leadership to our community in addressing climate change. With an increase in average temperature, reduction in annual rainfall and increasing extreme weather events, changes to services and infrastructure will need to be considered for new and renewal projects.*

Consideration of climate change risk and ongoing actions are in alignment with the Strategic Plan to improve a resilient approach for Council.

In addition, Council is also a partner of Resilient Hills and Coasts (RH&C). This project is a partnership between local government, Landscape Boards and State and Federal governments to develop and implement a Regional Climate Change Adaptation Plan for the Adelaide Hills, Fleurieu Peninsula and Kangaroo Island region (the Adaptation Plan). A review has recently been undertaken and a new draft Adaptation Plan completed. This will be presented to Council in November 2024.

### ➤ Legal Implications

*Climate Change and Greenhouse Emissions Reduction Act 2007*

*“An Act to provide for measures to address climate change with a view to assisting to achieve a sustainable future for the State; to set targets to achieve a reduction in greenhouse gas emissions within the State; to promote the use of renewable sources of energy; to promote business and community understanding about issues surrounding climate change; to facilitate the early development of policies and programs to address climate change; and for other purposes. “*

Sector agreements are formal cooperative agreements between the SA Government and specific business entities, industries, community groups and regions to help tackle climate change. They are not legally binding contracts. Resilient Hills and Coasts signed a renewed Sector Agreement along with all the other project partners on 27 October 2020. A further Sector Agreement will be presented to Council in November 2024.

The *Regional Climate Change Adaptation Plan* (Adaptation Plan) is consistent with Council’s roles and functions as set out in the *Local Government Act 1999*, and further, meets the region’s obligation under South Australia’s Strategic Plan Target 62 to develop a regional climate change adaptation plan.

The development of a Risk Management Framework including reducing climate change risk to Council aligns with the legislation and the Adaptation Plan.

➤ **Risk Management Implications**

Councils are at the forefront of legal, social, economic and environmental risks associated with a changing climate specifically responding to increasing extreme weather events. Councils that fail to mitigate, manage and disclose climate risks in their governance and decision making will expose themselves to legal liabilities. Climate risks are also being addressed by the finance and insurance sectors and those organisations that are not addressing climate risks will find it increasingly difficult to access finance and insurance. There is growing recognition of the need for councils to manage their exposure to climate related legal and financial risks. The Assessment was not intended to measure ‘on-ground’ actions but rather for Council to understand current documented climate risk governance arrangements in order to establish if there were gaps that may expose Council to legal or financial liability.

The preparation of a Risk Management Framework incorporating climate change implications will assist in mitigating the risk of:

*Lack of acknowledgement and understanding about climate risk and exposure leading to increased legal and financial liabilities.*

Inherent Risk	Residual Risk	Target Risk
Extreme (4B)	High (3B)	Medium (3C)

Investigation and reviewing the LGASA approach will assist Council in incorporating climate risk information within the Risk Management Framework. The intention is to embed climate risk into corporate processes and frameworks to improve Council’s climate change adaptation governance and reduce legal and financial risk.

➤ **Financial and Resource Implications**

There are no financial implications associated with this report or the LGASA investigation of their climate risk assessment and planning approach.

➤ **Customer Service and Community/Cultural Implications**

Not applicable

➤ **Sustainability Implications**

Not applicable

➤ **Engagement/Consultation conducted in the development of the report**

Consultation on the development of this report was as follows:

<i>Council Committees:</i>	Not Applicable
<i>Council Workshops:</i>	Not Applicable
<i>Advisory Groups:</i>	Not Applicable
<i>External Agencies:</i>	Not Applicable
<i>Community:</i>	Not Applicable

➤ **Additional Analysis**

Local councils have a responsibility to mitigate, manage and disclose climate risk in their governance and decision making. With Council participating in the first South Australian pilot of Climate Planning's Informed.City™ climate risk governance assessment process this provided an awareness to embed these requirements within Council's business as usual activities. At the time of the pilot the intent was to revisit the approach after approximately 5 years and undertake a further assessment of the model if required. However, the challenge is that an approach to climate risk is changing and moving quickly. There have been further developments and understanding of how councils can respond to climate risk especially taking into consideration the local context.

The Local Government Association of SA has recently prepared a suite of educational and engagement tools to raise awareness and build capability within councils for climate risk management. These are freely available on the LGA SA Climate Change Resource Hub website. These tools will provide guidance and help improve an understanding about climate risk management, helping councils to make well-informed decisions.

These tools will benefit South Australian councils and their communities by providing:

- a consistent approach to climate risk training across councils
- highlighting the latest risk frameworks for climate change impacts including physical, transitional, legal and financial risks
- links to processes and guides for the management of strategic and operational climate risk with local government.

A key component of the information is a Climate Risk Training and Engagement package. This package includes core training modules covering three major areas:

- **Climate Risk and Council:** This introduces key concepts of climate risk for councils, the role of council including duties and consequences, and climate-related financial disclosures.
- **Climate Governance:** This builds on the concepts of the first module by addressing how climate risk can be integrated with a council's risk management framework and what good climate risk governance looks like.
- **Climate Risk Assessment:** This details the steps of completing a climate risk assessment.

The LGASA developed the materials in collaboration with expert consultants, input from councils and technical advice from Local Government Risk Services.

These tools have been developed for the local South Australian context and provide a very recent review of climate risk and the necessary requirements from a local government perspective. Therefore, the Administration consider that this is the now the preferred approach and will be undertaking a review of the tools and information to incorporate within the Risk Management Framework.

### **3. OPTIONS**

The Committee has the following options:

- I. Receiving the report and noting the Administration will undertake an investigation into the LGASA climate risk and governance approach to consider incorporating into the Risk Management Framework. (Recommended)
- II. Not receiving the report (Not Recommended)

### **4. APPENDICES**

(1) Appendix 1 - Climate Risk and Governance Assessment Update November 2024  
Against Quantitative and Qualitative indicators

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# **Appendix 1**

*Climate Risk and Governance Assessment Update  
November 2024  
Against Quantitative and Qualitative indicators*

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## Appendix 1

### Climate Risk and Governance Assessment Update November 2024

#### Against Quantitative and Qualitative indicators

Assessment themes	Update
<b>Quantitative indicators</b>	
Strategic Plan/Corporate Plan	Climate change references and priorities incorporated within draft Strategic Plan. Climate change is one of the guiding principles.
Financial Management	Ongoing – incorporated within the Long Term Financial Plan and within the 2024-2025 budget. Budget is provided for energy efficiency, fleet transition, emergency management and biodiversity projects.
Public Risk Register and Disclosure	No progress
Asset Management	Ongoing-incorporated within the new template for Asset Management Plans and asset management plans.
Land Use Planning	No progress-Reliant on State Government Planning changes. Advocacy role in providing information to be incorporated into the Greater Adelaide Regional Plan.
Emergency Management	Incorporated and included within the Council Ready Emergency Management Plan (EMP) EMP has been completed which includes climate change implications and references.
Greenhouse Gas Emissions	Achieved the 100% renewable energy use target through the incorporation of the GreenPower Program. Investigations are ongoing to purchase renewable electricity direct from a supplier through a Power Purchase Agreement. Ongoing program of reducing emissions through the installation of solar PV and energy efficiency including the changeover of numerous facilities lights to LED's.
Climate Risk Management	Resilience Team building resilience and community capacity for community members impacted by the Cudlee Creek fires. New Risk Management Framework has commenced.
Adaptation Planning	Ongoing- continue to be part of the Resilient Hills and Coasts regional climate adaptation group. A new Regional Climate Action Plan has been prepared along with a required recommitment to a regional Sector Agreement. This information will be presented to Council in November 2024.
Climate Change Policy	No progress-could be undertaken by the Local Government Association of SA for all councils
<b>Qualitative indicators</b>	
Climate risk assessments	A suite of training and engagement tools to raise awareness within councils regarding risk management has been developed by the LGA for South Australian councils. This information could be used as the basis to undertake and prepare the Risk Management Framework and risk assessments.
Climate legal risk	To be incorporated within the Risk Management Framework.
Staff capacity and resource allocation	Refer above regarding the Resilience Team
Community/stakeholder engagement	Through the recent development of the Carbon Management Plan and the formation of a community focus group to inform the Plan.

**ADELAIDE HILLS COUNCIL  
AUDIT COMMITTEE MEETING  
Monday 18 November 2024  
AGENDA BUSINESS ITEM**

**Item:** 8.6

**Responsible Officer:** Gary Lewis  
Director Corporate Services  
Corporate Services

**Subject:** Strategic Plan 2024

**For:** Information

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**SUMMARY**

The *Strategic Plan* (the Plan) is a key element of the Council's suite of strategic management plans along with Council's *Long Term Financial Plan* and the *Asset Management Plans*. The review of the Plan is a legislative requirement under section 122 of the *Local Government Act 1999*.

The review has been undertaken over the past 18 months commencing with a community survey in 2023. This has been followed by a series of Council Member workshops, workshops with staff and other stakeholder input. In developing the new plan, the goals, objectives and priorities have been determined with a four to ten year timeframe in mind. They are grouped around community, environment, built form and organisational outcomes.

Broad community consultation was held over the period 30 August 2024 to 24 September 2024 (25 calendar days), the results of which presented to Council members at the workshop on 1 October 2024. Changes were made to the plan based on feedback and the final plan was endorsed by Council at their 12 November meeting.

This purpose of this report is to present the *Strategic Plan 2024 (Appendix 1)* to Audit Committee for noting.

**RECOMMENDATION**

**The Audit Committee resolves that the report on *Strategic Plan 2024* be received and noted.**

---

**1. BACKGROUND**

The *Strategic Plan* (the Plan) is a key element of the Council's suite of strategic management plans along with Council's *Long Term Financial Plan* and the *Asset Management Plans*. The review of the Plan is a legislative requirement under section 122 of the *Local Government Act 1999*.

The review has been undertaken over the past 18 months commencing with a community survey in 2023. This has been followed by a series of Council Member workshops, workshops with staff and other stakeholder input. In developing the new plan, the goals, objectives and priorities have been determined with a four to ten year timeframe in mind. They are grouped around community, environment, built form and organisational outcomes.

Broad community consultation was held over the period 30 August 2024 to 24 September 2024 (25 calendar days), the results of which presented to Council members at the workshop on 1 October 2024. Changes were made to the plan based on feedback and the final plan was endorsed by Council at their 12 November meeting.

The plan will be published to the website over the next few weeks in conjunction with its official launch to staff and community.

## 2. ANALYSIS

### ➤ Strategic Management Plan/Functional Strategy/Council Policy Alignment

*Strategic Plan 2020-24 – A brighter future*

Objective O5            We are accountable, informed, and make decisions in the best interests of the whole community.

Priority O5.3            Demonstrate accountability through robust corporate planning and reporting that enhances performance, is relevant and easily accessible by the community.

The *Strategic Plan* outlines Council's goals and objectives and proposed strategies for, at minimum, the next four years. It assists Council to govern in a responsible, prudent and collaborative manner.

### ➤ Legal Implications

Section 122 of the *Local Government Act 1999* (the "Act") requires all councils to have strategic management plans. Council's *Strategic Plan* is part of this suite of strategic management plans. Section 122 (4)(b) requires Council to review the strategic management plans within 2 years after each general election of Council.

The Act sets out the particulars of what must be contained in a strategic plan and that the draft must undergo public consultation. Section 122(6) of the Act specifies that '*a council must adopt a process or processes to ensure that members of the public are given a reasonable opportunity to be involved in the development and review of its strategic management plans*'.

### ➤ Risk Management Implications

The review of the Strategic Plan will assist in mitigating the corporate risk of:

*Inability to discharge role and functions of a local government entity leading to a breach of legislation and loss of stakeholder confidence.*



Inherent Risk	Residual Risk	Target Risk
High	Medium	Medium

The Strategic Plan set the main goals and objectives for Council but is just one of the suite of strategic management plans (along with the Long Term Financial Plan and Asset Management Plans) which contribute to mitigating this risk.

➤ **Financial and Resource Implications**

The *Strategic Plan* has been developed mainly using existing staff resources.

In 2023-24, \$13,700 was spent on the two consultant-led development workshops with Council Members and staff, as well as other professional fees related to the demographic and community survey analysis.

The community engagement forums and online webinar used mostly in house resources and an external consultant at a cost of \$5,779 which has been accommodated within existing operational budgets.

In 2024-25 a budget of \$10,000 has been assigned for the external costs for:

- professional design assistance, and
- promotional costs related to engagement and public consultation such as advertising.

➤ **Customer Service and Community/Cultural Implications**

The *Strategic Plan* provides transparency for the community regarding Council's plans for the next four years. It highlights key goals and objectives and the strategies to achieve these objectives.

➤ **Sustainability Implications**

The Council's sustainability (financial, social and environmental) is a key consideration in the development of the *Strategic Plan*.

➤ **Engagement/Consultation conducted in the development of the report**

Consultation on the development of this report was as follows:

*Council Committees:* Not applicable

*Council Workshops:* A full day, consultant led workshop was conducted on 18 November 2023 where Council Members drafted the main goals and priorities based on the Community surveys and research conducted. Workshops for discussing the ongoing development of the Strategic Plan were conducted on 21 March 2023, 3 April 2023, 18 July 2023, 12 September 2023, 19 March 2024, 21 May 2024 and 5 August 2024. Community consultation results and feedback were discussed at the workshop on 1 October 2024.

*Advisory Groups:* Not applicable

*External Agencies:* Not applicable  
*Community:* Community were invited to contribute to the main themes and priorities via the community survey conducted in March 2023. Feedback from the Annual Business Plan consultation survey and in person meetings during April 2024 were also used to inform the plan. Staff have also obtained feedback from relevant agencies and other stakeholder groups to inform particular elements of the plan. Community consultation was conducted over the period 30 August to 24 September.

### **3. OPTIONS**

As this is an information report, the Committee is limited to receiving and noting the report.

### **4. APPENDICES**

(1) Strategic Plan 2024

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# **Appendix 1**

*Strategic Plan 2024*

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# *Your Place Your Space*

**Strategic Plan**  
2024



**Adelaide Hills**  
COUNCIL

## Acknowledgement of country

Council acknowledges that we undertake our business on the traditional Country of the Peramangk and Kurna people. We pay our respects to Ancestors and Elders past and present as the Custodians of this ancient and beautiful land, for they hold the memories, traditions, spiritual relationships, culture and hopes of the First Nations of Australia.

We are committed to working together to ensure that Peramangk and Kurna culture and traditions are sustained, valued and continuing.

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## Council Members' message

This Strategic Plan has been developed to guide our priorities and decisions over the next four to ten years. It has been crafted with your voices at its heart, ensuring that we address your immediate needs while laying a strong foundation for the future of our region. Our vision celebrates the uniqueness of the Hills character, environment and community.

Through collaborative efforts with stakeholders and the community, we have gained valuable insights into your aspirations and priorities, and from this we are able to develop guiding principles that will influence everything we do.

Our focus in the plan is on objectives and priorities that promote social, economic, and environmental benefits. This includes ambitious priorities related to sustainable lifestyle practices, protecting and improving our natural environment, building community resilience, and developing placemaking initiatives to enhance liveability across the region.

We look forward to nurturing partnerships and engaging with each of you to realise this vision. By working hand-in-hand, we can ensure that our community continues to be vibrant and inclusive, and that we remain responsive to the needs of our residents.

**Mayor Jan-Claire Wisdom and Councillors**



## CEO's message

As we launch our new Strategic Plan, I want to take a moment to reflect on our shared journey and reaffirm our commitment to providing quality services in a financially sustainable manner. Our Council has worked diligently to align our goals with your aspirations, ensuring we are prepared to deliver on the vision outlined in this plan.

We acknowledge there will be challenges ahead, be they economic pressures or environmental considerations, but with resilience and innovation I feel confident our team can manage them.

As an organisation we are dedicated to supporting and building a skilled organisation that leverages technology to enhance customer experience and operational efficiency. As part of this we will be reviewing and evolving our services to ensure we are delivering outcomes in line with the strategic plan that are effective, efficient, and continue to meet the needs of our community now and into the future.

By staying focused on our strategic goals, we will create a pathway toward an Adelaide Hills region we can all be proud of.

**Greg Georgopoulos**



## **Our vision**

*Our vision is to preserve and celebrate the Hills' unique character and environment, with sustainable practices in rural landscapes. We aspire to cultivate a safe, resilient and welcoming community that honours our heritage, and encourages creativity and innovation.*

# Our guiding principles

Achieving our vision requires us to care for, protect and grow what is best about our community, people and places. In doing this we are committed to the following principles.



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## First Nations

We recognise Peramangk and Kurna people as the traditional custodians of our region and are committed to working with Aboriginal and Torres Strait Islander people on the reconciliation journey.

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## Natural Environment

We acknowledge the natural environment as the foundation of the character of the Adelaide Hills landscape. We seek to minimise negative impacts and pursue conservation and other positive environmental outcomes.

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## Inclusivity

We celebrate diversity in all its forms. We treat people fairly and equitably and are committed to listening, learning and encouraging open and honest discussions. We welcome people from all backgrounds and abilities, and are proud to be a Refugee Welcome Zone.

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## Connection

We value community and other stakeholder input to decision making. We encourage volunteering, creativity, cultural expression and collaboration in the achievement of shared objectives.

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## Climate Change

We are dedicated to reducing our impact upon climate change and seek to mitigate and adapt to its impacts in line with our declaration of a climate emergency.

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## Sustainability

We consider the environmental, economic, social and cultural implications of our decisions to ensure the ongoing sustainability of the Council and our community.

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## Built Form

We will ensure built form complements the natural environment and Hills character. It will serve to support sustainable living, resilience and safety, community capacity building, and sustainable commerce.

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## Change

We recognise the need for flexibility, resilience and adaptability in a changing global landscape.

---

## Innovation

We seek opportunities for innovation and to continuously enhance the experience of living and working in the Hills, both now and for future generations.

---

## Governance

We hold ourselves to the highest standards of ethics and probity.





# Our goals



## Natural Environment

**NE 1** Pursue our adopted pathway to achieve net zero carbon emissions.

**NE 2** Support the community and businesses to decarbonise and transition to sustainable lifestyle practices (green communities).

**NE 3** Protect, improve, expand and connect habitat.

**NE 4** Build resilience in the natural environment to adapt to climate and other environmental changes.

**NE 5** Improve landscape character and amenity value on Council managed land.

See more about this goal on page 13.



## Community Wellbeing

**CW 1** Promote and support reconciliation.

**CW2** Enrich, empower and support connected communities.

**CW 3** Embrace diversity in our community and build on community strengths.

**CW 4** Build community resilience for the future.

**CW 5** Foster cultural identity and connection to place.

**CW 6** Promote physical, mental and social wellbeing.

See more about this goal on page 16.



## Built Form and Economy

**BFE 1** Guide development that fosters vibrant and resilient communities, promotes appropriate design and enhances livability.

**BFE 2** Nurture a distinctive sense of place, support activation activities and recognise and celebrate our rich heritage.

**BFE 3** Develop and maintain infrastructure to support livability and sustainable economic activity.

**BFE 4** Improve the utilisation of Council and community facilities.

**BFE 5** Promote sustainable prosperity by supporting tourism, creative industries, primary production and vibrant townships.

See more about this goal on page 20.



## Organisation

**O1** Embrace technology solutions and digital transformation to enhance our organisation and the community experience.

**O2** Operate with integrity using best practice governance processes.

**O3** Support and develop a skilled organisation that is aligned to Council's priorities.

**O4** Engage and advocate for our communities.

**O5** Evolve Council's functions and services to meet the current and future needs and aspirations of our community.

See more about this goal on page 23.

# What is the strategic plan?

The Strategic Plan sets out our key areas of focus for the next four years. It doesn't include everything we do, but it highlights areas for special attention and where we will be directing our efforts.

Council has sought to understand and reflect the community's aspirations by analysing data from our 2023 community survey and engagement processes from other initiatives such as the Annual Business Plan. We've engaged directly with a number of stakeholder groups, analysed the latest demographic data and considered contemporary research into areas of relevance to the Adelaide Hills community. From this, we've determined goals, objectives and priorities for focus over the coming years and outlined a number of principles to guide what we do.

The Draft Strategic Plan consultation held over September 2024 provided further opportunity for the community to contribute to the content of the final plan.

---

## Our strategic planning framework

The Strategic Plan is influenced and supported by a range of strategies and plans as shown in Figure 1.

Section 122 of the Local Government Act 1999 requires all councils to have strategic management plans. The Strategic Plan is part of our suite of strategic management plans along with the Long Term Financial Plan and the Asset Management Plans. When designing the Strategic Plan, we consider the environment we operate in, the strategic risks, and the community's profile and trends, as well as the organisational capability we need to achieve our objectives.

Each year we use these strategies and plans to determine the priorities and allocate resources through the Annual Business Plan process. At that time, a suite of corporate performance indicators are incorporated which are then used in quarterly reporting and the Annual Report to demonstrate our performance in delivering on the Strategic Plan.



# Figure 1: Strategic planning framework



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## Strategic Plan

The Strategic Plan sets out the Council's key areas of focus for the next four years.

---

## Asset Management Plans

Details the management and development of our assets and infrastructure.

---

## Long Term Financial Plan

A view of our finances over a 10 year period that shows how we remain financially sustainable while delivering our strategic goals.

---

## Annual Business Plan

Provides our annual budget and the details of how we will deliver our strategic management plans during the financial year.

---

## Quarterly Performance Reporting

Shows our performance against the Annual Business Plan targets.

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## Annual Report

Shows our performance against our Annual Business Plan targets.

# Our profile

---

District Area **795km<sup>2</sup>**

---

Townships and Localities **57**

---

Total Population **41,842**

---

Households **16,267**

---

Median Age **44**

---



## Household Types

**8%**  
One parent family

---

**2%**  
Group households

---

**18%**  
Lone person

---

**37%**  
Couples with children

---

**32%**  
Couples without children

## Key Statistics

**618km**  
Sealed roads

---

**399km**  
Unsealed roads

---

**124km**  
Footpaths

---

**309**  
Council owned buildings

---

**3.8%**  
Of people need help  
at home

**8,437**  
Dog registrations

---

**1,426**  
Cat registrations

---

**6**  
Libraries and community  
centres

---

**30%**  
Of people in our  
population are  
volunteers

**39**  
Playgrounds

---

**100+**  
Pieces of play equipment

---

**\$5.5m spent on**  
Waste and recycling

---

**4,243**  
Businesses

---

**12,037**  
Local jobs

# About our region

*When we undertook our community survey and asked people to describe what they love about the Adelaide Hills, most people referenced our unique Hills' character.*

They raised themes encompassing the natural environment, open spaces, welcoming communities, our unique townships and businesses, the rural living feel, agriculture and our attractions and events.

There is a strong sense for wanting to protect what is special about the Hills and to approach the future in a considered but adaptable manner.

---

## Region

We have 57 townships, suburbs and localities scattered across an area of 795km<sup>2</sup>. The large geographic region contributes to the challenges we face with limited public transport, an ageing population, a changing agricultural and economic base and some difficulties in accessing services.

Despite this, our dispersed population is well provided for with numerous facilities and community services including libraries, community centres, recreation facilities and halls. Some of these are Council owned while many are community owned and/or managed.

---

## Our People

In 2023 we had an estimated population of 41,842 living in 16,267 households, with an average size of 2.61 people.

41% of our residents owned their home outright and 46% owned a home under mortgage, while the remaining are either renting or in another arrangement. Larger properties and rising house value present challenges in housing affordability and therefore the dominant households seen are often higher income and/or people in stable employment. Young people and lower income households have limited options for housing in the region.

21% of our residents were born overseas with the largest groups being from England, Germany, and New Zealand. At home 7.9% speak another language than

English which is significantly lower than the South Australia average of 19%.

281 people identify as being Aboriginal or Torres Strait Islander which is 41 people higher than in 2016. The region's first people are the Peramangk and Kurna people and we recognise that there are many traditional custodians with a strong connection to country who live outside the region. We also know that the recognition of Aboriginal culture and heritage is important to many people in our region.

20.1% of our residents are aged 65 or older which is 2.6% higher than in 2016. These trends indicate that the demand for smaller accommodation, aged care and flexible 'age in place' options will continue to grow, along with the need for an increased level of associated support services and infrastructure requirements related to ageing.

With limited public transport in our region, the major form of transport is by car. As such, 74% of households have access to 2 or more vehicles. Challenges therefore arise for many non-drivers in the community in limiting their access to support services, work and/or education.

3.8% of our residents need help at home. With challenges already faced across the state with increasing healthcare shortages, this may place additional pressure on alternative community services.

# About our region

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## Economy

The Gross Regional Product, which is an estimate of our region's contribution to the national economy, is \$2.1b a year. Our major output producing industries are manufacturing, construction and rental/real estate services.

We have more than 4,000 businesses in the region, 33% of which provide jobs for over 12,000 people. We have a small business dominated economy with only 2% of businesses in the region employing 20 or more staff.

Tourism businesses generate approximately \$215m for the Adelaide Hills, and the value added by tourism to the local area is estimated to be \$88.8m.

Economic uncertainty continues to create challenges for many sectors of our community. Inflation pressures and increasing property prices contribute to increased cost of living.

---

## Environment

In 2019, we declared a climate emergency and continue our commitment to provide leadership in addressing climate change and in remaining resilient in the face of continuing extreme weather events.

The Adelaide Hills is a biodiversity hotspot with large tracts of native vegetation and numerous threatened species and communities. Around 24% of the land we manage is protected through Native Vegetation Heritage Agreements, Conservation Reserve status or roadside native vegetation blue marker system status.

Ongoing conservation management to preserve, restore and connect our habitats will be needed into the future.

Most of the land in our region is classed as high bushfire risk as it has steep topography, difficult access and higher fuel loads than urbanised areas due to vegetation cover. Striking a balance between protecting our community from bushfires and preserving the region's biodiversity is essential.



# About our region

## Development

Over the past 10 years we have had an average yearly population increase of 0.5% due to the limited opportunities for development in our region. There are however pockets of accelerated growth, including at Woodforde, Woodside (Inverbrackie) and Mount Torrens.

Development limitations are directly influenced by:

- The Mount Lofty Ranges Watershed, which covers 89% of the region contributing to a majority of metropolitan Adelaide's potable water.
- The regulated protections from residential development which cover the majority of land outside township boundaries.
- Infrastructure over the majority of the region lacking mains water, sewer or stormwater connections.

Negligible population growth is predicted in the near-medium term which reflects the limited opportunities for development coupled with a long term gradual reduction in average household size. Low development places less pressure on natural and agricultural landscapes, however it also limits the supply of smaller and/or affordable housing. Lower overall supply influences increasing house and rental prices. Low development also limits Council's ability to meet increasing community expectations through revenue growth

### Footnote:

Demographic data has been sourced from the 2021 ABS Census available online at [abs.gov.au](https://abs.gov.au).



## Our goals



1

# Natural Environment

*Responsible custodians of our natural environment*





# Goal 1 Natural Environment

## *Responsible custodians of our natural environment.*

We understand the vital role that healthy and resilient natural systems play in supporting our quality of life. These include the provision of clean air and water, natural elimination of waste and pollution, recycling of nutrients, pest regulation, pollination and supporting sustainable agriculture.

We have ambitious goals for mitigating our climate impacts and growing our vegetation coverage, while

supporting the community to do the same. It is important to adopt an integrated approach to vegetation management and bushfire mitigation.

Our parks and reserves are important to the community, economy and ecosystems and we will continue to maintain and enhance public spaces accordingly.

---

### Objective NE1

Pursue our adopted pathway to achieve net zero carbon emissions

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#### Priorities

**NE1.1** Deliver actions in the corporate carbon management plan to decarbonise Council operations, including embedded emissions.

**NE1.2** Continue to decarbonise the vehicle fleet and other energy consuming processes.

**NE1.3** Investigate opportunities for direct energy purchasing from renewable energy producers (power purchasing agreement) and/or community virtual power plants.

**NE1.3** Demonstrate responsible governance by incorporating sustainable procurement (ISO 20400) into Council processes.

---

#### Services and functions which help us achieve the objective

- Sustainability program
- Corporate procurement

---

### Objective NE2

Support the community and businesses to decarbonise and transition to sustainable lifestyle practices (green communities)

---

#### Priorities

**NE2.1** Investigate the merits of a solar PV and battery bulk purchasing scheme and community virtual power plant to provide more affordable access to renewable energy, and explore other ways of supporting practical actions by the community to adopt sustainable living practices.

**NE2.2** Continue to promote the highest principles in the waste management hierarchy – avoid, reduce, reuse and recycle – through education programs, services and by example.

**NE2.3** Explore alternative kerbside waste collection models that divert more waste from landfill.

**NE2.4** Support business, commerce associations, community associations and other groups to adopt sustainability targets and actions.

---

#### Services and functions which help us achieve the objective

- Kerbside waste collection
- Waste transfer station
- Economic development

# Goal 1 Natural Environment

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## Objective NE3

Protect, improve, expand and connect habitat

---

### Priorities

**NE3.1** Protect remnant native vegetation from threats or threatening activities.

**NE3.2** Promote the value of biodiversity protection and management on private lands.

**NE3.3** Develop and implement a new Biodiversity Strategy detailing how we will protect and improve biodiversity, and expand native vegetation coverage where appropriate.

**NE3.4** Nurture valuable community and stakeholder partnerships and collaborations to care for country.

**NE3.5** Advocate for stronger native vegetation protection laws.

---

### Services and functions which help us achieve the objective

- Biodiversity management and bushcare
- Friends of parks programs
- Partnerships with government and non-government organisations

---

## Objective NE4

Build resilience in the natural environment to adapt to climate and other environmental changes

---

### Priorities

**NE4.1** Implement the opportunities identified in the Bushfire Mitigation Landscape Strategy.

**NE4.2** Implement actions from the Tree Strategy.

**NE4.3** Collaborate and advocate for greater investment in environmental protections and improvements.

**NE4.4** Work with others toward the national '30 by 30' target to protect and conserve 30% of the land area by 2030.

**NE4.5** Apply best practice approaches to protect soil and water quality and conservation.

---

### Services and functions which help us achieve the objective

- Arboriculture
- Parks and reserves
- Regulatory services

---

## Objective NE5

Improve landscape character and amenity value on Council managed land

---

### Priorities

**NE5.1** Continue rolling out water efficiency measures for the maintenance of parks and sports fields.

**NE5.2** Implement a succession planting program for street trees and other vegetation in key precincts, with a focus on sustainable species selection.

**NE5.3** Maintain parks and reserves to be fit for purpose and enhance liveability.

---

### Services and functions which help us achieve the objective

- Parks and reserves maintenance
- Sport and recreation

# Our goals



2

## Community Wellbeing

*A thriving, safe and welcoming community*



# Goal 2 Community Wellbeing

## *A thriving, safe and welcoming community.*

Our region provides a unique environment and lifestyle for residents, business owners and visitors who value quality of life and wellbeing. A thriving community depends on high levels of wellbeing, which are influenced by various social and health factors leading to safe, engaged, healthy, inclusive, culturally rich, vibrant, creative and supported communities.

By working alongside our residents, we strengthen relationships and create opportunities for them to connect, learn, participate, grow and build resilience against unexpected challenges.

---

### Objective CW1

Promote and support reconciliation

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#### Priorities

**CW1.1** Develop and implement our Innovate Reconciliation Action Plan (RAP) with the support of the Adelaide Hills Reconciliation Working Group.

**CW1.2** Create First Nations Engagement Protocols to better enable Traditional Custodians and Aboriginal and Torres Strait Islander people to be involved in Council decision-making.

**CW1.3** Seek cultural advice and guidance from First Nations people to support our activities.

**CW1.4** Build awareness of cultural safety and respect among our Council members, staff, volunteers and community.

---

#### Services and functions which help us achieve the objective

- Community cultural development
- Fabrik Arts + Heritage
- Governance
- Communications, engagement and events

---

### Objective CW2

Enrich, empower and support connected communities

---

#### Priorities

**CW2.1** Partner to deliver positive ageing programs to support eligible older residents to maintain their independence, increase social participation, and improve wellbeing.

**CW2.2** Support community groups and community-led initiatives that achieve wellbeing outcomes.

**CW 2.3** Provide welcoming spaces, programs and services at our libraries and community centres that offer opportunities for connection, lifelong learning, digital inclusion, growth and literacy.

**CW2.4** Support community members to gain skills, experience, and connections through our volunteering programs, and strengthen pathways to external volunteering opportunities in our region.

---

#### Services and functions which help us achieve the objective

- Positive ageing
- Youth development
- Libraries
- Fabrik Art + Heritage
- Volunteering
- Community programs

# Goal 2 Community Wellbeing

## Objective CW3

Embrace diversity in our community and build on community strengths

### Priorities

**CW3.1** Promote and encourage community-level action for the prevention of domestic and family violence.

**CW3.2** Update and implement our Disability Access and Inclusion Plan and continue to improve universal access to our community supports and services.

**CW3.3** Explore contemporary models for young people to participate in and shape their communities by influencing decisions and policies that affect their futures.

**CW3.4** Renew and implement a Youth Action Plan that promotes access to opportunities, resources and supports for young people.

**CW3.5** Engage with diverse community groups to identify and address barriers to safe and equitable access to services, programs and facilities.

**CW3.6** Foster multiculturalism through a range of events, programs and initiatives.

### Services and functions which help us achieve the objective

- Community wellbeing
- Youth development
- Community programs
- Libraries

## Objective CW4

Build community resilience for the future

### Priorities

**CW4.1** Promote grassroots community collaboration and preparedness on climate action, and assist our community to adapt and build climate resilience.

**CW4.2** Using past experiences, lessons learnt, and contemporary knowledge support, the emergency services and the community before, during and after disaster events.

**CW4.3** Support and train staff to participate in our incident management team and recovery team and ensure response requirements are adequately resourced.

**CW4.4** Promote disaster preparedness as a shared responsibility by collaborating with relevant partners, including emergency services, government agencies, non-governmental organisations and the community.

**CW4.5** Review the sustainability and permanency of community resilience programs to ensure ongoing support to communities, townships, and at-risk groups to prepare for, respond to, and recover from bushfires and other emergencies.

### Services and functions which help us achieve the objective

- Sustainability program
- Emergency management
- Community resilience program
- Regulatory services
- Communications, engagement and events

# Goal 2 Community Wellbeing

---

## Objective CW5

Foster cultural identity and connection to place

---

### Priorities

**CW5.1** Establish Fabrik Arts + Heritage as an arts and culture destination, attracting visitors from Australia and around the world.

**CW5.2** Support and create opportunities for artists, performers and writers to showcase their work and contribute to community identity, events and placemaking.

**CW5.3** Develop connection for people and place by fostering public art and supporting arts and cultural experiences, including events, markets and festivals.

---

### Services and functions which help us achieve the objective

- Fabrik Arts + Heritage
- Community cultural development
- Township and landscape planning
- Communications, engagement and events

---

## Objective CW6

Promote physical, mental and social wellbeing

---

### Priorities

**CW6.1** Adopt a strategic and evidence-based approach to plan for the provision of accessible sport and recreation opportunities and facilities.

**CW6.2** Deliver our priority actions outlined in our Regional Public Health and Wellbeing Plan 2022-27 and advocate for improved mental health services for our region.

**CW6.3** Plan and promote walking and cycling projects and infrastructure that facilitate health and wellbeing as well as sustainable forms of transport.

**CW6.4** Support and partner with clubs, groups, and other stakeholders to provide sport and recreation opportunities / activities and facilities for the community.

**CW6.5** Promote opportunities for people to improve their health and wellbeing by spending time in our natural environments, bringing greater numbers of people into our parks.

**CW6.6** Ensure cemetery offerings respond to changing community preferences and that public commemorative and memorial sites are kept in a state befitting their purpose.

---

### Services and functions which help us achieve the objective

- Sport and recreation
- Community wellbeing
- Environmental health
- Cemetery management
- Communications, engagement and events

# Our goals



3

# Built Form and Economy

*Building foundations for the future*



# Goal 3 Built Form and Economy

## *Building foundations for the future*

We guide and advocate for sustainable development that enhances and protects our region. We build connections and participation across the community through effective facilities and infrastructure, such as sports grounds, community spaces, libraries, community halls, and community centres.

Supporting economic growth through business retention and attraction boosts our economic diversity and local job opportunities, improving the community's quality of life. Engaging with people who interact and do business in our region helps tailor our spaces to their changing needs, enhancing the sense of place.

---

### **Objective BFE1**

Guide development that fosters vibrant and resilient communities, promotes appropriate design and enhances livability

---

#### **Priorities**

**BFE1.1** Develop and implement a housing strategy that responds to the community's needs and balances expectations regarding character, growth, affordability and the natural environment.

**BFE1.2** Explore and investigate opportunities to support and encourage adaptive, resilient and climate ready development.

**BFE1.3** Investigate the merits of establishing a Local Design Review Panel to enhance the decision-making process for development.

---

#### **Services and functions which help us achieve the objective**

- Development services
- Policy planning
- Economic development

---

### **Objective BFE2**

Nurture a distinctive sense of place, support activation activities and recognise and celebrate our rich heritage

---

#### **Priorities**

**BFE2.1** Prepare and implement a new framework to guide Council's approach to placemaking initiatives across the district.

**BFE2.2** Develop a strategic framework to town and precinct planning, with prioritisation guidelines to ensure equitable investment in public spaces.

**BFE2.3** Ensure place development incorporates youth friendly spaces and infrastructure.

**BFE2.4** Continue to strengthen Council's planning framework to preserve and enhance the unique heritage and character of the Hills.

---

#### **Services and functions which help us achieve the objective**

- Policy planning
- Economic Development
- Development services



# Goal 3 Built Form and Economy

## Objective BFE3

Develop and maintain infrastructure to support livability and sustainable economic activity

### Priorities

**BFE3.1** Continue to pursue co-funding for community infrastructure and road safety improvement projects.

**BFE3.2** Continue to build and enhance resilience and reliability of the Community Wastewater Management System (CWMS) service.

**BFE3.3** Undertake a gap analysis to determine the need for additional and enhanced asset management planning.

**BFE3.4** Assess appropriate service levels when reviewing asset management plans.

**BFE3.5** Prioritise planning for new footpath, trail and cycling infrastructure where it will foster better health, wellbeing, economic and transport outcomes.

### Services and functions which help us achieve the objective

- Asset management
- Civil services
- Property services

## Objective BFE4

Improve the utilisation of Council and community facilities

### Priorities

**BFE4.1** Review staff office accommodation to optimise cost and service delivery arrangements and implement appropriate actions.

**BFE4.2** Encourage greater utilisation and enhancement of community halls and facilities and foster multi-use spaces to maximise community benefit.

**BFE4.3** Recognise and promote the value of community-based facility management in meeting local needs.

**BFE4.4** Implement the Community and Recreation Facilities Framework.

### Services and functions which help us achieve the objective

- Property services
- Community development
- Sport and recreation

## Objective BFE5

Promote sustainable prosperity by supporting tourism, creative industries, primary production and vibrant townships

### Priorities

**BFE5.1** Explore opportunities to support the growth of eco-tourism in the Adelaide Hills.

**BFE5.2** Support and encourage the growth of primary production, manufacturing, creative and other industries, including a focus on local supply chains.

**BFE5.3** Support new and existing businesses to be resilient and successful, and to create local jobs.

### Services and functions which help us achieve the objective

- Economic development
- Fabrik arts + heritage
- Policy planning
- Trails development

# Our goals



## Organisation

*An accessible, accountable and representative organisation*



# Goal 4 Organisation

## *An accessible, accountable and representative organisation.*

As an organisation, we aim to deliver effective and efficient services and facilities to the community with a focus on representation, informed and transparent decision-making, and financial sustainability.

Our people strive to be agile and capable. We consider the customer experience and continuous improvement in all that we do, with an aim to make it easy for our community, staff and stakeholders to interact with us.

---

### Objective O1

Embrace technology solutions and digital transformation to enhance our organisation and the community experience

---

#### Priorities

**O1.1** Use technology and digital solutions to improve and streamline the customer experience.

**O1.2** Invest in technology solutions and skills to transform service delivery and maximise the organisation's effectiveness and efficiency.

**O1.3** Enhance data governance to protect and secure information ensuring compliance with legislation.

---

#### Services and functions which help us achieve the objective

- Customer services
- Information services
- Communications
- Financial services
- People and culture

---

### Objective O2

Operate with integrity using best practice governance processes

---

#### Priorities

**O2.1** Demonstrate accountable and transparent decision making.

**O2.2** Support decision making through the use of timely data-driven analysis and reporting.

**O2.3** Enhance governance structures and systems to be agile and support our legislative obligations.

**O2.4** Review and renew protocols for communication and work between the administration and elected body.

---

#### Services and functions which help us achieve the objective

- Governance
- Corporate planning and performance
- Communications

# Goal 4 Organisation

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## Objective O3

Support and develop a skilled organisation that is aligned to Council's priorities

---

### Priorities

**O3.1** Develop and implement an internal communications strategy incorporating mechanisms for feedback on effectiveness.

**O3.2** Develop and implement a workforce development plan (that incorporates recruitment, training, succession planning and ongoing support), to optimise our workforce retention.

**O3.3** Enhance the culture of the organisation through the development of a revised set of organisational values incorporating a customer centric focus.

**O3.4** Maintain a safe workplace centred around equity, inclusion, wellbeing and safe work practices including corporate emergency response.

---

### Services and functions which help us achieve the objective

- People and culture
- Corporate planning and performance
- Communications
- Emergency management
- Information services

---

## Objective O4

Engage and advocate for our communities

---

### Priorities

**O4.1** Develop a robust Community Engagement Framework including exploring opportunities for community to participate in decision making.

**O4.2** Advocate on behalf of the community to represent its needs and views with relevant stakeholders and decision makers.

**O4.3** Work with affected communities across the region on boundary change issues to advocate for the most beneficial and appropriate outcomes.

---

### Services and functions which help us achieve the objective

- Community engagement
- Communications
- Governance

---

## Objective O5

Evolve Council's functions and services to meet the current and future needs and aspirations of our community

---

### Priorities

**O5.1** Undertake a high level review which considers the effectiveness, efficiency and opportunities of all council services.

**O5.2** Demonstrate financial sustainability through long term financial planning and annual budget setting which aligns with adopted targets.

**O5.3** Undertake regular customer surveys to seek feedback and measure customer experience.

---

### Services and functions which help us achieve the objective

- Corporate planning and performance
- Financial services
- Information services

*Each year we list specific corporate performance indicators in our Annual Business Plan as well as the strategic initiatives that will help us to deliver on the strategic plan.*

## Demonstrating our success

Each year we list specific corporate performance indicators in our Annual Business Plan as well as the strategic initiatives that will help us to deliver on the strategic plan. We have adopted service standards for a range of functions and conduct regular surveys with people who have requested Council services.

We further outline how we will deliver on our goals through the development and implementation of our functional plans, strategies and programs. Some examples of these include the Capital Works Program, Access and Inclusion plan, Economic Development Plan, Biodiversity Strategy, Sport and Recreation Strategy and Civil Zone Maintenance Program.

We inform the community and our stakeholders of our progress through regular reporting which includes the Annual Report, Quarterly Council Performance Report, Quarterly Budget Review reports, and Community Engagement reports.



# Our role

We perform a broad range of functions and there are a number of roles we play to achieve our objectives.

---

## Service provider

Fully or partially fund and provide a service

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## Partner

Working with others to achieve common objectives

---

## Funder/facilitator

Enabling others to achieve outcomes through funding or facilitation support

---

## Advocate

Representing the views of the community to others

---

## Promoter/educator

Amplifying messages, referring to other service providers and informing the community

---

## Regulator

Make and/or enforce rules, educate and encourage compliance

# Governance arrangements

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## Council and Committees

Adelaide Hills Council was established on 1 July 1997 through the amalgamation of the district councils of East Torrens, Gumeracha, Onkaparinga and Stirling and is made up of a Mayor and 12 Councillors elected to represent the community across two wards (see Figure 2). The Ranges Ward elects seven councillors and the Valleys Ward elects five with the ratio of electors to Councillors close to the same across both wards. A representation review is in progress which will determine if the current composition and ward structure will continue to meet our future requirements. If any changes are made as a result, this will be reflected at the next Local Government Election in November 2026.

The elected Council's role is to provide for the governance and stewardship of the Council. They do this through representing the interests of the community, providing and coordinating public services and facilities, encouraging and developing initiatives to improve the community's quality of life, and exercising their functions under legislation and the strategic management plans.

Several committees have been established to assist the Council and administration to discharge their responsibilities in specific areas. These are the Audit Committee, Chief Executive Officer Performance Review Panel, Council Assessment Panel, Boundary Change Committee and the Building Fire Safety Committee.

---

## Council Administration

The Council's Administration is led by the Chief Executive Officer appointed by the Council. The Chief Executive Officer appoints staff and engages other resources to carry out the functions and duties delegated to them and to implement Council decisions.

The Administration is organised into directorates, each with a specific area of focus and functional responsibilities. The arrangement of directorates provides for the separation of regulatory activities, as far as practicable.

---

## Regional Subsidiaries

We are a member of four regional subsidiaries to deliver particular functions in collaboration with other councils. The subsidiaries are the Southern and Hills Local Government Association, the Eastern Waste Management Authority (East Waste), the Adelaide Hills Region Waste Management Authority, and the Gawler River Floodplain Management Authority.

*We foster positive relationships with other Councils, relevant State Government ministers, and government departments and agencies.*

## **Collaboration on public policy setting**

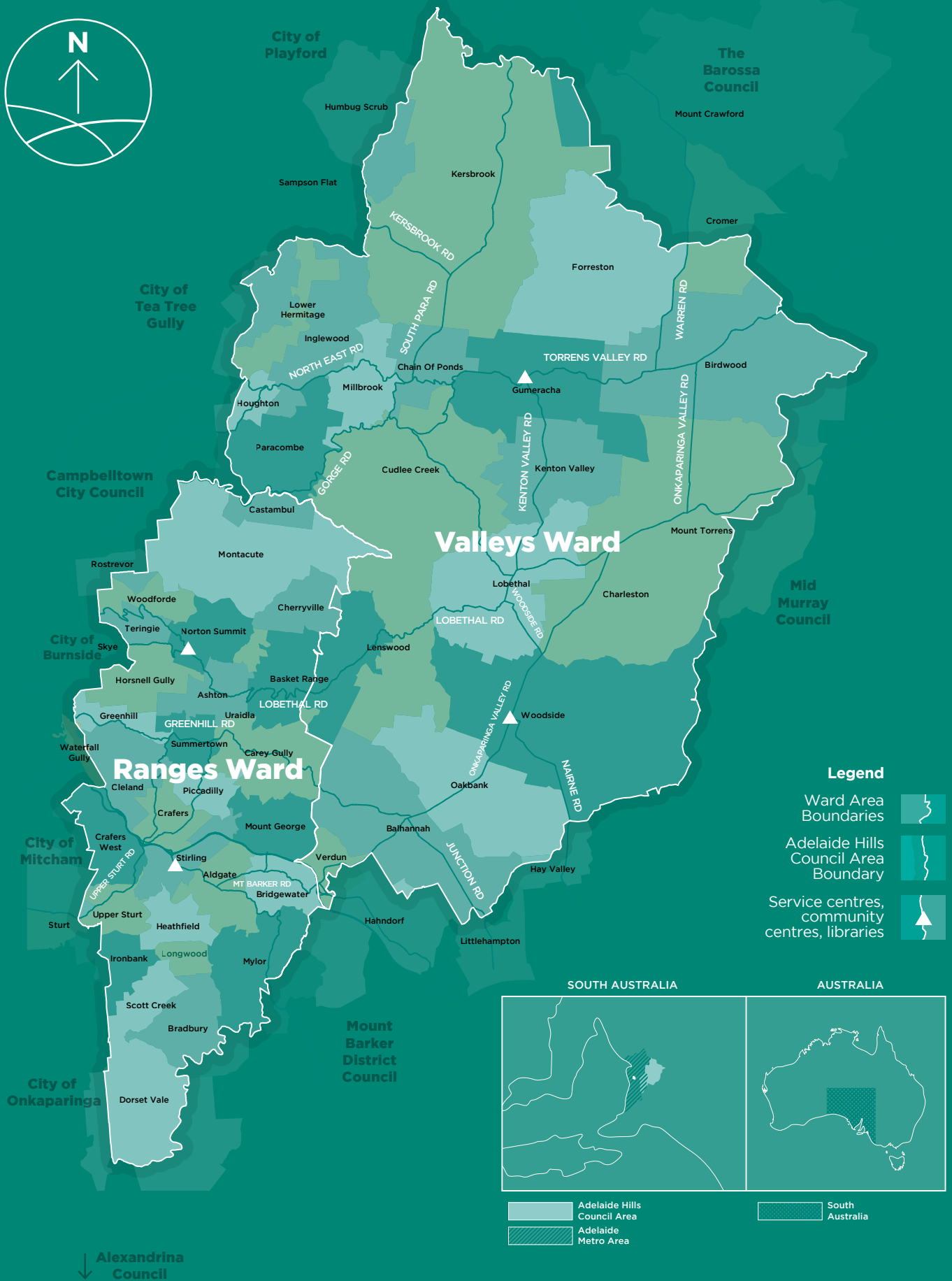
We foster positive relationships with other Councils, relevant State Government ministers, and Government departments and agencies. The extent to which we collaborate in public policy setting is determined by the relevance to our community and on our ability to allocate the necessary resources. This includes:

- Actively seeking face to face Minister-Council interaction on an annual basis
- Council and the Executive Leadership Team monitoring opportunities to comment on proposals of other levels of government via the Local Government Association's regular circulars and prioritise effort and input according to district relevance
- Participating in the Eastern metropolitan regional group of councils and the Southern and Hills Regional Local Government Association, which are regular forums for collaboration and regional prioritisation setting
- Regularly inviting senior government staff to address Council and the Executive Leadership team on issues of district relevance in an informal and interactive manner

The state, national and regional objectives that were considered in the development of this plan, and the extent to which we plan to co-ordinate with State and Federal Governments on mutual objectives, are specified in the various functional strategies which expand on our Strategic Management Plans.



# Figure 2: Council ward structure



**Legend**

- Ward Area Boundaries (dashed line)
- Adelaide Hills Council Area Boundary (solid line)
- Service centres, community centres, libraries (white triangle)

**SOUTH AUSTRALIA**      **AUSTRALIA**

Adelaide Hills Council Area  
Adelaide Metro Area  
South Australia



**ADELAIDE HILLS COUNCIL  
AUDIT COMMITTEE MEETING  
Monday 18 November 2024  
AGENDA BUSINESS ITEM**

**Item:** 8.7

**Responsible Officer:** Gary Lewis  
Director Corporate Services  
Corporate Services

**Subject:** Draft Annual Report 2023-24

**For:** Decision

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**SUMMARY**

Section 131 of the *Local Government Act 1999* (the Act) requires councils to prepare and adopt an Annual Report by 30 November. The Annual Report is the primary mechanism for summarising the 2022-23 financial year achievements against Council's *Strategic Plan 2020-24 – A brighter future*, and 2022-23 Annual Business Plan and Budget.

The purpose of this report is to provide the draft *2022-23 Annual Report (Appendix 1)* to Audit Committee for review in its capacity as advisors to Council on the report's adequacy of meeting its legislative requirements which have been outlined in *Appendix 2*.

**RECOMMENDATION**

The Audit Committee resolves:

1. That the report on the Draft Annual Report 2023-24 be received and noted
  2. To advise Council that the Committee has reviewed the Draft *2023-24 Annual Report*, as contained in *Appendix 1*, in terms of the reports adequacy in meeting its legislative requirements.
  3. That, on the basis of the Committee's review, to recommend the Annual Report to Council for adoption.
- 

**1. BACKGROUND**

The draft *2023-24 Annual Report* has been prepared with an emphasis on reporting achievements against the Council's *Strategic Plan 2020-24 – A brighter future* and *2023-24 Annual Business Plan*. The financial statements are also included as *Appendix 1* of the draft 2023-24 Annual Report.

The role of the Audit Committee, pursuant to its Terms of Reference, is to:

*3.1.2 Review and provide advice to Council on the degree to which the annual financial statements present fairly the state of affairs of the Council*

*3.1.3 Monitor the integrity of the financial statements of the Council, including its annual report, reviewing significant financial reporting issues and judgements which they contain.*

The Audit Committee considered the audited financial statements per their terms of reference at its meeting on 21 October 2024.

### **9.3. 2023/24 Annual Financial Statements and End of Year Report**

**Moved David Moffat**

**S/- Sarah Beesley**

**AC43/24**

**The Audit Committee resolves that:**

- 1. Having reviewed the Financial Statements for 2023-24 as per Appendix 1, that the Financial Statements present fairly the financial position of the Adelaide Hills Council.**
- 2. It is appropriate that the Management Representation Letter requested by the external auditor, as per Appendix 2, is signed by management.**
- 3. That it notes the Certification of Auditor Independence as per Appendix 3 is considered by the Chief Executive Officer and the Presiding Member of the Audit Committee.**
- 4. That it Authorises the Chief Executive Officer and the Mayor to certify the Financial Statements for 2023-24 in their final form.**

<b>Carried Unanimously</b>
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## **2. ANALYSIS**

### **➤ Strategic Management Plan/Functional Strategy/Council Policy Alignment**

*Strategic Plan 2020-24 – A brighter future*

Goal A progressive Organisation

Objective O5 We are accountable, informed, and make decisions in the best interests of the whole community

Priority O5.3 Demonstrate accountability through robust corporate planning and reporting that enhances performance, is relevant and easily accessible by the community

The production of the Annual Report is fundamental to demonstrating the transparency and accountability of local government.

### **➤ Legal Implications**

Section 131 of the *Local Government Act 1999* (the Act) requires councils to produce Annual Reports. It must be prepared and adopted by the Council by 30 November. This section focuses on the timing and distribution of the report.

Schedule 4 of the Act and associated Regulations set out the material that must be contained in the Annual Report. Regulation 35 of the *Local Government (General) Regulations 2013* (the Regulations) sets out the required elements needed for the report on confidentiality orders under Section 90(2) and 91(7) of the Act.

All of these legislative requirements have been detailed in **Appendix 2** and includes information on the specific sections of the draft *2023-24 Annual Report* which address these requirements.

➤ **Risk Management Implications**

The review of the draft Annual Report will assist in mitigating the risk of non-compliance with statutory requirements leading to a loss of confidence in the Council.

Inherent Risk	Residual Risk	Target Risk
High (4C)	Medium (3C)	Medium

➤ **Financial and Resource Implications**

There are no financial implications arising from considering the draft Annual Report.

Production of the annual report has involved mainly existing staff resources and the printing of a small number of hard copies. Small external costs are associated with design of the final copy.

➤ **Customer Service and Community/Cultural Implications**

The Annual Report contains information of the provision of services and facilities to the Adelaide Hills community in the financial year. It also provides an overview of performance against targets including for Council's Customer Service Standards. It highlights potential areas for improvement in addition to those performing well.

➤ **Sustainability Implications**

The Council's sustainability (financial, social and environmental) is reflected within the statistics and results discussed within the Annual Report.

➤ **Engagement/Consultation conducted in the development of the report**

Consultation on the development of this report was as follows:

*Council Committees:* Audit Committee were presented with the Audited Financial Statements which are included as Appendix 1 of the Annual Report, at their 21 October 2024 Meeting

*Council Workshops:* Not Applicable

*Advisory Groups:* Not Applicable

*External Agencies:* Annual reports were supplied by all Council Subsidiaries: Adelaide Hills Region Waste Management Authority; East Waste Management Authority; Gawler River Floodplain Management Authority; and Southern & Hills Local Government Association

*Community:* Engagement with the community is not applicable for the development of the Annual Report. However, the Annual Report itself, once finalised, is one way of communicating key achievements and Council performance to the community.

➤ **Additional Analysis**

The draft *2023-24 Annual Report*, contained in **Appendix 1**, provides an overview of Council’s achievements and activities during the reporting year.

The Report provides a summary of achievements against the goals and objectives set out in Council’s *Strategic Plan 2020-24 – A brighter future* and *2023-24 Annual Business Plan*. It also contains highlights and statistics of other activities of note.

Much of the additional content in the Annual Report under “Our Governance” addresses statutory requirements, particularly those set out in Schedule 4 of the Act and Regulation 35 of the *Local Government (General) Regulations 2013* (the Regulations). A full comparison of the legislative requirements against the draft *2023-24 Annual Report* is contained in **Appendix 2**.

The financial statements previously reviewed by Audit Committee will be included as Appendix 1 within the final Annual Report.

Council’s regional subsidiaries Annual Reports are available upon request and will be included as Appendix 2 within the final Annual Report.

A new requirement is that an Annual report of the Audit and Risk Committee must be included in the *2023-24 Annual Report*. This will be the presiding members report and will be included as an Appendix after it has been approved by the committee at the November meeting.

The draft content presented in **Appendix 1** differs from the final draft that will be presented to Council in the following ways:

- The message from the CEO & Council will be included in the final draft
- Financial Performance Highlights and Capital Works Program infographic to be added
- The second page of “Our 2023-24 performance highlights” infographic to be added
- Some design elements of the report will be changed such as page layouts, photos, and infographics.

This missing information will not influence any of the elements that Audit Committee need in order to determine the Report’s compliance against the legislative requirements.

### 3. OPTIONS

The Committee has the following options:

- I. To advise Council that the Committee has reviewed the draft *2023-24 Annual Report*, as contained in **Appendix 1**, in terms of the reports adequacy in meeting its legislative requirements and recommend it for adoption. (Recommended)
- II. To recommend amendments to any/all of the draft *2023-24 Annual Report* to Council prior to adoption.
- III. To not recommend the Draft *2023-24 Annual Report* to Council for adoption. (Not Recommended)

#### 4. APPENDICES

- (1) Draft 2023-24 Annual Report
- (2) 2023-24 Annual Report compliance

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# **Appendix 1**

*Draft 2023-24 Annual Report*

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# Annual Report 2023-24



DRAFT



**Adelaide Hills**  
COUNCIL

# Contents

From the Mayor

From the CEO

About Us

Our District

Our Elected Council

Our Organisation

Our 2023-24 Performance Highlights

Financial Performance Highlights

2023-24 Capital Works Program

Customer Service Standards

Our Events

Delivering on our plans

Goal 1: A functional Built Environment

Goal 2: Community Wellbeing

Goal 3: A prosperous Economy

Goal 4: a Valued Natural Environment

Goal 5: A progressive Organisation

Our focus in 2024-25

Our Governance

Appendices

Appendix 1: Financial Statements

Appendix 2: Subsidiary Annual Reports

Appendix 3: Strategic plan objectives and priorities

Appendix 4: 2023-24 Gifts and benefits register

Appendix 5: Annual report of Audit Committee

## Acknowledgement of country


Council acknowledges that we undertake our business on the traditional Country of the Peramangk and Kurna people. We pay our respects to Ancestors and Elders past and present as the Custodians of this ancient and beautiful land for they hold the memories, traditions, spiritual relationships, culture and hopes of the First Nations of Australia.

We are committed to working together to ensure that Peramangk and Kurna culture and traditions are sustained, valued and continuing.







# Our District

-  Median Age is **44**


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-  **30%** of population volunteer


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-  **3.8%** Need help at home


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-  **16,267** Households


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-  **84%** Own or are buying a home


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-  **43%** Have a university or TAFE qualification


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-  **19%** have a trade qualification


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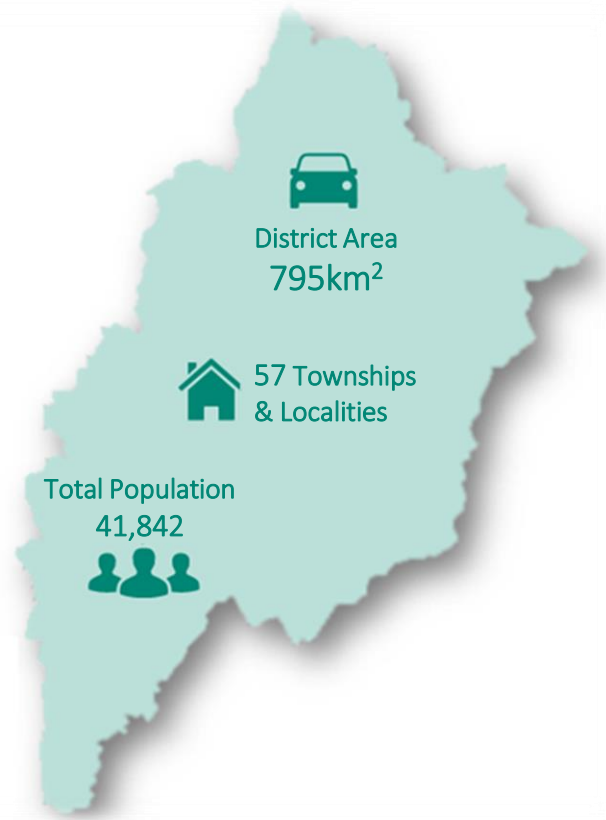
-  **4,243** Businesses

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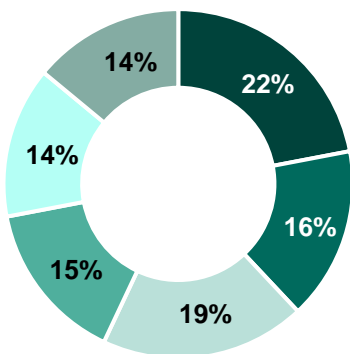
-  **12,037** Local jobs







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-  **1.2mill+** Domestic Day Trips were taken in our region

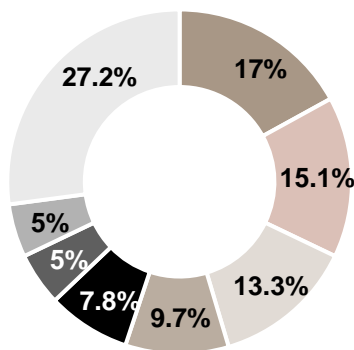










## Age Profile of the Adelaide Hills



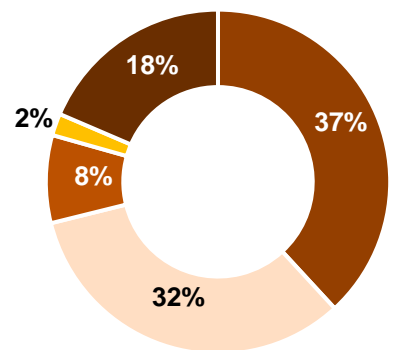
-  0 – 17 (22%)
-  18 – 34 (16%)
-  35 – 49 (19%)
-  50 – 59 (15%)
-  60 – 69 (14%)
-  70+ (14%)






## Number of registered businesses by industry



-  Construction (17%)
-  Professional, Scientific and Technical Services (15.1%)
-  Agriculture, Forestry and Fishing (13.3%)
-  Rental, Hiring and Real Estate (9.7%)
-  Health Care and Social Assistance (7.8%)
-  Retail Trade (5%)
-  Manufacturing (4.9%)
-  All other industries (27.2%)

## Household Types



-  Couple with Children (37%)
-  Couple without Children (32%)
-  Lone Person (18%)
-  One parent families (8%)
-  Group Households (2%)

# Our Elected Council



Mayor  
Jan-Claire Wisdom



Deputy Mayor  
Cr Nathan Daniell  
(1 July 2023 - 31 May 2024)  
(Ranges Ward)



Deputy Mayor  
Cr Melanie Selwood  
(from 1 June 2024)  
(Valleys Ward)



Cr Kirrilee Boyd  
(Ranges Ward)



Cr Adrian Cheater  
(Ranges Ward)



Cr Pauline Gill  
(Valleys Ward)



Cr Chris Grant  
(Valleys Ward)



Cr Malcolm Herrmann  
(Valleys Ward)



Cr Lucy Huxter  
(Valleys Ward)



Cr Leith Mudge  
(Ranges Ward)



Cr Mark Osterstock  
(Ranges Ward)



Cr Kirsty Parkin  
(Ranges Ward)



Cr Louise Pascale  
(Ranges Ward)

## Council and Committees

The elected Council's role is to provide for the governance and stewardship of the Council. They do this through representing the interests of the community; providing and coordinating public services and facilities; encouraging and developing initiatives to improve the community's quality of life; and exercising their functions under legislation and the strategic management plans.

A number of committees have been established in accordance with legislation to assist the Council and the administration to discharge their responsibilities in specific areas. These are the Audit Committee, the Chief Executive Officer Performance Review Panel, the Council Assessment Panel, the Boundary Change Committee and the Building Fire Safety Committee.

## Regional Subsidiaries

We are a member of four regional subsidiaries to deliver particular functions in collaboration with other councils. The subsidiaries are the Southern and Hills Local Government Association, the Eastern Waste Management Authority (East Waste), the Adelaide Hills Region Waste Management Authority, and the Gawler River Floodplain Management Authority.

# Our Organisation



## Council Administration

The Council’s administration is led by the Chief Executive Officer appointed by the Council. The Chief Executive Officer appoints staff and engages other resources to carry out the functions and duties delegated to them and to implement Council decisions.

The Administration is organised into directorates, each with a specific area of focus and functional responsibilities. The arrangement of the directorates provides for the separation of the regulatory activities, as far as practicable, from the other activities of the Council.

# Our 2023-24 Performance Highlights

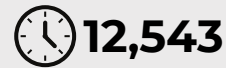
## Helping our community



Community meetings, workshops and events held for **community emergency preparedness and resilience building**



Average of **150 Volunteers** across the year



Volunteer hours provided across libraries and community centres

**7,500**

hours of support in and around the home

### Aged home support program

**4,900**

transport trips provided

**\$18,000**

in-home modifications

**19,500**

hours of Social Support Programs provided



**240kw** of solar panels on Council properties



**14** electric vehicles purchased for Council fleet



**1.4km** 'Virtual Wildlife Fence' installed to reduce wildlife strikes on Council roads



**109km** treated for weeds under the Roadside Weed Control Work Plan



**1,600** seedlings planted across the region in **8 revegetation projects**

## Contributing to our environment

**1,447**

tonnes of green waste collected on Green Organics Drop off days

**53.1%**

waste was diverted from landfill

**34**

tonnes of recycled plastic in products purchased by Council

**19,596**

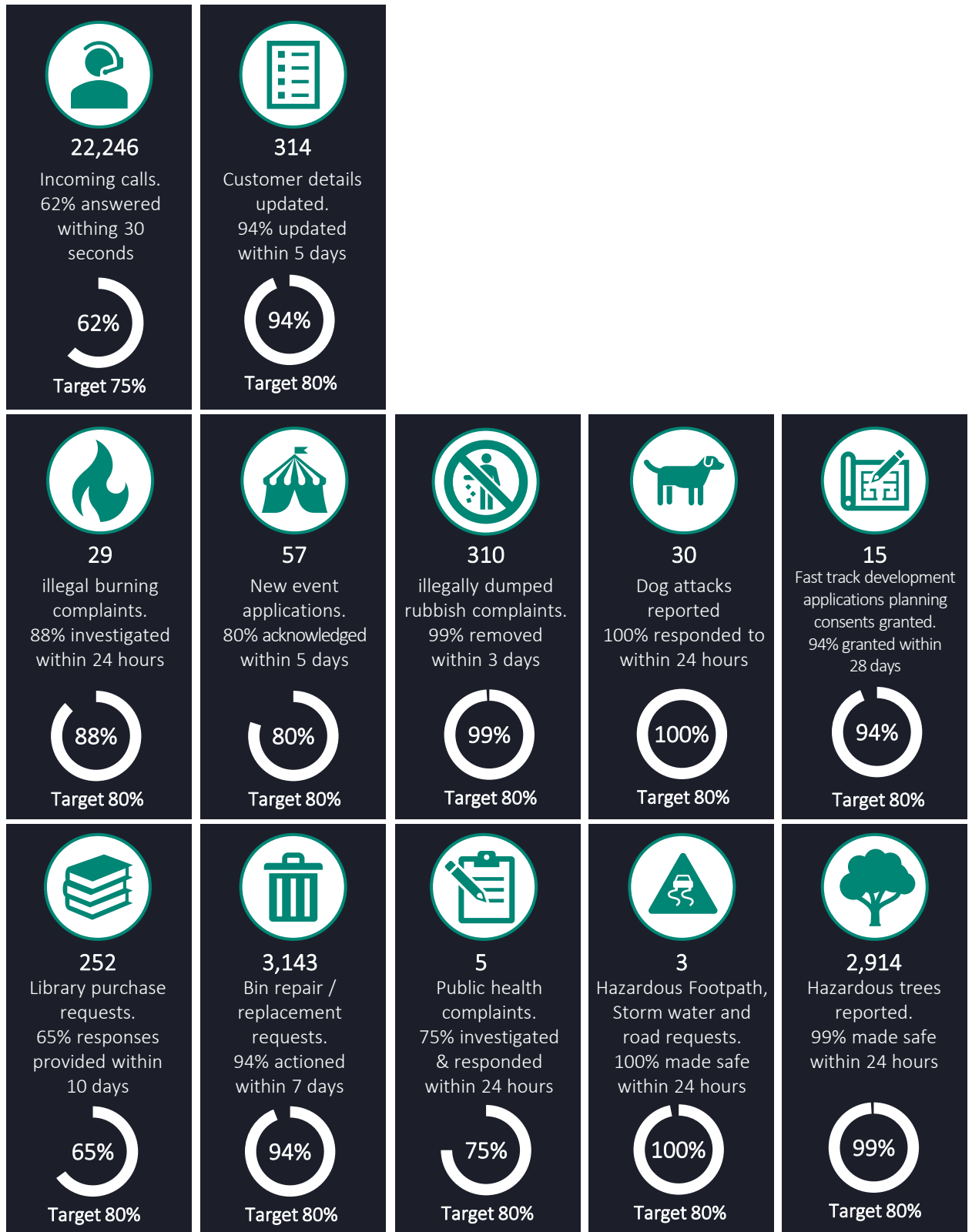
property inspections completed

**211**

properties issued a 105F notice

### Annual bushfire mitigation

# Customer Service Standards



# Our Events

The Adelaide Hills remains a destination of choice for arts and community events. In 2023-24 we supported 216 community events to enrich, empower and support connected communities. Events included markets, local cycling and walking events, nature and sustainability events, and Christmas events.



## Community Markets Monthly

*Stirling, Woodside, Oakbank, Mount Torrens, Gumeracha, Uraidla, Mylor*

Community Markets in the Adelaide Hills are in full swing, with Adelaide Hills Council providing support to various markets throughout the Hills every month.



## Hills Harmony Picnic 23 March 2024

*Federation Park, Gumeracha*

The theme of this year's Hills Harmony Picnic, 'Everyone belongs' resonated the spirit of unity and appreciation for our diverse community. It was a memorable day filled with free food, vibrant performances by local community groups, and an array of cultural celebrations.



## Santos Tour Down Under 12 – 21 January 2024

*Stirling, Lobethal, Mount Lofty*

The Santos Tour Down Under held three stages in the Adelaide Hills, a women's stage finishing in Stirling, a men's stage finishing in Lobethal, then the men's final finish at Mount Lofty. The district put on a show again, dressing up for the Santos Best Dressed Town competition.



## Discover, Play, Bikeway! 3 March 2024

*Oakbank, Woodside, Charleston, Mt Torrens*

Discover, Play, Bikeway! encouraged residents and visitors to ride or walk the Amy Gillett Pathway and discover an array of pop-up food, music, art and performances along the way, from Oakbank to Woodside, Charleston and Mount Torrens.

# Delivering on our plans

Our Strategic Plan 2020-24 – A Brighter Future was formally adopted in April 2020 with the aspiration of making it easier for our community to prosper while maintaining and enhancing the unique environment, character and liveability of our area.

The Strategic Plan is supported by our Long Term Financial Plan, and Infrastructure and Asset Management Plans, all of which are critical to ensuring Council’s long-term sustainability. The following performance information is aligned with our Strategic Plan and the 2023-24 Annual Business Plan (ABP) strategy and goals.



## *A Functional Built Environment*

Ensure that all decisions regarding the built environment recognise our unique character and natural environment to maintain and enhance liveability for our community.

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## *Community Wellbeing*

An inclusive and prosperous community with the capacity to flourish and fulfil their potential through opportunities to engage, connect, participate and enhance wellbeing.

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## *A Prosperous Economy*

Our region’s economy is diverse and sustainable with a reputation for quality, niche products, services and experiences underpinned by a culture of creativity and innovation.

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## *A Valued Natural Environment*

The natural environment of the Adelaide Hills contributes significantly to the character of the region and is greatly valued by our local community and visitors.

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## *A Progressive Organisation*

Council is recognised for its skilled and agile workforce, for its representative and accountable governance, its commitment to cost effectiveness and efficient service delivery.

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# A functional Built Environment

Our Strategic Plan 2020-24 – A Brighter Future sets out our goals, objectives and priorities (listed in full in Appendix 3). As it is a four year plan, not every priority will have an achievement listed against it each year

## What we have achieved

### B1 - Our district is easily accessible for community, our businesses and visitors

- Installed or upgraded 1.86km of new footpaths including along Morialta Road, Woodforde; Tolmer Rd Woodside, Junction Rd Balhannah, and Onkaparinga Valley Rd, Balhannah. (B1.1)
- Renewed 2.22km of footpaths including 1.3km on Onkaparinga Valley Road in Balhannah/Oakbank. (B1.1)
- Completed the Summit Community Centre upgrade project which was part of the Disability Discrimination Act (DDA) upgrade program. This project has delivered upgraded disability car parking, and a new accessible ramp, with compliant gradient and width and ramps, that links from the disability car parking to the building entrance. (B1.5)

### B2 - Preserve and enhance the unique character of the Hills for current and future generations

- Commenced a community co-design process for the Stirling Library Lawns master planning project. (B2.1)
- Facilitated a meeting with residents for community led placemaking in Woodforde / Hamilton Hill area (B2.1)
- Facilitated Council workshops on the future development needs and capacity of our district based on our current demographics, housing, employment and infrastructure data. Results from this were used in Council's submission for the Greater Adelaide Region Plan discussion paper. (B2.4)

- Commenced a desktop review of the Local Heritage Planning and Design Code Amendment with a focus on building a contemporary heritage list database and defining the proposed heritage areas. (B2.4)
- Received feedback in preliminary community engagement on the Adelaide Hills Subzone Code Amendment, that there are workable pathways available to protect character and amenity within the Subzone. (B2)
- Received 1,152 Planning and Building Consent Applications worth \$154.17 million, with 1,125 consent applications "determined". (B2)
- Undertook 427 building inspection and investigated over 292 development related complaints. (B2)

### B3 - Consider external influences in our long term asset management and adaptation planning

- Completed an external condition audit of the active Community Wastewater Management System (CWMS) asset inventory, including an asset revaluation. Assets replaced or upgraded included two lagoon liners and three pumps. (B3.1)
- Achieved the key goal of 100% renewable energy use for Council facilities and streetlighting as identified within the Corporate Carbon Management Plan by purchasing only renewable electricity. (B3.2)
- Engaged consultant dsquared to review the Corporate Carbon Management Plan, with the project continuing into 2024-25. (B3.2)
- Completed a feasibility report on further solar PV panels and battery storage on key Council facilities. (B3.2)



# A functional Built Environment

- Utilised the 2023 sustainability audit to develop a project on LED lighting upgrades in Council facilities, resulting in upgrades to 35 facilities. (B3.2)
- Undertook a review of the air-conditioning system for the Stirling Office to consider a full replacement with improved efficiency and lower global warming potential. (B3.2)
- Purchased items including kerbside street litter bins, rubble for unsealed roads, retaining wall posts and boardwalk for Woorabinda Lake area, which contained 34 tonnes of recycled content. (B3.3)
- Scoped potential plans and costs as part of the operational worksite review, including options for Council chamber location and movement of other accommodation. (B4.3)
- Upgraded the main switchboard at the Stirling Office and Library to enable Electric Vehicle charging stations and possible future solar and battery storage. (B4.5)
- Installed EV charging stations at Council sites in Woodside, Garrod and Stirling Library. These stations support the expanded EV Council fleet which had 14 additions during the year. (B4.5)

## B4 - Sustainable management of our built assets ensures a safe, functional and well serviced community

- Completed the Kersbrook Cemetery project with the official opening of the Martungka Natural Burial Ground held on 28 May 2024. (B4.1)
- Completed the Stirling Cemetery Expansion Project, as well as the installation of memorial benches at Cudlee Creek Cemetery, Stirling Gardens and Houghton Cemetery. (B4.1)
- Installed technology in Rangers Vehicles which have features that improve on the safety of staff working alone and in isolation, and assist them in enforcing parking rules. (B4.2)
- Presented a detailed feasibility study on the future plans for the Adelaide Hills War Memorial Swimming Centre to Council. This has resulted in the project being included in the Capital Works Program for 2024-25. (B4.3)
- Developed a new cat holding facility and expanded the dog facility to allow Council to hold dogs and cats while trying to re-home animals. (B4.3)
- Completed various minor upgrades across Council owned or managed assets including completion of the Mount Torrens Coach House public toilet, addition at the Uraidla red shed, and replacement of the Longwood Hall septic tank. (B4.3)

# Performance Measures

Measure	Target	Strategic Objective	Reporting Frequency	Actual
<b>CPI-B01</b> Inspections of footpaths in high priority zones	100%	B1	Annually	0% - Not completed Council completed its previous risk inspection in June 2023 and whilst scheduled for the last quarter of 2023/24, resource constraints has resulted in the next audit being scheduled to be undertaken in August 2024.
<b>CPI-B02</b> Delivery of capital works program	90%	B1	Quarterly	Q1 = 96%; Q2 = 76%; Q3 = 58%; Q4 = 96% Delays in commencement of projects experienced during Q2, but were able to be completed in Q3 and Q4.
<b>CPI-B03</b> Compliance inspections completed within 10 business days of development completion notification	100%	B2	Quarterly	Q1 = 100%; Q2 = 100%; Q3 = 90%; Q4 = 84% Where 10 days could not be met it was due to public holiday impacts or scheduled later at client request
<b>CPI-B04</b> Compliance inspections completed within 5 business days of notification of alleged unlawful development	80%	B2	Biannually	Q2 = 83%; Q4 = 76% In Q4, 19 out of 25 inspections were completed within target. Those that did not were met just outside of the 5 day aim.
<b>CPI-B05</b> Comparison of Council's Energy Usage (Kwh) against previous financial year	Less than previous financial year	B3	Annually	83,023 kWh less than previous year 2023-24 = 1,861,961 kWh 2022-23 = 1,944,989 kWh
<b>CPI-B06</b> Tonnes of recycled plastic content in products purchased by Council	25 tonnes	B3	Annually	34 tonnes
<b>CPI-B07</b> Operational tasks completed within the Civil Zone Maintenance Program	80%	B4	Quarterly	Q1 = 50%; Q2 = 50%; Q3 = 50%; Q4 = 65% Resourcing shortfalls throughout the year impacted the ability to deliver the full planned program as priority was allocated to "reactive" work

# Community Wellbeing

Our Strategic Plan 2020-24 – A Brighter Future sets out our goals, objectives and priorities (listed in full in Appendix 3). As it is a four year plan, not every priority will have an achievement listed against it each year

## What we have achieved

### C1 - A community for everyone that is inclusive, welcoming and accessible

- Delivered 26 school holiday programs in our libraries which had a total of 1,081 attendees. (C1.1)
  - Delivered 268 early childhood programs in our libraries which had a total of 8,190 attendees. (C1.1)
  - Increased library connection and engagement with our community through the introduction of a new Library newsletter and a new Instagram account. (C1.1)
  - Supported the Woodforde community to hold a community picnic in March with 30 attendees. The community were proud of this event and connections they made, and are looking to establish an ongoing community group with the mentorship of the Morialta Residents Association. (C1.2)
  - Established a new protocol to assist all staff and customers respond to homelessness and rough sleeping in the our area. (C1.3)
  - Produced new guidelines to assist staff respond to customers (and colleagues / family members) who disclose that they, or someone they know, is experiencing (or at risk of experiencing) domestic, family or sexual violence. (C1.3)
  - Published a webpage with information and links to local services that can provide crisis, housing, food, clothing and other support. (C1.3)
  - Facilitated an Accessible Events Training session for staff and community groups who organise community events to improve accessibility and inclusion at community events and in venues. (C1.3)
- Continued to deliver activities from the Disability Action and Inclusion Plan such as the training session on Inclusive Recruitment for People Leaders; an author event with Kelly Vincent for International Day of People with Disability; and a Q+A session with Council's access and inclusion advisory team at a Council Members Workshop. (C1.3)

### C2 - A connected, engaged and supported community

- Delivered the “Your Place, Your Space” community connections campaign which was supported by the new online Residents Guide. The communities of Woodforde, Teringie and Rostrevor were targeted for the first phase, with future phases planned for rollout to target communities in the new financial year. (C2.1)
- Held an interactive community forum for Woodforde, Teringie and Rostrevor at the Summit Community Centre with over 50 attendees. (C2.1)
- Provided services under the Positive Ageing Program and Home Support Program to deliver 7,500 hours of support in and around the home, \$18,000 for in-home modifications, 4,900 transport trips, and 19,500 hours of social support group activities. (C2.2)
- Supported local Year 12 students through the Youth Leadership group developing and distributing a total of 300 study support packs which contained a study guide and items to relax between tasks. (C2.3)
- Promoted youth connection and creativity through the ROAR Talent Tour battle of the bands competition held across local halls with 21 participating young artists. (C2.3)

# Community Wellbeing

## C3 - A community that grows together

- Delivered 127 programs at community centres. (C3.1)
- Collaborated with outside groups and businesses to increase the use of community centre spaces through room hire. (C3.1)
- Participated in the Uraidla Show by giving away over 100 “nature trail adventure” show bags and 200 free spinning tops, created as part of the Red Shed program. (C3.1)
- Onboarded 5 new volunteers bringing our total to 159 registered volunteers across 6 Council programs. (C3.2)
- Provided 12,543 volunteer hours across libraries and community centres. (C3.2)
- Awarded 39 Certificates of Service to volunteers at the end of year celebration, attended by 125 volunteers. Of the certificates presented, 18 were for 5 years of service, 16 for 10 years of service, 3 were for 15 years of service and 2 were for 20 years of service. (C3.2)
- Awarded over \$180,000 as part of the 2023-24 Community Grants program, to local non-profit community groups and organisations to undertake innovative projects or activities. (C3.3)

## C4 - An active, healthy, thriving and resilient community

- Undertook regulatory activities for public health including 324 food premises inspections, conducting 478 inspections in relation to wastewater applications, and investigating 164 other health related complaints. (C4.1)
- Completed community consultation on the play space upgrades at **Protea Reserve, Crafers and Sherry park, Mylor. Works commenced with completion expected in 2024-25 financial year.** (C4.2)

- Finalised new leases and funding arrangements that form part of the Community & Recreation Facilities Framework. (C4.4)
- Adopted the Emergency Management Policy which came into effect as of 28 November 2023, and finalised the Recovery Operations Manual. (C4.5)
- Delivered projects under in The Towards Community Led Emergency Preparedness (TCLERP) program which focused on community engagement, Psychological and emotional emergency preparedness community education, the Recovery ready halls project to assist in emergency preparedness for select community facilities, and a vegetation management project to ensure practices are based on best fire science and within shared land owners existing capacity. The team were selected to present about their work at the Australian Disaster Resilience Conference in Sydney in September 2024. (C4.5)
- The TCLERP program won the Local Government Professionals Excellence in Emergency Management Award. (C4.5)

## C5 - Respect for Aboriginal Culture & values

- Celebrated First Nations culture and heritage at 9 events held throughout year including the National Reconciliation Week screening of The last Daughter, and the Native foods and Cultural Art workshops held during NAIDOC week. (C5.1)
- Unveiled the Coolamon Sculpture at Federation Park, Gumeracha by Deputy Mayor Nathan Daniell. (C5.2)
- Filmed a video with Uncle Lewis O'Brien and Uncle Ivan Copley on the naming and use of Kurna language which was made available on our website, and installed the Kurna language naming and signage for the Lewis Yarlupurka O'Brien Reserve at Hamilton Hill. (C5.2)

# Community Wellbeing

## C6 - Celebrate our community's unique culture through arts, heritage & events

- Progressed the FABRIK Development Project which involves upgrading and enhancing the former Onkaparinga Woollen Mills site at Lobethal to create an arts and heritage hub in the central Adelaide Hills. The new hub is scheduled to open in September 2024. (C6.1)
- Endorsed Fabrik's business and implementation plan at the May 2024 Council meeting, which will guide the ongoing strategy and sustainability of the upgraded site. (C6.1)
- Recruited participants for the Public Art Mentorship "elevate+ create" with artist Wendy Dixon-Wylie and in partnership with Oakbank School . (C6.2)
- Held The Hills Harmony Picnic at Federation Park, Gumeracha in March 2024. An estimated 230 people attended and enjoyed performances from Woodside Jamz, Brazilian dancers, Persian dancers and African drummers. (C6.2)
- Supported the 2024 Santos Tour Down Under which highlighted the Adelaide Hills Region to local and international audiences. The 2024 Santos Best Dressed Town Overall Silver Prize Winner was Lobethal who receives \$1,500 prize to spend on community improvement projects. (C6.2)
- Approved the hosting of four stages in the 2025 Santos Tour Down Under. (C6.2)

## Performance Measures

Measure	Target	Strategic Objective	Reporting Frequency	Actual
<b>CPI-C01</b> Positive ageing wellbeing score	7 Average	C2	Quarterly	Q1 = 7.07; Q2 = 7; Q3 = 7.2; Q4 = 6.7 Overall wellbeing score dipped towards end of year with many people struggling due to seasonal reasons as well as personal hardships/illness
<b>CPI-C02</b> Community Centre participants who feel better connected to others or community	85%	C2	Bi-annual	Q2 = 87%; Q4 = 80%
<b>CPI-C03</b> Community centre participants who would use the knowledge/skills gained in the future	80%	C3	Bi-annual	Q2 = 76%; Q4 = 78% Many of our programs and workshops are not for knowledge development which contributes to lower score for this question
<b>CPI-C04</b> Number of volunteer hours contributed to AHC programs each year	3500	C3	Quarterly	Q1 = 3,530; Q2 = 3,183; Q3 = 2,893; Q4 = 2,937 Volunteer numbers have not yet bounced back to pre-COVID levels
<b>CPI-C05</b> Library visits per capita compared with Australian Library and Information Association (ALIA) Standards	exceed the enhanced ALIA target	C3	Annually	4.97 = AHC 4.5 = enhanced ALIA target
<b>CPI-C06</b> Library loans per capita compared with Australian Library and Information Association (ALIA) Standards	exceed the enhanced ALIA target	C3	Annually	10.66 per capita = AHC 7 per capita = Enhanced ALIA target
<b>CPI-C07</b> Attendance at programs, events and workshops at Fabrik Arts and Heritage Hub	8,000	C6	Annually	N/A - The Fabrik Arts and Heritage Hub was closed in 2023-24 due to redevelopment project
<b>CPI-C08</b> Percent of available studio spaces occupied	50	C6	Annually	N/A - The Fabrik Arts and Heritage Hub was closed in 2023-24 due to redevelopment project
<b>CPI-C09</b> Number of events and programs celebrating cultural diversity	8	C6	Annually	15 events

# A prosperous Economy

Our Strategic Plan 2020-24 – A Brighter Future sets out our goals, objectives and priorities (listed in full in Appendix 3). As it is a four year plan, not every priority will have an achievement listed against it each year.

## What we have achieved

### E1 - Support and grow our region's existing and emerging industries

- Visited businesses in the Stirling main street following the Woolworths Fire event, to monitor the impact and assess ways Council could support them. (E1.4)
- Assisted Stirling Business Association with development of marketing responses to promote an increase in visitors to Stirling in response to the reduction in foot traffic following the Woolworths Fire. (E1.4)
- Provided business support information to 9,383 businesses through the distribution of our e-newsletter. (E1.5)

### E2 - Provide local infrastructure to drive growth and productivity

- Presented key issues and priorities for Adelaide Hills Council at the Country Cabinet briefing held on 23 August 2023. (E2.1)
- Upgraded Council roadside and wayfinding signage to reflect the updated branding at the Council community centres at Woodside, Gumeracha and Norton Summit. (E2.4)
- Transitioned to using an Economic Profile data mapping data tool provided by Remplan which allows a more detailed analysis of economic and community data, to support policy and planning. (E2.4)

### E3 - Encourage, attract and retain a creative, talented and skilled workforce in our region

- Facilitated four Adelaide Hills Business Support network meetings to ensure business services to the region are coordinated and optimized. (E3.1)
- Hosted a first nations business networking and support event on 2 August which 30 people attended. (E3.1)
- Hosted a Digital and Creatives Industry Networking session in collaboration with Mt Barker Council which was attended by 40 businesses. (E3.1)
- Conducted the bi-annual Business Survey which received 106 responses from businesses across the region. (E3.2)
- Hosted a retail fundamentals workshop for businesses in Stirling and Woodside (E3.5)
- Advocated for the delivery of business support training resulting in three fundamental courses being held by the Polaris Centre in Stirling and Woodside. (E3.5)

### E4 - Cultivate a clear, unique and consistent regional identity that can be leveraged to attract national and international attention

- Supported 216 community events throughout the year and delivered two major Council run events: the Santos Tour Down Under (across 3 days) and Discover, Play, Bikeway! (E4.3)

## Performance Measures

Measure	Target	Strategic Objective	Reporting Frequency	Actual
<b>CPI-E01</b> Net Easy Score of respondents who rated ease of getting assistance from Council as Easy or Very Easy v Difficult or Very Difficult	>0	E1	Every 2 Years	N/A – due 2024-25
<b>CPI-E02</b> Visitor numbers (visitor domestic day trips)	1.2mil	E1	Annually	1.4 million day trips were taken to the Adelaide Hills for the year with spend of \$144 million (source tourism.sa.gov.au)
<b>CPI-E03</b> Average number of days for Building Consents	<20 business days	E2	Quarterly	Q1 = 12.45 days; Q2 = 13.65 days; Q3 = 8.99 days; Q4 = 6.82 days
<b>CPI-E04</b> Percentage of new development application decisions upheld in Council/CAPs favour under appeal	85%	E2	Quarterly	0% Of the 3 appeals in progress during the year, only 1 appeal was resolved through a compromise proposal through CAP (technically not upheld in Council favor). The 2 remaining will continue in 2024-25.
<b>CPI-E05</b> Percentage of Planning Consents completed within statutory timeframes	85%	E2	Quarterly	Q1 = 95.6%; Q2 = 95.9%; Q3 = 90.1%; Q4 = 87.4%
<b>CPI-E06</b> Number of local jobs in AHC area compared to previous financial year	Maintain 2019-20 Financial Year = 11200	E3	Annually	12,049



# A Valued Natural Environment

Our Strategic Plan 2020-24 – A Brighter Future sets out our goals, objectives and priorities (listed in full in Appendix 3). As it is a four year plan, not every priority will have an achievement listed against it each year

## What we have achieved

**N1 - Conserve and enhance the regional natural landscape character and amenity values of our region**

- Installed shelters at **Protea Reserve, Crafers** and Sherry park, Mylor as part of the play space upgrades (N1.1)
- Completed the “Riparian restoration of Cox Creek” in Bridgewater Recreation Reserve. (N1.2)
- Undertook rabbit biocontrol across 5 reserves - Woorabinda, Lobethal Bushland Park, Candlebark Reserve, Mylor oval, Mylor Parklands, The Deanery. (N1.2)

**N2 - Recognise the benefits of ecosystem services and improve environmental resilience by reducing environmental impacts**

- Managed excessive Acacia Pycnantha regrowth in the two threatened species enclosures in Lobethal Bushland Park, with the aim of creating small clearings for access and recovery of threatened flora species. (N2.1)
- Coordinated Spring works to undertake Watsonia, Freesia, Ixia, Ornithogalum and other weedy bulb control across Council reserves and road reserves. (N2.1)
- Secured grants for further biodiversity works include two \$10,000 heritage agreement grants for Woorabinda and Lobethal, \$20,000 for improving habitat quality at Mylor Parklands, and a \$7,500 contribution for Erica control at Mylor.
- Facilitated the South Australian Feral Deer Eradication Program 2022-2032. (N2.2)

- Commenced the 'Virtual Wildlife Fence' trial in partnership with rescue organisation 1300 Koalaz with the aim of reducing wildlife strike at collision 'hotspots' within the Council road network. (N2.2)
- Completed 19,526 property inspections and issued 211 105F notices as part of Councils annual activities in fire prevention. (N2.3)
- Managed the excessive woody weed infestations which are elevating the fuel levels in council reserves at Mylor Parklands and Bridgewater Recreation Ground. (N2.3)
- Weed control undertaken by contractors at all 10 treated sites, and a further 10 proposed sites have been endorsed by Council for future treatment. (N2.3)

**N3 - Nurture valuable partnerships and collaborations and engage the local community in the management of our natural environment**

- Provided 20 Butterfly kits giveaways consisting of 15 native pollinator-friendly plants, and a copy of Council "Native Habitat Landscaping & Gardening" booklet to promote biodiversity in landscaping. This resulted in 300 additional plants being planted in region. (N3.1)
- Undertook Revegetation events with Aldgate Primary School, Gumeracha Primary School and Birdwood Primary School to encourage environmental stewardship. (N3.2)
- Swapped 80 newly banned Opera House nets for wildlife friendly 'lift nets' under the Yabby net swap program. (N3.2)
- Published the Animal Management Plan which has been approved by both the Council and by the Dog and Cat Management Board. (N3)

# *A Valued Natural Environment*

N4 - Reduce the impact of waste to landfill by maintaining a robust waste and resource management framework

- Commenced a 12 month food organics and garden organics (FOGO) trial in collaboration with our Waste Management Partner. The trial consists of 600 households and a small number of businesses in parts of Woodside and Lenswood. It includes a new FOGO bin for rural households and a change in the collection frequency of organics bins and landfill bins, which aims to improve the food waste diversion from landfill. (N4.4)
- Submitted A Clean Energy Regulator application to obtain carbon credits for the FOGO change that is currently being trialed. (N4.4)

N5 - Assist our community to reduce the impact of waste to landfill on the environment

- Educated the community on waste principles at 15 events and sessions including a bus tour of recycling facilities and a display in the Coventry Library for National Recycling Week, and education stalls at various events such as the Stirling Laneway market, Uraidla sustainability fair, and Birdwood farm day. (N5.1)

## Performance Measures

Measure	Target	Strategic Objective	Reporting Frequency	Actual
<b>CPI-N01</b> Number of biodiversity sites monitored using the BushRAT methodology (actual versus planned)	60 NVMS sites (14% of total) per annum and 5 reserves	N2	Annually	71 bushrat assessments conducted over 55 NVMS sites and 5 reserves.
<b>CPI-N02</b> Weed Control in biodiversity sites - no. of sites complete (actual versus planned)	31 sites per annum	N2	Annually	All 31 sites completed
<b>CPI-N03</b> Percent of nuisance and litter queries resolved	90%	N2	Quarterly	Q1 = 83%; Q2 = 85.5%; Q3 = 92.6%; Q4 = 95%
<b>CPI-N04</b> Percent of private properties inspected prior to bushfire season that comply with fuel load management requirements	At least 90%	N2	Annually	99% 19,596 property inspections completed. 211 properties were issued a 105F notice
<b>CPI-N05</b> Tonnes of green organics collected on Green organic days	150 tonnes	N4	Quarterly	Q1 = 180 tonnes; Q2 = 481 tonnes; Q3 = 235 tonnes; Q4 = 551 tonnes
<b>CPI-N06</b> Percentage change in tonnes of waste disposed to landfill compared to previous financial year	Reduction in waste percentage	N5	Annually	Reduction of 0.51% Diversion rates: 2023-24 = 53.1% 2022-23 = 52.59%
<b>CPI-N07</b> Number of community education actions delivered (Waste Management Strategy 2016-2021) – Actioned vs Planned	6 annually	N5	Quarterly	Q1 = 3; Q2 = 3; Q3 = 4; Q4 = 5

## Nuisance and Litter

	Nature	Volume
Number of reports	Illegal Dumping	346
	Noise Complaints	31
	Graffiti	57
	Nuisance	17
	Insanitary Conditions/Vermin	5
	Vandalism/Damage	9
	Air Pollution	9
	Littering	6
	Water Pollution	8
Expiated Offences	Disposal of litter onto any land or into any waters - excess of 50 Litres of class B hazardous or general litter	9
	Carry on an activity resulting in local nuisance	2
	Failure to comply with Local Nuisance abatement notice	2
Prosecuted offences	Failing to take reasonable steps to prevent the outbreak and spread of fire from land	1
Abatement notices issued	Wandering Livestock, Unsightly Property	2



# A Progressive Organisation

Our Strategic Plan 2020-24 – A Brighter Future sets out our goals, objectives and priorities (listed in full in Appendix 3). As it is a four year plan, not every priority will have an achievement listed against it each year

## What we have achieved

**O1 - We have the right people with the right knowledge and skills in the right jobs and they are supported and developed**

- Produced new guidelines to assist staff where it is disclosed to them that someone is experiencing (or at risk of experiencing) domestic, family or sexual violence (DFSV). (O1.1)
- Finalised the new Work Health and Safety Plan 2024-25. (O1.1)
- Progressed the Workforce Safety in Emergencies Project through the development of a Fire Danger Days Procedure. (O1.1)
- Conducted a Workplace Equality & Respect (WER) Employee Survey as part of the Gender Equity Audit process. The analysis from this and the WER focus group meetings outcomes have informed the final recommendation report. This project which is the first step of implementing the “Our Watch Toolkit for Local Government”, earned Council an honourable mention at the 2024 National Awards for Local Government. (O1.2)
- Organised for staff to attend the 'Lessons in Disaster' Training in March 2023, which focused on improving our capacity to identify, respond to and prevent the harmful impacts of gendered expectations in disaster. (O1.2)

**O2 - Our customers find it easier to interact and do business with Council and have an improved customer experience**

- Launched our Residents Guide in June 2024, which tool to connect our residents with Council, and is designed to showcase key Council services, functions and facilities available to residents. The initial campaign launch was targeted to locals in the Teringie, Rostrevor and Woodforde zone, with further campaigns to other areas planned for later in 2024. (O2.1)
- Completed updates to the Council website to improve home page accessibility and ability to sign up for multiple e-newsletters. (O2.2)

**O3 - Our organisation is financially sustainable for both current and future generations**

- Completed the 2024-25 Annual Business Plan and budget, which went to public consultation in May 2024. 215 participants provided feedback via email, online survey, petition, or in person. The plan was officially endorsed by Council on 1 July. (O3.1)

# A Progressive Organisation

## O4 - We actively represent our community

- Invited community to review and respond to 15 consultations via the Your Say website on topics such as the Animal Management Plan, Play space upgrades at Protea Park and Sherry Park, the Bushfire Landscape Mitigation Strategy, and the Stirling Lawns master planning. Over the year, the page received 11,800 visits and 2,450 items of feedback were submitted. (O4.1)
- Facilitated mid-term training for Council members to help them refresh and improve their skills. (O4.2)

## O5 - We are accountable, informed, and make decisions in the best interests of the whole community

- Commenced the representation review with the assistance of CL Rowe and Associates. The purpose of the review is to determine if the community would benefit from an alteration to the current ward structure, and will continue into the new financial year. (O5.1)
- Commenced the review of Council's Strategic Plan which guide Councils plans and decisions over the next 4 to 10 years. The draft has been developed by incorporating outcomes from the community survey in 2023, demographic research, and through Council Member workshops. The final plan is anticipated to be delivered November 2024.

## O6 - Technology and innovation is utilised to better meet our community's expectations and deliver value for money

- **Undertook procurement of new Customer Relationship Management (CRM) system through open tender process. The preferred vendor was endorsed in January 2024.** (O6.2)
- Commenced implementation of the new CRM system in February 2024. Activities have included workshops, designing the technical transition journey and customer experience tools, and staff training. The customer portal is anticipated to go live in early July 2024. (O6.2)

## Performance Measures

Measure	Target	Strategic Objective	Reporting Frequency	Actual
<b>CPI-O01</b> Number of Lost time injuries	0	O1	Quarterly	3 - During the year there have been 3 minor injuries, eg: lacerations or muscle strains, resulting in time off work
<b>CPI-O02</b> Customer Net Ease Score (NES)	50	O2	Bi-annual	N/A - Surveys are currently unavailable due to the upgrade of the CRM system. Surveys will be reintroduced in 2024-25.
<b>CPI-O03</b> Overall customer satisfaction	75%	O2	Bi-annual	N/A - Surveys are currently unavailable due to the upgrade of the CRM system. Surveys will be reintroduced in 2024-25.
<b>CPI-O04</b> Operating Surplus Ratio	1-5%	O3	Annually	-7.7% Three unfavorable accounting variances resulted in a deficit. This result does not impact the viability of the Long Term Financial Plan, but will be considered in future plans.
<b>CPI-O05</b> Net Financial Liabilities Ratio	25-75%	O3	Annually	49%
<b>CPI-O06</b> Asset Sustainability Ratio	95-105%	O3	Annually	106%
<b>CPI-O07</b> Decisions (Council resolutions) considered in open Ordinary & Special Council meetings during the reporting period	90%	O4	Quarterly	Q1 = 94.7%; Q2 = 81.9%; Q3 = 83.3%; Q4 = 89.4%
<b>CPI-O08</b> Council member attendance at Ordinary & Special meetings	90%	O4	Quarterly	Q1 = 81.3%; Q2 = 83.7%; Q3 = 74.7%; Q4 = 80.2%
<b>CPI-O09</b> Freedom of Information (FOI) requests received, in progress and completed within the legislated timeframe	100%	O6	Quarterly	Q1 = 100%; Q2 = 75%; Q3 = 100%; Q4 = 100%
<b>CPI-O10</b> Freedom of Information (FOI) External reviews upholding Council's decisions	100%	O6	Quarterly	Q1 = 100%; Q2 = 100%; Q3 = 100%; Q4 = 100%
<b>CPI-O11</b> Employee Turnover	7-15% annually	O1	Quarterly	21.7% Result is higher than annual target but below the national average, which at the end of March 2024 was 23% in the public sector

# Our Focus in 2024-25

Council's focus for the year is on supporting and strengthening our community, environment and region by developing a responsible budget which recognises our unique constraints and is geared towards delivering essential services, prudent resource management, and sustainability.

- Setting goals and a pathway to achieving net zero corporate carbon emissions
- Implementing technology upgrades with a new Customer Relationship Management System to improve the customer experience
- Extending the Amy Gillett Bikeway from Mount Torrens to Birdwood
- Installing a splash park at the Adelaide Hills War Memorial Swimming Centre, Woodside
- Developing a new Biodiversity Strategy and Tree Strategy
- Continuing to implement actions from the Our Watch's "Prevention Toolkit for Local Government"
- Activating the Fabrik Arts and Heritage Hub following its completed redevelopment
- Delivering road safety initiatives under the federally funded black spot program
- Implementing further actions in the Towards Community Led Resilience Program
- Increasing community connections through forums
- Collaborating with Adelaide Hills Tourism to promote and support tourism across our region
- Advocating for key economic development issues in the region with other levels of government
- Reviewing the outcomes of our rural areas organics waste collection trial
- Conducting a legislated representation review to determine whether the Adelaide Hills Community would benefit from an alteration to its composition or ward structure





# Our Governance

Governance refers to the rules, practices and processes by which Council is directed and controlled. Adelaide Hills Council continuously strives for best practice in Governance by being:

- Accountable, transparent and responsive,
- Effective and efficient,
- Participatory, equitable and responsible, and
- By meeting legislative obligations.

The following information reports on our governance activity during 2023-24.

Good Governance is accountable, transparent and responsive

## Council Meetings

Council is the ultimate decision-making body of the organisation; it consists of the Mayor and 12 Councillors. Council meetings were held on the second and fourth Tuesday of every month. All Council and Council Committee meetings are open to the public unless specific provisions in the Local Government Act 1999 are satisfied to require the closing of the meeting under a confidentiality order.

Council meetings held in 2023-24:

- 22 ordinary meetings
- 7 special meetings

Council Committee meetings held in 2023-24:

- 6 Audit Committee meetings
- 1 Special Audit Committee meetings
- 7 CEO Performance Review Panel meetings
- 4 Special CEO Performance Review Panel meetings
- 1 Boundary Change Committee meetings

The attendance of the Mayor and Councillors at 2023-24 Council and Committee meetings is detailed in the following tables.

Council Meeting Type	Ordinary Council		Special Council	
	P	A	P	A
Total Meetings Held	22		7	
Mayor Jan-Claire Wisdom	13	9	3	4
Cr Kirrilee Boyd	18	4	6	1
Cr Adrian Cheater	20	2	7	0
Cr Nathan Daniell	22	0	7	0
Cr Pauline Gill	13	9	5	2
Cr Chris Grant	19	3	4	3
Cr Lucy Huxter	16	6	5	2
Cr Malcolm Herrmann	21	1	7	0
Cr Leith Mudge	20	2	5	2
Cr Mark Osterstock	18	4	6	1
Cr Kirsty Parkin	18	4	3	4
Cr Louise Pascale	15	7	4	3
Cr Melanie Selwood	21	1	7	0

*P = Present (number of meetings attended); A = Absent (number of meetings not attended)*

Good Governance is effective and efficient

## Council Member training and development

Council is committed to providing training and development activities for Council Members and recognises the responsibility to develop and adopt a policy for this purpose under Section 80A of the Local Government Act 1999.

Monthly professional development training sessions have been held for Council Members. Professional development sessions conducted in-house are Closed Information or briefing sessions for the purposes of the Information or Briefings Policy. The dates and venues for these sessions are publicly documented in agendas for Ordinary Council meetings and are posted on the Council's website.

Good Governance is participatory, equitable and responsible

## Allowance paid to Council Members

Council Members are entitled to receive an annual allowance, as determined by the Remuneration Tribunal pursuant to Section 76 of the Local Government Act 1999 (the Act) for performing and discharging their official functions and duties.

Pursuant to the Remuneration Tribunal's determination, the following amounts were prescribed for Council Members 2023-24:

Period	Annual Allowance prior to 23/11/2023	Annual Allowance after 23/11/2023
Mayor/Principal member	\$76,440	\$80,950
Deputy Mayor/Presiding member of a prescribed committee*	\$23,887	\$25,297
Other Council Members	\$19,110	\$20,238

\*Council's prescribed committees are the Audit Committee, Boundary Change Committee and the CEO Performance Review Panel.

In addition to the allowance paid under section 76 of the Local Government Act 1999, Council Members were entitled to receive the following under the Council Member Allowances and Support Policy.

Council members are not provided with purchase cards, and are instead provided with reimbursements or provisions such as:

- Reimbursement for travelling within/outside the area of Council and child/dependent care expenses associated with attendance at a Prescribed Meeting or undertaking a function or activity on the business of Council.
- Provision of an annual Travel Time Payment for Members residing greater than 30km from the Principal Office.
- Reimbursement of other expenses including:
  - Stationary and office supply expenses
  - Conference, seminar and training course fees and associated travel expenses.
- Provision of the following to assist Members in performing their official functions:
  - An iPad (or similar tablet computer), associated software and 4G/5G connection for document management (including Council Agenda and Minutes), communication and research (both Council workspace and internet)
  - A Council email address
  - A mobile phone (including SIM) if requested
  - Paper for printing
  - Stationery (such as pads, pens, diaries, etc.)
  - Meals and beverages provided in association with attendance at prescribed meetings.

Notwithstanding their entitlement under the Policy, not all of these provisions were accessed by all Council Members.

In addition to these, Council resolved to make available to the Mayor (or Deputy Mayor during the Mayor's absence) the following additional facilities and support to assist them in performing and discharging their official functions and duties:

- Laptop computer with appropriate software
- Supply and maintenance of a motor vehicle
- Mayoral Office providing desk and meeting facilities
- Provision of media and communications support
- Access to administrative officer services.

The Chief Executive Officer maintains a Register of Allowances and Benefits provided to Council Members which is available to the public on our website.

## Council Member Interstate and International Travel

During 2023-24, the following interstate and international travel was conducted by Council Members:

Event	Date & Location	Travel Expenses
National General Assembly (NGA) for Local Government	2 – 5 July 2023 Canberra	\$4,094
National Resilience Award Ceremony	Nov 2023 Perth	\$1,163
Meeting with Federal Minister	Jun 2024 Canberra	\$625

## Gifts and Benefits received by Council Members

Two (2) gifts or benefits valued at \$50 or more were received by Council Members during 2023-24. Full details are included in Appendix 4 .

## Council Member Behaviour

During 2023-24, there were no findings of a contravention of Chapter 5 Part 4 Division 2 (behavioural standards) by Council members.

A total of 6 complaints were received. Some complaints had not reached a resolution by the end of 2023-24.

The total cost incurred by Council in relation to dealing with complaints was \$8,355.37, and there were no referrals to the Behavioural Standards Panel.

## Local Government Act 1999 Section 41 Committees

The Adelaide Hills Council has three Section 41 (Council) Committees which operate under Terms of Reference determined by Council.

1. Audit Committee,
2. CEO Performance Review Panel, and
3. Boundary Change Committee

## Audit Committee

The Audit Committee was established by Council in 2005 in accordance with Section 126 of the Local Government Act 1999 (the Act).

The Audit Committee's role is to assist Council in the discharge of its responsibilities for financial reporting, maintain a reliable system of internal controls, risk management and asset management, liaise with the external auditor, and foster the organisation's ethical development. The Audit Committee's annual report is included in Appendix 5.

There are five members of the Audit Committee, three independent members and two Council Members. The membership and attendance during the financial year was:

Member Name	Ordinary Meetings		Special Meetings	
	P	A	P	A
Cr Malcolm Herrmann (Presiding Member)	6	0	1	0
Sarah Beesley (1/12/2023 onwards)	1	2	1	0
Peter Brass (1/7/2023 to 30/11/2023)	3	0	0	0
Pamela Lee	6	0	1	0
David Mofatt	5	1	1	0
Cr Melanie Selwood	6	0	1	0

*P = Present (number of meetings attended);*

*A = Apology (number of meetings not attended)*

Six (6) ordinary meetings and one (1) special meeting was held during 2023-24. Sitting fees were paid to independent members of the Audit Committee. The Presiding Member receives an allowance equivalent to that received by Presiding Members of Prescribed Committees in accordance with the Remuneration Tribunal's determination.

Sitting fees paid until 30 June 2024:

- Independent Presiding Member: \$575 per meeting (not utilised in 2023-24).
- Independent Member: \$450 per meeting

## Chief Executive Officer Performance Review Panel

The Chief Executive Officer Performance Review Panel (CEOPRP) was established in 2014 to provide advice to Council on matters related to the Chief Executive Officer (CEO) and their performance.

In 2023-24, a process was undertaken to review the CEO's performance against the position description requirements and the agreed set of key performance indicators for the year. Membership and attendance during the financial year was:

Member Name	Ordinary Meetings		Special Meetings	
	P	A	P	A
Cr Chris Grant (Presiding Member)	7	0	3	1
Mayor Jan-Claire Wisdom	4	3	4	0
Cr Nathan Daniell	6	1	4	0
Cr Kirsty Parkin	4	2	4	0
Janet Miller Independent member (until 19/1/2024)	5	0	3	0
Ms Vanessa Gooden Independent member (from 19/1/2024)	2	0	1	0

Seven (7) ordinary meetings and four (4) special meetings were held in 2023-24. The Presiding Member receives an allowance equivalent to that received by Presiding Members of Prescribed Committees in accordance with the Remuneration Tribunal's determination.

Sitting fees paid until 30 June 2024:

- Independent Presiding Member: \$575 per meeting (not utilised in 2023-24).
- Independent Member: \$450 per meeting.

## Boundary Change Committee

The Boundary Change Committee was established in 2022 to provide advice to Council regarding the operation and implications of Chapter 3 – Constitution of councils, and Part 2 – Reform proposals of the Act associated with the Campbelltown City Council Woodforde/Rostrevor boundary change proposal.

The committee comprises five (5) Council members. Membership and attendance during the financial year was:

Member name	Meetings Present	Meetings Absent or Apology
Cr Mark Osterstock (Presiding member)	1	0
Cr Chris Grant	1	0
Cr Leith Mudge	1	0
Cr Nathan Daniell	1	0
Cr Kirsty Parkin	1	0

One (1) ordinary meeting was held in 2023-24. The Presiding Member receives an allowance equivalent to that received by Presiding Members of Prescribed Committees in accordance with the Remuneration Tribunal's determination.

No additional allowance is paid to the Members of the Committee over and above the allowance already received by Council Members in accordance with the determination of the Remuneration Tribunal.

## Council’s Assessment Panel (CAP)

The Adelaide Hills Council Assessment Panel (CAP) is established by the Council under Section 83 of the Planning, Development and Infrastructure Act 2016 (PDI Act). This CAP membership comprises one Council member and four Independent members (which includes an Independent Presiding member).

There is also a Deputy Council Member and an Independent Deputy Member (effective 1 June 2024) who may be asked to attend when an ordinary CAP member is absent

Membership and attendance during the financial year was:

Member name	Meetings Present	Meetings Absent or Apology
Geoff Parsons (Independent Presiding Member)	9	1
Ross Bateup (Independent Member)	9	1
Myles Somers (Independent Member)	8	2
Paul Mickan (Independent Member)	8	2
Cr Leith Mudge (Council Member)	10	0
Cr Nathan Daniell (Deputy Council Member*)	0	0

*\*The Deputy Council Member only attends meetings where the Council Member cannot attend*

The CAP considers development applications that are publicly notified where there are representations to be heard and other developments which cannot be determined by staff under delegation. CAP meetings are generally held in Stirling on the second Wednesday of each month from 6:30pm. In 2023-24, 10 meetings of the CAP were held.

Sitting fees paid to members of the CAP were:

- Independent Presiding Member: \$550 per meeting
- Independent Ordinary Member: \$420 per meeting
- Council Member: \$293 per meeting

## Building Fire Safety Committee

Council’s Building Fire Safety Committee held 4 scheduled meetings and 5 special meetings during the year to review and deliberate on the adequacy of fire safety for large commercial buildings in the district with an aim of improving the level of fire and life safety.

The membership of the Committee was amended in May 2024 when the Chief Officer nominated a new Country Fire Service (CFS) Representative joining the Committee due to staffing changes. Members and attendance for the Committee was:

Member name	Meetings Present	Meetings Absent or Apology
Colin Paton (CFS Representative)	9	0
Louis Palumbo - Council Staff Member (Experience in Fire Safety)	9	0
Tom Warneke - Council Staff Member (Qualifications in Building Surveyor)	9	0
Damien Rowland (CFS Representative) <i>commenced 21 May 2024</i>	4	0

The Committee conducted 30 inspections and considered 9 buildings during the year, working with building owners to negotiate an improved level of safety for their buildings in relation to fire exits, emergency lighting, fire-fighting equipment, water supply, hydrant coverage, access for fire services, and bushfire survival plans.

One (1) new fire safety defect notice was issued during 2023-24 requiring upgrades to the existing building to enable safe occupation.

Additionally, of the 9 buildings currently under review, 5 buildings have a supported program of works in which they are progressing in accordance with an agreed timeline.

## Information or Briefing Sessions

Information or Briefing Sessions (workshops, briefings, and professional development sessions) are held with Council Members twice a month and provide a valuable opportunity to enhance the decision-making process. Council and Committee Members use the gatherings to become better informed on issues, seek further clarification, or explore a topic further in an informal environment.

Information or Briefing Sessions are not used to make decisions; all decision making is conducted at the formal Council and Section 41 Committee meetings. Information or Briefing Sessions that involve the discussion of matters that will be considered at a formal council or council committee meeting must be open to the public unless the appropriate confidentiality provisions of the Local Government Act 1999 are utilised.

All Information or Briefing Sessions are advertised on the Council website. Ordinary Council Meeting agendas publicly document the dates and venues of regular workshops and professional development sessions. The professional development sessions are reported under Council Member Training and Development and are run as Closed Informal Gatherings.

As per Council Resolution 64/24 adopted on 12 March 2024, a table of Council Member full or partial attendance at the Information or Briefing Sessions has been included. The table captures attendance from March 2024 onwards.

Date of Session	Topic	Type of Session
3/07/2023	Australia Day & Civic Events	OIBS
3/07/2023	Strategic Risk Management & Oversight	OIBS
3/07/2023	Policy Review - Code of Practice for Meeting Procedures and Code of Practice for Access to Meetings and Documents	OIBS
3/07/2023	CEO Update	OIBS
11/07/2023	OTR Heathfield	CIBS
11/07/2023	Mt Lofty Golf Course development	CIBS
11/07/2023	Lenswood Property	CIBS
18/07/2023	CEO Introduction	OIBS
18/07/2023	Strategic Plan Research Outcomes	OIBS
31/07/2023	Presentation on behalf of Mt Lofty Golf Club (Stirling) Developer	OIBS
31/07/2023	Ashton Landfill	CIBS
31/07/2023	Country Cabinet Adelaide Hills	CIBS
31/07/2023	Chief Executive Officer 90-day plan	CIBS
8/08/2023	Community Survey Results Presentation	OIBS
15/08/2023	Events Review and Framework	OIBS
15/08/2023	Carbon Management	OIBS
19/08/2023	AHWMSC Review of Asset Audit Outcomes	OIBS
28/08/2023	Country Cabinet Debrief	CIBS
4/09/2023	Draft Emergency Management Policy and Council Member Emergency Management Handbook	OIBS
4/09/2023	Adelaide Hills Bushfire Mitigation Strategy	OIBS

CIBS - Confidential Information or Briefing Session

OIBS - Open Information or Briefing Session

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Date of Session	Topic	Type of Session
12/09/2023	Council Meetings and Workshops	OIBS
12/09/2023	Strategic Plan – Gaps in Data	OIBS
12/09/2023	Awards & Ceremonies	OIBS
19/09/2023	Introduction to Planning	CIBS
19/09/2023	AHC and the Greater Adelaide Regional Plan	CIBS
26/09/2023	Organisational Structure Update	CIBS
3/10/2023	Mandatory Training – CIVIC Module – Representing Council Decisions	OIBS
3/10/2023	Optus – Proposed Small Cell Telecommunications Facilities (3) in Stirling	OIBS
3/10/2023	Woodforde Connection Project	OIBS
3/10/2023	Pt 2 of Regional Planning Discussion	OIBS
10/10/2023	Pt 3 of Regional Planning Discussion	OIBS
10/10/2023	CEO Briefing - Stirling Coventry Library Building	CIBS
10/10/2023	CEO Briefing - Civic Centres Building Utilisation	CIBS
24/10/2023	Amy Gillett Bikeway update	CIBS
31/10/2023	Proposed Development of Childcare Centre	OIBS
31/10/2023	Woodside Pool Outcomes	OIBS
31/10/2023	Stirling Pavilion Proposal	OIBS
31/10/2023	Community Proposal - consideration of Legal Advice	CIBS
6/11/2023	Regional Plan Submission Summary	OIBS
6/11/2023	Financial Capacity Review	OIBS
13/11/2023	Regional Plan Submission Summary - continued	OIBS
13/11/2023	Financial Capacity Review	OIBS
13/11/2023	Houghton Funding Options	OIBS
21/11/2023	Q&A with Access & Inclusion Advisors	OIBS
21/11/2023	Local Roads and Community Infrastructure Program Phase 4 Project	OIBS
21/11/2023	Stirling Pavilion Proposal	OIBS
21/11/2023	Community Proposal (Confidential)	CIBS
21/11/2023	Amy Gillett Bikeway (Confidential)	CIBS
28/11/2023	CEO Probation Survey	OIBS
5/03/2024	Santos Tour Down Under	OIBS
5/03/2024	Hamilton Hill Kite Property Development	OIBS
5/03/2024	Local Heritage Code Amendment	OIBS
5/03/2024	Community Energy Upgrade	OIBS
21/05/2024	Strategic Plan	OIBS
3/06/2024	Enforcement Review	OIBS
17/06/2024	Annual Business Plan Consultation	OIBS
18/06/2024	Mid-term Mandatory Training – Council meetings & procedures refresher	CIBS

CIBS - Confidential Information or Briefing Session

OIBS - Open Information or Briefing Session

## Council Member Attendance at Information or Briefing Sessions

Date of Session	Mayor Jan-Claire Wisdom	Cr Kirrilee Boyd	Cr Adrian Cheater	Cr Nathan Daniell	Cr Pauline Gill	Cr Chris Grant	Cr Lucy Huxter	Cr Malcolm Herrmann	Cr Leith Mudge	Cr Mark Osterstock	Cr Kirsty Parkin	Cr Louise Pascale	Cr Melanie Selwood
19/3/24	LOA	F	F	F	F	F	F	F	F	AP	F	F	F
23/3/24	LOA	P	F	F	F	F	AP	F	F	P	P	F	F
2/4/24	LOA	AP	F	F	A	F	P	F	F	F	P	F	P
9/4/24	LOA	F	F	F	A	F	LOA	F	F	F	F	LOA	F
16/4/24	LOA	F	P	F	F	F	F	F	AP	LOA	LOA	LOA	F
6/5/24	LOA	F	F	F	LOA	F	F	F	F	A	F	F	F
21/5/24	F	F	F	F	LOA	F	AP	F	F	LOA	F	P	F
3/6/24	AP	AP	F	F	F	F	AP	F	F	AP	F	F	F
18/6/24	F	F	F	F	F	F	AP	F	F	F	AP	F	F

Legend: F = Full Attendance / P = Partial Attendance / AP = Apology / LOA = Leave of Absence / A = Absent



## Agendas and Minutes

All Council, Committee and CAP meeting agendas are placed on public display at least three days prior to the holding of these meetings.

Minutes are placed on display within five days of meetings. Copies of agendas and minutes are available at Council's service centres and libraries, and can be downloaded from the Council's website.

## Section 90(2) and 91(7) Requirements - confidentiality orders

During 2023-24, 41 new items were considered in closed session in accordance with Section 90(2) of the Local Government Act 1999, and 22 items remained on the register from the previous financial years. Of these, 12 items were released in full and 29 remained in confidence, in accordance with Section 91(7) of the Act as at 30 June 2024.

Date	Council / Committee	Item no.	Title	LGA 1999 Section	Confidentiality recommendation / Date released	Status as at 30 June 2024
22/04/2014	Council	18.2.1	AHRWMA	90(3)(b,d,i)		Retained in confidence
1/08/2018	Special Council	7.2.1	Retirement Village Review	90(3)(b)	31/01/2024	Released
27/01/2021	Council	18.2	CWMS Review	90(3)(d)	14/03/2024	Released
25/05/2021	Ordinary Council	18.1.1	Multi-Year Road Rally Proposal	90(3)(d)		Retained in confidence
26/10/2021	Council	18.1	Electricity Procurement Legal Matter	90(3)(h)		Retained in confidence
26/10/2021	Council	18.2	Ashton Landfill	90(3)(i)		Retained in confidence
26/04/2022	Council	11.1.2	Property Lobethal Road, Lenswood - Confidential	90(3)(a)		Retained in confidence
28/06/2022	Council	18.3	Ashton Landfill	90(3)(i)		Retained in confidence
28/06/2022	Council	18.1	Warren Road Birdwood Blackspot	90(3)(d)		Retained in confidence
23/08/2022	Council	18.4	Revised East Waste 2022-23 Annual Plan & Budget	90(3)(d)		Retained in confidence
23/08/2022	Council	18.5	Ministerial Exemption	90(3)(i)		Retained in confidence
23/08/2022	Council	18.3	East Waste Recycling Contract	90(3)(d)		Retained in confidence
20/09/2022	Special Council	8.1.2	Appointment of Acting CEO	90(3)(a)	21/09/2023	Released
12/12/2022	Audit Committee	10.1	External Audit Tender	90(3)(d)	Partial Release 20 Feb 2023	Retained in confidence
20/12/2022	Council	18.1	18.1 Surplus Government Land Notification	90(3)(d)		Retained in confidence
20/12/2022	Council	18.3	Appointment of External Auditor	90(3)(d)	Partial Release 20 Feb 2023	Retained in confidence

Date	Council / Committee	Item no.	Title	LGA 1999 Section	Confidentiality recommendation / Date released	Status as at 30 June 2024
14/02/2023	Council	9.1	9.1 South Australian Tourism Commission re Santos Tour Down Under	90(3)(j)		Retained in confidence
26/04/2023	Council	18.1	Amy Gillett Bikeway Stage 4 Agreement	90(3)(j)		Retained in confidence
9/05/2023	Council	18.1	Bridgewater Retirement Village	90(3)(b)	1/12/2023	Released
23/05/2023	Council	18.1.1	Event Opportunity Santos Tour Down Under	90(3)(j)	27/07/2023	Released
13/06/2023	Council	18.1	Sale of Land for non payment of Rates	90(3)(i)	13/06/2024	Released
27/06/2023	Council	18.1	Appointment of GRFMA Chairperson	90/(3)(a)		Retained in confidence
25/07/2023	Council	18.1	Country Cabinet August 2023 Key Strategic Issues	90(3)(j)		Retained in confidence
8/08/2023	Council	18.1	Country Cabinet August 2023	90(3)(j)	24/08/2023	Released
4/09/2023	Special Council	6.1	Amy Gillett Bikeway Stage 4 Alternate Offer to State Government	90(3)(j)		Retained in confidence
10/10/2023	Council	18.1	Electricity Procurement - Legal Matter	90(2) and 90(3)(h)		Retained in confidence
6/11/2023	Special Council	8.1	CEO Performance Review Process	S90(2) and S90(3)(a)(h)	21/06/2024	Released
6/11/2023	Special Council	8.1	CEO Performance Review Process – Exclusion of the Public	90(2) 90(3)(a)(h)		Retained in confidence
14/11/2023	Council	19.1	Provision of Spray Sealed Services Contract	S90(2) S90(3)(k)		Retained in confidence
12/12/2023	CEO PRP	9.2 and 9.3	CEO Probation Review Process and MWON	90(2) 90(3)(a)(h)		Retained in confidence
19/12/2023	Council	19.1	Citizen of the Year 2024	90(2) and 90(3)(o)	25/01/2024	Released
19/12/2023	Council	19.4	CEO Performance Review Process	S90(2) S90(3)(a)(h)		Retained in confidence
19/12/2023	Council	19.2.1	Amy Gillett Bikeway Stage 4 Construction Option	S90(2) S90(3)(j)		Retained in confidence
19/12/2023	Council	338/23	Amy Gillett Bikeway Stage 4 Construction Option	90(2) 90(3)(j)		Retained in confidence
19/12/2023	Council	19.3.1	CEO Performance Review Panel Minutes of Meeting - 12 December 2023	S90(2) S90(3)(a)(h)		Retained in confidence
23/01/2024	Council	12/24	CEO PR Independent Member Appointment	90(2) and 90(3)(a)		Retained in confidence

Date	Council / Committee	Item no.	Title	LGA 1999 Section	Confidentiality recommendation / Date released	Status as at 30 June 2024
23/01/2024	Council	9/24	Customer Relationship Management CRM System	90(2), 90(3)(k)		Retained in confidence
23/01/2024	Council	19.2	South Australian Boundaries Commission	90(2), 90(3)(j)		Retained in confidence
27/02/2024	Council	57/24	Audit Committee Minutes of Meeting - 12 February 2024	90(2), 90(3)(j)		Retained in confidence
27/02/2024	Council	54/24	Amy Gillett Bikeway - Prudential Report and Construction Funding	90(2), 90(3)(j)		Retained in confidence
27/02/2024	Council	19.1	Recovery of Unpaid Rates	90(2), 90(3)(i)		Retained in confidence
12/03/2024	Council	76/24	Amy Gillett Bikeway - Stage 4 Letter of Variation	90(2), 90(3)(j)		Retained in confidence
12/03/2024	Council	20.1	CEO PRP Minutes of Meeting	90(2),90(3)(a)		Retained in confidence
26/03/2024	Council	19.3	Special CEO PRP Committee Minutes of Meeting - 21 March 2024	90(2), 90(3)(a)		Retained in confidence
26/03/2024	Council	19.2	Trans Tasman Energy Group	90(2), 90(3)(i), 90(3)(h)		Retained in confidence
26/03/2024	Council	19.1	Ashton Landfill	90(2), 90(3)(a), 90(3)(h)		Retained in confidence
9/04/2024	Council	19.1	CEO PRP Special Meeting - Minutes of meeting 28 March 2024	90(2), 90(3)(a)		Retained in confidence
9/04/2024	Council	19.5	Appointment of the Gawler River Floodplain Management Authority Chairperson	90(3)(a)		Retained in confidence
9/04/2024	Council	19.4	CEO Development Plan	90(3)(a)		Retained in confidence
9/04/2024	Council	19.3	CEO Performance Review Process 2024/25	90(3)(a)		Retained in confidence
23/04/2024	Council	19.1	Appointment of Council Assessment Panel (CAP) Independent Members	90(3)(a)	17/06/2024	Released
14/05/2024	Council	19.2	19.2 Strategic Communication and Engagement Plan Woodforde, Teringie and Rostrevor	s90(2), s90(3)(b), s90(3)(i)		Retained in confidence
14/05/2024	Council	19.1	19.1 Forensic Analysis of Boundary Change Submission – Exclusion of the Public	90(2), 90(3)(b), 90(3)(i)		Retained in confidence

Date	Council / Committee	Item no.	Title	LGA 1999 Section	Confidentiality recommendation / Date released	Status as at 30 June 2024
11/06/2024	Ordinary Council	19.3	Mayor seeking legal advice update	90(3) (a) (h)		Retained in confidence
11/06/2024	Ordinary Council	19.2	CEO Review Process	90(3)(a)		Retained in confidence
11/06/2024	Ordinary Council	19.1	Event Opportunity Santos Tour Down Under 2025	91 (7) (9)	30/06/2025	Released
25/06/2024	Ordinary Council	19.1	Electricity Procurement - Legal Matter	90 (3)(h) (i)	25/06/2025	Released
25/06/2024	Ordinary Council	12.6	Confidential Item Review	90 (3) (j)	25/06/2025	Released
11/06/2024	Ordinary Council	19.3	Mayor seeking legal advice update	90(3) (a) (h)		Retained in confidence
11/06/2024	Ordinary Council	19.2	CEO Review Process	90(3)(a)		Retained in confidence
11/06/2024	Ordinary Council	19.1	Event Opportunity Santos Tour Down Under 2025	91 (7) (9)		Retained in confidence
25/06/2024	Ordinary Council	19.1	Electricity Procurement - Legal Matter	90 (3)(h)(i)		Retained in confidence
25/06/2024	Ordinary Council	12.6	Confidential Item Review	90 (3) (j)		Retained in confidence

## Council's Representation Quota

The Adelaide Hills Council's total representation quota (the number of electors for each Council Member including Mayor) in 2023-24 is 1 for every 2,375 electors. The total number of electors is 30,881.

The Adelaide Hills Council's representation quota is comparable with councils of similar populations (albeit different numbers of Council Members):

- City of Holdfast Bay (electors 28,679) = 1:2,206
- City of Mount Barker (electors 29,999) = 1:2,727
- City of Norwood Payneham and St Peters (electors 26,064) = 1:1,861
- Burnside (electors 32,324) = 1:2,486
- City of Unley (electors 28,002) = 1:2,154.

(Data source: Electoral Commission SA 2024 (made available via LGA))

The next representation review commenced in 2023-24. Electors will be invited to make submissions on representation under the Local Government Act 1999 during the 2024-25 financial year.

## Public involvement in Council business

Members of the public may put forward their views to Council in a number of ways.

### Public Forum

Any member of the public is allocated up to five minutes at each Council meeting to address the Members with comments or questions.

#### Deputations and Presentations

With the permission of the Mayor or Committee Presiding Member, a member of the public can address a Committee or the Council personally or on behalf of a group of residents as a deputation or presentation. Each deputation is usually limited to a maximum of ten minutes.

### Petitions

Written petitions can be addressed to Council or a Committee on any issue within the Council's jurisdiction and these are presented at the next meeting of Council or Committee following receipt. Petitions must be in the format set out in legislation; Council's Petitions Policy provides guidelines on these requirements as well as on submission.

## Written Requests

A member of the public can write to the Council about any Council service, activity or policy via post or email.

Chief Executive Officer  
Adelaide Hills Council  
63 Mount Barker Rd, Stirling, SA 5152  
mail@ahc.sa.gov.au

## Community Engagement

The Adelaide Hills Council engages with local residents about many issues that may affect their neighbourhoods. Formal consultations are guided by Council's Public Consultation Policy. Everyone is encouraged to contribute to projects via the Your Say website at [engage.ahc.sa.gov.au](http://engage.ahc.sa.gov.au), by emailing [engage@ahc.sa.gov.au](mailto:engage@ahc.sa.gov.au), post, calling (08) 8408 0400 or attending online or face to face drop in sessions. Over the last financial year there were 11,800 visits to the Your Say website and 15 community engagement projects for contributions or information.

Two Community Forums were held in 2023-24. The Your Community Your Way forum in November 2023 was held in Lobethal where 48 people from 11 community-led groups shared experiences and connected with Council around their ideas and concerns.

In April 2024 a Community Forum was held for Teringie, Woodforde and Rostrevor residents at Norton Summit with 69 people in attendance.

Local community members and groups are invited to attend Community Forums across the district and to address Council on new initiatives or topics of concern. Holding the forums in different townships in the Council area is an important method of providing residents with opportunities to speak in person with Council Members and senior staff. We are re-assessing how we undertake community forums to best suit our community.

## Freedom of Information requests

Twenty seven requests for information were made under the Freedom of Information Act 1991 during the 2023-24 financial year; an increase from the twelve managed in the previous year. Two applications rolled over from the 2022-23 year making the total managed during 2023-24 financial year Twenty Nine (29).

Freedom of Information (FOI) applications can be submitted using an FOI Application form, available from the State Records website, Council's website, or any of Council's Service Centres or by way of a request in writing. An application fee (in accordance with Council's Fees and Charges Policy) must accompany the application.

The State Records website provides detailed information on the FOI process or you can contact Council's FOI Officer. Requests should be forwarded to:

Freedom of Information Officer  
Adelaide Hills Council  
63 Mount Barker Road, STIRLING SA 5152

The Freedom of Information Statement is reviewed and published annually on our website in accordance with the requirements of the Freedom of Information Act 1991.

Annual Reporting is provided to State Records of South Australia at the end of each financial year, below outlines 2023-24 outcomes for Adelaide Hills Council.

FOI requests	Total
Outstanding from previous period	2
New applications	27
Total to be processed	29
Transferred in full	0
Determined - Full release	10
Determined – Partial release	6
Determined – Refused	1
Withdrawn	5
No records available	4
Documents otherwise accessible	1
Information previously provided	0
Outstanding at the end of the period	5
Internal review completed	2
External review completed	0

## Internal review of Council decisions

The Council's Internal Review of Council Decisions Policy provides a process pursuant to Section 270 of the Local Government Act 1999 for people to request a formal internal review of a decision made by Council (including by staff acting under delegation).

Formal reviews are normally the final avenue for a complainant before raising the matter with external agencies such as the South Australian Ombudsman. Formal internal reviews are distinct from routine complaint handling processes in that they involve a higher degree of scrutiny of the decision making process and merit and are conducted by a person who was not involved in the original decision.

- Internal reviews in progress at 1 July 2023: 0
- Internal review requests received in 2023-24: 0

## Amendment to Council Records

Any member of the public may inspect Council documents relating to their personal affairs with a request under Part 4 Division 2 of the Freedom of Information Act 1991. Access to the records is possible through the completion of a Freedom of Information Request Form.

A member of the public may then request a correction to any information about themselves that is incomplete, incorrect, misleading or out-of-date. Amendments to Council records must be requested using a Freedom of Information Amendment of Records Form.

## Fraud and corruption prevention

Council recognises that fraud and corruption have the potential to cause significant financial and non-financial harm, and that the prevention and control of fraud and corruption should feature predominantly within the systems and procedures of a responsible council.

Council is committed to acting in the best interest of the community and to upholding the principles of honesty, integrity and transparency; the key components of good governance. A Fraud and Corruption Prevention Policy has been adopted by Council to provide guidance in managing these risks.

Council adopted a Public Interest Disclosure Policy to facilitate the disclosure of public interest information and provide guidance on the management and investigation of disclosures. This Policy and associated procedures have been developed in accordance with the Public Interest Disclosures Act 2018 which replaced the Whistleblowers Protection Act 1993 from 1 July 2019.

## Delegations and sub-delegations

The Chief Executive Officer and other officers have the delegated authority from Council (in accordance with Section 44 and 101 of the Local Government Act 1999) to make decisions on a number of specified administrative and operational matters.

The Register of Delegations reflects the delegated authority from Council to the Chief Executive Officer (and subsequently any sub-delegations) and this is visible on Council's website. As a minimum, delegations are reviewed annually.



GALLERY

*All things are co*

Cheryl Hutchens  
Kay Lawrence  
Sara Lindsay  
Deborah Prior  
Sonya Rankine  
Ellen Trevorrow  
Ema Shin  
Linda Marie Walker  
Sera Waters

## Good Governance involves meeting our legislative obligations

### Registers, codes and policies

Documents available for public inspection are as follows.

#### **Registers**

- LG Act Section 63 | Gifts and Benefits Register – Council Members and Staff
- LG Act Section 70(a1) | Register of Interests for Council Members and Independent Members
- LG Act Section 79 | Council Members' Register of Allowances and Benefits
- LG Act Section 90 | Confidential Items
- LG Act Section 98 | Development Applications Register
- LG Act Section 105 | Council Employees Register of Salaries
- LG Act Section 188 | Fees and Charges
- LG Act Section 207 | Community Land Management Plan
- LG Act Section 231 | Public Roads
- LG Act Section 252 | By-laws
- Development Regulations 2008 Regulation 98 | Development Applications Register

#### **Codes and Policies**

##### Administration

- LG Act Section 110 | Mandatory Code of Conduct for Council Employees

##### Community

- Acknowledgment and Welcome to Country
- Arts and Heritage Collection
- Cemetery Operating
- Burials Outside Cemeteries
- Community and Recreation Facilities
- Community Group Use of Photocopiers
- Community Information Display
- Community Loans
- Festivals & Events
- Flags Policy
- Grant Giving
- Memorials within Council Cemeteries
- Outdoor Dining
- Play Space
- Public Consultation
- Public Transport
- Safe Environments
- School Parking and Associated Facilities
- Tributes for Commemorative Services
- Volunteer Engagement
- Wastewater System Application Fee Refunds

##### Corporate Governance

- Advisory Group Operation and Conduct
- Caretaker
- LG Act Section 92 | Code of Practice for Access to Council and Council Committee Meetings and Documents
- Code of Practice for Meeting Procedures
- Complaint Handling
- Enforcement
- Fraud Corruption Misconduct & Maladministration
- Information or Briefing sessions
- Internal Audit
- Internal Review of Council Decisions
- Order Making
- Petitions
- Procurement
- Public Interest Disclosure
- Public Interest Disclosure Procedure
- Prudential Management
- Records and Information Management
- Request for Services
- Risk Management
- Unreasonable Complainant Conduct

##### Council Member

- Behaviour Management
- LG Act Section 75E | Behavioural Standards for Council Members
- Council Member Training & Development
- Council Member Allowances and Support
- Mayor Seeking Legal Advice
- One Team Communication Protocols

##### Development and Engineering

- Access to Development Application Documents
- Accredited Professionals
- Buffers
- Council Assessment Panel Review of Decisions of the Assessment Manager
- Delegations Policy for the Determination of Development Applications by CAP
- Development Application Fee Refunds
- Development Application Fee Waiver Policy 2020
- Development Applications Involving Regulated Trees
- Management of Built Heritage
- Models for Major Development
- Privately Funded (Council-led) Code Amendments
- Public Place & Road Naming
- Unsealed Roads



## Environment & Open Space

- Directional Signage
- Burning Permit
- Genetically Modified Crops
- Telecommunications Installation Small Cell Stobie Pole Mounted Antennae
- Tree Management

## Finance

- Debt Recovery (inc. CWMS Customer Hardship Policy)
- Disposal of Assets
- Grant & External Funding (Acceptance) Policy
- Rating
- Treasury

## Infrastructure & Assets

- Alteration and Occupation of Public Roads
- Asset Management
- Occasional Hiring of Council Meeting Rooms
- Roadside Trading
- Street Lighting
- Trails and Cycling Routes Management
- Waste and Resource Recovery Services

The policies, codes and registers detailed are available at Council's Service Centres for inspection and/or purchase by members of the public for a fee as set out in Council's Fees and Charges Policy.

These documents can be accessed on Council's website for no charge.

## Community Land Management Plans

A new Community Land Management Plan was adopted by Council on 24 September 2019. The plan has been prepared for each category of community land, defining ownership details, location, area, principal usage and user groups.

Data verification of community land has been completed with all community land assigned to the appropriate category in the Community Lands Register. It lists community lands and does not include any lands revoked or excluded under the Local Government Act 1999.

## Competitive tendering

In 2023-24 Council determined that a number of services it provides could be more efficiently provided by external contractors. Where services are outsourced a tender process is used to achieve best value for Council.

Details of the tendering process can be found in Council's Procurement Policy. In 2023-24, 16 services were subjected to a competitive bidding process.

## Purchase of local goods and services

When goods and services are required by Council, local suppliers are invited to tender. In 2023-24 we had 95 competitive tender processes completed.

All tenders are considered on an equal basis in accordance with the principles of fair trading and the requirements of National Competition Policy and the Competition and Consumer Act 2010.

When paying for purchases, employees are encouraged under Council's Procurement Policy to utilise purchase cards as one the most cost effective payment methods. During 2023-24, purchase cards were used for a total of \$440,952.15 of Council expenses.

## National Competition Policy

Principles of competitive neutrality are designed to neutralise any net competitive advantage that a government or local government agency engaged in significant business activities would otherwise have, by virtue of its control by the government or local government, over private businesses operating in the same market.

Council has a complaints mechanism in place and in 2023-24 no complaints were received through this process with regard to competitive neutrality.

## Our people

The success of our Council is built on the dedication and expertise of our staff, who are committed to delivering exceptional services to our community. As of June 30, 2024, our workforce consisted of 186 FTE (Full Time Equivalent) staff with a mix of talents working together to manage a diverse array of programs and services.

## Employee Performance

We believe that empowering our employees is key to enhancing the services we provide. By fostering a culture of continuous improvement, our workforce are encouraged to refine their skills and enhance the way we deliver to the community we serve. Support from People Leaders at every level is essential, as they offer guidance through both informal discussions and structured reviews. This approach focuses on:

- Tracking progress against Key Result Areas
- Enhancing personal performance
- Promoting a proactive attitude toward work health and safety
- Exploring development opportunities, whether through collaborative projects or formal training sessions

## Leadership Development

Our commitment to leadership development is evident as we invest in both current leaders and those identified as future leaders within our organization. Recent initiatives have sparked excitement, particularly among emerging leaders who have engaged in transformative experiences such as the Management Challenge facilitated by Local Government Professionals, SA. These opportunities not only nurture individual growth but also strengthen our leadership pipeline, ensuring we are well-prepared for the future of our community. Together, we are shaping a dynamic leadership landscape that benefits everyone.

## Work Health and Safety and Injury Management

Adelaide Hills Council prioritises Work Health and Safety (WHS) and Injury Management (IM), consistently implementing activities and improvements to uphold our commitment to safe systems of work and meet due diligence requirements. In collaboration with the Health and Safety Committee, the Executive Leadership Team actively promotes safe work practices that focus on maintaining a hazard-free environment where risks are effectively managed, contributing to low injury rates across the organisation.

This year, our focus has been on developing and implementing the WHS Action Plan, which was created following audit recommendations and is monitored by the Local Government Association Workers Compensation Scheme. Progress on this plan is crucial to ensuring that agreed actions are achieved, with an annual rebate available based on completed activities from the Action Plan.

Employee education and support in using our Safety Management System, both in the field and office environments, has led to increased reporting of incidents and hazards and swift an improved timeliness in completion of corrective actions.

Key initiatives this year included:

- Implemented individual Site Emergency Plans (SEP), developed with input from stakeholders at each location.
- A focus on mental health awareness, with People Leaders completing a two-day Mental Health First Aid course.
- A change in approach in the way we handle and manage Return to Work cases. This has now been far more engaging and more positive outcomes to help the injured workers be more supported throughout this process.

These efforts reflect our commitment to creating a safe and supportive work environment for all Adelaide Hills Council employees.

## Employee Interstate Travel

One of the ways Council supports employees is through the provision of travel to attend events to represent Council and/or that are relevant to the employees development. In 2023-24, the following employee travel occurred:

Event	Date & Location	Travel Expenses
Australian Disaster Resilience Conference	Aug 2023 Brisbane	\$1,514
Resilient Australia National Awards 2023	21 – 23 Nov 2023 Perth	\$3,048
National Gallery of Australia's Regional Art Forum	October 2023 Canberra	\$1,217
AIHS National Health and Safety Conference 2024	21 – 23 May 2024 Melbourne	\$418

## Executive Leadership Team Arrangements

Council has an Executive Leadership Team that operates under the direction of the Chief Executive Officer.

Position	No of positions	Salary range as at 30 June 2024
CEO	1	\$262,252
Director	3	\$185,894 - \$214,051
Governance & Risk Coordinator	1	\$173,000

The Executive Leadership Team have Total Remuneration Packages that incorporates salary (as above), compulsory superannuation and the provision of a motor vehicle for business and private use. Other benefits available to the Executive Team may include the provision of ICT equipment (a mobile telephone and tablet) and paid memberships for up to two professional bodies. No other bonuses or allowances are paid.

## Gifts and Benefits received by employees

Thirteen (13) gifts or benefits valued at \$50 or more were received by Council staff during 2023-24. Of these, two were declined, two were donated to community, and the remaining nine accepted. Full details are included in Appendix 4.

## Remuneration payable to Council's auditor

Remuneration payable for the audit of the Adelaide Hills Council Internal Financial Controls and Annual Financial Statements for 2023-24 was \$42,674.

No other remuneration was paid to the auditors for non-audit services.

## Legal fees incurred by Council

Total expenditure related to legal fees in the 2023-24 financial year was \$500,000.

# Appendix 1: Financial Statements

# Adelaide Hills Council

GENERAL PURPOSE FINANCIAL STATEMENTS  
for the year ended 30 June 2024

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# General Purpose Financial Statements

for the year ended 30 June 2024

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## Adelaide Hills Council

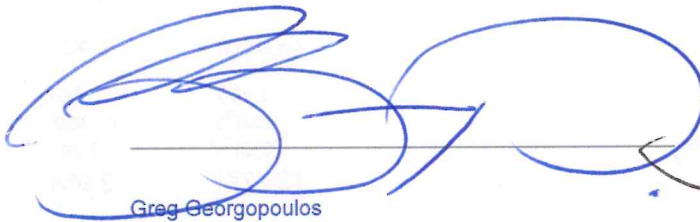
General Purpose Financial Statements  
for the year ended 30 June 2024

## Certification of Financial Statements

We have been authorised by the Council to certify the financial statements in their final form.

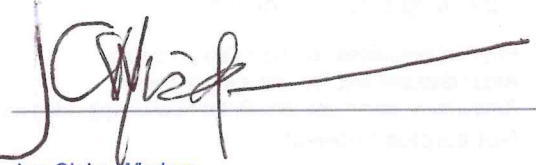
## In our opinion:

- the accompanying financial statements comply with the *Local Government Act 1999, Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards,
- the financial statements present a true and fair view of the Council's financial position at 30 June 2024 and the results of its operations and cash flows for the financial year,
- internal controls implemented by the Council provide a reasonable assurance that the Council's financial records are complete, accurate and reliable and were effective throughout the financial year,
- the financial statements accurately reflect the Council's accounting and other records.



Greg Georgopoulos  
Chief Executive Officer

Date: 22/10/24



Jan-Claire Wisdom  
Mayor

Date: 22/10/24

## Statement of Comprehensive Income

for the year ended 30 June 2024

\$ '000	Notes	2024	2023
<b>Income</b>			
Rates	2a	48,389	44,401
Statutory charges	2b	1,520	1,428
User charges	2c	934	901
Grants, subsidies and contributions - capital	2g	544	292
Grants, subsidies and contributions - operating	2g	4,081	6,090
Investment income	2d	35	37
Reimbursements	2e	398	306
Other income	2f	512	821
Net gain - equity accounted council businesses	18(a)	142	169
<b>Total income</b>		<b>56,555</b>	<b>54,445</b>
<b>Expenses</b>			
Employee costs	3a	21,915	20,693
Materials, contracts and other expenses	3b	25,886	21,273
Depreciation, amortisation and impairment	3c	12,270	10,479
Finance costs	3d	758	551
Net loss - equity accounted council businesses	18(a)	79	19
<b>Total expenses</b>		<b>60,908</b>	<b>53,015</b>
<b>Operating surplus / (deficit)</b>		<b>(4,353)</b>	<b>1,430</b>
Physical resources received free of charge	2h	1,106	551
Asset disposal and fair value adjustments	4	(2,307)	(1,300)
Amounts received specifically for new or upgraded assets	2g	3,277	2,283
<b>Net surplus / (deficit)</b>		<b>(2,277)</b>	<b>2,964</b>
<b>Other comprehensive income</b>			
Capital WIP write-off prior years		(218)	-
Changes in revaluation surplus - I,PP&E	9a	76,020	47,645
Other equity adjustments - equity accounted council businesses	18(a)i	42	43
Share of other comprehensive income - equity accounted council businesses	18	1,197	23
<b>Total other comprehensive income</b>		<b>77,041</b>	<b>47,711</b>
<b>Total comprehensive income</b>		<b>74,764</b>	<b>50,675</b>



## Statement of Financial Position

as at 30 June 2024

\$ '000	Notes	2024	2023
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalent assets	5a	534	489
Trade and other receivables	5b	7,208	3,363
Inventories	5c	10	17
<b>Total current assets</b>		<u>7,752</u>	<u>3,869</u>
<b>Non-current assets</b>			
Trade and other receivables	6a	260	210
Equity accounted investments in council businesses	6b	3,933	2,631
Infrastructure, property, plant and equipment	7	570,735	492,588
<b>Total non-current assets</b>		<u>574,928</u>	<u>495,429</u>
<b>TOTAL ASSETS</b>		<u>582,680</u>	<u>499,298</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	8a	7,879	6,107
Borrowings	8b	20,896	6,746
Provisions	8c	4,515	5,257
<b>Total current liabilities</b>		<u>33,290</u>	<u>18,110</u>
<b>Non-current liabilities</b>			
Borrowings	8b	1,583	8,205
Provisions	8c	643	583
<b>Total non-current liabilities</b>		<u>2,226</u>	<u>8,788</u>
<b>TOTAL LIABILITIES</b>		<u>35,516</u>	<u>26,898</u>
<b>Net assets</b>		<u>547,164</u>	<u>472,400</u>
<b>EQUITY</b>			
Accumulated surplus		147,613	150,021
Asset revaluation reserves	9a	399,446	322,268
Other reserves	9b	105	111
<b>Total council equity</b>		<u>547,164</u>	<u>472,400</u>
<b>Total equity</b>		<u>547,164</u>	<u>472,400</u>

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

## Statement of Changes in Equity

for the year ended 30 June 2024

\$ '000	Notes	Accumulated surplus	Asset revaluation reserve	Other reserves	Total equity
<b>2024</b>					
Balance at the end of previous reporting period		150,021	322,268	111	472,400
Net surplus / (deficit) for year		(2,277)	–	–	(2,277)
<b>Other comprehensive income</b>					
- Gain (Loss) on Revaluation of I,PP&E	9a	–	76,020	–	76,020
Share of OCI - equity accounted council businesses		39	1,158	–	1,197
Capital WIP Write-off prior years		(218)	–	–	(218)
Other equity adjustments - equity accounted council businesses	18(a)i	42	–	–	42
<b>Other comprehensive income</b>		<b>(137)</b>	<b>77,178</b>	<b>–</b>	<b>77,041</b>
<b>Total comprehensive income</b>		<b>(2,414)</b>	<b>77,178</b>	<b>–</b>	<b>74,764</b>
Transfers between reserves		6	–	(6)	–
<b>Balance at the end of period</b>		<b>147,613</b>	<b>399,446</b>	<b>105</b>	<b>547,164</b>
<b>2023</b>					
Balance at the end of previous reporting period		147,004	274,623	99	421,726
Net surplus / (deficit) for year		2,964	–	–	2,964
<b>Other comprehensive income</b>					
- Gain (Loss) on Revaluation of I,PP&E	9a	–	47,645	–	47,645
Share of OCI - equity accounted council businesses		23	–	–	23
Other equity adjustments - equity accounted council businesses	18(a)i	42	–	–	42
<b>Other comprehensive income</b>		<b>65</b>	<b>47,645</b>	<b>–</b>	<b>47,710</b>
<b>Total comprehensive income</b>		<b>3,029</b>	<b>47,645</b>	<b>–</b>	<b>50,674</b>
Transfers between reserves		(12)	–	12	–
<b>Balance at the end of period</b>		<b>150,021</b>	<b>322,268</b>	<b>111</b>	<b>472,400</b>

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

## Statement of Cash Flows

for the year ended 30 June 2024

\$ '000	Notes	2024	2023
<b>Cash flows from operating activities</b>			
<u>Receipts</u>			
Rates receipts		48,377	44,446
Statutory charges		1,520	1,428
User charges		934	901
Grants, subsidies and contributions (operating purpose)		1,163	5,832
Investment receipts		35	37
Reimbursements		398	306
Other receipts		1,386	404
<u>Payments</u>			
Finance payments		(758)	(551)
Payments to employees		(22,319)	(20,502)
Payments for materials, contracts and other expenses		(25,314)	(22,682)
<b>Net cash provided by (or used in) operating activities</b>	10b	<u>5,422</u>	<u>9,619</u>
<b>Cash flows from investing activities</b>			
<u>Receipts</u>			
Grants utilised for capital purposes		544	292
Amounts received specifically for new or upgraded assets		3,277	538
Sale of replaced assets		792	427
Sale of surplus assets		–	778
<u>Payments</u>			
Expenditure on renewal/replacement of assets		(11,115)	(10,070)
Expenditure on new/upgraded assets		(6,237)	(5,200)
<b>Net cash provided (or used in) investing activities</b>		<u>(12,739)</u>	<u>(13,235)</u>
<b>Cash flows from financing activities</b>			
<u>Receipts</u>			
Proceeds from borrowings		–	2,729
Proceeds from bonds and deposits		–	71
Proceeds from aged care facility deposits		–	645
<u>Payments</u>			
Repayments of borrowings		(561)	–
Repayment of lease liabilities		(247)	(374)
Repayment of bonds and deposits		(2)	–
<b>Net cash provided by (or used in) financing activities</b>		<u>(810)</u>	<u>3,071</u>
<b>Net increase (decrease) in cash held</b>		<u>(8,127)</u>	<u>(545)</u>
plus: cash & cash equivalents at beginning of period		(6,536)	(5,991)
<b>Cash and cash equivalents held at end of period</b>	10a	<u>(14,663)</u>	<u>(6,536)</u>

Additional information:

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

# Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

## Contents of the Notes accompanying the General Purpose Financial Statements

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## Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

### Note 1. Summary of Material Accounting Policy Information

---

The principal accounting policies adopted by Council in the preparation of these consolidated financial statements are set out below.

These policies have been consistently applied to all the years presented, unless otherwise stated.

#### (1) Basis of preparation

##### 1.1 Compliance with Australian Accounting Standards

This general purpose financial report has been prepared on a going concern basis using the historical cost convention in accordance with Australian Accounting Standards as they apply to not-for-profit entities, other authoritative pronouncements of the Australian Accounting Standards Board, Interpretations and relevant South Australian legislation.

The financial report was authorised for issue by certificate under regulation 14 of the *Local Government (Financial Management) Regulations 2011*.

##### 1.2 Critical accounting estimates

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates and requires management to exercise its judgement in applying Council's accounting policies.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are specifically referred to in the relevant sections of these Notes.

##### 1.3 Rounding

All amounts in the financial statements have been rounded to the nearest thousand dollars (\$'000).

#### (2) The local government reporting entity

Adelaide Hills Council is incorporated under the South Australian Local Government Act 1999 and has its principal place of business at 63 Mount Barker Road, Stirling. These financial statements include the Council's direct operations and all entities through which Council controls resources to carry on its functions. In the process of reporting on the Council as a single unit, all transactions and balances between activity areas and controlled entities have been eliminated.

Other entities in which Council has an interest but does not control are reported in Note 18.

#### (3) Income recognition

Income recognition

Income is measured at the fair value of the consideration received or receivable. Income is recognised when the Council obtains control over the assets comprising the income, or when the amount due constitutes an enforceable debt, whichever first occurs.

The Council recognises revenue under *AASB 1058 Income of Not-for-Profit Entities* (AASB 1058) or *AASB 15 Revenue from Contracts with Customers* (AASB 15) when appropriate.

In cases where there is an 'enforceable' contract with a customer with 'sufficiently specific' performance obligations, the transaction is accounted for under AASB 15 where income is recognised when (or as) the performance obligations are satisfied (i.e. when it transfers control of a product or service to a customer). Revenue is measured based on the consideration to which the Council expects to be entitled in a contract with a customer.

In other cases, AASB 1058 applies when a not-for-profit (NFP) entity enters into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives. The excess of the asset recognised (at fair value) over any 'related amounts' is recognised as income immediately, except in the case where a financial asset has been received to enable the council to acquire or construct a recognisable non-financial asset that is to be controlled by the council. In this case, the council recognises the excess as a liability that is recognised over time in profit and loss when (or as) the entity satisfies its obligations under the transfer.

In recent years the payment of untied financial assistance grants from the Commonwealth Government has varied from the annual allocation as shown in the table below:

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

## Note 1. Summary of Material Accounting Policy Information (continued)

	Cash Payment Received	Annual Allocation	Difference
2019-20	\$1,640,046	\$1,564,152	+\$75,894
2020-21	\$1,516,052	\$1,581,658	- \$65,606
2021-22	\$2,304,241	\$1,661,744	+\$642,497
2022-23	\$2,253,435	\$1,810,018	+\$443,417
2023-24	\$95,844	\$2,577,656	-\$2,481,812

As these grants are untied, the Australian Accounting Standards require that these payments be recognised upon receipt.

Accordingly, the operating results of these periods have been distorted compared to those that would have been reported had the grants been paid in the year to which they were allocated.

The Operating Surplus Ratio disclosed in Note 14 has also been calculated after adjusting for the distortions resulting from the differences between the actual grants received and the grants entitlements allocated.

**Construction contracts**

Construction works undertaken by Council for third parties are generally on an agency basis where the third party reimburses Council for actual costs incurred, and usually do not extend beyond the reporting period. Reimbursements not received are recognised as receivables and reimbursements received in advance are recognised as "payments received in advance".

For works undertaken on a fixed price contract basis, revenues are recognised over time using the input method, with costs incurred compared to total expected costs used as a measure of progress. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

**(4) Cash, cash equivalents and other financial instruments**

Cash Assets include all amounts readily convertible to cash on hand at Council's option with an insignificant risk of changes in value with a maturity of three months or less from the date of acquisition.

Receivables for rates and annual charges are secured over the subject land, and bear interest at rates determined in accordance with the *Local Government Act 1999*. Other receivables are generally unsecured and do not bear interest.

All receivables are reviewed as at the reporting date and adequate allowance made for amounts the receipt of which is considered doubtful.

All financial instruments are recognised at fair value at the date of recognition, except for trade receivables from a contract with a customer, which are measured at the transaction price. A detailed statement of the accounting policies applied to financial instruments forms part of Note 12.

**(5) Inventories**

Inventories held in respect of stores have been valued by using the weighted average cost on a continual basis, after adjustment for loss of service potential. Inventories held in respect of business undertakings have been valued at the lower of cost and net realisable value.

**(6) Infrastructure, property, plant and equipment****6.1 Initial recognition**

All assets are initially recognised at cost. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition.

All non-current assets purchased or constructed are capitalised as the expenditure is incurred and depreciated as soon as the asset is held "ready for use". Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including architects' fees and engineering design fees and all other costs incurred. The cost of non-current

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

## Note 1. Summary of Material Accounting Policy Information (continued)

assets constructed by the Council includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overhead.

**6.2 Materiality**

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by Council for each type of asset. In determining (and in annually reviewing) such thresholds, regard is had to the nature of the asset and its estimated service life.

Examples of capitalisation thresholds applied during the year are given below. No capitalisation threshold is applied to the acquisition of land or interests in land.

Office Furniture & Fittings	\$3,000
Other Plant & Equipment	\$3,000
Artworks	\$5,000
Building Fixture and Fittings	\$5,000
Building Structures	\$5,000
Paving & Footpaths, Kerb & Gutter	\$5,000
Road construction & reconstruction	\$5,000
Stormwater, Gravity mains and Culverts	\$5,000
All Other Assets	\$5,000

**6.3 Subsequent recognition**

All material asset classes are revalued on a regular basis such that the carrying values are not materially different from fair value. Significant uncertainties exist in the estimation of fair value of a number of asset classes including land, buildings and associated structures and infrastructure. Further detail of these uncertainties, and of existing valuations, methods and valuers are provided at Note 7.

**6.4 Depreciation of non-current assets**

Other than land, all infrastructure, property, plant and equipment assets recognised are systematically depreciated over their useful lives on a straight-line basis which, in the opinion of Council, best reflects the consumption of the service potential embodied in those assets.

Depreciation methods, useful lives and residual values of classes of assets are reviewed annually.

Major depreciation periods for each class of asset are listed below. Depreciation periods for infrastructure assets have been estimated based on the best information available to Council, but appropriate records covering the entire life cycle of these assets are not available, and extreme care should be used in interpreting financial information based on these estimates.

*Plant, Furniture & Equipment*

Office Furniture and Equipment	5 to 10 years
Vehicles and Heavy Plant	8 to 16 years
Other Plant & Equipment	5 to 10 years

*Building & Other Structures*

Buildings – masonry	50 to 100 years
Buildings – other construction	20 to 40 years
Benches, seats, etc	10 to 20 years
Park Structures – masonry	50 to 100 years
Park Structures – other construction	20 to 40 years
Playground equipment	5 to 15 years

*Infrastructure*

Bores	20 to 40 years
Bridges	80 to 100 years
Culverts	50 to 75 years

continued on next page ...

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

## Note 1. Summary of Material Accounting Policy Information (continued)

CWMS Pipes	70 to 80 years
Dams and Lagoons	80 to 100 years
Flood Detention Systems	80 to 100 years
Irrigation Pipes and Systems	25 to 75 years
Paving & Footpaths, Kerb & Gutter	40 to 100 years
Pumps & Telemetry	15 to 25 years
Road Pavement	65 to 180 years
Sealed Roads – Surface	15 to 25 years
Stormwater and Gravity Mains	80 to 100 years
Unsealed Roads	10 to 20 years

*Other Assets*

Artworks	indefinite
Right-of-Use Assets	2 to 5 years

**6.5 Impairment**

Assets whose future economic benefits are not dependent on the ability to generate cash flows, and where the future economic benefits would be replaced if Council were deprived thereof, are not subject to impairment testing.

Other assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount (which is the higher of the present value of future cash inflows or value in use).

Where an asset that has been revalued is subsequently impaired, the impairment is first offset against such amount as stands to the credit of that class of assets in Asset Revaluation Reserve, any excess being recognised as an expense.

**6.6 Borrowing costs**

Borrowing costs in relation to qualifying assets (net of offsetting investment revenue) have been capitalised in accordance with AASB 123 "Borrowing Costs". The amounts of borrowing costs recognised as an expense or as part of the carrying amount of qualifying assets are disclosed in Note 3, and the amount (if any) of interest revenue offset against borrowing costs in Note 2.

**(7) Payables****7.1 Goods & Services**

Creditors are amounts due to external parties for the supply of goods and services and are recognised as liabilities when the goods and services are received. Creditors are normally paid 30 days after the month of invoice. No interest is payable on these amounts.

**7.2 Payments Received in Advance & Deposits**

Amounts other than grants received from external parties in advance of service delivery, and security deposits held against possible damage to Council assets, are recognised as liabilities until the service is delivered or damage reinstated, or the amount is refunded as the case may be.

**(8) Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred and are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are carried at their principal amounts which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period to which it relates, and is recorded as part of "Payables"



## Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

## Note 1. Summary of Material Accounting Policy Information (continued)

**(9) Employee benefits****9.1 Salaries, Wages & Compensated Absences**

Liabilities for employees' entitlements to salaries, wages and compensated absences expected to be paid or settled within 12 months of reporting date are accrued at nominal amounts (including payroll based oncosts) measured in accordance with AASB 119.

Liabilities for employee benefits not expected to be paid or settled within 12 months are measured as the present value of the estimated future cash outflows (including payroll based oncosts) to be made in respect of services provided by employees up to the reporting date. Present values are calculated using government guaranteed securities rates with similar maturity terms.

**9.2 Superannuation**

The Council makes employer superannuation contributions in respect of its employees to the Hostplus Superannuation Scheme. The Scheme has two types of membership, each of which is funded differently. Details of the accounting policies applied and Council's involvement with the schemes are reported in Note 17.

**(10) Provisions for reinstatement, restoration and rehabilitation**

Close down and restoration costs include the dismantling and demolition of infrastructure and the removal of residual materials and remediation and rehabilitation of disturbed areas. Estimated close down and restoration costs are provided for in the accounting period when the obligation arising from the related disturbance occurs and are carried at the net present value of estimated future costs.

Although estimated future costs are based on a closure plan, such plans are based on current environmental requirements which may change. Council's policy to maximise recycling is extending the operational life of these facilities, and significant uncertainty exists in the estimation of the future closure date.

**(11) Leases****Accounting policy applicable from 01 July 2019**

The Council assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

**11.1 Council as a lessee**

The Council recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

**i) Right-of-Use-Assets**

The Council recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and the estimate of costs to be incurred to restore the leased asset. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Computers & IT Equipment	3 to 5 years
Building Occupancy	Up to 3 years

The right-of-use assets are also subject to impairment. Refer to the accounting policies above - Impairment of non-financial assets.

**ii) Lease Liabilities**

At the commencement date of the lease, the Council recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Council uses its incremental borrowing rate or the interest rate implicit in the lease.

**iii) Short-term leases and leases of low-value assets**

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

### Note 1. Summary of Material Accounting Policy Information (continued)

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The Council applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date). It also applies the low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

#### (12) Equity accounted Council businesses

Council participates in cooperative arrangements with other Councils for the provision of services and facilities. Council's interests in cooperative arrangements, which are only recognised if material, are accounted for in accordance with AASB 128 and set out in detail in Note 18.

#### (13) GST implications

In accordance with Interpretation 1031 "Accounting for the Goods & Services Tax"

- Receivables and Creditors include GST receivable and payable.
- Except in relation to input taxed activities, revenues and operating expenditures exclude GST receivable and payable.
- Non-current assets and capital expenditures include GST net of any recoupment.
- Amounts included in the Statement of Cash Flows are disclosed on a net basis.

#### (14) New accounting standards not yet effective

*Amendments to AASB 101 for classifying liabilities as current or non current.*

Effective for annual reporting period beginning on or after 1 January 2024, there are some changes to the classification requirements within AASB 101 *Presentation of Financial Statements*. These changes include the right to defer settlement where this right exists at the end of the reporting period and the classification is based on the right to defer settlement, not the intent.

Council have been classifying borrowings it intends to repay in the next 12 months as current. This means changes to AASB 101 will result in borrowings classified as "current" in this financial year being classified as "non-current" in future reporting periods. Council do not expect this to have any significant impact on its liquidity or operations.

#### (15) Comparative figures

To ensure comparability with the current reporting period's figures, some comparative period line items and amounts may have been reclassified or individually reported for the first time within these financial statements and/or the notes.

#### (16) Disclaimer

Nothing contained within these statements may be taken to be an admission of any liability to any person under any circumstance.

## Notes to and forming part of the Financial Statements for the year ended 30 June 2024

### Note 2. Income

\$ '000	2024	2023
<b>(a) Rates</b>		
<b>General rates</b>		
General rates	44,885	41,549
Less: mandatory rebates	(332)	(303)
Less: discretionary rebates, remissions and write-offs	(67)	(75)
<b>Total general rates</b>	<b>44,486</b>	<b>41,171</b>
<b>Other rates (including service charges)</b>		
Community wastewater management systems	1,711	1,694
Landscape levy	1,641	1,118
Separate and special rates	5	5
Stirling Business Association Separate Rate	107	95
<b>Total other rates (including service charges)</b>	<b>3,464</b>	<b>2,912</b>
<b>Other charges</b>		
Penalties for late payment	332	246
Legal and other costs recovered	107	72
<b>Total other charges</b>	<b>439</b>	<b>318</b>
<b>Total rates</b>	<b>48,389</b>	<b>44,401</b>
<b>(b) Statutory charges</b>		
Animal registration fees and fines	565	524
Development fees	637	658
Health and septic tank inspection fees	101	99
Other licences, fees and fines	55	41
Parking fines / expiation fees	99	48
Searches	63	58
<b>Total statutory charges</b>	<b>1,520</b>	<b>1,428</b>
<b>(c) User charges</b>		
Cemetery Fees	364	308
Community centres	158	165
Lobethal Woollen Mill Precinct	153	149
Retirement Villages	-	66
Sundry	259	213
<b>Total user charges</b>	<b>934</b>	<b>901</b>
<b>(d) Investment income</b>		
Interest on investments		
- Local Government Finance Authority	2	2
- Banks and other	32	24
Unwinding of premiums and discounts	1	11
<b>Total investment income</b>	<b>35</b>	<b>37</b>

continued on next page ...

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

## Note 2. Income (continued)

\$ '000	2024	2023
<b>(e) Reimbursements</b>		
Employee costs	5	–
Lobethal Woollen Mill Precinct	263	224
Other Properties	15	18
Private works	3	18
Other	112	46
<b>Total reimbursements</b>	<b>398</b>	<b>306</b>
<b>(f) Other income</b>		
Insurance and other recoupments - infrastructure, property, plant and equipment	205	107
Other (settlement proceeds)	–	500
Significant Environmental Benefit Credits	–	18
Sundry	307	196
<b>Total other income</b>	<b>512</b>	<b>821</b>
<b>(g) Grants, subsidies and contributions</b>		
<b>Capital grants, subsidies and contributions</b>		
Amounts received specifically for new or upgraded assets	3,277	2,283
<b>Total amounts received for new or upgraded assets</b>	<b>3,277</b>	<b>2,283</b>
<b>Other grants, subsidies and contributions - capital</b>		
Lobethal Centennial Hall	15	–
Local Roads & Community Infrastructure Program	–	292
Special Local Roads Funding	529	–
<b>Total Other grants, subsidies and contributions - capital</b>	<b>544</b>	<b>292</b>
<b>Operating grants, subsidies and contributions</b>		
<b>Annual</b>		
Community Home Support Program Grants	1,062	987
Community Wastewater Management Systems Contributions	69	25
Library and communications	298	295
Roads to Recovery	749	650
Sundry	323	404
Supplementary Local Roads Funding	344	343
Untied - Financial Assistance Grant	96	2,253
<b>Ad hoc / One Off</b>		
Community Recovery Grants	–	6
Community Resilience Grants	466	750
Local Roads & Community Infrastructure Program	–	169
Open Space Biodiversity Grants	–	197
Stormwater Management Plan	32	–
Waste Management Grants	–	11
21-22 Blackspot Funding	642	–
<b>Total other grants, subsidies and contributions - operating</b>	<b>4,081</b>	<b>6,090</b>

The functions to which operating grants relate are shown in Note 12.

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2024

Note 2. Income (continued)

\$ '000	2024	2023
Total grants, subsidies and contributions	7,902	8,665
<b>(i) Sources of grants</b>		
Commonwealth Government	3,905	5,996
State Government	3,820	2,511
Other	177	158
<b>Total</b>	<b>7,902</b>	<b>8,665</b>
<b>(ii) Individually significant items</b>		
Grant Commission Financial Assistance Grant received in advance recognised as Income	–	1,932
 <b>(h) Physical resources received free of charge</b>		
Land and improvements	1,106	551
<b>Total physical resources received free of charge</b>	<b>1,106</b>	<b>551</b>

## Notes to and forming part of the Financial Statements for the year ended 30 June 2024

### Note 3. Expenses

\$ '000	Notes	2024	2023
<b>(a) Employee costs</b>			
Salaries and wages		16,770	16,476
Employee leave expense		3,275	2,857
Superannuation - defined contribution plan contributions	17	1,939	1,756
Superannuation - defined benefit plan contributions	17	161	189
Other employee related costs		51	79
Fringe Benefits Tax		232	245
Personal Income Protection Insurance		313	311
Workers' compensation insurance		486	455
Less: capitalised and distributed costs		(1,312)	(1,675)
<b>Total operating employee costs</b>		<b>21,915</b>	<b>20,693</b>
Total number of employees (full time equivalent at end of reporting period)		186	200
<b>(b) Materials, contracts and other expenses</b>			
<b>(i) Materials, Contracts and Expenses</b>			
Bank Fees		91	78
Contractors		6,482	5,249
Contractors - Cleaning		338	335
Contractors - Tree Management		838	558
Consultants		88	108
Contributions & Donations		900	720
Contract Labour		1,263	381
Energy		678	581
Grant Related Expenditure		386	252
Heathfield High School Contribution		9	233
Insurance		893	849
Landfill Remediation		70	539
Legal expenses		500	354
Levies - Other		352	328
Levies Paid to Government - Landscape Levy		1,642	1,117
Licencing - ICT		1,036	788
Parts, accessories and consumables		2,402	2,109
Professional services		108	138
Return of LGA CWMS Contribution		1	1
Stirling Business Association		110	95
Sundry		477	499
Telephone (incl data)		279	249
Water		285	196
Waste		5,143	4,856
Work-in-Progress Write-off		919	124
Less: capitalised and distributed Costs		(69)	(87)
<b>Subtotal - Material, Contracts &amp; Expenses</b>		<b>25,221</b>	<b>20,650</b>

## Notes to and forming part of the Financial Statements for the year ended 30 June 2024

### Note 3. Expenses (continued)

\$ '000	2024	2023
<b>(ii) Prescribed Expenses</b>		
Auditor's remuneration		
- Auditing the financial reports	51	11
- Other auditors	-	10
Bad and doubtful debts	-	1
Elected members' expenses	408	351
Election expenses	13	14
Lease expense - low value assets / short term leases	193	236
<b>Subtotal - prescribed expenses</b>	<b>665</b>	<b>623</b>
<b>Total materials, contracts and other expenses</b>	<b>25,886</b>	<b>21,273</b>

### (c) Depreciation, amortisation and impairment

#### Depreciation and Amortisation

Buildings	1,781	1,357
Infrastructure		
- Bridges	364	297
- Cemeteries	37	29
- Community Wastewater Management Systems	363	317
- Footpaths	468	424
- Guardrails	123	104
- Kerb & Gutter	610	537
- Playgrounds	108	101
- Retaining Walls	205	171
- Roads	5,440	4,469
- Sport & Recreation	433	390
- Stormwater	778	633
- Street Furniture	112	83
- Traffic Controls	51	38
- Other Infrastructure	2	3
Furniture and fittings	53	70
Plant and equipment	1,096	1,090
Right-of-use assets	246	366
<b>Total depreciation, amortisation and impairment</b>	<b>12,270</b>	<b>10,479</b>

### (d) Finance costs

Charges on finance leases	9	10
Interest on loans	346	342
Interest on overdraft and short-term drawdown	403	199
<b>Total finance costs</b>	<b>758</b>	<b>551</b>

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2024

Note 4. Asset disposal and fair value adjustments

\$ '000	2024	2023
<b>Infrastructure, property, plant and equipment</b>		
<b>(i) Assets renewed or directly replaced</b>		
Proceeds from disposal	792	427
Less: Carrying Amount of Assets Sold or Disposed of	(3,089)	(2,162)
Other sale costs	(10)	(5)
<b>Gain (loss) on disposal</b>	<b>(2,307)</b>	<b>(1,740)</b>
<b>(ii) Assets surplus to requirements</b>		
Proceeds from disposal	–	778
Less: other amounts relating to the sale of surplus assets	–	(101)
Less: carrying amount of surplus assets disposed of	–	(1,395)
Add: liabilities forgiven upon sale of surplus assets	–	1,158
<b>Gain (loss) on disposal</b>	<b>–</b>	<b>440</b>
<b>Net gain (loss) on disposal or revaluation of assets</b>	<b>(2,307)</b>	<b>(1,300)</b>



## Notes to and forming part of the Financial Statements for the year ended 30 June 2024

### Note 5. Current assets

\$ '000	2024	2023
<b>(a) Cash and cash equivalent assets</b>		
Cash on hand and at bank	531	467
Short Term Deposits	3	22
<b>Total cash and cash equivalent assets</b>	<b>534</b>	<b>489</b>
<b>(b) Trade and other receivables</b>		
Rates - general and other	1,611	1,648
Accrued revenues	1,370	530
Debtors - general	352	287
Other levels of government - operating	2,918	-
GST recoupment	427	593
Prepayments	530	305
<b>Total trade and other receivables</b>	<b>7,208</b>	<b>3,363</b>
<b>(c) Inventories</b>		
Stores and materials	10	17
<b>Total inventories</b>	<b>10</b>	<b>17</b>

### Note 6. Non-current assets

\$ '000		2024	2023
<b>(a) Trade and other receivables</b>			
<b>Receivables</b>			
Council rates postponement scheme		235	186
Prepayments		25	24
<b>Subtotal</b>		<b>260</b>	<b>210</b>
<b>Total receivables</b>		<b>260</b>	<b>210</b>
<b>Total financial assets</b>		<b>260</b>	<b>210</b>
\$ '000	Notes	2024	2023
<b>(b) Equity accounted investments in council businesses</b>			
Adelaide Hills Regional Waste Management Authority (AHRWMA)	19i	1,562	1,392
Eastern Waste Management Authority (EWMA)	19i	112	148
Gawler River Floodplain Management Authority (GRFMA)	19i	2,259	1,091
<b>Total equity accounted investments in Council businesses</b>		<b>3,933</b>	<b>2,631</b>

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2024

Note 7. Infrastructure, Property, Plant & Equipment

Infrastructure, property, plant and equipment

\$ '000	Fair Value Level	as at 30/06/23				Asset movements during the reporting period										as at 30/06/24				
		At Fair Value	At Cost	Accumulated Depreciation	Carrying amount	Asset Additions New / Upgrade	Asset Additions Renewals	WDV of Asset Disposals	Depreciation Expense (Note 3c)	Impairment Loss (recognised in Equity) (Note 9)	WIP Transfers	Adjustments & Transfers	Other Physical Resources Free of Charge	RoU Additions	Revaluation Decrements to Equity (ARR) (Note 9)	Revaluation Increments to Equity (ARR) (Note 9)	At Fair Value	At Cost	Accumulated Depreciation	Carrying amount
Capital work in progress		-	6,552	-	6,552	6,237	11,115	-	-	-	(17,085)	(1,137)	-	-	-	-	-	5,682	-	5,682
Land - community	3	105,971	-	-	105,971	-	-	-	-	-	-	-	-	-	-	4,190	110,161	-	-	110,161
Buildings	3	75,619	-	(29,703)	45,916	-	-	(192)	(1,781)	-	1,225	-	-	-	-	12,684	97,129	-	(39,277)	57,852
Infrastructure																				
- Bridges	3	22,463	-	(13,052)	9,411	-	-	(237)	(364)	-	342	-	-	-	-	1,858	26,716	-	(15,705)	11,011
- Cemeteries	3	1,960	-	(946)	1,014	-	-	-	(37)	-	134	-	-	-	-	151	2,303	-	(1,042)	1,261
- Community Wastewater Management Systems	3	21,914	-	(8,218)	13,696	-	-	(56)	(363)	-	152	-	59	-	-	1,805	24,826	-	(9,532)	15,294
- Footpaths	3	20,082	-	(5,417)	14,665	-	-	(251)	(468)	-	1,208	-	15	-	-	1,263	23,220	-	(6,788)	16,432
- Guardrails	3	5,316	-	(1,524)	3,792	-	-	(40)	(123)	-	530	-	-	-	-	625	6,667	-	(1,882)	4,785
- Kerb & Gutter	3	43,515	-	(12,236)	31,279	-	-	(6)	(610)	-	35	-	318	-	-	4,151	49,186	-	(14,020)	35,166
- Playgrounds	3	2,117	-	(952)	1,165	-	-	(10)	(108)	-	-	-	-	-	-	107	2,178	-	(1,024)	1,154
- Retaining Walls	3	11,822	-	(3,869)	7,953	-	-	-	(205)	-	234	-	250	-	-	1,515	15,980	-	(6,232)	9,748
- Roads	3	289,871	-	(102,174)	187,697	-	-	(1,464)	(5,440)	-	8,198	-	208	-	-	37,810	350,511	-	(123,501)	227,010
- Sport & Recreation	3	20,593	-	(9,549)	11,044	-	-	(86)	(433)	-	1,746	-	15	-	-	416	22,960	-	(10,259)	12,701
- Stormwater	3	61,830	-	(23,828)	38,002	-	-	(13)	(778)	-	286	-	241	-	-	8,575	76,068	-	(29,754)	46,314
- Street Furniture	3	2,728	-	(931)	1,797	-	-	(13)	(112)	-	362	-	-	-	-	451	3,608	-	(1,125)	2,483
- Traffic Controls	3	2,111	-	(675)	1,436	-	-	-	(51)	-	-	-	-	-	-	374	2,593	-	(834)	1,759
- Other Infrastructure	3	-	2,232	(648)	1,584	-	-	(68)	(2)	-	19	-	-	-	-	45	-	2,227	(650)	1,577
Right-of-use assets		-	1,517	(1,322)	195	-	-	-	(246)	-	-	-	-	165	-	-	-	1,682	(1,568)	114
Plant and equipment		-	14,943	(5,920)	9,023	-	-	(585)	(1,096)	-	2,585	-	-	-	-	-	-	16,197	(6,270)	9,927
Furniture and fittings		-	754	(358)	396	-	-	(68)	(53)	-	29	-	-	-	-	-	-	710	(406)	304
<b>Total infrastructure, property, plant and equipment</b>		<b>687,912</b>	<b>25,998</b>	<b>(221,322)</b>	<b>492,588</b>	<b>6,237</b>	<b>11,115</b>	<b>(3,089)</b>	<b>(12,270)</b>	<b>-</b>	<b>-</b>	<b>(1,137)</b>	<b>1,106</b>	<b>165</b>	<b>-</b>	<b>76,020</b>	<b>814,106</b>	<b>26,498</b>	<b>(269,869)</b>	<b>570,735</b>
Comparatives		633,266	21,588	(211,565)	443,289	5,200	10,070	(3,557)	(10,479)	-	-	(124)	551	(4)	(416)	48,061	687,912	25,998	(221,322)	492,588

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

### Note 7. Infrastructure, Property, Plant & Equipment (continued)

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#### Valuation of Infrastructure, Property, Plant & Equipment

##### Valuation of assets

The fair value of assets and liabilities must be estimated in accordance with various Accounting Standards for either recognition and measurement requirements or for disclosure purposes.

*AASB 13 Fair Value Measurement* requires all assets and liabilities measured at fair value to be assigned to a "level" in the fair value hierarchy as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Refer to Note 7(a) for the disclosure of the Fair Value Levels of Infrastructure, Property, Plant and Equipment Assets.

##### Information on valuations

Valuations of Crown land, community land and land subject to other restrictions on use or disposal, shown above as being based on fair value hierarchy level 3 valuation inputs, are based on prices for similar assets in an active market, but include adjustments for specific advantages or disadvantages attaching to the particular asset that are not directly or indirectly observable in that market, or the number and / or amount of observable adjustments of which are so great that the valuation is more fairly described as being based on level 3 valuation inputs.

There is no known market for buildings, infrastructure and other assets. These assets are valued at depreciated current replacement cost. This method involves:

- The determination of the cost to construct the asset (or its modern engineering equivalent) using current prices for materials and labour, the quantities of each being estimated based on recent experience of this or similar Councils, or on industry construction guides where these are more appropriate.
- The calculation of the depreciation that would have accumulated since original construction using current estimates of residual value and useful life under the prime cost depreciation method adopted by Council.

This method has significant inherent uncertainties, relying on estimates of quantities of materials and labour, residual values and useful lives, and the possibility of changes in prices for materials and labour, and the potential for development of more efficient construction techniques.

##### Other information

At 1 July 2004 upon the transition to AIFRS, Council elected pursuant to *AASB 1.D5* to retain a previously established deemed cost under GAAP as its deemed cost. With subsequent addition at cost, this remains as the basis of recognition of non-material asset classes.

Upon revaluation, the current new replacement cost and accumulated depreciation are re-stated such that the difference represents the fair value of the asset determined in accordance with *AASB 13 Fair Value Measurement*: accumulated depreciation is taken to be the difference between current new replacement cost and fair value. In the case of land, current replacement cost is taken to be the fair value.

##### Highest and best use

All of Council's non financial assets are considered as being utilised for their highest and best use.

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

### Note 7. Infrastructure, Property, Plant & Equipment (continued)

#### Transition to AASB 13 - Fair Value Measurement

The requirements of AASB 13 Fair Value Measurement have been applied to all valuations undertaken since 1 July 2013 as shown by the valuation dates by individual asset classes below.

#### Land & Land Improvements

Council being of the opinion that it is not possible to attribute value sufficiently reliably to qualify for recognition, land under roads has not been recognised in these reports.

Land - Level 3: Crown Land which is subject to restriction for its use or sale has been valued by Council officers based on the Valuer General's site values as at 1 January 2023 less allowances for the restriction on sale (requiring Ministerial consent) which are unobservable inputs that have a significant effect on valuation.

#### Buildings & Other Structures

- Basis of valuation: Fair Value
- Date of independent valuation: 1 July 2023
- Valuer: APV Valuers & Asset Management

Council discloses Buildings as a separate class of Infrastructure Assets for the purposes of AASB 13 Fair Value Measurement, and the level of fair value hierarchy to be Level 3, as no relevant observable inputs (Markets) are available.

- Council commenced a Building Audit and Revaluation in the 2022-2023 financial year, however, delays in the final reports and validation of all the assumptions has resulted in a combination of adjustments to the Building assets.
- There were \$5.8m of Building assets that were previously not valued and these have been included in the revaluation.
- The remainder of the assets have been adjusted manually in line with the Australian Bureau of Statistics Time Series data, Table 17 (Construction Industries) movements specific for Adelaide.
- This adjustment was done as at 1 July 2022.
- Finalisation of the Building Asset revaluation was completed in 2023-2024 with the revaluation applied from 1 July 2023 in line with Private Public Property valuation.

#### Infrastructure

Council discloses Infrastructure Assets for the purpose of AASB 13 Fair Value Measurement as level 3 as no relevant observable inputs (markets) are available.

- There were no assets valued where it was considered that the highest and best use was other than its current use.

#### Bridges

- Basis of valuation: Valuation was undertaken using modern equivalent asset principles as per the International Infrastructure Management Manual (IIMM 6th edition, 2020) and included a condition audit.
- The assets were indexed in between independent valuations.
- Date of independent valuation: June 2021
- Valuer: ARRB Group
- Valuations have been updated by council officers at depreciated current replacement cost based on Australian Bureau of Statistics Time Series data, Table 17 (Construction Industries - Road and Bridge Construction) movements specific to Adelaide for the period June 2022 to June 2023. This increase was 13.7% and applied on 3 July 2023 for the 2023-2024 reporting period. An additional 8% was applied to the valuation in recognition of the conservative average uplift applied in previous years against actual Producer Price Indices.

#### Community Wastewater Management Systems (CWMS)

- Basis of valuation: Fair Value
- Date of independent valuation: 1 July 2022
- Valuer: APV Valuers & Asset Management
- Valuations have been updated by council officers at depreciated current replacement cost based on Australian Bureau of Statistics Time Series data, Table 17 (Construction Industries - Road and Bridge Construction) movements specific to Adelaide for the period June 2022 to June 2023. This increase was 13.7% and applied on 3 July 2023 for the 2023-2024 reporting period.

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

## Note 7. Infrastructure, Property, Plant &amp; Equipment (continued)

**Footpaths, Retaining Walls and Guardrails (safety barriers)**

- Basis of valuation: Fair Value
- Date of independent valuation: 1 July 2022
- Valuer: Private Public Property
- During 2021-2022 and 2022-2023 council officers undertook a condition audit of the asphalt, concrete and paver footpaths. This condition data was used to undertake a revaluation of these assets at 1 July 2022.
- Valuations have been updated by council officers at depreciated current replacement cost based on Australian Bureau of Statistics Time Series data, Table 17 (Construction Industries - Road and Bridge Construction) movements specific to Adelaide for the period June 2022 to June 2023. This increase was 13.7% and applied on 3 July 2023 for the 2023-2024 reporting period.

**Kerb and Gutter**

- Basis of valuation: Fair Value
- Date of independent valuation: 1 July 2022
- Valuer: Private Public Property
- During 2021-2022 and 2022-2023 council officers undertook a condition audit of the concrete kerbing. This condition data was used to undertake a revaluation of these assets at 1 July 2022.
- Valuations have been updated by council officers at depreciated current replacement cost based on Australian Bureau of Statistics Time Series data, Table 17 (Construction Industries - Road and Bridge Construction) movements specific to Adelaide for the period June 2022 to June 2023. This increase was 13.7% and applied on 3 July 2023 for the 2023-2024 reporting period.

**Roads**

- Valuations were derived as at June 2019 referencing individual rates in Rawlinsons and Council Contracts to determine an overall rate for Council assets including road seal and road pavement by Steve Walker, Principal, Asset Engineering.
- Road Seals rates were established by using Council's recent contract rates for resealing which includes profiling, raising top stones, supply and laying of asphaltic concrete and supply and laying of spray seal
- Road Pavement rates were established by using rates from Rawlinsons applicable to the reconstruction of road pavements and compared against Council's actual costs
- During 2019-20 Council undertook a review of its sealed road components following an external review by Jeff Roorda, TechnologyOne, regarding components for road pavements. The assessment resulted in road pavement being componentised into a pavement base-course (layer immediately under the seal component) and a sub-base (bottom layer of road pavement). The base course layer retained the same useful life and the sub-base useful life was increased based on industry knowledge and standards. Given this useful life change, the sub-base was subsequently revalued from the asset construction date and hence the written down value of the assets adjusted downwards. As part of this process, the overall unit rate was also reallocated between the base-course and sub-base components.
- Since the detailed valuation using unit rates undertaken at June 2019, valuations have been updated by Council Officers at depreciated current replacement cost based on Australian Bureau of Statistics Time Series data, Table 17 (Construction Industries) movements specific to Adelaide for the period since valuation to July 2022.
- Valuations have been updated by council officers at depreciated current replacement cost based on Australian Bureau of Statistics Time Series data, Table 17 (Construction Industries - Road and Bridge Construction) movements specific to Adelaide for the period June 2022 to June 2023. This increase was 13.7% and applied on 3 July 2023 for the 2023-2024 reporting period. An additional 8% was applied to the valuation in recognition of the conservative average uplift applied in previous years against actual Producer Price Indices.

**Stormwater**

- Valuations have been updated by council officers at depreciated current replacement cost based on Australian Bureau of Statistics Time Series data, Table 17 (Construction Industries - Road and Bridge Construction) movements specific to Adelaide for the period June 2022 to June 2023. This increase was 13.7% and applied on 3 July 2023 for the 2023-2024 reporting period.

**Street Furniture, Stormwater and Traffic Controls**

- Valuations have been updated by council officers at depreciated current replacement cost based on Australian Bureau of Statistics Time Series data, Table 17 (Construction Industries - Road and Bridge Construction) movements specific to

## Notes to and forming part of the Financial Statements for the year ended 30 June 2024

### Note 7. Infrastructure, Property, Plant & Equipment (continued)

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Adelaide for the period June 2022 to June 2023. This increase was 13.7% and applied on 3 July 2023 for the 2023-2024 reporting period.

#### **Playgrounds, Sport and Recreation Facilities**

- Valuations have been updated by council officers at depreciated current replacement cost based on Australian Bureau of Statistics Time Series data, Table 17 (Non-Residential Building Construction) movements specific to Adelaide for the period June 2022 to June 2023. This increase was 6.1% and applied on 3 July 2023 for the 2023-2024 reporting period. An additional 8% was applied to the valuation in recognition of the conservative average uplift applied in previous years against actual Producer Price Indices.

#### **Plant & Equipment**

- Basis of valuation: Historic Cost

#### **Furniture & Fittings**

- Basis of valuation: Historic Cost

## Notes to and forming part of the Financial Statements for the year ended 30 June 2024

### Note 8. Liabilities

\$ '000	2024 Current	2024 Non Current	2023 Current	2023 Non Current
<b>(a) Trade and other payables</b>				
Accrued expenses - employee entitlements	1,069	-	1,096	-
Accrued expenses - other	265	-	1,187	-
Deposits, retentions and bonds	76	-	78	-
Goods and services	3,867	-	2,753	-
Payments received in advance	2,600	-	986	-
Other	2	-	7	-
<b>Total trade and other payables</b>	<b>7,879</b>	<b>-</b>	<b>6,107</b>	<b>-</b>

\$ '000	Notes	2024 Current	2024 Non Current	2023 Current	2023 Non Current
<b>(b) Borrowings</b>					
Bank overdraft		15,196	-	6,025	1,000
Lease liabilities	16b	114	1	160	37
Loans		5,586	1,582	561	7,168
<b>Total Borrowings</b>		<b>20,896</b>	<b>1,583</b>	<b>6,746</b>	<b>8,205</b>

All interest bearing liabilities are secured over the future revenues of the Council

### (c) Provisions

Employee entitlements (including oncosts)	3,227	320	3,663	261
Future reinstatement / restoration, etc <sup>1</sup>	1,288	323	1,594	322
<b>Total provisions</b>	<b>4,515</b>	<b>643</b>	<b>5,257</b>	<b>583</b>

(1) At the reporting date, Council made provision for its monitoring and rehabilitation obligations regarding 3 former landfill sites. The provision represents Council's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

## Notes to and forming part of the Financial Statements for the year ended 30 June 2024

### Note 9. Reserves

\$ '000	as at 30/06/23		Transfers	Impairments	as at 30/06/24	
	Opening Balance	Increments (Decrements)			Closing Balance	
<b>(a) Asset revaluation reserve</b>						
Land - community	80,095	4,190	–	–	84,285	
Buildings	37,840	12,684	–	–	50,524	
Infrastructure						
- Bridges	4,423	1,858	–	–	6,281	
- Cemeteries	2,192	151	–	–	2,343	
- Community Wastewater Management Systems	6,058	1,805	–	–	7,863	
- Footpaths	1,628	1,263	–	–	2,891	
- Guardrails	1,917	625	–	–	2,542	
- Kerb & Gutter	29,328	4,151	–	–	33,479	
- Playgrounds	144	107	–	–	251	
- Retaining Walls	4,545	1,515	–	–	6,060	
- Roads	122,913	37,810	–	–	160,723	
- Sport & Recreation	2,615	416	–	–	3,031	
- Stormwater	26,602	8,575	–	–	35,177	
- Street Furniture	1,077	451	–	–	1,528	
- Traffic Controls	614	374	–	–	988	
- Other Infrastructure	19	45	–	–	64	
Plant and equipment	23	–	–	–	23	
Furniture and fittings	7	–	–	–	7	
JV's / associates - other comprehensive income	228	1,158	–	–	1,386	
<b>Total asset revaluation reserve</b>	<b>322,268</b>	<b>77,178</b>	<b>–</b>	<b>–</b>	<b>399,446</b>	
Comparatives	274,623	47,645	–	–	322,268	

\$ '000	as at 30/06/23		Tfrs to Reserve	Tfrs from Reserve	Other Movements	as at 30/06/24	
	Opening Balance					Closing Balance	
<b>(b) Other reserves</b>							
Biodiversity SEB Reserve	17	–	(2)	–	15		
Scott Creek Progress Association	1	–	–	–	1		
Significant Trees Reserve	5	2	–	–	7		
Torrens Valley Community Centre	88	–	(6)	–	82		
<b>Total other reserves</b>	<b>111</b>	<b>2</b>	<b>(8)</b>	<b>–</b>	<b>105</b>		
Comparatives	99	17	(5)	–	111		

### Purposes of reserves

#### Asset revaluation reserves

The asset revaluation reserve is used to record increments and decrements arising from changes in fair value of non current assets (less any subsequent impairment losses, where applicable).



## Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

## Note 9. Reserves (continued)

**Other reserves**Biodiversity SEB Reserve

Adelaide Hills Council is an Accredited Third Party Provider under Section 25C(12) of the *Native Vegetation Act 1991*. One of Council's conservation reserves is now a formal "SEB Area" (Significant Environmental Benefit) under the *Native Vegetation Act 1991* which allows Council to on-sell SEB credits.

The financial return on these credits will need to be spent in accordance with the SEB Management Plan which outlines what agreed actions will be undertaken in a 10 year period and how the area will be protected into the future.

The funds held will be accessed over the next 10 years in order to invest in the annual bushcare activities as set out in the plan.

Scott Creek Cemetery Reserve

The Scott Creek Cemetery is crown land dedicated to Council for use as a cemetery. Prior to 2010 the cemetery was managed by local community associations. In 2010 management responsibilities were transferred to the Council together with the balance of funds held for cemetery maintenance and improvements.

Funds held in the reserve account are to be used for:

- marking of unmarked graves with a small and simple identification piece detailing the name and date of death of the deceased,
- Installation of a single plaque with the names of the deceased who are buried in unmarked graves where the exact location of the graves is unknown,
- Renewal of existing gravel driveways, and
- Creation or extension of driveways to facilitate expansion of the cemetery.

Significant Tree Reserve

The *Development (Regulated Trees) Variation Regulations 2011* came into effect on 17 November 2011. Under the new regulations, applicants can make a financial contribution for each tree removed (relating to regulated and significant trees) as part of their development application. The reserve was established by Council in accordance with S50B of the *Development Act 1993* to ensure that monies generated would be spent within the Adelaide Hills area.

Monies received may be applied by the council to:

- maintain or plant trees which are, or will (when fully grown) constitute significant trees under this Act; or
- to purchase land in order to maintain or plant trees which are, or will (when fully grown) constitute significant trees under this Act.

Torrens Valley Community Centre Reserve

This reserve is funded by the community funds that flow through the centre via the Op Shop. These funds are used to support youth programs and other community initiatives that will result in an improvement or benefit to the community.

## Note 10. Reconciliation to Statement of Cash Flows

\$ '000	Notes	2024	2023
<b>(a) Reconciliation of cash</b>			
Cash assets comprise highly liquid investments with short periods to maturity subject to insignificant risk of changes of value. Cash at the end of the reporting period as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:			
Total cash and equivalent assets	5	534	489
Less: short-term borrowings	8	(15,196)	(7,025)
<b>Balances per Statement of Cash Flows</b>		<b>(14,662)</b>	<b>(6,536)</b>

continued on next page ...

## Notes to and forming part of the Financial Statements for the year ended 30 June 2024

### Note 10. Reconciliation to Statement of Cash Flows (continued)

\$ '000	Notes	2024	2023
<b>(b) Reconciliation of Operating Result</b>			
<b>Net surplus/(deficit)</b>		(2,277)	2,964
<b>Non-cash items in income statements</b>			
Depreciation, amortisation and impairment		12,270	10,479
Equity movements in equity accounted investments (increase)/decrease		(63)	(150)
Premiums and discounts recognised and unwound		(1)	(11)
Non-cash asset acquisitions		(1,106)	(551)
Grants for capital acquisitions treated as investing activity		(3,821)	(2,575)
Net (gain)/loss on disposals		2,307	1,300
Other		909	1,776
		<u>8,218</u>	<u>13,232</u>
<b>Add (less): changes in net current assets</b>			
Net (increase)/decrease in receivables		(3,895)	(548)
Net (increase)/decrease in inventories		7	15
Net increase/(decrease) in trade and other payables		1,774	(3,097)
Net increase/(decrease) in unpaid employee benefits		(377)	20
Net increase/(decrease) in other provisions		(305)	(3)
<b>Net cash provided by (or used in) operations</b>		<u>5,422</u>	<u>9,619</u>

### (c) Non-cash financing and investing activities

#### Acquisition of assets by means of:

Physical resources received free of charge	2h	1,106	551
Additions to right of use assets	16	165	–
<b>Amounts recognised in income statement</b>		<u>1,271</u>	<u>551</u>
<b>Total non-cash financing and investing activities</b>		<u>1,271</u>	<u>551</u>

### (d) Financing arrangements

#### Unrestricted access was available at balance date to the following lines of credit:

Bank overdrafts	200	200
Corporate credit cards	180	180
Asset Finance - Leasing	750	750
LGFA cash advance debenture facility	17,000	8,600
Westpac Bank Bill Business Loan <sup>1</sup>	8,000	9,000

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice.

(1) Council utilises the Westpac bank bill business loan as an overdraft facility which can be paid off at any time at the discretion of the Council

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2024

Note 11(a). Functions

Income, Expenses and Assets have been directly attributed to the following Functions / Activities.  
Details of these Functions/Activities are provided in Note 11(b).

\$ '000	OPERATING INCOME		OPERATING EXPENSES		OPERATING SURPLUS (DEFICIT)		GRANTS INCLUDED IN OPERATING INCOME		TOTAL ASSETS HELD (CURRENT AND NON-CURRENT)	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
<b>Functions/Activities</b>										
Council	–	–	–	–	–	–	–	–	582,680	499,298
Community & Development	3,959	4,193	12,316	10,817	(8,357)	(6,624)	2,044	2,424	–	–
Corporate Services	46,980	44,192	13,319	10,586	33,661	33,606	48	1,197	–	–
Environment & Infrastructure	5,616	6,060	35,273	31,612	(29,657)	(25,552)	2,534	2,469	–	–
<b>Total Functions/Activities</b>	<b>56,555</b>	<b>54,445</b>	<b>60,908</b>	<b>53,015</b>	<b>(4,353)</b>	<b>1,430</b>	<b>4,626</b>	<b>6,090</b>	<b>582,680</b>	<b>499,298</b>

Revenues and expenses exclude net gain (loss) on disposal or revaluation of assets, amounts received specifically for new or upgraded assets and physical resources received free of charge.

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

### Note 11(b). Components of functions

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The activities relating to Council functions are as follows:

#### **COMMUNITY & DEVELOPMENT**

Animal Management, Communications, Community and Development Director's Office, Community Development, Community Programs, Community Resilience, Cultural Development, Customer Experience, Customer Service, Development Services, Economic Development, FABRIK Arts and Heritage Hub, Library Services, Parking and By-Laws, Policy Planning, Positive Ageing (Home and Social Support), Positive Ageing Project (Collaborative), Public Health, The Summit Community Centre, Torrens Valley Community Centre, Volunteering, and Youth Development.

#### **CORPORATE SERVICES**

Corporate Services Director's Office, Communications, Engagements and Events, Financial Services, Governance and CEO Office, Information Services, People and Culture, and Work Health and Safety.

#### **ENVIRONMENT & INFRASTRUCTURE**

Cemeteries, Civil Services, Community Wastewater Management System (CWMS), Emergency Management, Environment and Infrastructure Director's Office, Lobethal Woollen Mill Precinct, Open Space Biodiversity, Open Space Operations, Property Management, Sport and Recreation, Sustainability, Strategic Assets, and Waste.

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

### Note 12. Financial instruments

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#### Recognised financial instruments

##### Bank, deposits at call, short term deposits

**Accounting Policy:**

Initially recognised at fair value and subsequently measured at amortised cost; interest is recognised when earned.

**Terms & Conditions:**

Deposits are returning fixed interest rates between 4.85% and 4.55% (2023: **4.30%** and **4.60%**).

**Carrying Amount:**

Approximates fair value due to the short term to maturity.

##### Receivables - rates and associated charges

**Accounting Policy:**

Initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method.

**Terms & Conditions:**

Secured over the subject land, arrears attract interest of 6.15% (2023: **6.05%**). Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State.

**Carrying Amount:**

Approximates fair value (after deduction of any allowance).

##### Receivables - fees and other charges

**Accounting Policy:**

Initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method.

**Terms & Conditions:**

Unsecured, and do not bear interest. Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries.

**Carrying Amount:**

Approximates fair value (after deduction of any allowance).

##### Receivables - other levels of government

**Accounting Policy:**

Initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method.

**Terms & Conditions:**

Amounts due have been calculated in accordance with the terms and conditions of the respective programs following advice of approvals, and do not bear interest. All amounts are due by Departments and Agencies of State and Federal Governments.

**Carrying Amount:**

Approximates fair value.

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

## Note 12. Financial instruments (continued)

**Receivables - retirement home contributions****Accounting Policy:**

Initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method.

**Terms & Conditions:**

Amounts due have been calculated in accordance with the terms and conditions of the respective legislation.

**Carrying Amount:**

Approximates fair value (after deduction of any allowance).

**Liabilities - creditors and accruals****Accounting Policy:**

Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Council.

**Terms & Conditions:**

Liabilities are normally settled on 30 day terms.

**Carrying Amount:**

Approximates fair value.

**Liabilities - retirement home contributions****Accounting Policy:**

To avoid inconvenience when complying with the separate audit requirements imposed by the relevant legislation, amounts are carried at nominal values.

**Terms & Conditions:**

Pursuant to Commonwealth legislation certain intending residents are required to contribute amounts on an interest free basis. The amounts are subject to certain deductions as prescribed by the legislation, the balance being repaid on termination of tenancy.

**Carrying Amount:**

Approximates fair value for short tenancies; may be non-materially overstated for longer tenancies.

**Liabilities - interest bearing borrowings****Accounting Policy:**

Initially recognised at fair value and subsequently at amortised cost using the effective interest rate.

**Terms & Conditions:**

Secured over future revenues. Borrowings are repayable upon maturity. Interest is charged at a fixed rate between 4.45% and 4.60% (2023: **4.45%** and **4.60%**) and paid bi-annually.

**Carrying Amount:**

Approximates fair value.

**Liabilities - leases****Accounting Policy:**

Accounted for in accordance with AASB 16 as stated in Note 17.

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

## Note 12. Financial instruments (continued)

\$ '000	Due < 1 year	Due > 1 year and ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
<b>Financial assets and liabilities</b>					
<b>2024</b>					
<b>Financial assets</b>					
Cash and cash equivalents	534	–	–	534	534
Receivables	6,679	235	–	6,914	6,914
<b>Total financial assets</b>	<b>7,213</b>	<b>235</b>	<b>–</b>	<b>7,448</b>	<b>7,448</b>
<b>Financial liabilities</b>					
Payables	4,210	–	–	4,210	4,210
Westpac bank bill	8,032	–	–	8,032	8,032
LGFA loan	13,070	1,690	–	14,760	14,332
Lease liabilities	114	1	–	115	115
<b>Total financial liabilities</b>	<b>25,426</b>	<b>1,691</b>	<b>–</b>	<b>27,117</b>	<b>26,689</b>
<b>Total financial assets and liabilities</b>	<b>32,639</b>	<b>1,926</b>	<b>–</b>	<b>34,565</b>	<b>34,137</b>
<b>2023</b>					
<b>Financial assets</b>					
Cash and cash equivalents	489	–	–	489	489
Receivables	3,059	186	–	3,245	3,244
<b>Total financial assets</b>	<b>3,548</b>	<b>186</b>	<b>–</b>	<b>3,734</b>	<b>3,733</b>
<b>Financial liabilities</b>					
Payables	4,025	–	–	4,025	4,025
Westpac bank bill	6,025	1,000	–	7,025	7,025
LGFA loan	905	7,595	–	8,500	7,729
Lease liabilities	160	37	–	197	197
<b>Total financial liabilities</b>	<b>11,115</b>	<b>8,632</b>	<b>–</b>	<b>19,747</b>	<b>18,976</b>
<b>Total financial assets and liabilities</b>	<b>14,663</b>	<b>8,818</b>	<b>–</b>	<b>23,481</b>	<b>22,709</b>

The following interest rates were applicable to Council's borrowings at balance date:

\$ '000	2024		2023	
	Weighted Avg Interest Rate	Carrying Value	Weighted Avg Interest Rate	Carrying Value
Overdraft	5.62%	15,196	4.45%	7,025
Fixed interest rates	4.55%	7,168	4.53%	7,729
Leases	4.72%	115	3.30%	197
		<b>22,479</b>		<b>14,951</b>

**Net fair value**

All carrying values approximate fair value for all recognised financial instruments. There is no recognised market for the financial assets of the Council.

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

### Note 12. Financial instruments (continued)

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#### Risk exposures

**Credit Risk** represents the loss that would be recognised if counterparties fail to perform as contracted. The maximum credit risk on financial assets of the Council is the carrying amount, net of any impairment. All Council investments are made with the SA Local Government Finance Authority and NAB. Except as detailed in Notes 5 & 6 in relation to individual classes of receivables, exposure is concentrated within the Council's boundaries, and there is no material exposure to any individual debtor.

**Market Risk** is the risk that fair values of financial assets will fluctuate as a result of changes in market prices. All of Council's financial assets are denominated in Australian dollars and are not traded on any market, and hence neither market risk nor **currency risk** apply.

**Liquidity Risk** is the risk that Council will encounter difficulty in meeting obligations with financial liabilities. In accordance with the model Treasury Management Policy (LGA Information Paper 15), liabilities have a range of maturity dates. Council also has available a range of bank overdraft and standby borrowing facilities that it can access.

**Interest Rate Risk** is the risk that future cash flows will fluctuate because of changes in market interest rates. Council has a balance of both fixed and variable interest rate borrowings and investments. Cash flow fluctuations are managed holistically in seeking to minimise interest costs over the longer term in a risk averse manner.



Notes to and forming part of the Financial Statements  
for the year ended 30 June 2024

Note 13. Capital expenditure and investment property commitments

\$ '000	2024	2023
<b>Capital commitments</b>		
<b>Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:</b>		
Infrastructure	1,069	418
Plant and equipment	2,086	57
	<u>3,155</u>	<u>475</u>
<b>These expenditures are payable:</b>		
Not later than one year	3,155	475
	<u>3,155</u>	<u>475</u>

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

## Note 14. Financial indicators

\$ '000	Amounts 2024	Indicator 2024	Indicators 2023      2022	
Financial Indicators overview				
<i>These Financial Indicators have been calculated in accordance with Information paper 9 - Local Government Financial Indicators prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia.</i>				
<b>1. Operating Surplus Ratio</b>				
Operating surplus	<b>(4,353)</b>	<b>(7.7)%</b>	2.6%	2.2%
Total operating income	<b>56,555</b>			
<i>This ratio expresses the operating surplus as a percentage of total operating revenue.</i>				
<b>2. Net Financial Liabilities Ratio</b>				
Net financial liabilities	<b>27,514</b>	<b>49%</b>	42%	46%
Total operating income	<b>56,555</b>			
<i>Net Financial Liabilities are defined as total liabilities less financial assets (excluding equity accounted investments in Council businesses). These are expressed as a percentage of total operating revenue.</i>				
<b>Adjustments to Ratios</b>				
<i>In recent years the Federal Government has made advance payments prior to 30th June from future year allocations of financial assistance grants, as explained in Note 1. These Adjusted Ratios correct for the resulting distortion in key ratios for each year and provide a more accurate basis for comparison.</i>				
<b>Adjusted Operating Surplus Ratio</b>				
Operating surplus	<b>(1,871)</b>	<b>(3.2)%</b>	1.3%	1.0%
Total operating income	<b>59,037</b>			
<b>Adjusted Net Financial Liabilities Ratio</b>				
Net financial liabilities	<b>27,514</b>	<b>49%</b>	42%	49%
Total operating income	<b>56,555</b>			
<b>3. Asset Renewal Funding Ratio</b>				
Asset renewals	<b>11,105</b>	<b>106%</b>	98%	115%
Infrastructure and Asset Management Plan required expenditure	<b>10,434</b>			

*Asset renewals expenditure is defined as capital expenditure on the renewal and replacement of existing assets, and excludes new capital expenditure on the acquisition of additional assets.*

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

## Note 15. Uniform presentation of finances

\$ '000	2024	2023
The following is a high level summary of both operating and capital investment activities of the Council prepared on a simplified Uniform Presentation Framework basis.		
All Councils in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis.		
The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances.		
<u>Income</u>		
Rates	48,389	44,401
Statutory charges	1,520	1,428
User charges	934	901
Grants, subsidies and contributions - capital	544	292
Grants, subsidies and contributions - operating	4,081	6,090
Investment income	35	37
Reimbursements	398	306
Other income	512	821
Net gain - equity accounted council businesses	142	169
<b>Total Income</b>	<b>56,555</b>	<b>54,445</b>
<u>Expenses</u>		
Employee costs	21,915	20,693
Materials, contracts and other expenses	25,886	21,273
Depreciation, amortisation and impairment	12,270	10,479
Finance costs	758	551
Net loss - equity accounted council businesses	79	19
<b>Total Expenses</b>	<b>60,908</b>	<b>53,015</b>
<b>Operating surplus / (deficit)</b>	<b>(4,353)</b>	<b>1,430</b>
Less: grants, subsidies and contributions - capital	(544)	(292)
<b>Adjusted Operating surplus / (deficit)</b>	<b>(4,897)</b>	<b>1,138</b>
<b>Net outlays on existing assets</b>		
Capital expenditure on renewal and replacement of existing assets	(11,115)	(10,070)
Add back depreciation, amortisation and impairment	12,270	10,479
Add back proceeds from sale of replaced assets	792	427
	<b>1,947</b>	<b>836</b>
<b>Net outlays on new and upgraded assets</b>		
Capital expenditure on new and upgraded assets (including investment property and real estate developments)	(6,237)	(5,200)
Add back grants, subsidies and contributions - capital new/upgraded	544	292
Add back amounts received specifically for new and upgraded assets	3,277	538
Add back proceeds from sale of surplus assets (including investment property, real estate developments and non-current assets held for resale)	-	778
	<b>(2,416)</b>	<b>(3,592)</b>
<b>Annual net impact to financing activities (surplus/(deficit))</b>	<b>(5,366)</b>	<b>(1,618)</b>

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

## Note 16. Leases

## (i) Council as a lessee

Set out below are the carrying amounts of right-of-use assets recognised within Infrastructure, Property, Plant and Equipment and the movements during the period:

## (a) Right of use assets

\$ '000	ICT Equipment Leases	Property Leases	Total
<b>2024</b>			
Opening balance	114	81	195
Transfer from leased assets (former finance leases)	–	–	–
Additions to right-of-use assets	–	165	165
Adjustments to right-of-use assets due to re-measurement of lease liability	–	–	–
Depreciation charge	(78)	(167)	(245)
Other	–	–	–
<b>Balance at 30 June</b>	<b>36</b>	<b>79</b>	<b>115</b>
<b>2023</b>			
Opening balance	325	240	565
Transfer from leased assets (former finance leases)	–	–	–
Additions to right-of-use assets	–	–	–
Adjustments to right-of-use assets due to re-measurement of lease liability	–	(4)	(4)
Depreciation charge	(211)	(155)	(366)
Other	–	–	–
<b>Balance at 30 June</b>	<b>114</b>	<b>81</b>	<b>195</b>

## (b) Lease liabilities

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

\$ '000	2024	2023
Balance at 1 July	197	575
Additions	165	(4)
Accretion of interest	9	10
Payments	(256)	(384)
<b>Balance at 30 June</b>	<b>115</b>	<b>197</b>
<b>Classified as:</b>		
Current	114	160
Non-current	1	37

The maturity analysis of lease liabilities is included in Note 13.

Council had total cash outflows for leases of \$256k.

## Notes to and forming part of the Financial Statements for the year ended 30 June 2024

### Note 16. Leases (continued)

<b>\$ '000</b>	<b>2024</b>	<b>2023</b>
The following are the amounts recognised in profit or loss:		
Depreciation expense of right-of-use assets	245	366
Interest expense on lease liabilities	9	10
Expense relating to short term leases	193	236
<b>Total amount recognised in profit or loss</b>	<b>447</b>	<b>612</b>

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

### Note 17. Superannuation

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The Council makes employer superannuation contributions in respect of its employees to Hostplus (formerly Local Government Superannuation Scheme and Statewide Super). There are two types of membership, each of which is funded differently. Permanent and contract employees of the South Australian Local Government sector with Salarylink benefits prior to 24 November 2009 have the option to contribute to the Accumulation section and/or Salarylink. All other employees (including casuals) have all contributions allocated to the Accumulation section.

#### **Accumulation only members**

Accumulation only members receive both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of ordinary time earnings in accordance with superannuation guarantee legislation (11.00% in 2023/24; 10.50% in 2022/23). No further liability accrues to the Council as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

#### **Salarylink (Defined Benefit Fund) members**

Salarylink is a defined benefit scheme where the benefit payable is based on a formula determined by the member's contribution rate, number of years and level of contribution and final average salary. Council makes employer contributions to Salarylink as determined by the Fund's Trustee based on advice from the appointed Actuary. The rate is currently 6.3% (6.3% in 2022/23) of "superannuation" salary.

In addition, Council makes a separate contribution of 3% of ordinary time earnings for Salarylink members to their Accumulation account. Employees also make member contributions to the Salarylink section of the Fund. As such, assets accumulate in the Salarylink section of the Fund to meet the member's benefits, as defined in the Trust Deed, as they accrue.

The Salarylink section is a multi-employer sponsored plan. As the Salarylink section's assets and liabilities are pooled and are not allocated by each employer, and employees may transfer to another employer within the local government sector and retain membership of the Fund, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided by AASB 119.34(a), Council does not use defined benefit accounting for these contributions.

The most recent actuarial investigation was conducted by the Fund's actuary, Louise Campbell, FIAA, of Willis Towers Watson as at 30 June 2022. The Trustee has determined that the current funding arrangements are adequate for the expected Salarylink liabilities. However, future financial and economic circumstances may require changes to Council's contribution rates at some future time.

#### **Contributions to other superannuation schemes**

Council also makes contributions to other superannuation schemes selected by employees under the "choice of fund" legislation. All such schemes are of the accumulation type, where the superannuation benefits accruing to the employee are represented by their share of the net assets of the scheme, and no further liability attaches to the Council.

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

## Note 18. Interests in other entities

All joint ventures and associates are required to prepare Annual Financial Statements that comply with the SA Local Government Model Financial Statements.

\$ '000	Council's Share of Net Income		Council's Share of Net Assets	
	2024	2023	2024	2023
<b>Council's share of net income</b>				
Joint ventures	62	150	3,933	2,631
<b>Total Council's share of net income</b>	<b>62</b>	<b>150</b>	<b>3,933</b>	<b>2,631</b>

**((a)i) Joint ventures, associates and joint operations****(a) Carrying amounts**

\$ '000	Principal Activity	2024	2023
Adelaide Hills Regional Waste Management Authority	Waste Management	1,562	1,392
Eastern Waste Management Authority	Waste Management	112	148
Gawler River Floodplain Management Authority	Floodplain Management	2,259	1,091
<b>Total carrying amounts - joint ventures and associates</b>		<b>3,933</b>	<b>2,631</b>

**Adelaide Hills Regional Waste Management Authority**

Adelaide Hills Regional Waste Management Authority is a regional subsidiary pursuant to S43 of the *Local Government Act 1999*. Council has an interest in the assets and liabilities of the Adelaide Hills Regional Waste Management Authority. The other member Councils are Alexandrina, Mt. Barker and Murray Bridge.

**Eastern Waste Management Authority**

Eastern Waste Management Authority is a regional subsidiary pursuant to S43 of the *Local Government Act 1999*. Council has an interest in the assets and liabilities of the Eastern Waste Management Authority. The other member Councils are Burnside, Campbelltown, Mitcham, Norwood, Payneham & St. Peters, Prospect, Unley and Walkerville.

**Gawler River Floodplain Management Authority**

Gawler River Floodplain Management Authority is a regional subsidiary pursuant to S43 of the *Local Government Act 1999*. Council has an interest in the assets and liabilities of the Gawler River Floodplain Management Authority. The other member Councils are Adelaide Plains, Barossa, Gawler, Light Regional and Playford.

**(b) Relevant interests**

	Interest in Operating Result		Ownership Share of Equity		Proportion of Voting Power	
	2024	2023	2024	2023	2024	2023
Adelaide Hills Regional Waste Management Authority	35.14%	35.34%	36.70%	36.90%	20.00%	20.00%
Eastern Waste Management Authority	12.50%	12.50%	12.50%	12.50%	11.11%	11.11%
Gawler River Floodplain Management Authority	5.34%	5.14%	5.34%	5.14%	15.38%	15.38%

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2024

Note 18. Interests in other entities (continued)

(c) Movement in investment in joint venture or associate

\$ '000	Eastern Waste Management Authority		Gawler River Floodplain Management Authority		Adelaide Hills Regional Waste Management Authority	
	2024	2023	2024	2023	2024	2023
Opening Balance	148	121	1,091	1,054	1,392	1,242
Share in Operating Result	(46)	23	(33)	(20)	142	145
Share in Other						
Comprehensive Income	10	18	1,159	(1)	28	6
Adjustments to Equity	–	(14)	42	58	–	(1)
<b>Council's equity share in the joint venture or associate</b>	<b>112</b>	<b>148</b>	<b>2,259</b>	<b>1,091</b>	<b>1,562</b>	<b>1,392</b>



## Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

### Note 19. Contingencies and assets/liabilities not recognised in the balance sheet

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The following assets and liabilities do not qualify for recognition in the Statement of Financial Position, but knowledge is considered relevant to the users of the financial report in making and evaluating decisions about the allocation of scarce resources.

#### 1. Land under roads

As reported in the Financial Statements, Council is of the opinion that it is not possible to attribute a value sufficiently reliably for these assets to qualify for recognition, and accordingly land under roads has not been recognised in the reports.

Land acquired for road purposes during the year is initially recognised at cost, but transferred to fair value at reporting date, effectively writing off the expenditure.

#### 2. Potential insurance losses

Council is a multi-purpose organisation providing a large range of building, parks infrastructure, playgrounds and other facilities accessible to the public. At any time, it is likely that claims will have been made against Council that remain unsettled.

Council insures against all known insurable risks using a range of insurance policies, each of which is subject to deductible "insurance excesses", the amount of which varies according to the class of insurance.

Council has recognised the potential losses arising from claims known at reporting date based on average historical net cost (including insurance excess) of similar types of claims. Other potential claims not reported to Council may have existed at reporting date.

#### 3. Legal expenses

The Adelaide Hills Council Assessment Panel (CAP) and the Assessment Manager are the relevant authorities for planning consent under the *Planning, Development and Infrastructure Act 2016* (the Act) and building surveyors working for the Council have delegation to determine building consent.

Under the Act, the Adelaide Hills Council Building Fire Safety Committee is the relevant authority to issue building fire safety notices and planning and building staff have delegation to issue enforcement notices.

Pursuant to the Act, applicants and landowners have a right of appeal to the Environment, Resource and Development Court (ERD Court) against decisions, building fire safety notices and enforcement notices from a relevant authority.

At 30 June 2024, there were two (2) appeals against CAP decisions in the ERD court and six (6) endorsement matters active in the ERD Court.

Whilst each party bears its own costs in relation to appeals against CAP decisions, the Court can award costs or, parties can reach agreement on costs in enforcement matters. Council seeks cost reimbursement in the case of unlawful development.

All known costs have been recognised, but the amount of any further costs cannot be known until the appeals are determined.

## Notes to and forming part of the Financial Statements for the year ended 30 June 2024

### Note 20. Events after the balance sheet date

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Events that occur after the reporting date of 30 June 2024, up to and including the date when the financial statements are "authorised for issue" have been taken into account in preparing these statements.

Council has adopted the date of receipt of the Auditors' Report as the appropriate "authorised for issue" date relating to these General Purpose Financial Statements.

Council is unaware of any "non adjusting events" that merit disclosure.

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

## Note 21. Related party transactions

## Key management personnel

## Transactions with key management personnel

The Key Management Personnel of the Council include the Mayor, Councillors, CEO and certain prescribed officers under section 112 of the Local Government Act 1999. In all, 24 persons were paid the following total compensation.

During the 2023-2024 financial year, five key management personnel ended their employment with Adelaide Hills Council.

\$ '000	2024	2023
<b>The compensation paid to key management personnel comprises:</b>		
Short-term benefits	2,027	1,767
Long-term benefits	53	4
Termination benefits	348	116
<b>Total</b>	<b>2,428</b>	<b>1,887</b>

Amounts paid as direct reimbursement of expenses incurred on behalf of Council have not been included above.

## Elected Members or their close associates are members of the following:

- Activating Bridgewater Inc
- Adelaide Hills Climate Action Group
- Adelaide Hills Regional Waste Management Authority
- Australian Labour Party (SA) - Heysen sub-branch & Mayo Federal Electoral Council
- Birdwood CFS
- Birdwood Cricket Club
- Birdwood Football Club
- Charleston Emergency Recovery Response Group
- Eastern Waste Management Authority (East Waste)
- Forest Range Recreation Ground
- Forrester Community Hall
- Gawler River Floodplain Management Authority
- Gumeracha Sub Branch RSL
- Heathfield High School
- Hills Climate Collective
- Kersbrook Public Hall
- Kersbrook Residents Association
- Lenswood & Forest Range Community Association Inc
- Liberal Party of Australia (SA Division) - Lobethal branch
- Lobethal Bulk Foods
- Mount Pleasant Hospital Auxiliary
- Old School Community Garden
- SA Youth Forum
- Southern & Hills Local Government Association
- The Greens SA
- Torrens Valley Cricket Association
- Torrens Valley Lions Club
- Treecover Pty Ltd
- Woodside Recreation Grounds Committee Inc.
- Woodside Warriors Soccer Club

Council made payments totalling \$5,986,364 to the above organisations for the period ending 30 June 2024.

## Notes to and forming part of the Financial Statements for the year ended 30 June 2024

### Note 21. Related party transactions (continued)

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The most material payments were made to:

- Eastern Waste Management Authority (\$4.208m) for the collection and disposal of waste and recycling materials.
- Adelaide Hills Regional Waste Management Authority (\$1.626m) for the collection and disposal of waste and associated services.

**Key Management Personnel or their close associates are members of the following:**

- Adelaide Hills Tourism
- Gawler River Floodplain Management Authority
- Oakbank Soldiers Memorial Hall Committee
- Southern & Hills Local Government Association

Council made payments totalling \$212,679 to the above organisations for the period ending 30 June 2024.

All Elected Members and Key Management Personnel manage their conflict of interest obligations regarding related parties in accordance with the applicable provisions of the *Local Government Act 1999*.



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## INDEPENDENT AUDITOR'S REPORT TO THE PRINCIPAL MEMBER OF ADELAIDE HILLS COUNCIL

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Adelaide Hills Council (the Council), which comprises the statement of financial position as at 30 June 2024, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of material accounting policy information and the declaration by those charged with governance.

In our opinion the accompanying financial report presents fairly, in all material respects, the financial position of the Council as at 30 June 2024, and its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards, the *Local Government Act 1999*, and the *Local Government (Financial Management) Regulations 2011*.

#### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Council in accordance with the *Local Government Act 1999* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Local Government Act 1999*, which has been given to the Council, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Other information

Those charged with governance are responsible for the other information. The other information obtained at the date of this auditor's report are the general purpose financial reports of Adelaide Hills Council joint ventures including Adelaide Hills Regional Waste Management Authority, Eastern Waste Management and Gawler River Floodplain Management.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.



If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Responsibilities of management and those charged with governance for the Financial Report**

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* and for such internal control as management determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Council or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Council's financial reporting process.

#### **Auditor's responsibilities for the audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf)

This description forms part of our auditor's report.

**BDO Audit Pty Ltd**

Linh Dao  
Director

Adelaide, 25 October 2024

## **INDEPENDENT ASSURANCE REPORT ON THE INTERNAL CONTROLS OF ADELAIDE HILLS COUNCIL**

### **Opinion**

We have undertaken a reasonable assurance engagement on the design and the operating effectiveness of controls established by Adelaide Hills Council ('Council') in relation to financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities, throughout the period 1 July 2023 to 30 June 2024 relevant to ensuring such transactions have been conducted properly and in accordance with the law.

In our opinion, in all material respects:

- (a) The controls established by Council in relation to financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities were suitably designed to ensure such transactions have been conducted properly and in accordance with law; and
- (b) The controls operated effectively as designed throughout the period from 1 July 2023 to 30 June 2024.

### **Basis for opinion**

We conducted our engagement in accordance with Standard on Assurance Engagements ASAE 3150 *Assurance Engagements on Controls* issued by the Auditing and Assurance Standards Board.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **The Council's responsibilities for the internal controls**

The Council is responsible for:

- a) The receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities;
- b) Identifying the control objectives
- c) Identifying the risks that threaten achievement of the control objectives
- d) Designing controls to mitigate those risks, so that those risks will not prevent achievement of the identified control objectives; and
- e) Operating effectively the controls as designed throughout the period.

### **Our independence and quality control**

We have complied with the independence and other relevant ethical requirements relating to assurance engagements, and apply Auditing Standard ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements* in undertaking this assurance engagement.



### Assurance practitioner's responsibilities

Our responsibility is to express an opinion, in all material respects, on the suitability of the design to achieve the control objectives and the operating effectiveness of controls established by Council in relation to financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities. ASAE 3150 requires that we plan and perform our procedures to obtain reasonable assurance about whether, in all material respects, the controls are suitably designed to achieve the control objectives and the controls operated effectively throughout the period.

An assurance engagement to report on the design and operating effectiveness of controls involves performing procedures to obtain evidence about the suitability of the design of controls to achieve the control objectives and the operating effectiveness of controls throughout the period. The procedures selected depend on our judgement, including the assessment of the risks that the controls are not suitably designed or the controls did not operate effectively. Our procedures included testing the operating effectiveness of those controls that we consider necessary to achieve the control objectives identified. An assurance engagement of this type also includes evaluating the suitability of the control objectives.

### Limitations of controls

Because of the inherent limitations of an assurance engagement, together with any internal control structure it is possible that, even if the controls are suitably designed and operating effectively, the control objectives may not be achieved and so fraud, error, or non-compliance with laws and regulations may occur and not be detected.

An assurance engagement on operating effectiveness of controls is not designed to detect all instances of controls operating ineffectively as it is not performed continuously throughout the period and the tests performed are on a sample basis. Any projection of the outcome of the evaluation of controls to future periods is subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

A handwritten signature in blue ink that reads 'BDO'.

**BDO Audit Pty Ltd**

A handwritten signature in blue ink, appearing to be 'Linh Dao'.

Linh Dao  
Director

Adelaide, 25 October 2024



## Adelaide Hills Council

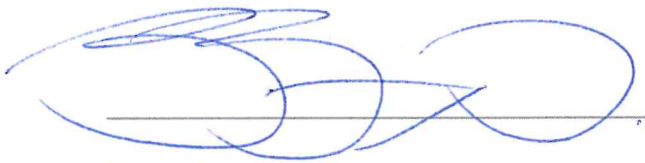
### General Purpose Financial Statements for the year ended 30 June 2024

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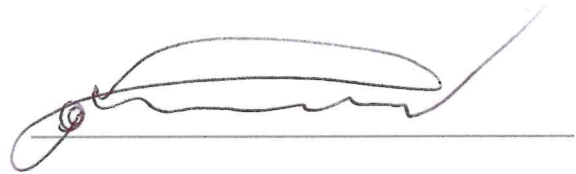
#### Certification of Auditor Independence

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Adelaide Hills Council for the year ended 30 June 2024, the Council's Auditor, BDO has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22(3) *Local Government (Financial Management) Regulations 2011*.



Gregory Georgopoulos  
Chief Executive Officer



Malcolm Herrmann  
Presiding Member Audit Committee

Date: 21/10/24



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## CERTIFICATION OF AUDITOR INDEPENDENCE

I confirm that, for the audit of the financial statements of the Adelaide Hills Council for the year ended 30 June 2024, I have maintained my independence in accordance with the requirements of APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code), Part 4A, published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22 (5) *Local Government (Financial Management) Regulations 2011*.

Linh Dao  
Director

**BDO Audit Pty Ltd**

Adelaide, 21 October 2024

# Appendix 2: Subsidiary Annual Reports

To be included in final report to Council

# Appendix 3: Strategic plan objectives and priorities

# Strategic Plan Goals

## **A functional Built Environment**

**B1** Our district is easily accessible for community, our businesses and visitors

**B2** Preserve and enhance the unique character of the Hills for current and future generations

**B3** Consider external influences in our long term asset management and adaptation planning

**B4** Sustainable management of our built assets ensures a safe, functional and well serviced community

## **Community Wellbeing**

**C1** A community for everyone - that is inclusive, welcoming and accessible

**C2** A connected, engaged and supported community

**C3** A community that grows together

**C4** An active, healthy, thriving and resilient community

**C5** Respect for Aboriginal Culture and values

**C6** Celebrate our community's unique culture through arts, heritage and events

## **A prosperous Economy**

**E1** Support and grow our region's existing and emerging industries

**E2** Provide local infrastructure to drive growth and productivity

**E3** Encourage, attract and retain a creative, talented and skilled workforce in our region

**E4** Cultivate a clear, unique and consistent regional identity that can be leveraged to attract national and international attention

## **A valued Natural Environment**

**N1** Conserve and enhance the regional natural landscape character and amenity values of our region

**N2** Recognise the benefits of ecosystem services and improve environmental resilience by reducing environmental impacts

**N3** Nurture valuable partnerships and collaborations and engage the local community in the management of our natural environment

**N4** Reduce the impact of waste to landfill by maintaining a robust waste and resource management framework

**N5** Assist our community to reduce the impact of waste to landfill on the environment

## **A progressive Organisation**

**O1** We have the right people with the right knowledge and skills in the right jobs and they are supported and developed

**O2** Our customers find it easier to interact and do business with Council and have an improved customer experience

**O3** Our organisation is financially sustainable for both current and future generations

**O4** We actively represent our community

**O5** We are accountable, informed, and make decisions in the best interests of the whole community

**O6** Technology and innovation is utilised to better meet our community's expectations and deliver value for money

# Our Objectives and Priorities

Objectives

**B1 Our district is easily accessible for community, our businesses and visitors**

**B2 Preserve and enhance the unique character of the Hills for current and future generations**

**B3 Consider external influences in our long term asset management and adaptation planning**

**B4 Sustainable management of our built assets ensures a safe, functional and well serviced community**

Priorities

**B1.1** Increase accessibility to our district through the development and delivery of high priority trails and routes for all cyclists (on-road, off road, commuters, recreational) and pedestrians

**B2.1** Continue to embrace and support community led public place revitalisation across our district

**B3.1** Improve water security by maximising water reuse opportunities, reducing reliance on ground water and improving water efficiencies for open space irrigation and building facilities

**B4.1** Ensure the long term management of the built form and public spaces occurs in consideration of the relevant financial, social and environmental management matters

**B1.2** Improve outcomes for the elderly by incorporating Council's Age Friendly Strategic Plan into built environment design and delivery

**B2.2** Incorporate Water Sensitive Urban Design principles within Council developments and projects and advocate for other developments within the region to do the same

**B3.2** Aim to achieve 100% renewable energy use for our corporate operations and strive towards carbon neutrality

**B4.2** Embrace innovative and new technology solutions to proactively maintain our built assets that further enhance the provision of efficient services to the community

**B1.3** Progress state-wide and inter-regional connectivity of cyclist routes by partnering with neighbouring councils

**B2.3** Proactively work with developers to ensure that built form complements or enhances existing local character whilst preserving the character and amenity of our towns, historic buildings and scenic environment

**B3.3** Investigate and source recyclable materials for asset renewal projects wherever practical and in doing so promote the circular economy

**B4.3** Ensure Council owned or managed assets, including staff accommodation, are functional and adaptive to meet service requirements. Also, where appropriate and endorsed by Council, equitably assist community owned site (halls and recreation sites) to ensure their facilities are functional and meet service standards

**B1.4** Ensure that the key road network is accessible for heavy vehicles used by the primary production, tourism and construction sectors through engagement with industry and Government

**B2.4** Ensure our planning framework, council policies and guidelines support privately owned local heritage places

**B3.4** Proactively adapt our built environment to changes in social and environmental factors to minimise the impact from natural hazards such and fire and flood

**B4.4** Improve road safety through a safe system approach to road design, construction and maintenance including on-going applications to the State and Federal Road Blackspot program

**B1.5** Provide accessibility for the full range of users by ensuring Council's road, footpath and trails network is adequately maintained and service levels for all users are developed and considered

**B2.5** Continue to collaborate with other councils and stakeholders in pursuing our World Heritage Bid to protect the landscapes, sites and facilities that represent the State's aboriginal and early colonial history

**B2.6** Support communities recovering from natural disasters with expedited development assessment services

**B4.5** Explore and provide the infrastructure to support Electric Vehicles (EV) and investigate infrastructure requirements for emerging technological transport such as Connected and Automated Vehicles (CAV)

# Our Objectives and Priorities

Objectives

**C1 - A community for everyone that is inclusive, welcoming and accessible**

**C2 - A connected, engaged and supported community**

**C3 - A community that grows together**

**C4 - An active, healthy, thriving and resilient community**

**C5 - Respect for Aboriginal Culture & values**

**C6 - Celebrate our community's unique culture through arts, heritage & events**

Priorities

C1.1 Provide welcoming spaces and places for the community through our libraries, community centres, and Council and community facilities

C2.1 - Work with community to provide a range of programs and opportunities to connect and engage around shared interests

C3.1 - Provide and support programs and services that encourage and enhance personal growth, lifelong learning and professional development

C4.1 - Support community wellbeing through our contribution to public health planning, disaster recovery activities and the implementation of strategies that aim to measure and enhance wellbeing.

C5.1 - Partner with the Aboriginal and Torres Strait Islander community to develop our second Reconciliation Action Plan (Innovate) and actively participate in Reconciliation Week

C6.1 - Develop Fabrik as a vibrant cultural hub for the Adelaide Hills, fostering community connections and creativity and presenting the significant history of the Woollen Mill site

C1.2 Support and promote opportunities for social inclusion and celebration of our cultural diversity

C2.2 - Support our ageing community to access services and continue to participate and contribute to community life

C3.2 - Support volunteering both organisationally and in the community as an essential element in delivering community outcomes and building wellbeing

C4.2 - Support the provision of formal and informal sport, recreation and play spaces for the community to enjoy

C5.2 - Celebrate and recognise Aboriginal culture and heritage through participation in and the delivery of programs and activities that engage our community in cultural experience and learning

C6.2 - Develop, support or bring events to our district that have social, cultural, environmental or economic benefits

C1.3 Make the district more accessible and welcoming for all with a focus on youth participation, positive ageing, disability inclusion and multiculturalism

C2.3 - Facilitate opportunities for our youth to develop skills, build resilience and be actively involved in and connected to their community.

C3.3 - Empower our community groups and leaders to shape and determine change in their community through the provision of training opportunities, grants that meet strategic priorities, building relationships and supporting communities to be cohesive in progressing local projects.

C4.3 - Recognise that trails are a destination in their own right and support both commuter and recreational trail opportunities

C6.3 - Recognise, encourage and support artists, emerging artists, writers and performers through promotion of the Arts and supporting opportunities to exhibit and perform

C1.4 Advocate and Seek opportunities to improve transport options for those who need it most

C2.4 - Increase participation from the broadest range of our community and engage with them to shape policies, places and decisions that affect them

C3.4 - Build partnerships with community and other stakeholders to enhance our capacity to provide and support opportunities for them to thrive

C4.4 - Support clubs and groups to continue to provide sport and recreation activities to the community

C6.4 - Foster the development of Public Art that adds value to public spaces and supports place making in our community

C1.5 - Encourage more housing opportunities where provided for in the Development Plan

C2.5 - Continue to work with government agencies and non-governmental organisations to support the community recovery from natural disasters and the COVID-19 pandemic.

C4.5 - Take an all hazards approach to emergency management so we can support the emergency services and the community before, during and after disaster events.

# Our Objectives and Priorities

Objectives

**E1 - Support and grow our region's existing and emerging industries**

**E2 - Provide local infrastructure to drive growth and productivity**

**E3 - Encourage, attract and retain a creative, talented and skilled workforce in our region**

**E4 - Cultivate a clear, unique and consistent regional identity that can be leveraged to attract national and international attention**

Priorities

E1.1 - Support and encourage local and international tourists to visit the Adelaide Hills

E2.1 - Work with all levels of Government to ensure the region's infrastructure needs are understood and prioritised

E3.1 - Attract and encourage professional and business development and networking activities

E4.1 - Work with key stakeholders to develop a realistic, yet inspiring, collective vision to connect the region and its industries

E1.2 - Take advantage of the full potential of our region's primary production and associated value adding activities

E2.2 - Explore and advocate for the opportunities that new technologies could bring to our region

E3.2 - Understand the nature of skills our region's businesses will require to prosper into the future

E4.2 - Work with our communities and businesses to encourage co-ordinated and strategic regional projects that enhance and support the regional identity

E1.3 - Support and encourage the growth and development of our region's creative industry micro businesses

E2.3 - Support changes to planning and development that leverages and encourages sustainable economic development

E3.3 - Work with our local communities and businesses to create active, attractive and vibrant places

E4.3 - Support and encourage events that supports the region's identity and generates social, cultural and economic benefits

E1.4 – Promote, support and encourage our existing and emerging businesses to respond to economic changes by being creative, innovative, productive and resilient to unexpected impacts.

E2.4 - Manage and maintain Council assets to maximise their utilisation and benefit to the community

E3.4 - Enable start-ups and home based business through services, information and networking opportunities

E4.4 - Support the continued development and community engagement for the World Heritage nomination of the region

E1.5 - Engage and assist our region's key business and industry groups to be resilient, proactive and successful

E1.6 - Encourage and facilitate local supplier participation in all level of Government tendering processes



# Our Objectives and Priorities

Objectives	<b><i>N1 - Conserve and enhance the regional natural landscape character and amenity values of our region</i></b>	<b><i>N2 - Recognise the benefits of ecosystem services and improve environmental resilience by reducing environmental impacts</i></b>	<b><i>N3 - Nurture valuable partnerships and collaborations and engage the local community in the management of our natural environment</i></b>	<b><i>N4 - Reduce the impact of waste to landfill by maintaining a robust waste and resource management framework</i></b>	<b><i>N5 - Assist our community to reduce the impact of waste to landfill on the environment</i></b>
Priorities	<p>N1.1 - Enhance and manage horticultural amenity, including succession planning for street trees that contribute to and reinforce our distinctive streetscapes and villages</p> <hr/> <p>N1.2 - Manage reserves and open space to support the community, whilst balancing biodiversity conservation, resource use and environmental impacts</p>	<p>N2.1 - Monitor and manage areas of high biodiversity or habitat value on Council reserves and Native Vegetation Marker Scheme (NVMS) sites using best practice methodologies</p> <hr/> <p>N2.2 - Explore opportunities and take appropriate actions to monitor current and emerging threats to biodiversity including feral cats and Phytophthora</p> <hr/> <p>N2.3 - Mitigate bushfire risks across the landscape by undertaking fuel reduction activities including woody weed control, maintenance of asset protection zones and educate &amp; enforcement to reduce fuels on private property</p> <hr/> <p>N2.4 - Work with supporting organisations and agencies to foster the restoration of native flora and fauna habitat following the 2019-20 bushfire</p>	<p>N3.1 - Increase knowledge and environmental awareness within the community through engagement and education</p> <hr/> <p>N3.2 - Collaborate and engage with public and private organisations, schools and community members (including the Aboriginal community as the first nation peoples), to improve biodiversity outcomes and land management practices.</p> <hr/> <p>N3.3 - Continue to work in partnership with the Resilient Hills and Coasts region to build Council and community resilience to the impacts of climate change</p>	<p>N4.1 - We will work with partners to analyse the benefits and feasibility of introducing a fee incentive to property owners to produce less waste in relation to the kerbside bin service</p> <hr/> <p>N4.2 - We will explore more Green Organics options to achieve improved environmental and financial outcomes.</p> <hr/> <p>N4.3 - We will provide specific education to the community to increase their level of food scrap recycling</p> <hr/> <p>N4.4 - Implement new or improved waste service opportunities whilst continuing to provide ongoing resource recovery and waste service to our community</p>	<p>N5.1 - Encourage and educate the community to help minimise the generation of household waste by advocating the principles of the Waste Management Hierarchy to avoid, reduce and reuse</p> <hr/> <p>N5.2 - Support and assist the community to prevent valuable resources going to landfill and reduce contamination in kerbside recycling bins</p>

# Our Objectives and Priorities

Objectives	<b>O1 - We have the right people with the right knowledge and skills in the right jobs and they are supported and developed</b>	<b>O2 - Our customers find it easier to interact and do business with Council and have an improved customer experience</b>	<b>O3 - Our organisation is financially sustainable for both current and future generations</b>	<b>O4 - We actively represent our community</b>	<b>O5 - We are accountable, informed, and make decisions in the best interests of the whole community</b>	<b>O6 - Technology and innovation is utilised to better meet our community's expectations and deliver value for money</b>
Priorities	<p>O1.1 - Progressively enhance our safe systems of work to maintain emotional and physical safety of our people</p>	<p>O2.1 - Develop our digital channels to better meet customers' current and future needs</p>	<p>O3.1 - Ensure the delivery of agreed strategic plan requirements whilst meeting endorsed long-term targets for a sustainable operating surplus and level of debt</p>	<p>O4.1 - Optimise opportunities for the community to access and provide input into the decision-making processes</p>	<p>O5.1 - Enhance governance structures and systems to prudently adapt to changing circumstances and meet our legislative obligations</p>	<p>O6.1 - Progressively strengthen Council's systems security to minimise the impact of cyber attack</p>
<p>O1.2 - Continue to develop a positive culture through supporting an equitable, diverse and continuously improving work environment</p>	<p>O2.2 - Modernise our services and enhance the customer experience by making service delivery faster, more convenient and more proactive</p>	<p>O3.2 - Ensure that renewal of assets and the associated maintenance is based on current asset management plans which consider reviewed service levels and whole of life costing</p>	<p>O4.2 - Attract and develop a diverse and capable elected body that represents, promotes and reflects the composition of the community</p>	<p>O5.2 - Make evidence-based decisions and prudently assess the risks and opportunities to our community before taking action.</p>	<p>O6.2 - Utilise technology to enable more evidence based and efficient delivery of services to the community</p>	
<p>O1.3 - Support our people leaders in further developing the skills necessary to lead engaged and productive teams</p>	<p>O2.3 - Build the capabilities of our people through a focus on two-way communication, cooperation and placing customers at the centre of everything we do</p>	<p>O3.3 - Actively pursue alternative funding opportunities to reduce reliance on rates income</p>	<p>O4.3 - Advocate to, and exert influence with, our stakeholders on behalf of our community to promote the needs and ambitions of the region</p>	<p>O5.3 - Demonstrate accountability through robust corporate planning and reporting that enhances performance, is relevant and easily accessible by the community</p>	<p>O6.3 - Provide more resilient business systems by utilising cloud technologies where appropriate</p>	
<p>O1.4 - Continue to support all staff through training, mentoring, coaching and development to enable the achievement of organisational and community goals</p>	<p>O2.4 - Continuously strive to measure and improve performance and service delivery across all functions</p>	<p>O3.4 - Assess the range and level of services undertaken to ensure they fulfil Council's legislative and strategic intent</p>	<p>O4.4 - Explore council boundary reform options that best serve the community</p>		<p>O6.4 - Utilise our online engagement tools to reach a wider range of community members to obtain their views and input.</p>	
					<p>O6.5 - Support the delivery of services to the community through improved utilisation and connectivity of existing business systems</p>	
					<p>O6.6 - Ensure the way in which we provide our digital services delivers an enhanced experience for our community</p>	

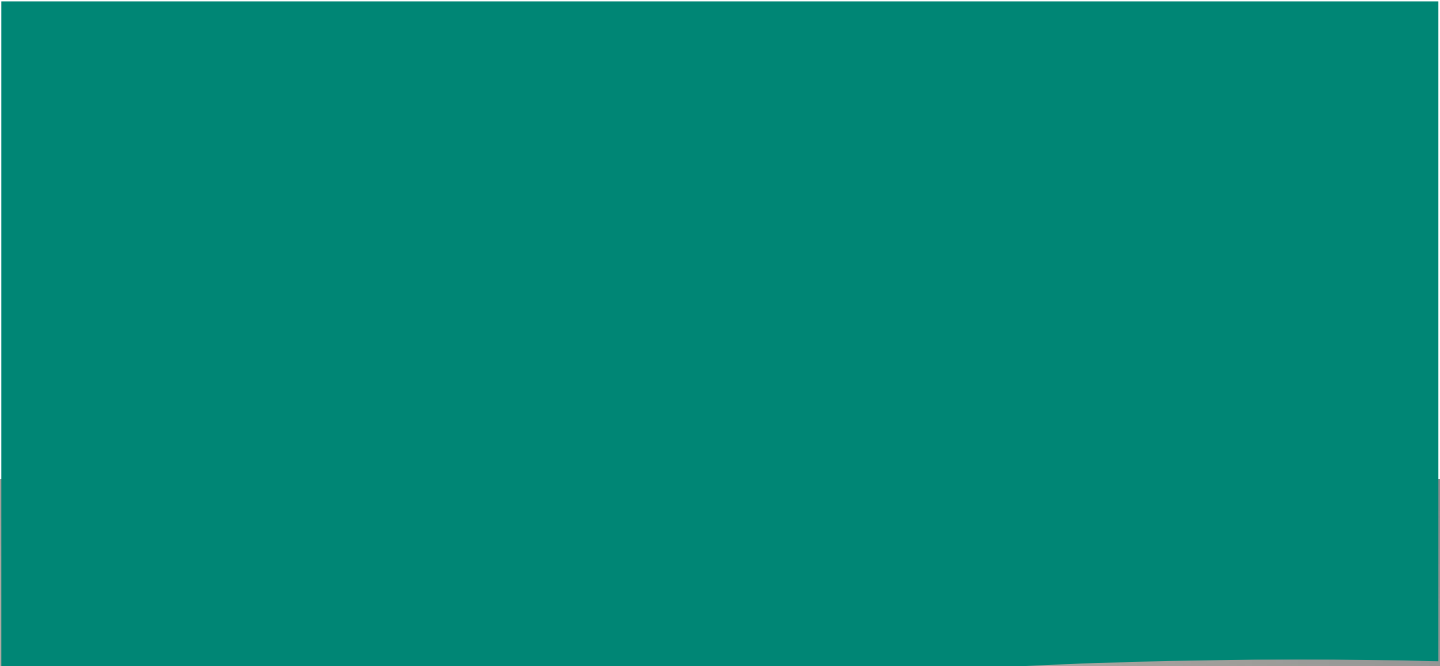
# Appendix 4: Gifts and Benefits Register 2023-24

## Council Members & Council Staff - Gift & Benefits Register 2023-24

DATE	DETAILS OF GIFT OR BENEFIT	APPROX VALUE	RECIPIENT - DEPARTMENT	RECEIVED FROM	REASON FOR ACCEPTING GIFT	REASON FOR OFFER OF GIFT/BENEFIT	ACTION
8/09/2023	Roast Chicken	\$20.00	Pam Williams	Stirling Chicken Shop	Retirement gift	Unsolicited, did not want to cause offence	Accepted and eaten
21/11/2023	Flight Centre Travel Voucher	\$1,000	Julie Wilhelm	Aged & Community Care Providers Association (ACCPA)	Unsolicited draw prize (2000 delegates)	Unsolicited draw prize (2000 delegates)	Kept by employee
16/01/2023	Box of chocolates	\$20.00		Customer	Thank you gift	accepted and delivered via another staff member	Placed in lunch room for staff to share
22/11/2023	Krispy Kreme Donuts	\$25	Jake Farrant	Robert Walters Recruitment Agency	Thank you gift	Offered as part of annual WHS meeting	Accepted and shared with staff
2/11/2023	Wonderbroom 3	\$95	Danielle Simone	ReadyTech	Unsolicited door prize	Unsolicited door prize	Accepted and kept by employee
2/11/2023	Vendor branded cricket set	\$60	Danielle Simone	ReadyTech	Donated gift to Information Services Team	play cricket at oval across the road	Donated to Information Services
24/11/2023	Box of chocolates	\$10.00	Jake Farrant	LGRS	LGRS Quarterly WHS Practitioner meeting	Quiz prize	Kept by employee
13/11/2023	Box of chocolates	\$15.00	Positive Ageing Centre / & Volunteers	Catherine Taylor	Dropped off at PAC with a very thoughtful thank you card	To show appreciation of all the programs	Taken to Volunteers Christmas Party 18/12/23
13/12/2023	Home made Christmas cake	\$20	Positive ageing centre / volunteers	Sandra Tieney	Dropped off at PAC with a very thoughtful thank you card	To show appreciation of all the programs	Accepted and shared with team
13/12/2023	Home made Christmas cake	\$20	Positive ageing centre / volunteers	Rita Baker	Gave to J Mac for the Volunteers Christmas party	To show appreciation to the volunteers	Taken to Volunteers Christmas Party 18/12/23
21/12/2023	Anderson Hill Sparkling Chardonnay 2022	\$27.00	Library Staff - Book Group organizers	Community member – book group	Unsolicited thankyou gift	Thankyou gift	Accepted and shared amongst staff
16/1/2024	2x Cartons of RAT tests	\$200	Positive ageing center	Clayton Church Homes staff	The RAT tests were surplus to CCH's needs and can be offered to Positive Ageing Centre Clients	The tests were surplus to the CCH requirements. CCH are next door to the Positive Ageing Centre and they wanted to see the tests being used and not wasted.	Two cartons of tests accepted, NR staff alerted and will distribute to Positive ageing centre clients when or if needed.
22/2/2024	Block of Cadbury Chocolate	\$5	Jake Farrant	LGRS	Unsolicited prize	Won a team building exercise during the WPG meeting	Accepted and kept by employee
27/2/2024	Vendor branded cookies	\$20	Lois Palumbo – development services	Verkada – Smarter Security & Safer Sites	Unsolicited gift with technical information	Unsolicited gift with technical information	Placed cookies in lunch room for staff to share
3/3/2024	Reed diffuser	\$20	Sarah hunt – CDO	Volunteer	Unsolicited farewell gift	Thankyou gift	Accepted and kept by employee
3/3/2024	Flowers	\$20	Sarah hunt – CDO	Volunteer	Unsolicited farewell gift	Thankyou gift	Accepted and kept by employee
21/3/2024	Easter eggs/ Hot X buns	\$30	Karen Cummings	Edge Recruitment	Unsolicited gift	Unsolicited thankyou gift	Accepted and shared with staff
23/5/2024	Reconciliation SA's National RW breakfast	\$120	Cr Chris Grant – Elected Member	Mayers consulting	Meal provided as part of event	Meal provided as part of event	Accepted gift in order to participate in event

# Appendix 5: Annual Report of Audit Committee

To be included in final report to Council



An online version of this Annual Report can be downloaded at [ahc.sa.gov.au](http://ahc.sa.gov.au) or a copy requested by contacting us:

**(08) 8408 0400**  
**[mail@ahc.sa.gov.au](mailto:mail@ahc.sa.gov.au)**  
**63 Mount Barker Road**  
**Stirling SA 5152**

We welcome your feedback on this Report or any other Council matter.



**Adelaide Hills**  
COUNCIL

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## **Appendix 2**

*2023-24 Annual Report compliance*

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## 2023-24 Annual Report Compliance

This list has been compiled from the Local Government Act 1999 and regulations which have specific reference to the Annual Report. Comments from The LGA’s Annual Report guidelines (published August 2024) have also been included where relevant.

### The Local Government Act 1999 and the Local Government (General) Regulations 2013

Requirements	Section of the Annual Report
<b>Section 131, Local Government Act</b>	
<p>(1) A council must, on or before 30 November in each year, prepare and adopt an annual report relating to the operations of the council for the financial year ending on the preceding 30 June.</p> <p>(1a) The annual report must include the amount of legal costs incurred by the council in the relevant financial year.</p> <p style="padding-left: 40px;"><i>(LGA note: The requirement to report legal cost incurred commenced on 6 January 2022.)</i></p> <p>(2) The annual report must include the material, and include specific reports on the matters, specified in Schedule 4 as amended from time to time by regulation.</p> <p>(3) The annual report must comply with any requirement prescribed by the regulations.</p> <p>(4) A copy of the annual report must be provided by the council to each member of the council.</p> <p>(5) A copy of the annual report must be submitted by the council to the persons or bodies prescribed by the regulations on or before a day determined under the regulations.</p> <p style="padding-left: 40px;">Regulation 10 of the Local Government (General) Regulations 2013</p> <p style="padding-left: 40px;">(1) Pursuant to section 131(5) of the Act, the South Australian Local Government Grants Commission is a prescribed body</p> <p style="padding-left: 40px;">(2) For the purposes of section 131(5) of the Act, the relevant day by which an annual report must be submitted by a council under that subsection is 31 December in the financial year immediately following the end of the financial year to which the annual report relates.</p> <p>(7) A council may provide to the electors for its area an abridged or summary version of its annual report.</p>	<p>(1a) Included in “Our Governance” section under title “Legal fees incurred by council”</p> <p>All other sections are overarching rules for Annual Report – not specific to any section.</p>
<b>Schedule 2, Local Government Act</b>	
<p>Schedule 2 of the Local Government Act prescribes reporting requirements for (single) council subsidiaries (clause 12), and for regional subsidiaries established by two or more councils (clause 28) as follows:</p>	<p>Appendix 2 – Annual reports of Subsidiaries.</p>



Requirements	Section of the Annual Report
<p><b>Clause 12:</b></p> <p>(2) A subsidiary must, on or before a day determined by the council, furnish to the council a report on the work and operations of the subsidiary for the preceding financial year.</p> <p>(3) A report under subclause (2) must—</p> <ul style="list-style-type: none"> <li>(a) incorporate the audited financial statements of the subsidiary for the relevant financial year; and</li> <li>(b) contain any other information or report required by the council or prescribed by the regulations.</li> </ul> <p>(4) A report under subclause (2) must be incorporated into the annual report of the council.</p> <p><b>Clause 28:</b></p> <p>(1) A regional subsidiary must, on or before a day determined by the constituent councils, furnish to the constituent councils a report on the work and operations of the subsidiary for the preceding financial year.</p> <p>(2) A report under subclause (1) must—</p> <ul style="list-style-type: none"> <li>(a) incorporate the audited financial statements of the subsidiary for the relevant financial year; and</li> <li>(b) contain any other information or report required by the council or prescribed by the regulations.</li> </ul> <p>(3) A report under subclause (1) must be incorporated into the annual report of each constituent council.</p>	
<b>Schedule 4, Local Government Act</b>	
<p><b>Clause 1</b> of Schedule 4 specifies the material to be included in the annual report as follows:</p> <p>(a) a copy of the audited financial statements of the council for the relevant financial year</p>	Appendix 1 – Financial Statements
<p>(b) a list of registers required to be kept under the Local Government Act or Local Government (Elections) Act 1999</p> <p>(c) a list of codes of conduct or practice required under the Local Government Act or Local Government (Elections) Act 1999</p>	“Our Governance” Section under title “Registers, codes and policies”
<p>(d) a report relating to contraventions of Chapter 5 Part 4 Division 2 (Ch 5: Members of Council, Pt 4: Member integrity and behaviour, Div 2: Member behaviour) by members of the council during the relevant financial year containing the information required by the regulations.</p> <p>Regulation 35(a1) of the Local Government (General) Regulations 2013 requires the following information be included in an annual report:</p> <p>(a) The total number of contraventions of Chapter 5, Part 4, Division 2 during the relevant financial year; and</p>	“Our Governance” Section under title “Council Member Behaviour”.

Requirements	Section of the Annual Report
<p>(b) The total costs incurred by the council in relation to dealing with complaints alleging contravention of Chapter 5 Part 4 Division 2 and any referrals of such complaints to the Behavioural Standards Panel during the relevant financial year.</p> <p>Regulation 35(2b) clarifies that for the purposes of the reporting requirements under 35(a1)(b) that total costs will be taken to include any legal costs and costs of engaging persons or consultants for the purposes of dispute resolution in respect of complaints, but to exclude any costs associated with the use of administrative resources of the council or council staff.</p>	
<p>(f) information on allowances paid to members of the council or a council committee</p> <p><i>(LGA Note: This reporting obligation commenced on 23 December 2021. There are no prescribed requirements as to how this content is presented. The minimum reporting requirement is for total expenditure)</i></p>	<p>“Our Governance” Section under title “Allowances paid to Council members” and also under each committee</p>
<p>(g) information on the number of senior executive officers and information on the kinds of allowances, bonuses and benefits that are made available to those officers as part of a salary package</p> <p><i>(LGA note: the requirement is for this material to be included in the annual report therefore simply referencing the salary register which must be published on a council’s website will not fulfill this requirement.)</i></p>	<p>“Our Governance” Section under title “Executive leadership team arrangements”</p>
<p>(ga) a report on the use of sections 90(2) and 91(7) by the council and its council committees containing the information required by the regulations.</p> <p>Regulation 35(1), Local Government (General) Regulations 2013 provides the following information to be reported:</p> <p>(a) in the case of a report on the use of section 90(2) of the Act, the following information is required:</p> <p>(i) the total number of orders made under that subsection in the financial year;</p> <p>(ii) the date and subject of each order within the ambit of subparagraph (i);</p> <p>(iii) in relation to each paragraph ((a) to (o)) of section 90(3) of the Act—the number of times in the financial year that an order made under section 90(2) was made on the basis that the information or matter fell within the ambit of the paragraph; and</p> <p>(b) in the case of a report on the use of section 91(7) of the Act, the following information is required:</p> <p>(i) the total number of orders made under that subsection in the financial year;</p>	<p>“Our Governance” Section under title “Section 90(2) and 91(7) Requirements - confidentiality orders”</p>

Requirements	Section of the Annual Report
<p>(ii) the number of orders made under that subsection that expired, ceased to apply or were revoked during the financial year;</p> <p>(iii) the number of orders made under that subsection that remained operative at the end of the financial year (but not including orders made before 15 November 2010);</p> <p>(iv) the date and subject of each order within the ambit of subparagraph (i) or (iii).</p>	
<p>(gb) a report on the applications made to the council under the Freedom of Information Act 1991 during the relevant financial year containing the information required by the regulations<sup>6</sup> (As at the date of publication of this document there were no regulations specifying information required in relation to reporting applications made to the council under the Freedom of Information Act 1991)</p> <p><i>(LGA note: As at the date of publication of this document there were no regulations specifying information required in relation to reporting applications made to the council under the Freedom of Information Act 1991.)</i></p> <p>Separate to the requirement to report on the number of applications received, Section 9(1a) of the Freedom of Information Act 1991 requires councils to publish a freedom of information statement, at intervals of not more than 12 months. Regulation 5 of the Freedom of Information (General) Regulations 2017 provides that an information must be published in one or both of the following ways:</p> <ul style="list-style-type: none"> <li>- in the annual report of the agency;</li> <li>- on a website maintained by the agency.</li> </ul> <p>Section 9(2) and (3) of the Freedom of Information Act 1991 provide the following requirements for inclusion in an information statement:</p> <p>(2) An information statement must contain:</p> <ul style="list-style-type: none"> <li>(a) a description of the structure and functions of the agency (including of any board, committee or other body constituted by two or more persons that is part of the agency or has been established for the purpose of advising the agency and whose meetings are open to the public or the minutes of whose meetings are available for public inspection); and</li> <li>(b) a description of the ways in which the functions (including, in particular, the decision-making functions) of the agency affect members of the public; and</li> <li>(c) a description of any arrangements that exist to enable members of the public to participate in the formulation of the agency's policy and the exercise of the agency's functions; and</li> </ul>	<p>“Our Governance” Section under title “Freedom of Information requests”</p>

Requirements	Section of the Annual Report
<p>(d) a description of the various kinds of documents that are usually held by the agency, including—</p> <ul style="list-style-type: none"> <li>(i) a description of the various kinds of documents that are available for inspection at the agency (whether as part of a public register or otherwise) in accordance with the provisions of a legislative instrument other than this Act, whether or not inspection of any such document is subject to a fee or charge; and</li> <li>(ii) a description of the various kinds of documents that are available for purchase from the agency; and</li> <li>(iii) a description of the various kinds of documents that are available from the agency free of charge; and</li> </ul> <p>(e) a description of the arrangements that exist to enable a member of the public to obtain access to the agency's documents and to seek amendment of the agency's records concerning his or her personal affairs; and</p> <p>(f) a description of the procedures of the agency in relation to the giving of access to the agency's documents and to the amendment of the agency's records concerning the personal affairs of a member of the public, including—</p> <ul style="list-style-type: none"> <li>(i) the designation of the officer or officers to whom inquiries should be made; and</li> <li>(ii) the address or addresses at which applications under this Act should be lodged.</li> </ul> <p>(3) An information statement—</p> <ul style="list-style-type: none"> <li>(a) must identify each of the agency's policy documents; and</li> <li>(c) must specify the designation of the officer or officers to whom inquiries concerning the procedures for inspecting and purchasing the agency's policy documents should be made; and</li> <li>(d) must specify the address or addresses at which, and the times during which, the agency's policy documents may be inspected and purchased.</li> </ul> <p>(4) Nothing in this section requires the publication of information if its inclusion in a document would result in the document being an exempt document.</p>	
<p>(h) a statement of—</p> <ul style="list-style-type: none"> <li>(i) the council's representation quota; and</li> <li>(ii) the average representation quota for councils of a similar size and type (taking into account various factors prescribed by the regulations); and</li> <li>(iii) when the council is next required to conduct a review under Chapter 3 Part 1 Division 2</li> </ul>	<p>“Our Governance” Section under title “Council’s representation quota”</p>

Requirements	Section of the Annual Report
<p>(ha) the annual report of any subsidiary received by the council under Schedule 2 for the relevant financial year</p>	
<p>(i) other material prescribed by the regulations ;</p> <ul style="list-style-type: none"> <li>- The annual report required by section 270(8) of the Local Government Act relating to review of decisions and applications.</li> </ul> <p>Regulation 35(2), Local Government (General) Regulations 2013</p> <p>(a) the report required under section 270(8) of the Act;</p> <p>Section 270(8) of the Local Government Act 1999 provides:</p> <p>(8) A council must, on an annual basis, initiate and consider a report that relates to—</p> <ul style="list-style-type: none"> <li>(a) the number of applications for review made under this section; and</li> <li>(b) the kinds of matters to which the applications relate; and</li> <li>(c) the outcome of applications under this section; and</li> <li>(d) such other matters as may be prescribed by the regulations</li> </ul> <ul style="list-style-type: none"> <li>- a summary of the details (including the cost) of any interstate and international travel (excluding prescribed interstate travel) undertaken by members of the council during the relevant financial year funded in whole or in part by the council (Regulation 35(2)(b))</li> <li>- a summary of the details (including the cost) of any interstate and international travel (excluding prescribed interstate travel) undertaken by employees of the council during the relevant financial year funded in whole or in part by the council; (Regulation 35(2)(c) )</li> </ul> <p>Regulation 35 (3) and (4) provides the following information to assist with accurate reporting:</p> <p>(3) In this regulation— cost of travel includes accommodation costs and other costs and expenses associated with the travel; gift includes hospitality; prescribed interstate travel means—</p> <ul style="list-style-type: none"> <li>(a) travel by a member or employee (as the case may be) of a council the area of which shares a border with another State or a Territory of the Commonwealth if the travel is within that other State or that Territory and is in the course of ordinary business of the council; or</li> <li>(b) travel of a kind included within the ambit of this definition by the Minister by notice in the Gazette.</li> </ul> <p>(4) For the purposes of the definition of prescribed interstate travel, travel is taken not to be in the course of ordinary business</p>	<p>The “Our Governance” Section contains the following sections:</p> <ul style="list-style-type: none"> <li>• Internal review of Council decisions</li> <li>• Employee interstate travel</li> <li>• Council Member Interstate and International Travel</li> <li>• Gifts and Benefits received by Council Members</li> <li>• Gifts and Benefits received by employees</li> <li>• Purchase of local goods and services (includes credit card spend)</li> </ul> <p>Appendix containing gifts and benefits register included</p>

Requirements	Section of the Annual Report
<p>of a council if the travel is for the purposes of a member or employee of the council attending a conference or training or development activities in another State or a Territory</p> <ul style="list-style-type: none"> <li>- a summary of the details (including the cost) of any gifts above the value of \$50 provided to members of the council during the relevant financial year funded in whole or in part by the council;</li> <li>- a summary of the details (including the cost) of any gifts above the value of \$50 provided to employees of the council during the relevant financial year funded in whole or in part by the council;</li> <li>- a statement of the total amount of expenditure incurred using credit cards provided by the council for use by members or employees of the council during the relevant financial year.</li> </ul>	
<p>(j) other information to be included in the annual report under this or another Act:</p> <ul style="list-style-type: none"> <li>- The information required by section 126(9) of the Local Government Act 1999 that a council must ensure that the annual report of its audit and risk committee is included in its annual report.</li> <li>- The information required by section 126A(9) of the Local Government Act 1999 that a constituent council of a regional audit and risk committee must ensure that the annual report the committee is included in its annual report.</li> </ul> <p><i>(LGA note: The requirement to include the annual report of the audit and risk committee commenced on 30 November 2023.)</i></p>	<p>The presiding members report to be included in the Appendices. (Post Audit Committee approval)</p>
<p>(j) other information to be included in the annual report under this or another Act:</p> <ul style="list-style-type: none"> <li>- The information required by section 128(9) of the Local Government Act concerning the council auditor <ul style="list-style-type: none"> <li>(9)(a) information on the remuneration payable to its auditor for work performed during the relevant financial year, distinguishing between— <ul style="list-style-type: none"> <li>(i) remuneration payable for the annual audit of the council's financial statements; and</li> <li>(ii) other remuneration;</li> </ul> </li> <li>(9)(b) if a person ceased to be the auditor of the council during the relevant financial year, other than by virtue of the expiration of his or her term of appointment and not being reappointed to the office—the reason or reasons why the appointment of the council's auditor came to an end.</li> </ul> </li> </ul>	<p>“Our Governance” Section under titles “Remuneration payable to Council’s auditor” and “Legal fees incurred by Council”</p>

Requirements	Section of the Annual Report
<p>- (as noted above), section 131(1a) of the Local Government Act requires the annual report to include the amount of legal costs incurred by the council in the relevant financial year.</p>	
<p><b>Clause 2</b> of Schedule 4 requires that the following matters must be reported on in the annual report of a council:</p> <p>(a) the council's performance in implementing its strategic management plans during the relevant financial year, and the council's projections and targets under its plans for the next financial year;</p>	<p>“Our focus 2024-25” section</p>
<p>(ab) the council's performance against its annual business plan for the relevant financial year;</p>	<p>“Delivering on our plans” section</p>
<p>(b) the extent to which activities of the council have been subjected to competitive tender or other measures to ensure services are delivered cost-effectively, and the extent (if any) to which the council has pursued policies for purchasing local goods and services</p>	<p>“Our Governance” Section titled “Competitive tendering”, “Purchase of local goods and services” and “National competition policy”</p>
<p>(ca) the training and development activities for members of the council during the relevant financial year;</p>	<p>“Our Governance” Section titled “Information or Briefing Sessions”.</p> <p>Per resolution 64/24 adopted on 12 March 2024, this section also includes a table of Council Member full or partial attendance from March 2024 onwards.</p>
<p>(e) the progress of the council in preparing or finalising any management plans for community land required under Chapter 11;</p>	<p>“Our Governance” Section titled “Community Land Management Plans”</p>
<p>(f) other matters prescribed by the regulations.</p> <p>- The total number of contraventions of section 75G (Health and safety duties) during the relevant financial year; and</p> <p>- The total costs incurred by the council in relation to dealing with complaints alleging contravention or failure to comply with section 75G and any referrals of such complains to the Behavioural Standards Panel during the relevant financial year.</p> <p>Regulation 35(2b) clarifies that for the purposes of the reporting requirements under 35(2a)(b), total costs incurred will be taken to include any legal costs and costs of engaging persons or consultants for the purposes of dispute resolution in respect of complaints, but to exclude any costs associated with the use of administrative resources of the council or council staff</p>	<p>“Our Governance” Section titled “Work Health and Safety and Injury Management”</p>

## Other Requirements

Requirements	Section of the Annual Report
<p><b>Local Nuisance and Litter Control Act 2016</b></p>	
<p>Section 8 of the Local Nuisance and Litter Control Act 2016. A council must, in its annual report prepared pursuant to section 131 of the Local Government Act 1999 in relation to a particular financial year, include details of the performance by the council during that year of functions conferred on it under this Act.</p> <p>Section 7 of the Local Nuisance and Litter Control Act 2016 sets out the functions of councils:</p> <p>7—Functions of councils</p> <p>(1) Subject to this Act, a council is the principal authority for dealing with local nuisance and littering in its area.</p> <p>(2) In connection with subsection (1), the following functions are conferred on a council by this Act:</p> <ul style="list-style-type: none"> <li>(a) to take action to manage local nuisance and littering within its area;</li> <li>(b) to cooperate with any other person or body involved in the administration of this Act;</li> <li>(c) to provide, or support the provision of, educational information within its area to help detect, prevent and manage local nuisance and littering;</li> <li>(d) such other functions as are assigned to the council by this Act.</li> </ul> <p>(3) A council must, in performing its functions under this Act, have regard to—</p> <ul style="list-style-type: none"> <li>(a) the guidelines adopted or prescribed by regulation for managing unreasonable complainant conduct; and</li> <li>(b) any other guidelines adopted or prescribed by regulation to assist councils in performing their functions</li> </ul>	<p>Table included in “A Valued Natural Environment” Section</p>
<p><b>Regulation 5 of the Local Nuisance and Litter Control Regulations 2017</b></p>	
<p>For the purposes of section 8 of the Act, a council's annual report should include details of—</p> <ul style="list-style-type: none"> <li>(a) the number of complaints of local nuisance or littering received by the council; and</li> <li>(b) the number and nature of— <ul style="list-style-type: none"> <li>(i) offences under the Act that were expiated; and</li> <li>(ii) offences under the Act that were prosecuted; and</li> </ul> </li> </ul>	



<p>(iii) nuisance abatement notices or litter abatement notices issued; and</p> <p>(iv) civil penalties negotiated under section 34 of the Act; and</p> <p>(v) applications by the council to the Court for orders for civil penalties under section 34 of the Act and the number of orders made by the Court on those applications; and</p> <p>(c) any other functions performed by the council under the Act.</p>	
<p><b>Government Business Enterprises (Competition) Act 1996</b></p>	
<p>Pursuant to section 16 of the <i>Government Business Enterprises (Competition) Act 1996</i>, the State Government has issued a <i>Competitive Neutrality Policy Statement</i>. The Policy Statement notes that the application of competitive neutrality to local government is set out in the <i>Revised Clause 7 Statement on the application of competition principles to Local Government under the Competition Principles Agreement</i>.</p> <p>The Revised Clause 7 Statement requires councils to:</p> <p>...include in its annual report, wherever relevant, information in relation to:</p> <ul style="list-style-type: none"> <li>- the commencement or cessation of significant business activities controlled by the agency;</li> <li>- the competitive neutrality measure applied to each significant business activity controlled by the agency;</li> <li>- the review and reform of by-laws which restrict competition, including proposals for new by-laws;</li> <li>- complaints received alleging a breach of competitive neutrality principles by the agency;</li> <li>- the structural reform of public monopolies. The information included in the annual report may be in summary form</li> </ul>	<p>“Our Governance” Section under title “National competition policy”</p>

**ADELAIDE HILLS COUNCIL  
AUDIT COMMITTEE MEETING  
Monday 18 November 2024  
AGENDA BUSINESS ITEM**

**Item:** 8.8

**Responsible Officer:** Gary Lewis  
Director Corporate Services  
Corporate Services

**Subject:** Quarterly Council Performance Report – Q1 2024-25

**For:** Decision

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**SUMMARY**

As a local government entity, Council has a number of legislative obligations regarding the preparation and distribution of corporate planning and reporting information to the elected body and the community. In addition to these mandated requirements, Council has over time created a number of additional elements to improve the integration, transparency and accountability of its activities. The Quarterly Council Performance Report is just one of these elements.

A revised suite of corporate performance indicators and targets were developed in consultation with Council Members, the Strategic Leadership Team and relevant officers as part of the *2020-21 Annual Business Plan* process and have continued to be incorporated into the *Annual Business Plan 2024-25*.

The Quarterly Council Performance Report for Q1 (**Appendix 1**) covers the period 1 July 2024 to 30 September 2024, and shows the performance against the corporate performance indicators as well as discussing key highlights aligned with the Strategic Plan.

The purpose of this report is to inform the Audit Committee of Council's performance against the *Annual Business Plan 2023-24* targets in order to assist in their role as advisors to Council on the adequacy and effectiveness of processes involving financial management, reporting, risk and governance.

**RECOMMENDATION**

**The Audit Committee resolves:**

- 1. That the report on the Quarterly Council Performance Report – Q1 2024-25 be received and noted.**
- 2. To recommend to Council that changes be made to three of the adopted Corporate Performance Indicators as detailed in the table of this report.**

## 1. BACKGROUND

At its 19 June 2018 meeting, Council adopted (Res 128/18) the Corporate Planning & Performance Framework, of which a key element was the establishment of a suite of Corporate Business Performance Indicators which are aligned with Adelaide Hills Council's Strategic Plan goals and will enable the tracking of performance over time.

Over the 2019-20 financial year, Quarterly Council Performance Reports were drafted showing the performance against the Corporate Performance indicators, strategic initiatives and key activities of the 2019-20 Annual Business Plan.

A revised suite of corporate performance indicators and targets were developed in consultation with Council Members, the Strategic Leadership Team and relevant officers as part of the 2020-21 Annual Business Plan process. These were aligned to the then new *Strategic Plan 2020-24 – A brighter future* adopted in April 2020. These indicators have continued to be used in the Annual Business Plan 2024-25.

## 2. ANALYSIS

### ➤ Strategic Management Plan/Functional Strategy/Council Policy Alignment

#### *Strategic Plan 2020-24 – A brighter future*

Goal	A progressive Organisation
Objective O5	We are accountable, informed, and make decisions in the best interests of the whole community
Priority O5.3	Demonstrate accountability through robust corporate planning and reporting that enhances performance, is relevant and easily accessible by the community.

The Quarterly Council Performance Report is part of the performance reporting suite contained in the Corporate Planning & Performance Framework.

### ➤ Legal Implications

Chapter 8 - Administrative and financial accountability of the *Local Government Act 1999* sets out the key legislative obligations regarding corporate planning and reporting obligations, as follows:

- S122 – Strategic management plans – development, content requirements, consultation, review and availability of strategic plan, asset management plan and long-term financial plan;
- S123 – Annual business plans and budgets - development, content requirements, consultation, review and availability of annual business plan and budget
- S127 – Financial statements – preparation, content, auditing and availability of the financial statements;
- S131 – Annual reports – preparation, content, distribution and availability of the annual report

Additional requirements are contained in the *Local Government (General) Regulations 2013* and the *Local Government (Financial Management) Regulations*.

➤ **Risk Management Implications**

Quarterly Council Performance Reporting will assist in mitigating the risk of:

*Ineffective performance management and reporting processes leading to poor performance and/or loss of stakeholder confidence.*

Inherent Risk	Residual Risk	Target Risk
Extreme (4B)	Low (3E)	Low (3E)

Note that there are many other controls that assist in mitigating this risk. The quarterly performance reports are part of the current control suite and therefore there is no additional mitigating impact of this report.

➤ **Financial and Resource Implications**

Quarterly Council Performance Reporting assists in showing the financial and resource performance to plan as per the targets, initiatives and activities outlined in the Annual Business Plan 2024-25.

➤ **Customer Service and Community/Cultural Implications**

Providing integrated, consultative corporate planning and effective and transparent performance reporting to the Council and community has the potential to increase the level of trust and confidence in Council.

➤ **Sustainability Implications**

Quarterly Council Performance Reporting assists in demonstrating the outcomes related to Council's economic, social and environmental initiative.

➤ **Engagement/Consultation conducted in the development of the report**

Consultation on the development of this report was as follows:

<i>Council Committees:</i>	Not applicable
<i>Council Workshops:</i>	Not applicable
<i>Advisory Groups:</i>	Not applicable
<i>External Agencies:</i>	Not applicable
<i>Community:</i>	Not applicable

➤ **Additional Analysis**

The Quarterly Council Performance Report format is aligned to the related financial year's Annual Business Plan (ABP). While still aligned to the *Strategic Plan 2020-24 – A brighter future*, the 2024-25 ABP format was changed so that the plan was no longer split into the

goals. As such, the quarterly report format has been adjusted to remove the visual alignment to the strategic goals and instead has been split into the categories:

- Annual Business Plan strategic initiatives
- Quarterly performance updates, and
- Performance indicators

#### Adelaide Hills Council Major Project reporting

The Major project reporting refers to those 3-5 projects which Council decides are the most interesting to them and the community for reporting on during the financial year.

In quarter 1, the topics that have been reported on are either those major projects from 2023-24 which are continuing or are finalising, and some suggested new projects identified in the 2024-25 Annual Business Plan. Council will have opportunity to choose the topics that they wish to continue in the quarterly reporting.

#### Customer service standards

With the implementation of Salesforce and the new CRM in July 2024, many of the current customer service standards are no longer able to be easily measured. As such, the customer service standards have been temporarily removed from the report and replaced with some of the customer service statistics (in the “performance indicators” section).

The customer service standards will return to the quarterly reporting later in the financial year after Council has had an opportunity to review and refresh them.

#### Corporate Performance Indicators

In commencing the Q1 reporting, it has been observed that three of the Corporate Performance Indicators could be updated to better define what it is that Council is trying to achieve/demonstrate from the measure. See recommended changes in the table below:

Measure	Recommendations	
CPI-B02 - Delivery of capital works program	Current	The target is 90% per quarter. It measures the actual capital spend against ¼ of the Annual Budget (planned spend). Ie: the annual budget is \$18.3m therefore the quarterly target is 90% of \$4.6m
	Suggested Change	Change target to 90% of Annual Budget.
	Comments	The current measure has an artificial target that assumes a budget is spent evenly across the financial year. Changing the target to an Annual figure will mean the target is not fully realised until Q4, but it can better show the trend in spending across each quarter.
CPI-O01 - Number of Lost time injuries	Current	Number of total injuries in the year reported quarterly. Target = 0
	Suggested Change	Lost Time Injury Frequency Rate (LTIFR) Annual Target = less than 13.2 (LG average)
	Comments	LTIFR measures the number of lost-time injuries per million hours worked. According to Safe Work Australia, the average LTIFR for the local government sector is approximately 13.2.

CPI-O11 - Employee Turnover	Current	Target 7 – 15% annually (each quarter result is added until the result is realised in Q4)
	Suggested Change	Two targets: 1. Turnover target 15% by December 2025 2. New starter (less than 12 months) target 20% by December 2025
	Comments	Monthly tracking of turnover of staff to be recorded. By incorporating both staff turnover and new starter turnover it provides strong indicators as to whether the culture is improving. A healthy turnover rate would be 10% as there should always be movement within a workforce.  Each quarter the result reported will be a 12 month percentage (as at the end of the quarter) rather than just the rate for the 3 months.

**3. OPTIONS**

The Committee has the following options:

- I. To recommend to Council that the three of the Corporate Performance Indicators are changed for the second quarter reporting onwards (Recommended)
- II. To not recommend any changes to the quarterly reporting to Council.

**4. APPENDICES**

- (1) Quarterly Council Performance Report – Q1 2024-25

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# **Appendix 1**

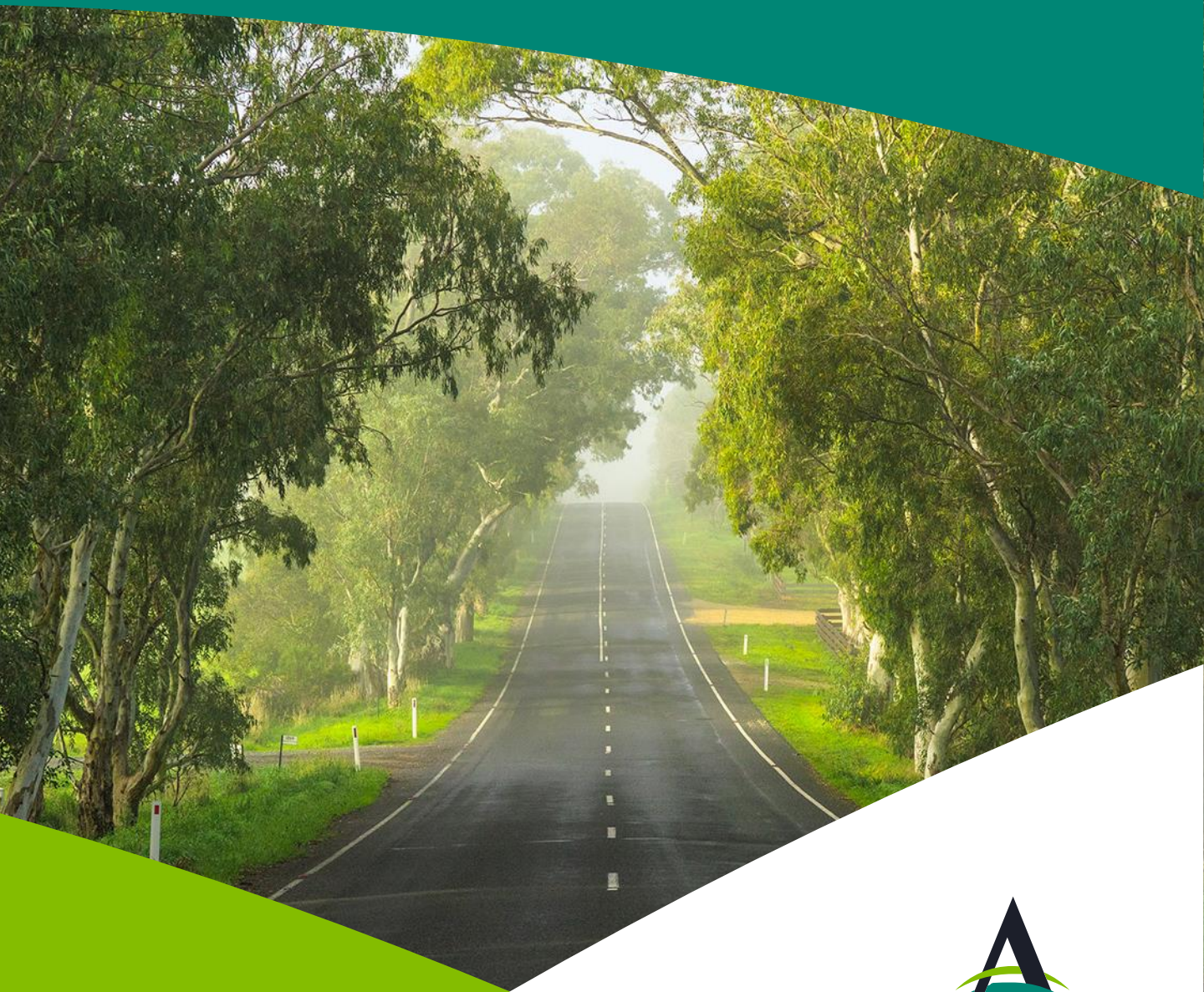
*Quarterly Council Performance Report – Q1 2024-25*

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# Quarterly Council Performance Report

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Quarter 1 – 1 July to 30 September 2024



**Adelaide Hills**  
COUNCIL



# Executive Summary

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## Highlights

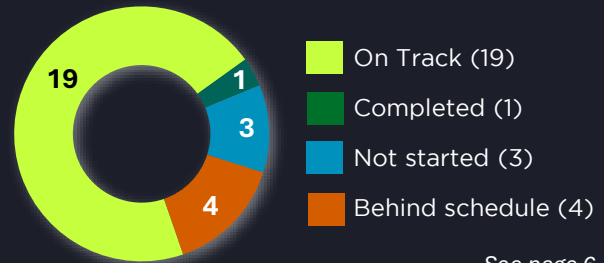
- The newly redeveloped Fabrik Arts + Heritage Hub was launched on September 20 2024 and features an A-class gallery, museum, retail store and event space alongside workshop spaces, artist studios and accommodation for artists in residence.
- New Salesforce Customer Relationship System (CRM) successfully deployed on 29 July 2024. It includes a new system for staff and the “My Adelaide Hills” online platform for customers to report issues or request services.
- Consultation occurred on the draft Strategic Plan over the period 30 August to 24 September 2024, with 70 participants providing feedback.
- The organisational values project commenced with a staff survey in July 2024. Workplace values champions volunteered to represent their areas and participated in a workshop to review the survey outcomes and commence the values development.
- Appointed two key management roles in September, the Manager People and Culture and the Manager Financial Services.

## Risks and Challenges

- Finalisation of the financial statements highlighted a significant adjustment to the end of year result with three unfavourable accounting variances which resulted in a deficit of \$4.353 million. This result does not impact the viability of the Long Term Financial Plan, but will be considered in future financial planning for the organisation.

## Performance Dashboard

### Annual Business Plan Strategic Initiatives



### Performance Indicators



### Customer Service

**3,199** CRM Cases created

**74%** CRM cases closed within 5 days

See page 14

### Capital Performance

**\$2.1m** of infrastructure delivered

The capital works program is on track with early budget spend in sync with expected delivery for this period. Quarter 1 works involve most of the tendering for the financial year allowing for construction through the remaining quarters.

See page 15

# Adelaide Hills Council Major Projects

## Stage 4 of Amy Gillett Bikeway

Stage 4 will extend the Amy Gillett Bikeway by 6 km from its current end point in Mount Torrens at Oval Road, to the intersection with Onkaparinga Valley Road in Birdwood.

### Latest News

- Vegetation clearance and tree trimming of the entire corridor completed allowing easy and safe access for contractors to undertake pavement construction.
- 480m of new path extension was completed by a local contractor to meet the Federal Governments first project milestone.
- Tender for the new bridges at Angas Creek and Williams Creek is under assessment.



## Towards Community Led Emergency Resilience Program (TCLERP)

Following on from the Community Resilience and Readiness pilot, the program has evolved to focus on community led emergency preparedness. The name of the program also changed to be Toward Community Led Emergency Resilience Program (TCLERP).

The program has several areas of focus including:

- Community Engagement
- Psychological and emotional emergency preparedness community education
- Recovery ready halls project - emergency preparedness for select community facilities
- Vegetation management project - ensuring practices are based on best fire science and within shared land owners existing capacity

### Latest News

- The Community Resilience Team presented at the Australian Disaster Resilience Conference in Sydney in September 2024.
- The final report for the Wellbeing SA partnership agreement that has contributed to the Towards Community Led Emergency Resilience program was submitted in July 2024 and has been accepted.
- The majority of fire tracks involved in an audit that secured funding through Disaster Risk reductions grants program have now been reviewed. This initiative was flagged in the Bushfire Landscape Management Strategy.



# Adelaide Hills Council Major Projects

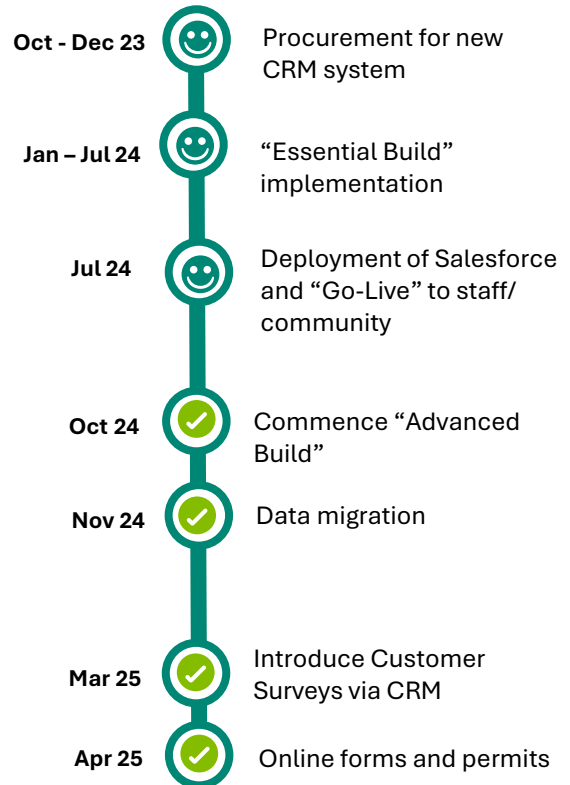
## CRM project implementation

The CRM Renewal project comprises of 2 stages, Essential Build and Advanced Build and is aimed at improving the customer experience through easier online services and improved communication and response times.

### Latest News

New Salesforce CRM successfully deployed 29th July 2024. Includes new system for staff and My Adelaide Hills online platform for customers to report issues or request services.

The completed "Essential Build" phase focused on providing an easier to use and more intuitive system for staff with improved case categories, streamlined case assignment, updated Knowledge Bank and the system being accessible remotely via mobile phone.



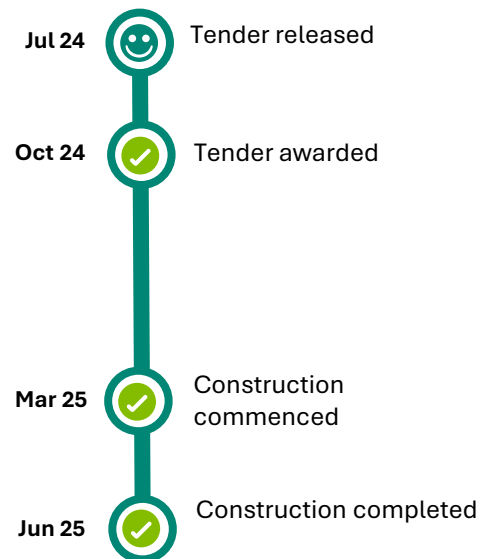
## Installing a splash park at the Adelaide Hills War Memorial Swimming Centre

A splash park will be constructed at the Adelaide Hills War Memorial Swimming Centre in Woodside. This new play space provides an alternative for toddlers and children who are still learning to swim and is designed to enhance recreational facilities for local families.

The 205sqm splash pad will feature a range of engaging elements, including a dumper bucket, water cannons, spray mushrooms, and random ground sprays all designed to create a safe and enjoyable environment for children.

### Latest News

Project tenders were released and awarded during the first quarter. The design is in the process of being finalised with components now being ordered by the Contractor who has been awarded the project. Construction will commence on site in early 2025 with a view to completion by 30 June 2025.



# Adelaide Hills Council Major Projects

## FABRIK Development

The FABRIK Development Project involves upgrading and enhancing the former Onkaparinga Woollen Mills site at Lobethal to create an arts and heritage hub in the central Adelaide Hills.

### Latest News

The newly redeveloped Fabrik Arts + Heritage Hub was launched on 20 September 2024, and features an A-class gallery, museum, retail store and event space alongside workshop spaces, artist studios and accommodation for artists in residence.



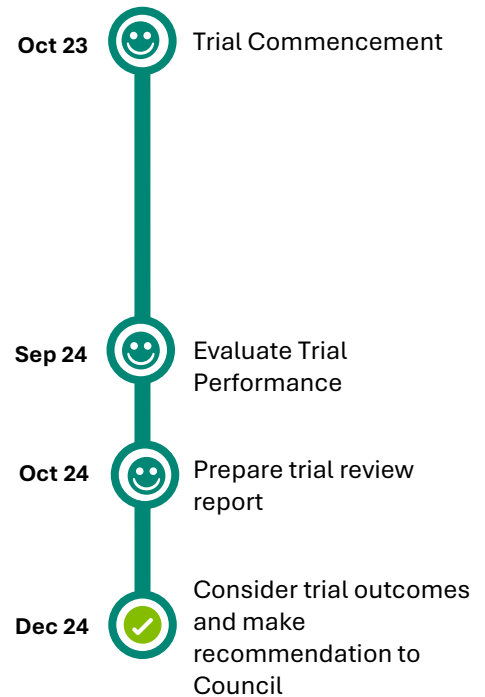
## Kerbside bin system collection frequency change and rural FOGO trial

Council is undertaking a 12-month food organics and garden organics (FOGO) trial in collaboration with our Waste Management Partner starting in October 2023.

Over 600 households and a small number of businesses in parts of Woodside and Lenswood will trial the new kerbside bin collection systems. This includes a new FOGO bin for rural households and a change in the collection frequency of organics bins and landfill bins, which aims to improve the food waste diversion from landfill.

### Latest News

The kerbside bin system collection frequency change and rural FOGO trial has been completed and a report on the outcome of the trial has been provided to Council.

















# Annual Business Plan Strategic Initiatives

Project ID	Operating initiatives	Objective and/or Priority*	Status
B1008	Amy Gillet Bikeway net contribution (Grant funding of \$5.2 million)	B1.1	
B2008	Local Heritage (Privately Owned) Planning and Design Code Amendment	B2.4	
B2010	Adelaide Hills Subzone Code Amendment	B2.3	
B3014	Review of carbon management plan	B3.1	
B4043	Hamilton Hill - Dunfield Estate & Crest Maintenance	B4	
C4012	Continue to adapt to climate change with an all hazards emergency management approach to support the community and the emergency services	C4	
C4022	Towards Community Led Resilience Program (Fully grant funded)	C4.5	
C4025	Continue Towards Community Led Resilience Work	C4.5	
C4042	Implement activities from Our Watch's "Prevention Toolkit for Local Government"	C4	
C6006	Tour Down Under	C6	
E1004	Stirling main street support	E1.5	
E4001	Additional Tree safety work required to support the Tour Down Under	E4	
N1006	Best practice procedure for maintenance of AHC riparian zones	N1	
N1007	Implementation of the Tree Strategy	N1.1	
N4002	Kerbside bin system collection frequency change and rural FOGO trial	N4	
O4005	Representation Review	O4	
O5007	Customer Relationship Management (CRM) renewal	O5	
O6008	Digital Transformation Program	O6	

**Legend:** = On Track = Not Started = Deferred = Behind Schedule = Completed

# Annual Business Plan Strategic Initiatives

Project ID	Capital initiatives	Objective and/or Priority*	Status
B1004	New and upgraded footpaths	B1	
B3005	Carbon Management Plan - Energy Upgrades, Battery & Efficiency Actions	B3	
B4009	Norton Summit land purchase	B4	
B4014	Road Safety Program including co-contribution to Road Blackspot (Grant Funded)	B4	
B4045	Stormwater projects	B4	
B4053	Automated External Defibrillator Project	B4	
B4054	Road safety at Heathfield	B4	
C1006	Splash park at the Adelaide Hills War Memorial Swimming Centre (\$600k Grant funded)	C1.1	
C4006	Play Space Framework Implementation - Uraidla play space upgrade	C4	

**Legend:**  = On Track  = Not Started  = Deferred  = Behind Schedule  = Completed

# Quarterly Performance Updates

## Annual Business Plan Strategic Initiatives

### ✔ Amy Gillet Bikeway

- Vegetation clearance and tree trimming of the entire corridor completed allowing easy and safe access for contractors to undertake pavement construction.
- 480m of new path extension was completed by a local contractor to meet the Federal Governments first project milestone.
- Tender for the new bridges at Angas Creek and Williams Creek is under assessment.

### – Local Heritage (Privately Owned) Planning and Design Code Amendment

- Preliminary investigations and engagement with property owners will commence in second half of 2024-25 after considering resourcing approach.

### – Adelaide Hills Subzone Code Amendment

- Progress on the Code Amendment has been paused while preliminary consultation on a Housing Strategy is undertaken with Council members.

### ✔ Next steps anticipated to commence in the second half of 2024-25 following review of strategic policy planning resource.

### – Review of carbon management plan

- Council workshop was held in August to discuss the opportunities for the new Carbon Management Plan.

### ✔ Implement activities from Our Watch's "Prevention Toolkit for Local Government"

- While much of the Our Watch Toolkit Implementation Plan has been actioned, and planning is in progress on the second 16 days of activism campaign, there are some strategies that are behind schedule due to conflicting priorities. These include the finalisation of the new workplace policy, review of the gender equity audit, and the subsequent development of the gender equity plan.

### ✔ Stirling main street support

- Funded partnership with the Stirling Business Association (SBA) finalised in September 2024. The SBA will develop and implement a targeted marketing campaign to increase customer visitation to Stirling, with a focus on activations and promotion and digital marketing and social media.

### ✔ Additional Tree safety work required to support the Tour Down Under (TDU)

- Council engaged external Arboriculture Consultant to undertake comprehensive tree condition assessments of all trees adjacent to the TDU route. Report recommendations provided to TDU event coordinators.
- Open Space operations progressing identified tree works adjacent to AHC managed roads.
- Tree works required over DIT roadways along TDU route are being compiled and will be sent to DIT for action.

### ✔ Implementation of the Tree Strategy

- Draft Tree Strategy was presented at the September Council Workshop. Feedback from this has now been incorporated into the draft strategy.

### ✔ Customer Relationship Management (CRM) renewal

- New Salesforce CRM successfully deployed 29th July 2024. Includes new system for staff and My Adelaide Hills online platform for customers to report issues or request services.

### ✔ Digital Transformation Program

- Migration planning is underway to move our on-premise SharePoint intranet and records system to Microsoft's Cloud based 365 platform.
- Completed contract negotiations for the move of the on-premise Confirm Asset Management System to the vendors hosted SaaS Cloud offering.
- Tender released to market DTP ERP system review Council's aging on-premise Enterprise Resource Planning system.

### – Road Safety Program including co-contribution to Road Blackspot

- Secured blackspot funding for Fox Creek Road and Basket Range Road.

### ✔ Play Space Framework Implementation – Uraidla play space upgrade

- Community consultation has occurred with draft designs being prepared. Due to the time taken for community consultation regarding a bespoke design for the space, it is possible that the construction of the actual play space will occur in 2025-26.

# Quarterly Performance Updates

## Other highlights

### Fabrik Arts & Heritage

- The newly redeveloped Adelaide Hills Council arts hub was launched on 20 September 2024, and features an A-class gallery, museum, retail store and event space alongside workshop spaces, artist studios and accommodation for artists in residence.

### Arts, Culture and Reconciliation

- *Elevate + create* mentorship program for young artists commenced
- The *Reconciliation Action Plan* was submitted to Reconciliation Australia.
- During NAIDOC week, the Hills Environment Centre partnered with The Summit Community Centre to deliver cultural connection programs to school holiday children. 15 attended the native food and edible plants program, and 29 attended art workshops delivered by Aunty Daphnew River Woman Rickett and Ranger D. At the Torrens Valley Community Centre, 10 children attended a session with Ros Cameron who shared her story around her culture, read stories with puppets & created art work.
- *SALA @The Summit* was a success with 49 artists entering 104 artworks in a variety of mediums. This year a Childrens Exhibition was run in conjunction with the exhibition, receiving 27 entries. 170 people attended the official opening and evening activities, with a further 189 visitors attending throughout the month to see the artwork.

### Volunteering

- The Adelaide Hills Council Volunteer Guide has been updated and refreshed with new photos and information.
- We have had a total of 28 new volunteer applications this quarter, with over 25 new volunteers onboarded, mainly at Fabrik. We currently have a total of 150 registered volunteers across 5 programs.

### Grants & Partnerships

- The 2024-25 Community Development Grant round, closed in September 2024. This grant supports non-profit groups in launching projects aligned with Adelaide Hills Council's Strategic Plan.

### Libraries

- Attendance at the Gumeracha Library and the regular community programs has continued to grow steadily since the 2023 refurbishment.
- 150 people attended the author event with Matilda's Bookshop, at Gumeracha Library.
- In partnership with Citizen Science SA, Nature Spotting Kits are now offered to patrons to borrow, bringing hands-on learning opportunities for the community.
- Hosted First Nations artwork on loan from Public Libraries SA titled "Community", created by Ngarrindjeri, Narungga, and Kurna artist Gabriel Stengle.

### Positive Ageing

- The Hills Home Support / Positive Ageing program maintained provided over 1,900 hours of in-home assistance, more than 5,000 hours of social support through group activities, exercise classes, and outings, 650 transport trips, and \$2,500 worth of home modifications to facilitate safe transitions from hospital to home.

### Community Centres

- Students from Norton Summit Primary School were featured in the Education Department for SA newsletter for their role in Karra Watta Café community lunch program which supports meaningful causes including Fred's Van and the Cancer Council. The newsletter cited that this program provides a great partnership between community and children.
- Power outage in Gumeracha required the Torrens Valley Community Centre (TVCC) to be closed for 2 days. Some parts of the town were without power for 5 days, and many community community came to site to share their experiences over a cuppa.
- The Green Shed at the TVCC has been closed while undergoing a WHS audit. Further closure is planned until audit actions have been addressed.



# Quarterly Performance Updates

## Other highlights

### Sustainability

- Obtained legal advice and a Cost and Emissions Analysis into the implementation of a Community Renewables Program.
- Prepared the draft Climate Adaption Plan for the region in partnership with the Resilient Hills and Coasts

### Open Space Biodiversity.

- Developed the draft *Native Vegetation Protection and Conservation Policy* which has been approved for Public Consultation. Due to competing consultation priorities, consultation has been delayed to later in 2024.

### Fire Prevention

- Issued 275 burning permits during Quarter 1.
- Over 1000 letters have been sent to property owners to remind them of their responsibilities during the fire danger season.

### Property

- Council agreed to enter into a 21 year Lease with the CFS for Upper Hermitage CFS site (subject to public consultation).
- Recent power outage in Gumeracha has damaged the air conditioning and heating system in the community centre building and is currently being assessed.
- The water tanks at the Summit Community Centre (which are not connected to mains water) have been refilled twice due to the low rainfall. This may continue to be an issue during the summer and bushfire season.

### Cemeteries

- Boundary realignment of the Cromer Cemetery has been finalised.
- A review of the *Burials on Private Lands* policy has been undertaken.
- Kersbrook and Gumeracha cemeteries have experienced some plaque thefts.

### Planning & Development

- Applications lodged during the quarter include 53 new dwellings, 6 ancillary accommodation units, and 5 applications for tourist accommodation.

### Environmental Health

- 91 food premises inspections were undertaken, which include 71 routine inspections, 19 follow up inspections and 1 pre-opening advise inspection.
- 63 new wastewater applications were received of which 48 have been approved. 119 wastewater inspections have been undertaken in relation to both new and existing wastewater applications.
- 33 health related complaints were resolved.

### Parking and By-Laws

- Regular parking patrols have been undertaken around School areas, private parking areas and on-street parking. During quarter 1, 306 parking expiations and 3 By-law expiations were issued.

### Corporate Planning & Performance

- A draft Strategic Plan was adopted by Council for consultation at the 27 August 2024 Council Meeting.
- Strategic Plan consultation occurred over the period 30 August to 24 September 2024 with 70 participants providing feedback.

### Information services

- Upgrades have been completed for both the Multi-function device printing fleet, and the staff desktop fleet

### People and Culture

- The organisational values project commenced with a staff survey in July 2024.
- Workplace values champions volunteered to represent their areas and participated in a workshop in September to review the survey outcomes and commence the values development.

# Performance Indicators

Indicator	Result	Trends	Comments
<p>✔ CPI-B02 - Delivery of capital works program</p>	<p>Target <math>\geq 90\%</math> Annual Budget</p> <p>11.7%</p>		<p>This indicator measures actual spend (\$2.14m) against the Annual Budget (\$18.3m). Q1 focus was on tendering ready for construction across remaining year, so we will see increased spend in future quarters.</p>
<p>⊖ CPI-B03 - Compliance inspections after development completion notification, completed within 10 business days.</p>	<p>Target 100%</p> <p>84%</p>		<p>While 4 cases did not meet the 10 business days, the timing for 3 of the inspections was to accommodate the client. The notification for the fourth case was received 3.5 weeks ahead of the completion date therefore timeframe was unable to be achieved.</p>
<p>✔ CPI-B07 - Operational tasks completed within the Civil Zone Maintenance Program</p>	<p>Target <math>\geq 80\%</math></p> <p>80%</p>		<p>Continued reporting is being developed as part of the Salesforce system. Current workloads are still quite reactive, however approximately 80% of cases completed were from the zone maintenance program.</p>
<p>⊖ CPI-C01 - Positive ageing wellbeing score</p>	<p>Target <math>\geq 7</math></p> <p>6.6</p>		<p>The wellbeing score has dipped to below 7 for the first quarter of the 24-25, coinciding with the end of winter period where people often spend more time (often alone) inside their homes. Quotes from people with lower scores reflected in physical pain/limitations and also grief/social isolation.</p>
<p>⊖ CPI-C04 - Number of volunteer hours contributed to AHC programs each year</p>	<p>Target <math>\geq 3,500</math> per quarter</p> <p>3,302</p>		<p>Target was reduced for 2024-25FY to reflect the national volunteering trends following COVID-19. The total number of volunteer hours for this quarter are 3302, this figure is still not quite meeting the target of 3500 but is increasing each quarter.</p>
<p>✔ CPI-E03 - Average number of days for Building Consents</p>	<p>Target <math>\leq 20</math> Business Days</p> <p>12.2</p>		<p>In Quarter 1 there were 68 Building Decisions with an average assessment time of 12.19 days and 89.71% were issued within statutory timeframes.</p>
<p>⊖ CPI-E04 - Percentage of new development application decisions upheld in Council/ CAPs favour under appeal</p>	<p>Target <math>\geq 85\%</math></p> <p>0%</p>		<p>One matter was resolved during the quarter resulting in the CAP's decision being reversed by the consent of the parties. No new appeals were lodged during Q1, there is one on-going appeal scheduled for a hearing in April 2025.</p>

**Legend:** ✔ = Target Met or N/A   ⊖ = Target not met   ⊕ = N/A – cant be assessed  
 $\geq$  Greater than or equal    $\leq$  Less than or equal

# Performance Indicators

Indicator	Result	Trends	Comments
<p>✓ CPI-E05 - Percentage of Planning Consents completed within statutory timeframes</p>	<p>Target <math>\geq 85\%</math></p> <p>88.5%</p>		<p>In Quarter 1 there were 209 Planning Consents granted of which 88.57% were issued within the statutory timeframes.</p>
<p>✓ CPI-N03 - Percent of nuisance and litter queries resolved</p>	<p>Target <math>\geq 90\%</math></p> <p>95.6%</p>		<p>Requests outstanding at the end of Q1 included one littering report, three noise complaints, three nuisance complaints, and one vandalism report.</p>
<p>✓ CPI-N05 - Tonnes of green organics collected on Green organic days</p>	<p>Target <math>\geq 150</math> per quarter</p> <p>338</p>		
<p>✓ CPI-N07 - Number of community education actions delivered</p>	<p>Annual Target <math>\geq 6</math></p> <p>3</p>		
<p>⊖ CPI-O01 - Number of Lost time injuries</p>	<p>Annual Target = 0</p> <p>2</p>		
<p>⊖ CPI-O07 - Decisions (Council resolutions) considered in open Ordinary &amp; Special Council meetings during the reporting period</p>	<p>Target <math>\geq 90\%</math></p> <p>78.4%</p>		<p>This quarter has seen a higher number of legal or confidential matters.</p>
<p>⊖ CPI-O08 - Council member attendance at Ordinary &amp; Special meetings</p>	<p>Target <math>\geq 90\%</math></p> <p>82.4%</p>		<p>This quarter there were 5 Apologies and 11 Leave of Absences for Ordinary Council meetings.</p>

**Legend:** ✓ = Target Met or N/A    ⊖ = Target not met    ⊙ = N/A – cant be assessed  
 $\geq$  Greater than or equal     $\leq$  Less than or equal

# Performance Indicators

Indicator	Result	Trends	Comments
<p>✓ CPI-O09 - Freedom of Information (FOI) requests received, in progress and completed within the legislated timeframe</p>	<p>Target 100%</p> <p>100%</p>	<p>Q2 Q3 Q4 Q1</p>	<p>Nil Freedom of Information Internal or External reviews in Q1. 2 requests were finalised during the quarter:</p> <ul style="list-style-type: none"> <li>SA Coroner's Court Direction (Coronial Inquest)</li> <li>SAPOL inquiry</li> </ul>
<p>✓ CPI-O10 - FOI External reviews upholding Council's decisions</p>	<p>Target 100%</p> <p>100%</p>	<p>Q2 Q3 Q4 Q1</p>	<p>5 FOIs carried over from 2023-24 FY and completed during Q1. 5 new FOIs received and 2 of these were completed during Q1.</p>
<p>✓ CPI-O11 - Employee Turnover</p>	<p>Target 7-15%</p> <p>4.8%</p>	<p>Q1 Q2 Q3 Q4</p>	

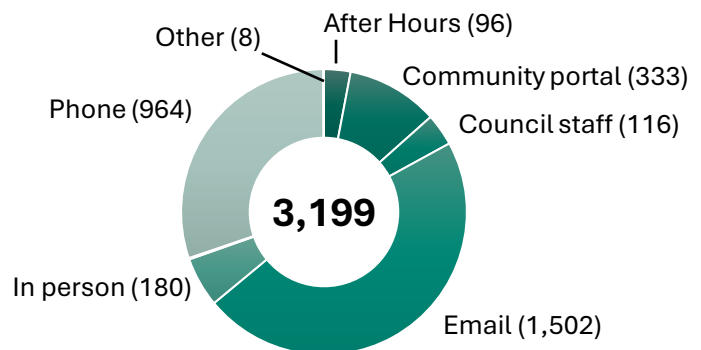
**Legend:** ✓ = Target Met or N/A    ⚠ = Target not met    ⚪ = N/A – cant be assessed

≥ Greater than or equal    ≤ Less than or equal

# Other performance metrics

Expiation Statistics	Volume
Parking	306
Animals	32
By-law	3
Local Nuisance	7
Fire Prevention	0
Public Health	4
Development & Building	0

## Volume of CRM cases created by source\*



## CRM Cases closed by Category\*

Category	Volume of cases completed	Volume of cases				
		1 day or less	2-5 days	6-10 days	10-20 days	over 20 days
Animals	244	47%	27%	14%	7%	5%
Buildings and Facilities	65	37%	34%	14%	9%	6%
Community Development	16	44%	38%	13%	6%	0%
Development	43	33%	35%	26%	7%	0%
Economic Development	3	0%	0%	0%	0%	100%
Environment	14	36%	14%	7%	43%	0%
Events & Tourism	27	22%	22%	11%	11%	33%
Feedback	18	28%	28%	28%	6%	11%
Fences	2	50%	50%	0%	0%	0%
Financial Services	55	4%	58%	31%	7%	0%
Fire	238	69%	28%	2%	0%	0%
General Enquiry	39	38%	28%	15%	5%	15%
Graffiti	12	17%	42%	17%	8%	17%
Grass & Vegetation	6	0%	17%	17%	67%	0%
Information Management	11	0%	27%	18%	9%	45%
Library	24	25%	33%	38%	4%	0%
Nuisance	108	31%	46%	14%	7%	1%
Parking	133	26%	28%	28%	16%	2%
Parks, Gardens & Ovals	21	38%	24%	14%	14%	10%
Public Health	19	58%	21%	0%	11%	11%
Quick Response	15	7%	20%	0%	20%	53%
Rates	331	66%	26%	6%	1%	1%
Roads and Footpaths	185	16%	26%	19%	18%	23%
Signs	30	27%	17%	20%	13%	23%
Sport and Rec	4	25%	25%	25%	0%	25%
Trees	203	31%	26%	17%	15%	13%
Update Details	235	65%	26%	8%	1%	0%
Waste & Recycling	90	71%	24%	1%	3%	1%
<b>Total</b>	<b>2,191</b>	<b>45%</b>	<b>29%</b>	<b>13%</b>	<b>8%</b>	<b>6%</b>

\*Cases are measured from 29 July 2024 – when CRM was launched

Legend: = Target Met or N/A = Target not met = N/A – cant be assessed

≥ Greater than or equal ≤ Less than or equal

# Capital Works Program

The capital works program is on track with early budget spend in sync with expected delivery for this period. Quarter 1 works involve most of the tendering for the financial year allowing for construction through the remaining quarters.

## Highlights

- Footpath renewal program currently 75% complete
- Road patching in prep for seal 90% complete
- Longwood road reconstruction segment 1 at 5220 square metres completed
- Fabrik at 90% complete
- Court resurfacing 66% complete
- Splash Park Design complete
- Changing Places @ Fabrik 90% complete

## What's Next

- Amy Gillett bridges construction
- Montacute road bridge renewal
- Road re-seal program spray seals to commence

## Financial Performance by Asset Category (preliminary numbers)

Asset Category	YTD Actuals \$'000	Annual Revised Budget \$'000	% Spent to Annual Budget \$'000s
Bridges	5	1,005	0.5%
Buildings	290	1,257	23.1%
Cemeteries	-	64	0.0%
CWMS	67	206	32.6%
Fleet	1,189	1,946	61.1%
Footpaths	34	862	3.9%
ICT	158	1,165	13.6%
Kerbing	-	100	0.0%
Other: Retaining Walls, St Furniture, Traffic Mgt	25	409	6.1%
Plant & Equipment	-	40	0.0%
Project Management Costs	-	2,441	0.0%
Roads	314	6,806	4.6%
Sport & Recreation	37	1,204	3.1%
Stormwater	19	815	2.4%
	<b>2,140</b>	<b>18,320</b>	<b>11.7%</b>

# Financial Performance

## Overall Funding Statement as at 30 September 2024

Note: These figures are preliminary only. The fully reconciled figures will be presented to Council as part of the Budget Review report.

	YTD Actual	YTD Budget	YTD Variance	Annual Budget
	\$'000	\$'000	\$'000	\$'000
<b>Total Operating Income</b>	54,878	54,555	● 324	60,145
<b>Total Operating Expenditure</b>	11,494	11,683	● 188	59,688
Operating Surplus / (Deficit) before Capital	43,384	42,871	● 512	457
<b>Capital Expenditure</b>	913	904	● (9)	18,320
<b>Capital Income</b>	260	-	● 260	-
Net expenditure - Capital projects	653	904	● 251	18,320
<b>Net Lending / (Borrowing) Result for Year</b>	42,731	41,968	● 763	(6,066)

Adelaide Hills Council Operating Summary				
By Directorate				
as at Sep 2024				
	YTD Actuals \$'000s	YTD Budget \$'000s	YTD Var fav / (unfav) \$'000s	Annual Budget \$'000s
<b>Income</b>				
CEO	-	-	● -	37
Community & Development	1,030	795	● 236	4,102
Corporate Services	50,450	50,380	● 70	50,874
Environment & Infrastructure	3,398	3,380	● 18	5,133
<b>Income Total</b>	<b>54,878</b>	<b>54,555</b>	<b>● 324</b>	<b>60,145</b>
<b>Expenditure</b>				
CEO	973	892	● (81)	2,702
Community & Development	2,921	3,075	● 153	13,747
Corporate Services	1,814	1,956	● 142	9,301
Environment & Infrastructure	5,786	5,760	● (26)	33,938
<b>Expenditure Total</b>	<b>11,494</b>	<b>11,683</b>	<b>● 188</b>	<b>59,688</b>
<b>Operating Surplus / (Deficit)</b>	<b>43,384</b>	<b>42,871</b>	<b>● 512</b>	<b>457</b>

Search



More Information:

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**Adelaide Hills**  
COUNCIL



**ADELAIDE HILLS COUNCIL  
AUDIT COMMITTEE MEETING  
Monday 18 November 2024  
AGENDA BUSINESS ITEM**

**Item:** 8.9

**Responsible Officer:** Gary Lewis  
Director  
Corporate Services

**Subject:** Finance Strategy and Strategic Considerations for Achieving Financial Sustainability

**For:** Information

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**SUMMARY**

To provide the Audit Committee with a presentation on strategic considerations for achieving financial sustainability (**Appendix 1**) and the formulation of financial indicators. Council is about to embark on setting an updated Long Term Financial Plan based on the newly adopted Strategic Plan. This process will be undertaken by Council over the coming months and will culminate in a plan that will embed Council's new financial strategy and will be based on the sustainable delivery of services.

**RECOMMENDATION**

**The Audit Committee resolves the report on finance strategy and strategic considerations for achieving financial sustainability be received and noted.**

---

**1. BACKGROUND**

At the Audit Committee meeting on 21 October 2024, it was resolved:

Moved Cr Malcolm Herrmann  
S/- Pamela Lee

AC39/24

**That the Audit and Risk Committee requests that:**

- 1. The CEO initiates the preparation of the Long-Term Financial Plan as soon as practicable with the first workshop being prior to 31 December 2024.**
- 2. That a report be presented to the Audit and Risk Committee at its meeting of 18 November 2024 setting out advice for Council on:**
  - (a) the formulation of the Financial Indicators**
  - (b) Strategic considerations for achieving financial sustainability.**

<b>Carried Unanimously</b>
----------------------------

## 2. ANALYSIS

### ➤ Strategic Management Plan/Functional Strategy/Council Policy Alignment

*Strategic Plan 2020-24 – A brighter future*

Goal	A progressive Organisation
Objective O5	We are accountable, informed, and make decisions in the best interests of the whole community
Priority O5.3	Demonstrate accountability through robust corporate planning and reporting that enhances performance, is relevant and easily accessible by the community.

The Long Term Financial Plan is the central statement of Council’s financial strategy. The development of the updated Plan will start at an Elected Member workshop scheduled for 2 December 2024 and will continue with further workshops in 2025. The expectation is that the Plan will be consulted on in parallel with the 2025/26 Annual Business Plan and Budget.

### ➤ Legal Implications

Section 8 of the *Local Government Act 1999* (the “Act”) sets out the principles that a council must act to uphold and promote observance in the performance of its roles and functions. The following principles are particularly relevant to Council’s financial strategy.

- (g) manage its operations and affairs in a manner that emphasises the importance of service to the community;
- (h) seek to ensure that council resources are used fairly, effectively and efficiently and council services, facilities and programs are provided effectively and efficiently;
- (i) seek to provide services, facilities and programs that are adequate and appropriate and seek to ensure equitable access to its services, facilities and programs;
- (ia) seek to balance the provision of services, facilities and programs with the financial impact of the provision of those services, facilities and programs on ratepayers;
- (j) achieve and maintain standards of good public administration;
- (k) ensure the sustainability of the council's long-term financial performance and position.

### ➤ Risk Management Implications

Financial planning and strategies are required by the Act and Regulations, and will assist in mitigating the risk of:

*Inability to discharge role and functions of a local government entity leading to a breach of legislation and loss of stakeholder confidence.*

Inherent Risk	Residual Risk	Target Risk
Extreme (5C)	Medium (4D)	Medium (3D)

It ensures that financial resources are deployed in areas that align with Council’s Strategic Management Plans, are affordable and supported within the Council’s LTFP.

➤ **Financial and Resource Implications**

This report considers the strategies and implications of the ongoing financial sustainability of Council to be included in the Long Term Financial Plan and the formulation of the financial indicators.

➤ **Customer Service and Community/Cultural Implications**

Not Applicable

➤ **Sustainability Implications**

Not Applicable

➤ **Engagement/Consultation conducted in the development of the report**

Consultation on the development of this report was as follows:

*Council Committees:* Not Applicable

*Council Workshops:* Not Applicable

*Advisory Groups:* Not Applicable

*External Agencies:* Not Applicable

*Community:* Not Applicable

**3. OPTIONS**

As this report is for information, the Committee is limited to receiving and noting the report.

**4. APPENDICES**

(1) Presentation – Strategic Considerations for Achieving Financial Sustainability

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# **Appendix 1**

*Strategic considerations for achieving  
financial sustainability*

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*Strategic considerations for  
achieving financial  
sustainability*



**Adelaide Hills**  
COUNCIL

# *Strategic considerations for achieving financial sustainability*

*Council is about to embark on setting an updated Long Term Financial Plan based on the newly adopted Strategic Plan. This process will be undertaken by Council over the coming months and will culminate in a plan that will embed Council's new financial strategy.*

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Strategic Considerations

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Councils Financial Strategy

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Financial Sustainability

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What does Financial Sustainability mean for AHC

---

Financial Target Setting

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Financial Indicators

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Other Considerations

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Cutting costs

---

Suggested approach

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# Strategic Considerations

To achieve financial sustainability, it is advised that Council define what financial sustainability means to Adelaide Hills Council. Considerations will need to include, but not be limited to asset conditions, debt levels, income levels (essentially rates) and service levels. These should be considered over a period of time and reflect desired changes over that time.

It will also need to prioritise any goals against other, potentially competing goals. This will be most apparent when preparing the Annual Business Plan and Budget and the Long-Term Financial Plan (LTFP). The extent to which the LTFP reflects these priorities will affect its usefulness in setting future budgets.

In developing a LTFP, the financial indicators are a key input. Council will need to consider its financial indicator targets and the consequences of achieving them.

# Council's Financial Strategy

## Where is it

- Long Term Financial Plan
- Annual Business Plan & Budget
- Infrastructure and Asset Management Plans
- Strategic Plan

*The LTFP is the central statement of Council's financial strategy, however the asset management plans are also significant. The Strategic Plan and Annual Business Plan are important however they have a shorter lifespan.*

## Council's Financial Indicators

- Operating Surplus
- Net Financial Liabilities
- Asset Renewal Ratio

*These are the core measures of Council's financial strategy. They can be used to guide the actions in the shorter term and/or be seen as aspirational goals in the longer term.*

## Financial Sustainability

Council's strategy is likely to be based around sustainable delivery of services.

Therefore, financial sustainability likely to be fundamental to strategy.

The concept of sustainability is subject to interpretation.



# Financial Sustainability

What is financial sustainability - community

*.....financial sustainability is probably thought of as whether we can afford our current lifestyle: whether we can pay for rent, food and other expenses with the income we receive each year. For those of us who own homes, farms or businesses, we may think in longer terms as to whether we will be in a position to repay debts by the time we retire. This type of thinking is practical for individuals or families where long-term planning is probably in the order of 15-20 years. However, most of us probably plan on a shorter basis than that.*

Financial sustainability for Government

*Can we continue the sort of revenue and expenditure patterns of recent years while maintaining the levels of service expected by the community?*

*....it is important for councils to think not only about the state of infrastructure and other assets they leave to our children, but what they leave to our grandchildren and great grandchildren. This is coupled with the question of which generations should pay for the maintenance and renewal of long-lived assets. This is often referred to as 'intergenerational equity'.*

# Financial Sustainability

## LGA Definition

*A Council's long-term financial performance and position is sustainable where planned long-term service and infrastructure levels and standards are met without unplanned increases in rates or disruptive cuts to services.*

*This definition does not reference the financial indicators, it does not limit increases in rates in the short or longer term. It allows for changes in service levels and infrastructure. It does not set limits to the level of debt used, nor the repayment of it.*

# What does Financial Sustainability mean for AHC?

## Identify Goals for where you want to get too

- Consider Councils vision
- Current Strategic Plan
- How Strategic Plans evolve
- How to quantify and measure goals

## Understand the starting point

- Realistic assessment of current state
- Set realistic Goals
- Consideration of the risk register should go hand in hand with LTFP

## LTFP should connect the two

- Setting KPI's will help translate long term goals to short term constraints

## Initial planning should identify challenges

- Reaction & response
- Remediation

*Establishing the long term vision for Council will help inform the interpretation of the financial goals which will in turn inform any plan that sets out to achieve them.*

*A clear vision and defined financial goals will support the development of the LTFP and enable financial goals to be set that will set short term goals that will achieve long term visions.*

# Financial target setting

## Identify Goals for where you want to get to

- Consider Council's long-term vision - *what is Council's long-term vision, what can be learnt about this to help formulate financial goals.*
- How Strategic Plans evolve - *the LTFP is for 10 years, asset management plans cover assets that are expected to endure. Council's Strategic Plan will evolve in the future, identifying what elements are likely to be consistent over time may help identify long term goals beyond the life of the current Strategic Plan.*

## Understand the starting point

- Any plan needs to be firmly based on the starting point and needs to be based on realistic goals.
- Consideration of the risk register should go hand in hand with LTFP.

## LTFP should connect the starting point to the goal

- Setting KPI's will help translate long term goals to short term constraints.

## Initial planning should identify challenges

- Reaction & response
- Remediation.

# Financial Indicators

## Surplus / Deficit

- Purpose – a short-term estimate of sustainability (sustainability is inherently long-term)
- Drivers of income differ to drivers of expenses - timing of the two can differ
- LGA recommendation is for a surplus, but why?
- Is a surplus over taxing, is a deficit sustainable?

## Net Financial Liabilities

- Debt can be used to create intergenerational equity?
- Is debt used correctly, and should this be a part of the AHC strategy?
- What is Council's ability to repay debt?
- What will LGFA lend to AHC?

## Asset Renewal

- What is the goal?
- Efficient asset maintenance, and/or something else?

## Other indicators

- Should Council consider other Financial Indicators?
- What areas of concern and how could they be measured?

*Are LGA recommendation right for AHC? If not, then why not?*

*Three core areas are reported on through the Financial Indicators, the condition of assets, the level of debt and charging the community realistically for services delivered to them (setting of rates).*

# Other considerations

## Risk Based

- Consideration of the significant risks should go hand in hand with LTFP
- Low probability events/projects/development need to be considered
- Unpredictable but inevitable events need to be included in financial planning – bushfires/disaster recovery

## Strategic Plan – long term aspects

- A financial strategy will need consider a future well beyond the life of the current strategic plan.
- Council's vision could be relevant

## Major Projects

- Major projects need to be considered
- How should potential projects that are dependent on grants be treated?
- Consideration of the risk register should go hand in hand with LTFP.

## Data Driven Decision Making

- Test opinions and assumptions.

# Cutting costs

## The most realistic way to cut costs is to reduce services

- Overheads may not be sensitive to service changes.
- Marginal costing may be more relevant, this can require extensive analysis.
- Contractual obligations may limit ability to change services.
- Community expectations need to be considered.

## First step could be to stop increasing services

- Capital expenditure on new or upgraded assets is highly likely to be an increase to service levels and lead to increasing costs.
- Additional services are frequently added while old services are rarely stopped.

## Review asset portfolio

- Depreciation costs \$12m (\$5m roads, \$2m buildings).
- Maintenance costs are on top of this.
- Selling/donating assets could cut costs.

## Community

- Cutting services will impact the users, early engagement will avoid surprises

*It is likely that any conversation around financial sustainability will want to consider cutting costs.*

*Costs are driven by services, so the two need to be connected.*

*Reducing budget while maintaining the expectation of service deliverer may be both ineffective and dysfunctional.*

*Business Improvement should be a constant activity and should be resourced appropriately to ensure efficiency is achieved.*

# Suggested approach

## Use the LTFP process to develop a strategy

- Establish realistic long-term goals that are as universally acceptable as practicable.
- Establish upper bounds of rate rises that are feasible over the life of the plan.
- Set realistic but 'preferred' levels for rate rises.
- Review Asset Portfolio to identify those not required
  - Properties are the most likely category
  - Develop objective assessment criteria to identify surplus assets
  - Set monetised goals for any asset reduction strategy.
- Review services to establish those that can be reduced,
  - Set monetised goals for service reduction.
- Community consultation on service level changes to ensure that they are achievable.
- Set realistic 'goal' indicators (ranges are better than specific targets).
- Set interim indicators throughout the life of the plan.
- Use the Strategic Plan to identify service level increases and set financial limits for them
  - estimated costs need to be realistic and serve as constraints.
- Detailed LTFP modelling will be undertaken by the administration.
- Initial LTFP model/s will be presented to Council for discussion.
- Consider scenarios where alternatives are considered.
- Include the inevitable events
  - Bushfires
  - Remediation costs
- Prepare scenarios that consider less probable outcomes.



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**ADELAIDE HILLS COUNCIL  
AUDIT COMMITTEE MEETING  
Monday 18 November 2024  
AGENDA BUSINESS ITEM**

**Item:** 8.10

**Responsible Officer:** Gary Lewis  
Director Corporate Services  
Corporate Services

**Subject:** 2024-25 Budget Review 1

**For:** Decision

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**SUMMARY**

The *Local Government (Financial Management) Regulations 2011* (the Regulations) requires Council to formally consider its budget three times per year. This statutory requirement recognises the likelihood that events will occur that require or offer opportunities for changes to the budget during the year.

This report presents Budget Review (BR1) of the 2024-25 financial year to the Audit Committee for review. Budget Review 1 is built on the budget that was adopted by Council in its Annual Business Plan and the previously adopted Carry Forwards adjustments. BR1 will be submitted to Council for consideration on 26 November 2024.

Whilst the proposed budget variations has decreased Council's 2024/25 expected outcome from an operating surplus of \$0.457m to a deficit of \$1.728m (representing a decrease of \$2.186m), the underlying operating surplus (i.e., after the removal of once off adjustments for depreciation, capitalisation of salaries and project management fees) remains unchanged due to adjustments to grant revenue and positive vacancy management. These are offset by additional costs, notably legal fees. This is documented in **Appendix 2**.

Following the carrying forward of capital expenditure budgets of \$2.143m, the BR1 process has included a review of the total capital program and is recommending that it be increased. The budget currently stands at \$18.320m (excluding the aforementioned carry-over) and is recommended to be increased by \$2.218m to \$20.548m. This is documented in **Appendix 3**.

As a result of the proposed operating and capital adjustments and adjustment to the reflect the actual start of year balance following completion of the financial year-end process, Council's Net Borrowing Result for the year is projected to remain materially the same at \$34m.

**RECOMMENDATION**

**The Audit Committee resolves:**

1. That the report be received and noted.
2. To recommend to Council the proposed budget adjustments presented in Budget Review 1 which result in:

- a. **A decrease in the Operating Surplus from \$0.457m to a deficit of \$1.728m for the 2024-25 financial year.**
  - b. **Changes to Capital Works increasing capital expenditure by \$2.218 million for the 2024-25 financial year resulting in a revised capital expenditure budget of \$20.548 million.**
- 

## 1. BACKGROUND

At the Special Council meeting held on the 01 July 2024, Council adopted the original *2024-25 Annual Business Plan and Budget*, reflecting a Budgeted Operating Surplus of \$0.457m.

The Regulations require Council to formally consider its budget three times per year. This statutory requirement recognises the likelihood that events will occur that require, or offer opportunities for changes to, the budget during the year. This report presents the first Budget Review (BR1) of the 2024-25 financial year.

Where possible Council's customary practice is to include Budget Reviews as an agenda item at Audit Committee meetings prior to consideration of Council.

### **Budget Review Presentation**

In accordance with the Regulations the Uniform Presentation of Finances showing the movements in the current and proposed budgets is provided as **Appendix 1** to this report.

## 2. ANALYSIS

### ➤ **Strategic Management Plan/Council Policy**

Strategic Plan 2020-24 – A brighter future

Goal 5                      A Progressive Organisation

Objective O3              Our organisation is financially sustainable for both current and future generations

Priority O3.1                Ensure the delivery of agreed strategic plan requirements whilst meeting endorsed long term targets for a sustainable operating surplus and level of debt

Objective O5                We are accountable, informed, and make decisions in the best interests of the whole community

Priority O5.1                Enhance governance structures and systems to prudently adapt to changing circumstances and meet our legislative obligations

Priority O5.3                Demonstrate accountability through robust corporate planning and reporting that enhances performance, is relevant and easily accessible by the community

A key aspect of Council's formal budget reviews is to review and monitor Council's Annual Budget with reference to its overall financial position and its *Long Term Financial Plan* (LTFP) to ensure Council continues to be financially sustainable.

### ➤ **Legal Implications**

The undertaking of formal budget reviews is a requirement of the *Local Government Act 1999*, and the *Local Government (Financial Management) Regulations 2011*.

➤ **Risk Management Implications**

Conducting the budget review process as required by Regulations will assist in mitigating the risk of:

*Failure to conduct the budget review process as required by Regulations results in inaccurate budgets and unforecasted deficits leading to inadequate resourcing for current and future activities.*

Inherent Risk	Residual Risk	Target Risk
Medium (4D)	Low (2E)	Low (2E)

It ensures that financial resources are deployed in areas that align with Council’s Strategic Management Plans, are affordable and support Council’s *Long Term Financial Plan*.

➤ **Financial and Resource Implications**

The proposed BR1 budget changes decrease Council’s Operating Surplus by \$2.186m from \$0.457m to a deficit of \$1.728m. However, the underlying operating surplus (i.e., after the removal of once off adjustments) remains in alignment with original budget at \$0.457m.

In terms of capital, it is proposed to keep Capital Income unchanged and to increase Capital Expenditure by \$2.218m.

As a result of the proposed operating and capital adjustments and adjustment for the opening position for the year, Council’s Net Borrowing Result (from the Uniform Presentation of Accounts) for the year will remain materially the same at \$34m.

It should be noted that the figures in this report and supporting appendices have been rounded and consequently individual sub-totals, whilst being correct, may differ slightly from the sum of the rounded amounts.

➤ **Customer Service and Community/Cultural Implications**

There is a high expectation that Council has appropriate financial governance processes in place including the review of the budget periodically.

➤ **Sustainability Implications**

Financial sustainability is foundational to the Sustainability of Council. The Budget Review process is a key point of control in the financial year where the ongoing financial sustainability can be reviewed.

➤ **Engagement/Consultation conducted in the development of the report**

*Council Committees:* Not Applicable  
*Council Workshops:* Not Applicable  
*Advisory Groups:* Not Applicable  
*External Agencies:* Not Applicable  
*Community:* Not Applicable

➤ **Additional Analysis**

**Budget Review 1 Proposed Adjustments**

\$000s	2024-25 Current Budget	Proposed BR1 Adjustments	Revised Budget after BR1
Operating Income	60,145	798	60,943
Operating Expenditure	59,688	2,984	62,672
<b>Operating Surplus / (Deficit)</b>	<b>457</b>	<b>(2,186)</b>	<b>(1,728)</b>
Depreciation	11,798	1,301	13,099
Capital income	3,876	1	3,877
Capital Expenditure	18,320	2,218	20,538

**Operating budget analysis – Refer Appendix 2**

The proposed operating budget adjustments are outlined in the table below:

\$000s	2024-25 Current Budget	Proposed BR1 Adjustments	Revised Budget after BR1
Operating Income	60,145	798	60,943
Operating Expenditure	59,688	2,984	62,672
<b>Operating Surplus / (Deficit)</b>	<b>457</b>	<b>(2,186)</b>	<b>(1,728)</b>
<u>Once off adjustments</u>			
<b>Add back:</b> Depreciation		1,301	
<b>Add back:</b> Salary Capitalisation		884	
<b>Underlying Operating Surplus</b>	<b>457</b>	<b>-</b>	<b>457</b>

Operating Income - \$0.798m increase

- Unbudgeted grants revenue of \$ 0.492m for the Local Roads and Community Infrastructure Program, and \$0.137m for supplementary Local Roads Funding has already been received. Although there is an expectation of further receipts, this has not been brought into the budget due to uncertainty of timing and amount of receipt.
- Unbudgeted additional energy recoveries from tenants of \$0.060m are offset by unbudgeted additional energy costs.
- Various minor items contributing an extra \$0.109m to income.

The proposed operating budget adjustments are outlined in the table below:

\$000s	2024-25 Current Budget	Proposed BR1 Adjustments	Revised Budget after BR1
Operating Expenditure	59,688	2,984	62,672
<b>Composed of:</b>			
<u>Once off adjustments</u>			
Employee costs		(331)	
Contractors		567	
Legal fees		170	
Licensing fees		40	
Prescribed expenses		78	
Other		49	
<u>On-going adjustments</u>			
Depreciation		1,301	
Salary capitalisation		884	
Energy		93	
Insurance		50	
Levies		15	
Other		67	

#### One off adjustments

- Savings in employee costs of \$0.331m over and above those that were included in the original budget have been identified across the business.
- Additional contractor costs of \$0.567m have arisen across the business. These costs have arisen for various reasons including Council resolutions to deliver additional services, and to provide additional resources in areas of the business where vacancies exist.
- Additional legal fees of \$0.170m are expected to be spent, to deal with a range of legal matters before the Council.
- Additional licensing fees of \$0.04m for various ICT projects, including the provision of mobiles to field staff have been identified as required.
- Leasing costs of \$ 0.037m incurred in 2023-24 in relation to ICT assets have been paid in 2024-25, as well as on-going leasing costs of \$0.041m for those assets which remain under lease. A project is underway to return these assets and cancel the leases.

#### On-going adjustments

- Additional depreciation costs of \$1.301m have been identified because of the revised asset values.

- A detailed review of the capitalisation of salaries has been undertaken. This has identified \$0.884m of staff costs which are currently treated as a capital cost. However, the staff are no working on capital projects and thus their costs are required to be treated as an operating cost. There is a corresponding adjustment to the capital budget. Refer to **Appendix 3**.
- Additional energy costs of \$0.091m have been identified across Council. It is expected that \$0.060m of this is recoverable from tenants.
- Additional asset insurance costs of \$0.050m have been identified and have arisen because of the increase in the asset values following the revaluation exercise undertaken as part of the 30 June 2024 year-end process.
- Additional levies of \$0.015m predominantly arising from increases in the State Government e-Planning system have been identified. This is a mandated services which Council is required to use.

### **Forecast underlying operating surplus (Risks and Opportunities)**

In addition to the proposed BR1 adjustments noted above, as part of the detailed operating budget review undertaken, certain risks and opportunities have been identified. These have not been included in the proposed budget adjustments as the timing or amount (or both) of the adjustment is unclear at present.

<b>Risks and Opportunities</b>
<b>Risk:</b> Legal fees
<b>Risk:</b> Depreciation – ICT
<b>Risk:</b> Salary Capitalisation
<b>Risk:</b> Provision for remediation - Ashton
<b>Opportunity:</b> Grant revenue
<b>Opportunity:</b> Vacancy Management

### **Risks**

- **Legal fees:** In addition to the legal fees noted above, it is expected that additional legal fees of \$0.230m are expected to be spent, to deal with a range of legal matters before Council.
- **Depreciation – ICT:** As part of the organisation wide asset review, several ICT assets have been identified which are redundant. Further, there appear to be several assets which are being depreciated over a useful life of 10 years. It may be considered more appropriate to depreciate them over 3 years. This review is on-going, and it is expected that it will be completed prior to the mid-year review.

- **Salary capitalisation:** As part of the organisation wide asset review, an assessment of the salary capitalisation process is being undertaken. It is probable that, as part of this review, additional salary costs may be identified which should be removed from the capital and be expensed.
- **Ashton provision:** Upon resolution by Council of the on-going matter of the former landfill site at Ashton, a provision for remediation costs may be required. This provision will bring to account the Council’s remaining obligations.

### Opportunities

- **Grant Revenue:** It is expected that additional grant revenue and cost recoveries in relation to below the below projects are to be received. The amount and timing of their recognition is dependent upon several factors, many of which are outside of the Council’s control. Due to this uncertainty, the amounts over and above those which have already been received into the bank have not been recognised.
  - Community Development Grants Program project - Amy Gillett Bikeway; and
  - Local Roads and Community Infrastructure Program
- **Vacancy Management:** Further updates to vacancy management will occur through the remainder of the year, as positions are filled and become vacant. This will be further updated and refined through the mid-year review process.

### Capital budget analysis – Refer Appendix 3

In the preparation of this budget review there has been a significant review of the capital budgets.

The adoption of two tranches of carry forwards from the 2023-24 budget into 2024-25, has increased the capital budgets for 2023-24. A review of recent history and Council’s ability to deliver the budgeted projects has been conducted as part of BR1. The outcome of this review is presented below. Whilst Council is reasonably confident about it’s ability to deliver the Capital program, this will be closely monitored in the coming period with further updates expected as part of the mid-year review. Refer table below for summary:

\$000's Capital Expenditure	ABP	ABP Carry Forward	BR1 change	Revised Budget
Renewal/Replacement of maintenance equipment	1,500	100	1,000	2,600
Revised equipment	1,000	1,000	100	2,100
<b>Total Budgeted Capital Projects</b>	<b>16,552</b>	<b>1,768</b>	<b>2,218</b>	<b>20,538</b>

#### Carry-over capital expenditure 2023-24

\$2.143m of capital expenditure was carried over from 2023-24. The specifics of these are detailed in Appendix 3.



### **3. OPTIONS**

The Committee has the following options:

- I. To receive and note this report and recommend to Council the proposed budget adjustments presented in Budget Review 1 as prepared (Recommended).
- II. To make additional comments or suggestions to Administration to consider prior to finalising Budget Review 1.

### **4. APPENDICES**

- (1) 2024-25 Budgeted Uniform Presentation of Finances
- (2) Operating Budget Review 1 Proposed Changes
- (3) Capital Works Budget Review 1 Proposed Changes

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# **Appendix 1**

*2024-25 Budgeted Uniform Presentation of Finances*

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**Adelaide Hills Council**  
**BUDGETED UNIFORM PRESENTATION OF FINANCES**  
**2024-25 Budget**

2023-24 Actuals		2024-25 Revised Budget (BR0) \$'000	BR1 Change	2024-25 Revised Budget (BR1) \$'000
<b>\$'000</b>				
	<b>INCOME</b>			
48,389	Rates	51,442	0	51,442
1,520	Statutory charges	1,523	0	1,523
934	User charges	1,033	0	1,033
544	Grants, subsidies and contributions - Capital	214	721	935
4,081	Grants, subsidies and contributions -Operating	5,002	0	5,002
35	Investment income	26	0	26
398	Reimbursements	202	60	262
512	Other income	600	18	618
142	Net gain - equity accounted Council businesses	103	0	103
<b>56,555</b>	<b>Total Income</b>	<b>60,145</b>	798	<b>60,943</b>
	<b>EXPENSES</b>			
21,915	Employee costs	24,540	554	25,094
25,886	Materials, contracts & other expenses	22,768	1,129	23,897
12,270	Depreciation, amortisation & impairment	11,798	1,301	13,099
758	Finance costs	582	0	582
79	Net loss - equity accounted Council businesses	0	0	0
<b>60,908</b>	<b>Total Expenses</b>	<b>59,688</b>	2,984	<b>62,672</b>
<b>(4,354)</b>	<b>NET BUDGETED SURPLUS / (DEFICIT) BEFORE CAPITAL AMOUNTS</b>	<b>457</b>	<b>(2,186)</b>	<b>(1,728)</b>
	<b>Net Outlays on Existing Assets</b>			
<b>(11,115)</b>	Capital Expenditure on Renewal and Replacement of Existing Assets	<b>(12,501)</b>	<b>(1,388)</b>	<b>(13,889)</b>
792	Proceeds from Sale of Replaced Assets	645	0	645
12,270	Depreciation	11,798	1,301	13,099
<b>1,947</b>	<b>NET OUTLAYS ON EXISTING ASSETS</b>	<b>(58)</b>	<b>(87)</b>	<b>(145)</b>
	<b>Net Outlays on New and Upgraded Assets</b>			
<b>(6,237)</b>	Capital Expenditure on New and Upgraded Assets & Remediation costs	<b>(5,819)</b>	<b>(830)</b>	<b>(6,649)</b>
3,277	Capital Grants and Monetary Contributions for New and Upgraded Assets	3,191	1	3,192
0	Proceeds from Sale of Surplus Assets	40	0	40
<b>(2,960)</b>	<b>NET OUTLAYS ON NEW AND UPGRADED ASSETS</b>	<b>(2,588)</b>	<b>(830)</b>	<b>(3,418)</b>
<b>(5,367)</b>	<b>NET LENDING/ (BORROWING) RESULT FOR FINANCIAL YEAR</b>	<b>(2,189)</b>	<b>(3,102)</b>	<b>(5,291)</b>
<b>(28,411)</b>	<b>Net Financial Liabilities at Beginning of Year</b>	<b>(28,411)</b>	0	<b>(28,411)</b>
<b>(247)</b>	Decrease / (increase) in Other	<b>(200)</b>		<b>(440)</b>
<b>(103)</b>	Non Cash Equity Movement	<b>(103)</b>	0	<b>(103)</b>
<b>(34,127)</b>	<b>Net Financial Liabilities at End of Year</b>	<b>(30,903)</b>	<b>(3,342)</b>	<b>(34,245)</b>

It should be noted that the figures in this appendix have been rounded and consequently individual sub-totals, whilst being correct, may differ slightly from the sum of the rounded amounts.

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## **Appendix 2**

### *Operating Budget Review 1 – Proposed Changes*

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Budget Review 1 2024/25					
Account Description	Current Budget: Exp / (Inc)	Change: FAV / (UNFAV)	2024-25 Revised Budget	Status One-off or Ongoing	Comments
<b>CEO</b>					
FINANCIAL MANGT: Insurance: Insurance Building & Contents	525,000	-50,000	575,000	Ongoing	LGRS quote for Assett insurance is \$575,000 (see audit committee report 13 August 2024)
GOVERNANCE: Operations: Legal Fees	50,000	-150,000	200,000	One-Off	Managing ongoing complex legal matters
<b>COMMUNITY &amp; DEVELOPMENT</b>					
DEVELOPMENT SERVICES: Arboriculture: Contractors	2,090	-8,000	10,090	Ongoing	Change in Regulated Tree Legislation increasing number of arboriculture review reports
DEVELOPMENT SERVICES: Levies: Other Fees	65,650	-12,900	78,550	Ongoing	Council Levy for State ePlanning System 2024-25 increased by \$12,900
DEVELOPMENT SERVICES: Litigation: Court Fees	66,410	-20,000	86,410	One-off	PC Infrastructure Appeal Special Counsel engaged for Hearing and Statement of Issues preparation
DEVELOPMENT SERVICES: Recoverables: Legal Fees	-20,240	10,000	-30,240	One-off	Increase in Q1 recoverables
DEVELOPMENT SERVICES: Revenue: Expiation Fees	-12,530	2,000	-14,530	One-off	Increase in Q1 expiations raised
FABRIK: Programs: Advertising	4,050	-13,200	17,250	Ongoing	Requested as an on-going increase, as approved in Fabrik's Business Implementation Plan
Legal Fees Native Vegetation Encroachment Enforcement	0	-5,000	5,000	Ongoing	Legal Representation Fees to enable Native Vegetation encroachment Policy to be enforced (\$20k for full yr)
<b>CORPORATE SERVICES</b>					
ICT: Information Technology: Telephone - Mobile	100,000	-12,600	112,600	One-off	Mobile plans for 45 outdoor workforce (\$35/m each x 8 months for 24/25 then extra \$19k/yr ongoing)
ICT: Cyber & Systems Security Program Mngt: Contractors	30,320	-34,000	64,320	One-off	ERP System Cyber Security Pen Tests, internal and external, increase in Cloud security subscription for CRM
INFORMATION SYSTEMS: Software Licenses: License - Software	1,100,000	-40,300	1,140,300	One-off	Extra 45 Outdoor mobile Microsoft F5 user lic \$10,8k, Adobe user lic \$1.5k, Microsoft Virtual workstation and VPNs to replace VMWare Horizon \$25k (offset next FY from horizon licensing saving 25/26 of \$42k/y), 30% uplift CentrePal \$3k
ICT: Operations: Equipment & Supplies	18,050	-4,500	22,550	One-off	2 x Sine systems to support Council meeting sign'n's
ICT: Hardware Licences: Leasing	0	-78,400	78,400	One-off	Last qtr Leasing invoice (\$36,989ex) plus \$13,800 per qtr ongoing for FY2024/25
CORPORATE MANGT CC: Communications: Contractors	66,610	-11,000	77,610	Ongoing	Media monitoring contract was signed with Meltwater for 12 months at request of CEO \$11,000
COMMS EVENTS: Digital Communication: Contractors	5,450	-5,000	10,450	Ongoing	Annual cost for website improvements and changes outside of the maintenance agreement. Without this funding the website will become outdated and ineffective. Ongoing budget will be \$10k per annum.
CORPORATE MANGT CC: Communications: Contractors	66,610	-23,500	90,110	One-off	Strategic Communication and Engagement Plan update Phase 2, resolved by Council on 10 Sept 2024, Confidential minute 19.3.1,
CORPORATE MANGT CC: Consultation: Community Forum	0	-3,250	3,250	Ongoing	budget removed in 23/24 BR3 as part of Budget savings process being reinstated
PEOPLE & CULTURE: Operations: Contractors	2,300	-50,000	52,300	One-off	\$5k for OHS, \$30k for Recruitment, \$15k for Ops Contractors
<b>ENVIRONMENT &amp; INFRASTRUCTURE</b>					
WASTE MANGT: Domestic Waste Collections: East Waste	3,085,540	-35,536	3,121,076	One-off	Late adjustments to waste collection budget received at time of budget adoption so held over to BR1 to accommodate increase.
SPORT & RECREATION: Mylor Court Storm Damage: Contractors	0	-35,621	35,621	One-off	Insurance claim received last year, works have been delayed due to the inclement weather preventing the court resurfacing works to be completed last FY. Hence occurring in CY.
LAND: Road Widening: Other	0	-15,000	15,000	One-off	Council resolution 24/09/2024 to purchase land for road widening at Tiers Rd/Vickers Road Lenswood
FABRIK: Outgoings & Utilities	14,550	-33,450	48,000	Ongoing	Increase electricity budget to reflect actual. Budget to be transferred to property to manage power bills for Fabrik
LIB SERV : GUMERACHA: Maintenance: Contractors	7,990	-3,000	10,990	One-off	Increase to reflect actual
BUILDINGS: General Property: Other Fees	2,620	-20,000	22,620	One-off	Increase to reflect actual - settlement of Woodside Splash park contractual matter (Farley Pools)
BUILDINGS: Levies: Council Properties	10,390	-1,610	12,000	Ongoing	Increase to reflect actual ESL bill
OPEN SPACE: Revenue: Apprenticeship Contribution	0	5,600	-5,600	One-off	Unbudgeted apprenticeship contribution
PLANT, EQUIPMENT AND STORES: Plant: Equipment & Supplies	0	-20,000	20,000	Ongoing	Budget reallocated from Capex
STRATEGIC ASSETS: Asset Register: Contractors	52,210	-49,430	101,640	One-off	Stormwater Management Plan reallocation from Capex
ROADS : SEALED: Revenue: Grant - Other	0	137,861	-137,861	One-off	Remaining funding for Blackspot Proj#4041 transferred to Opex
ROADS : SEALED: Maintenance: Contractors	83,560	-126,520	210,080	One-off	Final services and land acquisition payments for Blackspot 21/22 - Warren/Luckey Hill/Martin Hill Rds
ROADS : SEALED: Local Rds & Comm Infrastructure Program: Grant	-297,576	492,861	-790,437	One-off	LRCIP Phase 4, approved on 25/06/24
<b>VACANCY MANAGEMENT</b>					
Salaries and Wages		213,495		One-off	Additional vacancies in excess of initial target
<b>DEPRECIATION CHANGES</b>					
Depreciation Adjustments	11,238,390	-1,301,375	12,539,765	Ongoing	Updated the budget based on 2023-24 reported actuals
<b>SALARIES CAPITALISATION</b>					
Salaries Capitalisation Adjustments	-2,378,640	-884,330	-1,494,310	Ongoing	Update the Salaries Capitalisation budget based on 2023-24 actuals.
		-2,185,705			

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## **Appendix 3**

*Capital Works Budget Review 1 - Proposed Changes*

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**2024-25 CAPITAL BUDGET REVIEW 1**

Project Description	Asset Classification	Asset Category	Current Budget	Change FAV / (UNFAV)	Revised Budget	Comment
<b>CAPITAL EXPENDITURE 2024-25</b>						
Fabrik - AHBTC - Driveway Renewal	Buildings	Renewal	\$0	-\$100,000	\$100,000	The current driveway is crumbling and unsafe with exposed reinforcing which will damage vehicles/tyres and presents a hazard. Negotiations have ensued with tenant and community corporation responsible for the shared driveway. AHC will be responsible for 50% of the renewal costs equating to \$50,000. Budget will show as \$100k gross expenditure with a \$50k offsetting income.
FABRIK - Activation of Arts & Heritage Hub	Buildings	New	\$210,000	-\$275,000	\$485,000	Funds required to complete the project, particularly fire safety and other additional works identified during the final stages of construction.
FABRIK - Changing Places Toilet	Buildings	New	\$151,169	-\$25,000	\$176,169	Additional funding to accommodate unavoidable cost overruns.
Building Renewals	Buildings	Renewal	\$25,500	-\$12,000	\$37,500	Unplanned capital replacments - Failed airconditioning system at Nairne Road Office and main external entry door operator replacement at Gumeracha Civic Centre.
Uraidla Hall Ceiling	Buildings	Renewal	\$0	-\$15,000	\$15,000	Wall repairs at Uraidla Institute - to be done with ceiling repairs (see separate item)
General ICT Renewals	ICT	Renewal	\$340,424	-\$63,424	\$403,848	Additional for PC fleet replacement and MFD Printing fleet replacement
Plant Replacement Program	Plant & Equipment	Renewal	\$896,000	-\$292,841	\$1,188,841	
Small Equipment	Plant & Equipment	Renewal	\$20,000	\$20,000	\$0	Small equipment not of capital nature moved to Opex
Major Road Patch	Roads	Renewal	\$305,000	-\$212,000	\$517,000	contract rate increases for construction and area of pavement works required has increased to completed program
Road Safety Program	Roads	Renewal	\$674,000	\$674,000	\$0	The allocation is not required as a number of Blackspot Projects were not successful.
Blackspot 21/22 - Warren/Luckey Hill/Martin Hill Rds	Roads	New	\$81,520	\$81,520	\$0	Transfer to Opex as not our asset
Longwood Road HEATHFIELD Heavy Patch & Seal	Roads	Renewal	\$300,000	-\$650,000	\$950,000	Increased tender rates and additional funding required to complete full scope. Offset with 400,000 funding from SLRP.
Balhannah Court Resurfacing	Sport & Recreation	Renewal	\$0	-\$30,000	\$30,000	Contribution to court resurfacing project, co-funded by OSRR and local club
Crafers Court Resurfacing	Sport & Recreation	Renewal	\$0	-\$36,000	\$36,000	Contribution to court resurfacing project, co-funded by OSRR and local club
Piccadilly Court Resurfacing	Sport & Recreation	Renewal	\$0	-\$65,000	\$65,000	Contribution to court resurfacing project, co-funded by OSRR and local club. Additional subsurface work required at this site.
Woodside Court Resurfacing	Sport & Recreation	Renewal	\$0	-\$30,000	\$30,000	Contribution to court resurfacing project, co-funded by OSRR and local club
Court Resurfacing Renewals REGIONWIDE	Sport & Recreation	Renewal	\$80,000	\$80,000	\$0	Individual identified projects under 4021 -reallocation needed
Cricket Pitch Renewals REGIONWIDE	Sport & Recreation	Renewal	\$54,000	\$54,000	\$0	No cricket pitch renewals required this year. Can offset extra in courts resurfacing.
Mylor Oval Bore Renewal	Sport & Recreation	Renewal	\$0	-\$80,000	\$80,000	Replace existing bore, which failed unexpectedly. Includes pipework connections and pump shed.
Aldgate, Bridgewater, Crafers & Stirling SMP	Stormwater	New	\$49,430	\$49,430	\$0	Ongoing project that is stormwater planning and is operational in nature.
Uraidla Memorial Park access road re-surfacing	Roads	Renewal	\$0	-\$38,000	\$0	Council resolution 27/08
Gumeracha Depot - Tree Structure Stabilisation	Open Space	New	\$0	-\$24,000	\$24,000	Essential risk mitigation action - Fabrication and installation of an engineered tree support system to stabilise the structural integrity of a remnant Red Gum Tree situated to the eastern side of the Gumeracha works depot.
Minor Stormwater Projects	Stormwater	Renewal	\$120,000	-\$30,000	\$150,000	Additional costs associated with unique solutions required at two sites in the existing capital program.
Project Management Costs		Renewal			\$884,330	Reduction of capitalised salaries based on 2023-24 actuals
				-\$134,985		

**2024-25 CAPITAL BUDGET REVIEW 1**

Project Description	Asset Classification	Asset Category	Current Budget	Change FAV / (UNFAV)	Revised Budget	Comment
<b>DEFERRED PROJECTS FROM 2023-24</b>						
Uraidla Hall Ceiling	Buildings	Renewal	\$0	-\$65,000	\$65,000	Ceiling repair works deferred from 23-24 to allow for project to be rescoped with wall repairs.
CWMS Pump Renewals	CWMS	Renewal	\$0	-\$50,000	\$50,000	Deferred from 23-24 due to procurement timing
General ICT Renewals	ICT	Renewal	\$263,424	-\$77,000	\$340,424	23-24 deferral for ICT equipment renewal, PC fleet replacement and MFD Printing fleet replacement
Plant Replacement Program	Plant & Equipment	Renewal	\$1,188,841	-\$1,000,000	\$2,188,841	
LRCIP Junction Road Stormwater Kurla to Railway	Roads	New	\$0	-\$380,000	\$380,000	This project is funding from Phase 4 of LRCIP, schedule approval has been provided and project required to be delivered by 30 June 2024 – Council’s contribution from LRCIP approved work schedule is \$380,000.
23/24 LRCIP Marble Hill Slip	Roads	New	\$0	-\$150,000	\$150,000	This project is funding from Phase 4 of LRCIP, schedule approval has been provided and project required to be delivered by 30 June 2024 – Council’s contribution from LRCIP approved work schedule is \$150,000.
LRCIP Knotts Hill Ropad Slip Ashton/ Basket Range	Roads	New	\$0	-\$87,000	\$87,000	This project is funding from Phase 4 of LRCIP, schedule approval has been provided and project required to be delivered by 30 June 2024 – Council’s contribution from LRCIP approved work schedule is \$87,000
LRCIP Fox Creek Rd Pavement	Roads	Renewal	\$0	-\$214,000	\$214,000	This project is funding from Phase 4 of LRCIP, schedule approval has been provided and project required to be delivered by 30 June 2024 – Council’s contribution from LRCIP approved work schedule is \$214,000
Bridgewater Oval Drainage	Sport & Recreation	New	\$0	-\$20,000	\$20,000	Deferred from 23-24 into 24-25 to align with OSRR grants.
Court Resurfacing Renewals REGIONWIDE	Sport & Recreation	Renewal	\$0	-\$40,000	\$40,000	Deferred from 23-24 into 24-25 to align with OSRR grants.
Shannon Road, Bridgewater, footpath	Footpath	New	\$0	-\$35,000	\$35,000	Project deferred from 23-24 to enable further work to be done on finding a suitable solution.
Towers Road, Bridgewater, drainage	Stormwater	Renewal	\$0	-\$25,000	\$25,000	Project deferred from 23-24 to enable further work to be done on finding a suitable solution.
				-\$2,143,000		
<b>Total Expenditure Change</b>					<b>-\$2,277,985</b>	

Capital Expenditure Changes  
Split as follows:

Renewal-	-\$1,412,935
New/Upgrade -	-\$865,050
	<b>-\$2,277,985</b>



**ADELAIDE HILLS COUNCIL  
AUDIT COMMITTEE MEETING  
Monday 18 November 2024  
AGENDA BUSINESS ITEM**

**Item:** 8.11

**Responsible Officer:** Zoë Gill  
Executive Governance Officer  
Office of the Chief Executive

**Subject:** Quarterly Risk Management Report

**For:** Decision

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**SUMMARY**

This report provides the Audit Committee with an update on Risk Management activities, including the current status of the Strategic Risk Profile and Management Plan.

In relation to the Strategic Risk assessments, there has been the following change since the August 2024 assessment. Please note that we are now reporting on fourteen (14) strategic risks while the August 2024 report contained thirteen (13) risks. One (1) new risks has been added in October for Information Services around 'Failure to deliver the business-critical Information Services delivered from the Open Office ERP'.

- Inherent Risk: 1x new Extreme due to new risk
- Residual Risk: 1x new Extreme due to new risk
- Target Risk: 1x new Medium due to new risk
- New Mitigation(s): Nil
- Completed: 73% (87)
- In Progress: 27% (32)
- Not Commenced: 0% (0)

A copy of the *SkyTrust Strategic Risk Register* is at **Appendix 1**.

**RECOMMENDATION**

**The Audit Committee resolves:**

- 1. That the Quarterly Risk Management Report be received, accepted and noted.**
-

## 1. BACKGROUND

Council's Strategic Risk Profile monitoring and reporting process has been in place since 2014 based on the, then, current Risk Management Policy and the Risk Management Framework.

The allocation of risk owners has been reviewed over time due to changes in the portfolio allocation within the Administration.

Reports on the Strategic Risk Profile have been provided to the Audit Committee and subsequently Council on a quarterly basis since February 2016.

At its 13 May 2019 meeting, the Committee reviewed the Risk Management Policy and noted that only minor nomenclature changes were required, prior to recommending it for Council's consideration. Council adopted the revised Policy at its 28 May 2019 meeting.

The Council has recently filled the position of a Risk, Audit and Insurance Officer, reporting to the Executive Governance Officer, which will now enable an ongoing review and further development of the Risk Management Framework. Until the review is in progress, Administration will continue to report in line with the current risk management framework. A copy of the SkyTrust Strategic Risk Register is at **Appendix 1**.

## 2. ANALYSIS

*Strategic Plan 2020-24 – A brighter future*

Goal 5	A Progressive Organisation
Objective O4	We actively represent our community.
Priority O4.3	Attract and develop a diverse and capable elected body that represents, promotes and reflects the composition of the community.
Priority O4.3	Advocate to, and exert influence with, our stakeholders on behalf of our community to promote the needs and ambitions of the region.
Objective O5	We are accountable, informed, and make decisions in the best interests of the whole community.
Priority O5.1	Enhance governance structures and systems to prudently adapt to changing circumstances and meet our legislative obligations.
Priority O5.2	Make evidence-based decisions and prudently assess the risks and opportunities to our community before taking action.

### ➤ Legal Implications

A number of sections of the *Local Government Act 1999* require councils to identify and manage the risks associated with its functions and activities. Further, s125 requires council to have appropriate internal controls.

Similarly, the *Work Health & Safety Act 2012* is structured around the protection of workers and others against harm to their health, safety and welfare through the elimination or minimisation of risk arising from work or specified substances or plant.

### ➤ Risk Management Implications

Improvements in the implementation of the risk management framework will assist in mitigating the risk of:

*A lack of effective risk management occurs which leads to greater uncertainty in the achievement of objectives and/or negative outcomes.*

Inherent Risk	Residual Risk	Target Risk
Extreme (5C)	Low (3E)	Low (3E)

Note that there are many other controls that assist in mitigating this risk.

➤ **Financial and Resource Implications**

While there are no direct financial or resource implications from this report, a number of Strategic Risk Profile and Management Plan treatments are impacted by funding limitations or have been accommodated in the *2023-24 Annual Business Plan and Budget*.

Council’s risk management processes can impact its insurance premiums.

➤ **Customer Service and Community/Cultural Implications**

There is a high expectation that Council has appropriate corporate governance processes in place, including an effective corporate risk management system.

➤ **Sustainability Implications**

There are no direct sustainability implications arising from this report.

➤ **Engagement/Consultation with Committee, Regional Subsidiary, Advisory Group and Community**

*Council Committees:* Not Applicable  
*Council Workshops:* Not Applicable  
*Advisory Groups:* Not Applicable  
*External Agencies:* Not Applicable  
*Community:* Not Applicable

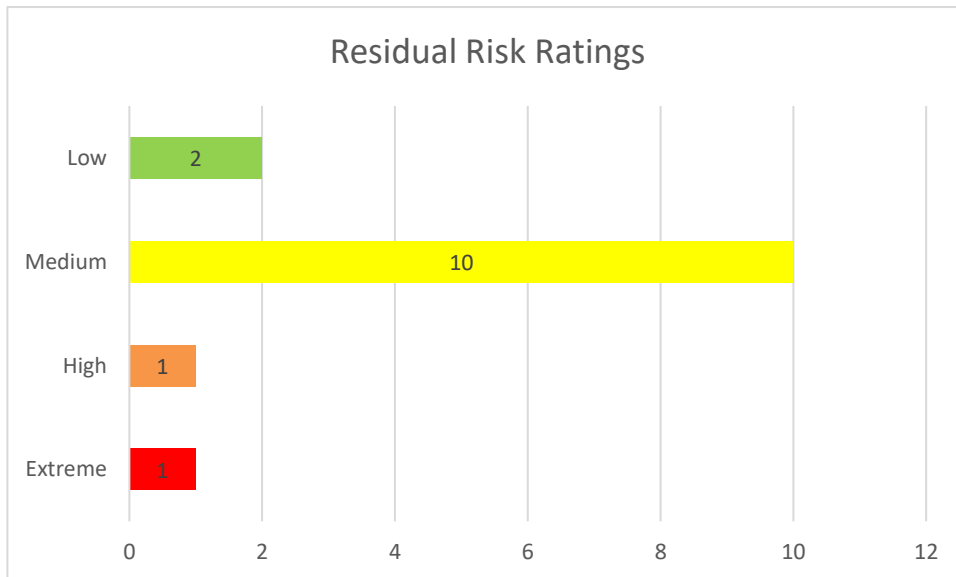
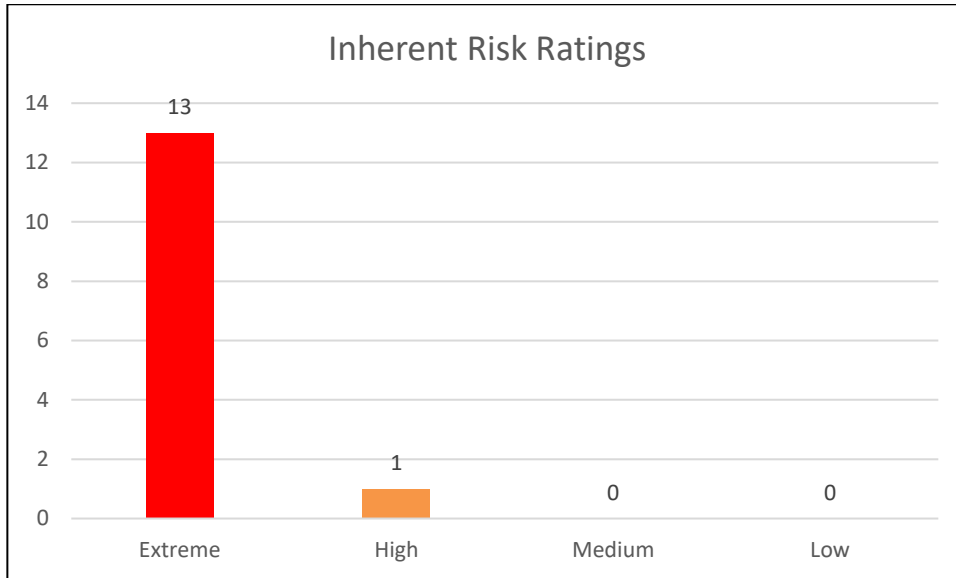
➤ **Additional Analysis**

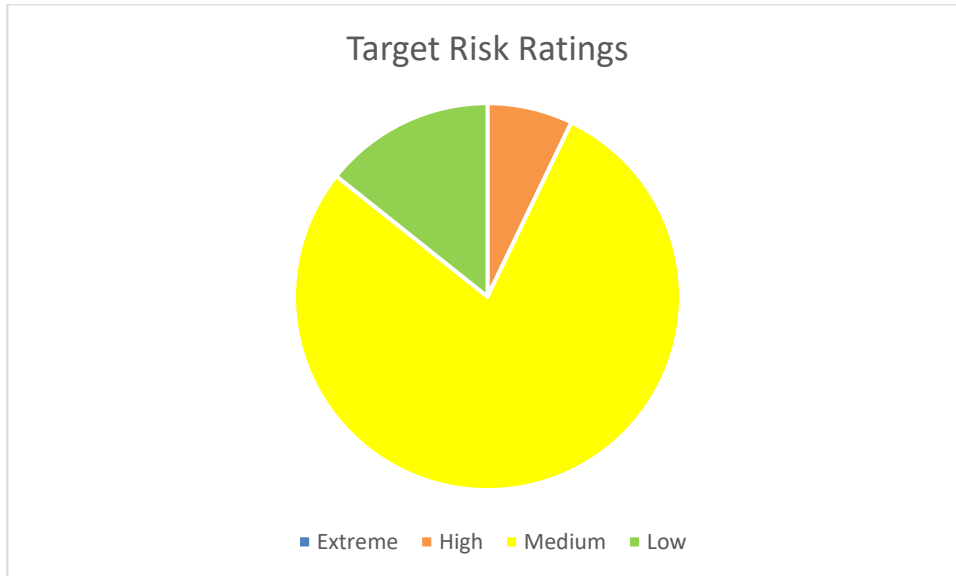
Strategic Risk Profile

The Strategic Risks are regularly reviewed and updated by the risk owners (Executive) including:

- Any updates in risk events, controls or consequences  
 Note: These updates can come as part of the regular reporting review or as triggered by legislation, environment or operational changes
- Any additions, changes or removal to the controls or mitigation actions in place for that particular risk
- The inherent, residual and target risk ratings

Risk Ratings



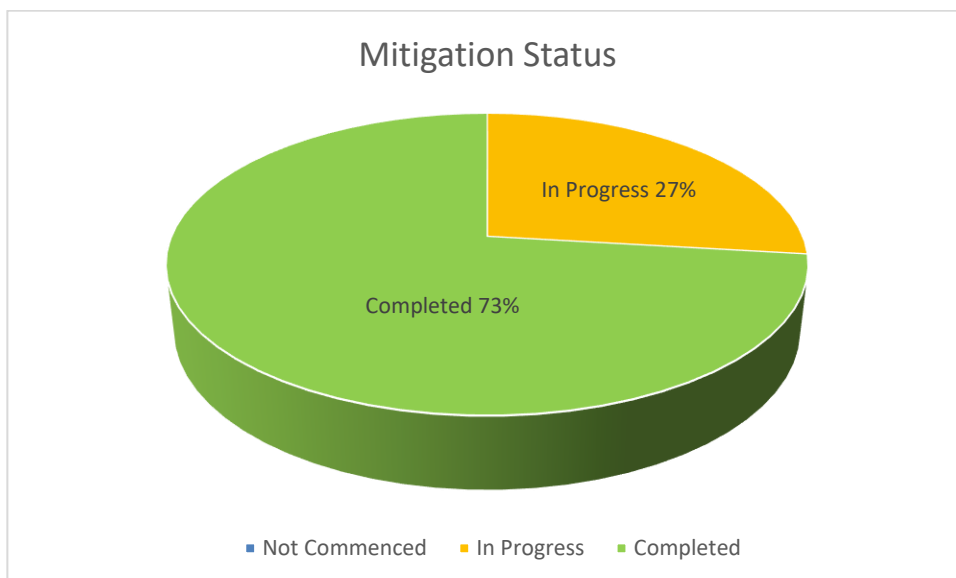


**Mitigation Actions**

There is currently 119 mitigation actions in place across all 14 of the strategic risks.

Status	Number	Percentage
Not Commenced	0	0%
In Progress	32	27%
Completed	87	73%

This is shown diagrammatically below:



**Risk Management Framework**

As identified through an action in the Strategic Risk Register, the Administration has continued to work on the Risk Management Framework. The key outstanding item has been improvements by the software provider to the registration functionality and reporting capabilities of the SkyTrust system.

Upon the employment of the new Risk, Audit and Insurance Officer, further exploration of the current system and/or alternate systems has commenced to ensure an effective corporate risk management system is available.

A Risk Management Project Plan is in the process of being developed to ensure that Council has an effective Risk Management Framework in place.

### **3. OPTIONS**

The Audit Committee has the following options:

- I. To note the update on the Strategic Risk Profile as presented (recommended).
- II. To determine not to note either or both updates and/or identify additional actions to be undertaken (not recommended).

### **4. APPENDIX**

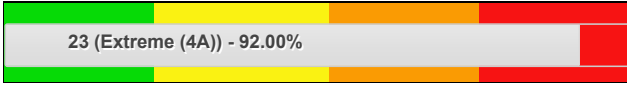
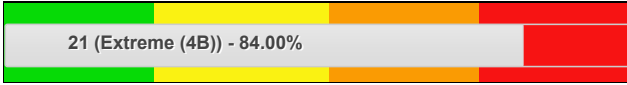
- (1) Strategic Risk Register – November 2024

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# **Appendix 1**


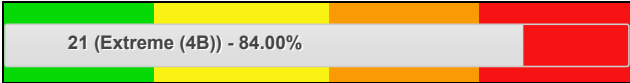

*Strategic Risk Register – November 2024*

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<b>ID:</b>	Risk - 340653
<b>Risk Title or Work Activity:</b>	Strategic Risk - Information Services
<b>Risk Description:</b>	Failure to deliver the business-critical Information Services delivered from the Open Office ERP.
<b>Responsible Person:</b>	Gary Lewis
<b>Date of Risk Identification:</b>	09/10/2024
<b>Corporate Risk?</b>	Yes
<b>Risk Type:</b>	Strategic
<b>Risk Category:</b>	Information Technology
<b>Team:</b>	Executive Leadership Team
<b>Location/Project:</b>	Other
<b>Possible Risk Events:</b>	Complete system failure due to unsupported SQL database and unsupported Windows server operating systems. This includes all financial services - property and rating, AR and AP, procurement, infringements, financial asset management, operational and statutory financial reporting. Application support risks stemming from lack of Open Office vendor support/expertise for improvements or meeting legislative changes due to the outdated application version. Higher risk of Cyber Security attack due to inability to patch unsupported Windows Server operating system, SQL database and vendor application.
<b>Possible Consequences:</b>	High financial impact to replace system when it fails. Staff unable to complete their BAU due to insufficient or non-accessible systems. Poor performance, poor reporting, poor recruiting due to limited, old systems. Inability to meet legislative requirements.
<b>Initial Risk Score:</b>	 23 (Extreme (4A)) - 92.00%
<b>Initial Risk Comments:</b>	The Open Office ERP system is currently on an unsupported Microsoft SQL database running an unsupported Microsoft Windows server operating systems with limited vendor support from Open Office due to the outdated application version, the system needs urgent attention for replacement. The system is noted in the Cyber Security Action Group item Internal - 25 ( <a href="https://adelaidehillscouncil.sharepoint.com/sites/CyberSecurityActionGroup2/Lists/Action%20Items/AllItems.aspx">https://adelaidehillscouncil.sharepoint.com/sites/CyberSecurityActionGroup2/Lists/Action%20Items/AllItems.aspx</a> ) as it doesn't comply with our LGA IT Cyber Security framework failing both Essential 8 and ISO27001 recommendations for system support and patch management.
<b>Residual Risk Score:</b>	 21 (Extreme (4B)) - 84.00%
<b>Residual Risk Comments:</b>	Current controls are ineffective leaving system at an unacceptable level of attack or failure and needs a planned replacement.
<b>Other Requirements/Comments:</b>	
<b>Current:</b>	Yes

Risk Controls					
Control Details	Reviewer	Next Review Date	Last Review Date	Review Notes	Control Effectiveness
Restricted access to internal networks for main server and application	Phil Mattingly	30/09/2025	09/10/2024		PARTIALLY EFFECTIVE (Designed Partially Adequately; Operating Effectively)



					
Cyber Security systems implementation for patching and monitoring	Phil Mattingly	30/09/2025	09/10/2024		INEFFECTIVEÂ (Designed Inadequately; Operating Effectively)
					
Vendor support contract with Open Office	John Gosbell	01/11/2025	09/10/2024		INEFFECTIVEÂ (Designed Inadequately; Operating Ineffectively)
					

**Actions**

Action Source	Action Required	Action Priority	Person Responsible	Extra Comments	Percent Complete	Status	Due Date
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**Documents**

Date Added	Document Name	Document Details
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**Saved PDF Versions**

Date Saved	Saved By	Revision	PDF Document
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<b>ID:</b>	Risk - 170933
<b>Risk Title or Work Activity:</b>	Strategic Risk - Community Land Management
<b>Risk Description:</b>	Failure to manage and develop public areas vested in, or occupied by the Council (F)
<b>Responsible Person:</b>	David Waters
<b>Date of Risk Identification:</b>	06/02/2021
<b>Corporate Risk?</b>	Yes
<b>Risk Type:</b>	Strategic
<b>Risk Category:</b>	Community Health & Wellbeing
<b>Team:</b>	Executive Leadership Team
<b>Location/Project:</b>	Other
<b>Possible Risk Events:</b>	Lack of strategic and operational processes to manage Council's property portfolio. Poor sports, recreation and open space management practices. Physical hazards to users Poor climate adaptation regimes Lack of maintenance Renewal works not undertaken as planned
<b>Possible Consequences:</b>	Increased cost to maintain infrastructure Reduced confidence in Council by the community Increased risks to staff and community when utilising facilities Disadvantage to AHC community over that of other areas Negative impact on community wellbeing
<b>Initial Risk Score:</b>	<p>25 (Extreme (5A)) - 100.00%</p>
<b>Initial Risk Comments:</b>	
<b>Residual Risk Score:</b>	<p>15 (High (5E)) - 60.00%</p>
<b>Residual Risk Comments:</b>	
<b>Other Requirements/Comments:</b>	
<b>Current:</b>	Yes

Risk Controls					
Control Details	Reviewer	Next Review Date	Last Review Date	Review Notes	Control Effectiveness

<p>CLMP Established: Karen: Dec 2024 Building Asset Management Plans Established: Karen: June 22 Sustainable funding for Asset Renewal and Mtce captured within LTFP: Chris / Karen: Annual Strategic Plan includes Goals / Objectives / Priorities associated with Public Areas : Karen: 2024 Sport &amp; Recreation Strategy: Renee : June 22 Property Structure &amp; Resourcing appropriate : Karen: Dec 22 Open Space &amp; Recreation Structure &amp; Resourcing appropriate : Chris : Dec 22 Audit of trees undertaken of high risk trees areas : Damian : Oct 2023 Inspection regime in place for high risk assets (building, playground equipment) : Customer Request System established and integrated with Asset Mgt System : David W : Dec 22 Cemeteries Operating Policy &amp; supporting mtce program: Alana: Dec 21 Leases and Licenses for public areas established: Gen : June 2023 Trails Strategy adopted : Renee : June 22 Strategic Bicycle Plan : Renee : June 22 Crown Land Review Completed</p>		01/03/2025	11/11/2024	A cross functional review of this risk was undertaken in July 2021. This review resulted in a reassessment of all controls and actions required.	Moderate reduction in risk
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Actions							
Action Source	Action Required	Action Priority	Person Responsible	Extra Comments	Percent Complete	Status	Due Date
Corporate Risk Register	Update Community Land Management Plans	Six Months	Karen Cummings	Updated Community Land Management Plans and Register were adopted by Council in September 2019. A review of the Community Land Register and Community Land Management Plans should occur at least every 2 years.	100%	Complete (Accepted)	30/09/2021

Corporate Risk Register	Programmed maintenance regime to be developed (land and buildings)	Immediately	Karen Cummings	<p>Strategic Property Review endorsed by Council. Programmed maintenance schedules developed in Open Space and Civil Services areas. Building maintenance schedule being developed as part of Facility Framework, service standards to be developed.</p> <p>Open Space operation programs for roadside and reserve maintenance are incorporated into Road Reserves Annual Maintenance Program and to include in Roadside Vegetation Management Plan. Asset Management Plan Review included in 2022/23 Budget</p> <p><i>18/07/2024 by Karen Cummings</i></p> <p>-</p> <p>Building Asset Management Plan to be tabled with Council in September 2024, followed by a report to the Audit Committee</p>	92%	Not Complete (Overdue)	30/06/2024
Corporate Risk Register	Review of Crown Land under care and control of Council	Six Months	Karen Cummings	<p>Detailed assessment of all land parcels undertaken and workshop and report provided to Council. Preliminary consultation completed in relation to potential land parcels to hand back to the Crown. Revocation of community land classification commenced with formal community consultation completed. A report was presented to Council in March 2021 to continue the revocation process that was endorsed. Application for approval for revocation has been lodged with the Minister for Planning. Following a response from the Minister for Planning, a workshop will be held with Council prior to a report being presented to Council for further consideration.</p> <p>Note 9/01/2023: Response received from Minister - revocation now referred to Crown Lands department to revoke the Community Land classification. Workshop held with Council in late 2023. Matter still to be referred to the Chamber for a final decision following examination of opportunities raised by Council Members.</p> <p><i>11/07/2023 by Karen Cummings</i></p> <p>-</p> <p>Report to be considered by Council on 25/07/2023 for 18 parcels of Crown Land to be reverted back to the Crown</p> <p><i>04/01/2022 by Natalie Armstrong</i></p> <p>-</p> <p>Application for approval for revocation lodged with Minister for Planning.</p>	75%	Not Complete (Overdue)	30/06/2023

Corporate Risk Register	Review of the Trails Strategy (including Bicycle Plan)	Six Months	Renee O'Connor	<p>Trails Strategy developed and adopted by Council. Funding for implementation of the Strategy included in the 2022/23 Annual Business Plan.</p> <p><i>03/01/2023 by Renee O'Connor</i></p> <p>-</p> <p>The new Trails &amp; Cycling Rotes Framework has been endorsed, concluding the review of all previous trails &amp; cycling strategic documents.</p>	100%	Complete (Accepted)	30/06/2023
Corporate Risk Register	Building Asset Management Plans Updated	Six Months	Karen Cummings	<p>The audit across buildings for valuations, condition assessment, insurance and sustainability base line has now been undertaken. The Building AMP is now in development, with the draft document nearing completion. Some delay has been experienced due to competing priority project delivery and staff vacancy, and an end of year completion is more realistic.</p> <p><i>18/07/2024 by Karen Cummings</i></p> <p>-</p> <p>Building Asset Management Plan to be discussed with Council in September 2024, followed by report to Audit Committee thereafter</p>	75%	Not Complete (Overdue)	30/06/2024
Corporate Risk Register	LTFP reviewed to accommodate the ongoing cost of recovery from disaster events	Six Months	Christopher Janssan	<p>Council has considered the financial impact of significant events such as disasters including bushfire or storm as these type of events have occurred more regularly in recent years. As a result, Council has also assessed its Net Financial Liability ratio with an additional \$3m of borrowings represented by the top red line in the graph below. The resultant ratio shows that even with the additional \$3m, Council still maintains this ratio within a sustainable target range.</p> <p>The \$3m represents the likely Council net contribution to a very significant disaster in the order of \$10m taking into account financial assistance from State and Federal Governments. This assumption is also based on Council's strong preference to borrow if such a major event did occur rather than requiring an increase in rates to fund any financial impact.</p>	100%	Complete (Accepted)	31/03/2022

Corporate Risk Register	Finalise the Community Recreation Facilities Framework (by 31/12/2021) and develop a strategy for inclusion in the LTFP for future funding.	Six Months	Renee O'Connor	<p><i>03/01/2023</i> <i>by Renee O'Connor</i></p> <p>-</p> <p>The Community &amp; Recreation Facilities Framework was endorsed by Council in 2022, &amp; financial implementation was included in the 2022 iteration of the LTFP review.</p> <p><i>01/08/2022</i> <i>by Renee O'Connor</i></p> <p>-</p> <p>The final draft documents will be presented to Council at its August 2022 meeting for endorsement. Staged financial implementation has been considered &amp; included in the recent review of the LTFP.</p>	100%	Complete (Accepted)	31/03/2022
Corporate Risk Register	Undertake a review of the Sport and Recreation Strategy	Six Months	Renee O'Connor	<p><i>01/08/2022</i> <i>by Renee O'Connor</i></p> <p>-</p> <p>Sport &amp; Recreation team staff have commenced the initial phase of the Sport &amp; Recreation Strategy review.</p>	15%	In Process	30/06/2025

Corporate Risk Register	Develop Public Toilet Strategy	Six Months	Steve Sauerwald	<p>Development of a Public Toilet Strategy will include the assessment of existing facilities (including link to building audit to be undertaken), development of guidelines in relation to public toilet renewal and new options, development of priorities of upgrades and new, position in relation to supporting community groups who provide public toilet facilities in locations where Council does not provide public toilet facilities</p> <p><i>14/09/2023 by Steve Sauerwald</i></p> <p>-</p> <p>14/09/2023 - Physical audit completed 01/09/2023, with a draft documentation being prepared for a meeting review scheduled for 14/09/2023. Strategy draft being compiled by SS and ML. The Strategy will include proposed service levels, a standardisation of product selections and a proposed priority of works reflecting the Sprout and Nielsen's reports and AHC frequency of community related complaints. Anticipated completion of the draft documentation 31/10/2023.</p> <p><i>14/07/2023 by Steve Sauerwald</i></p> <p>-</p> <p>Physical Public Toilet audit commenced 11/07/2023. Gathered information will be collated with the Sprout audit information and presented in a one page per asset format. Anticipated completion by end of August 2023.</p>	30%	In Process	31/12/2024
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Corporate Risk Register	Review the Open Space Mtce Programs to inform an update to the LTFP	Six Months	Nicole Budd	<p>Program completed March 2023. Now being reviewed &amp; adjusted due to taking on in-house maintenance of Hamilton Hill.</p> <p><i>16/01/2023 by Nicole Budd</i></p> <p>- Due to restructure within Open Space Ops team, we are finalising updated programs now that will be allocated within three new 'sub-teams' within the OPs team. Programs to be completed by end of February 2023.</p> <p><i>29/12/2021 by Nicole Budd</i></p> <p>- Mowing schedules have been updated to best reflect efficiency over the prime mowing season. Also, currently reviewing schedule for playground &amp; cemetery maintenance to ensure compliance with Australian Standards &amp; community expectations.</p>	100%	Complete (Accepted)	17/02/2023
Corporate Risk Register	In conjunction with Rec & Sport update the audit regime of high risk assets following finalisation of the Community Recreation Facilities Framework	Six Months	Karen Cummings	Priority has been on implementing the Community and Recreation Facilities Framework which will continue into the first half of 2023. The Building audit findings have just been received in late 2022 and there have been no significant high priority risks identified. Staff will continue to implement the Community and Recreation Facilities Framework and review the building audit data and other data to identify high risk assets and their audit regime.	30%	Not Complete (Overdue)	30/06/2023
Corporate Risk Register	Develop Cemetery Mgt Plans for each cemetery under AHC care and control	Six Months	Karen Cummings	Development of management plans for each cemetery will be undertaken as resourcing allows with the heritage listed cemeteries taking priority.	10%	Not Complete (Overdue)	30/06/2023

#### Documents

Date Added	Document Name	Document Details
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#### Saved PDF Versions

Date Saved	Saved By	Revision	PDF Document
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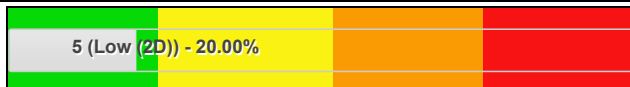


<b>ID:</b>	Risk - 150009
<b>Risk Title or Work Activity:</b>	Strategic Risk - Development
<b>Risk Description:</b>	Failure to plan at the local and regional level for the future development and future requirements of the area. (F)
<b>Responsible Person:</b>	Jessica Charlton
<b>Date of Risk Identification:</b>	15/09/2020
<b>Corporate Risk?</b>	Yes
<b>Risk Type:</b>	Strategic
<b>Risk Category:</b>	Service Delivery
<b>Team:</b>	Executive Leadership Team
<b>Location/Project:</b>	Other
<b>Possible Risk Events:</b>	<p>Cause:</p> <ul style="list-style-type: none"> <li>- Poor understanding of development, infrastructure, population, transport, demographics and trends</li> <li>- Ineffective liaison with state and federal planning and development agencies.</li> <li>- Ineffective strategies to enhance and conserve character areas and iconic sites.</li> <li>- Poor place making strategies.</li> <li>- Deficient planning and building rules consent practices.</li> <li>- Ineffective infrastructure planning processes.</li> <li>- Lack of appropriately trained and experienced staff.</li> <li>- Poor business planning and budgeting processes to allocate sufficient resources to functions</li> </ul>
<b>Possible Consequences:</b>	<p>Impact:</p> <ul style="list-style-type: none"> <li>- Poor planning and development outcomes, ad-hoc and reactionary planning, unresponsive approaches to addressing community needs and trends</li> <li>- Uncoordinated approaches to infrastructure provision, lack of partnership &amp;&amp;&amp;&amp;&amp;&amp;&amp; funding arrangements, lack of collaborative &amp;&amp;&amp;&amp;&amp;&amp;&amp; mutually beneficial outcomes for community, Council and State Govt., duplication of services and resources</li> <li>- Disempowered community with poor and inefficient use of public spaces</li> <li>- Dysfunctional organisation with a poor reputation resulting in community dissatisfaction with level and type of service provision resulting in a Council regime change</li> <li>- Non-compliant with legislative responsibilities resulting in considerable liability exposure</li> <li>- Inconsistent and misdirected operations and service provision</li> </ul>
<b>Initial Risk Score:</b>	<p>21 (Extreme (4B)) - 84.00%</p>
<b>Initial Risk Comments:</b>	Lack of poor planning, adequately trained staff, poor research into planning issues facing the Council area from a planning and development point of view leading to poor development outcomes, unresponsive planning policy and controls and lack of appropriate or required infrastructure
<b>Residual Risk Score:</b>	<p>5 (Low (2D)) - 20.00%</p>
<b>Residual Risk Comments:</b>	Employment of appropriately trained and qualified staff; undertaking thorough analysis of planning policy and development related matters facing Council; having adequate community engagement into these matters to ensure development policies are responsive to community needs and aspirations; having appropriate training and delegations in place for effective and efficient decision making for development assessment function; having an effective, trained and experienced Council Assessment Panel in place to determine delegations to the Assessment Manager/staff and make decisions on complex development applications.

<b>Other Requirements/Comments:</b>	
<b>Current:</b>	Yes

**Risk Controls**

Control Details	Reviewer	Next Review Date	Last Review Date	Review Notes	Control Effectiveness
<ul style="list-style-type: none"> <li>- Development Policy Planning function in place to monitor, analyse and advise</li> <li>- Implementing and transitioning to the new Planning &amp; Design Code</li> <li>- Up to date Policy in place</li> <li>- Privately funded Code Amendment Policy and other development related policies in place</li> <li>- Participation in relevant forums with State &amp; Federal Govt and other stakeholder groups regarding any changes to development policy</li> <li>- Undertake responsibilities outlined in the Collaborative Work Plan between SPC and Council regarding transitioning to the new Planning, Development &amp; Infrastructure (PDI) Act 2016</li> <li>- Transition and amend where required the Council's Development Plan to the Planning &amp; Design Code over the next 3 years in accordance with the PDI Act</li> <li>- Precinct Planning Framework and expertise in place</li> <li>- Skilled and experienced planning, building, infrastructure, sport &amp; recreation planning, community development and economic development teams in place</li> <li>- Community engagement and consultation methodologies in place to accord with the State's Community Engagement Charter</li> <li>- Relevant development assessment staff and CAP members accredited in accordance with the State's Accreditation Scheme</li> <li>- 4x8 processes identifying training and development needs</li> <li>- Development and PDI Act delegations and sub-delegations</li> <li>- CAP in place and functioning</li> <li>- Adopted District Master Plan in place</li> <li>- Regional Climate Change Adaptation Plan - Resilient Hills and Coast</li> </ul>	Jessica Charlton	31/03/2025	11/11/2024	Resourcing approach to be reviewed.	PARTIALLY EFFECTIVE (Designed Adequately; Operating Partially Effectively)



**Actions**

Action Source	Action Required	Action Priority	Person Responsible	Extra Comments	Percent Complete	Status	Due Date
Corporate Risk Register	Rollout of Precinct Planning methodologies as projects are identified	Immediately	James Szabo	COMPLETED. Precinct Planning methodology in place and Place Making Coordinator role established to role out place making initiatives as and when required. Stirling Mainstreet Design Guidelines and Crafers Mainstreet Urban Design Framework completed. Gumeracha mainstreet project underway. Discussions underway with Imagine Uraidla group to commence possible mainstreet project.	100%	Complete (Accepted)	01/01/2021
Corporate Risk Register	Progression of outstanding DPA: Local Heritage (Stage 1 DPA) to be lodged with the Minister for approval in May 2018	Immediately	James Szabo	COMPLETED. Stage 1 DPA approved by SPDPC on 14 August 2018 and subsequently by the Minister for Planning on 8 August 2019.	100%	Complete (Accepted)	01/09/2019

Corporate Risk Register	Implementation of Planning, Development & Infrastructure (PDI) Act reforms	Immediately	Deryn Atkinson	COMPLETE: The PDI Act went live for our Council area on 19 March 2021. By the go live date, staff had prepared all the delegations, policies and procedures provided by the State Planning Commission (SPC) and in accordance with the business readiness program. However, the SPC continues to make changes to the delegations and policies & procedures in response to identified issues with the new system. It is anticipated that this will be ongoing for the rest of 2021. Although the compliance inspection module has been implemented by the SPC, full functionality is yet to be determined and staff will monitor this to decide on whether or not the integration with Open Office and the new Planning Portal is still required.	100%	Complete (Accepted)	19/03/2021
Corporate Risk Register	Transition of Development Plan into the new Planning & Design (P&D) Code	Immediately	James Szabo	COMPLETED: Council participated in forums with the State Planning Commission to ensure that desired changes to the Rural Planning Policy were incorporated into development of Planning & Design Code. The entire Development Plan has now transitioned into the aforementioned Code which went live on 19 March 2021. Although not all desired development policies were transitioned into the Code, staff will monitor the assessment of applications and outcomes achieved. If required, recommendations will be put to Council to seek desired amendments to the Code to achieve the desired outcomes in the future.	100%	Complete (Accepted)	19/03/2021
Corporate Risk Register	Asset Management Planning - renewal and future requirements	Immediately	Peter Bice	IN PROGRESS. Asset Management Plan reviews underway, and ongoing. Jeff Roorda Review findings and reasonable assumptions being considered and incorporated where appropriate.  <i>06/07/2021 by Peter Bice</i> - Asset Management planning is legislated, and we work with our Auditors annually to ensure the updating schedule is appropriate, and our Asset Management Maturity continues to improve.	100%	Complete (Accepted)	30/06/2021
Corporate Risk Register	Regional Climate Change Adaptation Plan - Resilient Hills and Coast	Immediately	Peter Bice	COMPLETED. Plan endorsed by Council 27/09/16  <i>13/10/2021 by Peter Bice</i> -	100%	Complete (Accepted)	31/12/2021

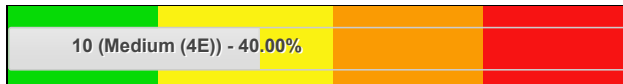
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07/11/2023 10:02:21 AM	Jody Atkins	1	Risk150009_2023-11-07_10-02-21_AM.pdf

<b>ID:</b>	Risk - 170817
<b>Risk Title or Work Activity:</b>	Strategic Risk - Environment
<b>Risk Description:</b>	Failure to manage, develop, protect, restore , enhance and conserve the environment in an ecologically sustainable manner and to improve amenity. (F)
<b>Responsible Person:</b>	David Waters
<b>Date of Risk Identification:</b>	15/05/2020
<b>Corporate Risk?</b>	Yes
<b>Risk Type:</b>	Strategic
<b>Risk Category:</b>	Environment
<b>Team:</b>	Executive Leadership Team
<b>Location/Project:</b>	Other
<b>Possible Risk Events:</b>	<p>Cause:</p> <ul style="list-style-type: none"> <li>-Lack of understanding of biodiversity.</li> <li>- Inadequate planning controls,</li> <li>- Lack of specific skill and knowledge of natural environment,</li> <li>- Insufficient budget,</li> <li>- Lack of internal coordination in project delivery,</li> <li>- Inadequate emergency response to environmental hazard,</li> <li>- Lack of longitudinal planning and service delivery, difficulty of meeting varying community expectation,</li> <li>- Ineffective natural resource management strategies and processes.</li> <li>- Poor environmental management practices.</li> <li>- Illegal dumping</li> </ul>
<b>Possible Consequences:</b>	<p>Impact:</p> <ul style="list-style-type: none"> <li>- Damage to local environment</li> <li>- Financial - restoration of failure to act (fines plus the works to restore)</li> <li>- Reputational damage</li> <li>- Impact on human health and wellbeing due to the loss of visual amenity and ability to interact with nature</li> <li>- Local amenity not maximised</li> <li>- Health and economic impacts due to climate change</li> <li>- Failure to meet stakeholder expectation</li> </ul>
<b>Initial Risk Score:</b>	<p>22 (Extreme (5C)) - 88.00%</p>
<b>Initial Risk Comments:</b>	
<b>Residual Risk Score:</b>	<p>13 (Medium (4D)) - 52.00%</p>
<b>Residual Risk Comments:</b>	
<b>Other Requirements/Comments:</b>	Council continues to work locally but also partner with key agencies to advocate for improved ecological sustainability.
<b>Current:</b>	Yes

Risk Controls					
Control Details	Reviewer	Next Review Date	Last Review Date	Review Notes	Control Effectiveness

<ul style="list-style-type: none"> <li>- Biodiversity Strategy,</li> <li>- Water Management Plan</li> <li>- Biodiversity Advisory Group and Sustainability Advisory Group</li> <li>- Trained &amp; qualified staff</li> <li>- Safe working procedures</li> <li>- Blue Marker sites</li> <li>- Spill kits</li> <li>- SDS</li> <li>- Customer request system for reporting to us</li> <li>- Machinery hygiene</li> <li>- Development Plan</li> <li>- Strategic Plan Reviewed with Goal area for Natural Environment established (including priorities)</li> </ul>		01/03/2025	11/11/2024		
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Actions							
Action Source	Action Required	Action Priority	Person Responsible	Extra Comments	Percent Complete	Status	Due Date
Corporate Risk Register	Water Resources strategy to be developed	Immediately	Sharon Leith	Water Management Plan endorsed by Council 13 December 2016.	100%	Person Responsible Complete	13/12/2016

				Trail of first draft complete 31 Dec 2020 Trial of revised raft commenced 30 Jun 2021 Target adoption of final draft = 31 Dec 2021  <i>06/03/2021 by Ashley Curtis</i>  - PMF was in testing phase, however testing project officer left the organisation, placing the test on hold, to be continued by new project officer.			
Corporate Risk Register	Project Management framework (see action above)	Immediately	Ashley Curtis	<i>05/03/2021 by Peter Bice</i>  - Underway, drat documentation completed.  <i>05/03/2021 by Peter Bice</i>  - Underway, drat documentation completed.	100%	Complete (Accepted)	31/12/2021
Corporate Risk Register	Implementation plan for the Biodiversity Strategy to be developed; Interim review of Strategy	Immediately	Tonia Brown	Biodiversity Strategy endorsed by Council on 24/9/2019. Implementation plan for the Biodiversity Strategy complete.	100%	Person Responsible Complete	24/09/2019
Corporate Risk Register	Ensure adequate budget and human resources are allocated to the priority strategies articulated in the Biodiversity Strategy's Implementation Plan	Immediately	Peter Bice	Implementation plan for the Biodiversity Strategy complete. The plan informs Annual Programming and LTFF.	100%	Complete (Accepted)	26/02/2021
Corporate Risk Register	Establish a program to review the safe operating procedures to ensure that they incorporate contemporary management techniques to minimise environmental impacts.	Immediately	Christopher Janssan	Budget Bids to support this years program were included in the 2018-19 Annual Business Plan and Budget Process.	100%	Complete (Accepted)	26/02/2021
Corporate Risk Register	Expansion of Blue Marker Sites	Immediately	Christopher Janssan		100%	Complete (Accepted)	30/10/2016

**Documents**


Date Added	Document Name	Document Details
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Saved PDF Versions			
Date Saved	Saved By	Revision	PDF Document
07/11/2023 10:00:53 AM	Jody Atkins	1	Risk170817_2023-11-07_10-00-53_AM.pdf

<b>ID:</b>	Risk - 170851
<b>Risk Title or Work Activity:</b>	Strategic Risk - Growth and Prosperity
<b>Risk Description:</b>	Failure to promote the Council area and provide an attractive climate and locations for the development of business, commerce, industry and tourism (F)
<b>Responsible Person:</b>	Jessica Charlton
<b>Date of Risk Identification:</b>	09/02/2021
<b>Corporate Risk?</b>	Yes
<b>Risk Type:</b>	Strategic
<b>Risk Category:</b>	Growth & Prosperity
<b>Team:</b>	Executive Leadership Team Economic Development Team
<b>Location/Project:</b>	Other
<b>Possible Risk Events:</b>	<p>Cause:</p> <ul style="list-style-type: none"> <li>-- Inadequate provision for commercial development in the Development Code</li> <li>-- Minimal or no understanding of, and support for, business and tourism representative groups/associations</li> <li>-- Lack of business operating skills in people who wish to run a business</li> <li>-- Lack of understanding of economic drivers</li> <li>-- Inappropriate infrastructure in industrial precincts or nodes, placing barriers on development of industrial precincts.</li> <li>-- Lack of understanding of tourism demand</li> <li>-- Poor business sustainability in the face of economic challenges</li> </ul>
<b>Possible Consequences:</b>	<p>Impact:</p> <ul style="list-style-type: none"> <li>-- Loss of local jobs</li> <li>-- Loss of basic local retail and service businesses</li> <li>-- Devaluation of local residential and commercial property</li> <li>-- Rise in social problems and reduced quality of life</li> <li>-- Reduced property values</li> <li>-- Impact on Council's reputation as being across economic issues and supporting sustainable development</li> </ul>
<b>Initial Risk Score:</b>	<p>17 (High (3B)) - 68.00%</p>
<b>Initial Risk Comments:</b>	Inherent risk assessment considered impacts to both the local economy and the Council's reputation (as per consequences outlined above).
<b>Residual Risk Score:</b>	<p>5 (Low (2D)) - 20.00%</p>
<b>Residual Risk Comments:</b>	Residual risk rating is based on the existing controls. It is noted that there are other risk events entirely outside of Council's control which affect economic prosperity in the district and these are not considered here.
<b>Other Requirements/Comments:</b>	
<b>Current:</b>	Yes

Risk Controls					
Control Details	Reviewer	Next Review Date	Last Review Date	Review Notes	Control Effectiveness



<p>Current Economic Development Plan 2020-24 (adopted by Council Feb 21, replacing former Economic Development Strategy); Provision for resourcing an economic development officer to deliver EDP and provide support to this risk area; Regular pattern of engagement with local business communities and stakeholder groups; Database containing contact details of all people operating businesses in the district, to enable e-communication (qly business newsletter and ad-hoc as required); Partnership with Mount Barker DC and SATC to fund Adelaide Hills Tourism, which is designed to help providers understand and leverage tourism opportunities; Annual subscription to Economy.id, which enables ready access to economic demographic data for the Council district, available for businesses and the public; Active participation in Adelaide Hills Business Support Network, comprising representatives of agencies providing business support services in the Hills.</p>	Jessica Charlton	31/03/2025	11/11/2024	<p>Comprehensive risk review undertaken August 2022 to update actions and controls. New risk event identified. Old (completed) actions deleted and new actions added. November 2024 - Economic Development Plan reaching expected completion date and needs reviewing. Resourcing approach to be reviewed. Continuing funding partnerships with Adelaide Hills Tourism and Regional Development Australia.</p>	PARTIALLY EFFECTIVE (Designed Adequately; Operating Partially Effectively)
					

Actions								
Action Source	Action Required	Action Priority	Person Responsible	Extra Comments	Percent Complete	Status	Due Date	
Corporate Risk Register	Development of revised Economic Development Strategy Action Plan, involving engagement with key stakeholders to ensure Council's role is appropriately identified.	Immediately	Melissa Bright	<p>Workshop held with Council Members late 2020. Anticipated to come to Council in March 2021 for adoption. Implementation to follow in the ensuing years.</p> <p><i>08/04/2021 by Melissa Bright</i></p> <p>- Economic Development Plan finalised and endorsed by Council on 23 Feb 2021</p>	100%	Complete (Accepted)	31/03/2021	
Corporate Risk Register	Identify significant economic infrastructure issues and opportunities	Immediately	Marc Salver	COMPLETED: Manager ED worked with key stakeholders to progress two major transport routes - b-double access to Lobethal and Northern Freight Train Bypass. The B-double access project was completed in 2019. However, the State Government announced they would not be progressing the Northern Freight Train Bypass.	100%	Complete (Accepted)	31/12/2016	
Corporate Risk Register	Assess effectiveness of key points of AHC engagement with community	Immediately	Marc Salver	Ongoing through role of Community Engagement Coordinator, through the introduction of online engagement tool and use of other social media platforms and engagement methodologies	100%	Complete (Accepted)	01/07/2016	

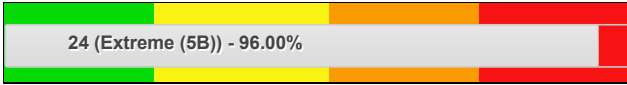
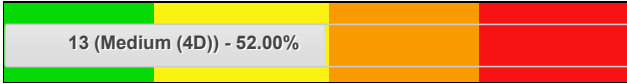
Corporate Risk Register	Active and positive engagement with local business communities	Immediately	Melissa Bright	Ongoing role of MED	100%	Complete (Accepted)	01/07/2016
Corporate Risk Register	Encourage an integrated and coordinated approach across all levels of govt to create a diverse and sustainable economy across the District	Immediately	Melissa Bright	Actively developing and maintaining relationships with relevant State and Commonwealth Govt agencies	100%	Person Responsible Complete	30/10/2016
Corporate Risk Register	Work actively with business groups and associations, providing resources to interact and network on a consistent basis. Key role for EDO	Immediately	Melissa Bright	The Manager ED is actively building relationships with existing business associations and working with communities that currently do not have business groups (e.g. Gumeracha, Northern Hills, Lobethal) to explore the benefits	100%	Person Responsible Complete	30/12/2016
Corporate Risk Register	Assess effectiveness of key points of engagement with community e.g. website, contact centre, development approval process, waste, health and regulatory services	Immediately	Melissa Bright	Quarterly e-newsletters distributed to more than 6,000 registered ABNs in the region. Mostly achieving above industry standards with at least 30% open rate and over 10% click rate.	100%	Person Responsible Complete	30/12/2016
Corporate Risk Register	Develop business contact database	Immediately	Melissa Bright	NIL	100%	Person Responsible Complete	31/12/2016
Corporate Risk Register	Identify significant organisations, roles and skillsets within region	Immediately	Melissa Bright	Relationships with key contacts with business and industry organisations being regularly maintained and developed by the MED	100%	Person Responsible Complete	31/12/2016
Corporate Risk Register	Improve partnership with DC Mt Barker and SATC to assist Adelaide Hills Tourism leverage tourism opportunities	Immediately	Melissa Bright	MED active committee member of Adelaide Hills Tourism (AHT) and Visitor Information Servicing Group	100%	Person Responsible Complete	31/12/2016
Corporate Risk Register	Improve engagement with local business associations	Immediately	Melissa Bright	Regular communication established with SBA and WCA	100%	Person Responsible Complete	31/12/2016
Corporate Risk Register	Undertake precinct planning/placemaking, with consideration of triple bottom line (As appropriate)	Immediately	Melissa Bright	The MED is a member of Council's Placemaking group to ensure a coordinated approach	100%	Person Responsible Complete	31/12/2016
Corporate Risk Register	Undertake a mid-term review of progress against activity identified in the Economic Development Plan.	Six Months	Melissa Bright	This action will potentially result in changes to a number of identification actions and order of priority.	100%	Complete (Accepted)	30/06/2023
Corporate Risk Register	Encourage the development of support structures for small, start up and Home Based Businesses.	Immediately	Brett Mayne	A Home Based Business Network has been established and is meeting every 3 times a year and has developed its own Facebook page to maintain contact with members.	100%	Complete (Accepted)	01/09/2023
Corporate Risk Register	Advocate to State and Federal Government agencies for increased availability and improved coordination of Business Services.	Immediately	Brett Mayne	The Adelaide Hills Business Support Network is active and seeking solutions to Business servicing issues. It comprises representatives from Australian State and Local Government as well as locally based service providers.	100%	Complete (Accepted)	30/11/2023
Corporate Risk Register	Design and establish a Business Services Hub for Creative Industries based from Fabrik.	Immediately	Brett Mayne	Initial Research has been undertaken. Next steps are being worked through.	50%	Not Complete (Overdue)	28/06/2024

### Documents

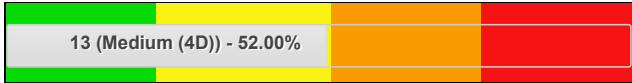
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11/08/2023 9:49:38 AM	David Waters	2	Risk170851_2023-08-11_9-49-38_AM.pdf
01/08/2022 3:31:16 PM	David Waters	1	Risk170851_2022-08-01_3-31-16_PM.pdf

<b>ID:</b>	Risk - 170816
<b>Risk Title or Work Activity:</b>	Strategic Risk - Emergency and Hazard Management
<b>Risk Description:</b>	Failure to take measures to protect the community from natural and other hazards (F)
<b>Responsible Person:</b>	David Waters
<b>Date of Risk Identification:</b>	15/05/2020
<b>Corporate Risk?</b>	Yes
<b>Risk Type:</b>	Strategic
<b>Risk Category:</b>	Community Health & Wellbeing
<b>Team:</b>	Executive Leadership Team
<b>Location/Project:</b>	Other
<b>Possible Risk Events:</b>	<p>Cause:</p> <ul style="list-style-type: none"> <li>- Poor fire prevention initiatives</li> <li>- Poor flood protection initiatives</li> <li>- Poor wind protection initiatives</li> <li>- Ineffective emergency management regimes</li> <li>- Ineffective asset maintenance and replacement plans and programs</li> <li>- Lack of participation in regional emergency management arrangements</li> <li>- Noncompliance with legislation</li> <li>- Insufficient budget</li> <li>- Ineffective planning and preparations</li> </ul>
<b>Possible Consequences:</b>	<p>Impact:</p> <ul style="list-style-type: none"> <li>- Significant property loss and damage</li> <li>- Loss of life, injury</li> <li>- Reputational damage</li> <li>- Exposure to liability and penalty</li> <li>- Loss of community normality</li> <li>- Council services stretched and some services may not be fully operational</li> <li>- Loss or damage of public and private infrastructure</li> <li>- Environmental and biodiversity impacts</li> </ul>
<b>Initial Risk Score:</b>	 <p>24 (Extreme (5B)) - 96.00%</p>
<b>Initial Risk Comments:</b>	
<b>Residual Risk Score:</b>	 <p>13 (Medium (4D)) - 52.00%</p>

<b>Residual Risk Comments:</b>	<ul style="list-style-type: none"> <li>- Participation in regional EM arrangements through the ZEMC, and the AMLRBMC and cooperation with other councils and agencies re EM</li> <li>- Provision of assistance to control agencies and the community to respond to emergency incidents as they arise and work with local units to resolve localised issues relating to EM.</li> <li>- Provision of assistance to the community and to relevant government and non-government agencies assist recovery from emergencies.</li> <li>- Contribute to, support and participate in community education programs including the SES Flood Safe Program, Red Cross REDiPlan program and CFS Community Fire Safety Meetings.</li> <li>- Ongoing replacement and maintenance of Council's infrastructure through implementation of Council's AMP and proactive and reactive maintenance programs including stormwater infrastructure (including Flood Plain Modelling), fire track maintenance and street sweeping program.</li> <li>- Ongoing fuel reduction programs on high risk Council owned land including woody weed control, slashing and maintenance of asset protection zones.</li> <li>- Ensure ongoing compliance with the F&amp;ES Act 2005 including annual property inspections to ensure community compliance with requirements of the Act, respond to breaches of the Act as they arise, ongoing appointment of Fire Prevention Officers pursuant with requirements of the Act and provide advice to residents on bushfire prevention and mitigation.</li> <li>- Ongoing implementation of tree maintenance programs including the monitoring and maintenance of high risk trees and undertaking reactive tree pruning and removal of high risk trees minimising failure in windy conditions. Commencement of Zone-based Preventative Main</li> </ul>
<b>Other Requirements/Comments:</b>	As improvements to Asset Management Plans occur through each review, the control effectiveness also continue to improve.
<b>Current:</b>	Yes

Risk Controls					
Control Details	Reviewer	Next Review Date	Last Review Date	Review Notes	Control Effectiveness
<ul style="list-style-type: none"> <li>- Participation in regional EM arrangements through the ZEMC, and the AMLRBMC and cooperation with other councils and agencies re EM</li> <li>- Provision of assistance to control agencies and the community to respond to emergency incidents as they arise and work with local units to resolve localised issues relating to EM.</li> <li>- Provision of assistance to the community and to relevant government and non-government agencies assist recovery from emergencies.</li> <li>- Contribute to, support and participate in community education programs including the SES Flood Safe Program, Red Cross REDiPlan program and CFS Community Fire Safety Meetings.</li> <li>- Ongoing replacement and maintenance of Council's infrastructure through implementation of Council's AMP and proactive and reactive maintenance programs including stormwater infrastructure (including Flood Plain Modelling), fire track maintenance and street sweeping program.</li> <li>- Ongoing fuel reduction programs on high risk Council owned land including woody weed control, slashing and maintenance of asset protection zones.</li> <li>- Ensure ongoing compliance with the F&amp;ES Act 2005 including annual property inspections to ensure community compliance with requirements of the Act, respond to breaches of the Act as they arise, ongoing appointment of Fire Prevention Officers pursuant with requirements of the Act and provide advice to residents on bushfire prevention and mitigation.</li> <li>- Ongoing implementation of tree maintenance programs including the monitoring and maintenance of high risk trees and undertaking reactive tree pruning and removal of high risk trees minimising failure in windy conditions. Securing of Elevated Work Platform and additional Tree Team staffing has further improved the controls.</li> </ul>		01/03/2025	11/11/2024	There is always a risk of negative community perception of the level of risk appetite in relation to some natural hazards given misinformation and emotion attached.	EFFECTIVE (Designed Adequately; Operating Effectively)
 <p>13 (Medium (4D)) - 52.00%</p>					

Actions								
Action Source	Action Required	Action Priority	Person Responsible	Extra Comments	Percent Complete	Status	Due Date	
Corporate Risk Register	Development of new Emergency Management Plan.	Immediately	John McArthur	<p>EM Framework endorsed by ELT 14/2/17, EM responsibility now transferred to Infrastructure &amp; Operations, Project timeframes to be reviewed. Update 02/10/19 - Draft Emergency Management Plan completed. Draft Incident Operations Manual (formerly within the Emergency Management Plan) to be considered for endorsement by ELT 3 October 2019. Council to participate in LGA Council Ready Program to complete Emergency Management Plan by September 2020 based on a risk assessment process. Update 07/11/19 - ELT formally resolved to commit to LGA Council Ready Program, scheduling of initial risk assessment workshop set for 9/12/19. Incident Operations Manual adopted by ELT 3 October and is currently being implemented. Update 29/01/20 Lessons learnt from Cudlee Creek fire were identified in an After Action Review in February 2020 and now being incorporated into the Incident Operations Manual. Emergency Management Plan development timeframes may need to be reviewed as priority is on updating the Incident Operations Manual. Draft Emergency Management Plan completed as of 26 February 2021. 29/12/21 - Emergency Management Plan completed and endorsed by ELT 14 October 2021.</p> <p><i>29/11/2021 by John McArthur</i></p> <p>-</p> <p><i>29/11/2021 by John McArthur</i></p> <p>-</p> <p>Emergency Management Plan completed and endorsed by ELT 14 October 2021</p> <p><i>27/09/2021 by John McArthur</i></p> <p>-</p> <p>Update 27 September 2021 - Draft Emergency Management Plan and revised Incident Operations Manual (incorporating 'lessons learnt' from Cudlee Creek and Cherry Gardens bushfires and Exercise Pomona) scheduled for ELT review 14 October 2021.</p> <p><i>29/07/2021</i></p>	100%	Complete (Accepted)	31/08/2021	

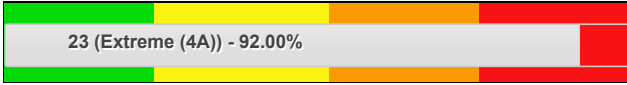
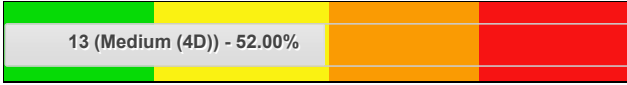
				<p><i>by John McArthur</i></p> <p>-</p> <p>Update 29 July 2021 - Draft Emergency Management Plan is being finalised. Key response elements previously included in Emergency Management Plans have been prioritised, completed and moved to Council's Incident Operations Manual.</p> <p><i>26/02/2021</i> <i>by John McArthur</i></p> <p>-</p> <p>Emergency Management Plan is nearing completion. Currently the Emergency Management Plan is in first draft form and comprises sections on Disaster Risk Reduction, Incident Operations and Recovery.</p>			
Corporate Risk Register	Commit to I Responda emergency response framework.	Immediately	Lachlan Miller	Council is now part of this program . Its plan to be transferred to contemporary standard. Anticipated to be complete by 31/12/19.	100%	Complete (Accepted)	01/12/2019
Corporate Risk Register	Develop Emergency Management Team for ongoing development and review of Council's EM processes relating to emergencies that occur external to the organisation (not WHS emergency management)	Immediately	John McArthur	<p>To be developed under EM Framework. Update 05/08/19 - Draft Incident Operations Manual 95% complete. This document will be used with the draft Emergency Management Plan to plan, prepare, respond and recover from emergency events. Anticipated to be completed by 30 November 2019. Update 02/10/19 - Draft Incident Operations Manual to be considered by ELT for endorsement on 3 October 2019. Update 07/11/19 - Incident Operations Manual adopted by ELT 3 October 2019 including establishment of an Incident Management Team completing this action. 29/12/21 - Revised Incident Operations Manual reflecting lessons learnt from Cudlee Creek and Cherry Gardens bushfires and COVID-19 response signed off by Acting CEO 14 October 2021. This action is complete, refer update 07-11/19.</p> <p><i>29/07/2021</i> <i>by John McArthur</i></p> <p>-</p> <p>Update 29 July 2021 - The completion and implementation of Council's Incident Operations Manual has completed this action. This manual provides a framework to respond to emergencies that occur external to the organisation including the establishment of an Incident Management Team, including a Council Commander, an Emergency Operations Centre and levels of preparedness Standby, Alert, Operations and restore. The Council Commanders discuss emergency management arrangements throughout the year and any outcomes to be delivered are action by the Manager Sustainability, Waste and Emergency Management.</p>	100%	Complete (Accepted)	03/10/2019
Corporate Risk Register	Research the establishment of a dedicated EM role (temporary/permanent)	Immediately	Lachlan Miller	EM responsibilities included in Manager Sustainability, Waste & Emergency Management position.	100%	Complete (Accepted)	31/03/2016

Corporate Risk Register	Establish Zone-based Preventative Maintenance Program	Immediately	Christopher Janssan	Zone program established	100%	Complete (Accepted)	01/02/2016
Corporate Risk Register	Review bushfire prevention and mitigation arrangements	Immediately	Christopher Janssan	Structure in place	100%	Complete (Accepted)	30/06/2017
Corporate Risk Register	Review insurance option related to loss of rate revenue following significant loss of property associated with bushfire	Six Months	Zoe Gill	<p>Proposal received by Administration in March 2021, still to be assessed. On hold as not considered a high priority for addressing this risk.</p> <p><i>09/11/2021 by Lachlan Miller</i></p> <p>-</p> <p>Transferable risk workshop conducted with ELT, awaiting final report. Modelling of revenue loss (rates) scenarios currently under development.</p> <p><i>10/05/2021 by Lachlan Miller</i></p> <p>-</p> <p>Loss of income cover was discussed during the 2021-22 Insurance Placement. A proposal has been received by LGRS and it still to be assessed.</p>	20%	Not Complete (Rejected)	30/11/2020

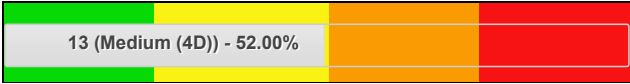
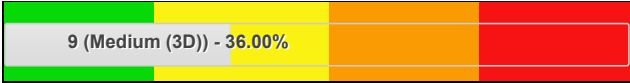
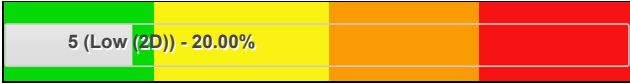
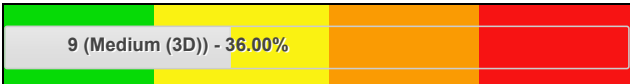
Documents		
Date Added	Document Name	Document Details

Saved PDF Versions			
Date Saved	Saved By	Revision	PDF Document
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<b>ID:</b>	Risk - 170939
<b>Risk Title or Work Activity:</b>	Strategic Risk - Information Services
<b>Risk Description:</b>	Failure to manage, improve and develop the information resources available to the Council. (F)
<b>Responsible Person:</b>	Gary Lewis
<b>Date of Risk Identification:</b>	06/02/2021
<b>Corporate Risk?</b>	Yes
<b>Risk Type:</b>	Strategic
<b>Risk Category:</b>	Information Technology
<b>Team:</b>	Executive Leadership Team
<b>Location/Project:</b>	Other
<b>Possible Risk Events:</b>	Cause: - Business systems do not effectively support organisational needs - Poor information management practices (capture, use, storage, retrieval).
<b>Possible Consequences:</b>	Inefficiency; increased risk of errors (from manual systems); negative impact on council brand &&&&&&& reputation; decreased staff morale; potential for increased turnover of staff; lack of consistency; increased cost in undertaking work; systems cannot be upgraded due to inadequate hardware layer; inability to test updates before being implemented; lack of information sharing; working in information silos; failure to capture corporate knowledge effectively; misinformation that leads to negative or undesired outcomes; residents being misinformed or misled; potential legal or financial implications.
<b>Initial Risk Score:</b>	
<b>Initial Risk Comments:</b>	
<b>Residual Risk Score:</b>	
<b>Residual Risk Comments:</b>	
<b>Other Requirements/Comments:</b>	
<b>Current:</b>	Yes

Risk Controls					
Control Details	Reviewer	Next Review Date	Last Review Date	Review Notes	Control Effectiveness
ISMS (Information Security Management System) - LG Cyber Security Framework	Phil Mattingly	08/01/2025	18/03/2024	The level of effectiveness of this control will be determined by the ongoing resourcing that is applied to implement the Cyber Security Framework Cyber Security Audit Completed and endorsed by Audit Committee Implementation plan developed for establishing a Cyber Security Plan and aligned to LG Cyber Security Framework Implement Cyber Security Controls Enacted Undertake penetration testing of corporate systems	Major reduction in risk

					
ICT Business Continuity Systems established	Phil Mattingly	08/01/2025	18/03/2024	Data Centre established in diverse geographic locations and immediate switchover capability Hierarchical back up regime Cloud First Strategy in place in transition of systems occurring System & Application MAO (Maximum Acceptable Outage) - set to organisational requirements Undertake system outage testing	EFFECTIVE (Designed Adequately; Operating Effectively)
					
Information Services Team resourced in accordance with required structure (including \$ & FTE)	Phil Mattingly	08/01/2025	18/03/2024	Induction processes in onboarding driven through OD Systems security in access protocols Work from home access regime	EFFECTIVE (Designed Adequately; Operating Effectively)
					
Information Services Strategic Plan Developed (2022)	Phil Mattingly	08/01/2025	18/03/2024	A review of the Information Services Strategic Plan has been undertaken with ISSRG. Draft Information Services Strategic Plan created Consolation with ISSRG and Executive completed Digital Transformation Plan (tactical plan) developed	Major reduction in risk
					

Actions								
Action Source	Action Required	Action Priority	Person Responsible	Extra Comments	Percent Complete	Status	Due Date	

Corporate Risk Register	Review the Information Services Business Plan	Six Months	James Sinden	<p>The Information Services Business Plan is reviewed on an annual basis to align with the setting of LTFP and Budget..</p> <p><i>07/05/2021 by David Collins</i></p> <p>-</p> <p><i>26/02/2021 by David Collins</i></p> <p>-</p> <p>Confirm Asset Management System is implemented an in use by the organisation.</p>	100%	Complete (Accepted)	30/12/2021
Corporate Risk Register	Finalise development of Cyber Security Framework (including implementation Plan)	Six Months	James Sinden	<p>Implementation of the Cyber Security Program has been completed and has moved into operations mode within the Information Services Department.</p> <p><i>02/08/2022 by James Sinden</i></p> <p>-</p> <p>The LGITSA Cyber Security Framework has been completed and AHC has aligned the Cyber Security Plan (the implementation plan) to the framework and commenced implementation of the ISMS (Information Security Management System).</p> <p><i>10/05/2022 by James Sinden</i></p> <p>-</p> <p>The implementation of an ISMS is a part of the recently adopted Cyber Security Plan (Framework) that was adopted at the June 2021 Council Meeting.</p> <p>Commencement was delayed due to the resignation of a key AHC Staff member responsible for the delivery of the project.</p> <p>After advertising for a Senior Cyber Security ICT Officer, Council was unable to find an appropriate candidate given there is considerable demand in the industry for these skillsets.</p>	100%	Complete (Accepted)	30/06/2023

				<p>In the short term a specialist contract resource is being used to progress with implementation.</p> <p>The newly appointed Team Leader ICT has already introduced a formal ITIL Change Management process using the forms engine via the corporate website for both external vendors and internal ICT change control.</p> <p>Development of ICT Policy and implementation of an ICT Operations Manual planning has started and AHC Staff have assisted with the development of a Local Government Cyber Security Framework that has been grant funded by the LGA and facilitated by LGITSA (Local Government Information Technology South Australia) and external consultants. A draft version of the framework is expected to be released shortly to the LG Sector for feedback.</p> <p>The LGITSA Cyber Security Framework has been completed and AHC is currently aligning its Cyber Security Plan to this framework in a sector wide approach of improving Cyber Security maturity. AHC has also engaged CyberCX in the implementation of AHC's ISMS (Information Security Management System) and work activity continues in this area.</p> <p><i>01/04/2022 by James Sinden</i></p> <p>-</p> <p>Work activity continues with this action where staff have been closely involved in the working group established by LGITSA (Local Government Information Technology South Australia) to develop a Local Government Cyber Security Framework that's been grant funded by the LGA. As the development of the framework progresses, AHC continues to build upon technical cyber security controls and implementation work activity with consultants that will align to a State based Cyber Security Framework.</p>			
Corporate Risk Register	Implement new records management system in conjunction with SharePoint upgrade	Six Months	James Sinden	Completed Action - New SharePoint environment implemented, Record Point software acquired to replace TRIM and installed, project plan established for EDRMS and architecture completed. Build of Test Environment completed and software integration with line of business systems being undertaken. Live environment built and configured and staged rollout commenced in 2020. TRIM Migration Project completed with contractors (AvePoint)	100%	Complete (Accepted)	30/06/2017

Corporate Risk Register	Develop business case for the electronic capture of all records currently stored in hardcopy format both onsite and offsite.	Six Months	James Sinden	<p><i>10/05/2022</i> <i>by James Sinden</i></p> <p>- The business case developed identified cost estimates that exceed current budget allocation and further analysis is required if the activity is to progress.</p> <p><i>01/02/2022</i> <i>by Jody Atkins</i></p> <p>- Corrected dates: The Scan on Demand proposal was issued to Management November 2020, with a business case issued August 2021, waiting Managers approval for Scan on Demand to occur.</p> <p><i>01/02/2022</i> <i>by Jody Atkins</i></p> <p>- The development of a business case for electronic capture of all hard copy records has commenced. The Scan on Demand proposal was issued to Management November 2019, with a business case issued August 2020, waiting Managers approval for Scan on Demand to occur. Clearing of back Woodside room has occurred to enable over 2000 files to be in a more fire safe environment. Clearing of hard records in other worksites (Heathfield, Garrod Ave, Lobethal, Gumeracha and parts of Nairne Road) have been completed. Still an area in Nairne Road to be cleared (dungeon).</p>	100%	Complete (Accepted)	26/02/2022
Corporate Risk Register	Progress transition to cloud for remaining applications / systems	Six Months	Phil Mattingly	<p><i>10/10/2024</i> <i>by Phil Mattingly</i></p> <p>- Open Office ERP system added to Risk Register to highlight need for replacement. External consultancy review sought, spec released to market Oct 2024, report to be ready for 2025.</p>	35%	In Process	31/12/2024

*10/10/2024*  
*by Phil Mattingly*

-  
CRM Salesforce Cloud implementation completed and operational. Changes to departmental operational process will continue as platform is bedded in.

*23/07/2024*  
*by James Sinden*

-  
CRM - Implementation of Salesforce CRM commenced in January and has been progressing well with a go live of 29th July 2024 for the essential build.

*08/12/2023*  
*by James Sinden*

-  
Microsoft 365 - Teams Calling has been successfully transitioned to Cloud removing on-premise Skype for Business Servers.

*27/09/2023*  
*by James Sinden*

-  
CRM business requirements undertaken and progressing to tender for solution design.

*08/08/2023*  
*by James Sinden*

-  
CRM System has been given Capital funding to progress work activity for a renewal of the solution and migration to cloud hosting. A project control group has been established and is currently engaging with the organisation with a view to undertake a tender process for the work activity.

*07/07/2023*  
*by James Sinden*

-  
Scoping work for implementation of Microsoft 365 - Teams Calling

*07/07/2023*  
*by James Sinden*

-  
Developed and implemented a new Council Members Portal in November 2022 for the new Council with M365

*09/01/2023*  
*by James Sinden*

-  
MS Teams Cloud migration scoping and planning work is underway

*02/08/2022*  
*by James Sinden*

-  
SharePoint Cloud migration scoping out requirements for the EDRM's has commenced including analysis of data governance compliance.

*02/08/2022*  
*by James Sinden*

-  
SharePoint Cloud migration scoping out requirements for the EDRM's has commenced including analysis of data governance compliance.

				<p><i>10/05/2022</i> <i>by James Sinden</i></p> <p>- Payroll Phase 2 (Electronic Timesheet Solution) to commence in May Human Resources (Employee Self Service Portal) Phase 2 to commence in May</p>			
				<p><i>01/04/2022</i> <i>by James Sinden</i></p> <p>- Significant work has been undertaken in transition to Cloud for the following system. Payroll - Completed - Phase 1 Human Resource - Phase 1 Active Director - Completed Exchange - Completed Endpoint Detection &amp; Response (Microsoft Defender Security) - Completed and removal of redundant EDR systems (Carbon Black, Proofpoint etc)</p>			
Corporate Risk Register	Review Information Services Strategic Plan	Six Months	James Sinden	<p>The Information Services Strategic Plan is being reviewed by ISSRG (Information Strategic Reference Group) to align to the technology system reference within the Council Strategic Plan - A Brighter future: Strategic Plan 2020-24 Objective 6 - Technology and innovation.</p> <p>31/10/2024 - A further review of the IS Strategic Plan needs to be planned in CY 2025. Preliminary work regarding current system architecture is underway.</p>	100%	Complete (Accepted)	30/06/2022

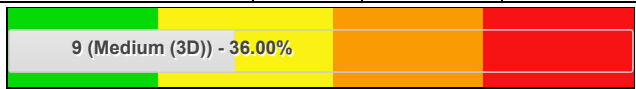
Documents		
Date Added	Document Name	Document Details

Saved PDF Versions			
Date Saved	Saved By	Revision	PDF Document
07/11/2023 9:58:46 AM	Jody Atkins	1	Risk170939_2023-11-07_9-58-46_AM.pdf



<b>ID:</b>	Risk - 170965
<b>Risk Title or Work Activity:</b>	Strategic Risk - Governance, Legal & Compliance
<b>Risk Description:</b>	Failure to exercise, perform and discharge the powers, functions and duties under legislation, contracts, leases and policies (PR)
<b>Responsible Person:</b>	Gary Lewis
<b>Date of Risk Identification:</b>	09/02/2021
<b>Corporate Risk?</b>	Yes
<b>Risk Type:</b>	Strategic
<b>Risk Category:</b>	Governance, Legal & Compliance
<b>Team:</b>	Executive Leadership Team
<b>Location/Project:</b>	Other
<b>Possible Risk Events:</b>	<p>Cause:</p> <ul style="list-style-type: none"> <li>- Lack of awareness of legislative/contractual/lease/policy requirements</li> <li>- Lack of standardised lease terms and conditions.</li> <li>- Ineffective delegation and authorisation mechanisms.</li> <li>- Poor procurement and contract management practices</li> <li>- Ineffective compliance management systems</li> <li>- Staff do not possess the appropriate KSE</li> <li>- Legislative changes, not being fully understood</li> <li>- Poor confidential item management processes (CR 15 &amp; 20)</li> <li>- Ineffective implementation of Council resolutions (CR37)</li> </ul>
<b>Possible Consequences:</b>	<p>Impact:</p> <ul style="list-style-type: none"> <li>- Legislative/lease/policy of contractual obligations are not discharged leading to breaches of legislation and/ or contractual arrangements</li> <li>- Failure to effectively undertake the functions of a council</li> <li>- Contractual penalties and liabilities.</li> <li>- Inefficient systems that lead to loss of resources</li> <li>- Scrutiny and sanctions by integrity agencies</li> <li>- Resolutions not implemented in a timely manner, opportunities missed, legislative obligations unmet</li> </ul>
<b>Initial Risk Score:</b>	<p>21 (Extreme (4B)) - 84.00%</p>
<b>Initial Risk Comments:</b>	Council has obligations under many different legislative, policy and contractual instruments
<b>Residual Risk Score:</b>	<p>9 (Medium (3D)) - 36.00%</p>
<b>Residual Risk Comments:</b>	Notwithstanding many controls in place, few are systematized and most are administrative controls which rely on the diligence/knowledge of the Council Officer. Elements of this risk have been highlighted in the statutory audit process for the 2023/24 financial year to which the Administration's response to this risk was that significant improvement in the management of this risk is unlikely with current systems.
<b>Other Requirements/Comments:</b>	There is a need to develop a compliance framework for the identification and reporting of these risks.
<b>Current:</b>	Yes

**Risk Controls**

Control Details	Reviewer	Next Review Date	Last Review Date	Review Notes	Control Effectiveness
<p>Legal considerations considered in agenda report templates, updates from LGA, legal providers and professional associations. Professional and experienced management team. Register of leases and licenses. Legislative delegations register regularly reviewed, role specific training &amp; development. Policy registers, policies on web, MLS and WCS audits, contract registers, lease registers, internal audit program, external audit program Governance Legal Compliance Audit Employment of Procurement Coordinator Procurement Framework implemented. Experienced property team. Action List, Minutes, Council Resolution Update report.</p>	Zoe Gill	01/11/2024	11/11/2024		PARTIALLY EFFECTIVE (Designed Partially Adequately; Operating Partially Effectively)
 <p>9 (Medium (3D)) - 36.00%</p>					

Actions								
Action Source	Action Required	Action Priority	Person Responsible	Extra Comments	Percent Complete	Status	Due Date	
Corporate Risk Register	Legislative compliance audit	Immediately	Lachlan Miller	NIL	100%	Complete (Accepted)	30/06/2016	
Corporate Risk Register	Development of contract management system, subject to funding	Immediately	Michael Carey	NIL	100%	Complete (Accepted)	31/12/2016	
Corporate Risk Register	Development of a legal opinions database	Immediately	Lachlan Miller	As all legal opinions are recorded and accessible in TRIM/RecordsHub, a legal opinions database would be an inefficient use of resources.	100%	Complete (Accepted)	30/06/2020	
Corporate Risk Register	Implementation of new delegations and authorisations management system and associated training.	Immediately	Steven Watson	Software has been implemented and is now being updated as delegation changes occur.	100%	Complete (Accepted)	29/06/2020	
Corporate Risk Register	Community & Recreation Facilities Framework will provide for greater standardisation in leasing terms and conditions	Immediately	Karen Cummings	The draft Framework was endorsed by Council in August 2022. Staff are now working on preparation of new Lease/Licensing/Management Agreement templates with Lawyers which will be progressively implemented from 1 July 2023. There is a large amount of new Leases to be rolled out with Clubs and Community Groups and meetings/engagement with each Club/group to progress the new lease rollout. This is taking some time. It is envisaged that the new Leases for Clubs will now be finalised by 31 December 2023 with commencement of rollout of management agreements with Hall operators to commence in September 2023.	70%	Not Complete (Overdue)	30/06/2023	

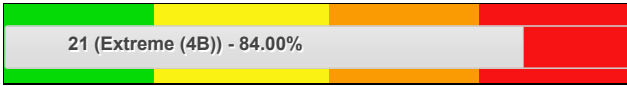
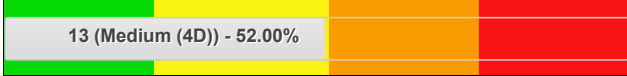
Corporate Risk Register	Implement Statutes Amendment (Local Government Review) Act 2021 provisions (see Action ID 278100)	Immediately	Zoe Gill	<p>241111 Risk, Audit and Insurance Officer recruited. Work program underway. 240927 - Audit and risk officer appointed and begins on 21 October 24 240814 Review of Audit Committee TOR will be conducted when the Risk&lt; Audit and Insurance Officer is appointed</p> <p>230811 - Final tranche of LG Reform regarding Audit Committees and Internal Audit to come into effect on 30/11/23. Minor modifications to the Audit Committee Terms of reference required.</p> <p><i>27/01/2023 by Lachlan Miller</i></p> <p>- The latest tranches of changes occurred with the November 2022 periodic elections (specifically COI, BMF)</p> <p><i>07/08/2022 by Lachlan Miller</i></p> <p>- Provisions continue to be released in tranches and the required actions and communications are undertaken at each date</p> <p><i>09/11/2021 by Lachlan Miller</i></p> <p>- Implementation and transition arrangements are being progressively developed and commenced in tranches. First two tranches 20 September and 10 November 2021 implemented.</p> <p><i>09/08/2021 by Lachlan Miller</i></p> <p>- See Action ID: 278100</p>	80%	Not Complete (Overdue)	30/11/2023
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**Documents**

Date Added	Document Name	Document Details
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Date Saved	Saved By	Revision	PDF Document

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<b>ID:</b>	Risk - 169129
<b>Risk Title or Work Activity:</b>	Strategic Risk - Assets & Infrastructure
<b>Risk Description:</b>	Failure to provide appropriate infrastructure for the community (F)
<b>Responsible Person:</b>	David Waters
<b>Date of Risk Identification:</b>	12/11/2020
<b>Corporate Risk?</b>	Yes
<b>Risk Type:</b>	Strategic
<b>Risk Category:</b>	Assets & Infrastructure
<b>Team:</b>	Executive Leadership Team
<b>Location/Project:</b>	Other
<b>Possible Risk Events:</b>	<p>Cause:</p> <ul style="list-style-type: none"> <li>- Ageing infrastructure in need of renewal to remain fit for purpose and/or comply with legislation</li> <li>- Poor asset management regimes (data, reveals)</li> <li>- Ineffective maintenance regimes</li> <li>- Leaseholders conducting works outside of contractual/legislative obligations.</li> <li>- Duplication or gaps in infrastructure provision to communities.</li> <li>- Lack of understanding community needs and trends</li> </ul>
<b>Possible Consequences:</b>	<p>Impact:</p> <ul style="list-style-type: none"> <li>- Increased cost to maintain infrastructure</li> <li>- Reduced confidence in Council by the community</li> <li>- Increased risks to staff and community when utilising facilities</li> <li>- Disadvantage to AHC community over that of other areas</li> <li>- Negative impact on community wellbeing</li> </ul>
<b>Initial Risk Score:</b>	 <p>21 (Extreme (4B)) - 84.00%</p>
<b>Initial Risk Comments:</b>	210219 - Transferred from AHC Strategic Risk Assessment Excel Spreadsheet
<b>Residual Risk Score:</b>	 <p>13 (Medium (4D)) - 52.00%</p>
<b>Residual Risk Comments:</b>	<p>Current Asset Management Plans for key asset categories</p> <ul style="list-style-type: none"> <li>- Long Term Financial Plan that captures the Strategic Plan and Asset Management Plans</li> <li>- Endorsed annual budget for maintenance program (all asset categories)</li> <li>- Annual Business Plan; Budget consultation undertaken</li> <li>- Customer Survey undertaken</li> <li>- Asset condition audits undertaken cyclically</li> <li>- Asset management system updated to Confirm Enterprise Asset Management</li> <li>- Building inspections (last done 2017)</li> <li>- Compliance audits for buildings as per legislation</li> <li>- Customer request system captures community concerns/issues</li> <li>- Sport and Recreation Strategy</li> <li>- Bike Strategy</li> <li>- Preventative Maintenance regime</li> <li>- Strategic Plan Reviewed with Goal area for Built Environment established (including priorities)</li> </ul>
<b>Other Requirements/Comments:</b>	As Asset Management Planning continues to improve, the control of this risk will also improve.

<b>Current:</b>	Yes
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Risk Controls					
Control Details	Reviewer	Next Review Date	Last Review Date	Review Notes	Control Effectiveness
<ul style="list-style-type: none"> <li>- Current Asset Management Plans for key asset categories</li> <li>- Long Term Financial Plan that captures the Strategic Plan and Asset Management Plans</li> <li>- Endorsed annual budget for maintenance program (all asset categories)</li> <li>- Annual Business Plan &amp; Budget consultation undertaken</li> <li>- Customer Survey undertaken</li> <li>- Asset condition audits undertaken cyclically</li> <li>- Asset management system updated to Confirm Enterprise Asset Management</li> <li>- Building inspections (last done 2017)</li> <li>- Compliance audits for buildings as per legislation</li> <li>- Customer request system captures community concerns/issues</li> <li>- Sport and Recreation Strategy</li> <li>- Bike Strategy</li> <li>- Preventative Maintenance regime</li> <li>- Strategic Plan Reviewed with Goal area for Built Environment established (including priorities)</li> </ul>	David Waters	01/03/2025	11/11/2024	Noted that AHC needs to complete a gap analysis of asset management plans to ensure any deficiencies are identified and addressed.	EFFECTIVE (Designed Adequately; Operating Effectively)
<p>12 (Medium (3C)) - 48.00%</p>					

Actions								
Action Source	Action Required	Action Priority	Person Responsible	Extra Comments	Percent Complete	Status	Due Date	
Corporate Risk Register	Update asset management plans as per cycle (and LTFP)	Immediately	David Collins	Footpaths, Kerbs and Roads AMP adopted by Council Feb 2021. AMPS for other classes in development.	100%	Complete (Accepted)	30/06/2021	
Corporate Risk Register	Preventative Maintenance regime developed	Immediately	David Collins	NIL  <i>07/05/2021 by David Collins</i>  - Programmed maintenance cycle in place for Civil services	100%	Complete (Accepted)	01/01/2017	

Corporate Risk Register	Establish service levels in consultation with community	Immediately	David Collins	<p>Updated to CRM response times completed. Levels of service refinements required as part of AMP reviews. Stormwater Level of Service Report adopted by Council. Levels of service established in adoption of Roads, Footpath and Kerb Asset Management Plan.</p> <p><i>07/05/2021 by David Collins</i></p> <p>-</p> <p><i>07/05/2021 by David Collins</i></p> <p>-</p> <p>Asset Management Plan Roads, Footpath and Kerb Adopted 2021</p>	100%	Complete (Accepted)	30/06/2021
Corporate Risk Register	Establish cycle for condition audits and monitor (incl buildings)	Immediately	David Collins	<p>Building audits funded in 2020/21</p> <p>Span Bridge Audits completed in 202/21</p> <p>Condition audits identified in AMP and new system implementation and set up has delayed some condition auditing.</p> <p>Audit of Kerb being undertaken by internal resource on ConfirmConnect February 2021. Footpath audit to be conducted in first half of 2021.</p> <p>Condition audit identified in Road, Footpath and Kerb AMP for all sealed roads. To be undertaken in 2022/23</p>	100%	Complete (Accepted)	01/06/2021
Corporate Risk Register	Develop Bike Strategy to identify infrastructure requirements	Immediately	David Collins	<p>To Council Oct 16 - completed</p> <p><i>07/05/2021 by David Collins</i></p> <p>-</p> <p>Bike Strategy was developed and was reviewed as part of Trail Strategy.</p>	100%	Complete (Accepted)	30/06/2021

Corporate Risk Register	Revise Sport and Recreation Strategy to identify infrastructure requirements	Immediately	David Collins	Strategy completed and infrastructure requirements linked to Strategic Property Review. LTFP now capturing ongoing investment.  <i>07/05/2021 by David Collins</i>  -	100%	Complete (Accepted)	01/03/2016
Corporate Risk Register	Complete a new asset management plan for buildings assets.	Six Months	David Collins	<i>29/07/2024 by David Collins</i>  - Draft AMP has been developed following a completed external audit of all building assets - a revaluation increased the asset value substantially and this required time to review and validate the outcomes. In addition, the Community Facilities Framework implementation identified operational impacts that modified the AMP outcomes.	70%	In Process	22/01/2025
Corporate Risk Register	Undertake a gap analysis for Council's asset management plans. Produce a report for Council consideration of the identified gaps and an action plan.	Three Months	David Collins		20%	Not Complete (Overdue)	30/09/2024

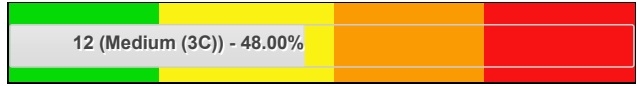
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<b>ID:</b>	Risk - 169143
<b>Risk Title or Work Activity:</b>	Strategic Risk - Service Delivery
<b>Risk Description:</b>	Failure to deliver projects, programs and services in accordance with plans (time, budget, quality).
<b>Responsible Person:</b>	David Waters
<b>Date of Risk Identification:</b>	15/05/2020
<b>Corporate Risk?</b>	Yes
<b>Risk Type:</b>	Strategic
<b>Risk Category:</b>	Service Delivery
<b>Team:</b>	Executive Leadership Team
<b>Location/Project:</b>	Other
<b>Possible Risk Events:</b>	<p>Causes:</p> <ul style="list-style-type: none"> <li>- Ineffective budget development process (ineffective cost estimates preparation; possible lack of understanding of budget and budget process;</li> <li>- Unrealistic timeframes e.g. 12 months for design, consultation and delivery; Change or poorly defined scope; Inadequate specifications and documentation and design; Lack of stakeholder engagement.</li> <li>- Lack of effective consistent project management methodologies</li> <li>- Unforeseen weather and climate conditions,</li> <li>- Lack of appropriate plant and equipment,</li> <li>- Poor contractor management,</li> <li>- Lack of resources (Lack of adequate skilled resources; Loss of key staff,)</li> <li>- Change in government legislation or policy,</li> <li>- Reduction in grant funding,</li> <li>- Lack of scheduled maintenance</li> <li>- Unclear Service ranges and levels</li> </ul>
<b>Possible Consequences:</b>	<p>Impact:</p> <ul style="list-style-type: none"> <li>- Cost of projects escalates, unbudgeted spending, impacts on delivery of the projects</li> <li>- Damage to Council reputation</li> <li>- Outcomes of the project delivered fails to meet community's expectations</li> <li>- Weaknesses in infrastructure necessitating increased maintenanc</li> </ul>
<b>Initial Risk Score:</b>	<p>21 (Extreme (4B)) - 84.00%</p>
<b>Initial Risk Comments:</b>	
<b>Residual Risk Score:</b>	<p>9 (Medium (3D)) - 36.00%</p>

<b>Residual Risk Comments:</b>	<ul style="list-style-type: none"> <li>- Monthly capital reports from finance</li> <li>- Reporting of The Quarter to Council</li> <li>- Regular team meetings with project updates</li> <li>- Quarterly budget review process</li> <li>- 3 Year Capital Program</li> <li>- Procurement policy</li> <li>- Process and qualified staff/teams</li> <li>- Project reporting process</li> <li>- Panel contractors</li> <li>- Legislation and policy</li> <li>- KPI monitoring and reporting</li> <li>- Financial Reporting</li> <li>- LTFP processes have been amended to ensure that all key Strategies and Plan (including the Strategic Plan and Asset Management Plans) are captured as part of the LTFP review each year ahead of budget</li> </ul>
<b>Other Requirements/Comments:</b>	Addition of the Project Management Framework has further Strengthened the controls.
<b>Current:</b>	Yes

Risk Controls					
Control Details	Reviewer	Next Review Date	Last Review Date	Review Notes	Control Effectiveness
<ul style="list-style-type: none"> <li>- Monthly capital reports from finance</li> <li>- Reporting of The Quarter to Council</li> <li>- Regular team meetings with project updates</li> <li>- Quarterly budget review process</li> <li>- 3 Year Capital Program</li> <li>- Procurement policy</li> <li>- Process and qualified staff/teams</li> <li>- Project reporting process</li> <li>- Panel contractors</li> <li>- Legislation and policy</li> <li>- KPI monitoring and reporting</li> <li>- Financial Reporting</li> <li>- LTFP processes have been amended to ensure that all key Strategies and Plan (including the Strategic Plan and Asset Management Plans) are captured as part of the LTFP review each year ahead of budget</li> </ul>	David Waters	01/03/2025	11/11/2024		PARTIALLY EFFECTIVE (Designed Adequately; Operating Partially Effectively)
 <p>12 (Medium (3C)) - 48.00%</p>					

Actions							
Action Source	Action Required	Action Priority	Person Responsible	Extra Comments	Percent Complete	Status	Due Date

Corporate Risk Register	<p>'Project Management</p> <p>a) Implementation of Project management framework. A trial with Built and Natural Assets is underway since 1/7/15. A review was undertaken in 2016 to assess and refine framework. Further review required now that Manager Civil Services appointed</p> <p>b) Process to audit and check project management.</p> <p>c) Implementation of scheduled program maintenance,</p>	Immediately	Peter Bice	<p>IN PROGRESS. Project Management Documentation now being developed in partnership with external expertise.</p> <p><i>13/10/2021 by Peter Bice</i></p> <p>-</p> <p><i>13/10/2021 by Peter Bice</i></p> <p>-</p> <p>PM Framework has now been implemented, beginning with Civil and Open Space Teams, and progressive adoption occurring from other key Project Delivery Areas.</p>	100%	Complete (Accepted)	30/06/2016
Corporate Risk Register	<p>Refine the budget bid process to ensure that sufficient time is allocated to cost budget submissions and also timing recognising that some projects will need to span across multiple years due to lead times associated with planning, consultation and approvals. Action: develop a budget bid database with a two stage process by 30/3/2016</p>	Immediately	Peter Bice	<p>COMPLETED. Initial 3 year program developed for 2017/18 ABP.</p> <p><i>20/05/2021 by Peter Bice</i></p> <p>-</p>	100%	Complete (Accepted)	30/01/2016

Corporate Risk Register	Start to promote multiple year project planning in line with Asset Management Planning	Immediately	Peter Bice	COMPLETED. 3 Year Capital Program has been established, which help to achieve this goal.  <i>19/05/2021 by Peter Bice</i>  -	100%	Complete (Accepted)	30/06/2016
Corporate Risk Register	Develop process in conjunction with Organisational Development to transfer knowledge once an employee has notified intent to leave the organisation (i.e. to capture staff knowledge with consideration of succession planning and transition to retirement)	Six Months	Gary Lewis	IN PROGRESS. Process development underway, however progress has stalled due to other delivery priorities. Looking to reinvest in this process development over the coming months.	50%	Not Complete (Overdue)	30/06/2024
Corporate Risk Register	Amend LTFP and budget processes to capture all Strategic and Functional Strategy funding requirements.	Immediately	Michael Carey	COMPLETED: 2018/19 & 2019/20 Budgets adopted based on a revised LTFP that captured all Strategic and Functional Strategies.  <i>13/07/2023 by Michael Carey</i>  -	100%	Complete (Accepted)	30/06/2018
Corporate Risk Register	Amend LTFP ratio ranges, as well as rates indice, to ensure growth in Operating Surplus to fund growth in operating expenditure	Immediately	Michael Carey	Budget workshop held on 30/1/2021 where proposed changes we considered appropriate to take to Audit Committee. LTFP adopted April 2021 with updated LTFP financial indicator ranges	100%	Complete (Accepted)	30/06/2021
Corporate Risk Register	Develop Quarterly Report of all key projects to Council that provides a status and financial information	Immediately	Lachlan Miller	COMPLETED: The Quarter now implemented and being reported to Council and Audit Committee	100%	Complete (Accepted)	30/09/2019

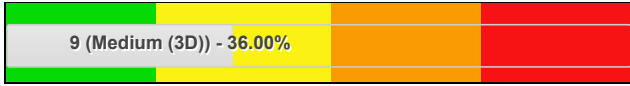
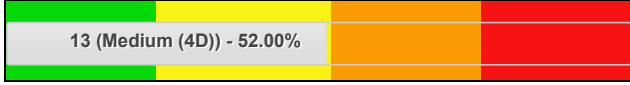
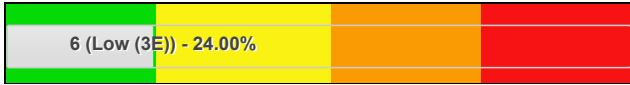
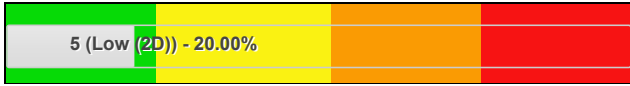
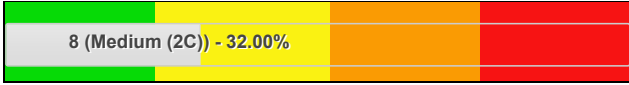
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<b>ID:</b>	Risk - 170963
<b>Risk Title or Work Activity:</b>	Strategic Risk - Representation & Decision Making
<b>Risk Description:</b>	Failure to act as a representative, informed and responsible decision-maker in the interests of the community. (PR)
<b>Responsible Person:</b>	Gary Lewis
<b>Date of Risk Identification:</b>	12/11/2020
<b>Corporate Risk?</b>	Yes
<b>Risk Type:</b>	Strategic
<b>Risk Category:</b>	Governance, Legal & Compliance
<b>Team:</b>	Executive Leadership Team
<b>Location/Project:</b>	Other
<b>Possible Risk Events:</b>	<p>Cause:</p> <ul style="list-style-type: none"> <li>- Poor governance practices (CR22)</li> <li>- Poor risk management practices (CR21)</li> <li>- Poor representation arrangements (CR92)</li> <li>- Poor representation of the community by Council Members (CR62)</li> <li>- Lack of effective strategic planning and resource allocation processes. (CR63)</li> <li>- Untimely implementation of Council resolutions (CR37)</li> <li>- Lack of effective financial sustainability processes. (SR9c)</li> <li>- Ineffective performance management and reporting processes. (CR64)</li> <li>- Poor working relationship between Council and Administration. (CR65)</li> <li>- Failure to engage in sector-wide reform initiatives (CR81)</li> </ul>
<b>Possible Consequences:</b>	<p>Impact:</p> <ul style="list-style-type: none"> <li>- Decisions are not representative of community sentiment or made in the community's interest</li> <li>- Decisions are poorly or incorrectly informed leading to a high risk profile, errors, loss, waste, omissions, breaches of legislation.</li> <li>- Breaches of legislation, unenforceable decisions/resolutions, creation of liabilities/ additional risk to Council, stakeholder and/or regulator dissatisfaction and/or sanction.</li> </ul>
<b>Initial Risk Score:</b>	<p>22 (Extreme (5C)) - 88.00%</p>
<b>Initial Risk Comments:</b>	The main area of impact is community, social and reputational as it is largely based on public perception of conduct compared to individual (and therefore differing) expectations although actual breaches of legislation will contribute to this inherent rating.
<b>Residual Risk Score:</b>	<p>9 (Medium (3D)) - 36.00%</p>
<b>Residual Risk Comments:</b>	There are many controls in place to partially mitigate this risk some are systematic however many are administrative controls and therefore reliant on the diligence of individual Council Members/Officers to implement.
<b>Other Requirements/Comments:</b>	
<b>Current:</b>	Yes

**Risk Controls**

Control Details	Reviewer	Next Review Date	Last Review Date	Review Notes	Control Effectiveness
CR92 (Poor representation arrangements which leads to decisions that are not made in the best interests of the community) - Provisions of Chpt 3 of the LG Act regarding composition of councils and wards, mandated representation reviews, voluntary representation review, 2017 ERR completed, Strategic Boundary Review report	Zoe Gill	03/02/2025	11/11/2024		PARTIALLY EFFECTIVE (Designed Partially Adequately; Operating Partially Effectively)
					
CR21 (A lack of effective risk management occurs which leads to greater uncertainty in the achievement of objectives and/or negative outcomes.) - Revised CRM Policy adopted, CRMF adopted, training provided to senior staff, RM considerations included in agenda report templates. General awareness of risk management principles and considerations. Strategic Risk Profiling and management of assessments in SkyTrust, MLS Risk Reviews and advisory.	Zoe Gill	03/02/2025	11/11/2024		PARTIALLY EFFECTIVE (Designed Adequately; Operating Partially Effectively)
					
CR22 (Poor governance practices occur which lead to a loss of stakeholder (i.e. customer and regulator) confidence and/or legislative breaches.) - Legal considerations considered in agenda report templates, Governance Manager advises council, well-functioning Audit Committee, flyers and updates from LGA, legal providers and professional associations. Professional and experienced management team. Policies (Conduct, COPMP, allowances, caretaker, Information Sessions, COPAMD, PID), delegations, agendas, minutes, T&D, COI Mgt. Review of s41, AGs, s43 subsidiary and external group fiduciary arrangements. By laws reviewed 2018. Council Resolution Update report shows COIs declared.	Zoe Gill	03/02/2025	11/11/2024		PARTIALLY EFFECTIVE (Designed Adequately; Operating Partially Effectively)
					
CR81 (Failure to engage in sector-wide reform initiatives leading to the Adelaide Hills community not being adequately represented) - Monitoring LGA circulars and other invitations to make submissions (OLG, ECCOSA, ECSA), consideration @ ELT and Council level, Membership on LG-related bodies	Zoe Gill	03/02/2025	11/11/2024		PARTIALLY EFFECTIVE (Designed Adequately; Operating Partially Effectively)
					
CR62 (Poor representation of the community by Council Members leading to formal decisions that do not appropriately take account the community needs) - Provisions of LG Act and behavioural standards, EM training on role, contact details on website, issue of email addresses and laptops; COI provisions, informed and researched Council reports, public consultation policy and practices.	Zoe Gill	03/02/2025	11/11/2024		PARTIALLY EFFECTIVE (Designed Partially Adequately; Operating Partially Effectively)
					

CR63 (Lack of effective strategic planning and resource allocation processes) - Suite of strategic management plans, strategic, business and project planning and budgeting processes, trained and experienced staff. Corporate Planning & Performance Reporting Framework, CP&R Coord role, Service Review Framework adopted. Council reports contain financial and resource implications.	Zoe Gill	03/02/2025	11/11/2024	Added control regarding Council report financial and resource implications	EFFECTIVE (Designed Adequately; Operating Effectively)
CR64 (Ineffective performance management and reporting processes leading to poor performance and/or loss of stakeholder confidence) - Budget review processes, provisions of LG Act regarding budget reviews and annual reporting, trained and experienced staff, CEOPRP, Corporate Planning & Performance Reporting Framework, Quarterly Council Performance Report, 4x8 processes, Management contract review process, enhanced major project reporting. Local Government Advice Scheme	Zoe Gill	03/02/2025	11/11/2024		EFFECTIVE (Designed Adequately; Operating Effectively)
CR65 (Poor working relationship between Council and the Administration leading to ineffective and inefficient performance by Council) - CM and Administration training in the respective roles, team building and relationship development, performance reporting, One Team Communication Protocols, designated administration contact listing, CEO 1:1, strengthened provisions in s58	Zoe Gill	03/02/2025	11/11/2024		PARTIALLY EFFECTIVE (Designed Adequately; Operating Partially Effectively)
CR37 (Actions arising from Council resolutions not be completed in a timely manner leading to a loss of stakeholder confidence) - Action List, Minutes, Council Resolution Update report. Council Member queries	Zoe Gill	03/02/2025	11/11/2024		EFFECTIVE (Designed Adequately; Operating Effectively)

Actions								
Action Source	Action Required	Action Priority	Person Responsible	Extra Comments	Percent Complete	Status	Due Date	
Corporate Risk Register	Governance Framework Review	Immediately	Zoe Gill	NIL	100%	Complete (Accepted)	30/09/2016	
Corporate Risk Register	Review of s41 Committee and Advisory Group Terms of Reference	Immediately	Lachlan Miller	Last review of Advisory Groups by Council was 18 December 2018. Last review of Audit Committee and CEOPRP was 27 November 2018, SPDPC (ceased) was 24 November 2020.	100%	Complete (Accepted)	30/09/2016	
Corporate Risk Register	Rollout of ContolTrack (Internal control module)	Immediately	Michael Carey	Endorsed and implemented for Financial Controls	100%	Complete (Accepted)	30/12/2015	



Corporate Risk Register	Review of Risk Management Framework	Immediately	Zoe Gill	<p>SkyTrust configuration adequate for corporate rollout however additional work required on reporting functionality. Documentation being amended for SkyTrust functionality. Intend to conduct function workshops as the training exercise.</p> <p>230215 This work was sidelined whilst work was undertaken on the LG Election and Council Member Induction process. Work is scheduled to recommence March 2023.</p> <p>230811 Resignation of Governance &amp; Risk Coordinator has resulted in deferral of Framework completion until late 2023.</p> <p>240814 Currently working with LGRS to review Council's approach to Risk Management identification, recording and reporting</p> <p>241111 Risk, Audit and Insurance Officer recruited. Work program underway.</p>	50%	Not Complete (Overdue)	30/12/2023
Corporate Risk Register	Representation Review - 2016/17	Immediately	Lachlan Miller	Representation Review completed and certified by Electoral Commissioner in November 2017	100%	Complete (Accepted)	30/04/2017

Corporate Risk Register	Participation in boundary reform initiatives	Immediately	Zoe Gill	<p>241111 Policy Officer recruited who will assist with Boundary change committee</p> <p>20240927 - Advocacy plan and project plan endorsed by Council, Boundary Change Committee given increased powers to provide an agile response to the proposal, Boundary Commission has made preliminary request for information.</p> <p>20240814 - Boundary Change Proposal progressing to inquiry stage. Project plan, advocacy plan and key messages being reviewed by Boundary Change Committee on 28 August 2024</p> <p>Participation is ongoing as boundary proposals are lodged.</p> <p>230811 - Local Government Boundaries Commission has approved the Campbelltown City Council (CCC) submission to progress to the Inquiry Stage. CCC yet to consider the cost implications of the inquiry and determine whether to proceed.</p> <p><i>27/01/2023 by Lachlan Miller</i></p> <p>-</p> <p>CCC proposal has progressed to the Inquiry stage. AHC has positive impact into the design of the Inquiry Plan. Awaiting CCC decision as to whether to proceed with Inquiry and pay cost estimate.</p> <p><i>07/08/2022 by Lachlan Miller</i></p> <p>-</p> <p>Campbelltown City Council (CCC) lodged its Stage 2 proposal in April 2022. The Boundaries Commission requested CCC to lodge Supplementary Information to be lodged by 30 June 2022, this was achieved. Boundaries Commission advised on 20 August 2022 that CCC's Proposal can progress to an Inquiry if CCC agree to the cost estimate (to be considered post-election).</p> <p><i>12/07/2021 by Lachlan Miller</i></p> <p>-</p> <p>Watching brief kept on boundary reform proposals and actions of the initiating councils</p>	60%	Not Complete (Overdue)	30/12/2023
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Corporate Risk Register	Review of s43 and external group fiduciary duties where Council members or staff are on Boards	Immediately	Lachlan Miller	NIL	100%	Complete (Accepted)	30/12/2016
Corporate Risk Register	2018 LG Election induction training	Immediately	Lachlan Miller	All mandatory and discretionary training completed.	100%	Complete (Accepted)	30/06/2019
Corporate Risk Register	Implementation of Corporate Planning & Performance Reporting Framework	Immediately	Lachlan Miller	Framework adopted by Council on 19 June 2018 and implemented in 2018-19.	100%	Complete (Accepted)	30/06/2019
Corporate Risk Register	Strategic Boundary Review project	Immediately	Lachlan Miller	Final report adopted by Council in September 2020	100%	Complete (Accepted)	30/06/2020
Corporate Risk Register	Implementation of LG Reform legislative changes.	Immediately	Zoe Gill	<p>241111 - Risk, Audit and Insurance Officer recruited. Work program underway.</p> <p>240924 - recruitment of officer complete and person starting on 21 October 24</p> <p>240814 - Review of Audit Committee Terms of reference will be action when the Risk, Audit and Insurance Officer is appointed.</p> <p>Statute Amendment (Local Government Review) Act 2021 passed in Parliament in May 2021 sittings.</p> <p>230811 - Final tranche of LG Reform regarding Audit Committees and Internal Audit to come into effect on 30/11/23. Minor modifications to the Audit Committee Terms of reference required.</p> <p><i>27/01/2023 by Lachlan Miller</i></p> <p>-</p> <p>The latest tranches of changes occurred with the November 2022 periodic elections (specifically COI, BMF)</p> <p><i>07/08/2022 by Lachlan Miller</i></p> <p>-</p> <p>Provisions continue to be released in tranches and the required actions and communications are undertaken at each date.</p> <p><i>11/05/2022 by Lachlan Miller</i></p> <p>-</p>	80%	Not Complete (Overdue)	30/11/2023

			<p>Commencement dates have been published for the majority of the remaining reforms and process/systems are amended leading up to each commencement tranche.</p> <p><i>17/01/2022 by Lachlan Miller</i></p> <p>- Commencement of new provisions on 23 December 2021, reforms mostly related to strategic and financial planning and reporting.</p> <p><i>09/11/2021 by Lachlan Miller</i></p> <p>- Second tranche of provisions commencing 10 November 2021 - removal of requirement to display documents; full publication of register of interests; independent advice regarding CEO termination, recruitment, performance review; many election-related changes.</p> <p><i>09/08/2021 by Lachlan Miller</i></p> <p>- OLG/LGA progressively releasing proposed commencement dates and draft regulations for comment. First tranche of new provisions to commence in August/Sept - role and functions of council, principal and ordinary member role, information sessions, other provisions regarding notifications.</p> <p><i>12/07/2021 by Lachlan Miller</i></p> <p>- Awaiting further information from OLG/LGA regarding commencement</p>			
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Corporate Risk Register	Service Review Framework development	Immediately	Lachlan Miller	<p>Framework adopted by Council on 26 October 2021</p> <p><i>12/07/2021</i> <i>by Lachlan Miller</i></p> <p>- Currently meeting with internal stakeholders prior to finalising Framework for Council.</p>	100%	Complete (Accepted)	30/09/2021
Corporate Risk Register	Representation Review - April 2024-April 2025	Six Months	Zoe Gill	<p>240927 - Council endorsed (in principal) the model to take to consultation 240814 - Consultants engaged, First workshop with Council provided, project plan agreed.</p> <p><i>27/01/2023</i> <i>by Lachlan Miller</i></p> <p>- Revised representation review provisions commenced 30 June 2022. Only a representation report required to be produced.</p> <p><i>09/11/2021</i> <i>by Lachlan Miller</i></p> <p>- Section 12 will be amended to require only one public consultation on representation options (i.e. representation report).</p> <p><i>09/08/2021</i> <i>by Lachlan Miller</i></p> <p>- Representation Review will be included in 2023-24 ABP</p>	25%	In Process	30/04/2025

Documents		
Date Added	Document Name	Document Details

**Saved PDF Versions**

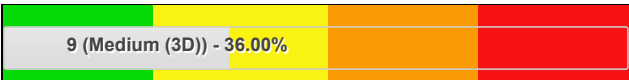
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<b>ID:</b>	Risk - 170815
<b>Risk Title or Work Activity:</b>	Strategic Risk - Community Health and Wellbeing
<b>Risk Description:</b>	Failure to provide for the welfare, well-being and interests of the community (F)
<b>Responsible Person:</b>	Jessica Charlton
<b>Date of Risk Identification:</b>	13/05/2020
<b>Corporate Risk?</b>	Yes
<b>Risk Type:</b>	Strategic
<b>Risk Category:</b>	Community Health & Wellbeing
<b>Team:</b>	Executive Leadership Team
<b>Location/Project:</b>	Other
<b>Possible Risk Events:</b>	<p>Cause:</p> <ul style="list-style-type: none"> <li>- Ineffective public health programs (food, immunisation, waste water)</li> <li>- Ineffective community development programs</li> <li>- Failure to identify and respond to key community issues</li> <li>- Poor understanding of cultural and diversity issues in community.</li> <li>- Lack of effective active and passive recreation participation strategies.</li> <li>- Ineffective strategies to work with vulnerable members of the community.</li> <li>- Inappropriate behaviour of community facility users.</li> <li>- Unaffordable rates, fees and charges</li> <li>- Ineffective regulatory services activities (including management of dogs, noise, parking)</li> <li>- Poor community facilities</li> <li>- Inequity across the district in respect to support for community facilities</li> </ul>
<b>Possible Consequences:</b>	<p>Impact:</p> <ul style="list-style-type: none"> <li>- Food poisoning, insanitary conditions, etc.</li> <li>- Decreased wellbeing and an over-reliance on social support</li> <li>- Loss of faith in Council's ability to meet community needs</li> <li>- Inability for people from diverse backgrounds to live/participate in the community</li> <li>- Decreased health and wellbeing across the community</li> <li>- Inability/difficulty for people of all socioeconomic backgrounds to live in the district</li> <li>- cultural disrespect</li> <li>- Inequity in access to community facilities and participation in social/sporting pursuits</li> </ul>
<b>Initial Risk Score:</b>	<p>24 (Extreme (5B)) - 96.00%</p>

<b>Initial Risk Comments:</b>	<ul style="list-style-type: none"> <li>- Well resourced department, with qualified staff making informed and evidence based decisions.</li> <li>- Regulatory responsibilities that incorporate inspection regimes, education and prosecution where necessary within a highly regulated environment.</li> <li>- Existence of Community Strategy - with identified community needs, gaps in service provision and reprioritised our CD efforts. Adopted June 2015.</li> <li>- Mandated 4-yearly development of strategic plan, incorporating community engagement, ensures effort is made periodically to understand issues important to the community.</li> <li>- Community engagement policy and other relevant policies</li> <li>- Regular satisfaction surveys and program evaluations.</li> <li>- Communicate with empathy, regular informal contact with the community.</li> <li>- Local engagement via Community Centres is occurring with cultural groups.</li> <li>- Ad-hoc engagement on an as-needs basis.</li> <li>- Development of the Reconciliation Action Plan (2015).</li> <li>- Disability Action Plan (2011), Age Friendly Community Plan (2017)</li> <li>- Staff cultural awareness training.</li> <li>- Recreation and Open Space Planner position created in early 2016.</li> <li>- New Sport &amp; Recreation Strategy was developed and adopted in Oct 2016.</li> <li>- Services currently being provided for vulnerable individuals including in-home support, centre based programs, events, support activities and advocacy.</li> <li>- Codes of conduct in place in some programs/services.</li> <li>- LTFP with sustainable and reasonable rates growth profile.</li> <li>- Annual review process for fees and charges incorporates review by Exec and Council Members to ensure control.</li> <li>- Internal efficiency improvement program aims to keep costs down.</li> <li>- Volunteer Management Policy and Strategy. Well established and funded volunteer based programs.</li> <li>- Little reliance on external funding.</li> <li>- Safe Environments Policy has been adopted. AHC is now registered on the DCSI system for suitability for work screening and all existing staff in prescribed positions have now been checked.</li> </ul>								
<b>Residual Risk Score:</b>	<table border="1" style="width: 100%; text-align: center;"> <tr> <td style="width: 25%; background-color: #008000; height: 20px;"></td> <td style="width: 25%; background-color: #ffff00; height: 20px;"></td> <td style="width: 25%; background-color: #ffa500; height: 20px;"></td> <td style="width: 25%; background-color: #ff0000; height: 20px;"></td> </tr> <tr> <td colspan="4">9 (Medium (3D)) - 36.00%</td> </tr> </table>					9 (Medium (3D)) - 36.00%			
9 (Medium (3D)) - 36.00%									
<b>Residual Risk Comments:</b>									
<b>Other Requirements/Comments:</b>									
<b>Current:</b>	Yes								

Risk Controls					
Control Details	Reviewer	Next Review Date	Last Review Date	Review Notes	Control Effectiveness



<ul style="list-style-type: none"> <li>- Qualified staff making informed and evidence based decisions.</li> <li>- Regulatory responsibilities (environmental health) that incorporate inspection regimes, education and prosecution where necessary within a highly regulated environment.</li> <li>- Mandated 4-yearly development of strategic plan, incorporating community engagement, ensures effort is made periodically to understand issues important to the community.</li> <li>- Community engagement policy prescribing minimum consultation and engagement activities.</li> <li>- Communicate with empathy, regular informal contact with the community.</li> <li>- Local engagement via Community Centres is occurring with cultural groups.</li> <li>- Ad-hoc engagement on an as-needs basis.</li> <li>- Development of the Reconciliation Action Plan (2015).</li> <li>- Staff cultural awareness training.</li> <li>- Recreation and Open Space Planner position created in early 2016.</li> <li>- New Sport &amp; Recreation Strategy was developed and adopted in Oct 2016.</li> <li>- Services currently being provided for vulnerable individuals including in-home support, centre based programs, events, support activities and advocacy.</li> <li>- Codes of conduct in place in some programs/services.</li> <li>- LTFP with sustainable and reasonable rates growth profile. Annual review process for fees and charges incorporates review by Exec and Council Members to ensure control. Internal efficiency improvement program aims to keep costs down.</li> <li>- Volunteer Management Policy and Strategy. Well established and funded volunteer based programs. Little reliance on external funding.</li> <li>- Safe Environments Policy (for working with vulnerable people). AHC is now registered on the DHS system for suitability for work screening and all existing staff in prescribed positions have now been checked.</li> <li>- Commonwealth Home Support Program is subject to periodic audit by the funder (Commonwealth) to ensure service standards are being met and quality controls are in place.</li> <li>- Libraries Strategy (adopted 2022)</li> <li>- Newly adopted Community and Recreation Facilities Framework providing more equitable support for recreation facilities across the district.</li> <li>- Disability Access and Inclusion Plan (2021) with four-year implementation timetable</li> </ul>	Jessica Charlton	31/03/2025	11/11/2024		Moderate reduction in risk
 <p>9 (Medium (3D)) - 36.00%</p>					


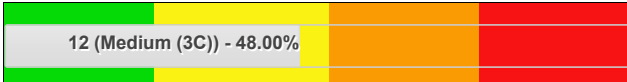
Actions								
Action Source	Action Required	Action Priority	Person Responsible	Extra Comments	Percent Complete	Status	Due Date	
Corporate Risk Register	Community Cultural Development Officer to develop Cultural Development principles and framework	Immediately	Rebecca Shepherd	<p>The previous risk review has concluded that this action is not necessary to achieve the target risk.</p> <p><i>01/03/2021 by Rebecca Shepherd</i></p> <p>- Action no longer required.</p>	100%	Complete (Accepted)	31/10/2020	
Corporate Risk Register	Implement the new Access and Inclusion Plan	Immediately	Rebecca Shepherd	IN PROGRESS. Provisional DIAP was adopted by Council in November 2020, following by further engagement and final adoption of a revised Plan in January 2021. The plan has a 4 year implementation timetable.	60%	Person Responsible Complete	30/06/2024	

Corporate Risk Register	Review facility management arrangements. Develop a more consistent approach to community facility users conduct across the various program areas.	Immediately	Karen Cummings	The final framework has been adopted by Council and is now subject to implementation. A new action/s has been established pertaining to the implementation of the framework.	100%	Complete (Accepted)	30/06/2023
Corporate Risk Register	Recruit additional resource to help implement the new Community Facilities Framework	Two Months	Renee O'Connor		100%	Complete (Accepted)	31/10/2022
Corporate Risk Register	Monitor development of new local government community engagement charter (under recent legislative reform) and react accordingly in respect to any requirements the charter imposes on Council.	Six Months	Jennifer Blake	<p>17/05/2023 - By Jennifer Blake</p> <p>The LGA is advocating to the Minister to progress this action but believes it may not be signed off by him until 2024.</p> <p><i>29/08/2024 by Jennifer Blake</i></p> <p>-</p> <p>We are still awaiting progress from the State Government after receiving Council/LGA submissions and consultation.</p> <p><i>27/02/2024 by Jennifer Blake</i></p> <p>-</p> <p>Consultation by the State Government on the Local Government Participation and Elections Review Discussion Paper opened in October 2023. AHC employed BRM Advisory to prepare a submission to the LGA by the 2 Feb 2024 deadline and also directly to the Office for Local Government by 2 March 2024. We await the next stage of the Local Government reform following this period of consultation.</p> <p><i>07/02/2023 by Jennifer Blake</i></p> <p>-</p> <p>The Minister is yet to approve the Community Engagement charter and the LGA have advised that they will keep Council informed on progress. No action can be taken at this time.</p>	30%	In Process	28/02/2025

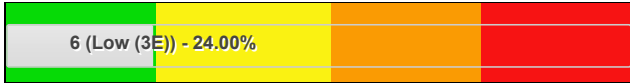
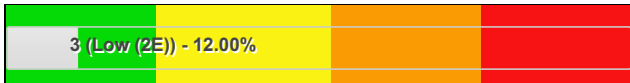
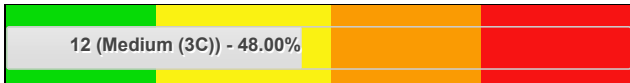
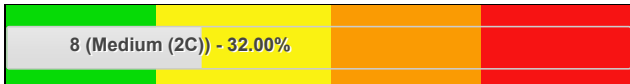
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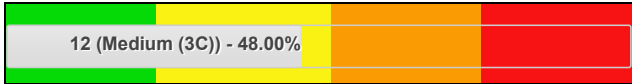
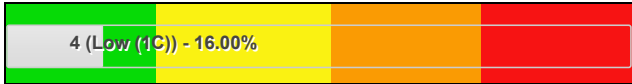
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Date Saved	Saved By	Revision	PDF Document
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25/07/2022 2:21:26 PM	David Waters	1	Risk170815_2022-07-25_2-21-26_PM.pdf

<b>ID:</b>	Risk - 170934
<b>Risk Title or Work Activity:</b>	Strategic Risk - People Culture inc WHS
<b>Risk Description:</b>	Failure to manage, improve and develop the human resources available to the Council. (F)
<b>Responsible Person:</b>	Gary Lewis
<b>Date of Risk Identification:</b>	07/08/2020
<b>Corporate Risk?</b>	Yes
<b>Risk Type:</b>	Strategic
<b>Risk Category:</b>	People & Culture (includes WHS)
<b>Team:</b>	Executive Leadership Team
<b>Location/Project:</b>	Other
<b>Possible Risk Events:</b>	Poor IR practices Ineffective attraction and retention initiatives Lack of workforce planning and development. Deficient equity and diversity programs Poor leadership Failure to ensure appropriate WH&amp;amp;amp;amp;amp;amp;amp;amp;amp;amp;amp;amp;amp;S for employees and volunteers. Volunteers not trained or inducted effectively
<b>Possible Consequences:</b>	Increased financial cost; potential litigation; decrease in morale; poor work performance; inability to deliver services; negative impact on council brand and reputation; lacking or ineffective policy/procedures; inability to meet the demand for volunteering opportunities, inability to offer attractive positions; council could fail to meet the legislative requirements if training avoided; not having available staff/volunteers to undertake work at required times; heightened number of complaints around EEO; ineffective management of human resources, lose ability to innovate through poor leadership; increased injured and notifiable incidents; potential death; litigation threatening the viability of the organisation; unable to attract employees and volunteers; lack of handover and transfer of valuable knowledge; challenges about fair and equitable process; higher turnover costs and negative affect on work culture; increase absenteeism.
<b>Initial Risk Score:</b>	
<b>Initial Risk Comments:</b>	There is a wide array of risks associated with the management of people within the organisation. Several large pieces of legislation have requirements to be met to manage these risks.
<b>Residual Risk Score:</b>	
<b>Residual Risk Comments:</b>	There are significant controls in place to manage these risks, with responsibilities to provide procedures and process in key departments that are then utilised by people across the organisation, including People Leaders, employees and 'workers' from a WHS perspective.
<b>Other Requirements/Comments:</b>	
<b>Current:</b>	Yes

Risk Controls					
Control Details	Reviewer	Next Review Date	Last Review Date	Review Notes	Control Effectiveness

Volunteer Framework established and implemented Volunteer Policy Developed	Rebecca Shepherd	30/11/2022	05/08/2022	Volunteer Policy and additional procedures implemented and working effectively with improved practices. Volunteer Policy to be reviewed in 2022.	EFFECTIVE (Designed Adequately; Operating Effectively)
					
Recruitment Policies and Procedures in place	Anne Pett	30/03/2023	05/08/2022	Phase 2 of the HR System implementation will be commencing in August or September 2022 (still being finalised). With the Recruitment and Retention Audit recently being completed, a range of actions, including the update of the Recruitment and Selection Procedure and associated documents will now commence.	EFFECTIVE (Designed Adequately; Operating Effectively)
					
WHS Management System in place (Committee, Reporting, SkyTrust, Policy & Procedures) Regular audits by LGAWCS	Anne Pett	30/07/2023	05/08/2022	WHS policy, procedures, SOP's, risk assessments, inspections, hazard and incident reporting, audits, action processing and updating and use of Skytrust are all ongoing processes that continue to be used and reviewed.	EFFECTIVE (Designed Adequately; Operating Effectively)
					
Established Policies and Procedures Framework	Anne Pett	28/08/2023	05/02/2023	The OD Policy and Procedure Framework was adopted by Executive on 14/7/2022. Work will continue on the review and development of policies and procedures against this framework. This work has been placed on hold given the resignation of the Mgr People and Culture as well as the Team Leader OD. The new Mgr People and Culture will commence on 20 March 2023 at which time the progression of the Policy & Procedure Framework will recommence.	PARTIALLY EFFECTIVE (Designed Adequately; Operating Partially Effectively)
					
Leadership Framework Established and development opportunities undertaken	Anne Pett	30/09/2023	05/02/2023	This work has been placed on hold given the resignation of the Mgr People and Culture as well as the Team Leader OD. The new Mgr People and Culture will commence on 20 March 2023 at which time the progression of the Leadership Framework will be considered.	PARTIALLY EFFECTIVE (Designed Adequately; Operating Partially Effectively)
					

OD Structure supported through trained and experienced staff	Anne Pett	17/10/2023	17/07/2023	Following the resignation of the Mgr OD as well as the Team Leader OD and WHS Advisor, a resource and structure review was undertaken of the now People and Culture Department. This review has been completed and resulted in the provision of additional resourcing to support both the WHS and OD Advisory roles. The new Mgr People and Culture commenced on 20 March 2023 and the new WHS advisor will start 25 July 2023. The People and Culture Department was further reviewed as part of a Corporate Services resource and structure review. This review proposes the removal of the Team Leader OD position and redesigns the OD Advisor role to Senior People & Culture Officer. The OD Officer role is proposed to go full time. Changes are subject to feedback from consultation which closes 21 July 2023.	PARTIALLY EFFECTIVE (Designed Adequately; Operating Partially Effectively)
					
Enterprise Agreement Framework in place	Anne Pett	01/12/2023	05/08/2022	The Enterprise Development Agreements have been in place for many years. This provides Council the opportunity to work with employees in a consultative way, with their Union Organisers (as relevant), to discuss terms and conditions of employment, providing the framework, that sits over Awards, to manage our work and employees. Current Agreements are in place for Field and Office until 30 June 2025.	EFFECTIVE (Designed Adequately; Operating Effectively)
					
2022 Fair Treatment, Bullying & Grievance Policies and Procedures are established	Anne Pett	30/06/2024	05/08/2022	These documents are established and up to date. Their next scheduled review is 30 June 2024 or as legislation or internal controls require.	EFFECTIVE (Designed Adequately; Operating Effectively)
					
Established Position Descriptions for all roles:	Anne Pett	01/07/2024	05/02/2023	Position descriptions are reviewed at the appointment of recruitment or classification assessments. There is provision for PD's to be reviewed annually with the staff member and People Leader as part of the 4x8 process. OD has undertaken a review of position descriptions with a view to begin updating PD's periodically, particularly those that have not been reviewed more recently.  This work has been placed on hold given the resignation of the Mgr People and Culture as well as the Team Leader OD. The new Mgr People and Culture will commence on 20 March 2023 at which time the work will recommence.	EFFECTIVE (Designed Adequately; Operating Effectively)
					

Actions								
Action Source	Action Required	Action Priority	Person Responsible	Extra Comments	Percent Complete	Status	Due Date	
Corporate Risk Register	Equity and diversity plan is being developed	Six Months	Karlee Cook	Since this action commenced, the Access and Inclusion Plan 2020-2024 has been adopted by Council in January 2021. A review of the direction of this action is needed so as not to double up on activities. This action has been delayed as resourcing has needed to focus on the HR and payroll system implementation, payroll processing each fortnight, WHS Action Plans and activities and day to day organisational support. The ongoing support of managing COVID and general illness across the organisation has also been important for OD. This action has not been progressed, P&C will be gathering Diversity data from employees that will support the DAIP, RAP and Our Watch and potentially inform an Access and Inclusion Plan (or similar).	30%	Not Complete (Overdue)	30/06/2023	

Corporate Risk Register	Review Fair Treatment and Bullying Procedures, and Grievance Resolution Procedure;	Six Months	Anne Pett	Fair Treatment, Workplace Bullying Policies and Grievance Procedure require an annual review to ensure currency	100%	Complete (Accepted)	01/07/2022
Corporate Risk Register	Review Work From Home Policy & procedures to ensure that meet the changing needs of the workforce stemming from COVID and increased fire events.	Two Months	Anne Pett	Procedures updated to respond to events in 2020 and were implemented successfully. Review now required to ensure application to a more business as usual mode of operation is effective.	100%	Complete (Accepted)	30/10/2021
Corporate Risk Register	Implement replacement Payroll system to comply with legislative requirements that will not be possible with existing system on 1 January 2022.	Immediately	Michael Carey	<p>Project team established and options for upgrade being considered. Advise received that critical deadline may move to 30 June 2022. System set up is well progressed and testing currently underway. The majority of the setup work has now been completed. Go live date was re set for mid February 2022. Go live was reset for 28 March 2022</p> <p><i>11/05/2022 by Megan Sutherland</i></p> <p>- Community Payroll was implemented on the week of 28/3/2022.</p> <p><i>22/04/2021 by Megan Sutherland</i></p> <p>- Currently working with ICT Team and the external system provider to map out requirements. ICT managing the implementation plan.</p>	100%	Complete (Accepted)	01/04/2022

Corporate Risk Register	Undertake training in recruitment practices for staff involved in recruitment panels	Six Months	Karlee Cook	<p>Phase 1 of the HR system has been implemented. We are currently scoping out and prioritising Phase 2 of the system implementation which will include Employee Self Service and e-Recruitment. The Recruitment Audit has also been undertaken (May 2022) with the initial report returned (20 June 2022).</p> <p>This work has been placed on hold given the resignation of the OD Manager and Team Leader. The new Mgr People and Culture will commence on 20 March 2023 at which time work will recommence.</p> <p>The Recruitment &amp; Selection Policy and Procedure was supported by ELT in July 2023 and CEO approval is imminent. Following approval training will be deliver to all relevant staff across Council who have responsibility for recruitment and selection.</p> <p><i>07/02/2022 by Niamh Milligan</i></p> <p>-</p> <p>This action will be addressed as part of the work that will occur around the implementation of e-Recruitment through the new HR System, Lanteria. We are working towards the new system going live currently.</p>	20%	Not Complete (Overdue)	30/06/2023
Corporate Risk Register	Review how the Work from Home Procedure is going and if positively contributing to effective and efficient work and working relationships across the organisation.	Three Months	Megan Sutherland	<p>Given the current pandemic arrangement there has been considerable review of WFH processes and procedures. There is still a level of follow up required to ensure compliance. A new register has been established to monitor which employees are working from home each day.</p> <p><i>11/05/2022 by Megan Sutherland</i></p> <p>-</p> <p>WFH processes are reviewed in an ongoing way to enable work to be undertaken that meets the needs of the organisation and it's people. Further work will be progressed as we lead the organisation out of the the 'COVID crisis' and determine if or where any changes to these practices are needed.</p>	100%	Complete (Accepted)	30/04/2022
Corporate Risk Register	Leadership Coaching & Mentoring Program Progressed	Six Months	Karlee Cook	<p>This work has been placed on hold given the resignation of the Mgr People and Culture as well as the Team Leader OD. The new Mgr People and Culture will commence on 20 March 2023 at which time the progression of the Leadership Framework will be considered.</p> <p>The Leadership Framework will be considered as part of the review of Values and Behaviours.</p>	5%	Not Complete (Overdue)	30/12/2023
Corporate Risk Register	Review OD Structure to ensure resources aligned to corporate goals and undertake recruitment to ensure revised structure resourced.	Three Months	Megan Sutherland	<p>Revised structure established and currently out to consultation with staff. Additional resource to to support OD approved within the 2021/22 budget. Systems project resource endorsed by ELT on 5/8/21. Changes to OD structure are currently being implemented.</p> <p>One position has been appointed and is working well. The recruitment process has been completed for the other role and commences in Jan 2022</p>	100%	Complete (Accepted)	20/12/2021



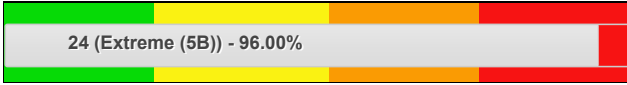
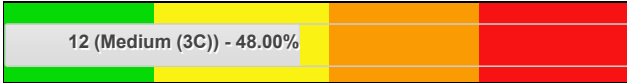
Corporate Risk Register	Update OD Policies & Procedures to align to Framework.	Six Months	Karlee Cook	<p>The OD Policy and Procedure Framework has been adopted by Executive on 14/7/2022. Review and update of documents will continue against this Framework. All OD policy/procedures and procedures will not be completed by Dec 2022. Work will continue until all documents have been updated. A Reference Group has been established to support this review process.</p> <p>The Policy and Procedure was reviewed resulting in the consolidation, deletion and creation of policies/procedures. ELT approved the revised framework on 13 July 2023 with a prioritised implementation schedule. It is anticipated that all documents will be reviewed and implemented over a period of 12-18 months.</p> <p><i>21/06/2022 by Niamh Milligan</i></p> <p>-</p> <p>A proposed OD Policy and Procedure Framework was workshopped with the EM OD on 15/06/2022 with feedback incorporated. It will be presented to ELT at the next 'Develop' meeting on 14 July 2022.</p> <p><i>07/02/2022 by Niamh Milligan</i></p> <p>-</p> <p>We are continuing to work through the update of policies and procedures with the current focus being on the Leave Procedure which is currently being reviewed.</p>	15%	Not Complete (Overdue)	02/12/2022
Corporate Risk Register	Undertake Audit of Position Descriptions to Ensure currency and ensure update where not current	Six Months	Karlee Cook	<p>OD has undertaken a review of position descriptions with a view to begin updating PD's periodically, particularly those that have not been reviewed more recently. Note: all PD's across the organisation will not be reviewed by end of 2022 particularly due to the ongoing implementation of the HR system which is expected to continue into 2023 and takes significant resourcing.</p> <p>The review of Position Descriptions has not progressed and additional resources will be required to achieve, which could be through engaging a temporary contractor.</p> <p><i>27/01/2022 by Niamh Milligan</i></p> <p>-</p> <p>The OD Advisor has commenced this review with an initial focus on ensuring that we have position descriptions for all positions and identifying any gaps.</p>	15%	Not Complete (Overdue)	31/12/2022

Corporate Risk Register	Training and Development Framework Reviewed & Implemented (captures current 4x8, WHS and Corporate Training needs)	Six Months	Niamh Milligan	<p>T&amp;D is managed in OD in two discrete areas, WHS and HR. The WHS Action Plan and Improvement Plan are both focused on updating training information and developing training plans. Around 75% of the organisation's staff will have their WHS requirements logged against them/their position in Skytrust by end of Sept 2022. Data has been collected and discussed with People Leaders for HR also. This will be added to the HR system once the training module is implemented (timing of this still being determined) and likely to commence later in 2023.</p> <p>The HR System has now been paused and the intent to go out tender in October. The TNA is 100% loaded in SkyTrust and a training plan will be developed by October.</p> <p><i>07/02/2022 by Niamh Milligan</i></p> <p>-</p> <p>The OD Advisor has commenced. A meeting is scheduled with the EM OD on 7/2/22 to discuss the WHS Action Plan which includes work associated with a WHS T&amp;D Framework which will be expanded to included corporate training.</p> <p><i>07/02/2022 by Niamh Milligan</i></p> <p>-</p> <p>The OD Advisor has commenced. A meeting is scheduled with the EM OD on 7/2/22 to discuss the WHS Action Plan which includes work associated with a WHS T&amp;D Framework which will be expanded to included corporate training.</p>	20%	Not Complete (Overdue)	30/12/2023
Corporate Risk Register	WHS Policy & Procedure Review at LGAWCS followed by AHC application	Six Months	Karlee Cook	The plan to update the WHS procedures is being followed with 17 procedures and forms updated and approved via Executive. Other work is progressing to develop training that can be run via Skytrust to provide basic procedure knowledge, including a knowledge checking process.	75%	Not Complete (Overdue)	30/06/2023
Corporate Risk Register	WHS Reporting across organisation to be reviewed to ensure awareness and education is appropriate. Revised reporting requirements to be implemented if identified.	Six Months	Lee Merrow	Reporting has been updated as a result of audit feedback. Ongoing monitoring and further improvement will take place as the reporting is used and reviewed in the organisation.	100%	Complete (Accepted)	30/11/2021

Documents		
Date Added	Document Name	Document Details

Saved PDF Versions			
Date Saved	Saved By	Revision	PDF Document

14/08/2024 8:55:19 AM	Jody Atkins	4	Risk170934_2024-08-14_8-55-19_AM.pdf
07/11/2023 9:40:48 AM	Jody Atkins	3	Risk170934_2023-11-07_9-40-48_AM.pdf
07/11/2023 9:39:33 AM	Jody Atkins	2	Risk170934_2023-11-07_9-39-33_AM.pdf
19/05/2022 2:35:54 PM	Niamh Milligan	1	Risk170934_2022-05-19_2-35-54_PM.pdf

<b>ID:</b>	Risk - 170941
<b>Risk Title or Work Activity:</b>	Strategic Risk - Financial
<b>Risk Description:</b>	Failure to manage, improve and develop the financial resources available to Council. (F)
<b>Responsible Person:</b>	Gary Lewis
<b>Date of Risk Identification:</b>	12/11/2020
<b>Corporate Risk?</b>	Yes
<b>Risk Type:</b>	Strategic
<b>Risk Category:</b>	Financial
<b>Team:</b>	Executive Leadership Team
<b>Location/Project:</b>	Other
<b>Possible Risk Events:</b>	Poor internal control environment Poor procurement planning and processes. Ineffective insurance arrangements. Poor financial management processes (treasury, AP, AR) Poor contract management Poor People Management Ineffective Asset Planning Lack of Business Planning Poor Strategic Planning Lack of Business Case development (including Prudential Reviews)
<b>Possible Consequences:</b>	Potential for qualified accounts as an audit outcome; inappropriate segregation of duties; increased potential for fraud; negative impact on Council brand &amp;amp;amp;amp;amp; reputation; lack of consistency in process use; inability to measure process effectiveness and outcomes; increased risk of litigation; inappropriate assets with short medium and long term financial impacts; potential inability to pay; negative impact on ability to service the community; poor customer relations; poor supplier relationships; potential impact on income from rates, fees and charges; increased risk of litigation leading to financial instability. Poor strategic planning and ineffectual long term financial planning.
<b>Initial Risk Score:</b>	
<b>Initial Risk Comments:</b>	
<b>Residual Risk Score:</b>	
<b>Residual Risk Comments:</b>	The residual risk score has been increased to reflect that some inputs into the previous strategic financial planning may have been flawed, balanced against a strong suite of financial internal controls.
<b>Other Requirements/Comments:</b>	A cross functional review of this risk was undertaken in July 2021. This review resulted in a reassessment of all controls and actions required. Whilst the actions have now been individually created, separate controls are required to be captured.
<b>Current:</b>	Yes

Risk Controls					
Control Details	Reviewer	Next Review Date	Last Review Date	Review Notes	Control Effectiveness

<p>Long Term Financial Plan in place and regularly Reviewed; Annual Business Plan developed and aligned each year to the Long Term Financial Plan; Internal audit and annual review of internal controls; System security and configuration; Induction procedures; Recruitment and selection processes; Financial delegations; Informed level of insurance cover through LGAMLS, rating policy, process and timeframes;</p> <p>Asset management register and program; Executive Manager Governance and Risk employed; Procurement Co-Ordinator role employed; Qualified employees that are trained in policies;</p> <p>Conflict of interest declaration regularly reviewed (Directors/CEO); WHS procedures on plant purchasing, consultation and risk assessment; Fraud and Corruption Policy; Whistleblowers Policy; Insurance reviewed annually and all areas of insurance are reviewed and recalculated for following year; Wage declaration which affects the insurance calculation annually; insurance claims process; Quality accredited insurance company-LG Risk Services; insurer processes claims; professional internal advice; Financial management system; Updated Procurement Policy and Procedures Adopted by Council in 2019 (delegation and authority included); Code of Conduct for Employees and Council Members; Discipline processes; Ongoing training and development; Internal controls framework; Debt Recovery Policy and Accounts Reconciliation Policies updated and adopted External Fund Funding Policy adopted by Council (2017) Implementation of ContolTrack to monitor financial controls environment Treasury Policy established</p>	<p>Gary Lewis</p>	<p>28/02/2024</p>	<p>11/02/2023</p>	<p>A cross functional review of this risk was undertaken in July 2021. This review resulted in a reassessment of all controls and actions required. Whilst the actions have now been individually created, separate controls are however still required to be entered.</p>	<p>EFFECTIVE (Designed Adequately; Operating Effectively)</p>
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Actions								
Action Source	Action Required	Action Priority	Person Responsible	Extra Comments	Percent Complete	Status	Due Date	
Corporate Risk Register	Review positions across council that require criminal history checks, including financial roles	Immediately	Megan Sutherland	Updated Policy and Procedure covering the relevant criminal history check requirements have been adopted and training completed. Identified positions requiring checks are being updated or undertaken currently.	100%	Complete (Accepted)	30/06/2016	
Corporate Risk Register	Recruit Procurement Coordinator Role	Immediately	Michael Carey	Recruitment completed in June 2018	100%	Complete (Accepted)	30/09/2017	
Corporate Risk Register	Review of Procurement Policy and procedures (Stage 1)	Immediately	Renato Merdanovic	Updated Policy and Procedure endorsed by Council in August 2019	100%	Complete (Accepted)	01/06/2019	
Corporate Risk Register	Review the process map of the insurance claims procedure to enable consistency of application.	Six Months	Zoe Gill	<p>220104 Development of process map has commenced.</p> <p>220405 Creation and attached herein a Motor Vehicle Incident Report which is used for capturing information proceeding to an insurance claim.</p> <p>220405 Creation and attached herein is an Asset Incident Report which is used for capturing information proceeding to an insurance claim.</p> <p>220405 Attached herein is the LGRS Portal User Manuals</p> <p>230215 This work was sidelined whilst work was undertaken on the LG Election and Council Member Induction process. Work is scheduled to recommence March 2023.</p> <p>240814 This work in on hold until appointment of Audit, Risk and Insurance officer</p> <p>241111 Risk, Audit and Insurance Officer recruited. Work program underway.</p>	85%	Not Complete (Overdue)	30/06/2023	
Corporate Risk Register	Explore Grant funding opportunities	Immediately	Michael Carey	A Grant Funding Policy endorsed by Council.	100%	Complete (Accepted)	01/07/2016	
Corporate Risk Register	Develop a Treasury Management Policy	Immediately	Michael Carey	Policy endorsed by Council October 2017	100%	Complete (Accepted)	30/11/2018	
Corporate Risk Register	Implement the Cyber Security Plan	Six Months	James Sinden	<p>A Cyber Security Plan has been developed and will be presented to Audit Committee for endorsement in May 2021</p> <p>3rd August 20201 - The implementation of an ISMS is a part of the recently adopted Cyber Security Plan that was adopted at the June 2021 Council Meeting. Commencement is now delayed due to the resignation of a key AHC Staff member responsible for the delivery of the project. It's anticipated that the project will commence in late September 2021.</p> <p><i>09/01/2023 by James Sinden</i></p> <p>-</p> <p>Progress on the ISMS has been the development of an Information Security Manual</p>	100%	Complete (Accepted)	30/06/2023	

				<p>and End User Security Procedures that are now progressing through formal review and endorsement by the organisation.</p> <p><i>02/08/2022</i> <i>by James Sinden</i></p> <p>- AHC is progressing its implementation of its ISMS (Information Security Management System) with the creation of a Cyber Security Calendar, Security Risk Register &amp; Information Asset Inventory.</p> <p><i>10/05/2022</i> <i>by James Sinden</i></p> <p>- The LGITSA Cyber Security Framework has been completed and AHC is currently aligning its Cyber Security Plan to this framework in a sector wide approach of improving Cyber Security maturity. AHC has also engaged CyberCX in the implementation of AHC's ISMS (Information Security Management System) and work activity continues in this area.</p> <p><i>01/04/2022</i> <i>by James Sinden</i></p> <p>- Work activity continues with this action where staff have been closely involved in the working group established by LGITSA (Local Government Information Technology South Australia) to develop a Local Government Cyber Security Framework that's been grant funded by the LGA. As the development of the framework progresses, AHC continues to build upon technical cyber security controls and implementation work activity with consultants that will align to a State based Cyber Security Framework.</p>			
Corporate Risk Register	Develop a Project Management Framework supported by Policies & Procedures	Six Months	Gary Lewis	Draft Framework has been completed and use broadly across the organisation now occurring. Some refinement being made based on user feedback, with supporting Policies and Procedures developed but subject to ongoing refinement and review.	100%	Complete (Accepted)	30/06/2022

Corporate Risk Register	Undertake a review of the Fleet Management Framework (including Policies & Procedures)	Six Months	Ashley Curtis	A detailed analysis is being undertaken in 22-23 to confirm the approach to achievement and quantum of savings. Working with Manager People and Culture to look at make-up of fleet and will then work on Policy	20%	Not Complete (Overdue)	30/06/2024
Corporate Risk Register	Implement biannual reporting of procurement to ELT	One Month	James Greenfield	<i>05/11/2021</i> <i>by James Greenfield</i> - Presentation held 04/11/2021. Presentations booked for Feb and Sept 2022	100%	Complete (Accepted)	31/08/2021
Corporate Risk Register	Establish a process to ensure that a review of Purchase Order variations is undertaken	Three Months	James Greenfield		100%	Complete (Accepted)	31/12/2021
Corporate Risk Register	Investigate the option for Business Interruption Insurance	Three Months	Zoe Gill	LGRS have provided a proposal for undertaking Business Interruption Review (BIR) , however a proposal to undertake a Transferable Risk Profile (TRP) is occurring mid September 2021 which includes identifying Maximum Foreseeable Loss (MFL) on risks identified. Following the TRP an assessment will be made as to any gaps and consideration of furthering the BIR proposal.  210826 Met with stakeholders to discuss. We focused on a loss of rate revenue through a bushfire event and Council's willingness to fund a rate shortfall or willingness to cut services to accommodate such. The agreed approach was to seek quotes for Loss of Rate Revenue of \$5m, \$7m and \$10m for a period of 1, 3 and 5 years. We will reconvene once the quote has been received.  200104 Awaiting feedback from TC / LM on the quote and TRP information provided.  230215 This work was sidelined whilst work was undertaken on the LG Election and Council Member Induction process. Work is scheduled to recommence March 2023.  Discussions with LGRS with regards insurance have been re-initiated. This additional Insurance has not yet been reviewed.  240814 This project is on hold until the Risk, Audit and Insurance Officer is appointed  241111 Risk, Audit and Insurance Officer recruited. Work program underway.	85%	Not Complete (Overdue)	30/06/2023
Corporate Risk Register	Provide a report to ELT on the Annual Placement of Insurance (including claims experience)	Two Months	Steven Watson	An item was presented to ELT on Thursday 26 August 2021 detailing the insurance report to the Audit Committee, claims history and where to find the insurance claims register. An action arising included presenting to ELT twice yearly on this matter during the months of March and September.  220421 - Another briefing presented to ELT on 21 April 2022.	100%	Complete (Accepted)	30/09/2021



Corporate Risk Register	Undertake an annual review of the Long Term Financial Plan to ensure that changes within the operating environment of Council are captured and accommodated to ensure long term financial sustainability can be achieved. Last reviewed Feb 2023.	Six Months	Gary Lewis	The LTFP will be updated following the adoption of the new Strategic Plan later in 2024.	1%	Not Complete (Overdue)	29/03/2025
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**Documents**

Date Added	Document Name	Document Details
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**Saved PDF Versions**

Date Saved	Saved By	Revision	PDF Document
07/11/2023 9:53:20 AM	Jody Atkins	1	Risk170941_2023-11-07_9-53-20_AM.pdf

**ADELAIDE HILLS COUNCIL  
AUDIT COMMITTEE MEETING  
Monday 18 November 2024  
AGENDA BUSINESS ITEM**

**Item:** 8.13

**Responsible Officer:** Zoë Gill  
Executive Governance Officer  
Office of the Chief Executive

**Subject:** Internal Audit Quarterly Report

**For:** Information

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**SUMMARY**

This report provides the Audit Committee with an update in relation to the internal audit function within Adelaide Hills Council.

Administration is currently developing a new internal audit project plan and program.

**RECOMMENDATION**

**The Audit Committee resolves:**

1. **To receive and note the Internal Audit Quarterly Report (item 8.14, 18 November 2024, Audit Committee meeting).**
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**1. BACKGROUND**

The Audit Committee last received an internal audit quarterly report at its February 2024 meeting.

**2. ANALYSIS**

➤ **Strategic Management Plan/Functional Strategy/Council Policy Alignment**

*Strategic Plan 2020-24 – A brighter future*

Goal 5 A Progressive Organisation

Objective O5 We are accountable, informed, and make decisions in the best interests of the whole community

Priority O5.1 Enhance governance structures and systems to prudently adapt to changing circumstances and meet our legislative obligations

➤ **Legal Implications**

Section 125 of the *Local Government Act 1999* (the Act) requires councils to ensure that appropriate policies, practices and procedures of internal controls are implemented and maintained in order to assist the council to carry out its activities in an efficient and orderly manner to achieve its objectives, to ensure adherence to management policies, to safeguard Council’s assets, and to secure (as far as possible) the accuracy and reliability of Council records.

The Internal Audit program is an important tool to provide an objective appraisal of the adequacy on internal controls in managing our risk and supporting the achievement of council objectives.

➤ **Risk Management Implications**

The implementation of the internal audit program will assist in mitigating the risk of:

*Internal control failures occur which leads to greater uncertainty in the achievement of objectives and/or negative outcomes.*

Inherent Risk	Residual Risk	Target Risk
High (4C)	Low (2E)	Low (2E)

➤ **Financial and Resource Implications**

The Internal Audit budget for the 2024-25 financial year is sufficient for the development of a new program and audits that will be conducted during this financial year.

➤ **Customer Service and Community/Cultural Implications**

There is a high expectation that Council has appropriate corporate governance processes in place including an effective internal control environment.

➤ **Sustainability Implications**

Not applicable

➤ **Engagement/Consultation conducted in the development of the report**

Consultation on the development of this report was as follows:

<i>Council Committees:</i>	Nil
<i>Council Workshops:</i>	Not Applicable
<i>Advisory Groups:</i>	Not Applicable
<i>External Agencies:</i>	Not Applicable
<i>Community:</i>	Not Applicable

➤ **Additional Analysis**

The Risk, Audit and Insurance Officer position has now been recruited within the Governance Team. This position will assist in the creation and implementation of a new internal audit program, along with ensuring a greater level of delivery against the internal audit program.

A project plan is being developed by the Risk, Audit and Insurance Officer to provide a timeline for projects such as:

- Audit action tracker to be created
- Audit schedule to be created – this will include all audits conducted by AHC, service providers (see below), LGRS, etc.
- Creation of an internal compliance framework (include reference to legislation, audit, insurance, internal controls, etc)

In addition, administration are currently in the process of engaging an external service provider to conduct audits. The initial focus will be on:

- Assurance mapping and developing an audit program, and
- Financial stewardship, with a particular focus on depreciation, works-in-progress, and capitalisation.

A further update will be provided to Audit Committee at the February 2025 meeting.

**3. OPTIONS**

The Committee has the following options:

- I. To receive and note this report.
- II. To identify an alternative course of action