

ORDINARY COUNCIL MEETING

NOTICE OF MEETING

To: Mayor Jan-Claire Wisdom

| Council | lor Ian Bailey |
|---------|----------------------|
| Council | lor Kirrilee Boyd |
| Council | lor Nathan Daniell |
| Council | lor Pauline Gill |
| Council | lor Chris Grant |
| Council | lor Linda Green |
| Council | lor Malcolm Herrmann |
| Council | lor John Kemp |
| Council | lor Leith Mudge |
| Council | lor Mark Osterstock |
| Council | lor Kirsty Parkin |
| Council | lor Andrew Stratford |
| | |

Notice is given pursuant to the provisions under Section 83 of the *Local Government Act 1999* that the next meeting of the Council will be held on:

Tuesday 22 February 2022 6.30pm Zoom Virtual Meeting Room

Notice of this meeting is supplied to Council Members under Section 83 of the Act.

Public notice of this meeting is supplied under Section 84 of the Act.

Following amendments to s90 of the Act, this meeting of the Council is taken to be conducted in a place open to the public given that the Council Members will be participating via electronic means and the public can access a live stream of the meeting via the link contained on Council's website.

Andrew Aitken Chief Executive Officer



ORDINARY COUNCIL MEETING

AGENDA FOR MEETING Tuesday 22 February 2022 6.30pm Zoom Virtual Meeting Room

ORDER OF BUSINESS

1. COMMENCEMENT

2. OPENING STATEMENT

Council acknowledges that we meet on the traditional lands and waters of the Peramangk and Kaurna people. They are Custodians of this ancient and beautiful land and so we pay our respects to Elders past, present and emerging. We will care for this country together by ensuring the decisions we make will be guided by the principle that we should never decrease our children's ability to live on this land.

3. APOLOGIES/LEAVE OF ABSENCE

- 3.1. Apology Apologies were received from
- 3.2. Leave of Absence
- 3.3. Absent

4. MINUTES OF PREVIOUS MEETINGS

- 4.1. Council Meeting 25 January 2022 That the minutes of the ordinary meeting held on 25 January 2022 as supplied, be confirmed as an accurate record of the proceedings of that meeting.
- 4.2. Special Council Meeting 15 February 2022 That the minutes of the special meeting held on 15 February 2022 as supplied, be confirmed as an accurate record of the proceedings of that meeting.

5. DECLARATION OF CONFLICT OF INTEREST BY MEMBERS OF COUNCIL



6. MAYOR'S OPENING REMARKS

7. QUESTIONS ADJOURNED/LYING ON THE TABLE

- 7.1. Questions Adjourned Nil
- 7.2. Questions Lying on the Table Nil

8. PETITIONS / DEPUTATIONS / PUBLIC FORUM

- 8.1. Petitions Nil
- 8.2. Deputations
- 8.2.1. Campbell Stafford Main Road environs in Lenswood
- 8.3. Public Forum

9. PRESENTATIONS (by exception)

9.1. Damian Cooke, Regional Development Australia

10. QUESTIONS ON NOTICE

10.1. Property at Lobethal Road Lenswood (Cr Chris Grant)

11. MOTIONS ON NOTICE

Nil

12. ADMINISTRATION REPORTS – DECISION ITEMS

- 12.1. Regional Development Australia Funding Agreement
 - 1. That the report be received and noted.
 - 2. That the three-year funding agreement with Regional Development Australia Adelaide Hills, Fleurieu and Kangaroo Island Inc, for 2022-23 be \$67,885 plus CPI with CPI increases in 2023-24 and 2024-25 as contained in Appendix 2, be approved by Council.
 - 3. That the Chief Executive Officer be authorised to make any minor changes to the funding agreement as required, in his opinion, to finalise the matter.
 - 4. That the Mayor and CEO be authorised to sign and seal the funding agreement on behalf of Council.



12.2. Budget Review 2

- 1. That the report be received and noted.
- 2. To adopt the proposed budget adjustments presented in the 2020-21 Budget Review 2 which result in:
 - a. An increase in the Operating Surplus from \$1.115m to \$1.546m for the 2021-22 financial year.
 - b. Changes to Capital Works, reducing capital income by \$1.299m and reducing capital expenditure by \$5.253m for the 2021-22 financial year resulting in a revised capital expenditure budget for 2021-22 of \$21.982m.
 - c. A reduction in Council's current Net Borrowing Result from \$7.348m to \$2.572m for the 2021-22 financial year as a result of the proposed operating and capital adjustments.
- 12.3. Bridge Asset Management Plan
 - 1. That the report be received and noted
 - 2. That Council notes the community feedback on the Bridge Asset Management Plan, as contained in Appendix 1.
 - 3. With an effective date of 4 March 2022, The Bridge Asset Management Plan, as contained in Appendix 2, be adopted by Council.
 - 4. Feedback regarding Department of Infrastructure and Transport (DIT) bridge assets collected during the consultation phase will be forwarded onto DIT.
 - 5. That the CEO, or delegate, be authorised to make any necessary formatting, nomenclature or other minor changes to the Bridge Asset Management Plan prior to 4 March 2022.
- 12.4. Long Term Financial Plan for Consultation
 - 1. To endorse the Draft Long Term Financial Plan, as contained in Appendix 1 for community consultation in accordance with Section 122 of the Local Government Act 1999.
 - 2. That the CEO be authorised to:
 - a. Make any formatting, nomenclature or other minor changes to the Plan prior to being released for public consultation and
 - b. Determine the consultation timings, media and processes while ensuring consistency and compliance with the provisions of applicable legislation and Council's Public Consultation Policy.
- 12.5. Local Government Aboriginal Place Naming Action Plan
 - 1. That the report be received and noted.
 - 2. With an effective date of 8 March 2022, that Council adopts the draft Aboriginal Place Naming Action Plan 2022 to 2025 as contained in Appendix 1.
 - 3. That the Chief Executive Officer be authorised to make any formatting, nomenclature or other minor changes to the draft 22 February 2022 Aboriginal Place Naming Action Plan 2022 to 2025 prior to the effective date.



- 12.6. Telecommunications Installation Small Cell Stobie Pole Mounted Antennae Policy Update
 - 1. That the report be received and noted.
 - 2. With an effective date of 1 March 2022, to revoke the 23 July 2019 Telecommunications Installation - Small Cell Stobie Pole Mounted Antennae Policy and to adopt the draft 22 February 2022 Telecommunications Installation - Small Cell Stobie Pole Mounted Antennae Policy as contained in Appendix 2.
 - 3. That the Chief Executive Officer be authorised to make any formatting, nomenclature or other minor changes to the draft 22 February 2022 Telecommunications Installation - Small Cell Stobie Pole Mounted Antennae Policy prior to the effective date.
- 12.7. Volunteer Engagement Policy
 - 1. That the report be received and noted.
 - 2. With an effective date of 8 March 2022, to revoke the Volunteer Engagement Policy 24 July 2018 and to adopt the draft Volunteer Engagement Policy 22 February 2022, as contained in Appendix 1.
 - 3. That the Chief Executive Officer be authorised to make any formatting, nomenclature or other minor changes to the Volunteer Engagement Policy 22 February 2022 prior to the effective date of adoption.
- 12.8. Alteration and Occupation of Road Policy Review
 - 1. That the report be received and noted
 - 2. With an effective date of 8 March 2022, to revoke the 24 April 2018 Road Rents Policy and adopt the 22 February 2022 draft Alteration and Occupation of Public Roads Policy as contained in Appendix 1.
 - 3. That the Chief Executive Officer be authorised to make any formatting, nomenclature or other minor changes to the 22 February 2022 draft Alteration and Occupation of Public Roads Policy prior to the effective date.
- 12.9. Outdoor Dining Policy Review
 - 1. That the report be received and noted
 - 2. With an effective date of 8 March 2022, to revoke the 24 April 2018 Outdoor Dining Permit Policy and to adopt the 22 February 2022 draft Outdoor Dining Policy as contained in Appendix 1.
 - 3. That the Chief Executive Officer be authorised to make any formatting, nomenclature or other minor changes to the 22 February 2022 draft Outdoor Dining Policy prior to the effective date.



- 12.10. Access to Development Application Information Policy
 - 1. That the report be received and noted.
 - 2. With an effective date of 8 March 2022, to revoke the 11 October 2016 Development Application Document Reproduction Policy and to adopt the 22 February 2022 Access to Development Application Information Policy as contained in Appendix 1.
 - 3. That the Chief Executive Officer be authorised to make any formatting, nomenclature or other minor changes to the draft 22 February 2022 Access to Development Application Information Policy prior to the effective date.
- 12.11. Status Report Council Resolutions Update *Refer to Agenda*
- 12.12. Lobethal Bushland Park A late report may be prepared on this item.
- **13.** ADMINISTRATION REPORTS INFORMATION ITEMS *Nil*
- 14. QUESTIONS WITHOUT NOTICE
- 15. MOTIONS WITHOUT NOTICE

16. REPORTS

- 16.1. Council Member Function or Activity on the Business of Council
- 16.2. Reports of Members/Officers as Council Representatives on External Organisations
- 16.3. CEO Report

17. **REPORTS OF COMMITTEES**

- 17.1. Council Assessment Panel 9 February 2022 That the minutes of the CAP meeting held on 9 February 2022 as supplied, be received and noted.
- 17.2. Audit Committee 14 February 2022 That the minutes of the Audit Committee meeting held on 14 February 2022 as supplied, be received and noted



- 17.2.1. Audit Committee Recommendations
 - 1. That the report be received and noted
 - 2. To adopt the revised Strategic Internal Audit Plan v1.9a as contained in Appendix 1.
 - 3. To approve the 2021-22 External Audit Plan by Galpins Accountants, Auditors and Business Consultants as contained in Appendix 2.
 - 4. To note the status of the Risk Management Plan at Appendix 3.
- 17.3. CEO Performance Review Panel *To be included in March Agenda*

18. CONFIDENTIAL ITEMS

Nil

19. NEXT MEETING

Tuesday 22 March 2022, 6.30pm, 63 Mt Barker Road, Stirling

20. CLOSE MEETING

Council Meeting/Workshop Venues 2022

| DATE | ТҮРЕ | LOCATION | MINUTE TAKER | | |
|---------------|--------------------------|----------|--------------|--|--|
| | MARCH 2022 | | | | |
| Tues 8 March | Workshop | Woodside | N/A | | |
| Wed 9 March | САР | ТВА | Karen Savage | | |
| Tues 15 March | Professional Development | Stirling | N/A | | |
| Tues 22 March | Council | Stirling | Pam Williams | | |
| | APRI | L 2022 | | | |
| Tues 12 April | Workshop | Woodside | N/A | | |
| Wed 13 April | САР | ТВА | Karen Savage | | |
| Wed 20 April | Audit Committee | Stirling | ТВА | | |
| Tues 19 April | Professional Development | Stirling | N/A | | |
| Tues 26 April | Council | Stirling | Pam Williams | | |
| | MAY 2022 | | | | |
| Tues 10 May | Workshop | Woodside | N/A | | |
| Wed 11 May | САР | ТВА | Karen Savage | | |
| Thur 12 May | CEOPRP | Stirling | ТВА | | |
| Tues 17 May | Professional Development | Stirling | N/A | | |
| Mon 23 May | Audit Committee | Stirling | ТВА | | |
| Tues 24 May | Council | Stirling | Pam Williams | | |

Meetings are subject to change, please check agendas for times and venues. All meetings (except Council Member Professional Development) are open to the public.

Community Forums 2022

6.00 for 6.30pm

(dates and venues to be confirmed)

| DATE | LOCATION |
|------|----------|
| | |
| | |
| | |

Conflict of Interest Disclosure Form



CONFLICTS MUST BE DECLARED VERBALLY DURING MEETINGS

| Councillor: | | Date: | |
|---|--|-----------------|--|
| Meeting name: | | Agenda item no: | |
| 1. I have identified a conflict of interest as: | | | |

MATERIAL 🗌

ACTUAL PERCEIVED

MATERIAL: Conflict arises when a council member or a nominated person will gain a benefit or suffer a loss (whether directly or indirectly and whether pecuniary or personal) if the matter is decided in a particular manner. If declaring a material conflict of interest, Councillors must declare the conflict and leave the meeting at any time the item is discussed.

<u>ACTUAL</u>: Conflict arises when there is a conflict between a council member's interests (whether direct or indirect, personal or pecuniary) and the public interest, which might lead to decision that, is contrary to the public interest.

PERCEIVED: Conflict arises in relation to a matter to be discussed at a meeting of council, if a council member could reasonably be taken, from the perspective of an impartial, fair-minded person, to have a conflict of interest in the matter – whether or not this is in fact the case.

2. The nature of my conflict of interest is as follows:

(Describe the nature of the interest, including whether the interest is direct or indirect and personal or pecuniary)

| 3. | I intend to deal with my conflict of interest in the following transparent and accountable way: |
|-------|---|
| | OR |
| | I intend to stay in the meeting (complete part 4) (only applicable if you intend to declare a Perceived (Actual conflict of interest) |
| 4. | The reason I intend to stay in the meeting and consider this matter is as follows: |
| | |
| (This | section must be filled in. Ensure sufficient detail is recorded of the specific circumstances of your interest.) |
| | that I will receive no benefit or detriment direct or indirect, personal or pecuniary from sidering and voting on this matter. |

CONFLICTS MUST ALSO BE DECLARED VERBALLY DURING MEETINGS

Governance use only: Member voted FOR/AGAINST the motion.



Ordinary Business Matters

A **material**, **actual** or **perceived** Conflict of Interest does not apply to a matter of ordinary business of the council of a kind prescribed by regulation.

The following ordinary business matters are prescribed under Regulation 8AAA of the Local Government (General) Regulations 2013.

- (a) the preparation, discussion, conduct, consideration or determination of a review under section 12 of the Act
- (b) the preparation, discussion, adoption or revision of a policy relating to allowances and benefits payable to members if the policy relates to allowances and benefits payable equally to each member (rather than allowances and benefits payable to particular members or particular office holders)
- (c) the preparation, discussion, adoption or alteration of a training and development policy under section 80A of the Act
- (d) the preparation, discussion, adoption or amendment of a strategic management plan under section 122 of the Act
- (e) the adoption or revision of an annual business plan
- (f) the adoption or revision of a budget
- (g) the declaration of rates (other than a separate rate) or a charge with the character of a rate, and any preparation or discussion in relation to such a declaration
- (h) a discussion or decision of a matter at a meeting of a council if the matter—
 - (i) relates to a matter that was discussed before a meeting of a subsidiary or committee of the council
 - (ii) the relevant interest in the matter is the interest of the council that established the committee or which appointed, or nominated for appointment, a member of the board of management of the council subsidiary or regional subsidiary.
- (2) For the purposes of section 75(3)(b) of the Act, a member of a council who is a member, officer or employee of an agency or instrumentality of the Crown (within the meaning of section 73(4) of the Act) will not be regarded as having an interest in a matter before the council by virtue of being a member, officer or employee.

Engagement and membership with groups and organisations exemption

A member will not be regarded as having a conflict of interest **actual** or **perceived** in a matter to be discussed at a meeting of council by reason only of:

- an engagement with a community group, sporting club or similar organisation undertaken by the member in his or her capacity as a member; or membership of a political party
- membership of a community group, sporting club or similar organisation (as long as the member **is not** an office holder for the group, club or organisation)
- the member having been a student of a particular school or his or her involvement with a school as parent of a student at the school
- a nomination or appointment as a member of a board of a corporation or other association, if the member was nominated for appointment by a Council.

However, the member will still be required to give careful consideration to the nature of their association with the above bodies. Refer Conflict of Interest Guidelines.

For example: If your **only** involvement with a group is in your role as a Council appointed liaison as outlined in the Council appointed liaison policy, you will not be regarded as having a conflict of interest actual or perceived in a matter, and are NOT required to declare your interest.

8. DEPUTATIONS

For full details, see Code of Practice for Meeting Procedures on www.ahc.sa.gov.au

- 1. A request to make a deputation should be made by submitting a Deputation Request Form, (available on Council's website and at Service and Community Centres) to the CEO seven clear days prior to the Council meeting for inclusion in the agenda.
- 2. Each deputation is to be no longer than ten (10) minutes, excluding questions from Members.
- 3. Deputations will be limited to a maximum of two per meeting.
- 4. In determining whether a deputation is allowed, the following considerations will be taken into account:
 - the number of deputations that have already been granted for the meeting
 - the subject matter of the proposed deputation
 - relevance to the Council agenda nominated and if not, relevance to the Council's powers or purpose
 - the integrity of the request (i.e. whether it is considered to be frivolous and/or vexatious)
 - the size and extent of the agenda for the particular meeting and
 - the number of times the deputee has addressed Council (either in a deputation or public forum) on the subject matter or a similar subject matter.

8.3 PUBLIC FORUM

For full details, see Code of Practice for Meeting Procedures on www.ahc.sa.gov.au

- 1. The public may be permitted to address or ask questions of the Council on a relevant and/or timely topic.
- 2. The Presiding Member will determine if an answer is to be provided.
- 3. People wishing to speak in the public forum must advise the Presiding Member of their intention at the beginning of this section of the meeting.
- 4. Each presentation in the Public Forum is to be no longer than five (5) minutes (including questions), except with leave from the Council.
- 5. The total time allocation for the Public Forum will be ten (10) minutes, except with leave from the Council.
- 6. If a large number of presentations have been requested, with leave from the Council, the time allocation of five (5) minutes may be reduced.
- 7. Any comments that may amount to a criticism of individual Council Members or staff must not be made. As identified in the Deputation Conduct section above, the normal laws of defamation will apply to statements made during the Public Forum.
- 8. Members may ask questions of all persons appearing relating to the subject of their presentation.

ADELAIDE HILLS COUNCIL ORDINARY COUNCIL MEETING Tuesday 22 February 2022 AGENDA BUSINESS ITEM

| Item: | 10.1 Question on Notice |
|-------------------|------------------------------------|
| Originating from: | Cr Chris Grant |
| Subject: | Property at Lobethal Road Lenswood |

1. QUESTION

Regarding that land located at, and adjacent to, 1615 Lobethal Road, Lenswood:

- 1. What actions have been taken to date to remedy, amongst other things, the use of the land as a junkyard; the unsightliness of the property; stock wandering onto neighbouring land; stock wandering onto a public road; the presence of pigs, sheep and goats in the watercourse; and any other breaches of laws that may have come to the attention of AHC?
- Under what legislative instruments has action been taken, to what extent has compliance been achieved, are there other legal avenues yet to be exercised that are relevant to this matter? For example, delegations under the Environmental Protection Act 1993 or other powers under the Local Government Act 1999 not yet exercised.

2. BACKGROUND

The property in question is located at 1615 Lobethal Road, Lenswood, is zoned Watershed (Primary Production) and is located within the settlement of Lenswood. For more than a decade this property owner has received repeated requests by both Council and the community to tidy the property and to appropriately contain livestock to stop them wandering on neighbouring properties and roadways.

3. OFFICER'S RESPONSE – Melissa Bright, A/Director Development & Regulatory Services

Within our statutory boundaries, Council has been working with the owner of the property for many years to improve the condition of the property and the livestock at 1615 Lobethal Road, Lenswood. Council has received more than 60 complaints relating to this property and we have investigated each of them. As a result of our investigations we have issued a number of notices and expiations and sought legal advice on all available options for Council and others to appropriately address the issues.

The legislative instruments available to Council's authorised officers are:

- Planning, Development and Infrastructure Act 2016
- Local Nuisance & Litter Control Act 2016
- Impounding Act 1920
- Road Traffic Act 1961
- Public Health Act 2011
- Local Government Act 1999

Other relevant legislation but not enforced by Council's authorised officers include:

• Landscape South Australia Act 2019

Following is a summary of the current status under each of the available legislations.

Planning, Development and Infrastructure Act 2016

In November 2011 Council initiated enforcement action against the landowner of 1615 Lobethal Road, Lenswood for an unauthorised change of land use. Council considered that the land was being used for the storage of materials in the nature of a builders yard/junk yard. As a result of the landowner's continued failure to comply with a number of directives and enforcement notices to cease placing objects and materials on the road verge and around the landowner's property, Council initiated proceedings in the Environment, Resources and Development (ERD) Court pursuant to Section 85 of the *Development Act 1993*. Council was successful in obtaining an Order from the Court on 23 July 2018 to have the owner clean up his property.

The order contained directions to cease using the property as a junk yard but permitted goods/items to be stored within the building envelope. It is important to note that, like many other properties in the Hills, items/goods are permitted to be stored on the land if they are considered to be incidental to the use of the Land or of minor nature (such as vehicles, items to be used on the land etc.). Authorised officers regularly monitor compliance with the order and recent inspections have determined that the items are incidental to the land use and not at significant variance to the order.

Council was awarded costs, and further enforcement action has seen these outstanding funds recently paid.

Local Nuisance & Litter Control Act 2016

In July 2021 Council issued an abatement notice pursuant to Section 30(1)(a) of the *Local Nuisance and Litter Control Act 2016* for unsightliness. The notice required the following:

Take action to discontinue the following activity of disposing of, displaying or storing disused, derelict or waste material on the Premises in areas visible from Lobethal Road, as indicated on the enclosed map:

(a) Until further notice.

Cease carrying on or permitting any person to carry on the following activity of collecting derelict or disused material and storing them on the Premises:

(a) Unless all material and items are stored inside of approved enclosed structures on the premises so as not to be visible from Lobethal Road.

Take the following action:

- (a) Move or dispose of all items and material from the areas indicated on the enclosed Map.
- (b) Refrain from storing or depositing derelict items, waste material and/or items and materials that are not directly used in conjunction with the approved use of the land (Pome Fruit production).

These conditions have been complied with but the notice is still in effect and authorised officers inspect this property regularly. While it is agreed that this property does not look well maintained nor tidy it is the opinion of our authorised officers that the property does not currently constitute as unsightly as defined under the Act:

3—Unsightly conditions on premises (section 17(1)(c))

For the purposes of section 17(1)(c), the following unsightly conditions are declared:

(a) conditions on premises involving—

(i) excessive or unconstrained rubbish, waste or vegetation; or

(ii) stockpiled, excessive or unconstrained disused or derelict items or material that a reasonable person would consider to be rubbish or waste in the circumstances; or

(iii) graffiti (other than authorised graffiti) that has been left on the premises—

(A) in the case of offensive graffiti—for more than 7 days; or

(B) in any other case—for more than 28 days, where, in the opinion of an authorised officer, the conditions have had an adverse effect on the amenity value of the area or caused the premises to be significantly out of conformity with the general appearance of neighbouring premises; or

(b) conditions involving a building on the premises having been left partially demolished or in a state of disrepair, dilapidation or damage where, in the opinion of an authorised officer, the conditions have had an adverse effect on the amenity value of the area or caused the premises to be significantly out of conformity with the general appearance of neighbouring premises.

Appendix 1 includes some photos of other properties that are considered, and have been successfully prosecuted, for unsightly.

Prior to the enforcement action Council had received 11 complaints regarding the unsightly nature of the property. We have since received 2 complaints.

In August 2017 Council issued an abatement notice pursuant to Section 30(1)(a) of the *Local Nuisance and Litter Control Act 2016* for wandering livestock. The notice required the following:

Take action to discontinue the following activity of keeping animals on the premises that may be able to escape from any inadequately fenced or constructed compound designed to hold them:

(b) *until such time as suitable and appropriate fencing is installed to prevent the escape of any animals kept on the land; and*

Prepare the following plan of action for the purposes of:

(c) preventing any future contravention of Part 4 Division 1 of the Act.

Provide drawn plans to show the methods of containment that will be used to prevent any animals that are kept on the land from escaping and creating a nuisance to surrounding residents and a hazard to users of Lobethal Road, Lenswood to the satisfaction of the Council.

Following repeated explations, Council initiated action including obtaining a warrant to enter the property, to complete the required works contained within the abatement notice in August 2021. The property owner commenced the required works one day prior to Council contractors arriving on site.

While the conditions within the notice have been completed, the notice is still in effect to ensure the animals continue to be contained. Prior to the enforcement action Council had received 16 complaints regarding wandering livestock. We have since received 8 complaints largely relating to the piglets who arrived after the fencing was complete.

It is the current opinion of Council's authorised officers that the fencing is adequate but that the location of the pigs is not appropriate and cannot be adequately contained within some fenced areas of the property. Council continues to work with the owner to encourage the containment of the piglets in a more suitable location on the property and explations are issued for any animals evidenced by authorised officers not to be adequately contained.

Impounding Act 1920

Under the *Impounding Act 1920* Council is able to establish and maintain a pound for large animals. Council does not currently have adequate holding facilities for goats and pigs and no other alternative holding facilitates within the region were discovered. Establishing and maintaining a holding facility was not considered a practical solution.

The *Impounding Act* also provides for landholders to impound and destroy stray livestock:

41—Goats, pigs, poultry etc may be destroyed

(1) The owner or any person in charge of any enclosed land—

(a) who has given notice in writing to the owner of any goats, pigs, or poultry, of his intention to destroy all goats, pigs, or poultry found trespassing thereon, may kill by any means, except by the use of poison, any goats, pigs, or poultry the property of such owner found trespassing thereon; or

(b) who has advertised twice in any two or more public newspapers published in the State and circulating in the locality his intention to destroy all goats, pigs, or poultry found trespassing thereon, may kill, by any means except by the use of poison, any goats, pigs, or poultry found trespassing thereon, and, if not sooner claimed by the owner thereof, may six hours after such killing remove, bury, or destroy the carcasses of any goats, pigs, or poultry so killed. (2) This section shall not apply to any full bred Angora, Saanen, Toggenburg, British Alpine, or Anglo Nubian goat

This advice has been provided to landholders surrounding the property but they were not interested in undertaking these steps.

Note that the State Government is in the process of drafting the new *Biosecurity Act* and will repeal the current *Impounding Act 1920*. It is proposed that the new *Biosecurity Act* will modernise and simplify the approach to stray and abandoned livestock.

Road Traffic Act 1961

There are currently no parking controls in place for the verge surrounding and outside of the property. Therefore any vehicle parked in this space is not a breach of any existing rules. Time limited parking in front of the post office (neighbouring property) could be a future consideration.

However, Council has previously explated for the parking of a heavy vehicle which is considered to be a breach of this Act.

Public Health Act 2011

Council received a complaint in August 2021 from a plumber who advised that the property's septic was overflowing near the creek. A site inspection found that while it did not appear to be leaking at the time, the septic tank had no lid. The disposal area also could not be located due the accumulation of materials on site. The owner was requested to seal/secure the septic tank and provide details of the disposal area. No response was received and a Compliance Notice was issued requiring that the septic system be replaced or repaired by October 2021. An expiation was issued for failure to comply with a Compliance Notice in November 2021.

The expiation has recently been paid and further follow-up on the repair/replacement of the system has been scheduled to determine whether the works have been undertaken.

Landscape South Australia Act 2019

Council is unable to take action under the *Landscape South Australia Act* and has therefore reported the access of the livestock to the watercourse to Landscape SA Hills and Fleurieu on more than one occasion. Most recently we have been requested to forward photos and this information has been provided.

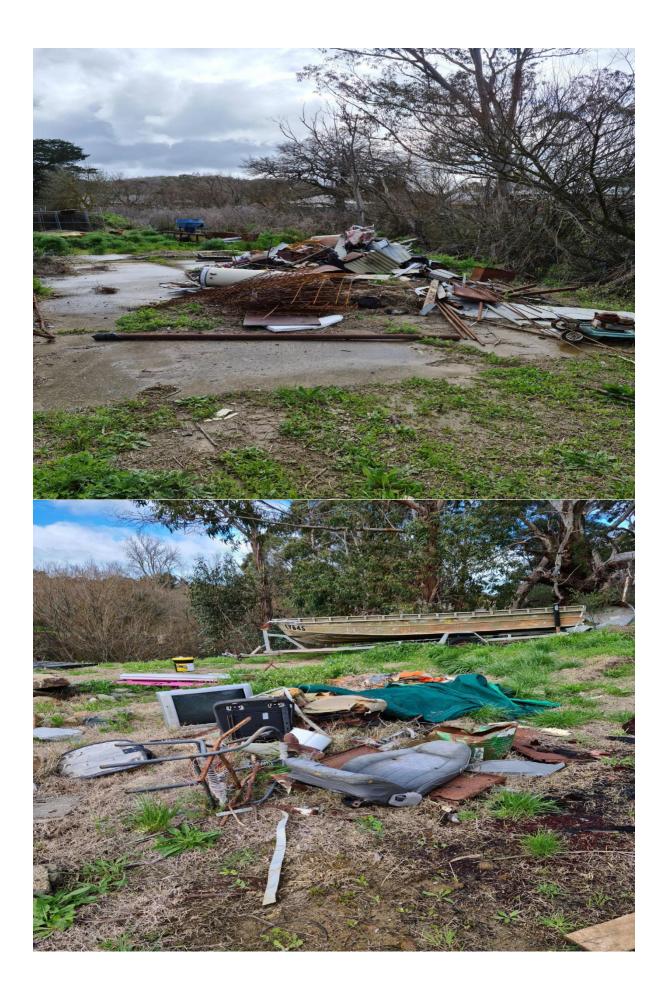
4. APPENDIX

(1) Examples of "Unsightly"

Appendix 1 Examples of "Unsightly"

Appendix 1: Examples of "Unsightly"







ADELAIDE HILLS COUNCIL ORDINARY COUNCIL MEETING Tuesday 22 February 2022 AGENDA BUSINESS ITEM

| Item: | 12.1 |
|----------------------|--|
| Responsible Officer: | Brett Mayne Acting Manager Economic Development Community Capacity |
| Subject: | Three Year Funding Arrangement with Regional Development Australia - Adelaide Hills, Fleurieu and Kangaroo Island Inc |
| For: | Decision |

SUMMARY

Council's Strategic Plan 2020-24 was developed to take us into "A brighter future".

The third goal, "A Prosperous Economy" seeks to ensure 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.

Consistent with this goal, the Regional Development Australia (RDA) Adelaide Hills, Fleurieu and Kangaroo Island committee is committed to develop and grow the Hills and Coast region by:

- Consulting and engaging with the community on economic, social and environmental issues, competitive advantages, solutions and priorities
- Liaising with government and local communities about government programs, services, grants and initiatives for regional development.

Adelaide Hills Council's three-year funding of RDA Adelaide Hills, Fleurieu and Kangaroo Island Inc concludes at the end of June 2022 and they are seeking to renew the arrangement. This report presents the three-year funding agreement for Council's approval.

RECOMMENDATION

Council resolves:

- 1. That the report be received and noted.
- 2. That the three-year funding agreement with Regional Development Australia Adelaide Hills, Fleurieu and Kangaroo Island Inc, for 2022-23 be \$67,885 plus CPI with CPI increases in 2023-24 and 2024-25 as contained in Appendix 2, be approved by Council.
- 3. That the Chief Executive Officer be authorised to make any minor changes to the funding agreement as required, in his opinion, to finalise the matter.
- 4. That the Mayor and CEO be authorised to sign and seal the funding agreement on behalf of Council.

1. GOVERNANCE

Strategic Management Plan/Functional Strategy/Council Policy Alignment

Strategic Plan 2020-24 – A brighter future

| 5 | 5 , |
|----------------|---|
| Goal 3 | A Prosperous Economy |
| Objective E1 | Support and grow our region's existing and emerging Industries |
| Priority E 1.5 | Engage and assist our region's key business and industry groups to be |
| | resilient, proactive and successful |

The Goal is supported by Council's Economic Development Plan 2020-2024 which identifies the importance to our local community of strengthening our economy and building on its strengths in food production, tourism and creativity and activities to achieve this.

Legal Implications

The Local Government Act, Chapter 2, Section 7, Item (g) specifies one of the functions of a council to include:

(g) To promote its area and to provide an attractive climate and locations for the development of business, commerce, industry and tourism.

Risk Management Implications

The three-year funding arrangement with the RDA will assist in mitigating the risk of:

Being limited to the current Economic Development service priorities and not having guidance for taking a more active and directed role in supporting broader regional opportunities that promote local economic development.

| Inherent Risk | Residual Risk | Target Risk |
|---------------|---------------|-------------|
| Medium (3D) | Low (2D) | Low (2D) |

The signing of the three-year funding deed and working in partnership with the RDA to achieve KPIs will help mitigate this risk.

Financial and Resource Implications

As outlined in the letter contained in *Appendix* **1**, the proposed three-year funding agreement specifies that the Council will provide \$67,885 (GST exclusive) in 2022-23 in four equal instalments by 1 July, 1 October, 1 January and 1 April. The amounts for the two succeeding years will be increased annually by an amount equal to the increase in CPI.

The contributions of other partnering councils is also shown in the letter in *Appendix 1*.

Council currently has \$67,885 included in its Long Term Financial Plan for 2022-23 and each year thereafter.

> Customer Service and Community/Cultural Implications

The RDA undertakes many key activities expected to improve communication between the region's business community, all levels of government, key industry groups and other regional development bodies.

> Sustainability Implications

Council's Prosperous Economy Aspiration is for our region's economy to be diverse and sustainable with a reputation for quality, niche products, services and experiences underpinned by a culture of creativity and innovation. The relationship with the RDA enables Council to support and develop a sustainable economy by adding value to local industries and economic opportunities by bringing a connection to cross regional, state and national initiatives.

> Engagement/Consultation conducted in the development of the report

Consultation on the development of this report was as follows:

| Council Committees: Council Workshops: | Nil |
|---|--|
| Advisory Groups: | Nil |
| External Agencies: | Consultation was undertaken with the other signatory councils to the RDA funding agreement in order to negotiate and strengthen the outcomes section of the agreement. A revised funding agreement with stronger outcome terms has been negotiated by Mount Barker District Council, Alexandrina Council and Adelaide Hills Council. Victor Harbor, Kangaroo Island and Yankalilla Councils have signed the Funding Deed without the negotiated changes. |
| Community: | Nil |

2. BACKGROUND

Regional Development Australia (RDA) is a partnership between the Australian, state and local governments to support the growth and development of Australia's regions. In 2009 a Memorandum of Understanding was signed between the three spheres of government to replace the previous regional development arrangements in South Australia and form a network of eight RDA committees, seven non-metropolitan RDA committees and an Adelaide metropolitan region.

The RDA Adelaide Hills, Fleurieu and Kangaroo Island Committee was established in 2009 as a joint partnership between the Australian and State Governments and the Adelaide Hills Council, (the then) District Council of Mount Barker, Alexandrina Council, City of Victor Harbor, District Council of Yankalilla and Kangaroo Island Council.

Currently chaired by James Sexton, the Board consists of ten members from across the RDA region representing a range of industry backgrounds with a diverse skill set and experience.

3. ANALYSIS

The RDA's role is to assist the region to develop and grow its economy and liveability by:

- Consulting and engaging with the community on economic, social and environmental issues, competitive advantages, solutions and priorities
- Exploring and promoting economic and employment growth including contributing to Council initiated and cross regional projects, business development, trade, funding access and investment attraction
- Being a first point of contact for government agencies, providing advice on local issues, competitive advantages, solutions and priorities
- Promoting government policies, programs, services, grants and initiatives to the regional community.

Outcomes achieved for the Adelaide Hills region during the course of the pervious RDA Funding Agreement include:

- Provision of Business support and advice in response to the 2019 Bushfires and Covid-19 Pandemic
- Development of a Regional Public Transport Study which identified options for the Freeway and supported the implementation of the 'on-demand' bus service in Mt Barker. The RDA is advocating for an expansion of this service into the Adelaide Hills Council area (Mylor, Bridgewater). This work contributed to the decision to expand Uber services into the Adelaide Hills.
- Facilitated the development of a plan for Road Freight Bypass improvements using a route via Murray Bridge and Sedan to the Stuart Highway.
- Provision of the Hills and Coast Grant finder service which is currently supporting 524 businesses across the region to seek grant funding.
- The RDA funded a Hills and Coast Business grant to support businesses with innovative ideas to grow. One third of the successful grant applicants were Businesses from the Adelaide Hills Council area.
- A weekly e-newsletter with information on grants and programs accessed by 2,700 businesses across the region.
- Collaboration with Hydrogen energy and carbon farming projects that are bringing benefits to the broader region.

In 2020-21 local government provided a total funding of \$257,128, with Regional Development Australia contributing around \$226,757 and project funds totalling a further \$626,416. The majority of these project funds were from the State Government with Mount Barker District Council contributing funds for a public transport study. The RDA's current funding agreement with the Commonwealth extends to December 2025 and with Regions SA (State Government) until June 2022 (a three-year extension is currently being negotiated through their peak body RDSA). The Commonwealth is providing the RDA's core operating funding while the State Government provides project specific funds. The agreement states that the Commonwealth's funding has primacy over Council's funding. The Council's funding is not contingent upon the Australian Government's funding but the RDA would have to review its viability if its Commonwealth funding ceased.

The terms of the Funding Agreement were negotiated between Adelaide Hills Council, Mount Barker District Council and Alexandrina Council to strengthen the required outcomes and reporting. The Funding Agreement requires the RDA to report as follows:

- A quarterly update of RDA projects.
- A quarterly regional infrastructure pipeline report.
- An annual report including:
 - o Number of RDA projects delivered that have impact across the region
 - o Number of RDA projects delivered with impact within a singular LGA
 - o Where feasible, economic Impact of RDA projects delivered or underway
 - o Amount of RDA funding secured to address regional challenges.

The RDA is an important partner in assisting Council to achieve its Economic Development goals by enabling staff to collaborate with other councils and Government stakeholders on issues and opportunities that are impacting the broader Adelaide Hills and Fleurieu region. It does this by providing a coordination and advocacy service which extends the capacity of the Adelaide Hills Economic Development Team to engage in larger cross regional programs and activities.

A decision not to fund the RDA would place constraints on the Council's ability to collaborate with other neighbouring councils and Government agencies on issues important to the region like transport and energy security. It would also make it harder for Council staff to maintain up to date knowledge of Government Grants and programs.

The partnership between the RDA and Council is well established and based on many years of collaboration. The RDA expands the reach of the Council's Economic Development Team to enable it to address and respond to cross regional issues and respond quickly to arising opportunities. Staff, therefore, recommend that the partnership with the RDA continue for at least the next three years and that the three-year funding agreement be entered into as per Option 1.

4. OPTIONS

Council has the following options:

- I. Approve the three-year funding arrangement (recommended)
- II. Postpone approval, pending further discussion, or
- III. Not approve the three-year funding arrangement (not recommended).

5. APPENDICES

- (1) RDA Funding Agreement Letter
- (2) RDA Funding Agreement

Appendix 1 RDA Funding Agreement Letter

3rd November 2021

Adelaide Hills Council Attn: CEO Andrew Aitken PO Box 44 Woodside SA 5244



ADELAIDE HILLS FL**EU**RIE**U &** K**AN**GAROO ISLAND

ABN: 898 1669 3886

4 Angas Place, Strathalbyn SA 5255 (Entrance behind Strathalbyn Library, 1 Colman Tce PO Box 1171 STRATHALBYN SA 5255 Ph: 08 8536 9200 Fax: 08 8536 2411

www.rdahc.com.au

Dear Mr Andrew Aitken,

Re: Local Government Funding

Our three-year funding agreement with council concludes at the end of June 2022. We are seeking your council's agreement to a new round of funding that will help secure the future of the RDA for a further three years.

Our funding agreement with the Commonwealth extends to December 2025 and our funding agreement with the Government of South Australia (through Regions SA) extends till June 2022, the latter of which we are currently negotiating for a three-year extension through our peak body, RDSA.

We recently presented to council on the breadth of work we undertake in the region and in your council specifically, but just some of the highlights during the current three-year funding period include;

- Funding and collaborating the development of a business case and raising of private capital for the re-opening of the Strathalbyn Abattoir.
- Development of business cases for proposed Regional University Centres on the South Coast and Mount Barker.
- Release of the 2019 review of public transport for the Fleurieu and Adelaide Hills and subsequent reports on improvement of public transport and freight in the Adelaide Hills in 2021.
- Running of the worlds first autonomous vehicle trial in a retirement village setting.
- Providing our business communities with a user-friendly portal of COVID-19 business supports.
- Extensive supports for councils and businesses impacted by the Black Summer Bushfires.
- Services for councils, industry, businesses and community groups around access to capital, in particular grant funding. This included launching the highly successful Hills & Coast Grant





Finder in collaboration with all of our councils, provision of economic impact modelling and assistance with grant applications.

- Re-establishment of an internal workforce development team to provide skills development and workforce supports to our regions employers.
- Continuation of collaboration with other regional bodies including Southern and Hills Local Government Association.

The following table shows council funding for the current financial year. Rather than the previous flat 2.5% increase, in the new agreement we propose an annual increase by CPI.

| LGA | 2021-2022 |
|-----------------|------------------|
| Alexandrina | \$60,306 |
| Victor Harbor | \$38,445 |
| Yankalilla | \$14,646 |
| Kangaroo Island | \$14,646 |
| Adelaide Hills | \$67,885 |
| Mount Barker | \$67,629 |
| Total | <u>\$263,557</u> |

Please find attached an updated funding agreement. We would be pleased to discuss this proposal with yourself and/or council if you believed this to be appropriate.

Yours sincerely,

Mr Damien Cooke Chief Executive Officer and Director

Encl., Council Funding Agreement

Appendix 2 *RDA Funding Agreement*

FUNDING AGREEMENT Between

Regional Development Australia – Adelaide Hills, Fleurieu and Kangaroo Island Inc (ABN 8981 6693 886)

AND

Adelaide Hills Council

1. INTRODUCTION

1.1 Adelaide Hills Council and Regional Development Australia - Adelaide Hills, Fleurieu and Kangaroo Island Inc (RDA) (the Parties) have enjoyed a close working relationship over many years.

2. SCOPE

2.1 This Funding Agreement (the Agreement) sets out conditions pursuant to which Adelaide Hills Council, Mount Barker District Council, Alexandrina Council, City of Victor Harbor, District Council of Yankalilla, and Kangaroo Island Council (Local Government Partners) recognise the primacy of the Funding Agreement between the Commonwealth of Australia as represented by the Department of Infrastructure, Transport, Regional Development and Communications and RDA.

Parties recognise this Funding Agreement as the administrative agreement that establishes, enables, and monitors the work of the RDA.

Parties recognise that Schedule A in this agreement determines the operational relationship between the Commonwealth and the RDA. In particular these relate to;

• Activities, outputs, governance, operational funding payments, schedule of payments and contact details.

The councils and RDA agree to establish Schedule B as an addendum to the Commonwealth Agreement as follows.

SCHEDULE B

1. FUNDING PERIOD (TERM)

This Agreement will be in place for 3 years, commencing on 1 July 2022 and ceasing on 30 June 2025.

2. REGION

South Australian Government region boundary designated the Adelaide Hills, Fleurieu and Kangaroo Island region.

3. BACKGROUND AND PURPOSE

3.1 Background

- 3.1.1 Councils intend to engage the RDA as one means of enhancing economic development and liveability in the Region through promoting and encouraging sustainable economic development in the Region on behalf of the Councils.
- 3.1.2 Councils separately agree to provide Funds to the RDA for the purpose of undertaking economic development activities in the Region.
- 3.1.3 The RDA operations must be responsive, efficient, and cost effective, and the RDA must collaborate with and have effective working relationships with the Councils.
- 3.1.4 The RDA will work with each council to deliver and agree on programs to support the development and implementation of project or activities identified in the RDA's Strategic Plan.

3.2 Purpose

The RDA Board of local people with diverse skills and broad networks, is committed to developing and growing the region's economy and liveability by:

- Consulting and engaging with the community on economic, social and environmental issues, competitive advantages, solutions and priorities.
- Exploring and promoting economic and employment growth including contributing to Council initiated and, cross regional projects, business development, trade, funding access and investment attraction.
- Being a first point of contact for government agencies, providing advice on local issues, competitive advantages, solutions and priorities.
- Promoting government policies, programs, services, grants and initiatives to the regional community.

4. COUNCIL FUNDS

4.1 Adelaide Hills Council agree to provide the Funds in the amounts set out as follows.

| Local Government | | | |
|------------------------|-----------------------------|---------------|---------------|
| Council | 2022-23 | 2023-24 | 2024-25 |
| Adelaide Hills Council | \$67,885 (2021-22) + CPI | 2022-23 + CPI | 2023-24 + CPI |

- 4.1.1 The Funds will be applied to The Purpose
- 4.1.2 The funds will be paid in the manner and on the dates set out in Council Funding Period.
- 4.1.3 Funds will be increased annually during the term of this Agreement by 0% or an amount equal to All Groups CPI for June quarter over last 12 months (whichever is greater).
- 4.1.4 The Funds are GST exclusive.
- 4.2 Further, where any individual project led or coordinated by RDA has particular application or relevance to any council, RDA may agree with that Council on specific contributions to reflect that particular relevance or interest in the project outcomes.

5. COUNCIL FUNDING PERIOD

- 5.1 The Council will provide the Funds upon receipt of a tax invoice from RDA, in four equal instalments for each year of the TERM as follows:
 - 30 July
 - 1 October
 - 1 January
 - 1 April

6. OUTCOMES

Reporting

RDA will provide reports as follows:

- A quarterly update of RDA projects.
- A quarterly regional infrastructure pipeline report.

- An annual report including:
 - Number of RDA projects delivered that have impact across the region
 - Number of RDA projects delivered with impact within a singular LGA
 - Where feasible, economic Impact of RDA projects delivered or underway
 - Amount of RDA funding secured to address regional challenges.

Engagement

RDA will engage with Council as follows:

- Presentations (annual or as agreed) to elected members on RDA activities.
- Executive level meetings of RDA CEO with council CEO and Mayor.
- Ongoing collaboration between RDA and Council staff, including;
 - Specific engagement to inform RDA's strategic plans and annual business plans.
 - Operation of the RDA Economic Development Network including quarterly meetings.
 - RDA or Council project (including Council economic development strategy) collaboration.

Engagement with Australian and State Governments

RDA will engage with Australian, and State Governments as follows:

- RDA will promote Australian and State Government programs to Council and its communities.
- RDA will represent the region to Australian and State Governments including through:
 - Advocacy for the region's issues and opportunities.
 - Support of grant funding applications.
 - Advice on policy and legislation as they relate to the region.

7. BREACH AND TERMINATION

- 7.1 The Local Government Partners may provide RDA with feedback in respect of any breach or perceived breach of a fundamental term of this Agreement.
- 7.2 Either party to this Agreement may refer a persistent breach of this Agreement by the other party or parties to arbitration pursuant to a process agreed between the parties or in default of agreement in accordance with arbitration frameworks established by the Local Government Association of SA.
- 7.3 If the matter cannot be resolved by arbitration or agreement between the parties then the aggrieved party may terminate this Agreement with three months' notice of termination.

7.4 At the conclusion of the Term, or earlier termination of this Agreement, any uncommitted or unspent Local Government Partners Funds shall upon request be returned to the Local Government Partners.

8. GOVERNING LAW AND JURISDICTION

8.1 This Agreement shall be governed by, construed and take effect in accordance with the laws of South Australia and the parties irrevocably submit to the jurisdiction of the courts of South Australia.

THE COMMON SEAL of ADELAIDE HILLS COUNCIL

Was hereunto affixed in the presence of:

.....

| (Print Name): | |
|---------------|--|
| Date: | |

THE COMMON SEAL of REGIONAL DEVELOPMENT AUSTRALIA ADELAIDE HILLS, FLEURIEU AND KANGAROO ISLAND INCORPORATED

Was hereunto affixed in the presence of:

.....

(Print Name): Date:

ADELAIDE HILLS COUNCIL ORDINARY COUNCIL MEETING Tuesday 22 February 2022 AGENDA BUSINESS ITEM

| Item: | 12.2 |
|----------------------|---|
| Responsible Officer: | Mike Carey Manager, Financial Services Corporate Services |
| Subject: | 2021-22 Budget Review 2 |
| For: | Decision |

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 the second formal Budget Review (BR2) of the 2021-22 financial year.

The proposed budget changes increases Council's Operating Surplus by \$431k from \$1.115m to \$1.546m, largely due to a number of one off favourable items including an interest saving. BR2 also proposes a reduction of \$1.299m to capital income and a reduction of \$5.253m to capital expenditure. The capital expenditure reduction largely relates to proposed carry forwards to 2022-23 of \$4.730m.

As a result of the proposed operating and capital adjustments, Council's Net Borrowing Result for the year is reduced from \$7.348m to \$2.572m.

The Audit Committee considered Budget Review 2 at its meeting on 14 February 2022, and resolved to recommend to Council the proposed budget adjustments as presented in Budget Review 2.

RECOMMENDATION

- 1. That the report be received and noted.
- 2. To adopt the proposed budget adjustments presented in the 2020-21 Budget Review 2 which result in:
 - a. An increase in the Operating Surplus from \$1.115m to \$1.546m for the 2021-22 financial year.
 - b. Changes to Capital Works, reducing capital income by \$1.299m and reducing capital expenditure by \$5.253m for the 2021-22 financial year resulting in a revised capital expenditure budget for 2021-22 of \$21.982m.
 - c. A reduction in Council's current Net Borrowing Result from \$7.348m to \$2.572m for the 2021-22 financial year as a result of the proposed operating and capital adjustments.

1. GOVERNANCE

Strategic Management Plan/Functional Strategy/Council Policy Alignment

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* (the Act) and the *Local Government (Financial Management) Regulations 2011* (the Regulations). In particular:

Section 123(13) of the Act states that a council must, as required by the regulations, and may at any time, reconsider its annual business plan or its budget during the course of a financial year and, if necessary or appropriate, make any revisions.

Section 9 of the Regulations requires a council to prepare and consider the following reports:

(a) at least twice, between 30 September and 31 May (both dates inclusive) a report showing a revised forecast of its operating and capital investment activities for the relevant financial year compared with the estimates for those activities set out in the budget presented in a manner consistent with the note in the Model Financial Statements entitled Uniform Presentation of Finances; and

(b) between 30 November and 15 March (both dates inclusive) a report showing a revised forecast of each item shown in its budgeted financial statements for the relevant financial year compared with estimates set out in the budget presented in a manner consistent with the Model Financial Statements.

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 LTFP.

Financial and Resource Implications

The proposed operating variations of \$431k have increased Council's budgeted Operating Surplus from \$1.115m to \$1.546m. This is largely due to a number of one off favourable items including interest savings and an operating insurance payout received for a major plant item where the plant replacement was requested as part of Budget Review 1.

BR2 also proposes a reduction of \$1.299m to capital income and a reduction of \$5.253m to capital expenditure. The capital expenditure reduction largely relates to proposed carry forwards to 2022-23 of \$4.730m.

As a result of the proposed operating and capital adjustments, Council's Net Borrowing Result for the year is reduced from \$7.348m to \$2.572m

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

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: | Budget Review 2 was considered by the Audit Committee on 14 February 2022 |
|---------------------|---|
| Council Workshops: | Not Applicable |
| Advisory Groups: | Not Applicable |
| External Agencies: | Not Applicable |
| Community: | Not Applicable |

2. BACKGROUND

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 second Budget Review (BR2) of the 2020-21 financial year.

At the Council meeting held on the 22 June 2021, Council adopted the original *2021-22 Annual Business Plan and Budget*, reflecting a Budgeted Operating Surplus before Capital Revenue of \$1.344m and an estimated Net Borrowing for the financial year of \$8.199m.

Subsequent to that meeting, Council, in consideration of agenda reports from a number of meetings, has approved a number of the 2021-22 Budget changes as detailed in the budget reconciliation included as part of this report as **Appendix 4**.

At the Council meeting held on the 23 November 2021, Council adopted the 2021-22 Budget Review 1 (BR1) with a Budgeted Operating Surplus before Capital Revenue of \$1.115m and the Net Borrowing Result reduced to \$7.348m. As a result of BR1, borrowings excluding leases, are forecast to be \$19.2m as at 30 June 2022.

Given that the Council meeting timing has both Budget Review 2 and the 2022-23 draft *Long Term Financial Plan* being presented to the February 2022 meeting, it is noted that where possible, the draft LTFP is based upon Budget Review 2 (BR2) considerations.

Council's customary practice is to include Budget Reviews as an agenda item at Audit Committee meetings prior to consideration of Council, where possible. The Audit Committee considered Budget Review 2 at its meeting on 14 February 2022, and resolved as follows:

7.3 Budget Review 2

Moved Cr Leith Mudge S/- David Moffatt

AC5/22

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 2 which result in:
 - a. An increase in the Operating Surplus from \$1.115m to \$1.546m for the 2021-22 financial year.
 - b. Changes to Capital Works, reducing capital income by \$1.299m and reducing capital expenditure by \$5.253m for the 2021-22 financial year resulting in a revised capital expenditure budget for 2021-22 of \$21.982m.
 - A reduction in Council's current Net Borrowing Result from \$7.348m to \$2.572m for the 2021-22 financial year as a result of the proposed operating and capital adjustments.

Carried Unanimously

Budget Review Presentation

In accordance with the Regulations, the Budget Review presentation for BR2 for the year needs to include the full budgeted financial statements presented in a manner consistent with the Model Financial Statements.

In addition, a council must also include in this report revised forecasts for the relevant financial year of the council's operating surplus ratio, net financial liabilities ratio and asset renewal funding ratio compared with estimates set out in the budget presented in a manner consistent with the note in the Model Financial Statements entitled Financial Indicators (*Appendix 3*).

3. ANALYSIS

BR2 has been prepared in consultation with Directors and Managers who have provided information for each budget area.

| \$000s | 2021-22 Current Budget | Proposed BR2 Adjustments | Capital CFWD | Revised Budget after BR2 |
|------------------------|------------------------------|-----------------------------|--------------|-----------------------------|
| Operating Income | 51,334 | 357 | - | 51,691 |
| Operating Expenditure | 50,219 | (74) | - | 50,145 |
| Operating Surplus | 1,115 | 431 | - | 1,546 |
| Depreciation | 9,732 | 390 | - | 10,122 |
| Capital income | 9,041 | 145 | 1,444 | 7,742 |
| Capital Expenditure | (27,236) | 523 | 4,730 | 21,982 |
| Net Borrowing Position | (7,348) | 1,489 | 3,287 | (2,572) |

Budget Review 2 Proposed Adjustments

Operating:

Operating Income - \$357k increase

- a reduction of \$40k in rates legal and other charges recovery income as a result of a the reduction in legal costs relating to debt recovery
- an increase in statutory income of \$68k in development income (offset by increase in expenditure) and \$15k in animal registrations based on year to date income received
- a \$43k reduction in hard waste income (offset by a corresponding reduction in expenditure) together with an extra \$10k in user charges for waste additional bins based on income received
- a reduction of \$15k in Outdoor Dining licences as fees were waived for the 21-22 financial year to support food & beverage business' due to the impact of COVID19 density restrictions
- an increase in Biodiversity grants funding of \$164k also requiring associated expenditure commitments
- \$30k relating to a Bushfire recovery grant to fund a Amy Gillett signage and activation project under Economic Development also requiring expenditure offset

 unbudgeted insurance recoveries of \$168k relating to council major plant write-off as a result of an accident with the replacement previously budgeted under capital in BR1

Operating Expenditure - \$74k reduction

More significant items include:

- an increase in expenditure of \$164k relating to Biodiversity grant funding increases as discussed above
- an increase on expenditure of \$30k relating to the bushfire recovery grant funding as discussed above
- an increase in development expenditure of \$66k including court fees which largely offsets income increases discussed above
- a reduction of \$40k in rates legal costs relating to debt recovery as discussed above
- a \$43k reduction in hard waste expenditure in line with the income reduction discussed above together with further waste savings of \$23k relating in part to reduced gates rates for recycling processing
- a reduction of \$60k in TDU expenditure as a result of the cancellation of the event, noting that there were still expenditure requirements for the Santos Festival of Cycling
- savings of \$10k relating to the late cancellation of Christmas pageants and Australian Day ceremonies
- a reduction in Office of CEO budget of \$12k relating to contributions, training and function costs
- a net increase in the order of \$12k in ICT expenditure relating to software licensing. These costs are ongoing and will impact on the expenditure base for future years.
- Interest savings of \$150k due to reduction in rates as a result of a new Cash Advance Debenture facility and improved cash flow

In addition, it is noted that the budgets for leasing were adjusted to align to Accounting Standards which resulted in \$400k being transferred from materials, contract & other and to depreciation, \$390k and finance costs \$10k.

<u>Capital</u>

| \$000s | 2021-22 Current Budget | Proposed BR2 Adjustments | Carry Forwards | Proposed BR2 Budget |
|-----------------------------------|---------------------------|-----------------------------|-------------------|------------------------|
| Capital income | 9,041 | 145 | (1,444) | 7,742 |
| Capital - Renewal Expenditure | (12,469) | 87 | 400 | (11,982) |
| Capital - New Capital Expenditure | (14,767) | 436 | 4,330 | (10,000) |
| Total Capital Expenditure | (27,236) | 523 | 4,730 | (21,982) |
| Net Capital Position | (18,195) | 668 | 3,287 | (14,240) |

The net impact resulting from proposed changes in the capital works program including carry forward adjustments reduces capital income by \$1.299m and total capital expenditure by \$5.253m as summarised below:

Proposed Adjustments to Capital Income \$145k increase

Capital income is being increased by \$145k to account for funding due to be received for Gumeracha Main Street Stormwater and Stirling to Crafers Bikeway from the State Government Department for Infrastructure and Transport (DIT) as detailed in *Appendix 1*.

Proposed Adjustments to Capital Expenditure \$523k decrease

For Budget Review 2 there are a number of variations in the capital budget spread across asset categories.

As result of the increased funding discussed above, the associated capital expenditure budget has been increased by \$68k. This has been offset by the cancellation of the Woodside Water Reuse Project of \$200k, a reallocation of \$298k of ICT Projects to future years and identified net savings of \$93k across a number of projects. Specific details by project have been provided in *Appendix 1*.

<u>Carry Forwards - Capital Expenditure reduction of \$4.730m and Capital income reduction of \$1.444m</u>

In addition, Budget Review 2 has identified proposed carry forwards in capital expenditure of \$4.730m which will not be able to be completed this financial year and will be addressed separately as part of the 2022-23 budget preparation. These were identified as part of the consideration of the Capital Reset linked to the 2022-23 LTFP Review.

The carry forwards relate to AHBTC capital divestment, Fabrik Redevelopment, 2 Blackspot Projects (fully funded by Federal Government grants and therefore income will also need to be carried forward), Tiers Road Basket Range Road Pavement Project and a Feasibility Study in relation to a Skate Park at Stirling. Details of the capital expenditure carry forwards have been provided in *Appendix 2*.

Movements in Budgeted Borrowings

The current adopted budget at Budget Review 1 shows a forecast borrowings of \$19.2m as at 30 June 2022, being an increase of \$9.0m from the 1 July 2021 balances of \$10.2m.

As a result of proposed BR2 changes, those forecast borrowings at 30 June 2022, including Council's short term drawdown have been revised downwards from \$19.2m to \$14.2m. The updated movement for the year is shown in the table below.

| Borrowings excluding Leases \$000s | Opening July 2021 | New Borrowings | Repayments | Forecast June 2022 |
|---------------------------------------|----------------------|-------------------|------------|-----------------------|
| CAD (Short Term Drawdown) | 5,200 | (24) | - | 5,176 |
| Current Other Borrowings | - | 4,000 | - | 4,000 |
| Fixed Term Borrowings | 5,000 | | - | 5,000 |
| Total Borrowings | \$10,200 | \$3,976 | - | \$14,176 |

The Financing transaction detail as shown at the bottom of Council's *Uniform Presentation* of Finance (Appendix 3) highlights that in addition to Borrowings as discussed above, the financing result for the financial year also includes budgeted payments relating to the landfill remediation provision and the reduction in aged care debenture loans as part of Bridgewater Retirement Village sale.

Other points of note:

Financial Indicator Analysis

The BR2 Revised Budget Financial Indicators are shown with reference to both the 2021-22 Original Budget adopted in June 2021 and the Current Adopted Budget for 2021-22 BR1 adopted in November 2021.

| Financial Indicator | Target | Original Adopted Budget for 2021-22 | Current Budget for 2021-22 (BR1 Nov 2021) | Proposed Revised Budget 2021-22 |
|------------------------------------|-------------|--|--|--|
| Operating Surplus Ratio | 1% to 5% | 2.7% | 2.2% | 3.0% |
| Net Financial Liabilities Ratio | 25% to 75% | 55% | 54% | 44% |
| Asset Renewal Funding Ratio | 95% to 105% | 106% | 116% | 111% |

Contributing factors that have impacted on the changes in ratios since they were last reported as per the table above are as follows:

Operating Surplus Ratio

The 2021-22 Operating Surplus and hence the relevant ratio has been significantly impacted by a number of one off items.

As seen from the table above the Operating Surplus Ratio was reduced from 2.7 % per the Original Budget to the current Operating Surplus for BR1 of 2.2%. This movement of the largely related to the transfer to operating of Council's contribution to the Heathfield High School court redevelopment which had been previously recorded as capital, thus reducing Council's Operating Surplus.

The \$431k proposed increase in the Operating Surplus as highlighted in this report has adjusted the Operating Surplus Ratio for BR2 from 2.2% to 3.0%.

Net Financial Liabilities Ratio

In terms of the net financial liabilities ratio there was a minor improvement in the ratio from the Original Budget to BR1 as there some savings achieved as part of the year end carry forward of capital expenditure as well as adjustments for Council's 30 June 2021 audited balances.

The reduction in Council's net borrowing position for BR2 is largely as a result of the increased surplus and reduced borrowing as a direct result of the reduction in capital expenditure for proposed carry forwards. This has reduced Council's Net Financial Liabilities Ratio between BR1 and BR2 from 54% to 44%.

Asset Renewal Funding Ratio

This ratio increased from the Original Budget to BR1 is as a result of accounting for the carry forwards from 2021-22 which included \$816k of renewals.

The reduction in capital renewal expenditure as part of BR2 relates to the proposed carry forward for Tiers Rd into 2022-23 which has the effect of reducing the asset renewal ratio from 116% to 111%.

3.3 Summary

As Council has approved a number of the 2021-22 Budget changes from Council's original adopted budget, a summary of those adjustments has been detailed in the budget reconciliation included as part of this report as **Appendix 4**.

This shows that the proposed operating variations of \$431k have increased Council's budgeted Operating Surplus from \$1.115m to \$1.546m.

BR2 also proposes a reduction of \$1.299m to Capital Income and a reduction of \$5.253m to Capital Expenditure.

As a result of the proposed operating and capital adjustments, Council's Net Borrowing Result for the year is reduced from \$7.348m to \$2.572m.

A summary of the elements impacting on Council's Net Borrowing Position is shown below:

| \$000s | \$ |
|--|---------|
| BR1 Adopted Budget Net Lending (Borrowings) Result | (7,348) |
| Impact of favourable Operating Budget Adjustments for BR2 | 431 |
| Change in Depreciation | 390 |
| Impact of Capital income and Expenditure BR2 Adjustments for BR2 | 668 |
| Impact of Capital income and Expenditure BR2 Carry Forwards | 3,287 |
| BR2 Revised Net Lending (Borrowing) Result | (2,572) |
| 2021-22 Underlying Operating Surplus | \$330 |

In the last couple of years, Council's operating surplus has been impacted by a significant number of one off budget items together with a large amount of grant funding received with associated expenditure commitments often accounted for in different years.

It has therefore been agreed that Administration would provide details of Council's underlying Operating Surplus as part of financial reporting performance and Budget Reviews to assist in the assessment of Council's ongoing financial sustainability and long term financial planning.

As noted in **Appendix 4**, which shows the budget reconciliation of 2021-22 Budget changes Council's underlying Operating Surplus has increased from \$317k to \$330k from Budget Review 2, largely to account for:

- the additional animal management registration income of \$15k which is considered ongoing
- the additional waste additional bin income of \$10k which is considered ongoing

The above have been in part offset by a net increase in ICT expenditure relating to software licensing in the order of \$12k. These costs are ongoing and will impact on the expenditure base for future years.

4. OPTIONS

Council has a range of options in relation to this report.

- I. To adopt the budget review as prepared without making any further amendment to the adopted budget (Recommended)
- II. To determine required changes to the review and adopt a revised Budget Review 2, recognising the likely impact upon future Budget Reviews and Council's Long Term Financial Plan (Not Recommended)
- III. Not to adopt the review, in which case it will risk breaching the requirements of the *Local Government Financial Management Regulations (2011)* unless an alternative review is adopted (Not Recommended).

The recommended option will ensure Council meets the requirements of Section 7 and 9 of the *Local Government (Financial Management) Regulations 2011*.

5. APPENDICES

- (1) 2021-22 Capital Works Budget Review 2 Proposed Changes
- (2) 2021-22 Capital Works Budget Review 2 Carry Forwards
- (3) 2021-22 Budget Review 2 Statutory Financial Statements
- (4) 2021-22 Budget Adjustments subsequent to Original Budget Adoption

Appendix 1

2021-22 Capital Works Budget Review 2 Proposed Changes

| Proj # | Project Name | Project Description | Suburb | Туре | Current Budget | Change FAV/ | Revised Budget | Comment |
|----------------|-------------------------------------|---|------------------------------|------------|-------------------|-------------------------------------|-------------------|--|
| APITAL E | XPENDITURE | | | | Buuget | (UNFAV) | Buuget | |
| | | | | | | | | |
| ridges 3902 | Bridge Audit | Bridge Audit and Renewal Plan | Regionwide | Renewal | \$22,350 | 22,350 | Śſ | Project delivered last Financial Year and no additional funds required |
| 3302 | | Bridge Addit and Kenewar Han | Regionwide | Total | \$22,350 | 22,350 | \$0 | |
| ootpaths | | | | | | I | | |
| 3625 | Stirling to Crafers Bikeway | Construction of a bikeway between Stirling and Crafers as part of the Council local Roads and Community Infrastructure Program. | Stirling | New | \$323,000 | (68,057) | \$391,057 | Additional costs associated with increased scope of work along Waverly Ridge Rd, on behalf DIT (offset by additional income below). |
| | | | | Total | \$323,000 | (68,057) | \$391,057 | 1 |
| iuardrails | | | | | | | | |
| 4006 | Safety Barrier Renewal | Carey Gully Rd - Fowler Rd to Bridge - \$65k; Hillcrest Avenue - \$35k | Carey Gully, Crafers West | Renewal | \$100,000 | 51,581 | \$48,419 | Tendered prices below budget - program completed and savings |
| | | | | Total | \$100,000 | 51,581 | \$48,419 |) |
| ст | 1 | - | r | 1 | | T | | |
| | ICT Programs | ICT Programs | | New | \$1,000,000 | 298,000 | \$702,000 | This amount to be moved to future years as part of Capital Reset but as draft LTFP has alread been updated for future year requirements, amount does not need to be carried forward |
| | | | | Total | \$1,000,000 | 298,000 | \$702,000 | |
| port & Re | ecreation | | | 1 | | <u>1</u> | | |
| 3752 | WRG Design Development for Reuse | Implementing water efficiencies through irrigation renewals/ upgrades (year 1 - Birdwood play space). | Woodside | New | \$200,000 | 200,000 | \$0 | Project not proceeding following Council decision |
| 3975 | 21/22 LRCIP Mylor Pump Track | BMX Track | Mylor | New | \$50,000 | (45,000) | \$95,000 | consultation. Previously advised to Council |
| | | | | Total | \$250,000 | 155,000 | \$95,000 | |
| tormwate | er | | 1 | - | 1 | | | |
| 3611 | Gumeracha Main Street Stormwater | Install stormwater in the Gumeracha Main Street in line with Stormwater Master Plan as part of construction works for PLEC and main street upgrade. | Gumeracha | New | \$391,000 | 51,000 | \$340,000 | Savings achieved. Final expenditure for project is \$340,000 |
| 4026 | Christie Street | Renewal side entry pit & drainage | Bridgewater | Renewal | \$13,000 | 13,000 | \$C | Incorporated into future planned renewal of kerbing and seal on Christie St Bridgewater |
| | | | | Total | \$404,000 | 64,000 | \$0 | 9 |
| | | | Total Expenditu | ire Change | | 522,874 | | |
| | | Capital Expenditure Split as follows: | Renewal New/Upgrade | | | 86,931 435,943 522,874 | | |
| APITAL IN | NCOME | | | | | | | |
| 3611 | Gumeracha Main Street Stormwater | Install stormwater in the Gumeracha Main Street in line with Stormwater Master Plan as part of construction works for PLEC and main street upgrade. | Gumeracha | | \$0 | 45,310 | \$45,310 | DIT contribution to new stormwater infrastructure |
| 3625 | Stirling to Crafers Bikeway | Construction of a bikeway between Stirling and Crafers as part of the Council local Roads and Community Infrastructure Program. | Stirling | | \$0 | 100,000 | \$100,000 | DIT contribution to new footpath arrangements in Crafers |
| | · | | Total Income Cl | hange | 0 | 145,310 | 145,310 | |

Appendix 2

2021-22 Capital Works Budget Review 2 Carry Forwards

| PROPOSED | 2021-22 CAPITAL BUDGET | REVIEW 2 CARRY FORWARDS | | | | | | |
|--------------|------------------------------|---|-----------------|---------------|-----------------|----------------------------|----------------------------------|---|
| Proj # | Project Name | Project Description | Suburb | Туре | 21/22 Budget | Revised 21/22 Budget | Carry Forward to 22/23 Budget | Comment |
| CAPITAL EXP | PENDITURE | | | | | | | |
| Buildings | | | | | | | | |
| 3741 | FABRIK Buildings Upgrades | Redevelop Buildings 14, 20 and 21 | | New | \$2,167,000 | 400,000 | \$1,767,000 | Transfer to 2022-23 - COVID 19 complications extended the timeline for the completion of construction drawings and associated approvals. Major works will now commence in June 2022, with the majority of the budget being expended in the 22-23 financial year. |
| 3742 | AHBTC Capital Divestment | Upgrades buildings and infrastructure to enable sale of properties | | New | \$1,450,550 | 340,000 | \$1,110,550 | Transfer to 2022-23 - extensive research and investigation has been undertaken on important components within the site. This report was imperative to enable divestment discussions to be concluded. This report will be completed prior to 30 June 2022, and then the final divestment works and discussions will be completed. |
| | | | Tot | tal | \$3,617,550 | 740,000 | \$2,877,550 | |
| Roads | | | | | | | | |
| 4012 | Tiers Rd | Full Pavement Renewal; Vickers to Kumnick Hill Road | Basket Range | Renewal | \$400,000 | 0 | \$400,000 | Due to market pressures, it will be more cost effective to deliver the project next Financial Year |
| 4042 | Blackspot 21/22 | Blackspot 21/22 - Woodshill Rd Ashton | Ashton | New | \$302,000 | 6,000 | | Transfer to 2022-23, due to insufficient time and resources to design and construct in one year. Desig will continue in 2021-22, funded from project 4011 |
| 4043 | Blackspot 21/22 | Blackspot 21/22 - Montacute Rd Montacute | Montacute | New | \$1,141,882 | 0 | | Transfer to 2022-23, due to insufficient time and resources to design and construct in one year. Desig will continue in 2021-22, funded from project 4011 |
| | | | Tot | tal | \$1,843,882 | 6,000 | \$1,837,882 | |
| Sports and R | ecreation | • | | | | | | |
| 4020 | Stirling regional skate park | Feasibility study | | New | \$15,000 | 0 | \$15,000 | As part of the capital reset program, it is proposed that the Skate Park Feasibility study be carried forward to 22-23. Due to additional work being undertaken on the Mylor Bike track, commencemer of the feasibility study had been delayed |
| | | | Tot | tal | \$15,000 | 0 | | |
| | - | - | Total Capital E | Expenditure (| Carry Forward (| Change | \$4,730,432 | |
| CAPITAL INC | OME | | | | | | | |
| 4042 | Blackspot - Woods Hill Rd | | | | (302,000) | 0 | (302,000) | Transfer the funding to 22/23 to align with timing of construction works. |
| 4043 | Blackspot - Montacute Rd | | | | (1,141,882) | 0 | (1,141,882) | Transfer the funding to 22/23 to align with timing of construction works. |
| | | 1 | Total Income | Change | | 0 | (1,443,882) | |
| | | Capital Expenditure | Renewal | | | | 400.000 | |

Split as follows:

Renewal New 400,000 4,330,432 **4,730,432**

Appendix 3

2021-22 Budget Review 2 Statutory Financial Statements

Adelaide Hills Council BUDGETED UNIFORM PRESENTATION OF FINANCES 2021-22 Budget

| | 2021-22 Budget | | | | | |
|--------------------|--|------------------------------|--|-------|------------|------------------------------|
| 2020-21 Actuals | | 2021-22 Adopted Budget | Total Budget Movement since Adoption | BR1 | BR2 | 2021-22 Revised Budget |
| \$'000 | | \$'000 | \$'000 | | | \$'000 |
| 40 440 | | 44 570 | | (70) | (40) | 44 455 |
| 40,110 | Statutory charges | 41,573 1,197 | - | (76) | (40) 83 | 41,457 |
| | User charges | 869 | - | (6) | (48) | 1,280 815 |
| | Grants, subsidies and contributions | 5,869 | - 657 | 640 | 194 | 7,360 |
| , | Investment income | 17 | | 040 | - 194 | 7,360 |
| | Reimbursements | 210 | _ | | | 210 |
| | Other income | 467 | (210) | 27 | 168 | 452 |
| | Net gain - equity accounted Council businesses | 100 | (=) | | - | 100 |
| | Total Income | 50,302 | 447 | 585 | 357 | 51,691 |
| | EXPENSES | | | | | |
| 18,644 | Employee costs | 19,424 | 18 | 58 | - | 19,500 |
| 21,101 | Materials, contracts & other expenses | 19,295 | 816 | 399 | (324) | 20,186 |
| 9,451 | Depreciation, amortisation & impairment | 9,762 | - | (30) | 390 | 10,122 |
| 615 | Finance costs | 477 | - | | (140) | 337 |
| | Net loss - equity accounted Council businesses | - | - | | - | 0 |
| 49,824 | Total Expenses | 48,958 | 834 | 427 | (74) | 50,145 |
| 2,357 | NET BUDGETED SURPLUS / (DEFICIT) BEFORE CAPITAL AMOUNTS | 1,344 | (387) | 158 | 431 | 1,546 |
| | Net Outlays on Existing Assets | | | | | |
| (7 823) | Capital Expenditure on Renewal and Replacement of Existing Assets | (11,451) | (816) | (202) | 487 | (11,982) |
| | Proceeds from Sale of Replaced Assets | 665 | 177 | (202) | - | 842 |
| | Depreciation | 9,762 | - | (30) | 390 | 10,122 |
| | NET OUTLAYS ON EXISTING ASSETS | (1,024) | (639) | (232) | 877 | (1,018) |
| | Net Outlays on New and Upgraded Assets | | | | | |
| (5,372) | Capital Expenditure on New and Upgraded Assets & Remediation costs | (11,823) | (2,389) | (555) | 4,767 | (10,000) |
| 2,409 | Capital Grants & Monetary Contributions - New & Upgraded Assets | 2,000 | 3,734 | (259) | (1,299) | 4,176 |
| 17 | Proceeds from Sale of Surplus Assets | 1,304 | 1,420 | | - | 2,724 |
| (2,946) | NET OUTLAYS ON NEW AND UPGRADED ASSETS | (8,519) | 2,765 | (814) | 3,468 | (3,100) |
| 1,643 | Net Lending/ (Borrowing) Result for Financial Year | (8,199) | 1,739 | (888) | 4,776 | (2,572) |
| (10 000) | Net Financial Liabilities at Beginning of Year | (20.211) | | . / | | (20.214) |
| | Decrease / (increase) in Other | (20,311) | - | | | (20,311) 0 |
| | Non Cash Equity Movement | (100) | - | | | (100) |
| | Net Financial Liabilities at End of Year | (28,610) | 1,739 | (888) | 4,776 | (22,983) |
| (20,311) | | (20,010) | 1,739 | (000) | 4,770 | (22,303) |

In a year, the financing transactions identified below are associated with either applying surplus funds stemming from a net lending result or accommodating the funding requirement stemming from a net borrowing result.

| Financing Transactions | | | | | |
|---|---------|---------|-------|---------|-------|
| - New Borrowings | 10,350 | (1,350) | 1,000 | (6,000) | 4,000 |
| 3,081 Increase/(Decrease) in Short Term Draw Down | (73) | 201 | (112) | (40) | (24) |
| - (Increase)/Decrease in Cash & Investments | - | - | | - | Ó |
| 1,363 (Increase)/Decrease in Working Capital | - | - | | - | 0 |
| (5,000) Principal Repayments on Borrowings | (1,000) | - | | 1,000 | 0 |
| (336) Lease Liabilities | - | - | | (400) | (400) |
| - Reinstatement/Restoration Provision Payment | (978) | - | | 664 | (314) |
| - Debenture Payment | - | (590) | | - | (590) |
| (751) Non Cash Equity Movement | (100) | - | | - | (100) |
| (1,643) | 8,199 | (1,739) | 888 | (4,776) | 2,572 |

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.

| | Adelaide Hills Council | | | | |
|---|--|--|--|--|--|
| : | STATEMENT OF COMPREHENSIVE INCOME 2021-22 Budget | | | | |
| 2020-21 Actuals | | 2021-22 Revised Budget | | | |
| \$'000 | NCOME | \$'000 | | | |
| 705 8,219 22 235 637 764 | INCOME Rates Statutory charges User charges Grants, subsidies and contributions Investment income Reimbursements Other income Net gain - equity accounted Council businesses Total Income | 41,457 1,280 815 7,360 17 210 452 100 51,691 | | | |
| 21,101 9,451 615 13 | EXPENSES Employee costs Materials, contracts & other expenses Depreciation, amortisation & impairment Finance costs Net loss - equity accounted Council businesses Total Expenses | 19,500 20,186 10,122 337 - 50,145 | | | |
| | OPERATING SURPLUS / (DEFICIT) | 1,546 | | | |
| | Asset disposal & fair value adjustments Amounts received specifically for new or upgraded assets | 748 4,176 | | | |
| | Physical Resources Received Free of Charge NET SURPLUS / (DEFICIT) | 6,470 | | | |
| 7,811 6 9 | Changes in revaluation surplus - infrastructure, property, plant & equipment Other Comprehensive Income | 5,215 - | | | |
| 31 7,911 | Share of Other Comprehensive Income JV Total Other Comprehensive Income TOTAL COMPREHENSIVE INCOME | - 5,215 11,685 | | | |

| | Adelaide Hills Council STATEMENT OF FINANCIAL POSITION 2021-22 Budget | |
|--------------------|---|------------------------------|
| 2020-21 Actuals | | 2021-22 Revised Budget |
| \$'000 | ASSETS | \$'000 |
| 007 | Current Assets | |
| | Cash and cash equivalents | 637 |
| , | Trade & other receivables | 3,225 |
| | Inventories | 23 |
| 3,885 | | 3,885 |
| | Non-current Assets held for Sale | - |
| 3,885 | o Total Current Assets | 3,885 |
| | Non-current Assets | |
| | - Financial assets | - |
| 2,342 | Equity accounted investments in Council businesses | 2,442 |
| 433,592 | Infrastructure, property, plant & equipment | 447,848 |
| 435,934 | Total Non-current Assets | 450,290 |
| 439,819 | Total Assets | 454,175 |
| | LIABILITIES | |
| | Current Liabilities | |
| 7.734 | Trade & other payables | 7,143 |
| | Borrowings - Short Term Draw Down | 5,176 |
| | Borrowings - Other | 3,923 |
| | B Provisions | 3,649 |
| | Total Current Liabilities | 19,891 |
| | Non-current Liabilities | |
| 5,425 | Borrowings | 5,425 |
| | ' Provisions | 1,527 |
| | - - Total Non-current Liabilities | 6,952 |
| | Total Liabilities | 26,843 |
| | NET ASSETS | 427,332 |
| | EQUITY | |
| 142.182 | Accumulated Surplus | 148,652 |
| | Asset Revaluation Reserves | 278,232 |
| - | Other Reserves | 448 |
| | | 427,332 |
| 20,311 | NET FINANCIAL LIABILITIES | 22,983 |

Adelaide Hills Council

STATEMENT OF CHANGES IN EQUITY 2021-22 Budget

| 2021-22 | Accumulated Surplus \$'000 | Asset Revaluation Reserve \$'000 | Other Reserves \$'000 | Available for sale Financial Assets \$'000 | Minority Interest Equity \$'000 | TOTAL EQUITY \$'000 |
|---|----------------------------------|---|-----------------------------|--|--|---------------------------|
| | | | | | | |
| Balance at end of previous reporting period | 142,182 | 273,017 | 448 | - | | 415,647 |
| Net Surplus / (Deficit) for Year Other Comprehensive Income | 6,470 | - | - | | - | 6,470 |
| Gain on revaluation of infrastructure, property, plant & equipment Transfers between reserves | - | 5,215 | - | _ | _ | 5,215 - |
| Balance at end of period | 148,652 | 278,232 | 448 | - | - | 427,332 |
| 2020-21 | | | | | | |
| Balance at end of previous reporting period Restated opening balance | 138,645 | 265,206 | 581 | - | - | 404,432 |
| Net Surplus / (Deficit) for Year | 3,304 | - | - | | - | 3,304 |
| Other Comprehensive Income Changes in revaluation surplus - | 100 | | | | | 100 |
| infrastructure, property, plant & equipment | - | 7,811 | - | | | 7,811 |
| Share of Other Comprehensive Income JV | | | | | | - |
| Transfers between reserves Balance at end of period | 133 142,182 | 273,017 | (133) 448 | | | 415,647 |
| | | , | | | | , |
| FINANCIAL RATIOS | | | | | | |
| | | | 2021-22 Budget | | | |
| Operating Surplus Ratio Operating Surplus Total Operating Revenue | | | 3.0% | | | |
| Net Financial Liabilities Ratio <u>Net Financial Liabilities</u> Total Operating Revenue | | | 44% | | | |
| Asset Sustainability Ratio <u>Asset Renewals</u> Infrastructure & Asset Management Plan required | expenditure | | 111% | | | |

| | Adelaide Hills Council | |
|----------------|---|------------------|
| | CASH FLOW STATEMENT 2021-22 Budget | |
| 2020-21 | | 2021-22 |
| Actuals | | Revised |
| \$'000 | CASH FLOWS FROM OPERATING ACTIVITIES | Budget \$'000 |
| | Receipts | |
| 39,969 | Rates - general & other | 41,45 |
| | Fees & other charges | 1,28 |
| 705 | 6 | 81 |
| 7,857 | | 7,36 |
| 4 | | 1 |
| 235 | | 21 |
| 988 | | 45 |
| (18/10) | Payments Employee costs | (19,50 |
| | Materials, contracts & other expenses | (19,50 |
| | Finance payments | (33 |
| | NET CASH USED IN OPERATING ACTIVITIES | 11,25 |
| | CASH FLOWS FROM FINANCING ACTIVITIES | |
| | Receipts | |
| - | Proceeds from Borrowings | 4,00 |
| (5.000) | Payments | |
| | Repayment from Borrowings | (40 |
| (330) (192) | Repayment of Lease Liabilities Repayments of Aged Care facility deposits | (40 (59 |
| (192) | | 3,01 |
| | CASH FLOWS FROM INVESTING ACTIVITIES | |
| | Receipts | |
| 2,409 | Grants for new or upgraded assets | 4,17 |
| 604 17 | | 84 2,72 |
| 17 | Sale of surplus assets Payments | 2,12 |
| (5.372) | Expenditure on new/ upgraded assets | (10,00 |
| | Expenditure on renewal/ replacement of assets | (11,98 |
| | NET CASH USED IN INVESTING ACTIVITIES | (14,24 |
| (3,081) | NET INCREASE / (DECREASE) IN CASH HELD | 2 |
| | CASH AT BEGINNING OF YEAR | (4,56 |
| (4,563) | CASH AT END OF YEAR | (4,53 |
| | Cash & Investments | 63 |
| (5,200) | Short Term Drawdown | (5,17 |
| (4,563) | | (4,53 |

Appendix 4

2021-22 Budget Adjustments subsequent to Original Budget Adoption

ADELAIDE HILLS COUNCIL 2021-22 BUDGET ADJUSTMENTS SUBSEQUENT TO BUDGET ADOPTION

| Description | Operating Income | Operating Expenses | Net Operating Result | Capital Expenditure | Capital Income | Depreciation | Net Borrowing Result Impact | 2021-22 Underlying Surplus |
|---|---------------------|-----------------------|-------------------------|------------------------|-------------------|--------------|-----------------------------------|----------------------------------|
| Original 2021-22 Budget | 50.302 | 48.281 | 2.021 | 17.745 | 3,969 | Depreciation | (1,993) | 448 |
| Council Resolutions transferred to 2021-22 financial year relating to 2 Operating (\$485k Heathfield High School Court Redvelopment and \$192k Planning Resources Bushfire Recovery) and 21 Capital Projects Council Meeting 22 June 2021 CR 123/21 Item 1.12 | 00,001 | 677 | (677) | 5,529 | 0,000 | | (6,206) | |
| Published 2021-22 Annual Budget Plan | 50,302 | 48,958 | 1,344 | 23,274 | 3,969 | | (8,199) | 448 |
| Event Opportunity Council Meeting 22 June 2021 CR 146/21 | | 45 | (45) | | | | (45) | |
| 2020-21 Operating Initiatives Carry Forwards (6 in total including \$150k tree management & \$80k Heathfield High School) Council Meeting 24 August 2021 CR179/21 Recommendation 2 | | 333 | (333) | | | | (333) | |
| 2020-21 Operating Grants Carry Forwards (14 in total, with Operating Impact of \$220k Gumeracha Court Resurfacing and \$78k 2020-21 Phase 1 LRCIP Grants), Council Meeting 24 August 2021 CR179/21 Recommendation 3 | 657 | 360 | 297 | | | | 297 | |
| 2020-21 Capital Carry Forwards (36 Expenditure and 10 Income Projects), Council Meeting 24 August 2021 CR179/21 Recommendation 4 | | | 0 | 1,717 | 3,617 | | 1,900 | |
| Capital Bring Back to 2020-21 relating to 2021-22 Approved LRCIP Projects (3), Council Meeting 24 August 2021 CR179/21 Recommendation 5 | | | 0 | (55) | | | 55 | |
| 2021-22 Budget Changes relating to \$209k Fabrik adjustment and \$296k Heathfield High School Court Redevelopment transferred from Capital, Council Meeting 24 August 2021 CR179/21 Recommendation 6 | (210) | 86 | (296) | (296) | | | 0 | |
| 2021-22 Additional Budget Requests (3 Capital - 2 insurance recovery related and 1 Operating - Stirling Cricket Nets) Council Meeting 24 August 2021 CR179/21 Recommendation 7 | | 10 | (10) | 315 | 190 | | (135) | |
| 2021-22 Additional Capital Budget Black Spot Funding Council Meeting 28 September 2021 CR 206/21 | | | | 1,524 | 1,524 | | 0 | |
| Sub total Budget Adjustments since Annual Business Plan Adoption | 447 | 834 | (387) | 3,205 | 5,331 | | 1,739 | |
| AHC Current Budget prior to Council Meeting 23 Nov 2021 | 50,749 | 49,792 | 957 | 26,479 | 9,300 | | (6,460) | 448 |
| 2021-22 Budget Review 1 | 585 | 426 | 159 | 757 | (259) | (30) | (887) | (131) |
| AHC Adopted Budget at 23 November 2021 Council Meeting | 51,334 | 50,218 | 1,115 | 27,236 | 9,041 | | (7,348) | 317 |
| 2021-22 Budget Review 2 | 356 | (75) | 431 | (5,253) | (1,299) | 390 | 4,775 | 13 |
| AHC Proposed Budget for 22 February 2022 Council Meeting | 51,690 | 50,143 | 1,546 | 21,982 | 7,742 | | (2,572) | 330 |

ADELAIDE HILLS COUNCIL ORDINARY COUNCIL MEETING Tuesday 22 February 2022 AGENDA BUSINESS ITEM

| ltem: | 12.3 |
|----------------------|--|
| Responsible Officer: | David Collins Manager Strategic Assets Infrastructure & Operations |
| Subject: | Bridge Asset Management Plan |
| For: | Decision |
| | |

SUMMARY

The draft *Bridge Asset Management Plan* (the BAMP) highlighted an increase in the re-valuation of its core bridge base to \$20.2m. The ARRB Group was contracted by Council to undertake a Level 2 audit of its Span Bridges (48) and undertake the revaluation. This audit provided a componentised condition of the span bridges within the network. Following this audit a further 3 bridges required a level 3 structural assessment. These audits were undertaken late in 2020 and early 2021 and provided the basis for Council to develop its updated BAMP.

The ARRB Group condition assessment process highlighted a required increase in maintenance across the asset class that had not previously been allocated dedicated funding in the operations budget. The renewals indicated a reduction in the overall spend for the 10 year planning period, but highlighted an increase in the following ten year cycle (10 to 20 years) as numerous bridge components reach end of life.

Council endorsed the draft BAMP for community consultation following its meeting in October 2021.

The Community consultation was undertaken in November 2021. The draft BAMP has not been amended following that consultation feedback and the BAMP (*Appendix 2*) is presented to Council for adoption.

RECOMMENDATION

Council resolves:

- 1. That the report be received and noted
- 2. That Council notes the community feedback on the *Bridge Asset Management Plan*, as contained in Appendix 1.
- 3. With an effective date of 4 March 2022, The *Bridge Asset Management Plan*, as contained in Appendix 2, be adopted by Council.
- 4. Feedback regarding Department of Infrastructure and Transport (DIT) bridge assets collected during the consultation phase will be forwarded onto DIT.
- 5. That the CEO, or delegate, be authorised to make any necessary formatting, nomenclature or other minor changes to the *Bridge Asset Management Plan* prior to 4 March 2022.

1. GOVERNANCE

Strategic Management Plan/Functional Strategy/Council Policy Alignment

Strategic Plan 2020-24 – A brighter future

| Goal 1 Objective B4 Priority B4.1 | Built Environment Sustainable management of our built assets ensures a safe, functional and well serviced community Ensure the long term management of the built form and public spaces occurs in consideration of the relevant financial, social and environmental management matters. |
|---|--|
| Goal 1 Objective B1 Priority B1.5 | Built Environment Our district is easily accessible for community, our businesses and visitors 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 |

The ssset management planning and associated process have a direct linkage into providing assets and services to the community by appropriately funding and planning sustainable renewals over the period of the document.

Underpinned by Asset Management Policy – INF-03

Legal Implications

Local Government Act 1999

Part 1 – Strategic Management Plans

Section 122,

- (1a) A council must, in conjunction with the plans required under subsection (1), develop and adopt—
 - (b) an infrastructure and asset management plan, relating to the management and development of infrastructure and major assets by the council for a period of at least 10 years

Bridges are considered to be a major asset and therefore the Plan would form part of suit of Strategic Management Plans.

Risk Management Implications

The consultation as part of the update of the BAMP and linking to the *Long Term Financial Plan* (LTFP) will assist in mitigating the risk of:

Insufficient long term funding allocations that may lead to a community expectations not being met, asset failure and/or lack of financial sustainability

| Inherent Risk | Residual Risk | Target Risk |
|---------------|---------------|-------------|
| Extreme (4B) | Medium (3C) | Medium (3C) |

Financial and Resource Implications

The asset management planning process directly informs the LTFP of Council and therefore must be considered in the each review. This report does not directly make changes to the financial or resources implications of Council.

It is recognised through the asset management process that impact will flow through to the LTFP. The majority of the work throughout the planning process has focussed on the Span Bridges asset classes, as they represent the major component of the value and risk. They provide an important function for the community, and now have a robust data set of information for modelling future condition and spend.

Bridge Valuations are as follows based on a combination of rate and valuation increases.

| Asset Category | Dimensions | Replacen | nent Value |
|--|---|----------|------------|
| Span Bridges (Span longer than 6m) | Span Bridges – 27 Bridges Culvert Bridges – 20 Bridges | \$ | 13,821,965 |
| | | | |
| Culvert Bridges (Span less than 6m) | Culvert – 44 Bridges Pipe – 6 Bridges | \$ | 6,426,872 |
| | | | |
| Totals | | \$ | 20,248,837 |

The Span Bridge (span greater than 6m) review undertaken has highlighted that 10-15% of the components will need to be renewed over the next ten years, and in the following 10 years it should be highlighted that 25% of the network components have been identified as at end of life.

The Culvert Bridge (span less than 6m) network whilst still requiring a condition assessment has the similarity to the Storm Water network with reviewed and consistent unit rates and lives that have been applied to the asset class for revaluation purposes.

The condition assessment process has highlighted a shortfall in maintenance that has been undertaken through the prevailing years and subsequently there are a number of components of work which have been identified. The type of maintenance activity that is considered critical in the lifecycle maintenance phase largely consists of: crack repair, concrete spalling repair, bridge drainage infrastructure, vegetation clearing, bridge rail and deck maintenance. The figures representing these works is projected out from the audit information at approximately \$49k (2021 dollars) per year for years 1-5, and recommended to drop to \$24k (2021 dollars) for years 6-10.

The draft BAMP requirements as included below have been included in the draft 2022-23 LTFP.

Renewal

- Renewal Planned (21-22 LTFP currently adopted) \$1.3 million
- Proposed Renewal \$1.033m (2021 dollars) or \$1.14 million in LTFP dollars.
- The draft Bridge Asset Management Plan projects a reduction of \$ 160,000 across the 10 year of the plan against the existing LTFP.

Maintenance

- Maintenance Planned \$10k
- Proposed Maintained \$350k (2021 dollars) or \$ 397,000 in LTFP dollars over the 10 years of the plan.

Operations

• Proposed Operations increase of \$200k (2021 dollars) for bridge condition inspection and revaluation in Year 5 and Year 10 of the plan.

The draft BAMP increases the amount of maintenance of the bridge assets. Given the age of the bridge assets and the subsequent likelihood that a number of bridges are reaching the end of life between 10 and 20 years' time, the increase in maintenance is a critical increase to manage the lifecycle of these assets. This will assist in managing risk and ensuring maximum available life from the existing structures.

Council was undertaking maintenance works of bridge structures associated with its renewal program. So whilst its actual spend on maintenance was low, in essence maintenance works were being undertaken but only on those bridges where component renewal was identified.

The community consultation has not resulted in any direct change to the proposed Bridge Asset Management Plan presented.

> Customer Service and Community/Cultural Implications

The community had the opportunity to provide feedback from 3 November 2021 through to 23 November 2021 via the standard channels within the consultation framework (refer Consultation Report - *Appendix 1*).

Sustainability Implications

Not Applicable

> Engagement/Consultation conducted in the development of the report

| Council Committees: | Audit Committee Meeting November 2021 |
|---------------------|--|
| Council Workshops: | Not Applicable |
| Advisory Groups: | Not Applicable |
| External Agencies: | Not Applicable |
| Community: | Public Consultation – 3 November to 23 November 2021 |

2. BACKGROUND

The Local Government Act 1999 S122 (1a)(b) requires councils to develop and adopt Asset Management Plans relating to the management and development of infrastructure and major assets for a period of at least ten years. Asset Management Plans should detail the proposed management, development and required expenditure relating to infrastructure and major assets.

The following assets and infrastructure categories are considered in Council's Infrastructure and Asset Management Plans

- Roads
- Footpaths
- Kerb
- Bridges
- Drainage & Stormwater
- CWMS Infrastructure
- Buildings
- Community Facilities

The Transportation Assets Asset Management Plan– including Roads, Kerb & Footpaths was formally adopted by Council in February 2021 and sets the precedent for delivery of the following Asset Management Plans for the relevant areas of the business.

Draft Bridge Asset Management Plan development

As part of the update of Council's BAMP the following processes and practices have been undertaken.

- Comprehensive Data Collection across the Span Bridge network providing a high level componentised dataset for analysis, condition, maintenance and renewal review & modelling into capital works and LTFP provisions.
- Field inspections and validation of technical data across numerous both Span and Culvert bridge asset classes including the development of a 3 year rolling renewal program using a hierarchical/priority based approach where available.
- Review of maintenance requirements and highlighted areas to build improvement plan across the life of the AMP.
- Highlighting of risks across the network and applying measures to mitigate, and develop models to counteract impacts.
- Assess climate change impacts and plan for increased resilience across the network.
- Review of unit rates and useful lives of assets and applied to valuations
- Reviewed and provided customer values, customer levels of service and technical levels of service within the framework.
- Developed AMP based on the latest NAMS 3+ (National Asset Management Strategy) framework released in August 2019.

ARRB Group was engaged in 2020 to undertake a detailed level 2 audit of span bridge structure and culvert/ pipe structure greater than 6m in length.

It should be noted that 3 structures were identified for a higher level 3 inspection. ARRB Group were engaged to undertake this additional level of inspection.

The audit was undertaken in line with the nationally adopted framework for bridge inspections and componentisation.

This new structure has been incorporated into Council Enterprise Asset Management System, Confirm.

As part of the engagement the ARRB Group identified the remaining useful life of structures and undertook a revaluation in line with the accounting requirements for infrastructure.

Given the highly critical nature of bridge structures for the transport network this specialised external skill was required to asset Council in projecting the requirements of its bridge assets in the asset management plan.

Audit Committee

The Audit Committee at its meeting of 18 October 2021 recommended to Council that the draft BAMP be released for consultation.

7.3. Bridge Asset Management Plan (draft for review)

Moved Cr Leith Mudge S/- Peter Brass

The Audit Committee resolves:

- 1. That the report be received and noted
- 2. To recommend to Council the approval of the *Draft Bridge Asset Management Plan* as contained in *Appendix 3* for consultation.

Carried Unanimously

AC 49/21

Council subsequently approved the draft BAMP for consultation at its meeting of 26 October 2021

12.5 Draft Bridge Asset Management Plan

Moved Cr Kirsty Parkin S/- Cr Malcolm Herrmann

223/21

Council resolves:

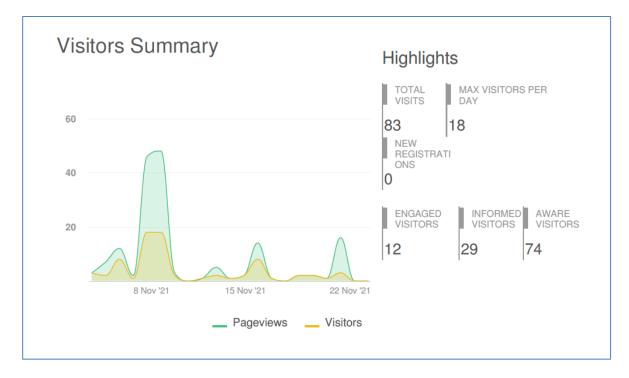
- 1. That the report be received and noted.
- 2. That Council approve the Draft Bridge Asset Management Plan as per *Appendix 3* for community consultation.

Carried

Council undertook consultation from the 3 November to 23 November 2021 in line with the Council *Public Consultation Policy*.

3. ANALYSIS

It should be noted that no specific submission on the full draft BAMP was received. Feedback came via the quick poll and survey questions with some additional comments in the forum area of EngagementHQ. A total of 12 responses were received. A summary of the feedback per the Visitor Summary is presented below.



The key findings from the consultation are:

A total of 12 Participants provided feedback on the Draft BAMP, all of which were residents/ratepayers of the Adelaide Hills Council.

50% of the feedback referred to Department of Infrastructure and Transport Bridges along Onkaparinga Valley Road, access to Lobethal or Mt Torrens. This included width and maintenance issues.

The top issues raised by Respondents concerning Adelaide Hills Council infrastructure included:

- Forreston Road Bridge (Hynes Bridge) was narrow and was unsafe for pedestrians.
- Improved approaches to bridges along Lower Hermitage Road.
- Impacts to residents highlighted several smaller bridges being closed due to annual flooding or high impact events.

Council is aware from previous correspondence of the desire of Gumeracha residents to have better pedestrian access across the Torrens River. The current access for pedestrians is to share the road bridge over the Torrens River.

The provision of a separate pedestrian footbridge to provide improved safety for pedestrians is the most likely option to meet these community concerns. This has not been currently included in the draft Bridge Asset Management Plan.

Council officers will review the signage on the approach to the bridge of Lower Hermitage Road to ensure it meets the current signage requirements for delineation.

No other changes have been considered in the draft Bridge Asset Management Plan

4. OPTIONS

Council has the following options:

- I. Adopt the Bridge Asset Management Plan as per Appendix 2 (Recommended)
- II. To alter or substitute elements of the draft Bridge Asset Management Plan (Not Recommended).
- III. Do not receive and note the report (Not Recommended)

5. APPENDICES

- (1) Bridge Asset Management Plan Community Engagement Outcomes Report
- (2) Bridge Asset Management Plan

Appendix 1

Community Engagement Outcome Report





Adelaide Hills Council

engage.sa.gov.au

Draft Asset Management Plan - Bridges



Community Engagement Outcomes Report

December 2021

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1 INTRODUCTION

This report presents the qualitative and quantitative feedback from the engagement with the community conducted from 03 November -23 November 2021 regarding the draft Asset Management Plan – Bridges.

This report will be presented to Council and made available to those who participated in the consultation.

The consultation comprised an opportunity for the Community to provide feedback via online and hardcopy feedback response as well as providing submissions by email, letter or phone contact. A copy of information provided on Councils Have Your Say Engagement Platform and feedback form is available in Appendix 1

There were a total of 12 Participants providing feedback in this consultation all of which were via the online survey. However, 74 participants were aware of the consultation and 29 of those were well informed as they either downloaded information from the online project site or viewed several pages of information.

Verbatim comments received through online surveys are provided in Appendix 2.

2 KEY FINDINGS

The key findings from the consultation are:

- A total of 12 Participants provided feedback on the Draft Asset Management Plan Bridge, all of which were residents/ratepayers of the Adelaide Hills Council.
- 50% of the feedback referred to Department of Infrastructure and Transport Bridges along Onkaparinga Valley Road, access to Lobethal or Mt Torrens. This included width and maintenance issues.
- The top issues raised by Respondents concerning Adelaide Hills Council infrastructure included:
 - Forreston Road Bridge (Hynes Bridge) was narrow and was unsafe for pedestrians.
 - Improved approaches to bridges along Lower Hermitage Road.
- Impacts to residents highlighted several smaller bridges being closed due to annual flooding or high impact events.



3 SUMMARY OF ENGAGEMENT

3.1 BACKGROUND

The engagement was undertaken to assess the community's feedback, expectations and to seek further input into the priorities around the asset management plan and its outcomes.

3.2 COMMUNITY ENGAGEMENT STRATEGY

A community engagement strategy was developed and consultation was undertaken with the Community over 21 from 3rd of November through to the 23rd November 2021.

Consultation was undertaken in accordance with Council's Public Consultation Policy.

3.3 ENGAGEMENT APPROACH

Council's engagement approach aimed to collect and collate community feedback about as to whether the current bridges within the plan serviced the community to a level of service, function and capacity that the Draft Bridges Asset Management Plan outlined.

A survey was developed which contained 8 questions, including both closed and open style questions. Questions were designed to determine the type of participants providing feedback and to seek feedback on the Draft Bridges Asset Management Plan.

Anyone could participate in the survey which was made available online and in hardcopy format at Council Libraries and service centres at Gumeracha, Stirling and Woodside.

A copy of the survey questions is included in Appendix 1

3.4 DISTRIBUTION AND PROMOTION

The opportunity to provide feedback was promoted through a number of channels including:

- Notices posted on Council's website and Hills Voice e-newsletter.
- Advertisement in the Courier on 3 November 2021.
- Email to EHQ registrants
- Posters, Information and hardcopy feedback forms available at libraries/customer service centres at Gumeracha, Stirling and Woodside.
- AHC social medial

Promotional statistics are presented below:



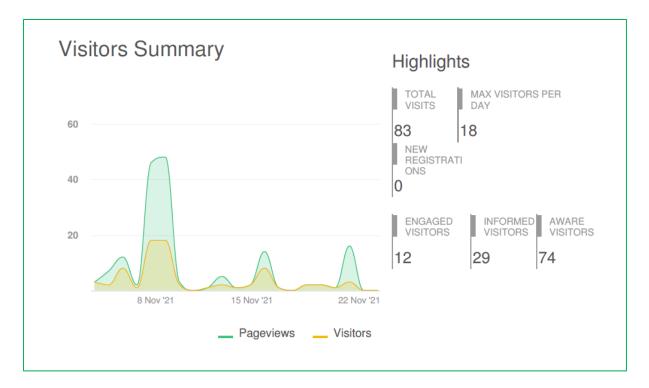
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4 PARTICIPANTS

This section provides details about participation during the engagement period and demographic information about Respondents who completed a survey.

Participants are considered to be those who were not only aware of and informed about the consultation process but who also chose to provide their feedback. The number of aware and informed people who chose not to provide feedback is presented within the table below:



4.1 PARTICIPATION RATE

The following table displays the level of engaged participation.



| ENGAGED | 12 ENGAGED PARTICIPANT | | | | | (% |
|----------|---------------------------------|-----------------|-------------|---------------|--|----------------|
| | Contributed on Forums | Registered U | nverified A | nonymous 0 | Draft Asset Management Pl | 12 (16.2%) |
| | Participated in Surveys | 1 | 0 | 11 | | |
| INFORMED | Contributed to Newsfeeds | 0 | 0 | 0 | | |
| | Participated in Quick Polls | 0 | 0 | 0 | | |
| | Posted on Guestbooks | 0 | 0 | 0 | | |
| | Contributed to Stories | 0 | 0 | 0 | | |
| | Asked Questions | 0 | 0 | 0 | | |
| | Placed Pins on Places | 0 | 0 | 0 | | |
| | Contributed to Ideas | 0 | 0 | 0 | | |
| | * A single engaged | participant can | perform mul | tiple actions | * Calculated as a percentage of total visits | to the Project |
| ENGAGED | 29 INFORMED PARTICIPANT | ſS | | | | (*) |
| ENGAGED | | | | Participants | | 00/00 00/ |
| | Viewed a video | | | 0 | Draft Asset Management Pl | 29 (39.2%) |
| | Viewed a photo | | | 0 | | |
| INFORMED | Downloaded a document | | | 19 | | |
| | Visited the Key Dates page | | | 0 | | |
| | Visited an FAQ list Page | | | 0 | | |
| | Visited Instagram Page | | | 0 | | |
| | Visited Multiple Project Pages | | | 13 | | |
| | Contributed to a tool (engaged) | | | 12 | | |
| | * A single informed | participant can | perform mul | tiple actions | * Calculated as a percentage of total visit | to the Project |
| ENGAGED | 74 AWARE PARTICIPANTS | | | | | |
| | | | | Participants | Draft Asset Management Pl | 74 |
| | Visited at least one Page | | | 74 | | |
| INFORMED | | | | | | |
| | | | | | | |
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| | | | | | | |
| | | | | | | |
| AWARE | | | | | | |
| | | | | | | |

4.2 PARTICIPANT CHARACTERISTICS

All 12 participants were residents/ratepayers of Adelaide Hils Council

From the limited sample the general feedback suggested a majority of these use Council and State maintained bridges.

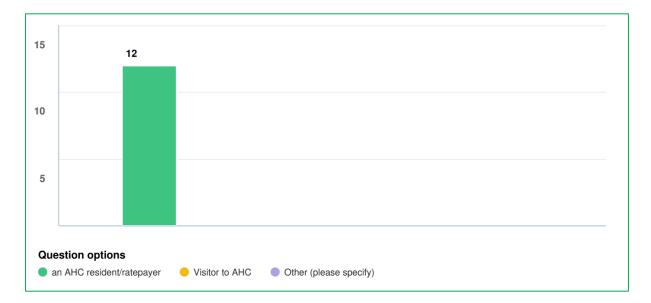


5 SURVEY FEEDBACK

12 online survey responses were received as part of this consultation. A summary of each question is outlined below.

5.1 ARE YOU:

All respondents lived or were an AHC resident/ratepayer



5.2 HAVE YOU REVIEWED THE ASSET MANAGEMENT PLAN FOR BRIDGES?

Respondents were asked if they had reviewed the plan.

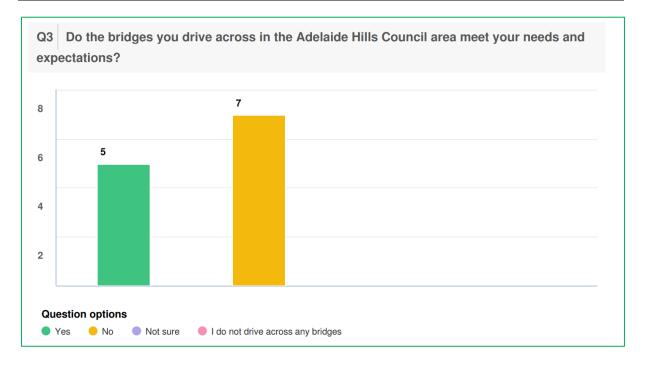
• 10 undertook a quick look, with 2 reviewing in detail.

5.3 DO THE BRIDGES YOU DRIVE ACROSS IN THE ADELAIDE HILLS COUNCIL AREA MEET YOUR NEEDS AND EXPECTATIONS.

Respondents were asked if the bridges met their expectations. This was a mandatory question with 12 Respondents.

- 7 Respondents indicated that bridges they drive across did not meet their expectations.
- 5 Respondents indicated that bridges they drive across met their expectations





5.4 FOR ANY BRIDGES THAT YOU USE AND THAT DO NOT MEET YOUR NEEDS OR EXPECTATIONS CAN YOU PLEASE EXPLAIN.

Respondents were asked why the bridges did not meet their expectations.

- 40% referred to DIT (Department of Transport) bridges, specifically the Lobethal and Woodside vicinity in terms of width and maintenance
- 30% referred to AHC Bridges, the Hynes Bridge at Gumeracha through to Forreston in terms of the width and pedestrians (2 requests), and approaches to the Lower Hermitage Road bridge being narrow.
- 30% were nonspecific but indicated issues with width or not upgraded to meet modern demands.

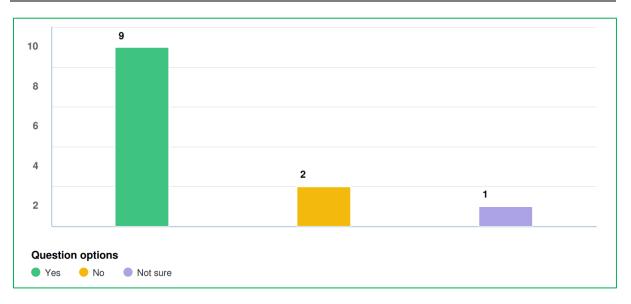
5.5 WOULD YOU BE IMPACTED IF ACCESS TO CERTAIN BRIDGES WAS UNAVAILABLE DUE TO INCREASED STORM EVENTS, OR UNFORESEEN CLOSURES?

Respondents were asked if they would be impacted by bridge closures.

- 9 Respondents said they would be effected
- 2 Respondents said they would not be effected
- 1 Respondent was unsure.

Addition feedback and details in regard to impacts is covered in the next question.





5.6 WOULD YOU BE IMPACTED IF ACCESS TO CERTAIN BRIDGES WAS UNAVAILABLE DUE TO

Respondents were asked specifics if they were impacted by bridge closures. A total of 10 replies were received, though three bridges are mentioned within the one reply.

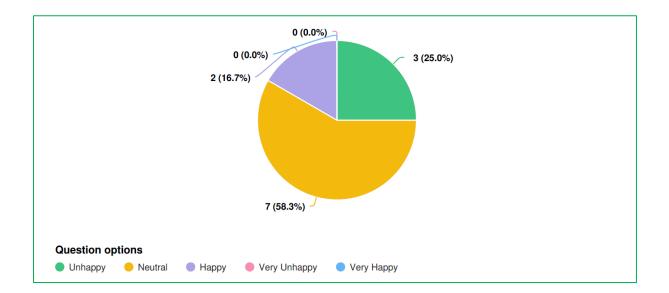
- 45% referred to DIT (Department of Transport) bridges
 - Mount Torrens to Charleston Bridge (2 responses)
 - 2 x Torrens Valley Road Bridges at Birdwood
 - Angas Creek Road at Birdwood
- 45% referred to specific AHC bridges
 - Oakwood Road at Oakbank Closed several times a year due to flooding
 - 2 x Hynes Bridge at Gumeracha (Road to Forreston, Randell Tce)
 - Forbes Road, Aldgate Requests removal to minimise traffic.
- 10% were nonspecific but indicated they may be effected along their daily commute.

5.7 WHAT IS YOUR OVERALL FEELING ABOUT THE DRAFT ASSET MANAGEMENT PLAN FOR BRIDGES?

Respondents were asked about how they felt about the overall plan.

- 58.3% neutral
- 25% were unhappy
- 16.7% happy.







6 CONCLUSION

With 12 Participants in this consultation and all being Adelaide Hills Council Residents/Ratepayers there was a near even split of feedback in regard to Council and State owned bridges (DIT).

The common theme is width for passing vehicles, and pedestrian access across both sectors.

Several bridges are ear marked for upgrade along the Onkaparinga Valley Road which is mentioned several times throughout the engagement to improve pedestrian access.

Feedback for Adelaide Hills Council owned bridges will be taken on board for future considerations when undertaking planning assessments including function and capacity reviews.

Information received throughout the engagement process that indicates issues with the State Owned bridges will be provided to DIT as part of the closeout process for the adoption of the current Draft Asset Management Plan for Bridges.

This report will be shared with the wider community and anyone who participated in the consultation via Councils Have Your Say Engagement Platform.



APPENDIX A – Information Provided and Feedback Form



Have Your Say Draft Asset Management Plan Bridges Wednesday 3 November – 4pm, Tuesday 23 November, 2021

The Draft Asset Management Plan for Bridges provides information about bridge assets and actions required to provide an agreed level of service in the most cost-effective manner while outlining associated risks. The plan defines:

- the services to be provided
- how the services are provided, and
- what funds are required to provide these services over a 10 year planning period.

Bridges represented and considered in this Draft Asset Management Plan include:

- 27 Span Bridges (Span longer than 6m)
- 20 Culvert Bridges (Span less than 6m)
- 53 Pipe/Culvert (minor bridges).

What we want to know:

- Do the bridges you drive across meet your needs and expectations?
- Would you be impacted if access to certain bridges was reduced due to increased storm events, or unforeseen closures?
- Are bridges in good condition and well maintained?
- Do you feel safe crossing bridges in Adelaide Hills Council?

Further information is available at engage.ahc.sa.gov.au.

You can Have Your Say by:

- Preferably using the online feedback form at engage.ahc.sa.gov.au
- Send an email to engage@ahc.sa.gov.au
- Write a letter to Community Engagement Coordinator PO Box 44, Woodside SA 5244
- Complete the attached hardcopy feedback form and return to any Council Service Centre or Library at Stirling, Gumeracha or Woodside or via any of the ways mentioned above.

Consultation closes 4pm, Tuesday 23 November, 2021.

engage.ahc.sa.gov.au | engagement@ahc.sa.gov.au | 8408 0400





What is not in the scope of this consultation:

New bridge requests – Council is not in a position to provide additional new bridge assets.

Requests for a specific upgrade or safety check can be requested by calling 8408 0400 or submit a request via https://www.ahc.sa.gov.au/Pages/Report-An-Issue.aspx

Adelaide Hills Council Communications, Engagement and Events Team

Please return the attached hardcopy feedback form by:

- Email to <u>engage@ahc.sa.gov.au</u>
- Mail to Community Engagement Coordinator PO Box 44, Woodside SA 5244
- Hand in to any Council Service Centre or Library at Stirling, Gumeracha or Woodside

Consultation closes 4pm, Tuesday 23 November 2021.





Have Your Say Feedback Form Draft Asset Management Plan Bridges

| Ple | Please submit your feedback by 4pm, Tuesday 23 November 2021 | | | | | |
|-----|--|--|--|--|--|--|
| Ple | Please provide your details below: | | | | | |
| Na | ime | | | | | |
| Su | burb | | | | | |
| 1. | Are you: (Choose 1 option) (Required) | | | | | |
| | an AHC Resident/Ratepayer | | | | | |

- Visitor to AHC
- Other (please specify) _____
- 2. Have you reviewed the Asset Management Plan for Bridges: (Choose 1 option) (Required)
 - Yes in detail
 - Yes a quick look

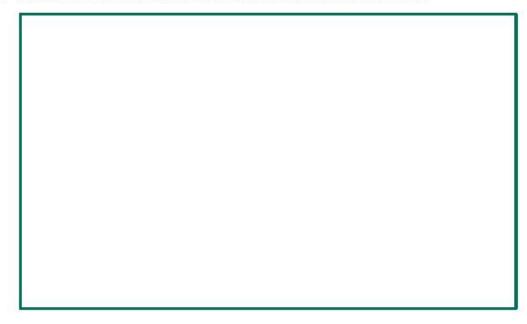
🗆 No

- Do the bridges you drive across in the Adelaide Hills Council area meet your needs and expectations? (Choose 1 option) (Required)
 - Yes
 - 🗆 No
 - Not Sure
 - I do not drive across any bridges
- 4. For any bridges that you use and that do not meet your expectations can you please explain?





- 5. Would you be impacted if access to certain bridges was unavailable due to increased storm events, or unforeseen closures?
 - □ Yes
 - No No
 - Not Sure
- 6. Can you please tell us what bridges would impact you if they were unavailable and why?



7. What is your overall feeling about the Draft Asset Management Plan for Bridges?



8. If you would like to be kept in the loop with the outcomes of this consultation please provide your email address below.

Thank you for taking the time to provide your feedback ©



APPENDIX B – Verbatim Comments

Q7 For any bridges that you use and that do not meet your needs or expectations can you please explain?

They are not identified in this report or referred to for maintenance.

The Onkaparinga River Bridge poses a hazard to road users. Me at road users drive in the centre of the road dud to the road quality, and I've recently popped a tyre on it when I wasn't able to drive in the centre and had to drive squarely in my lane.

It is not wide enough for traffic to flow both ways. Too narrow for a car and truck or caravan to use at the same time

Hynes Bridge - Gumeracha - unsafe for pedestrians and very narrow for when two cars pass simultaneously. If Bridge can't be widened, alternative pedestrian river crossing should be provided. Also more signs to warn drivers of narrow carriageway required.

The bridge from Gumeracha, Randell terrace towards forreston is used by pedestrians everyday but is not very safe but there is not other options.

Bridge heading to Lobethal/Mt Torrens Rd on Onkaparinga Valley Rd. Not 100% safe for 2 cars let alone car and truck to pass each other need to slow down considerably.

The bridge on Woodside Rd just before the roundabout is terrible. The road needs repairing and continually puts out my wheel alignment due to the bad quality of repairs on the bridge. I have to slow right down and cross the white line to cross without damaging my car! I have previously rang the council to complain and nothing has been done to fix this issue!

The bridge just after the turn from the junction from Mt Torrens to Lobethal when you turn to the onkaparinga valley rd. Is too narrow. The large trucks that come that way mean you have to basically let them pass or close your eyes and cross your fingers.

I avoid it by using the apron head road usually.

Bridges are narrow and have not been upgraded to meet modern demands

Lower Hermitage Road bridge approaches are narrow as is the bridge - the speed limit is far too high for this road. Simple signage updates would be a good start.

Q9 Can you please tell us what bridges would impact you if they were unavailable and why?

The Pipe Bridge over the Onkaparinga River at Oakwood Rd, Oakbank.

This bridge doubles as a ford and is annually flooded leaving substantial flood detritus forcing the crossing to be closed several times a year while it is being cleared. This crossing serves Oakwood Rd which is one of three major roads to the west of the Onkaparinga River and is used by the CFS that need to service any seasonal fires around Lenswood. It also serves pedestrian and agricultural traffic for local businesses. There are no marked footpaths on the crossing and parking and vehicle signage around the site is limited and in many cases non existent. No parking signage means many cars park where they like, often on footpaths and swales, and on occasion restrict or block traffic to the bridge.

I drove from Kenton Valley to Bedford Park for work, and pass over a number of bridges along the Onkaparinga Scenic Route.

Mount torrens Flat Road into Charleston from mt torrens Charleston bridge



Hynes Bridge - it is on a major thoroughfare and the only north-south corridor for some 7-8km in each direction

Gumeracha randell terrace bridge is the only road that goes towards that direction.

Forbes Road.

Nearby resident. In fact I would prefer there be no bridge. It would eliminate "rat run" traffic. That's just wishful thinking though!

The bridge at Angus creek could make the transport to TTP more challenging.

Bridge near weir, 18 Torrens valley road Gumeracha.

Bridge by 23 Forreston Rd, Gumeracha Bridge by 944 Torrens Valley road, birdwood

Lower Hermitage Road bridge - alternate bushfire escape route; inconvenience through additional travel.

Main access to Charleston in both directions

Appendix 2

Bridge Asset Management Plan – Span and Culvert Bridges



BRIDGE ASSET MANAGEMENT PLAN

Span and Culvert Bridges



| Document Control | | Asset Management Plan | | | | |
|------------------|----------|-----------------------|--------|----------|----------|--|
| Document | ID : | | | | | |
| Rev No | Date | Revision Details | Author | Reviewer | Approver | |
| 1 | Aug 2021 | Initial Draft | СМ | | | |
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The entity can choose either template to write/update their plan regardless of their level of asset management maturity and in some cases may even choose to use only the Executive Summary.

The illustrated content is suggested only and users should feel free to omit content as preferred (e.g. where info is not currently available).

This Asset Management Plan may be used as a supporting document to inform an overarching Strategic Asset Management Plan.

DISCLAIMER: This draft report has been prepared for educational purposes only as part of undertaking a Professional Certificate in Asset Management Planning. The data and conclusions have not been reviewed for accuracy nor endorsed or adopted by the organisation. DELETE if not Applicable

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1.0 EXECUTIVE SUMMARY

1.1 The Purpose of the Plan

This Asset Management Plan (AM Plan) details information about infrastructure assets with actions required to provide an agreed level of service in the most cost-effective manner while outlining associated risks. The plan defines the services to be provided, how the services are provided and what funds are required to provide over the 10 year planning period. The AM Plan will link to a Long-Term Financial Plan which typically considers a 10 year planning period.

1.2 Asset Description

This plan covers the infrastructure assets that provide Span and Culvert Bridges

| Asset Category | Dimensions | Replacer | nent Value |
|---|---|----------|------------|
| Span Bridges (Span longer than 6m) | Span Bridges – 27 Bridges Culvert Bridges – 20 Bridges | \$ | 13,821,965 |
| | | | |
| Culvert/Pipe Bridges (Span less than 6m) | Culvert – 44 Bridges Pipe – 6 Bridges | \$ | 6,426,872 |
| | | | |
| Totals | | \$ | 20,248,837 |

1.3 Levels of Service

The allocation in the planned budget in the Long Term Financial Plan is insufficient to continue providing existing services at current levels for the planning period.

The main service consequences of the Planned Budget are:

- Bridge fatigue will increase
- Likelihood of increased failures
- Bridge may require closing due to safety issues

1.4 Future Demand

The factors influencing future demand and the impacts they have on service delivery are created by:

Minimal impact due to future demand as unpredictable increase in service not available

These demands will be approached using a combination of managing existing assets, upgrading existing assets and providing new assets to meet demand. Demand management practices may also include a combination of non-asset solutions, insuring against risks and managing failures.

- Increase in maintenance based on recent condition assessment
- Monitoring program to be implemented
- Heavy Vehicle routes and load limit on older structures

1.5 Lifecycle Management Plan

1.5.1 What does it Cost?

The forecast lifecycle costs necessary to provide the services covered by this AM Plan includes operation, maintenance, renewal, acquisition, and disposal of assets. Although the AM Plan may be prepared for a range of time periods, it typically informs a Long-Term Financial Planning period of 10 years. Therefore, a summary output from the AM Plan is the forecast of 10 year total outlays, which for the bridges is estimated as \$1,725,900 or \$172,590 on average per year.

1.6 Financial Summary

1.6.1 What we will do

Estimated available funding for the 10 year period is \$1,579,400 or \$157,940 on average per year as per the Planned Budget. This is 91.51% of the cost to sustain the current level of service at the lowest lifecycle cost.

The infrastructure reality is that only what is funded in the long-term financial plan can be provided. The Informed decision making depends on the AM Plan emphasising the consequences of Planned Budgets on the service levels provided and risks.

The anticipated Planned Budget for Span and Culvert Bridge Asset Group leaves a shortfall of \$14,650 on average per year of the forecast lifecycle costs required to provide services in the AM Plan compared with the Planned Budget currently included in the Long-Term Financial Plan. This is shown in the figure below.

The additional required funding is primarily driven by the maintenance that is required to not only clear a backlog of work but also requires allocating to ensure the bridges are safe, fit for purpose and the additional maintenance will prolong the life of the asset.



Forecast Lifecycle Costs and Planned Budgets

Figure Values are in current dollars.

We plan to provide Bridge and Culverts services for the following:

- Operation, maintenance, renewal and acquisition of the Span and Culvert/Pipe Bridges to meet service levels set by the annual budgets.
- Major repairs to Avenue Road Bridge, Aldgate Valley, Montacute Road and Stradbroke Road Bridges within the 10 year planning period.
- Increase maintenance dollars available to undertake identified? suggested routine maintenance
- Provide means to ensure Level 1 bridge inspections are undertaken at regular intervals

What we cannot do

We currently do **not** allocate enough budget to sustain these services at the proposed standard or to provide all new services being sought. Works and services that cannot be provided under present funding levels are:

- Undertake backlog of maintenance items identified in the ARRB level 2 span bridge condition assessment undertaken in 2020
- Monitor all suggested items identified in the ARRB level 2 span bridge condition assessment undertaken in 2020
- Provide internal resources to condition assess bridge assets

Our present budget levels are insufficient to continue to manage risks in the medium term.

The main risk consequences are:

- Bridge failure
- Bridge component failure eg; safety rail/barrier, pipe or culvert collapse, deck failure (potholing, severe cracking)
- Bridge closure

We will endeavour to manage these risks within available funding by:

- Provide resources to review suggested monitor items
- Provide resources to undertake level 1 bridge condition assessments at regular intervals

1.7 Asset Management Planning Practices

Our systems to manage assets include:

- Open Office Finesse
- Confirm Enterprise Asset Management System

Assets requiring renewal are identified from either the asset register or an alternative method.

- The timing of capital renewals based on the asset register is applied by adding the useful life to the year of acquisition or year of last renewal,
- Alternatively, an estimate of renewal lifecycle costs is projected from external condition modelling systems and may be supplemented with, or based on, expert knowledge.

The Alternate Method was used to forecast the renewal life cycle costs for this asset management plan.

This AM Plan is based on two levels of confidence information.

Span Bridges (2020 Condition Assessment ARRB) - High level of Confidence

Culvert Bridges – Intermittent audits - Low level of Confidence

1.8 Monitoring and Improvement Program

The next steps resulting from this AM Plan to improve asset management practices are:

- Implement process for monitoring defects from 2020 condition assessment
- Undertake Level 1 condition assessment on 50 culvert bridges within the AHC network and resource the role either internally or externally
- Rebuild existing culvert bridge asset class within the Confirm Asset System Database

2.0 Introduction

2.1 Background

The Adelaide Hills Council delivers services to our residents, visitors and businesses that support the distinctive culture, creativity and accessibility of our community and region, and the bridges provide a functionality that support the existing transportation assets on sealed and unsealed roads. The asset class is a high risk asset class and it is appropriate that they are serviceable to continue delivering associated services to the community.

This asset management plan communicates the actions required for the responsive management of these assets and services, compliance with regulatory requirements, and funding needed to provide the levels of service over a 10-year planning period, and the value of these assets is approximately \$20.2 million.

The Span and Culvert/ Pipe Bridges asset management plan is a projection of the likely future funding requirements over the next 10 years, considering the state of our current assets, the community values and outcomes contained in the Strategic Plan 2020 – 2024. The document is not a detailed budget, but a key strategic document that informs the Long Term Financial Plan and hence the financial sustainability of Council over the long term.

The asset management plan is to be read with the Adelaide Hills Council planning documents. This should include the Asset Management Policy and developed along with other key planning documents:

- Adelaide Hills Council 2020-2024 Strategic Plan
- Adelaide Hills Council 2021-2022 Annual Business Plan
- Adelaide Hills Council 2021-2022 Long Term Financial Plan

The asset management plan outlines the responsibilities and management of assets to maximise their value to deliver the services to the community and to meet our obligations under the Local Government Act 1999 in preparation of asset management plans.

Throughout this journey we review the lifecycle of our assets, develop renewal strategies and analyse risks through condition audits, customer feedback, forecasting and integration into existing strategic documents to provide confidence that the community's asset base is sustainably funded and allows for minor or major challenges across the network. Minor impacts recently have included changes in operations for the Cuddle Creek Bushfire and also adaptation in providing services through the Covid-19 phase.

The asset management plan is to be reviewed on a regular basis and provides the detail for services levels, and the levels of funding that drive the renewal strategies for Adelaide Hills Councils Bridge network.

The AMP is a projection of the likely future funding requirements over the next 10 years, considering the age and state of the current assets, the community values and outcomes contained in the Strategic Plan 2020 – 2024. The document is not a detailed budget, but a key strategic document that informs the Long Term Financial Plan and hence the financial sustainability of Council over the long term.

Our Bridges: What do we own, and how healthy are they?

Councils bridge network is split into two categories, this comprising of span bridges which are the larger bridges which span greater than 6 metres, this covers the major structures from large overpasses, Avenue Road – spans the main rail line to Melbourne), major culvert bridges with multiple culverts covering large spans, and narrow road bridges (Onkaparinga Road, Verdun) that is one way but has multiple components. There are a total of 47 span bridges, broken into 27 major bridges, and 20 culvert bridges.

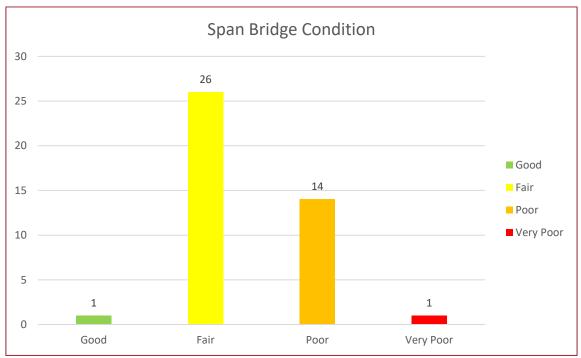


Onkaparinga Road – Verdun Span Bridge

The span bridges have recently been condition assessed by ARRB (Australian Road Research Board) who develop the condition assessment criteria for Australia wide, and have recently constructed a schema that captures all the major components of the bridge into a robust format for its age, condition and value.

The age profile is spread out from 60 through to over 100 years and some construction from primarily stone has been in its location for over 100 years, though key components have been replaced. The span bridges are a robust asset but are a potential high risk asset due to their nature.

The current value of the span bridges is at a replacement cost of \$20.1 million in today's dollars.



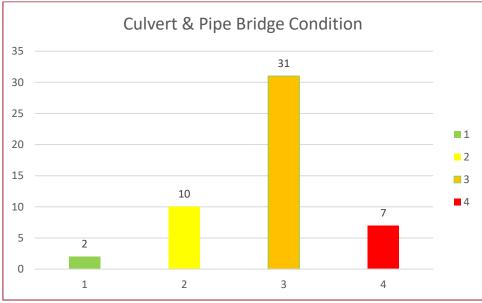
Span Bridge Condition Profile

The culvert class of bridges is made up of a combination of large culverts or medium to large pipes and are generally spread out across the rural network across creek catchments. Several assets have a combination of culvert and pipe where the capacity has been increased in-situ.



Martin Road Pipe Bridge - Oakbank

The Culvert and Pipe Bridge asset condition profile is not been updated since 2010 so the confidence in the condition is low and the likelihood of these being condition assessed as part of the improvement plan will provide greater insight into these assets. The basis of the valuation for this class is similar to the stormwater assets as they primarily use pipes or culverts and the additional decks/railing/headwalls are factored into provide an indicative replacement cost. The current value of these bridges is \$6.4 million.



Culvert/Pipe Bridge Condition Profile

Forecast spending and wrap up.

The bridge asset class existing/current budget is insufficient to provide the services and safety that is currently planned across the life of this plan. The lifecycle graph below indicates an increase in maintenance spending which is currently unfunded to approximately \$55k (2022-2025) per year to undertake the suggested maintenance across the span bridges from the recent condition assessment. This figure may increase if the same approach is applied to the culvert/pipe bridges is explored.

The long term projection based on the recent 2020 condition assessment of the span bridges has highlighted a requirement for increased spending from 2030 through to 2040 as approximately 10 bridges and or their components are nearing the end of their life. The current forecast spend for the Adelaide Hills Council 2021-2031 is approximately \$150,000 (renewal and maintenance) per year for the life of this 10 year plan for renewal. The likely trend is upwards for the second 10 year period from 2030 onwards at a projected \$330k.



Key Takeaways

- Renewals Reduced funding compared to Long Term Financial Projections for the 10 year period, but this
 is expected to increase from 2030.
- Maintenance Funding for bridge maintenance has been minimal and based on reactive requirements. Condition assessment has highlighted a required increase to approx. \$55k per year for the first 5 years to ensure all identified high and medium priority maintenance are undertaken.

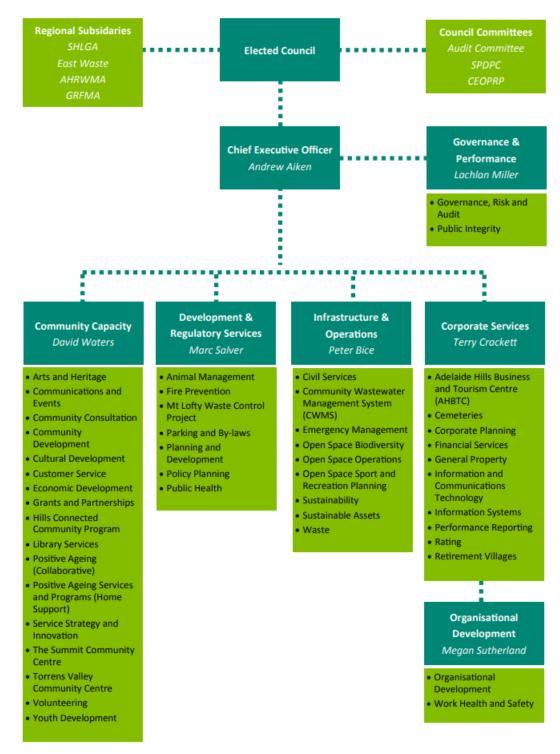
- Additional processes required to ensure Level 1 audits across bridge structures are undertaken on a yearly/bi-annual basis.
- Condition assessment required across the 50 culvert/pipe bridges still servicing the community, internal
 resources being trained to undertake these inspections.

Other references

| Table 2.1: | Key Stakeholders in the AM Plan |
|------------|---------------------------------|
|------------|---------------------------------|

| Key Stakeholder | Role in Asset Management Plan |
|---|--|
| Councillors | Represent needs of community/shareholders, Establish the strategic vision and budget Allocate resources to meet the organisation's objectives in providing services while managing risks, Ensure organisation is financial sustainable. |
| CEO/Directors | Implement the strategic vision and budget set out by the elected Council Establish the operational vision and policy Oversee delivery of services |
| Infrastructure and Operation Directorate/ Strategic Assets | Development of delivery of the Span and Culvert/ Pipe Bridge Asset Management Plan through the Infrastructure & Operations Directorate |
| Community | Service levels through consultation, representation and expectation and the customer request system. |

Our organisational structure for service delivery from infrastructure assets is detailed below,



2.2 Goals and Objectives of Asset Ownership

Our goal for managing infrastructure assets is to meet the defined level of service (as amended from time to time) in the most cost effective manner for present and future consumers. The key elements of infrastructure asset management are:

- Providing a defined level of service and monitoring performance,
- Managing the impact of growth through demand management and infrastructure investment,
- Taking a lifecycle approach to developing cost-effective management strategies for the long-term that meet the defined level of service,

- Identifying, assessing and appropriately controlling risks, and
- Linking to a Long-Term Financial Plan which identifies required, affordable forecast costs and how it will be allocated.

Key elements of the planning framework are

- Levels of service specifies the services and levels of service to be provided,
- Risk Management,
- Future demand how this will impact on future service delivery and how this is to be met,
- Lifecycle management how to manage its existing and future assets to provide defined levels of service,
- Financial summary what funds are required to provide the defined services,
- Asset management practices how we manage provision of the services,
- Monitoring how the plan will be monitored to ensure objectives are met,
- Asset management improvement plan how we increase asset management maturity.

Other references to the benefits, fundamentals principles and objectives of asset management are:

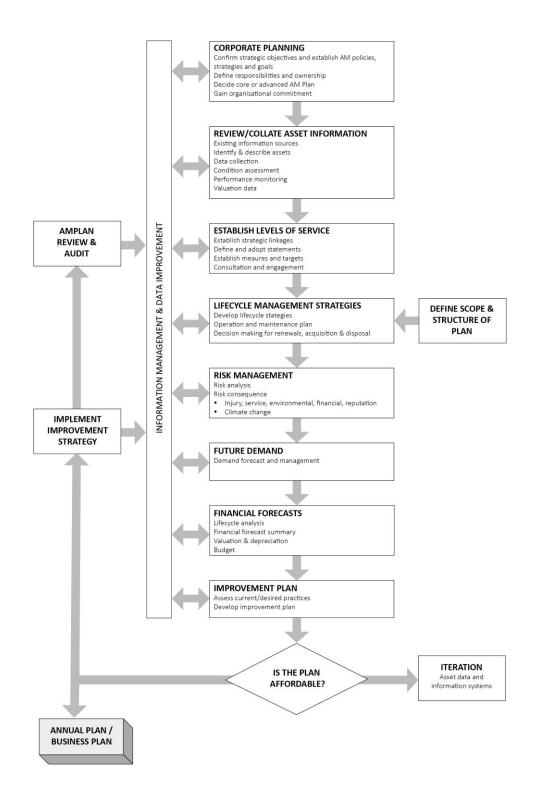
- International Infrastructure Management Manual 2015¹
- ISO 55000²

A road map for preparing an AM Plan is shown below.

Road Map for preparing an Asset Management Plan Source: IPWEA, 2006, IIMM, Fig 1.5.1, p 1.11

¹ Based on IPWEA 2015 IIMM, Sec 2.1.3, p 2 | 13

² ISO 55000 Overview, principles and terminology



3.0 LEVELS OF SERVICE

3.1 Customer Research and Expectations

This AM Plan is prepared to facilitate consultation prior to adoption of levels of service by the Adelaide Hills Council. Future revisions of the AM Plan will incorporate customer consultation on service levels and costs of providing the service. This will assist the Adelaide Hills Council and stakeholders in matching the level of service required, service risks and consequences with the customer's ability and willingness to pay for the service.

We currently have no research on customer expectations. Requests from the Customer Request System are not categorised and are not available, but professional judgement indicates the volume would be extremely low. The majority of requests are either sealing/potholing issues or additional footbridge/pedestrian access across span bridges.

3.2 Strategic and Corporate Goals

This asset management plan is prepared under the direction of the Adelaide Hills Council vision, mission, goals and objectives.

Our goal is:

A functional built environment.

- Consider external influences in our long term asset management and adaptation planning
- Sustainable management of our built assets ensures a safe, functional and well serviced community

Strategic goals have been set by the Adelaide Hills Council. The relevant goals and objectives and how these are addressed in this asset management plan are summarised in Table 3.2.

| Goal | Objective | How Goal and Objectives are addressed in the AM Plan |
|--------------------------------------|--|---|
| A functional BUILT ENVIRONMENT | B4 - Sustainable management of our built assets ensures a safe, functional and well serviced community | Asset Management Planning is a key part of the long term planning to ensure that the bridge asset remain safe, functional and appropriately maintained. |
| A functional BUILT ENVIRONMENT | 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 | Providing funding and fit for purpose assets that are well serviced and responsive to the changing needs of the community. |

Table 3.2: Goals and how these are addressed in this Plan

3.3 Legislative Requirements

There are many legislative requirements relating to the management of assets. Legislative requirements that impact the delivery of the Roads, Footpath and Kerb service are outlined in Table 3.3.

Table 3.3: Legislative Requirements

| Legislation | Requirement |
|---------------------------------|--|
| Local Government Act (1999) | Sets out the role, responsibilities and powers of local governments including the preparation of long term financial plan supported by infrastructure and asset management plans for sustainable service delivery |
| Road Traffic Act (1961) | The act provides legislative requirements on the use of roads by vehicles and other road users. |
| Australian Road Rules | Requirements for users of the roads to obey |
| Australian Standards | Various standards that provide guidance and specifications for the management of transport assets |
| Native Vegetation Act (1991) | Management of the roadside will require an understanding of this act. |
| Australian Accounting Standards | Sets out the requirements to sustainably protect the environment during both the construction and life of the asset. |

3.4 Customer Values

Service levels are defined in three ways, customer values, customer levels of service and technical levels of service.

Customer Values indicate:

- what aspects of the service is important to the customer,
- whether they see value in what is currently provided and
- the likely trend over time based on the current budget provision

Table 3.4: Customer Values

| Service Objective: | | | |
|---------------------------------|----------------------------------|--|--|
| Customer Values | Customer Satisfaction Measure | Current Feedback | Expected Trend Based on Planned Budget |
| Safe and Traversable Bridges | Customer Surveys & Complaints | Minimal complaints received | Increase in minor/major safety issues unless maintenance increased |
| Bridge accessible | Customer Surveys & Complaints | Minimal complaints | Bridge closures may be required unless funding for minor/major repairs. |
| Pedestrian Access | Customer Complaints | 3-5 Requests per year requesting additional capacity across bridges for pedestrians | No change to service but incorporated review into bridge renewals where service can be supplied/warranted |

3.5 Customer Levels of Service

The Customer Levels of Service are considered in terms of:

Condition How good is the service ... what is the condition or quality of the service?

Function Is it suitable for its intended purpose Is it the right service?

Capacity/Use Is the service over or under used ... do we need more or less of these assets?

In Table 3.5 under each of the service measures types (Condition, Function, Capacity/Use) there is a summary of the performance measure being used, the current performance, and the expected performance based on the current budget allocation.

These are measures of fact related to the service delivery outcome (e.g. number of occasions when service is not available or proportion of replacement value by condition %'s) to provide a balance in comparison to the customer perception that may be more subjective.

Table 3.5: Customer Level of Service Measures

| Type of Measure | Level of Service | Performance Measure | Current Performance | Expected Trend Based on Planned Budget |
|--------------------|---|--|--|---|
| Condition | Condition of Bridges | Undertake condition assessments at regular intervals | Span Bridges Condition – Number Good – 1 Fair – 26 Poor – 14 Very Poor - 1 | Span Bridges – In the short term the span bridges require increased investment to ensure the risk level is acceptable. |
| | | | Culvert Bridges Good – 2 Fair – 10 Poor – 31 Very Poor - 7 | Culvert Bridges – The condition on the span bridges is due for re- assessment to provide a detailed review of the required maintenance and renewals |
| | Confidence levels | | Span Bridges High – Condition Assessment 2020 Culvert Bridges | Span Bridges Increase in the budget based on the condition assessment Culvert Bridges |
| | | | Medium to Low Level 1 Inspections undertaken in 2018 | Increase required based on outcomes from span bridges likely to be similar impact for culvert bridges |
| Function | Measure of the asset is appropriate for its intended use. | Bridge Hierarchy or Type | Breakdown of current hierarchy Split in to Span Bridges/Large Culverts that by definition are functional for their intended use. | Minor impact on the planned budget as the majority of the bridges within the network are functional and are intended for the use they currently provide |
| | Confidence levels | | Span Bridges - High Recent Condition Assessment collection size and spans | Span Bridges High – No functional requirements highlighted from recent audit so minimal impact on how span bridges function. |
| | | | Culvert Bridges High to Medium | Culvert Bridges Medium based on the culvert bridges are appropriate and function under current conditions. |

| Capacity | Whether the capacity of the assets are sufficient | Appropriate size to minimise impact to the service, or measure the failure of existing structure due to capacity issue. | No measure undertaken but in general the closure of a bridge due to flooding (under capacity) is during significant rainfall events impacting customers for minimal times throughout the year. | Aging structures identified for renewal are considered for capacity at the time. Minimal impact on the budget due to capacity across the network. |
|----------|--|---|--|--|
| | Confidence levels | | Medium Medium (Professional judgement supported by data sampling) | Medium Medium (Professional judgement supported by data sampling |

3.6 Technical Levels of Service

Technical Levels of Service – To deliver the customer values, and impact the achieved Customer Levels of Service, are operational or technical measures of performance. These technical measures relate to the activities and allocation of resources to best achieve the desired customer outcomes and demonstrate effective performance.

Technical service measures are linked to the activities and annual budgets covering:

- Acquisition the activities to provide a higher level of service (e.g. widening a road, sealing an unsealed road, replacing a pipeline with a larger size) or a new service that did not exist previously (e.g. a new library).
- Operation the regular activities to provide services (e.g. opening hours, cleansing, mowing grass, energy, inspections, etc.
- Maintenance the activities necessary to retain an asset as near as practicable to an appropriate service condition. Maintenance activities enable an asset to provide service for its planned life (e.g. road patching, unsealed road grading, building and structure repairs),
- Renewal the activities that return the service capability of an asset up to that which it had originally provided (e.g. road resurfacing and pavement reconstruction, pipeline replacement and building component replacement),

Service and asset managers plan, implement and control technical service levels to influence the service outcomes.³

Table 3.6 shows the activities expected to be provided under the current 10 year Planned Budget allocation, and the Forecast activity requirements being recommended in this AM Plan.

Table 3.6: Technical Levels of Service

| Lifecycle | Purpose of | Activity Measure | Current | Recommended | |
|-----------------------------|------------|------------------|--------------|----------------|--|
| Activity | Activity | | Performance* | Performance ** | |
| TECHNICAL LEVELS OF SERVICE | | | | | |

³ IPWEA, 2015, IIMM, p 2|28.

| Lifecycle Activity | Purpose of Activity | Activity Measure | Current Performance* | Recommended Performance ** |
|-----------------------|--|---|--|---|
| Acquisition | New or Gifted assets fit for purpose | Condition assessed at time of acquisition | No planned maintenance for early life cycle | Ensure appropriate resources are supported operationally to derive asset condition at acquisition. No planned acquisitions or gifted assets identified. |
| | | Budget | \$0 | \$0 |
| Operation | Project Management Support in Delivering Bridge Renewals | Bridge renewed or component at optimal time | Internal project management costs linked to renewals (Between 13-15%) | Funding mechanism controlled outside AMP and operational costs will be aligned with the renewal spend \$143,000 10 Year |
| | Bridge Audit | Condition Assessment Years 2025 & 2030 | Planning Period Not Funded | Planning Period \$200k for the 10 year planning period. |
| | | Budget | \$206,000 | \$143k - 10 Yr Planning period – Project Management Costs (Separately Funded) \$200k – Two Bridge Condition Assessments – 10 Yr Planning Period. |
| Maintenance | Maintain Bridges | 100 bridges across the network | Minimal based prior to bridge condition assessment | Funding required for Span & Culvert Bridges based on 2020 Condition and Maintenance Priorities \$49,000k Per Year from 2022-2025 \$24,000k Per Year from 2026-2031 Reduction based on clearance of maintenance priorities. |
| | | Budget | \$1,000 | \$49,000 Per Year (2022- 2025) \$24,000 Per Year (2026- 2031) |

| Lifecycle Activity | Purpose of Activity | Activity Measure | Current Performance* | Recommended Performance ** |
|-----------------------|--|----------------------------------|--|---|
| Renewal | Renew bridge/and/or components when required to ensure bridge fit for purpose and minimal risk | Condition Assessment Based | Span Bridges – Comprehensive list of renewal components identified from condition assessment Culvert Bridges – Condition Assessment required to establish renewal baseline | Span Bridges - Planned expenditure based on condition assessments conducted Culvert Bridges- Indicative spending based on 2020 Span Bridge condition assessment and planning. |
| | | Budget | \$1,490,000 Ten Year Period | \$1,033,000 Ten Year Period |
| Disposal | Bridges | Planned disposals | Nil | No disposals planned |
| | | Budget | \$0 | \$0 |

Note: * Current activities related to Planned Budget.

** Expected performance related to forecast lifecycle costs.

*** The forecast amount has been reduced after the condition assessment of 2020 which highlighted several bridges in a state of disrepair. These have been attended to before the life of this plan, thus reducing the overall spend.

It is important to monitor the service levels regularly as circumstances can and do change. Current performance is based on existing resource provision and work efficiencies. It is acknowledged changing circumstances such as technology and customer priorities will change over time.

4.0 FUTURE DEMAND

4.1 Demand Drivers

Drivers affecting demand include things such as population change, regulations, changes in demographics, seasonal factors, vehicle ownership rates, consumer preferences and expectations, technological changes, economic factors, agricultural practices, environmental awareness, etc.

4.2 Demand Forecasts

The present position and projections for demand drivers that may impact future service delivery and use of assets have been identified and documented.

4.3 Demand Impact and Demand Management Plan

The impact of demand drivers that may affect future service delivery and use of assets are shown in Table 4.3.

Demand for new services will be managed through a combination of managing existing assets, upgrading of existing assets and providing new assets to meet demand and demand management. Demand management practices can include non-asset solutions, insuring against risks and managing failures.

Opportunities identified to date for demand management are shown in Table 4.3. Further opportunities will be developed in future revisions of this AM Plan.

| Table 4.3: | Demand | Management Plan |
|------------|--------|-----------------|
|------------|--------|-----------------|

| Demand driver | Current position | Projection | Impact on services | Demand Management Plan |
|---------------|--------------------------|------------|--------------------|------------------------|
| Nil | No demands identified | | | |

4.4 Asset Programs to meet Demand

The new assets required to meet demand may be acquired, donated or constructed. Additional assets are discussed in Section 5.4.

Acquiring new assets will commit the Bridges 21/22 to ongoing operations, maintenance and renewal costs for the period that the service provided from the assets is required. These future costs are identified and considered in developing forecasts of future operations, maintenance and renewal costs for inclusion in the long-term financial plan (Refer to Section 5).

4.5 Climate Change Adaptation

The impacts of climate change may have a significant impact on the assets we manage and the services they provide. In the context of the Asset Management Planning process climate change can be considered as both a future demand and a risk.

How climate change impacts on assets will vary depending on the location and the type of services provided, as will the way in which we respond and manage those impacts.⁴

As a minimum we consider how to manage our existing assets given potential climate change impacts for our region.

Risk and opportunities identified to date are shown in Table 4.5.1

⁴ IPWEA Practice Note 12.1 Climate Change Impacts on the Useful Life of Infrastructure

Table 4.5.1 Managing the Impact of Climate Change on Assets and Services

| Climate Change Description | Projected Change | Potential Impact on Assets and Services | Management |
|-------------------------------|-----------------------------|--|--|
| Storm Intensity | More extreme weather events | Potentially more localised flooding | Ensure process in place to manage capacity, fit for purpose and increased maintenance to ensure vegetation is removed. |
| | | | |

Additionally, the way in which we construct new assets should recognise that there is opportunity to build in resilience to climate change impacts. Building resilience can have the following benefits:

- Assets will withstand the impacts of climate change;
- Services can be sustained; and
- Assets that can endure may potentially lower the lifecycle cost and reduce their carbon footprint

Table 4.5.2 summarises some asset climate change resilience opportunities.

Table 4.5.2 Building Asset Resilience to Climate Change

| New Asset Description | Climate Change impact These assets? | Build Resilience in New Works |
|-----------------------|--|---|
| Asset Design | Fit for purpose | Building resilience into assets at design will increase the asset life based on climate impacts, and also lower which comes at an increased cost. |
| | | |

The impact of climate change on assets is a new and complex discussion and further opportunities will be developed in future revisions of this AM Plan.

5.0 LIFECYCLE MANAGEMENT PLAN

The lifecycle management plan details how the Bridges 21/22 plans to manage and operate the assets at the agreed levels of service (Refer to Section 3) while managing life cycle costs.

5.1 Background Data

5.1.1 Physical parameters

The assets covered by this AM Plan are shown in Table 5.1.1.

Span and Culvert Bridges

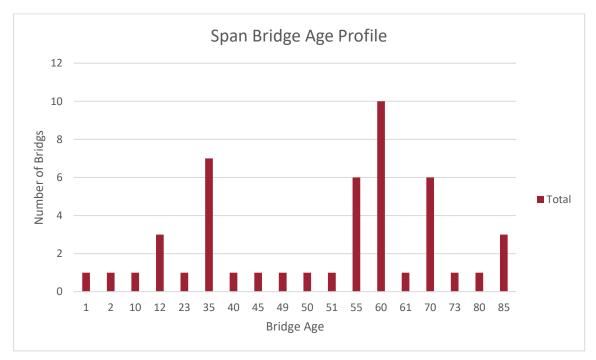
The age profile of the assets included in this AM Plan are shown in Figure 5.1.1.

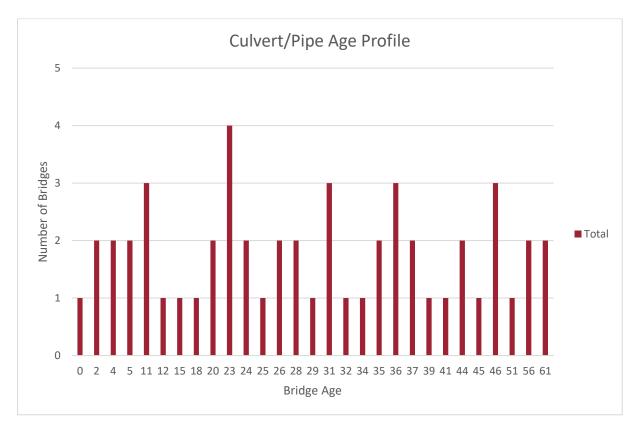
| Asset Category | Dimensions | Replacement Value | |
|--|---|-------------------|------------|
| Span Bridges (Span longer than 6m) | Span Bridges – 27 Bridges Culvert Bridges – 20 Bridges | \$ | 13,821,965 |
| | | | |
| Culvert Bridges (Span less than 6m) | Culvert – 44 Bridges Pipe – 6 Bridges | \$ | 6,426,872 |
| | | | |
| Totals | | \$ | 20,248,837 |

Table 5.1.1: Assets covered by this Plan

All figure values are shown in current day dollars.

Add discussion about the age asset profile. Outline how past peaks of investment that may require peaks in renewals in the future. Comment on the overall age versus useful lives of the assets.





Adelaide Hills Council has a portfolio of span and culvert bridges that whilst aging have had regular audits and provisioned funds to replace components. The componentised nature can often misrepresent the condition/age profile of the bridge. Construction may indicate the bridge is 70 years old but renewals throughout its life has ensured the main structural components are replaced to ensure safe passage, this can often skew the age of the structure. Similar to a house that is 60 years old that is re-clad or re-roofed it is old but the key components each with their own lifecycle have been replaced when due.

The age or the remaining useful life of the span bridges for the 10 year life of this plan indicates that of the 5 bridges across the network that are considered end of life, 3 have been identified for partial renewal, 1 has been completely reconstructed since the time of the audit and the remaining are flagged for minor/major work across this plan. This has reduced the overall funding required for the ten year period.

The forward projections beyond the 20 year period indicates 10 bridges ending or nearing their useful life, at an indicative cost of \$2.5 to \$3 million over the 10 years between 2030 to 2040 so an increased spend has been identified across these years.

5.1.2 Asset capacity and performance

Assets are generally provided to meet design standards where these are available. However, there is insufficient resources to address all known deficiencies. Locations where deficiencies in service performance are known are detailed in Table 5.1.2.

| Location | Service Deficiency |
|-----------------|--|
| Span Bridges | Minimal funding currently allocated for maintenance, and minimal maintenance being undertaken. |
| Culvert Bridges | Data collection and condition assessment required |

Table 5.1.2: Known Service Performance Deficiencies

| Span and Culvert Bridges | Level 1 bridge assessments required, currently not resourced or funded |
|--------------------------|--|
| | |

The above service deficiencies were identified from professional judgement, internal processes and asset condition assessments.

Condition is currently monitored for Span Bridges every 10 years, with a Level 1 planned annually (Not funded)

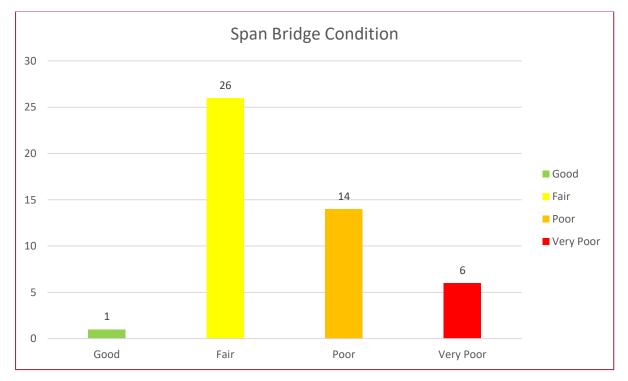
Condition is measured using a 1-5 grading system⁵ as detailed in Table 5.1.3. It is important that a consistent approach is used in reporting asset performance enabling effective decision support. A finer grading system may be used at a more specific level, however, for reporting in the AM plan results are translated to a 1-5 grading scale for ease of communication.

Table 5.1.3: Condition Grading System

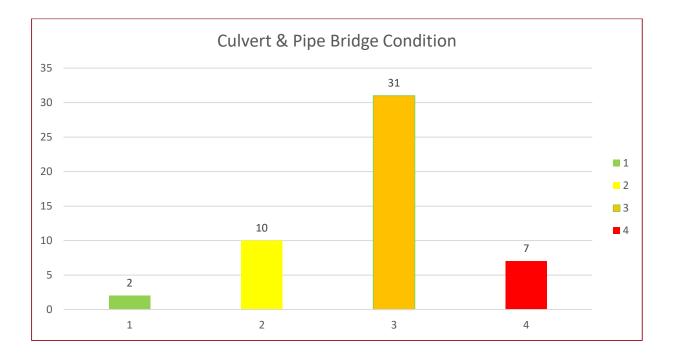
| Condition Grading | Description of Condition |
|----------------------|---|
| 1 | Very Good: free of defects, only planned and/or routine maintenance required |
| 2 | Good: minor defects, increasing maintenance required plus planned maintenance |
| 3 | Fair: defects requiring regular and/or significant maintenance to reinstate service |
| 4 | Poor: significant defects, higher order cost intervention likely |
| 5 | Very Poor: physically unsound and/or beyond rehabilitation, immediate action required |

The condition profile of our assets is shown in Figure 5.1.3.

Figure 5.1.3: Asset Condition Profile



⁵ IPWEA, 2015, IIMM, Sec 2.5.4, p 2|80.



Bridge Conditions that have been assessed highlight that the span bridge portfolio is reasonably healthy, and the bridges within the very poor range have either been recently refurbished or are planned as part of the newly formulated renewal plans. The span bridge is generally a long lived asset, but the components identified for renewal will be prevalent in the future 20 plus year period as the majority heads towards the end of its useful life.

The culvert portfolio is usually a low value, lower risk item with less components and complexity and the upcoming condition audit process will reset the condition to a realistic 2021-22 level of detail for planning purposes.

All figure values are shown in current day dollars.

5.2 Operations and Maintenance Plan

Operations include regular activities to provide services. Examples of typical operational activities include cleaning, street sweeping, asset inspection, and utility costs.

Maintenance includes all actions necessary for retaining an asset as near as practicable to an appropriate service condition including regular ongoing day-to-day work necessary to keep assets operating. Examples of typical maintenance activities include pipe repairs, asphalt patching, and equipment repairs.

The trend in maintenance budgets are shown in Table 5.2.1.

| Table 5.2.1: | Maintenance | Budget | Trends |
|--------------|-------------|--------|--------|
|--------------|-------------|--------|--------|

| Year | Maintenance Budget \$ |
|-----------|-----------------------|
| 2021/2022 | \$1,000 |
| 2022/2023 | \$49,000 (Projected) |
| 2023/2024 | \$49,000 (Projected) |

Maintenance budget levels are considered to be inadequate to meet projected service levels, which may be less than or equal to current service levels. Where maintenance budget allocations are such that they will

result in a lesser level of service, the service consequences and service risks have been identified and are highlighted in this AM Plan and service risks considered in the Infrastructure Risk Management Plan.

Assessment and priority of reactive maintenance is undertaken by staff using experience and judgement.

Asset Hierarchy

An asset hierarchy provides a framework for structuring data in an information system to assist in collection of data, reporting information and making decisions. The hierarchy includes the asset class and component used for asset planning and financial reporting and service level hierarchy used for service planning and delivery.

The hierarchy for the range of bridges is intrinsically linked to the road hierarchy that has been established in the Transport Asset Management Plan, and the bridges will be serviced based on location, volume and traffic and the risk is linked to the number of vehicles using the bridge.

The service hierarchy is shown is Table 5.2.2.

| Service Hierarchy | | Service Level Objective |
|-------------------|-------------------|--|
| Bridges | Urban Distributor | Urban Distributor Roads are roads that link suburbs, towns or areas that provide a direct link through a town or area or act as a bypass route around a town or urban area. |
| | Urban Collector | Urban Collector roads collect traffic from suburban areas and channel traffic directly to town centres or major points of activity. They may also link suburbs or towns directly to distributor roads. Urban Collector roads are appropriate for heavy vehicle traffic but B-Double and heavy transport movements are generally restricted. |
| | Urban Local | Urban Local roads carry low traffic volumes and provide access with in an urban area or town and should not be thoroughfares and should be designed with traffic calming features to discourage through traffic and high speed traffic. |
| | Rural Distributor | Rural Distributors are roads that directly link rural areas and/or towns. They are bitumen sealed and carry large medium to volumes of traffic and are designed as freight routes. |
| | Rural Collector | Rural Collector roads collect traffic from rural areas and channel traffic to rural towns or to Rural Distributor roads. Rural Collector roads are suitable for heavy vehicles and farm machinery and are generally bitumen sealed but may be unsealed. |
| | Rural Local | Rural Local roads have low traffic volumes and link rural properties and |

Table 5.2.2: Asset Service Hierarchy

| areas to Rural Distributor and Rural Collector roads. Rural Local roads are generally unsealed and require a regular grading or maintenance program, unsealed roads policy derives |
|--|
| the criteria for upgrading these to seal. |

Summary of forecast operations and maintenance costs

Forecast operations and maintenance costs are expected to vary in relation to the total value of the asset stock. If additional assets are acquired, the future operations and maintenance costs are forecast to increase. If assets are disposed of the forecast operation and maintenance costs are expected to decrease. Figure 5.2 shows the forecast operations and maintenance costs relative to the proposed operations and maintenance Planned Budget.

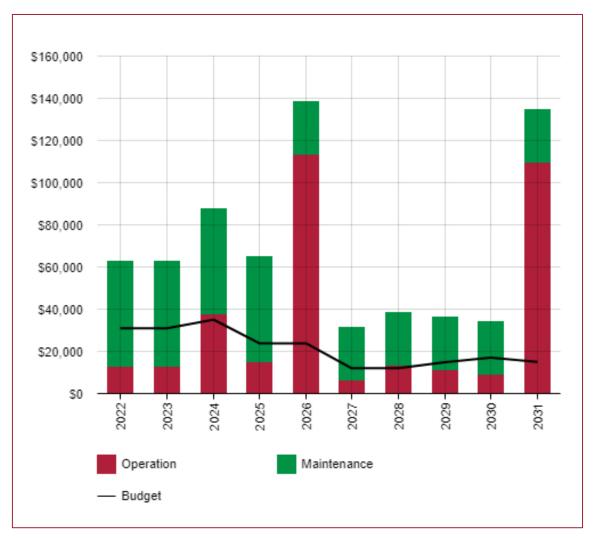


Figure 5.2: Operations and Maintenance Summary

Operational Spikes are Bridge Condition Assessments – 2026 & 2031

All figure values are shown in current day dollars.

Based the 2020 Span Bridges condition assessment a large volume of maintenance and monitoring has been identified across the bridge network, including spalling, concrete & seal cracking/patching, vegetation removal and safety barrier/railing that requires maintenance.

Acknowledging this maintenance can will provide a prolonged bridge life if undertaken, the aim of delivering the maintenance backlog is to sync with the renewals also identified to create packages of work. Eg; bundling all the safety barrier or vegetation work, and the smaller maintenance items attached to the larger renewals to be undertaken with other bodies of work.

The indicative costs provided throughout the condition assessment have been utlised with an additional on cost to cover site costs and traffic management. The figure for maintenance for the span bridges is approximately \$40k per year, equating to around 3% of the total value of the span bridges (IPWEA guidelines suggest 5% as best practice). This figure has been extended to the culvert/pipe bridges at an estimated value of \$15k per year, bringing the total planned budget figure to \$55k for the first 5 years of the plan and reduced to \$30-50k once additional condition assessments are undertaken.

| Maintenance Type | Urgent | High | Medium | Low | Grand Total |
|---------------------------------|--------|------|--------|-----|-------------|
| Deck drainage | | 1 | 6 | | 7 |
| Avenue Road Bridge | | 1 | | | 1 |
| Euston Road Bridge | | | 1 | | 1 |
| Old Mount Barker Road | | | 1 | | 1 |
| Onkaparinga Road | | | 1 | | 1 |
| Oval Road Culvert | | | 1 | | 1 |
| Spoehr Road Bridge | | | 1 | | 1 |
| Tiers Road Culvert | | | 1 | | 1 |
| Guardrail/barrier maintenance | | 2 | 14 | 3 | 19 |
| Avenue Road Bridge | | | 1 | | 1 |
| Burns Road | | | 1 | | 1 |
| Carey Gully Road Bridge | | | 1 | | 1 |
| Checker Hill Road Culvert | | | 1 | | 1 |
| Euston Road Bridge | | | | 1 | 1 |
| Hynes Bridge | | | 1 | | 1 |
| Kemp Road Bridge | | | 1 | | 1 |
| Knotts Hill Road Bridge 1 | | | 1 | | 1 |
| Lower Hermitage Road Bridge | | | 1 | | 1 |
| Merchants Road Bridge | | 1 | | | 1 |
| Milan Terrace Bridge | | | 1 | | 1 |
| Nicholls Road Culvert | | | 1 | | 1 |
| Onkaparinga Road | | | 1 | | 1 |
| Pfeiffer Road Bridge | | | | 1 | 1 |
| Sires Road East Culvert | | | 1 | | 1 |
| Spoehr Road Bridge | | | | 1 | 1 |
| Stradbroke Road | | | 1 | | 1 |
| Swamp Road Bridge | | | 1 | | 1 |
| Watts Gully Road Bridge | | 1 | | | 1 |
| Guardrail/barrier refurbishment | | | 1 | 1 | 2 |
| Hynes Bridge | | | | 1 | 1 |
| Tiers Road Culvert | | | 1 | | 1 |
| Investigation | | | | | |
| Foxhill Road Bridge | | | | | |
| Joint refurbishment | | 1 | 1 | | 2 |

Maintenance items identified from 2020 Condition Assessment for Span Bridges.

| Carey Gully Road Bridge | | | 1 | | 1 |
|---|---|----------|----|----------|----|
| Nicholls Road Culvert | | 1 | 1 | | 1 |
| Miscellaneous concrete repairs | | 1 | 11 | 3 | 14 |
| Corkscrew Road Bridge | | | 1 | 5 | 14 |
| Graebers Road Bridge | | | 1 | 1 | 1 |
| Lower Hermitage Road Bridge | | | 2 | 1 | 2 |
| Onkaparinga Road | | | 1 | | 1 |
| Oval Road Culvert | | | 1 | 2 | 2 |
| Somerset Road Bridge | | | 2 | 2 | 2 |
| Stevens Road Bridge | | | 1 | | 1 |
| Tiers Road Bridge | | | 1 | | 1 |
| Tiers Road Culvert | | | 1 | | 1 |
| Watts Gully Road Bridge | | | 2 | | 2 |
| Miscellaneous works | | 2 | 8 | 5 | 15 |
| Checker Hill Road Culvert | | 1 | 0 | 5 | 13 |
| | | 1 | | 1 | 1 |
| Euston Road Bridge Foxhill Road Bridge | | | 1 | 1 | 1 |
| | | | 2 | | 2 |
| Hynes Bridge | | | | | |
| Knotts Hill Road Bridge 1 | | | 1 | 1 | 1 |
| Knotts Hill Road Bridge 2 | | | 1 | 1 | 2 |
| Onkaparinga Road | | | 1 | | |
| Oval Road Culvert | | | 1 | 1 | 1 |
| Pfeiffer Road Bridge | | | 1 | 1 | 1 |
| Shillabeer Road Bridge | | | | 1 | 1 |
| Sires Road East Culvert | | | 1 | | 1 |
| Spoehr Road Bridge | | | 1 | | 1 |
| Stevens Road Bridge | | 1 | 2 | 2 | 1 |
| Pavement Maintenance | | | 3 | 3 | 6 |
| Adelaide Gully Road Bridge | | | 1 | | 1 |
| Carey Gully Road Bridge | | | | 1 | 1 |
| McVitties Road Bridge | | | | 1 | 1 |
| Montacute Road Culvert | | | 1 | | 1 |
| Nicholls Road Culvert | | | 1 | | 1 |
| Swamp Road Bridge | | 46 | 10 | 1 | 1 |
| Structural concrete repairs | 1 | 16 | 19 | | 36 |
| Adelaide Gully Road Bridge | | 1 | 1 | | 1 |
| Aldgate Valley Road Bridge | | 2 | 1 | | 3 |
| Avenue Road Bridge | | 1 | 2 | | 1 |
| Beaumont Road Bridge | | 1 | 2 | | 3 |
| Bonython Road Bridge | | 1 | | | 1 |
| Euston Road Bridge | | 1 | - | <u> </u> | 1 |
| Graebers Road Bridge | | | 1 | | 1 |
| Hynes Bridge | | | 2 | | 2 |
| Kingsland Road Bridge | | 1 | 1 | | 2 |
| McVitties Road Bridge | | | 1 | | 1 |
| Merchants Road Bridge | | 1 | | <u> </u> | 1 |
| Nicholls Road Culvert | | 1 | | <u> </u> | 1 |
| Onkaparinga Road | | | 1 | | 1 |
| Oval Road Culvert | | | 3 | | 3 |
| Pfeiffer Road Bridge | | | 1 | | 1 |
| Rathjen Road Culvert (Complete) | 1 | | 2 | | 3 |

| Shillabeer Road Bridge | 1 1 | 1 | I | 1 |
|---|---|---|----|----|
| | 1 | 1 | | 1 |
| Spoehr Road Bridge | | | | |
| Stradbroke Road | | 1 | | 1 |
| Sturt Valley Road Culvert | 1 | | | 1 |
| Tiers Road Bridge | | 2 | | 2 |
| Tiers Road Culvert | 2 | | | 2 |
| Watts Gully Road Bridge | 2 | | | 2 |
| Structural steelwork painting | | 7 | | 7 |
| Aldgate Valley Road Bridge | | 1 | | 1 |
| Avenue Road Bridge | | 1 | | 1 |
| Camac Road Bridge | | 1 | | 1 |
| Graebers Road Bridge | | 2 | | 2 |
| Merchants Road Bridge | | 1 | | 1 |
| Spoehr Road Bridge | | 1 | | 1 |
| Structural steelwork repairs | | 2 | | 2 |
| McVitties Road Bridge | | 1 | | 1 |
| Onkaparinga Road | | 1 | | 1 |
| Timber deck repairs | | 1 | | 1 |
| Aldgate Valley Road Bridge | | 1 | | 1 |
| Underpinning/scour protection | 1 | 6 | | 7 |
| Adelaide Gully Road Bridge | 1 | | | 1 |
| Burns Road | | 1 | | 1 |
| Foxhill Road Bridge | | 1 | | 1 |
| Knotts Hill Road Bridge 2 | | 1 | | 1 |
| Montacute Road Culvert | | 1 | | 1 |
| Stevens Road Bridge | | 1 | | 1 |
| Watts Gully Road Bridge | | 1 | | 1 |
| Vegetation control | 2 | 2 | 25 | 29 |
| Beaumont Road Bridge | 1 | | 1 | 2 |
| Burns Road | | | 1 | 1 |
| Checker Hill Road Culvert | | | 1 | 1 |
| Corkscrew Road Bridge | | | 1 | 1 |
| Forbes Road Bridge | | | 1 | 1 |
| Foxhill Road Bridge | | | 1 | 1 |
| Hartley Vale Road Culvert | | | 1 | 1 |
| Hollands Creek Rd Bridge #4 | | | 1 | 1 |
| Hynes Bridge | | | 1 | 1 |
| Kemp Road Bridge | | | 1 | 1 |
| Knotts Hill Road Bridge 1 | | | 1 | 1 |
| Knotts Hill Road Bridge 2 | | | 1 | 1 |
| Lower Hermitage Road Bridge | | | 1 | 1 |
| McVitties Road Bridge | | | 1 | 1 |
| Milan Terrace Bridge | | | 1 | 1 |
| Montacute Road Culvert | | | 1 | 1 |
| Nicholls Road Culvert | + | | 1 | 1 |
| Oval Road Culvert | + | | 1 | 1 |
| | | | 1 | |
| Rathjen Road Culvert | + + | | | 1 |
| Somerset Road Bridge | | | 1 | 1 |
| Ctourse Dood Duides | | | | |
| Stevens Road Bridge | | | 2 | |
| Stevens Road Bridge Stradbroke Road Sturt Valley Road Culvert | 1 | 1 | 1 | 1 |

| Tiers Road Bridge | | | 1 | 1 | 2 |
|----------------------------|---|----|----|----|-----|
| Watts Gully Road Bridge | | | | 1 | 1 |
| Waterway clearance | | | 7 | 1 | 8 |
| Aldgate Valley Road Bridge | | | 1 | | 1 |
| Burns Road | | | 1 | | 1 |
| Camac Road Bridge | | | 1 | | 1 |
| Graebers Road Bridge | | | 1 | | 1 |
| Kingsland Road Bridge | | | 1 | | 1 |
| Nicholls Road Culvert | | | 1 | | 1 |
| Sires Road East Culvert | | | 1 | | 1 |
| Tiers Road Culvert | | | | 1 | 1 |
| Onkaparinga Road | | | 1 | | 1 |
| Grand Total | 1 | 25 | 89 | 41 | 156 |

5.3 Renewal Plan

Renewal is major capital work which does not significantly alter the original service provided by the asset, but restores, rehabilitates, replaces or renews an existing asset to its original service potential. Work over and above restoring an asset to original service potential is considered to be an acquisition resulting in additional future operations and maintenance costs.

Assets requiring renewal are identified from one of two approaches in the Lifecycle Model.

- The first method uses Asset Register data to project the renewal costs (current replacement cost) and renewal timing (acquisition year plus updated useful life to determine the renewal year), or
- The second method uses an alternative approach to estimate the timing and cost of forecast renewal work (i.e. condition modelling system, staff judgement, average network renewals, or other).

The typical useful lives of assets used to develop projected asset renewal forecasts are shown in Table 5.3. Asset useful lives were last reviewed in 2020 for Span Bridges.

| Span Bridges | Span Bridges | | | | | | |
|-----------------------|---------------|-------------------------|-----------------------|-------------------|--|--|--|
| Structure Type | Deck Material | Superstructure Material | Substructure Material | Base Life (Years) | | | |
| Bridge | Concrete | Concrete | Concrete | 100 | | | |
| Bridge | Concrete | Concrete | Steel | 90 | | | |
| Bridge | Concrete | Masonry | Concrete | 100 | | | |
| Bridge | Concrete | Steel | Concrete | 95 | | | |
| Bridge | Concrete | Steel | Steel | 90 | | | |
| Bridge | Timber | Steel | Concrete | 80 | | | |
| Bridge | Timber | Steel | Steel | 80 | | | |
| Bridge | Timber | Steel | Timber | 75 | | | |
| Bridge | Timber | Timber | Concrete | 75 | | | |
| Bridge | Timber | Timber | Steel | 75 | | | |
| Bridge | Timber | Timber | Timber | 70 | | | |
| Box/Arch Culvert | Concrete | Concrete | N/A | 90 | | | |
| Pipe Culvert | Concrete | N/A | N/A | 60 | | | |
| Masonry Arch | Masonry | Masonry | N/A | 100 | | | |
| Culvert & Pipe Bridge | 25 | | | | | | |

Table 5.3: Useful Lives of Assets – Span Bridges

| Structure Type | Base Life (Years) |
|-----------------------------|-------------------|
| Pipe | 60 |
| Culvert – Precast or Insitu | 60 |

The Culvert and Pipe Bridge useful lives will be reviewed once a condition assessment is undertaken as part of this process.

Revaluation Unit Rates

ARRB as part of the 2020 the valuation process ensured that the bridge and its key components have been established into a proforma method to calculate the bridges current replacement cost based on the type and the dimensions of each bridge. An example for a **Cast In Situ Concrete Deck Slab** below calculates out the value for each bridge, hence the rates are grouped but calculated out on a bridge by bridge basis.

| Modern Equivalent Structure - Cast In Situ Concrete Deck Slab | | | | | | |
|---|------------------|--|------------|--|--|--|
| Spans | Length (m) | Width (m) | Height (m) | | | |
| 1 | 6 | 6 | 2 | | | |
| Bridge Component | Replacement Cost | Notes | | | | |
| Abutment - Concrete | \$ 65,523.78 | assume abutment wall concrete is 500mm thick, abutment foundation is 1m wide x 0.8m long | | | | |
| Deck - Concrete | \$ 50,302.32 | assume deck concrete is 300mm thick | | | | |
| Deck Surface - Asphalt | \$ 11,844.30 | assume deck surface extends 5m each side | | | | |
| Wingwalls - Concrete | \$ 7,548.96 | assume wingwall concrete is 300mm thick | | | | |
| Barriers - Steel | \$ 22,080.67 | assume barrier extends 10m each side | | | | |
| Total | \$ 157,300.03 | | | | | |

The estimates for renewals in this AM Plan were based on the alternative method.

The following span bridges have been identified for renewal with major components comprising the majority of the renewals – headwalls, deck (timber), improved drainage and structural concrete repairs over the life of the 10 year plan.

- Aldgate Valley Road Bridge
- Avenue Road Bridge
- Beaumont Road Bridge
- Checker Hill Road Culvert
- Euston Road Bridge
- Foxhill Road Bridge
- Kingsland Road Bridge
- Montacute Road Bridge
- Nicholls Road Culvert
- Onkaparinga Road
- Sires Road East Culvert
- Somerset Road Bridge
- Spoehr Road Bridge
- Stradbroke Road
- Tiers Road Culvert Woodside)

5.3.1 Renewal ranking criteria

Asset renewal is typically undertaken to either:

- Ensure the reliability of the existing infrastructure to deliver the service it was constructed to facilitate (e.g. replacing a bridge that has a 5 t load limit), or
- To ensure the infrastructure is of sufficient quality to meet the service requirements (e.g. condition of a playground).⁶

It is possible to prioritise renewals by identifying assets or asset groups that:

- Have a high consequence of failure,
- Have high use and subsequent impact on users would be significant,
- Have higher than expected operational or maintenance costs, and
- Have potential to reduce life cycle costs by replacement with a modern equivalent asset that would provide the equivalent service.⁷

The ranking criteria used to determine priority of identified renewal proposals is detailed in Table 5.3.1.

The renewal ranking criteria is linked to the asset hierarchy in table 5.2.2 that is linked to the road hierarchy.

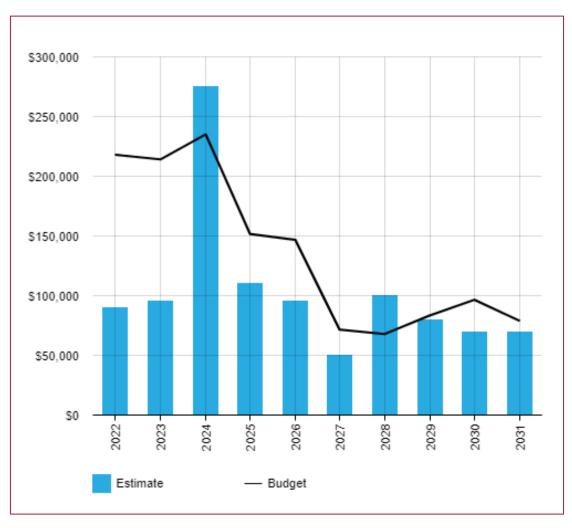
5.4 Summary of future renewal costs

Forecast renewal costs are projected to increase over time if the asset stock increases. The forecast costs associated with renewals are shown relative to the proposed renewal budget in Figure 5.4.1. A detailed summary of the forecast renewal costs is shown in Appendix D.

Figure 5.4.1: Forecast Renewal Costs

⁶ IPWEA, 2015, IIMM, Sec 3.4.4, p 3 91.

⁷ Based on IPWEA, 2015, IIMM, Sec 3.4.5, p 3|97.



All figure values are shown in current day dollars.

The forecast renewal costs have been reduced based on projected component replacements identified within the 2020 condition assessment process. Several bridge components (Rathjen Road, Beaumont Road & Montacute Road) have been brought forward as part of the renewal program for 2021/22, not included within this asset management plan.

Council plans to undertake a Level 1 (simple) audit of the remaining 50 culvert/pipe bridges and items identified may impact the renewal program if major components are identified for renewal.

The expected budget beyond 2030 is predicted to increase due to span bridge components identified for renewal will reach end of life.

5.5 Acquisition Plan

Acquisition reflects are new assets that did not previously exist or works which will upgrade or improve an existing asset beyond its existing capacity. They may result from growth, demand, social or environmental needs. Assets may also be donated to the Bridges 21/22.

No bridges are identified as being gifted or constructed during the life of this plan

5.5.1 Selection criteria

Proposed acquisition of new assets, and upgrade of existing assets, are identified from various sources such as community requests, proposals identified by strategic plans or partnerships with others. Potential upgrade and new works should be reviewed to verify that they are essential to the Entities needs. Proposed upgrade and new work analysis should also include the development of a preliminary renewal estimate to ensure that the

services are sustainable over the longer term. Verified proposals can then be ranked by priority and available funds and scheduled in future works programmes. The priority ranking criteria is detailed in Table 5.5.1.

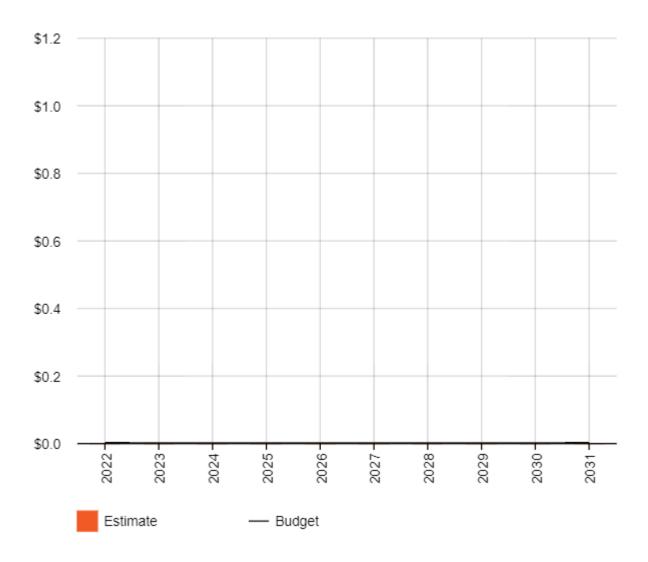
Table 5.5.1: Acquired Assets Priority Ranking Criteria

| Criteria | Weighting |
|----------|-----------|
| | |

Summary of future asset acquisition costs

Forecast acquisition asset costs are summarised / summarized in Figure 5.5.1 and shown relative to the proposed acquisition budget. The forecast acquisition capital works program is shown in Appendix A.

Figure 5.5.1: Acquisition (Constructed) Summary



All figure values are shown in current day dollars.

When an Entity commits to new assets, they must be prepared to fund future operations, maintenance and renewal costs. They must also account for future depreciation when reviewing long term sustainability. When reviewing the long-term impacts of asset acquisition, it is useful to consider the cumulative value of the

acquired assets being taken on by the Entity. The cumulative value of all acquisition work, including assets that are constructed and contributed shown in Figure 5.5.2.

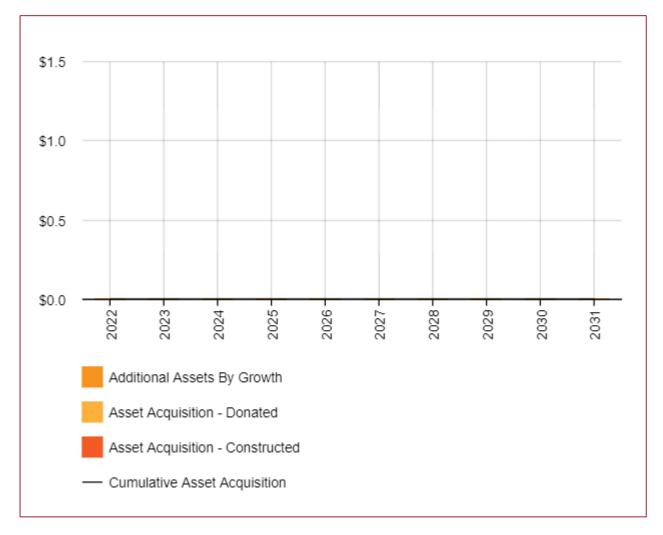


Figure 5.5.2: Acquisition Summary

All figure values are shown in current dollars.

Expenditure on new assets and services in the capital works program will be accommodated in the long-term financial plan, but only to the extent that there is available funding.

Council does not plan to acquire or construct any assets through the life of this plan.

5.6 Disposal Plan

Disposal includes any activity associated with the disposal of a decommissioned asset including sale, demolition or relocation. Assets identified for possible decommissioning and disposal are shown in Table 5.6. A summary of the disposal costs and estimated reductions in annual operations and maintenance of disposing of the assets are also outlined in Table 5.6. Any costs or revenue gained from asset disposals is included in the long-term financial plan.

5.7 Summary of asset forecast costs

The financial projections from this asset plan are shown in Figure 5.7.1. These projections include forecast costs for acquisition, operation, maintenance, renewal, and disposal. These forecast costs are shown relative to the proposed budget.

The bars in the graphs represent the forecast costs needed to minimise the life cycle costs associated with the service provision. The proposed budget line indicates the estimate of available funding. The gap between the forecast work and the proposed budget is the basis of the discussion on achieving balance between costs, levels of service and risk to achieve the best value outcome.

No assets identified for disposal throughout the life of this plan.

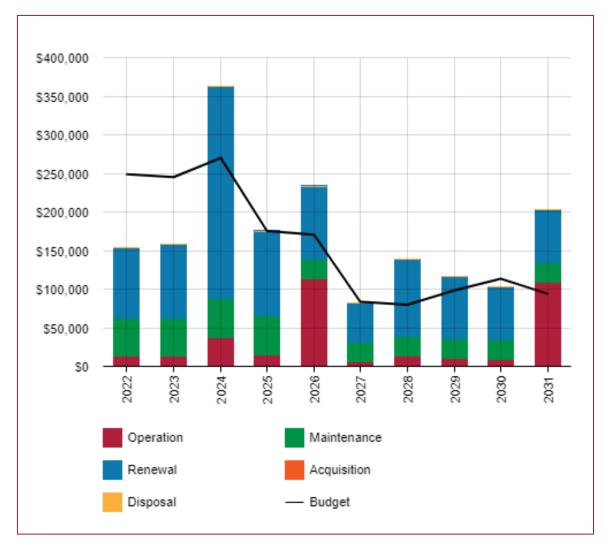


Figure 5.7.1: Lifecycle Summary

All figure values are shown in current day dollars.

Identified savings within the renewal program due to components being completed early through the renewal/audit process have reduced the overall renewal budget, but the condition assessment process has identified a large number of maintenance items to be maintained into order to prolong the lifecycle of the bridges identified. The pro-active maintenance process is linked to the core condition assessment process, and has been identified within the operation budget for re-collection in 2026 and 2031 to ensure the high risk bridge assets is fit for purpose.

6.0 RISK MANAGEMENT PLANNING

The purpose of infrastructure risk management is to document the findings and recommendations resulting from the periodic identification, assessment and treatment of risks associated with providing services from infrastructure, using the fundamentals of International Standard ISO 31000:2018 Risk management – Principles and guidelines.

Risk Management is defined in ISO 31000:2018 as: 'coordinated activities to direct and control with regard to risk'⁸.

An assessment of risks⁹ associated with service delivery will identify risks that will result in loss or reduction in service, personal injury, environmental impacts, a 'financial shock', reputational impacts, or other consequences. The risk assessment process identifies credible risks, the likelihood of the risk event occurring, and the consequences should the event occur. The risk assessment should also include the development of a risk rating, evaluation of the risks and development of a risk treatment plan for those risks that are deemed to be non-acceptable.

6.1 Critical Assets

Critical assets are defined as those which have a high consequence of failure causing significant loss or reduction of service. Critical assets have been identified and along with their typical failure mode, and the impact on service delivery, are summarised in Table 6.1. Failure modes may include physical failure, collapse or essential service interruption.

| Critical Asset(s) | Failure Mode | Impact |
|----------------------------------|----------------------------|---|
| Avenue Road Bridge, Stirling | Collapse/Component Fail | Main rail line impacted between Adelaide to Melbourne. |
| Onkaparinga Road, Bridgewater | Collapse/Component Fail | Main rail line impacted between Adelaide to Melbourne. |
| Montacute Road, Montacute | Collapse/Component Fail | Significant alternate route for current access into the city. |

Table 6.1 Critical Assets

By identifying critical assets and failure modes an organisation can ensure that investigative activities, condition inspection programs, maintenance and capital expenditure plans are targeted at critical assets.

6.2 Risk Assessment

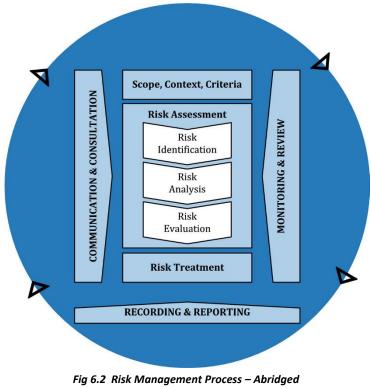
The risk management process used is shown in Figure 6.2 below.

It is an analysis and problem-solving technique designed to provide a logical process for the selection of treatment plans and management actions to protect the community against unacceptable risks.

The process is based on the fundamentals of International Standard ISO 31000:2018.

⁸ ISO 31000:2009, p 2

⁹ REPLACE with Reference to the Corporate or Infrastructure Risk Management Plan as the footnote



Source: ISO 31000:2018, Figure 1, p9

The risk assessment process identifies credible risks, the likelihood of the risk event occurring, the consequences should the event occur, development of a risk rating, evaluation of the risk and development of a risk treatment plan for non-acceptable risks.

An assessment of risks¹⁰ associated with service delivery will identify risks that will result in loss or reduction in service, personal injury, environmental impacts, a 'financial shock', reputational impacts, or other consequences.

Critical risks are those assessed with 'Very High' (requiring immediate corrective action) and 'High' (requiring corrective action) risk ratings identified in the Infrastructure Risk Management Plan. The residual risk and treatment costs of implementing the selected treatment plan is shown in Table 6.2. It is essential that these critical risks and costs are reported to management and the Senior Leadership Team

| Service or Asset at Risk | What can Happen | Risk Rating (VH, H) | Risk Treatment Plan | Residual Risk * | Treatment Costs |
|-----------------------------|------------------|------------------------|---|-----------------|---------------------|
| Bridges | Failure/Collapse | Med | Undertake Yearly Level 1 inspections | Low | \$5-10k per year |
| Bridges on Monitor List | Failure/Collapse | Medium | Undertake monitoring program per assessment | Low | \$10k once off |

| Table 6.2: | Risks and | Treatment Plans |
|------------|-----------|-----------------|
|------------|-----------|-----------------|

Note * The residual risk is the risk remaining after the selected risk treatment plan is implemented.

¹⁰ REPLACE with Reference to the Corporate or Infrastructure Risk Management Plan as the footnote

6.3 Infrastructure Resilience Approach

The resilience of our critical infrastructure is vital to the ongoing provision of services to customers. To adapt to changing conditions we need to understand our capacity to 'withstand a given level of stress or demand', and to respond to possible disruptions to ensure continuity of service.

Resilience recovery planning, financial capacity, climate change risk assessment and crisis leadership.

Our current measure of resilience is shown in Table 6.3 which includes the type of threats and hazards and the current measures that the organisation takes to ensure service delivery resilience.

Table 6.3: Resilience Assessment

We do not currently measure our resilience in service delivery. This will be included in future iterations of the AM Plan.

6.4 Service and Risk Trade-Offs

The decisions made in adopting this AM Plan are based on the objective to achieve the optimum benefits from the available resources.

6.4.1 What we cannot do

There are some operations and maintenance activities and capital projects that are unable to be undertaken within the next 10 years. These include:

- Undertake backlog of maintenance items identified in the ARRB level 2 span bridge condition assessment undertaken in 2020
- Monitor all suggested items identified in the ARRB level 2 span bridge condition assessment undertaken in 2020
- Provide internal resources to condition assess bridge assets

6.4.2 Service trade-off

If there is forecast work (operations, maintenance, renewal, acquisition or disposal) that cannot be undertaken due to available resources, then this will result in service consequences for users. These service consequences include:

- Bridge closure and rerouting
- Loss of reputation for council
- No access to services

6.4.3 Risk trade-off

The operations and maintenance activities and capital projects that cannot be undertaken may sustain or create risk consequences. These risk consequences include:

- Bridge failure
- Bridge component failure eg; safety rail/barrier, pipe or culvert collapse, deck failure (potholing, severe cracking)
- Bridge closure

These actions and expenditures are considered and included in the forecast costs, and where developed, the Risk Management Plan.

7.0 FINANCIAL SUMMARY

This section contains the financial requirements resulting from the information presented in the previous sections of this AM Plan. The financial projections will be improved as the discussion on desired levels of service and asset performance matures.

7.1 Financial Sustainability and Projections

7.1.1 Sustainability of service delivery

There are two key indicators of sustainable service delivery that are considered in the AM Plan for this service area. The two indicators are the:

- asset renewal funding ratio (proposed renewal budget for the next 10 years / forecast renewal costs for next 10 years), and
- medium term forecast costs/proposed budget (over 10 years of the planning period).

Asset Renewal Funding Ratio

Asset Renewal Funding Ratio¹¹ 144.24%

The 20 year prediction sees twice the number of bridges recognised for renewal or reconstruction which indicatively projects an increase by 100% of the spend to fulfil the sustainability ratio

The Asset Renewal Funding Ratio is an important indicator and illustrates that over the next 10 years we expect to have 0.0% of the funds required for the optimal renewal of assets.

The forecast renewal work along with the proposed renewal budget, and the cumulative shortfall, is illustrated in Appendix D.

Medium term – 10 year financial planning period

This AM Plan identifies the forecast operations, maintenance and renewal costs required to provide an agreed level of service to the community over a 10 year period. This provides input into 10 year financial and funding plans aimed at providing the required services in a sustainable manner.

This forecast work can be compared to the proposed budget over the first 10 years of the planning period to identify any funding shortfall.

The forecast operations, maintenance and renewal costs over the 10 year planning period is \$150,000 average per year.

The proposed (budget) operations, maintenance and renewal funding is \$150,000 on average per year giving a 10 year funding shortfall of 9,300 per year. This indicates that 94.16% of the forecast costs needed to provide the services documented in this AM Plan are accommodated in the proposed budget. Note, these calculations exclude acquired assets.

Providing sustainable services from infrastructure requires the management of service levels, risks, forecast outlays and financing to achieve a financial indicator of approximately 1.0 for the first years of the AM Plan and ideally over the 10 year life of the Long-Term Financial Plan.

Note – The forecast budget v the planned (LTFP) shows a reduction in funding as opposed to what was originally forecast, thus leading to a high asset funding renewal ratio. This is partly offset by the increase in maintenance and is reflected with 2 audits required (\$200k), and the reduction in planned renewals reduces the overhead for delivery of the planned project management fees across the life of the plan.

¹¹ AIFMM, 2015, Version 1.0, Financial Sustainability Indicator 3, Sec 2.6, p 9.

7.1.2 Forecast Costs (outlays) for the long-term financial plan

Table 7.1.3 shows the forecast costs (outlays) required for consideration in the 10 year long-term financial plan.

Providing services in a financially sustainable manner requires a balance between the forecast outlays required to deliver the agreed service levels with the planned budget allocations in the long-term financial plan.

A gap between the forecast outlays and the amounts allocated in the financial plan indicates further work is required on reviewing service levels in the AM Plan (including possibly revising the long-term financial plan).

We will manage the 'gap' by developing this AM Plan to provide guidance on future service levels and resources required to provide these services in consultation with the community.

The primary short term gap is the lack of maintenance expenditure currently available to maintain the asset class.

Forecast costs are shown in current dollar values.

| Year | Acquisition | Operation | Maintenance | Renewal | Disposal | Total |
|------|-------------|-----------|-------------|---------|----------|--------|
| 2022 | 0 | 30000 | 1000 | 218000 | 0 | 249000 |
| 2023 | 0 | 30000 | 1000 | 214100 | 0 | 245100 |
| 2024 | 0 | 34000 | 1000 | 235000 | 0 | 270000 |
| 2025 | 0 | 22800 | 1000 | 151700 | 0 | 175500 |
| 2026 | 0 | 22800 | 1000 | 146700 | 0 | 170500 |
| 2027 | 0 | 11000 | 1000 | 71500 | 0 | 83500 |
| 2028 | 0 | 11000 | 1000 | 67900 | 0 | 79900 |
| 2029 | 0 | 13900 | 1000 | 83600 | 0 | 98500 |
| 2030 | 0 | 16000 | 1000 | 96500 | 0 | 113500 |
| 2031 | 0 | 14000 | 1000 | 78900 | 0 | 93900 |

Table 7.1.2: Forecast Costs (Outlays) for the Long-Term Financial Plan

| Year | Acquisition | Operation | Maintenance | Renewal | Disposal |
|------|-------------|-----------|-------------|------------|----------|
| 2022 | 0 | \$ 13,000 | \$ 50,000 | \$ 90,000 | 0 |
| 2023 | 0 | \$ 13,000 | \$ 50,000 | \$ 95,000 | 0 |
| 2024 | 0 | \$ 38,000 | \$ 50,000 | \$ 275,000 | 0 |
| 2025 | 0 | \$ 15,300 | \$ 50,000 | \$ 110,000 | 0 |
| 2026 | 0 | \$113,300 | \$ 25,000 | \$ 95,000 | 0 |
| 2027 | 0 | \$ 6,500 | \$ 25,000 | \$ 50,000 | 0 |
| 2028 | 0 | \$ 13,700 | \$ 25,000 | \$ 100,000 | 0 |
| 2029 | 0 | \$ 11,200 | \$ 25,000 | \$ 80,000 | 0 |
| 2030 | 0 | \$ 9,200 | \$ 25,000 | \$ 69,000 | 0 |
| 2031 | 0 | \$109,700 | \$ 25,000 | \$ 69,000 | 0 |

7.2 Funding Strategy

The proposed funding for assets is outlined in the Entity's budget and Long-Term financial plan.

The financial strategy of the entity determines how funding will be provided, whereas the AM Plan communicates how and when this will be spent, along with the service and risk consequences of various service alternatives.

7.3 Valuation Forecasts

7.3.1 Asset valuations

The best available estimate of the value of assets included in this AM Plan are shown below. The assets are valued at fair value:

| Depreciated Replacement Cost ¹² \$8,672,636 | Replacement Cost (Current/Gross) | \$20,248,837 | Gross Replacement |
|--|--|--------------|---|
| Depreciated Replacement Cost ¹² \$8,672,636 | Depreciable Amount | \$20,248,837 | Accumulated Depreciation Depreciated Annual Depreciable |
| reporting reporting Value | Depreciated Replacement Cost ¹² | \$8,672,636 | Cost Expense |
| | Depreciation | \$315,560 | reporting reporting Value |

7.3.2 Valuation forecast

Asset values are forecast to increasee, and may change depending on the valuation of the culvert bridges once condition assessed and valued.

Useful Life

Additional assets will generally add to the operations and maintenance needs in the longer term. Additional assets will also require additional costs due to future renewals. Any additional assets will also add to future depreciation forecasts.

No assets identified for construction.

7.4 Key Assumptions Made in Financial Forecasts

In compiling this AM Plan, it was necessary to make some assumptions. This section details the key assumptions made in the development of this AM plan and should provide readers with an understanding of the level of confidence in the data behind the financial forecasts.

Key assumptions made in this AM Plan are:

- Renewal forecasts have been made by professional judgement, condition assessments & existing datasets
- A 3% uplift has been included for maintenance, operations or renewal over the long term forecast.
- Current day dollars

7.5 Forecast Reliability and Confidence

The forecast costs, proposed budgets, and valuation projections in this AM Plan are based on the best available data. For effective asset and financial management, it is critical that the information is current and accurate. Data confidence is classified on a A - E level scale¹³ in accordance with Table 7.5.1.

| Confidence Grade | Description |
|---------------------|---|
| A. Very High | Data based on sound records, procedures, investigations and analysis, documented properly and agreed as the best method of assessment. Dataset is complete and estimated to be accurate $\pm 2\%$ |
| B. High | Data based on sound records, procedures, investigations and analysis, documented properly but has minor shortcomings, for example some of the data is old, some documentation is missing and/or reliance is placed on unconfirmed reports or some extrapolation. Dataset is complete and estimated to be accurate ± 10% |

Table 7.5.1: Data Confidence Grading System

¹² Also reported as Written Down Value, Carrying or Net Book Value.

¹³ IPWEA, 2015, IIMM, Table 2.4.6, p 2 | 71.

| Confidence Grade | Description |
|---------------------|---|
| C. Medium | Data based on sound records, procedures, investigations and analysis which is incomplete or unsupported, or extrapolated from a limited sample for which grade A or B data are available. Dataset is substantially complete but up to 50% is extrapolated data and accuracy estimated ± 25% |
| D. Low | Data is based on unconfirmed verbal reports and/or cursory inspections and analysis. Dataset may not be fully complete, and most data is estimated or extrapolated. Accuracy ± 40% |
| E. Very Low | None or very little data held. |

The estimated confidence level for and reliability of data used in this AM Plan is shown in Table 7.5.2.

| Data | Confidence Assessment | Comment |
|-----------------------|-----------------------|--|
| Demand drivers | С | Professional Judgement |
| Growth projections | В | Strategic Plan |
| Acquisition forecast | В | No assets recognised for acquisition |
| Operation forecast | В | Included in the long term financial plan |
| Maintenance forecast | С | Included in the long term financial plan, targeted |
| | | approach to capturing maintenance information |
| Renewal forecast | B-C | ARRB Condition Assessment and Professional |
| - Asset values | | Judgement |
| - Asset useful lives | В | ARRB Condition Assessment and Professional |
| | | Judgement |
| - Condition modelling | С | ARRB Condition Assessment and Professional |
| | | Judgement |
| Disposal forecast | В | No assets identified for disposal |

Table 7.5.2: Data Confidence Assessment for Data used in AM Plan

The estimated confidence level for and reliability of data used in this AM Plan is considered to be medium to high based on recent condition assessment.

8.0 PLAN IMPROVEMENT AND MONITORING

8.1 Status of Asset Management Practices¹⁴

8.1.1 Accounting and financial data sources

This asset management plan utilises accounting and financial data. The source of the data is Finesse Financial Suite

8.1.2 Asset management data sources

This asset management plan also utilises asset management data. The source of the data is Confirm Asset Management System

8.2 Improvement Plan

It is important that an entity recognise areas of their asset management plan and planning process that require future improvements to ensure effective asset management and informed decision making. The improvement plan generated from this asset management plan is shown in Table 8.2.

| Task | Task | Responsibility | Resources Required | Timeline |
|------|--|---------------------------------------|-----------------------|----------|
| 1 | Undertake condition assessment and valuation across the remaining culvert and pipe bridges assets – Planned for 2022 | Strategic Assets | \$10,000 | 2022 |
| 2 | Develop process to manage monitor program | Strategic Assets | Internal | 2022 |
| 3 | Review yearly maintenance requirements | Strategic Assets/Civil Services | Internal | 2023 |
| 4 | Reclassify potential culvert bridges that identify as storm water assets. | Strategic Assets | Internal | 2024 |
| 5 | | | | |

Table 8.2: Improvement Plan

8.3 Monitoring and Review Procedures

This AM Plan will be reviewed during the annual budget planning process and revised to show any material changes in service levels, risks, forecast costs and proposed budgets as a result of budget decisions.

The AM Plan will be reviewed and updated annually to ensure it represents the current service level, asset values, forecast operations, maintenance, renewals, acquisition and asset disposal costs and planned budgets. These forecast costs and proposed budget are incorporated into the Long-Term Financial Plan or will be incorporated into the Long-Term Financial Plan once completed.

The AM Plan has a maximum life of 4 years and is due for complete revision and updating within 2 years of each local government election.

8.4 Performance Measures

The effectiveness of this AM Plan can be measured in the following ways:

¹⁴ ISO 55000 Refers to this as the Asset Management System

- The degree to which the required forecast costs identified in this AM Plan are incorporated into the longterm financial plan,
- The degree to which the 1-5 year detailed works programs, budgets, business plans and corporate structures consider the 'global' works program trends provided by the AM Plan,
- The degree to which the existing and projected service levels and service consequences, risks and residual risks are incorporated into the Strategic Planning documents and associated plans,
- The Asset Renewal Funding Ratio achieving the Organisational target (this target is often 90 100%).

9.0 REFERENCES

- IPWEA, 2006, 'International Infrastructure Management Manual', Institute of Public Works Engineering Australasia, Sydney, <u>www.ipwea.org/IIMM</u>
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- IPWEA, 2020 'International Infrastructure Financial Management Manual', Institute of Public Works Engineering Australasia, Sydney
- IPWEA, 2018, Practice Note 12.1, 'Climate Change Impacts on the Useful Life of Assets', Institute of Public Works Engineering Australasia, Sydney
- IPWEA, 2012, Practice Note 6 Long-Term Financial Planning, Institute of Public Works Engineering Australasia, Sydney, https://www.ipwea.org/publications/ipweabookshop/practicenotes/pn6
- IPWEA, 2014, Practice Note 8 Levels of Service & Community Engagement, Institute of Public Works Engineering Australasia, Sydney, <u>https://www.ipwea.org/publications/ipweabookshop/practicenotes/pn8</u>
- ISO, 2014, ISO 55000:2014, Overview, principles and terminology
- ISO, 2018, ISO 31000:2018, Risk management Guidelines
- 'Strategic Plan 2020 2024'
- 'Annual Business Plan 21/22'

10.0 APPENDICES

Appendix A Acquisition Forecast

No assets identified for construction or gifted to Council.

Table A3 - Acquisition Forecast Summary

| Year | Constructed | Donated | Growth |
|------|-------------|---------|--------|
| 2022 | 0 | 0 | 0 |
| 2023 | 0 | 0 | 0 |
| 2024 | 0 | 0 | 0 |
| 2025 | 0 | 0 | 0 |
| 2026 | 0 | 0 | 0 |
| 2027 | 0 | 0 | 0 |
| 2028 | 0 | 0 | 0 |
| 2029 | 0 | 0 | 0 |
| 2030 | 0 | 0 | 0 |
| 2031 | 0 | 0 | 0 |

Appendix B Operation Forecast

B.1 – Project management costs incurred in delivering bridge/component renewals (budgeted through existing operations budget)

| Year | Operation Forecast | | Operation Forecast Additional Operation Forecast | | Total Operation Forecast | | |
|------|--------------------|--------|---|---|--------------------------|---------|--|
| 2022 | \$ | 30,000 | \$ | - | \$ | 13,000 | |
| 2023 | \$ | 30,000 | \$ | - | \$ | 13,000 | |
| 2024 | \$ | 34,000 | \$ | - | \$ | 38,000 | |
| 2025 | \$ | 22,800 | \$ | - | \$ | 15,300 | |
| 2026 | \$ | 22,800 | \$ | - | \$ | 113,300 | |
| 2027 | \$ | 11,000 | \$ | - | \$ | 6,500 | |
| 2028 | \$ | 11,000 | \$ | - | \$ | 13,700 | |
| 2029 | \$ | 13,900 | \$ | - | \$ | 11,200 | |
| 2030 | \$ | 16,000 | \$ | - | \$ | 9,200 | |
| 2031 | \$ | 14,000 | \$ | - | \$ | 109,700 | |

Table B2 - Operation Forecast Summary

Add \$100 k for 2025 and 2030

Appendix C Maintenance Forecast

C.1 – Increase in maintenance identified through condition assessment process 2020

| Year | Maintenance Fore | ecast | Additional Maintenar Forecast | nce | Total Maintena Forecast | ince |
|------|------------------|-------|----------------------------------|-----|----------------------------|--------|
| 2022 | \$ | 1,000 | \$ | - | \$ | 50,000 |
| 2023 | \$ | 1,000 | \$ | - | \$ | 50,000 |
| 2024 | \$ | 1,000 | \$ | - | \$ | 50,000 |
| 2025 | \$ | 1,000 | \$ | - | \$ | 50,000 |
| 2026 | \$ | 1,000 | \$ | - | \$ | 25,000 |
| 2027 | \$ | 1,000 | \$ | - | \$ | 25,000 |
| 2028 | \$ | 1,000 | \$ | - | \$ | 25,000 |
| 2029 | \$ | 1,000 | \$ | - | \$ | 25,000 |
| 2030 | \$ | 1,000 | \$ | - | \$ | 25,000 |
| 2031 | \$ | 1,000 | \$ | - | \$ | 25,000 |

Table C2 - Maintenance Forecast Summary

Appendix D Renewal Forecast Summary

D.1 – The forecast budget for renewals based on the recent condition assessment is below the projected long term financial plan projections.

The predicted spend for the following 10 years from 2031 to 2041 has identified approx. 10 bridges reaching end of life, this is projected to be around \$330k per year.

| Year | Renewal Foreca | st | Renewal Budget | | |
|------|----------------|---------|----------------|---------|--|
| 2022 | \$ | 90,000 | \$ | 218,000 | |
| 2023 | \$ | 95,000 | \$ | 214,100 | |
| 2024 | \$ | 275,000 | \$ | 235,000 | |
| 2025 | \$ | 110,000 | \$ | 151,700 | |
| 2026 | \$ | 95,000 | \$ | 146,700 | |
| 2027 | \$ | 50,000 | \$ | 71,500 | |
| 2028 | \$ | 100,000 | \$ | 67,900 | |
| 2029 | \$ | 80,000 | \$ | 83,600 | |
| 2030 | \$ | 69,000 | \$ | 96,500 | |
| 2031 | \$ | 69,000 | \$ | 78,900 | |
| | | | | | |

Table D3 - Renewal Forecast Summary

Appendix E Disposal Summary

E.1 - No disposals identified

Table E3 – Disposal Activity Summary

| Year | Disposal Forecast | Disposal Budget |
|------|-------------------|-----------------|
| 2022 | 0 | 0 |
| 2023 | 0 | 0 |
| 2024 | 0 | 0 |
| 2025 | 0 | 0 |
| 2026 | 0 | 0 |
| 2027 | 0 | 0 |
| 2028 | 0 | 0 |
| 2029 | 0 | 0 |
| 2030 | 0 | 0 |
| 2031 | 0 | 0 |

Appendix F Budget Summary by Lifecycle Activity

Total lifecycle costs.

| Year | Acquisit | ion | Оре | eration | Maint | enance | R | enewal | Disposa | al | Total |
|------|----------|-----|-----|---------|-------|--------|----|---------|---------|----|---------------|
| 2022 | \$ | - | \$ | 30,000 | \$ | 1,000 | \$ | 218,000 | \$ | - | \$ 249,000 |
| 2023 | \$ | - | \$ | 30,000 | \$ | 1,000 | \$ | 214,100 | \$ | - | \$ 245,100 |
| 2024 | \$ | - | \$ | 34,000 | \$ | 1,000 | \$ | 235,000 | \$ | - | \$ 270,000 |
| 2025 | \$ | - | \$ | 22,800 | \$ | 1,000 | \$ | 151,700 | \$ | - | \$ 175,500 |
| 2026 | \$ | - | \$ | 22,800 | \$ | 1,000 | \$ | 146,700 | \$ | - | \$ 170,500 |
| 2027 | \$ | - | \$ | 11,000 | \$ | 1,000 | \$ | 71,500 | \$ | - | \$ 83,500 |
| 2028 | \$ | - | \$ | 11,000 | \$ | 1,000 | \$ | 67,900 | \$ | - | \$ 79,900 |
| 2029 | \$ | - | \$ | 13,900 | \$ | 1,000 | \$ | 83,600 | \$ | - | \$ 98,500 |
| 2030 | \$ | - | \$ | 16,000 | \$ | 1,000 | \$ | 96,500 | \$ | - | \$ 113,500 |
| 2031 | \$ | - | \$ | 14,000 | \$ | 1,000 | \$ | 78,900 | \$ | - | \$ 93,900 |

Table F1 – Budget Summary by Lifecycle Activity

Appendix G – Monitoring Program for Span Bridges

| Road Name | Chainage | Latitude | Longitude | Action | Priority | Date Noted |
|--|----------|------------------|-------------|---|----------|---------------|
| 120 Aldgate Valley Road - Mylor | | - 35.03706563 | 138.7538003 | Monitor holes between stones noted throughout abutment 1 masonry wall. | Monitor | 2/10/2020 |
| Adelaide Gully Road | | - 34.80949554 | 138.8358106 | Monitor spalling at Abutment 2 right hand side wingwall. | Monitor | 1/10/2020 |
| Avenue Road - Stirling | | - 35.00771485 | 138.7097066 | Prepare vegetation control plan for vegetation encroaching on bridge barriers, wearing surface, kerbing, abutment 2 and wingwalls. | Monitor | 29/9/2020 |
| Avenue Road - Stirling | | - 35.00771485 | 138.7097066 | Monitor mortar joints on approach 2 barrier. | Monitor | 29/9/2020 |
| Brooks Bridge Swamp Road - Uraidla | | -34.9733588 | 138.7354993 | Monitor movement between culvert units. | Monitor | 8/10/2020 |
| Brooks Bridge Swamp Road - Uraidla | | -34.9733588 | 138.7354993 | Monitor cracking noted on culverts. | Monitor | 8/10/2020 |
| Camac Road - Balhannah | | - 34.98993369 | 138.8079558 | Monitor cracking noted on abutment 2 and abutment 2 wingwalls. | Monitor | 6/10/2020 |
| Corkscrew Road - Montacute | | -34.8776435 | 138.7558069 | Monitor concrete defects (cracking, delamination and spalling) throughout abutment 1 and abutment 2. | Monitor | 1/10/2020 |

| Corkscrew Road - Montacute | -34.8776435 | 138.7558069 | Seal horizontal cracking through mid point of abutment 1 left hand side wingwall. | Monitor | 1/10/2020 |
|---|------------------|-------------|--|---------|-----------|
| Forbes Road - Aldgate | -35.026101 | 138.7400836 | Monitor separation between batter protection and headstock at abutment 1. | Monitor | 2/10/2020 |
| Forbes Road - Aldgate | -35.026101 | 138.7400836 | Monitor cracking in batter protection at abutment 2. | Monitor | 2/10/2020 |
| Foxhill Road - Mount George | - 35.00172892 | 138.7563556 | Monitor rotten timber decking. | Monitor | 6/10/2020 |
| Hollands Creek Rd - Cudlee Creek | - 34.85534481 | 138.8285511 | Monitor cracking on both abutments. | Monitor | 1/10/2020 |
| Kain Avenue - Bridgewater | -35.0098741 | 138.7497889 | Monitor scouring in waterway at left hand side of abutment 2. | Monitor | 7/10/2020 |
| Kingsland Road - Aldgate | - 35.01565246 | 138.7362072 | Monitor the deterioration of the deck wearing surface | Monitor | 2/10/2020 |
| McVitties Road - Birdwood | - 34.83058997 | 138.9814416 | Monitor cracks on masonry abutments and wingwalls. | Monitor | 30/9/2020 |
| Milan Terrace - Aldgate | - 35.01625828 | 138.7247395 | Verify the original condition of the channel to see if the channel material is eroded, or it is silt accumulation (e.g. photo 25) | Monitor | 8/10/2020 |
| Old Carey Gully Road - Piccadilly | -34.9890259 | 138.7407639 | Monitor cracking on abutment 2 right hand side wingwall. | Monitor | 8/10/2020 |
| Old Carey Gully Road - Piccadilly | -34.9890259 | 138.7407639 | Monitor loose masonry stones at top of abutment 2 left | Monitor | 8/10/2020 |

| | | | hand side wingwall. | | |
|--|------------------|-------------|--|---------|-----------|
| Old Mount Barker Road - Bridgewater | - 35.00486218 | 138.7527311 | Monitor cracking between masonry stones noted on abutment 1. | Monitor | 7/10/2020 |
| Old Mount Barker Road - Bridgewater | - 35.00486218 | 138.7527311 | Monitor mortar missing at base of abutment 1 left hand side wingwall. | Monitor | 7/10/2020 |
| Sires Road East - Kersbrook | - 34.75105196 | 138.8728587 | Monitor separation between pipe culvert units. | Monitor | 28/9/2020 |
| Spoehr Road - Balhannah | - 34.99555302 | 138.8121114 | Monitor abutment 1 and abutment 2 for movement. | Monitor | 6/10/2020 |
| Stevens Road - Mylor | - 35.03396509 | 138.7460595 | Monitor abutments for further movement. | Monitor | 2/10/2020 |
| Stradbroke Road | -34.895313 | 138.690743 | Monitor vertical separation noted on abutment 1 wall of original structure and left hand side of deck. | Monitor | 1/10/2020 |
| Tiers Road - Woodside | - 34.94671629 | 138.856516 | Monitor rotation of wingwall. | Monitor | 7/10/2020 |

Appendix H

Sample of Bridge Audit Condition Assessment Sheet

| | Λ | | Struc | tur | e Cor | dition | Insp | ectior | n Rep | oort | | L2/1 | Sheet Page 1 of |
|--|---|--|--|---|--|---|---|---|--|--|--|--|--|
| , | P | | Structu | e ID | BR044 | | _ | - | Owner | Local Go | vernment Agency | 1280 | age i o |
| Ad | elaide | Lille | Structure | Nam | e Beaum | ont Road | Bridge | | | <u> </u> | | S S S | |
| Au | COUNCI | | Regio | n Ade | laide Hill | s Council | | | | | | and the second se | ALC: N |
| Loca | al Authori | ity Adelai | de Hills C | ounci | | | | Co | ordinates | s -34.999 | 44141, 138.790874 | And the second s | |
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| | | culver | | | | | _ | ction Road | | | | | |
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| Span | Arrange | ment 1/1 | .5, 1/1.5, | 3/1.5 | | | | all Length | (m) 1.5 | 0 | verall Width (m) 10.8 | Constanting of the | |
| | | ith 1.5 m | | | | Genera | I Comme | ent | | | | | 19.3/34 |
| | | | | | | | | | | | | | |
| Date | Inspecte | d 06/10/2 | 2020 | In | spected E | By Alex Al | dana | | Ins | pection Ty | pe Programmed | Entered By Malcolm Ma | k |
| Date | | d 16/11/ | | R | eviewed E | By Hansor | n Ngo | | Da | te of Last | Inspection | Next Inspection Due 10/2022 | |
| | (| Original R | ~ | CS4 | Ori | ginal Com | ment St | ructure wa | as found i | in very po | or condition at the time of ins | spection. | |
| | | WL1 R | | | | WL1 Com | | | | | | | |
| | | WR1 R | tating | | ١ | WR1 Com | ment | | | | | | |
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| Col | - | | Condi | ion | Insp | ection | Rep | ort | | | | | Ľ |
| | | | | | | | | | | | | | |
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| Mox | Compon | _ | | Expos | 9 | | Qua | ntity per C | ondition | State | - Location of defect | Defect | |
| Modif | | _ | | Exposure | Quant i | Uhi t | Qua | ntity per C | ondition | State | Location of defect Description of defect Reference of sketches | | |
| Modif | Group | _ | | | Quant i ty | Uni t | | | | | Description of defect | | |
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ADELAIDE HILLS COUNCIL ORDINARY COUNCIL MEETING Tuesday 22 February 2022 AGENDA BUSINESS ITEM

| Item: | 12.4 |
|----------------------|---|
| Responsible Officer: | Mike Carey Manager, Financial Services Corporate Services |
| Subject: | Draft 2022-23 Long Term Financial Plan for Consultation |
| For: | Decision |

SUMMARY

Prior to commencement of the budget process each year a review of the Long Term Financial Plan (LTFP) is undertaken. This review ensures that the LTFP is updated to reflect movements in key economic indicators as well as any revised strategies or plans considered by Council.

The LTFP was last adopted by Council in April 2021.

As part of the development of the 2022-23 LTFP, an Elected Member workshop session was held on 9 November 2021 as well as a full day workshop of Council on 4 February 2022. In addition to these workshops, a discussion board website was set up and open for a 2 month period prior to the February 2022 workshop seeking Elected Member opinions and discussion on a number of questions relating to the development of the 2022-23 LTFP.

Feedback from this process and workshop sessions has resulted in the incorporation in the draft 2022-23 LTFP of the financial impact of:

- a number of new strategies that had been considered by Council since the previous LTFP adoption
- the adoption of a detailed Savings & Efficiency Strategy to improve Council's Operating Surplus
 over the period of the LTFP thus providing the capacity to reduce debt whilst also funding a
 proportion of capital upgrade expenditure
- locking in a \$3m capital carry forward within the LTFP model while acknowledging that the adopted Annual Business Plan would still maintain the full budget allocation

After taking into account workshop feedback, the draft 2022-23 LTFP does not propose any changes to revenue assumptions other than adjusting for changes in economic indices. In addition, the Administration is recommending to maintain indexing rates relative to the Local Government Price Index from 2023-24 as endorsed in the adopted 2021-22 LTFP.

Further it is proposed that the financial sustainability targets also remain unchanged from the previously adopted LTFP.

Due to the impact on the 2022-23 base budget, carry forwards proposed from the 2021-22 Budget Review 2, also tabled at this meeting have been considered in the 2022-23 Draft LTFP. It is also proposed that further consideration of capital reset opportunities is undertaken as part of the 2022-23 budget development.

After factoring these elements into the LTFP, it is considered that the draft LTFP continues to demonstrate that the Council is financially sustainable over the 10 year term of the LTFP, whilst achieving the objectives outlined in the *Strategic Plan*.

On 14 February 2022 the Audit Committee reviewed an updated version of Council's LTFP and recommended in part that *"Council approve the 2022-23 Draft Long Term Financial Plan, as contained in Appendix 1 for community consultation in accordance with Section 122 of the Local Government Act 1999."*

This report provides the updated LTFP to Council for consideration prior to community consultation being undertaken.

RECOMMENDATION

Council resolves:

- 1. To endorse the Draft *Long Term Financial Plan*, as contained in Appendix 1 for community consultation in accordance with Section 122 of the *Local Government Act 1999*.
- 2. That the CEO be authorised to:
 - a. Make any formatting, nomenclature or other minor changes to the Plan prior to being released for public consultation and
 - b. Determine the consultation timings, media and processes while ensuring consistency and compliance with the provisions of applicable legislation and Council's Public Consultation Policy.

1. GOVERNANCE

Strategic Management Plan/Functional Strategy/Council Policy Alignment

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 |

The Council is committed to open, participative and transparent decision making and administrative processes. We diligently adhere to legislative requirements to ensure public accountability and exceed those requirements where possible.

One key aspect of Council's legislative responsibilities is to develop and adopt a long-term financial plan for a period of at least 10 years to ensure Council continues to be financially sustainable.

Legal Implications

The LTFP is prepared as a part of the Strategic Management Plans as required under Section 122 of the *Local Government Act 1999* (the Act). In particular:

- 1a (a) A council must, in conjunction with the plans required under subsection (1), develop and adopt a long-term financial plan for a period of at least 10 years;
- (1b) The financial projections in a long-term financial plan adopted by a council must be consistent with those in the infrastructure and asset management plan adopted by the council.

4 - A council may review its strategic management plans under this section at any time but must—

- (a) undertake a review of—
 - (i) its long-term financial plan; and
 - (ii) any other elements of its strategic management plans prescribed by the regulations for the purposes of this paragraph,

on an annual basis; and

(b) in any event, undertake a comprehensive review of its strategic management plans within 2 years after each general election of the council.

Section 4 (a) of the Act was updated in January 2022 to now require the LTFP to be reviewed on an annual basis. Previously legislation required the LTFP to be updated as soon as practicable after adopting the council's annual business plan for a particular financial year.

- (4a) A council must, for the purposes of a review under subsection (4), take into account—
- (a) in relation to a review under subsection (4)(a)(i)—a report from the chief executive officer on the sustainability of the council's long-term financial performance and position taking into account the provisions of the council's annual business plan and strategic management plans; and
- (b) insofar as may be relevant—any other material prescribed by the regulations.
- 6 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

The LTFP is also required to comply with Regulation 5 of the *Local Government (Financial Management) Regulations 2011*. In particular:

- 1 A long-term financial plan developed and adopted for the purposes of section 122(1a)(a) of the Act must include—
- (a) a summary of proposed operating and capital investment activities presented in a manner consistent with the note in the Model Financial Statements entitled Uniform Presentation of Finances; and

- (b) estimates and target ranges adopted by the council for each year of the long-term financial plan with respect to an operating surplus ratio, a net financial liabilities ratio and an asset renewal funding ratio presented in a manner consistent with the note in the Model Financial Statements entitled Financial Indicators.
- 2 A long-term financial plan must be accompanied by a statement which sets out—
 - (a) the purpose of the long-term financial plan; and
 - (b) the basis including key assumptions on which it has been prepared; and
 - (c) the key conclusions which may be drawn from the estimates, proposals and other information in the plan.

Regulation 5(2)(b) of the Local Government (Financial Management) Regulations 2011 was updated in January 2022 to now require the key assumptions used to be clearly identified within the LTFP.

Risk Management Implications

Preparing a LTFP as required by the Act and Regulations 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.

The LTFP has been developed based on the best information and assumptions available at the time. However, users of this information should be aware that there are risks associated with using estimated increases to Consumer Price Index (CPI), Local Government Price Index (LGPI), Average Weekly Earnings (AWE) and predictions in finance costs and interest rates.

In addition, the LTFP may be impacted by events such as new legislation, legal action or disasters that could materially affect the projected outcomes and results of the LTFP. Whilst Council has factored in the known impacts of prior events (including landfill remediation, recent bushfires and the COVID-19 pandemic), it is important to acknowledge that significant future events will necessitate ongoing review. The projected increase in the operating surplus ratio will assist in mitigating this risk.

Council is also aware that Campbelltown City Council (CCC) has received approval from the Boundaries Commission to lodge a Stage 2 proposal for the boundary between CCC and Adelaide Hills Council to be realigned to the eastern and southern side of Woodforde and Rostrevor suburbs, effectively moving those suburbs into CCC's area. Given that boundary change process involves a number of assessments (and some development is still to occur) prior to the Commission determining whether to recommend a change, no adjustment has been made to Council's LTFP for any possible impact on rates revenue, servicing costs and capital expenditure.

In order to reduce risk the plan is reviewed and updated annually to incorporate the best available information. This includes the LTFP and its assumptions being reviewed by Council's Audit Committee.

Financial and Resource Implications

Satisfactory internal financial controls provide the foundation for ensuring Council's ongoing financial sustainability. The LTFP is a financial model that aims to achieve long term financial sustainability, using the key financial indicators and benchmarks for guidance, projected over 10 years using inputs from Council's *Strategic Plan*, *Asset Management Plan* and other key Strategies.

A Council's long-term financial performance and position is sustainable where planned longterm service and infrastructure levels and standards are met without unplanned increases in rates or disruptive cuts to services.

The LTFP is based on continuing existing service levels including infrastructure renewal and upgrade and is regularly updated to account for any changes.

It should also be noted that at the time of undertaking the review of the LTFP that consideration of projects to be funded from the third round of the Local Roads and Community Infrastructure Program had not been finalised. Final outcomes from this Program will be captured in the development of the 2022-23 Annual Business Plan.

Customer Service and Community/Cultural Implications

Public consultation will be undertaken following consideration by Council on 22 February 2022.

Sustainability Implications

The key objective of Council's LTFP is financial sustainability in the medium to long term, while still achieving Council's corporate objectives as specified in its *Strategic Plan, Corporate Plan* and Functional Strategies.

Council has specific functional strategies that address environmental and economic sustainability goals, objectives and priorities. At the same time the LTFP ensures that there is an understanding of the impact of decisions made today on future sustainability.

This means ensuring the cost effective delivery of works and services, and the appropriate maintenance and renewal of our asset base in a financially sustainable manner.

> Engagement/Consultation conducted in the development of the report

Consultation on the development of this report was as follows:

- Council Committees: The Audit Committee considered the Draft 2022-23 LTFP on 14 February 2022.
- Council Workshops: A Council Workshop Session was held on 9 November 2021 as well as a full day workshop on 4 February 2022 to provide an overview of the process undertaken to develop the LTFP; better understand a number of emerging pressures and proposed new strategies and consider various options in relation to savings initiatives, revenue options, capital reset opportunities and other options to ensure Council can continue to achieve its financial sustainability targets.

In addition, a discussion board website was set up and open for a 2 month period prior to the February 2022 workshop seeking Elected Member opinions on a number of questions relating to the development of the 2022-23 LTFP with these comments subsequently considered at the 4 February 2022 workshop.

| Advisory Groups: | Not Applicable |
|--------------------|--|
| External Agencies: | Not Applicable |
| Community: | Not applicable at this stage, however public consultation will be undertaken following consideration by Council on 22 February 2022. |

2. BACKGROUND

The Act requires Council to prepare a LTFP as part of its suite of Strategic Management Plans, and to update it on the same basis. Members of the public are to be a given a reasonable opportunity to be involved in the development and review of Council's LTFP.

Council considers that its LTFP is a fundamental instrument of accountability and provides projections for Council's planned activities over a ten year timeframe.

The key objective of Council's LTFP is financial sustainability in the medium to long term, while still achieving Council's corporate objectives as specified in its *Strategic Plan* and *Corporate Plan*. At the same time the LTFP ensures that there is an understanding of the impact of decisions made today on future sustainability. This means ensuring the cost effective delivery of works and services, and the appropriate maintenance and renewal of Council's asset base in a financially sustainable manner.

The purpose of this plan is not to provide specific detail about individual works or services. It does however provide a decision making tool that allows various assumptions and sensitivity analysis to be carried out that will indicate the ability of Council to deliver cost effective services to our community in the future in a financially sustainable manner.

A council's LTFP must contain a summary of the proposed operating and capital investment activities in the Uniform Presentation of Finance format for a period of at least ten years. It should include estimates of the key ratios, operating surplus, net financial liabilities and asset renewal. This illustrates the expected long term financial performance of the Council, and hence whether financial sustainability is being achieved.

The LTFP is prepared using a number of assumptions, with regard to projected rate income, projected fees, charges and grants and also includes assumptions about future operational and capital expenditure. As part of considering future operational requirements Council needs to consider whether there is any changes to services and whether the existing service levels from continuing services will be maintained.

Over the years Council has increased its services and related service levels in many areas including:

- Tree Management / Horticultural program
- Playground/park furniture/cemeteries resourcing
- Sport & Recreation Planning
- China Sword & other waste costs
- FABRIK development
- Economic Development resources to support the business community
- Disability and Community Well Being support
- Community Centre resourcing
- Digital Literacy
- CWMS oversight and operational support
- Emergency Management COVID & Fires
- Other support area resourcing including Procurement, Governance and Event Management

This has resulted in increased costs which have largely been balanced by significant savings initiatives notwithstanding that budget documentation has not been that explicit in terms of how this has been achieved.

The LTFP was last considered by Council on 23 February 2021 and was ultimately endorsed for public consultation by Council prior to the budget setting process and subsequently adopted by Council in April 2021.

The Audit Committee considered the updated 2022-23 LTFP on 14 February 2022, and resolved as follows:

7.2 2022-23 Long Term Financial Plan Review

Moved Peter Brass S/- Cr Leith Mudge

AC6/22

The Audit Committee resolves:

- 1. That the report be received and noted
- 2. Notes the 2022-23 Draft Long Term Financial Plan.
- 3. Recommends Council approve the 2022-23 Draft Long Term Financial Plan, as contained in Appendix 1 for community consultation in accordance with Section 122 of the Local Government Act 1999.
- 4. That the Chief Executive Officer be authorised to make minor changes to the 2022-23 Draft Long Term Financial Plan arising from the Committee's consideration of the matter prior to it being provided to Council.

Carried Unanimously

As part of the discussion with individual Audit Committee members and the Audit Committee's deliberation, a number of matters were raised and considered. As a result, some formatting, nomenclature and other minor changes to the 2022-23 Draft LTFP were made based on that feedback relating to increased focus on Strategic Plan alignment, greater clarity in terms of controllable and non controllable expenditure, the timing of rate indexation to LGPI in 2023-24, and reference to legal actions in the LTFP Risk section.

3. ANALYSIS

The draft LTFP is based upon 2021-22 adopted budget that has been revised for amendments adopted by Council including Budget Review 2 (BR2) considerations also presented at this Council meeting. Indices have been applied to categories within the LTFP to produce an uplifted 2022-23 LTFP budget that is capable of being used as a "target" for the 2022-23 budget setting process.

The LTFP starting point has also been updated to reflect the 30 June 2021 audited end of year financial position adopted by Council in October 2021.

In the development of the 2022-23 LTFP Council also considered its alignment to Council's *Strategic Plan*, consistency with updated *Asset Management Plans* and the financial sustainability of Council.

Key Considerations

As part of the development of the 2022-23 LTFP, an Elected Member workshop session was held on 9 November 2021 as well as a full day workshop of Council on 4 February 2022 to:

- provide an overview of the process undertaken to develop the LTFP;
- understand a number of emerging pressures and proposed new strategies which were now better costed
- consider the establishment of a detailed Savings & Efficiency Strategy
- review revenue options (recognising limited capacity outside of rates and statutory charges)
- consider options to reduce capital expenditure and therefore reduce maintenance and interest costs
- consider options to decrease Council's "discretionary" spend in Operating Programs
- review the current sustainability ratios and consider whether the current LTFP targets should be maintained

This review highlighted that Council has made a number of budget decisions since the 2021-22 LTFP adoption that had impacted on Council's expenditure base including additional Green Waste days. Further, Council has also been impacted by a number of additional cost imposts that have impacted on Council's Operating Surplus including:

- bridge maintenance as per draft Asset Management Plan to be adopted by Council in February 2022
- cloud transition / cyber security / licencing changes
- insurance increases & distribution reductions
- Local Government Reforms

These cost imposts have been included in the 2022-23 LTFP together with the financial impact of the following strategies that have now been costed and considered appropriate to include at this time:

- Community & Recreation Facilities Framework
- implementation of the Trails Strategy (Operating)
- new development maintenance costs including Hamilton Hill and Dunfield
- dog/cat temporary accommodation as a result of new cat registration bylaws

Having regard to these emerging cost pressures and new strategies, the Administration has proposed the adoption of a detailed savings & efficiency strategy to improve Council's Operating Surplus over the period of the LTFP. Consultation for the 2021-22 Annual Business Plan also highlighted that the community wished to better understand how Council was being more efficient in their business as usual activities to limit rate rises to as low as possible.

Items included under the saving & efficiency strategy include:

- critical examination of all materials, contract & other expenses to determine if Council can maintain existing budgets where contracts and costs are not linked to CPI or regular increases
- consideration of strategies to increase electronic rate notices including opt out
- changes to payment options and consideration of surcharges for credit card use
- fleet management opportunities
- insourcing opportunities including tree management
- vacancy management budget adjustments
- leave management budget adjustments
- other savings opportunities including cleaning and electricity

These estimated savings have been factored into the Draft 2022-23 LTFP.

It is further proposed that the Administration regularly report the progress in achieving these savings and efficiency targets to the Audit Committee each quarter.

As part of the LTFP development, Administration also gave consideration to the existing assumptions in terms of maintenance timing for new and upgraded assets as well as the depreciation allowance for projects constructed across multiple years. Some adjustments were subsequently made to the model to better reflect when increased costs imposts were likely to be incurred which has improved the Operating Surplus across the forecast years of the LTFP.

Further, it was agreed that the LTFP should reflect a \$3m capital carry forward within the LTFP assumptions to reflect Council's historical actual capital delivery outcomes. It is acknowledged that the adopted Annual Business Plan would still need to maintain the full budget allocation given the requirement for Council to only commit expenditure contained within a budget in accordance with legislation.

Some time was spent at the workshop in terms of considering options to reduce capital expenditure across future years (ie a "capital reset") thus having a favourable result on reducing maintenance, operational costs and depreciation. Feedback indicated that it was difficult to achieve significant savings with this strategy given that many of the projects were being funded by grants with specific requirements as to the timing of delivery. However, further work in terms of capital reset opportunities will be considered as part of the 2022-23 budget development which will also allow Council to address an additional round of Local Roads and Community Infrastructure program funding and other grant funding opportunities.

Council's 2021-22 Budget Review 2, also being presented to the February 2022 Audit Committee Meeting, proposes capital expenditure carry forwards of \$4.7m together with associated capital income funding of \$1.4m. Due to the impact on the 2022-23 base budget these carry forwards have been considered in the 2022-23 Draft LTFP.

Council considered a report in January 2022 in relation to Stage 4 of the Amy Gillett Bikeway which has received confirmation of \$2.6m funding from the Commonwealth Government. It was noted in that report that the Bikeway asset is seen as the sole responsibility of the State Government and not Council. Given that the Council decision at the January 2022 meeting was in part to undertake further negotiation with the State Government in terms of construction and project delivery responsibility and that the project is in theory cash neutral no financial impact has been factored into the LTFP at this point in time.

At Council's LTFP February workshop, there was some keenness for Council to consider increased expenditure in relation to electric vehicles and water efficiency measures with the view that such a strategy would not only achieve good environmental outcomes but also cost savings. Preliminary investigations indicated that there may not significant cost savings in the short term. As such no changes were factored into the LTFP but it is proposed that there be the opportunity to consider increased expenditure as part of the 2022-23 budget development.

After taking into account workshop feedback, the draft 2022-23 LTFP does not propose any changes to revenue assumptions other than adjusting for changes in economic indices. This includes the Administration recommending that there is no change to the assumption to index rates relative to the Local Government Price Index from 2023-24 as currently endorsed in the adopted 2021-22 LTFP. It is noted that there will still be the opportunity to fine tune rating policy decisions as part of the 2022-23 budget development.

It is also proposed that the financial sustainability targets remain unchanged from the previously adopted LTFP.

CEO Statement on Financial Sustainability:

The revised Draft 2022-23 LTFP included at Appendix 1 demonstrates that the Council is financially sustainable over the 10 year term of the LTFP, whilst achieving the objectives outlined in the *Strategic Plan*.

This includes:

- Implementation and funding of the appropriate level of maintenance and renewal of the portfolio of infrastructure assets
- Meeting the ongoing expectations of service delivery to our community
- Managing the impact of cost shifting from other levels of government
- The appropriate use of debt as a means of funding new/upgraded capital expenditure
- Ensuring the financial sustainability of Council's operations.

Financial sustainability has been demonstrated through adherence to the agreed target ranges in all of the following three key ratios:

- Operating Surplus Ratio, target range 1% to 5%
- Net Financial Liabilities Ratio, target range 25% to 75%
- Asset Renewal Funding Ratio, target range 95% to 105%

In achieving these targets, which are explained in more detail within the LTFP, there is a level of certainty provided to the community that financial sustainability of the council's long-term financial performance and position will be maintained.

Importantly, as the draft LTFP demonstrates sustainability over a ten year period, and the 2022-23 LTFP target budget is embedded within the LTFP, then the subsequent development of a 2022-23 budget that aligns with the LTFP targets that have been set will also demonstrate that a financially sustainable position is being achieved.

4. OPTIONS

- I. To receive and note this report and recommend to Council the 2022-23 Draft Long Term Financial Plan as prepared (Recommended).
- II. To make additional comments or suggestions to Administration to consider prior to finalising the 2022-23 Draft Long Term Financial Plan for Consultation.

5. APPENDIX

(1) Draft 2022-23 Long Term Financial Plan

Appendix 1

Draft 2022-23 Long Term Financial Plan

2022-23 Long Term Financial Plan





Long Term Financial Plan Feb 2022

Why does Council prepare a Long Term Financial Plan (LTFP)?

The *Local Government Act 1999* requires Council to prepare a Long Term Financial Plan (LTFP) as part of its Strategic Management Plans. Council considers that its Long Term Financial Plan (LTFP) is a fundamental instrument of accountability and provides projections for Council's planned activities over a ten year timeframe.

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.

The LTFP provides Council with a decision making tool that ensures there is an understanding of the impact of decisions made today on future sustainability. This means ensuring the cost effective delivery of works and services, and the appropriate maintenance and renewal of our asset base in a financially sustainable manner.

The LTFP contains estimated financials over a ten year period and includes estimates of the key ratios which are operating surplus, net financial liabilities and asset renewal funding ratios. This projection of estimates creates a model that illustrates the expected long term financial performance of the Council, and hence whether financial sustainability is being achieved.

The model is a complex and fluid document, continually reviewed, modified and refined as new information is discovered. This is usually at each quarterly Budget Review and during the construction and adoption of Council's Annual Budget.

The plan does not provide specific detail about individual works or services, as this level of detail is addressed in the Annual Business Plan and Budget.

The key objective of Council's LTFP is financial sustainability in the medium to long term, while still achieving Council's corporate objectives as specified in its Strategic Plan, Corporate Plans and Functional Strategies.



How does Council prepare the plan?

The 10 year LTFP is prepared using a number of assumptions about projected rate income, projected fees, charges and grants and also includes assumptions about future operational and capital expenditure. As the plans are derived from an estimate of future performance, the actual results are likely to vary from the information contained in this LTFP.

Calculating a sustainable Long Term Financial Plan

The LTFP calculations are based on a complex model which is built on a very large range of variables applied to its performance in recent years. In order to use it to guide each year's budget setting process, the key variables have been divided into two groups:

- Controllable variables items that Council and/or Council's Administration can control such as service levels, capital expenditure, rate increases and wage increases
- Non-controllable variables items outside Council's control, such as interest rates, inflation and economic growth (eg. residential development, new businesses, etc) as well as government fees and charges/imposts such as the Solid Waste Levy.

For controllable variables, Council is able to change different variables up or down to see what effect they have on financial performance. The long term effects of each decision can then be assessed.

For non-controllable variables, the plan uses reasonable long term estimates which do not change (except to update them at the beginning of each budget cycle). In this way the impact of different choices about the variables in the model can be better assessed.

For example: Inflation which is measured by the Local Government Price Index (LGPI) for Councils has fluctuated substantially in recent years. Because inflation works differently on different elements of Council's income and expense it can easily distort the LTFP, especially in later years. If the distortion negatively impacted the LTFP, Council could assess which controllable variables could be adjusted to keep the plan sustainable.

COUNCIL



Key considerations incorporated in the current LTFP review

As part of the development of the 2022-23 LTFP, a full day workshop of Council was held in February 2022 to:

- understand a number of emerging pressures and proposed new strategies
- consider the establishment of a detailed savings & efficiency strategy
- review revenue options (recognising limited capacity outside of rates and statutory charges)
- consider options to reduce and reset capital expenditure and therefore reduce maintenance and interest costs

Feedback from the workshop session has resulted in the incorporation in the draft 2022-23 LTFP of the financial impact of:

- a number of new strategies including Community & Recreation Facilities Framework and trail strategy operational costs
- the adoption of a detailed savings & efficiency strategy to improve Council's Operating Surplus over the period of the LTFP
- locking in a \$3m capital carry forward within the LTFP model while acknowledging that the adopted Annual Business Plan would still maintain the full budget allocation
- still maintaining the indexation of rates from 2023-24 relative to the Local Government Price Index

Once the above elements were factored in, LTFP modelling showed that Council's operating surplus had improved from that previously projected and therefore Council had increased its flexibility to better absorb the financial impacts of events such as bushfires and pandemics without significantly impacting on the delivery of Council's Strategic Plan outcomes and the full range of services and activities.

The draft 2022-23 LTFP does not propose any changes to revenue assumptions other than adjusting for changes in economic indices and Council anticipates that existing service levels of all continuing services from 2021-22 will be maintained.

Further it is proposed that the financial sustainability targets also remain unchanged from the previously adopted LTFP.



Local Government Price Index (LGPI)

The Consumer Price Index (CPI) is calculated using the mix of goods and services typically consumed by households, however the mix of goods and services purchased by Local Councils is quite different. Council's major expenditure purchases include waste disposal and processing, solid waste levy, arboriculture services, maintenance for infrastructure including bitumen and other materials, insurance, energy, diesel and water as well as employment costs

Because Council's expenses are so different from households, the Australian Bureau of Statistics were commissioned to develop a Local Government Price Index (LGPI) over 10 years ago as an independent measure of price movements faced by Local Government in South Australia in respect of their purchases of goods and services. In more recent years the South Australian Centre for Economic Studies has taken over responsibility for preparing the LGPI.

Council has then used both the LGPI and CPI when considering the setting of rates as part of its Annual Business Planning and Budget process.

When Council bases rate increases only on CPI it can significantly impact Council's overall financial sustainability as it may not accurately reflect the actual cost increases that Council is facing over time.

Improving Council's Operating Surplus Ratio is important to Adelaide Hills Council given Council's desire to:

- increase Council's capacity to absorb such events as bushfires and COVID-19 and the associated expenditure impacts
- Increase capacity to fund additional services required by the community including tree management and the Community & Recreation Facilities Framework;
- keep the operating surplus at a level to fund a proportion of new/upgraded capital expenditure without requiring additional borrowings
- provide for the capacity to reduce debt

This position to improve the operating surplus has been further supported by previous year's community consultation on the LTFP. As such it is recommended to maintain indexing rates relative to the Local Government Price Index from 2023-24 as endorsed in the current adopted 2021-22 LTFP.



Chief Executive Officer's Report on Financial Sustainability

What key conclusions may be drawn from the plan?

The LTFP demonstrates that the Council is financially sustainable over the 10 year term of the LTFP, whilst achieving the objectives outlined in the Strategic Plan. This includes:

- Implementation and funding of the appropriate level of maintenance and renewal of the portfolio of infrastructure assets
- Meeting the ongoing expectations of service delivery to our community
- Managing the impact of cost shifting from other levels of government
- Enabling the delivery of strategies identified within the Strategic Plan as well as other endorsed Functional Strategies
- The appropriate use of debt as a means of funding new capital expenditure
- Ensuring the financial sustainability of Council's operations.

Financial sustainability has been demonstrated through adherence to the agreed target ranges in all of the following three key ratios:

- 1. Operating Surplus Ratio, target range 1% to 5%
- 2. Net Financial Liabilities Ratio, target range 25% to 75%
- 3. Asset Renewal Funding Ratio, target range 95% to 105%

In achieving these targets, which are explained in more detail within this document, there is a level of certainty provided that financial sustainability will be maintained.

Ratios

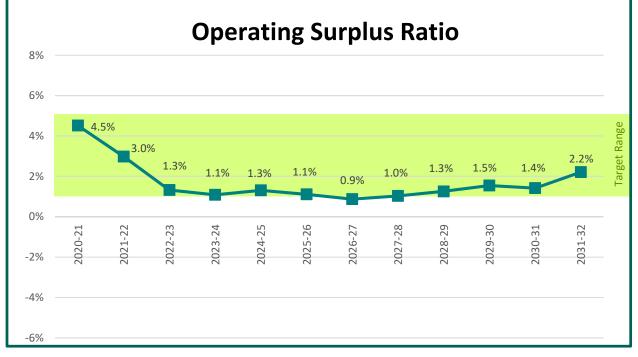
Operating Surplus Ratio

The operating surplus ratio indicates whether operating revenue is sufficient to meet all operating expenses and whether current ratepayers are paying for their consumption of resources.

The Operating Surplus ratio expresses the operating surplus as a percentage of total operating income. A negative ratio indicates the percentage that the operating expenses outweigh the operating income. A positive ratio indicates the percentage that the operating revenue exceeds the operating expenses.

Target Range: 1% - 5% 10 Year Result Range 0.9% - 2.2%

The ratio above indicates that the cost of services provided to ratepayers is being met from operating revenues with surplus's being used to fund new infrastructure works in line with our LTFP projections. It is noted that in 2026-27 the Operating Surplus is marginally below target as a result of factoring in once every 4 year election expenditure. Normalising this expenditure brings all years within target.



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Net Financial Liabilities Ratio

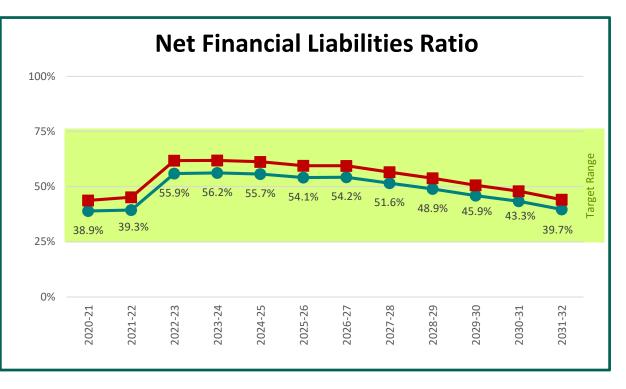
Net Financial Liabilities is an indicator of the Council's total indebtedness and includes all Council's obligations including provisions for employee entitlements and creditors.

This ratio indicates whether the net financial liabilities of the Council can be met by the Council's total operating revenue. Where the ratio is falling, it indicates that the Council's capacity to meet its financial obligations from operating revenues is strengthening. Where the ratio is increasing, it indicates that a greater amount of Council's operating revenues is required to service its financial obligations.

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.

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.

| Target Range: | 25% - 75% |
|----------------------|-----------|
| 10 Year Result Range | 40% - 56% |



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Asset Renewal Funding Ratio

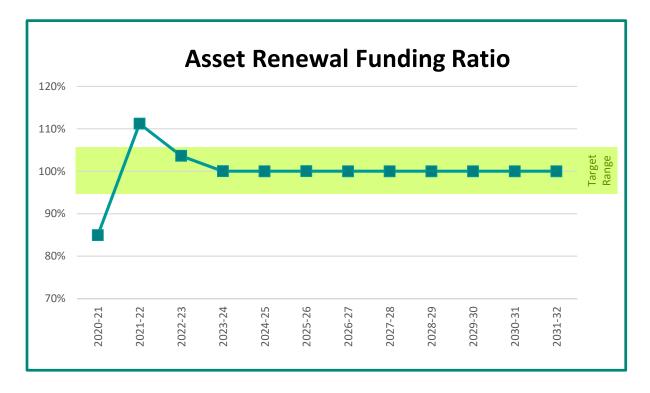
This ratio indicates whether a Council is renewing or replacing existing infrastructure assets at the same rate that its asset management plan requires.

The target for this ratio is to be between 95% and 105% in any given year, with 100% on average over five years. This would mean that Council is replacing 100% (or all) of the assets that require renewal.

 Target:
 95 - 105%

 10 Year Result Range
 100%

The result achieved for this measure is the same throughout the 10 year horizon of the LTFP as the amount of future renewal expenditure is based on the required asset management expenditure.





Key sections explained.....

Uniform Presentation of Finances (including key assumptions and financial indicators)

In accordance with the requirements of *Local Government (Financial Management) Regulations 2011* this section of the LTFP presents the financial position of Council for the next 10 years in the mandated format consistent across the Local Government sector.

This section of the LTFP is broken into the following key elements:

- A summary of all operating income and expenditure to highlight the Net Operating Surplus
- Net outlays on existing assets after providing for depreciation and proceeds from any replacement asset sales
- Net outlays on new and upgraded assets after providing for grants received and proceeds from any surplus asset sales
- Key indexation forecasts and interest rate projections for borrowings and investments

The resultant key financial ratios are derived from the above and demonstrate financial sustainability through the adherence to the agreed target ranges over the 10 year life of the LTFP. Detailed information is provided in relation to each ratio within this plan.

Statement of Comprehensive Income

This Statement provides a 10 year projection of the state of a council's annual operating result (ie. the surplus or deficit between its annual spending and revenue). It shows Council's operational income and expenditure using the projected 30 June 2022 Budget as the base year.

In relation to operational income, it can be seen that Council has a heavy reliance on rates and to a lesser extent grants with rates constituting over 85% of Operating income. Other revenue sources include statutory fees (largely development and dog and cat registration) and user charges relating to cemeteries, community centre programs and Lobethal Woollen Mill Precinct rental.

For expenditure key expenditure items are employee costs and material, contracts & other expenses both constituting around 40% of operational expenditure.

This statement also shows the predicted increase from revaluations relating to Council's large investment in infrastructure & related assets.



Statement of Financial Position

This Statement provides a 10 year projection of Council's assets and liabilities using the projected 30 June 2022 Budget as the base year. The projections result from proposed capital expenditure emanating from the Asset Management Plans and adopted strategies, together with borrowings necessary to meet those capital requirements, and net funding generated by operations.

Council's borrowings are represented by a Cash Advance Drawdown (CAD) facility as well as credit foncier (principal and interest) loans split between short term and longer term loans. **Over the life of the LTFP, total borrowings peak at \$25m in 2026-27.**

Capital Investment by Asset Category

Council's Asset Management Plans are progressively reviewed to ensure future provisions for asset related expenditure are sufficient. Recent reviews have highlighted the need for additional renewal expenditure in some of the infrastructure categories which has been provided for within the current LFTP.

Key points of note include

- Total capital expenditure projected over the 10 year period totals \$145 million of which \$115 million has been allocated to the renewal of existing assets.
- As identified above, the remaining \$30 million relates to new assets, as well as capacity/upgraded assets derived from Council's current adopted Strategic Plan and endorsed Functional Strategies.

COUNCIL



Economic and Key Financial Indicators

The LTFP has been developed based on a number of assumptions using the best up to date information available at the time. Key economic indicators used include estimated increases to Consumer Price Index (CPI), Local Government Price Index (LGPI) and predictions in relation to short tem and long term interest rates. These LTFP assumptions are detailed in this section.

Further, these LTFP assumptions are affected by various internal and external influences as listed below.

Internal (more controllable)

- Enterprise Development and Bargaining Agreements covering salary and wage increases
- Workforce planning
- Treasury Management Policy and decisions on borrowings
- Service Improvement Reviews
- Risk Management consideration
- Asset Sustainability & Service levels maintained during the period of the LTFP
- Increase/decrease in Services.

External (more non controllable)

- Local Government Price Index
- Consumer Price Index
- Interest rates
- Landscape and Community Wastewater Management System (CWMS) forecast increases
- Utility increases including water and electricity and waste related costs including solid waste levy
- Insurance and governance related costs
- Increased compliance costs through new legislation
- Federal & State Government Policy including cost shifting
- Broader economic environment



Risks Associated with the Long Term Financial Plan

The LTFP has been developed based on the best information and assumptions available at the time. However, users of this information should be aware that there are risks associated with using estimated increases to Consumer Price Index (CPI), Local Government Price Index (LGPI), Average Weekly Earnings (AWE) and predictions in finance costs and interest rates.

In addition, the LTFP may be impacted by events such as new legislation, legal disputes or disasters that could materially affect the projected outcomes and results of the LTFP. Whilst Council has factored in the known impacts of prior events (including recent bushfires, the COVID-19 pandemic and legal matters), it is important to acknowledge that significant future events will necessitate ongoing review. The projected increase in the operating surplus ratio will assist in mitigating this risk.

Council is aware that Campbelltown City Council (CCC) has received approval from the Boundaries Commission to lodge a Stage 2 proposal for the boundary between CCC and Adelaide Hills Council to be realigned to the eastern and southern side of Woodforde and Rostrevor suburbs, effectively moving those suburbs into CCC's area. Given that boundary change process involves a number of assessments (and some development is still to occur) prior to the Commission determining whether to recommend a change, no adjustment has been made to Council's LTFP for any possible impact on rates revenue, servicing costs and capital expenditure.

In order to reduce risk the plan is reviewed and updated annually to incorporate the best available information. In addition, the LTFP and its assumptions are reviewed by Council's Audit Committee.

| Adelaide Hills Council | | | | | | | | | | | | | |
|---|-------------------|----------------|----------|---------------|----------|----------|----------|----------|---------------|----------|----------|----------|-------------------|
| 10 Year Financial Plan for the Years ending 30 June 2032 | | | | | | | | | | | | | |
| | A . 4 | 0 | | | | | | | | | | | |
| UNIFORM PRESENTATION OF FINANCES | Actuals | Current Year | | ojected Years | | | | | ojected Years | | | | |
| Scenario: 2022-23 Draft Long Term Financial Plan | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 | Accumulation of |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | 10 Yrs of LTFP |
| Operating Activities | | | | | | | | | | | | | |
| Income | 52,181 | 51,691 | 50,775 | 52,813 | 54,359 | 56,085 | 57,866 | 59,707 | 61,608 | 63,572 | 65,591 | 67,676 | 590,052 |
| less Expenses | (49,824) | (50,145) | (50,105) | (52,240) | (53,647) | (55,462) | (57,361) | (59,091) | (60,834) | (62,591) | (64,662) | (66,182) | (582,173) |
| Operating Surplus / (Deficit) | 2,357 | 1,546 | 671 | 574 | 712 | 623 | 505 | 616 | 774 | 981 | 929 | 1,494 | 7,879 |
| Capital Activities | | | | | | | | | | | | | |
| less (Net Outlays) on Existing Assets | | | | | | | | | | | | | |
| Capital Expenditure on Renewal and Replacement of Existing Assets | (7,823) | (11,982) | (11,356) | (11,296) | (10,830) | (10,461) | (12,015) | (10,881) | (11,485) | (11,555) | (12,303) | (12,377) | (114,558) |
| add back Depreciation, Amortisation and Impairment | 9,451 | 10,122 | 10,812 | 11,418 | 11,744 | 12,038 | 12,408 | 12,850 | 13,235 | 13,629 | 14,034 | 14,380 | 126,549 |
| add back Proceeds from Sale of Replaced Assets | 604 | 842 | 636 | 719 | 566 | 543 | 731 | 717 | 778 | 625 | 872 | 931 | 7,118 |
| (Net Outlays) on Existing Assets | 2,232 | (1,019) | 93 | 840 | 1,481 | 2,119 | 1,125 | 2,686 | 2,528 | 2,699 | 2,603 | 2,934 | 19,108 |
| less (Net Outlays) on New and Upgraded Assets | | | | | | | | | | | | | |
| Capital Expenditure on New and Upgraded Assets | | | | | | | | | | | | | |
| (including Investment Property & Real Estate Developments) | (5,372) | (6,954) | (11,381) | (2,184) | (2,241) | (2,235) | (2,097) | (2,118) | (2,063) | (2,111) | (2,158) | (2,206) | (30,794) |
| add back Amounts Received Specifically for New and Upgraded Assets | 2,409 | 4,176 | 3,109 | (2,104) | (2,241) | (2,200) | (2,007) | (2,110) | (2,003) | (2,111) | (2,100) | (2,200) | (30,794) 3,109 |
| add back Anounis Received Specifically for New and Opgraded Assets add back Proceeds from Sale of Surplus Assets | 2,409 | 4,170 | 5,105 | - | - | - | - | - | - | - | - | - | 5,105 |
| (including Investment Property & and Real Estate Developments) | 17 | 2,724 | | _ | | _ | _ | _ | _ | | _ | - | |
| (Net Outlays) on New and Upgraded Assets | (2,946) | (54) | (8,273) | (2,184) | (2,241) | (2,235) | (2,097) | (2,118) | (2,063) | (2,111) | (2,158) | (2,206) | (27,685) |
| Net Lending / (Borrowing) for Financial Year | 1,643 | 474 | (7,509) | (770) | (48) | 507 | (467) | 1,183 | 1,239 | 1,570 | 1,375 | 2,222 | (698) |
| | | | (1,503) | (110) | (+0) | 507 | (407) | 1,105 | 1,200 | 1,570 | 1,575 | 2,222 | (050) |
| In a year the financing transactions identified below are associated with eithe | | - | | | | | | | | | | | |
| from a net lending result or accommodating the funding requirement stemmin | ng from a net bor | rowing result. | | | | | | | | | | | |
| Financing Transactions | | | | | | | | | | | | | |
| • | | 0.000 | 0.000 | 0.000 | 0 700 | 4 700 | 0.000 | 1 000 | 4 700 | 1 000 | 0.000 | 4 500 | |
| New Borrowings | (5.000) | 2,000 | 9,000 | 2,000 | 6,700 | 1,700 | 2,900 | 1,600 | 1,700 | 1,600 | 2,000 | 1,500 | |
| Repayments of Borrowings | (5,000) | - | (174) | (951) | (6,153) | (1,762) | (1,966) | (2,280) | (2,495) | (2,722) | (2,946) | (3,210) | |
| Repayment of Lease Liabilities | (336) | (400) | (429) | (440) | (451) | (463) | (474) | (486) | (498) | (511) | (523) | (536) | |
| (Increase)/Decrease in Cash & Drawdown | 3,081 | 481 | 58 | (55) | 26 | 17 | (3) | 51 | 90 | 101 | 87 | 104 | |
| (Increase)/Decrease in Working Capital | 1,363 | (2,141) | 186 | 343 | 54 | 128 | 140 | 63 | 95 | 93 | 140 | 54 | |
| Increase/(Decrease) in Remediation Provision | | (314) | (1,032) | (27) | (28) | (29) | (30) | (30) | (31) | (32) | (33) | (33) | |
| Non Cash Equity Movement | (751) | (100) | (100) | (100) | (100) | (100) | (100) | (100) | (100) | (100) | (100) | (100) | |
| How the Net Borrowing/(Lending) Result is accommodated/(applied) | (1,643) | (474) | 7,509 | 770 | 48 | (507) | 467 | (1,183) | (1,239) | (1,570) | (1,375) | (2,222) | |
| TOTAL NET FINANCIAL LIABILITIES | 20,310 | 20,331 | 28,370 | 29,680 | 30,279 | 30,334 | 31,375 | 30,778 | 30,137 | 29,178 | 28,427 | 26,841 | |
| TOTAL BORROWINGS | 10,948 | 13,256 | 22,176 | 23,170 | 23,743 | 23,699 | 24,629 | 24,000 | 23,295 | 22,275 | 21,416 | 19,810 | |
| INDEXATION FORECASTS | | | | | | | | | | | | | |
| General operating income and expenditure - CPI applied | - | | 3.25% | 3.25% | 2.25% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | |
| Employment Costs (includes superannuation guarantee increases) | | | 4.28% | 4.25% | 3.23% | 3.21% | 2.30% | 3.25% | 3.25% | 3.25% | 3.25% | 3.25% | |
| Proposed rate increase (from 2023-24 Local Government Price Index) | | | 4.25% | 3.65% | 2.65% | 2.90% | 2.90% | 2.90% | 2.90% | 2.90% | 2.90% | 2.90% | |
| Rates growth from new development | | | 0.80% | 0.60% | 0.50% | 0.50% | 0.50% | 2.90% | 0.50% | 0.50% | 2.90% | 2.90% | |
| | | | 0.00 /0 | 0.0070 | 0.00 /0 | 0.0078 | 0.0070 | 0.0070 | 0.0070 | 0.0070 | 0.00 /0 | 0.0070 | |
| TREASURY FORECASTS | | | | | | | | | | | | | |
| Estimated Loan rate | | | 3.35% | 3.50% | 3.50% | 3.50% | 3.50% | 3.50% | 4.00% | 4.50% | 4.75% | 5.00% | |
| Estimated Cash Advance Rate | | | 0.85% | 1.00% | 1.20% | 1.50% | 3.20% | 3.20% | 3.70% | 4.20% | 4.45% | 4.70% | |
| KEY FINANCIAL INDICATORS | | _ | | | | | | | | | | | 10 Yr Average |
| Operating Surplus Ratio | 4.5% | 3.0% | 1.3% | 1.1% | 1.3% | 1.1% | 0.9% | 1.0% | 1.3% | 1.5% | 1.4% | 2.2% | 1.3% |
| | | | | | | | | | | | | | |
| Net Financial Liabilities Ratio | 39% | 41% | 56% | 56% | 56% | 54% | 54% | 52% | 49% | 46% | 43% | 40% | 50.5% |
| Net Financial Liabilities Ratio + \$3m | 45% | 47% | 62% | 62% | 61% | 59% | 59% | 57% | 54% | 51% | 48% | 44% | 55.7% |
| Asset Renewal Funding Ratio | 85% | 115% | 104% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100.4% |

| Adelaide Hills Council | | | | | | | | | | | | |
|---|---------|--------------|---------|----------------|---------|---------|---------|---------|----------------|---------|---------|---------|
| 10 Year Financial Plan for the Years ending 30 June 2032 | | | | | | | | | | | | |
| STATEMENT OF COMPREHENSIVE INCOME | Actuals | Current Year | D, | rojected Years | | | | р | rojected Years | | | |
| Scenario: 2022-23 Draft Long Term Financial Plan | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 |
| Scenario. 2022-23 Drait Long Territ Financial Fian | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Income | | | | · · | | | | | | | · · | |
| Rates | 40,110 | 41,457 | 43,533 | 45,344 | 46,738 | 48,293 | 49,899 | 51,559 | 53,275 | 55,049 | 56,883 | 58,778 |
| Statutory Charges | 1,489 | 1,280 | 1,252 | 1,292 | 1,322 | 1,355 | 1,388 | 1,423 | 1,459 | 1,495 | 1,533 | 1,571 |
| User Charges | 705 | 816 | 908 | 938 | 959 | 983 | 1,008 | 1,033 | 1,059 | 1,085 | 1,112 | 1,140 |
| Grants, Subsidies and Contributions | 8,219 | 7,360 | 4,259 | 4,360 | 4,436 | 4,522 | 4,610 | 4,700 | 4,793 | 4,888 | 4,985 | 5,085 |
| Investment Income | 22 | 17 | 17 | 17 | 17 | 17 | 17 | 17 | 17 | 17 | 17 | 17 |
| Reimbursements | 235 | 210 | 217 | 224 | 229 | 235 | 241 | 247 | 253 | 259 | 266 | 272 |
| Other Income | 637 | 452 | 489 | 538 | 558 | 581 | 603 | 628 | 652 | 678 | 696 | 713 |
| Net gain - equity accounted Council businesses | 764 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| Total Income | 52,181 | 51,691 | 50,775 | 52,813 | 54,359 | 56,085 | 57,866 | 59,707 | 61,608 | 63,572 | 65,591 | 67,676 |
| Expenses | | | | | | | | | | | | |
| Employee Costs | 18,644 | 19,500 | 19,563 | 20,375 | 21,047 | 21,841 | 22,457 | 23,340 | 24,098 | 24,880 | 25,687 | 26,521 |
| Materials, Contracts & Other Expenses | 21.101 | 20,186 | 19,335 | 19,779 | 20,127 | 20.921 | 21.826 | 22,212 | 22,825 | 23,425 | 24,303 | 24,660 |
| Depreciation, Amortisation & Impairment | 9,451 | 10,122 | 10,812 | 11,418 | 11.744 | 12,038 | 12,408 | 12,850 | 13,235 | 13,629 | 14,034 | 14,380 |
| Finance Costs | 615 | 337 | 394 | 668 | 729 | 663 | 670 | 689 | 676 | 656 | 637 | 621 |
| Net loss - Equity Accounted Council Businesses | 13 | - | - | - | 120 | - | - | - | - | - | - | 021 |
| Total Expenses | 49,824 | 50,145 | 50,105 | 52,240 | 53,647 | 55,462 | 57,361 | 59,091 | 60,834 | 62,591 | 64,662 | 66,182 |
| OPERATING SURPLUS / (DEFICIT) | 2,357 | 1,546 | 671 | 574 | 712 | 623 | 505 | 616 | 774 | 981 | 929 | 1,494 |
| Asset Disposal & Fair Value Adjustments | (2,045) | | | _ | _ | _ | | _ | | _ | | _ |
| Amounts Received Specifically for New or Upgraded Assets | 1,108 | 4,176 | 3,109 | - | - | - | - | - | - | - | - | - |
| NET SURPLUS / (DEFICIT) | 3,304 | 5,722 | 3,780 | 574 | 712 | 623 | 505 | 616 | 774 | 981 | 929 | 1,494 |
| | | | | | | | | | | | | |
| Other Comprehensive Income | | | | | | | | | | | | |
| Amounts which will not be reclassified subsequently to operating result | | | | | | | | | | | | |
| Changes in Revaluation Surplus - I,PP&E | 7,811 | 5,215 | 5,309 | 5,404 | 5,529 | 5,678 | 5,831 | 5,989 | 6,150 | 6,317 | 6,487 | 6,646 |
| Share of Other Comprehensive Income - Equity Accounted Council Businesses | 31 | | - | - | - | - | - | - | - | - | - | - |
| Other | 69 | <u> </u> | | - | - | - | - | - | - | - | - | - |
| Total Other Comprehensive Income | 7,911 | 5,215 | 5,309 | 5,404 | 5,529 | 5,678 | 5,831 | 5,989 | 6,150 | 6,317 | 6,487 | 6,646 |
| Total Comprehensive Income | 11,215 | 10,937 | 9,088 | 5,978 | 6,241 | 6,301 | 6,336 | 6,604 | 6,924 | 7,297 | 7,416 | 8,140 |

| Adelaide Hills Council | | | | | | | | | | | | |
|--|---------|--------------|---------|----------------|---------|---------|---------|---------|-----------------|---------|---------|---------|
| 10 Year Financial Plan for the Years ending 30 June 2032 | | | | | | | | | | | | |
| STATEMENT OF FINANCIAL POSITION | Actuals | Current Year | | rojected Years | | | | | Projected Years | | | |
| Scenario: 2022-23 Draft Long Term Financial Plan | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| ASSETS | | | | | | | | | | | | |
| Current Assets | | | | | | | | | | | | |
| Cash & Cash Equivalents | 637 | 464 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 |
| Trade & Other Receivables | 3,225 | 3,033 | 2,764 | 2,579 | 2,649 | 2,731 | 2,816 | 2,900 | 2,987 | 3,078 | 3,173 | 3,265 |
| Inventories | 23 | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 |
| Total Current Assets | 3,885 | 3,516 | 3,283 | 3,098 | 3,168 | 3,250 | 3,335 | 3,419 | 3,506 | 3,597 | 3,692 | 3,784 |
| Non-Current Assets | | | | | | | | | | | | |
| Financial Assets | | | - | - | - | - | - | - | - | - | - | - |
| Equity Accounted Investments in Council Businesses | 2,342 | 2,442 | 2,542 | 2,642 | 2,742 | 2,842 | 2,942 | 3,042 | 3,142 | 3,242 | 3,342 | 3,442 |
| Infrastructure, Property, Plant & Equipment | 433,592 | 444,455 | 461,483 | 468,671 | 475,411 | 481,667 | 488,945 | 494,852 | 501,036 | 507,274 | 513,839 | 520,293 |
| Total Non-Current Assets | 435,934 | 446,897 | 464,025 | 471,313 | 478,153 | 484,509 | 491,887 | 497,894 | 504,178 | 510,516 | 517,181 | 523,735 |
| TOTAL ASSETS | 439,819 | 450,413 | 467,308 | 474,410 | 481,321 | 487,759 | 495,222 | 501,313 | 507,684 | 514,113 | 520,872 | 527,519 |
| LIABILITIES | | | | | | | | | | | | |
| Current Liabilities | | | | | | | | | | | | |
| Cash Advance Debenture | 5,200 | 5,508 | 5,602 | 5,547 | 5,574 | 5,591 | 5,587 | 5,639 | 5,728 | 5,829 | 5,917 | 6,020 |
| Trade & Other Payables | 7,734 | 5,396 | 5,313 | 5,471 | 5,596 | 5,806 | 6,032 | 6,178 | 6,361 | 6,544 | 6,778 | 6,925 |
| Borrowings | 323 | 604 | 1,391 | 6,604 | 2,224 | 2,440 | 2,766 | 2,993 | 3,232 | 3,469 | 3,746 | 3,758 |
| Provisions | 3,963 | 3,742 | 3,655 | 3,650 | 3,645 | 3,641 | 3,637 | 3,633 | 3,631 | 3,630 | 3,630 | 3,630 |
| Total Current Liabilities | 17,220 | 15,250 | 15,962 | 21,273 | 17,039 | 17,478 | 18,022 | 18,442 | 18,952 | 19,473 | 20,071 | 20,333 |
| Non-Current Liabilities | | | | | | | | | | | | |
| Trade & Other Payables | | | - | - | - | - | - | - | - | - | - | - |
| Borrowings | 5,425 | 7,144 | 15,182 | 11,019 | 15,946 | 15,668 | 16,276 | 15,369 | 14,335 | 12,976 | 11,754 | 10,032 |
| Provisions | 1,527 | 1,434 | 489 | 467 | 444 | 419 | 394 | 367 | 338 | 307 | 275 | 242 |
| Total Non-Current Liabilities | 6,952 | 8,578 | 15,671 | 11,485 | 16,389 | 16,087 | 16,669 | 15,736 | 14,673 | 13,283 | 12,028 | 10,273 |
| TOTAL LIABILITIES | 24,172 | 23,828 | 31,634 | 32,758 | 33,428 | 33,565 | 34,691 | 34,178 | 33,625 | 32,756 | 32,099 | 30,606 |
| NET ASSETS | 415,647 | 426,585 | 435,674 | 441,652 | 447,893 | 454,194 | 460,531 | 467,135 | 474,059 | 481,357 | 488,773 | 496,913 |
| EQUITY | | | | | | | | | | | | |
| Accumulated Surplus | 142,182 | 147,904 | 151,684 | 152,258 | 152,970 | 153,593 | 154,098 | 154,714 | 155,488 | 156,469 | 157,398 | 158,892 |
| Asset Revaluation Reserves | 273,017 | 278,232 | 283,541 | 288,945 | 294,474 | 300,152 | 305,983 | 311,972 | 318,123 | 324,439 | 330,926 | 337,572 |
| Available for Sale Financial Assets | - | - | - | - | - | - | - | - | - | - | - | - |
| Other Reserves | 448 | 448 | 448 | 448 | 448 | 448 | 448 | 448 | 448 | 448 | 448 | 448 |
| TOTAL EQUITY | 415,647 | 426,584 | 435,673 | 441,651 | 447,892 | 454,193 | 460,530 | 467,134 | 474,058 | 481,356 | 488,772 | 496,912 |
| TOTAL NET FINANCIAL LIABILITIES | 20,310 | 20,331 | 28,370 | 29,680 | 30,279 | 30,334 | 31,375 | 30,778 | 30,137 | 29,178 | 28,427 | 26,841 |
| TOTAL BORROWINGS | 10,948 | 13,256 | 22,176 | 23,170 | 23,743 | 23,699 | 24,629 | 24,000 | 23,295 | 22,275 | 21,416 | 19,810 |

| Adelaide Hills Council 10 Year Financial Plan for the Years ending 30 June 2032 | | | | | Projected Years | | | | | |
|--|---------|----------|---------|---------|-----------------|------------|---------|----------|---------|---------|
| CAPITAL INVESTMENT BY ASSET CATEGORY | 2022-23 | 2023-24 | 2024-25 | 2025-26 | 2026-27 | 2027-28 | 2028-29 | 2029-30 | 2030-31 | 2031-32 |
| Scenario: 2022-23 Draft Long Term Financial Plan | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| RENEWAL CAPITAL WORKS | 3 000 | \$ 000 | \$ 000 | 2 000 Ç | \$ 000 ÷ | \$ 000 | \$ 000 | \$ 000 ¢ | \$ 000 | \$ 000 |
| Bridges | 90 | 97 | 289 | 119 | 105 | 57 | 116 | 95 | 84 | 8 |
| Buildings | 900 | 900 | 685 | 638 | 762 | 582 | 613 | 656 | 650 | 65 |
| Cemeteries | 41 | 41 | 42 | 43 | 44 | 46 | 47 | 48 | 49 | 5 |
| CWMS | 160 | 538 | 588 | 323 | 495 | 111 | 114 | 360 | 296 | 12 |
| Footpaths | 395 | 395 | 395 | 395 | 394 | 394 | 393 | 393 | 391 | 38 |
| Kerb & Water | 259 | 265 | 272 | 279 | 286 | 293 | 300 | 308 | 315 | 32 |
| Other (including Guardrail/Retaining Walls/Street furniture) | 149 | 153 | 148 | 142 | 145 | 149 | 152 | 156 | 160 | 16 |
| Road Pavement | 1,804 | 1,135 | 1,062 | 1,486 | 1,729 | 1,261 | 1,293 | 1,325 | 1,358 | 1,39 |
| Road Seal | 1,902 | 2,043 | 2,057 | 1,805 | 2,314 | 2,230 | 2,285 | 2,343 | 2,401 | 2,46 |
| Shoulders | 259 | 265 | 272 | 279 | 286 | 293 | 300 | 308 | 315 | 32 |
| Sport and Recreation | 410 | 408 | 157 | 150 | 210 | 207 | 226 | 190 | 197 | 20 |
| Playgrounds | 145 | 149 | 152 | 156 | 160 | 164 | 168 | 172 | 107 | 18 |
| Stormwater | 140 | 140 | 102 | 108 | 100 | 114 | 117 | 120 | 123 | 11 |
| Unsealed Roads | 1.035 | 1,213 | 1.214 | 1.214 | 1.215 | 1,215 | 1.215 | 1,216 | 1.246 | 1.2 |
| Heavy Plant | 1,000 | 1,003 | 565 | 490 | 883 | 962 | 1,152 | 574 | 1,327 | 1,35 |
| Light Fleet | 684 | 702 | 720 | 738 | 756 | 776 | 796 | 815 | 835 | 85 |
| Information, Communication & Technology | 525 | 379 | 555 | 501 | 477 | 335 | 453 | 680 | 528 | 51 |
| F&F including Library | 60 | 62 | 63 | 65 | 66 | 68 | 70 | 71 | 73 | 1 |
| Project Management Costs | 1,403 | 1,445 | 1,489 | 1,533 | 1,579 | 1,627 | 1,675 | 1,726 | 1,778 | 1,83 |
| TOTAL RENEWAL CAPITAL WORKS: | 11,356 | 11,296 | 10,830 | 10,461 | 12,015 | 10,881 | 11,485 | 11,555 | 12,303 | 12,3 |
| | | | | | | | | | | |
| NEW, CAPACITY / UPGRADE CAPITAL WORKS | | | | | | | | | | |
| Bridges | - | - | - | - | - | - | - | - | - | |
| Buildings | 7,691 | 305 | 315 | 323 | 331 | 339 | 348 | 357 | 366 | 37 |
| Cemeteries | 39 | 40 | 41 | 42 | - | - | - | - | - | |
| CWMS | 100 | 308 | 315 | 269 | 133 | 113 | 116 | 119 | 122 | 12 |
| Footpaths | 325 | 325 | 342 | 350 | 359 | 368 | 377 | 386 | 396 | 40 |
| Kerb & Water | - | - | - | - | - | - | - | - | - | |
| Other (including Guardrail/Retaining Walls/Street furniture) | 220 | 230 | 156 | 157 | 158 | 159 | 160 | 162 | 163 | 16 |
| Road | 1,878 | 200 | 158 | 162 | 166 | 170 | 174 | 178 | 183 | 18 |
| Road Seal Shoulders | - | - | - | - | - | - | - | - | - | |
| Sport & Rec | - 590 | - 150 | - 200 | - 200 | - 200 | - 200 | - 100 | - 100 | - 100 | 10 |
| | 260 | 267 | 200 | 200 | 200 | 200 | 302 | 309 | 317 | 32 |
| Playgrounds Stormwater | 200 | 300 | 420 | 431 | 442 | 294 453 | 464 | 476 | 487 | 50 |
| Street Lighting | 200 | - 300 | 420 | 431 | - 442 | 403 | 404 | 4/0 | 407 | 50 |
| Unsealed Roads | - | - | - | - | - | - | - | - | - | |
| Plant and Fleet | 20 | - 20 | - 21 | - 22 | - 22 | 23 | 23 | - 24 | - 24 | 2 |
| | 59 | 40 | 21 | - 22 | - | 23 | 23 | 24 | - 24 | 4 |
| Minor Plant | 59 | 40 | - | - | - | - | - | - | - | |
| Minor Equipment including Library | | - | - | - | - | - | - | - | - | |
| Project Management Costs | - | - | | - | - | - | | - | - | |
| TOTAL NEW CAPACITY / UPGRADE CAPITAL WORKS: | 11.381 | 2.184 | 2.241 | 2.235 | 2.097 | 2.118 | 2.063 | 2.111 | 2.158 | 2.20 |
| TOTAL CAPITAL WORKS: | 22,737 | 13,480 | 13,071 | 12,696 | 14,111 | 12,999 | 13.548 | 13,666 | 14,461 | 14,5 |
| | 22,737 | 13,480 | 13,071 | 12,696 | 14,111 | 12,999 | 13,548 | 13,666 | 14,461 | 14,5 |
| AMOUNTS RECEIVED SPECIFICALLY FOR NEW/UPGRADED ASSETS | 2.400 | | | | | | | | | |
| Grants for New/Upgrade Assets | 3,108 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| TOTAL AMOUNTS RECEIVED FOR NEW/UPGRADED ASSETS: | 3,108 | - | - | - | - | - | - | - | - | |

| Adelaide Hills Council | | | | | | | | | | |
|--|---------|-----------------|---------|---------|-----------|---------|---------|---------|---------|---------|
| 10 Year Financial Plan for the Years ending 30 June 2032 | | | | | Projecteo | | | | | |
| ECONOMIC & KEY FINANCIAL INDICATORS | 2022-23 | 2023-24 | 2024-25 | 2025-26 | 2026-27 | 2027-28 | 2028-29 | 2029-30 | 2030-31 | 2031-32 |
| Scenario: 2022-23 Draft Long Term Financial Plan | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| GENERAL INDEXATION: | | | | | | | | | | |
| CPI - Adelaide | 3.25% | 3.25% | 2.25% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |
| LGPI - Operating | 3.65% | 3.65% | 2.65% | 2.90% | 2.90% | 2.90% | 2.90% | 2.90% | 2.90% | 2.70% |
| CPI - LGPI diff | 0.40% | 0.40% | 0.40% | 0.40% | 0.40% | 0.40% | 0.40% | 0.40% | 0.40% | 0.20% |
| LGPI - Capital | 3.55% | 3.55% | 2.55% | 2.80% | 2.80% | 2.80% | 2.80% | 2.80% | 2.80% | 2.70% |
| Indice Applied to General Revenue | 3.25% | 3.25% | 2.25% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |
| Indice Applied to General Expenditure | 3.25% | 3.25% | 2.25% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |
| Indice Applied to Depreciation & Capital | 3.55% | 3.55% | 2.55% | 2.80% | 2.80% | 2.80% | 2.80% | 2.80% | 2.80% | 2.70% |
| EMPLOYMENT COSTS: | | | | | | | | | | |
| Aligned to CPI | 3.25% | 3.25% | 2.25% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |
| Enterprise Agreement | 0.25% | 0.25% | 0.25% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Leave Revaluation | 0.05% | 0.05% | 0.05% | 0.05% | 0.05% | 0.05% | 0.05% | 0.05% | 0.05% | 0.05% |
| Grade Step Increases | 0.25% | 0.25% | 0.25% | 0.25% | 0.25% | 0.70% | 0.70% | 0.70% | 0.70% | 0.70% |
| Indice Applied to LTFP | 3.80% | 3.80% | 2.80% | 2.80% | 2.80% | 3.25% | 3.25% | 3.25% | 3.25% | 3.25% |
| Superannuation | 10.50% | 11.00% | 11.50% | 12.00% | 12.00% | 12.00% | 12.00% | 12.00% | 12.00% | 12.00% |
| Superannuation Increase in % Terms | 5.00% | 4.76% | 4.55% | 4.35% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| RATES INCOME | | | | | | | | | | |
| Adjustment to CPI | 1.00% | 0.40% | 0.40% | 0.40% | 0.40% | 0.40% | 0.40% | 0.40% | 0.40% | 0.40% |
| Growth | 0.80% | 0.60% | 0.40% | 0.40% | 0.50% | 0.50% | 0.40% | 0.50% | 0.50% | 0.50% |
| Indice Applied to CWMS Revenue | 0.00% | 3.25% | 2.25% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |
| | 0.0070 | 5.2570 | 2.23/0 | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50/3 |
| ELECTRICITY COSTS | | | | | | | | | | |
| Anticipated price variation to CPI | (0.75%) | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Anticipated change in consumption | (1.00%) | 0.00% | 0.00% | (1.00%) | (1.00%) | (1.00%) | (1.00%) | (1.00%) | (1.00%) | (1.00%) |
| Indice Applied to LTFP (excl CPI) Electricity | (1.75%) | 0.00% | 0.00% | (1.00%) | (1.00%) | (1.00%) | (1.00%) | (1.00%) | (1.00%) | (1.00%) |
| Indice Applied to LTFP (excl CPI) Streetlighting | (1.75%) | 0.00% | 0.00% | (1.00%) | (1.00%) | (1.00%) | (1.00%) | (1.00%) | (1.00%) | (1.00%) |
| WATER COSTS | | | | | | | | | | |
| Anticipated price variation to CPI | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Anticipated change in CONSUMPTION | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% |
| Indice Applied to LTFP (excl CPI) | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% |
| | | | | | | | | | | |
| INSURANCE COSTS | | | | | | | | | | |
| Anticipated price variation to CPI | 2.00% | 2.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Anticipated change in VOLUME | 0.75% | 0.50% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Indice Applied to LTFP (excl CPI) | 2.75% | 2.50% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| | | | | | | | | | | |
| WASTE COSTS | 1.000/ | 4.000/ | 4.000/ | 1.000/ | 1.000/ | 1.000/ | 1.000/ | 1.000/ | 4 0004 | 4.000 |
| Anticipated price variation to CPI | 1.00% | 1.00% | 1.00% | 1.00% | 1.00% | 1.00% | 1.00% | 1.00% | 1.00% | 1.00% |
| Anticipated change in consumption | (1.00%) | (1.00%) | (1.00%) | (1.00%) | (1.00%) | (1.00%) | (1.00%) | (1.00%) | (1.00%) | (1.00%) |
| Indice Applied to LTFP (excl CPI) | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| TREASURY COSTS | | | | | | | | | | |
| Estimated Investment rate | 0.15% | 0.25% | 0.40% | 0.50% | 1.20% | 1.70% | 2.20% | 2.70% | 2.95% | 3.20% |
| Estimated Loan rate 3.00% | 3.35% | 3.50% | 3.50% | 3.50% | 3.50% | 3.50% | 4.00% | 4.50% | 4.75% | 5.00% |
| Estimated Cash Advance Rate | 0.85% | 1.00% | 1.20% | 1.50% | 3.20% | 3.20% | 3.70% | 4.20% | 4.45% | 4.70% |
| Average Diff | 2.50% | 2.50% | 2.30% | 2.00% | 0.30% | 0.30% | 0.30% | 0.30% | 0.30% | 0.30% |
| | | | | | | | | | | |
| KEY FINANCIAL INDICATORS | 4.30/ | 4 4 4 4 | 4 344 | 4 4 4 4 | 0.000 | 4.00/ | 4.304 | 4 50/ | 4 404 | 3.00 |
| Operating Surplus Ratio | 1.3% | 1.1% | 1.3% | 1.1% | 0.9% | 1.0% | 1.3% | 1.5% | 1.4% | 2.2% |
| Net Financial Liabilities Ratio | 55.9% | 56.2% | 55.7% | 54.1% | 54.2% | 51.5% | 48.9% | 45.9% | 43.3% | 39.7% |
| Net Financial Liabilities Ratio + \$3m | 61.8% | 61.9% 100.0% | 61.2% | 59.4% | 59.4% | 56.6% | 53.8% | 50.6% | 47.9% | 44.1% |
| Asset Renewal Funding Ratio | 103.6% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |

ADELAIDE HILLS COUNCIL ORDINARY COUNCIL MEETING Tuesday 22 February 2022

| ltem: | 12.5 |
|----------------------|--|
| Responsible Officer: | Rebecca Shepherd Community and Cultural Development Officer Community Capacity |
| Subject: | Aboriginal Place Naming Action Plan |
| For: | Decision |

SUMMARY

At its meeting held on 26 March 2019 Council resolved:

That advice on the potential for Aboriginal place naming be sought from the Adelaide Hills Reconciliation Working Group (AHRWG) including a proposed approach for progressive implementation.

Following consultation with the AHRWG, and other stakeholders both internal and external an Aboriginal Place Naming Action Plan (Action Plan) has been developed.

The purpose of this report is to seek Council adoption of the draft *Aboriginal Place Naming Action Plan* 2022 to 2025 (*Appendix 1*)

RECOMMENDATION

Council resolves:

- 1. That the report be received and noted.
- 2. With an effective date of 8 March 2022, that Council adopts the draft *Aboriginal Place Naming Action Plan 2022 to 2025* as contained in *Appendix 1*.
- 3. That the Chief Executive Officer be authorised to make any formatting, nomenclature or other minor changes to the draft 22 February 2022 *Aboriginal Place Naming Action Plan 2022 to 2025* prior to the effective date.

1. GOVERNANCE

Strategic Management Plan/Functional Strategy/Council Policy Alignment

Strategic Plan 2020-24 – A brighter future

| • | | |
|---------------|--|--|
| Goal | Community Wellbeing | |
| Objective C5 | Respect for Aboriginal Culture and Values | |
| Priority 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 | |

The use of Aboriginal place names and language in public places offers an opportunity to show respect and recognition of the rich First Nations culture of the Adelaide Hills and add value to the visitor experience of the area.

Legal Implications

Dual place naming and Aboriginal place naming is supported through Council's *Public Place and Road Naming Policy* as follows:

A Council has the power under Section 219 of the *Local Government Act 1999* to assign a name to, or change the name of:

- A public road
- A private road
- A public place (parks, reserves, ovals)

The *Geographical Names Act 1991* governs the naming of places in South Australia and provides the guidelines for the selection of names and boundaries of places assigned or recorded under the *Geographical Names Act 1991*.

The *Geographical Names Guidelines* (<u>https://www.sa.gov.au/topics/planning-and-property/land-and-property-development/suburb-road-and-place-names/geographical-names-guidelines</u>) have been considered in the development of the *Aboriginal Place Naming Action Plan*.

Council's *Public Place and Road Naming Policy* refers to Aboriginal naming specifically as follows:

<u>Name Sources</u> Sources for public place and road names may include:

• Aboriginal names taken from the local Aboriginal language

Risk Management Implications

There is a risk of causing offence to members of the Aboriginal community and causing reputational damage through the inappropriate use of language or by failing to seek due engagement, authentication or permission from Aboriginal stakeholders.

The proposed ng Draft Action Plan determines measures that ensure a sound process in determining and authenticating use of language in collaboration with Aboriginal stakeholders.

The Draft Action Plan will assist in mitigating the risk of causing offence or reputational damage as a result of inappropriate use of language.

| Inherent Risk | Residual Risk | Target Risk |
|---------------|---------------|-------------|
| High 3B | Medium 3D | Low2D |

Financial and Resource Implications

Council's Reconciliation sub brand is now in place and this would form the basis for the signage design.

A summary of actions with timeframes and resources is included in the Action Plan.

Many actions can be undertaken within existing resourcing. An amount of additional resourcing of \$18,000 spread over a three year period is detailed in the Action Plan. This would include authentication fees of approximately \$200 - \$300 and the creation of signs which would vary depending on size. Upon adoption of the Plan the resourcing will be included in the budget and long term financial plan.

> Customer Service and Community/Cultural Implications

There is a strong and building interest in the Adelaide Hills community, including Aboriginal and Torres Strait Islander people and non-Aboriginal people, for information and recognition of the Aboriginal culture of the area in both an historical and contemporary context.

The use of Aboriginal place names and language in public places offer an opportunity to show respect and recognition of the rich First Nations culture of the Adelaide Hills and add value to the visitor experience of the area.

The objectives of the Draft Action Plan are:

- To demonstrate Council's commitment to Reconciliation and valuing the Aboriginal culture of the Adelaide Hills
- To recognise and respect the rich First Nations history and heritage of the area being both Peramangk and Kaurna and respecting that this is a contemporary living culture and that language is a fundamental part of cultural identity
- To respond to community expectation and interest in recognising places of Aboriginal significance.

Sustainability Implications

The use of Aboriginal language in place naming and in public spaces contributes to recognising and acknowledging the Peramangk and Kaurna cultural heritage of the area. The process of place naming in collaboration with Traditional Custodians also provides an opportunity to strengthen these relationships and understanding of Aboriginal culture.

> Engagement/Consultation conducted in the development of the report

The Action Plan is the result of extended discussions and consideration by members of the Adelaide Hills Reconciliation Working Group. This Working Group advises both Adelaide Hills Council and Mount Barker District Council on Reconciliation matters.

Council's internal Reconciliation Working Group also contributed to discussion and the development of this Action Plan particularly in the context of writing Council's *Innovate Reconciliation Action Plan*.

Consultation on the development of this report was as follows:

| Council Committees: | Not Applicable |
|---------------------|---|
| Council Workshops: | Not Applicable |
| Advisory Groups: | Adelaide Hills Reconciliation Working Group |
| External Agencies: | Not Applicable |
| Community: | Not Applicable |

2. BACKGROUND

At its meeting held on 26 March 2019, Council considered a report on the potential for Aboriginal place naming. Following consideration of the matter, the Council resolved as follows:

12.2 Aboriginal Place Naming

Moved Cr John Kemp S/- Cr Kirsty Parkin

70/19

Council resolves:

- 1. That the report be received.
- 2. That advice on the potential for Aboriginal place naming be sought from the Reconciliation Working Group, including a proposed approach for progressive implementation.

Carried Unanimously

This matter has been discussed with the Adelaide Hills Reconciliation Working Group and Council's internal Reconciliation Working Group and is a proposed action in the *Innovate Reconciliation Action Plan* which is under development. This process of discussion and consultation is strongly reflected in the draft *Aboriginal Place Naming Action Plan 2022 to 2025* (Appendix 1).

3. ANALYSIS

The Draft Action Plan 5 (*Appendix* 1) has been developed to ensure a consistent, considered and consultative approach for the use of Aboriginal place names and language in public places.

The appropriate use of language is complex. Language is the cultural property of Traditional Custodians and must be used with respect and following due advice, consultation and authentication.

Whilst the original premise was to consider place naming and "dual place naming" it became apparent early in the discussion and consultation process that the issue is more complex. Language is a fundamental element of culture and is the cultural property of Traditional Custodians. Use of words can vary across language groups and hold different meanings and attachments. This has further sensitivities in relation to the Kaurna Native Title determination over areas of land that some had understood to be Peramangk country.

There is a clear expectation from the Aboriginal community that any use of language must be based on consultation and that every effort must be made to have due authentication and permissions in place. There is also a good deal of support for this as a means of valuing and demonstrating respect for Traditional Custodians.

In addition to place naming there is also the opportunity to explore language use in interpretive signage, design and art elements and the sharing of history and cultural information.

4. OPTIONS

Council has the following options:

- I. Adopt the draft *Aboriginal Place Naming Action Plan 2022 to 2025* delivering respectful and appropriate use Aboriginal language and place names (Recommended)
- II. Do not adopt the draft *Aboriginal Place Naming Action Plan 2022 to 2025* risking inappropriate use of Aboriginal language (Not Recommended)

5. APPENDIX

(1) Aboriginal Place Naming Action Plan 2022 - 2025

Appendix 1

Aboriginal Place Naming Action Plan 2022 - 2025

Adelaide Hills Council

Aboriginal Place Naming Action Plan 2022 to 2025

1. Introduction

The use of Aboriginal place names and language in public places offer an opportunity to show respect and recognition of the rich First Nations culture of the Adelaide Hills and add value to the visitor experience of the area.

Adelaide Hills Council recognises that language is the cultural property of Traditional Custodians and should be used with respect and following due advice, consultation and authentication.

Council is committed to working in collaboration with Traditional Custodians and the Aboriginal and Torres Strait Islander community in the use of language in place making.

2. Objectives

- To demonstrate Councils commitment to Reconciliation and valuing the Aboriginal culture of the Adelaide Hills.
- To recognise and respect the rich First Nations history and heritage of the area being both Peramangk and Kaurna and respecting that this is a contemporary living culture and that language is a fundamental part of cultural identity.
- To respond to community expectation and interest in recognising places of Aboriginal significance.

3. Scope

This Action Plan considers Aboriginal place naming and use of Aboriginal language in representing Aboriginal culture in public places that are under the ownership, care and / or control of Adelaide Hills Council.

4. Public Place and Road Naming Policy

Dual place naming and Aboriginal place naming is supported through Council's *Public Place and Road Naming Policy* as follows:

A Council has the power under Section 219 of the *Local Government Act 1999* to assign a name to, or change the name of:

- A public road
- A private road
- A public place (parks, reserves, ovals)

The *Geographical Names Act 1991* governs the naming of places in South Australia and provides the guidelines for the selection of names and boundaries of places assigned or recorded under the *Geographical Names Act 1991*.

The *Geographical Names Guidelines* (<u>https://www.sa.gov.au/topics/planning-and-property/land-and-property-development/suburb-road-and-place-names/geographical-names-guidelines</u>) have been considered in the development of the *Aboriginal Place Naming Action Plan*.

Council's Public Place and Road Naming Policy refers to Aboriginal naming specifically as follows:

Name Sources

Sources for public place and road names may include:

• Aboriginal names taken from the local Aboriginal language

<u>Dual Naming</u>

Dual geographical names may be assigned to a public place where there is a geographical and topographical feature that has both a traditional Aboriginal name and a European or non-Aboriginal name.

When assigning or recording a name to a previously unrecorded natural feature that has an unrecorded European name in local usage, every effort will be made to determine if an Aboriginal name exists for that feature and a dual name will be assigned or recorded. If there is no recorded or unrecorded European name in local usage then it is preferred that only a traditional Aboriginal name is assigned to that particular public place.

4.2 COMMUNITY ENGAGEMENT ON NAMING PROPOSAL

For a proposal to assign an Aboriginal name to a public place, reserve or road, appropriate Aboriginal stakeholders will be consulted and advise shall be sought from Traditional Custodians and/or cultural advisory groups regarding the appropriate use and spelling of language.

Whilst some existing names of Adelaide Hills places appear to be Aboriginal this is not well documented. It is important, in the context of this Action Plan and future place naming to document existing and future Aboriginal place names. There is also the opportunity to map Aboriginal place names showing a visual representation of the locations. This information should be readily available via the Council website to enhance the visitor experience.

Action 1

Document existing and future Aboriginal place names including a map of locations.

5. Native Title

Native title recognises a set of rights and interests over land or waters where Aboriginal and Torres Strait Islander groups have practiced and continue to practice, traditional laws and customs prior to sovereignty (British occupation).

In November 2017 Kaurna Native Title was confirmed over a determination area that includes a significant amount of Adelaide Hills Council (Appendix 1 Kaurna Native Title Determination Area). Much of this area has been considered Peramangk country by some in the local community and there are sensitivities relating to this

determination. It is fair to say that both Kaurna and Peramangk nations have an enduring relationship with our area.

6. Access and Authentication

Paying due recognition and respect to both Peramangk and Kaurna nations is a significant consideration when using language for place naming.

Identifying potential places for Aboriginal names involves consideration regarding the appropriate use of language, Peramangk or Kaurna, and a means of identifying and authenticating these names.

Language is the cultural property of the Traditional Custodians and should be used with respect and following due consultation. Every effort must be made to get the pronunciation, spelling and grammar correct.

In relation to Kaurna language there is a clear pathway to consult and seek assistance in identifying and seeking direction and permission in the use of language through **Kaurna Warra Pintyanthi (KWP)**

Kaurna Warra Pintyanthi - "Established in 2002 by Kaurna Elders, Dr Kauwanu Lewis Yerloburka O'Brien **and** Dr Alitya Wallara Rigney together with Linguist, Assoc Prof Rob Amery, it is a body of Kaurna people, teachers, linguists and language enthusiasts who are passionate about the reclamation and revival of the Kaurna language. The KWP committee grew out of a series of Kaurna language development workshops funded by a University of Adelaide small grant in 2000. KWP is hosted by <u>Linguistics</u>, <u>School of Humanities</u>, at the <u>University</u> <u>of Adelaide</u>."

Advice may also be sought regarding Kaurna language from other appropriate organisation or authorities.

With respect to Peramangk language there is not a formal organisation of the likes of KWP. Selection and use of Peramangk names and language should involve consultation and endorsement by Peramangk stakeholders.

Prior to using any place names or language it would be wise to consult as widely as possible across both Peramangk and Kaurna stakeholders to gauge the level of community support for the use of a specific name

Action 2

Seek relevant advice in identifying and authenticating place names and language through Kaurna Warra Pintyanthi or a similar authority and Peramangk stakeholders.

7. Determining Place Names

Identifying the type of places that could be considered for Aboriginal naming and opportunities to share further cultural information via signage is addressed as follows:

7.1. Townships

Across the area there are some township names that currently reflect or are derived from Aboriginal names that have been well documented such as Cudlee Creek – Kadli Parri, Piccadilly – Pikodla, Uraidla – Urebilla (Yurrebilla),

Gumeracha – Ngarmaracha. There is an opportunity to revisit signage to include the Aboriginal language names and the provision of culturally appropriate information regarding these names without looking to formally change the existing township name.

Aboriginal names and spelling would need to be authenticated and consultation with local communities and Aboriginal stakeholders would be part of this process.

Action 3

Identify existing township names that are derived from Aboriginal names and explore options for signage that shows dual names and provides culturally appropriate information.

7.2. Parks and Reserves

There is the opportunity to identify where a park / reserve could be subject to dual naming or potentially be subject to a name change to an Aboriginal name.

In addition to naming there is also the potential to explore the addition of interpretive / information signage that add value to the visitor experience of the place. An example of this might be signage relating to plantings or landscape, or information on Aboriginal history or use.

Action 4

Identify parks or reserves that could be subject to Aboriginal place naming

Action 5

Explore opportunities to create interpretive signage that relates to indigenous planting and information on Aboriginal culture or history.

7.3. Sites of Significance

Throughout the area there are sites that hold significance to Traditional Custodians in either a historical or cultural context. Some of these sites may be appropriate to identify and name or to install interpretive signage pertaining to this relevance. There may also be cultural sensitivities that preclude the use of naming or signage. A further consideration is the vulnerability of the site to vandalism if identified. Identifying significant sites should be on the basis of advice from Traditional Custodians and/or suitably qualified experts.

The use of naming, language or signage in these instances must only occur on the authority of Traditional Custodians.

Action 6

Engage Traditional Custodians or suitably qualified experts to advise on naming, use of language or signage in relation to significant sites

8. Cultural Representation in Placemaking

There is the opportunity to incorporate the use of language as cultural representation in place making. This may take the form of public art, permanent or temporary, or messaging. This may also involve poetry or literary arts presented in public spaces as an element of placemaking.

Action 7

Explore opportunities to incorporate Aboriginal language in place making

9. Branding

Council has developed Reconciliation Branding. The use of consistent branding and visual cues in the presentation of Aboriginal names, language and sharing of cultural information assists visitors and members of the community to "tell at a glance" that signage / information relates to Aboriginal culture.

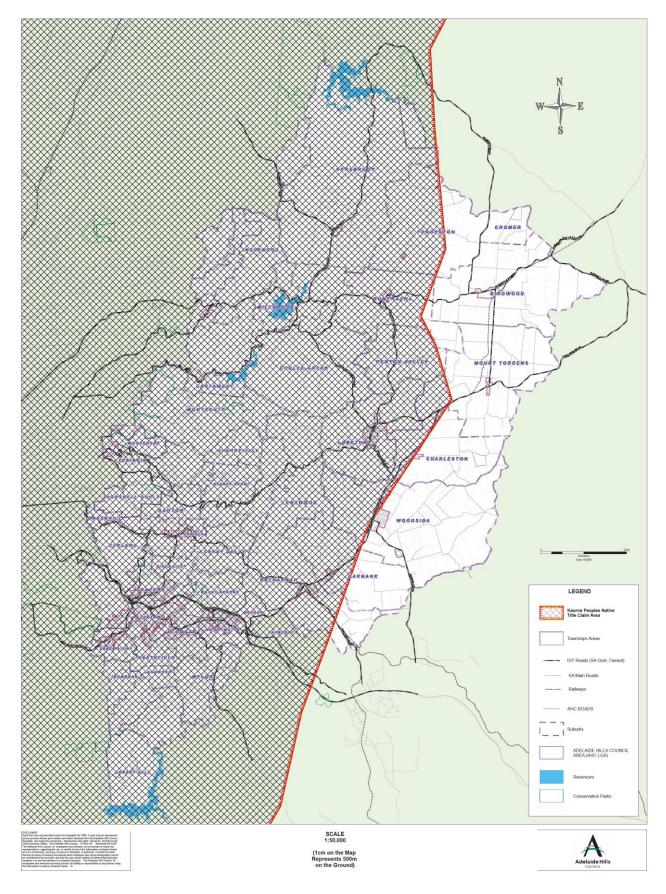
Action 8

Utilize Council's Reconciliation Branding or other visual cues to assist visitors to readily "see at a glance" signage and information that relates to Aboriginal culture.

10. Summary of Actions

| | Action | Time frame | Resources |
|---|---|---|--|
| 1 | Document existing and future Aboriginal place names, including a map of locations. | May 2022 | Within existing budget and resources |
| 2 | Seek relevant advice in identifying and authenticating place names and language through Kaurna Warra Pintyanthi or a similar authority and Peramangk stakeholders. | Case by case as required | Considered within existing budget and resources |
| 3 | Identify existing township names that are derived from Aboriginal names and explore options for signage that shows dual names and provides culturally appropriate information. | June 2023 | Funding for 2022/2023 to be included in ABP and Budget \$8,000 |
| 4 | Identify parks or reserves that could be subject to Aboriginal place naming | June 2025 | Within existing budget and resources |
| 5 | Explore opportunities to create interpretive signage that relates to indigenous planting, information on Aboriginal culture or history. | June 2024 June 2025 | 2023/24 in next iteration of LTFP \$5,000 2024/25 in next iteration of LTFP \$5,000 |
| 6 | Engage Traditional Custodians and/or suitably qualified experts to advise on naming, use of language or signage in relation to significant sites | December 2022 And ongoing as required | Considered within budget allocated for signage |
| 7 | Explore opportunities to incorporate Aboriginal language in place-making | Case by case as required | Considered within existing budget and resources |
| 8 | Utilize Council's Reconciliation Branding or other visual cues to assist visitors to readily "see at a glance" signage and information that relates to Aboriginal culture. | Case by case as required | Considered within existing budget and resources |

Appendix 1 Kaurna Native Title Determination Area



Kaurna Peoples Native Title Claim

ADELAIDE HILLS COUNCIL ORDINARY COUNCIL MEETING Tuesday 22 FEBRUARY2022 AGENDA BUSINESS ITEM

| ltem: | 12.6 |
|----------------------|--|
| Responsible Officer: | James Szabo Senior Strategic & Policy Planner |
| Subject: | Policy Review - Telecommunications Installation - Small Cell Stobie Pole Mounted Antennae |
| For: | Decision |

SUMMARY

The Adelaide Hills Council area is renowned for its leafy suburbs and country towns, and scenic landscapes which are traversed by tourist routes. In order to protect the scenic character and amenity of these areas from the impact of the future rollout of these Stobie pole mounted low-impact facilities, the Council at its Meeting held on 23 July 2019 adopted the *Telecommunications Installation - Small Cell Stobie Pole Mounted Antennae Policy* (the Policy) (*Appendix 1*).

The primary objective of the Policy is to minimise the impact of the installation of small cell Stobie pole mounted antennae in the Adelaide Hills Council area. The Policy outlines Council's scope to negotiate with telecommunication providers during the mandatory notification period, which occurs prior to the installation of such facilities.

Administration has closely monitored recent changes to the relevant federal legislation that outlines the key processes that telecommunication providers must adhere too, and can report that no changes detrimentally affect the efficacy of this Policy.

On this basis it has been determined that the Policy intent remains sound and subsequently the scope of this review and update has been limited to bringing it into line with the latest versions of relevant federal legislation, current Council policy templates and changes that seek to improve how the policy reads. (refer to *Appendix 2*).

RECOMMENDATION

Council resolves:

- 1. That the report be received and noted.
- 2. With an effective date of 1 March 2022, to revoke the 23 July 2019 Telecommunications Installation - Small Cell Stobie Pole Mounted Antennae Policy and to adopt the draft 22 February 2022 Telecommunications Installation - Small Cell Stobie Pole Mounted Antennae Policy as contained in Appendix 2.
- **3.** That the Chief Executive Officer be authorised to make any formatting, nomenclature or other minor changes to the draft 22 February 2022 *Telecommunications Installation Small Cell Stobie Pole Mounted Antennae Policy* prior to the effective date.

1. GOVERNANCE

Strategic Management Plan

Strategic Plan 2020-24 – A brighter future

| Goal 1 | A Functional Built Environment |
|---------------|--|
| Objective B2 | Preserve and enhance the unique character of the Hills for current and |
| | future generations |
| Priority 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 |

The scenic quality of the Adelaide Hills townships and landscapes is an asset to the community. Encouraging outcomes that are consistent with Council's Strategic Plan is an important aspect of the Policy.

Legal Implications

Telecommunications Act, 1997 Telecommunications (Low-impact Facilities) Determination, 1997 Telecommunications Code of Practice 2018

Council has no legal basis for implementing this draft Policy, as controlling legislation exists at the Commonwealth level, with no delegations to the local government level. That said, this policy provides Council with a basis for working with other levels of government, the private sector and land owners within its jurisdiction in relation to the desired visual outcomes for the installation of low-impact facilities.

The *Telecommunications Act 1997* (the Act) administered at the Commonwealth level provides exemptions from local planning controls for Telecommunication Carriers to install small cell Stobie pole mounted antennae. The *Telecommunications (Low-Impact Facilities) Determination 2018* (the Determination) has regulation function that stipulates the criteria for how a Telecommunications Carrier must install such a facility and the procedure with respect to consultation with a land owner prior to any installation on their land. The *Telecommunications Code of Practice 2021* (Code of Practice) sets out further requirements for which Telecommunication Carriers must adhere to.

Risk Management Implications

The adoption of the updated Policy will assist in mitigating the risk of:

The potential visual impacts of small cell Stobie pole mounted antennae resulting in negative impacts on the character and amenity of the Hills scenic townships and suburbs.

| Inherent Risk | Residual Risk | Target Risk |
|---------------|---------------|-------------|
| Medium (3C) | Low (1D) | Low |

Financial and Resource Implications

There are no financial or resources implications to Council by adopting this draft Policy.

> Customer Service and Community/Cultural Implications

Having a policy position in relation to small cell Stobie pole mounted antennae provides a basis for Council to lobby other levels of government, the private sector, and land owners within its jurisdiction in relation to such facilities on behalf of its community, if required.

> Sustainability Implications

Having a policy position in relation to small cell Stobie pole mounted antennae aims to protect the scenic amenity and character of townships and suburbs within the Adelaide Hills Council area.

It should be noted that Council has no jurisdiction in the matter of electromagnetic energy (EME) exposure. This is governed by the Australian Communications and Media Authority, as such, the policy does not speak to this issue.

> 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 |
| Community: | Not Applicable |

2. BACKGROUND

The need for this Policy position arose from a Motion on Notice and subsequent resolution of Council on 26 March 2019 in response to the roll-out of two small cell Stobie pole mounted antennae in Bridgewater and Aldgate. At that meeting the Council resolved:

11.2 Policy Position - Telecommunications Installation (Low-Impact Facilities)

Moved Cr Mark Osterstock S/- Cr Chris Grant

62/19

8.38pm Cr Kemp left the meeting

I move:

- That the Chief Executive Officer formulate a policy position in relation to the future installation of low impact telecommunications facilities, specifically, antennae on top of stobie poles, by telecommunications providers, for Councils consideration by no later than 30 June 2019.
- 2. That the policy position address (yet not be limited to) such issues as:
 - Siting (Preference Non-Public Land)
 - Design
 - Height
 - Colours and Finishes
 - Character and Amenity
 - Local Environment
 - Objection Process

With approval from the mover and seconder, leave of the meeting was sought and granted to vary the motion.

I move:

- That the Chief Executive Officer formulate a policy position in relation to the future installation of low impact telecommunications facilities, specifically, antennae attached to stobie poles, by telecommunications providers, for Councils consideration by no later than 30 June 2019.
- 2. That the policy position address (yet not be limited to) such issues as:
 - Siting (Preference Non-Public Land)
 - Design
 - Height
 - Colours and Finishes
 - Character and Amenity
 - Local Environment
 - Objection Process
 - The need to balance the above with the requirement to address mobile black spots and provide adequate mobile coverage to Adelaide Hills residents, businesses and visitors for public safety, commerce and accessibility.

8.43pm Cr Kemp returned to the meeting

Carried Unanimously

In accordance with the above resolution, a draft Policy was prepared and was presented to Council at its meeting held on 23 July 2019, where it was resolved:

12.9 Telecommunications Installation Small Cell Stobie Pole Mounted Antennae Policy

| Cou | ncil resolves: |
|-----|---|
| 1. | That the report be received and noted |
| 2. | To adopt the Draft Telecommunications Installation - Small Cell Stobie Pole Mounted Antennae Policy as detailed in <i>Appendix 1</i> subject to the inclusion of a new policy statement in section 5 to read as follows: "Council's preference is for such infrastructure to be placed on commercial and / or private land, as opposed to public, and will advocate with Telecommunication Carriers to achieve this aim, where possible." This policy statement to be numbered 5.3 and the existing policy 5.3 to be renumbered as 5.4. |
| 3. | That the Policy be reviewed no later than July 2021 or earlier if there are changes in State or Federal Government policies or legislation in this regard or if there is a justification for a further review. |

At the time of the Policy (*Appendix 1*) adoption, it was understood that there had been limited demand for the installation of small cell Stobie pole mounted antennae in the Council area. This continues to be the case with no new applications for these types of facilities being received by Council since the Policy was adopted in July 2019.

3. ANALYSIS

The review of this Policy was scheduled for mid 2021, but was delayed by 6 months on account of impending changes to the Determination and the Code of Practice touted in late 2020.

The subsequent review has identified that the Telecommunications (Low-impact Facilities) Amendment Determination commencing on the 9 November 2021 introduced an expanded list of low impact facilities. One of the notable changes relevant to this Policy includes an increase in the allowable protrusion of small cell antannae from 3m to 5m from the structure it is attached to.

The federal review of the Determination occurred concurrently with a review of the Code of Practice, where changes have been brought about that improve processes relating to objections from landowners to the proposed installation of low impact facilities. However, a review of these changes has confirmed that they do not materially affect the efficacy of this Policy and Council still has scope to influence the location, design, colour and finishes of low impact facilities during the mandated notification period.

The abovementioned scope of changes enacted at the Federal level, particularly the increased protrusion allowance, highlights the relevance of Council having a clearly articulated position and guidelines via the Policy to influence the installation of these low impact facilities where there is scope to do so.

As a result, changes have been made to the Policy (refer to **Appendix 2**) to bring it in line with the latest versions of relevant federal legislation, current Council policy templates and changes that seek to improve how the policy reads, in order to assist with administration interpretation and application.

4. OPTIONS

Council has the following options:

- I. To adopt the updated Policy including suggested formatting and minor edits, to ensure a consistent approach from the Administration during the small cell Stobie pole mounted antennae notification period and to assist in negotiations where small cell Stobie pole mounted antennae installations are proposed (Recommended).
- II. To alter or substitute elements of the Policy. Should Council resolve to amend the Policy, it is recommended that any substantive changes be referred back to Administration for analysis before the actual change is made (Not Recommended).
- III. To not adopt the updated Policy, and rely on the Administration to make judgement calls on each individual small cell Stobie pole mounted antennae installation (Not Recommended).

Administration is therefore recommending that the Policy as detailed in *Appendix 2* be adopted for a period of 3 years. However, an earlier review may be required if changes occur to State or Federal Government policies or legislation in this regard.

5. APPENDICES

- (1) Existing Policy on Telecommunications Installation Small Cell Stobie Pole Mounted Antennae
- (2) Updated Policy on Telecommunications Installation Small Cell Stobie Pole Mounted Antennae

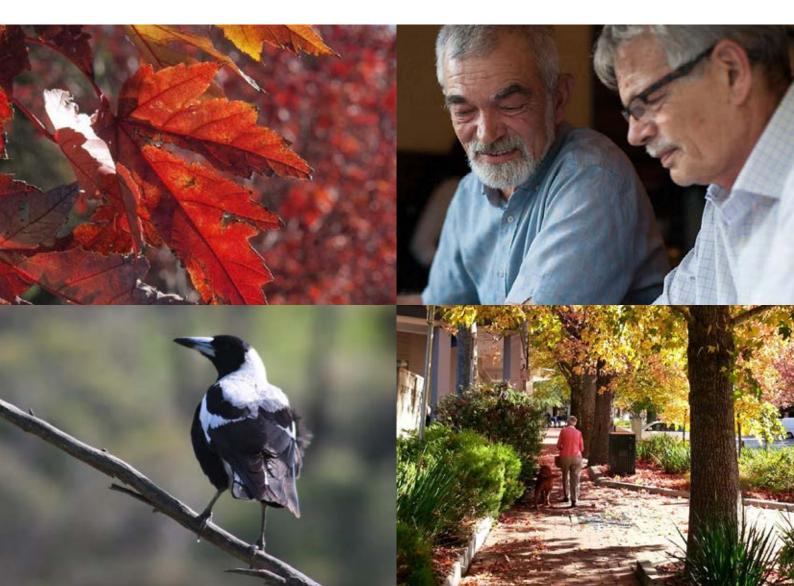
Appendix 1

Existing Policy on Telecommunications Installation -Small Cell Stobie Pole Mounted Antennae



Council Policy

Telecommunications Installation Small Cell Stobie Pole Mounted Antennae



COUNCIL POLICY



Telecommunications Installation - Small Cell Stobie Pole Mounted Antennae

| Policy Number: | ENV-02 |
|--|--|
| Responsible Department(s): | Development & Regulatory Services |
| Relevant Delegations: | None |
| Other Relevant Policies: | None |
| Relevant Procedure(s): | None |
| Relevant Legislation | Telecommunications Act 1997 (Federal) |
| Policies and Procedures Superseded by this policy on its Adoption: | N/A |
| Adoption Authority: | Council |
| Date of Adoption: | 23 July 2019 (Item 12.9) |
| Minute Reference for Adoption: | 196/19 |
| Effective From: | 6 August 2019 |
| Next Review: | No later than July 2021 or as required by legislation or changed circumstances |

TELECOMMUNICATIONS INSTALLATION (LOW-IMPACT FACILITIES)

1. INTRODUCTION

This policy has been prepared to articulate Council's position with regard to the installation of low impact telecommunication facilities in the Adelaide Hills Council area, in particular small cell stobie pole mounted antennae **(SCSPMA)**. The need for this Policy position arose from a Motion on Notice and subsequent resolution of Council on 26 March 2019 in response to the installation of these antennae in Bridgewater and Aldgate. In line with this resolution, the policy position aims to protect the character and amenity of the District's residential settlements from the potential negative visual impacts of such facilities and provides for guidelines for minimising these impacts. The Policy also outlines the general principles that will be applied in a situation where a change to the Council's adopted policy position in this instance is being contemplated.

Telecommunication Carriers need to install facilities to be able to deliver services to their customers. While current government policy allows the rollout of these facilities, one of the aims of the Telecommunications Act, 1997 is to balance the needs of telephone companies with the rights of landowners, occupiers and local residents.

When installing large telecommunications facilities such as mobile phone towers, Telecommunication Carriers generally need to obtain development approval from local councils and comply with relevant state and territory planning laws. However, telecommunication companies licensed by the Australian Communications and Media Authority (ACMA) as 'carriers' may install a limited range of facilities (e.g. new antennae and microwave dishes, etc.) without the need to seek state or territory planning approval. The most common of these are 'low-impact facilities' such as stobie pole mounted antennae.

Council considers that low-impact facilities, in particular SCSPMA, have the potential to impact the visual amenity and character of localities if their location, position and appearance is not properly considered. Given the likely roll out of additional SCSPMA facilities in the Adelaide Hills Council area, there is a need to state Council's precautionary position on this issue and enable it to advocate for suggested ways to reduce the visual impacts of such antennae on the surrounding locality. Hence this Policy.

2. BACKGROUND

2.1 What are Low-Impact Facilities¹?

Low-impact facilities are those which, because of their size and location, are considered to have a low impact and be less likely to raise significant planning, heritage or environmental concerns. The Telecommunications (Low-impact Facilities) Determination 1997 lists types of low-impact facilities as follows:

• small radio communications dishes and antennae (small cell stobie pole mounted antennae)

¹ Installation of telecommunications facilities - a guide for consumers - ACMA. Network facilities (/Industry/Telco/Infrastructure/Network-facilities)

- underground cabling and cable pits, and
- public payphones.

It is noted that low-impact facilities can take on numerous configurations and forms. However, this policy is only concerned with small cell stobie pole mounted antennae involving principally panel, yagi, or omni antennae and their associated structures.

The following images in Figure 1 and 2 depict the current configuration of 4G small cell stobie pole mounted antennae being rolled out in the Council area at Aldgate and Bridgewater respectively. In addition, Figure 3 depicts an alternative example of a pole mounted antennae and enclosure.



Figure 1 & 2: Current 4G installations with omni antenna on utility pole and ground based enclosure (Aldgate and Bridgewater installation)



Figure 3: Current 4G installations using a "Koala" equipment enclosure on the pole (no ground based cabinet)

2.2 Current Exemptions From State Planning Laws²:

Part 1 of Schedule 3 to the Telecommunications Act 1997 allows a carrier to enter onto land and install a facility if the facility is a low-impact facility, without the need to acquire development plan approval under relevant state laws.

A low-impact facility is specified in the Telecommunications (Low-impact Facilities) Determination 1997, only if it is installed in a corresponding area identified in the determination. The areas identified have an order of sensitivity, based on local zoning regimes. The order of priority is:

- area of environmental significance (World Heritage Area)
- residential areas
- commercial areas
- industrial areas
- rural areas.

The determination defines where low-impact facilities may be installed based on these zoning considerations. For example, a facility that is deemed low impact in an area zoned rural or industrial may not be low impact if it is installed in a residential area. A facility in an area of environmental significance, such as a World Heritage area or an area on the Register of the National Estate, cannot be designated as a low-impact facility. Figure 4 below outlines the types of low-impact facilities and the area in which the exemptions apply.

| Facility | Notes | Residential | Commercial | Industrial | Rural |
|--------------------------------------|---|-------------------|-------------------|-------------|------------|
| Panel, yagi or other like antenna | ≤ 2.8m long with ≤ 3m mounting arm colour matched or agreed | Low impact | Low impact | Low impact | Low impact |
| Array of antenna | ≤ 4.5m long with ≤ 2m mounting arm omnidirectional only ≤ 5m apart | Not low impact | Not low impact | Low impact | Low impact |
| Radiocommunications dish | ≤ 1.2m diameter with ≤ 2m protrusion attached to supporting structure colour-matched or agreed | n Low impact | Low impact | Low impact | Low impact |
| Extension to tower | ≤ 5m max. of one extension | Not low impa | ctNot low impac | tLow impact | Low impact |
| Underground housing | Pit surface ≤ 2 sqm OR Manhole surface area ≤ 2 sqm OR Underground equip shelter/housing surface area ≤ 2 sqm | Low impact | Low impact | Low impact | Low impact |
| Underground cabling | Trench, direct burial, bore or directional drill hole New trench, bore or directional drill hole subject to dimensional and access to property requirements May utilise pre-existing trench | Low impact | Low impact | Low impact | Low impact |
| Public payphones | Solely for carriage and content services | Low impact | Low impact | Low impact | Low impact |

Figure 4 – Types of Low-Impact Facilities (Source: ACMA – Factsheet Placement of mobile phone towers)

2

Installation of telecommunications facilities - a guide for consumers - ACMA. Network facilities (/Industry/Telco/Infrastructure/Network-facilities)

As outlined in Section 2.1, this policy is only related to low impact facility installations involving row 1 in Figure 4 above, namely small cell stobie pole mounted "Panel, yagi, or other like antennae". Column 2 to 6 in Figure 4, further stipulate the parameters by which the facility must be installed and where to ensure the installation qualifies as exempt. In the case of small cell stobie pole mounted antennae they must not exceed 2.8m in length, be fixed to a mounting arm not exceeding 3m and the colour must match its surrounds or be agreed upon with the local authority for that locality, with negotiations to take place during the public notification process.

2.3 Telecommunications Code of Practice:

While engaged in low-impact facility activities, the carrier must comply with the requirements in the Telecommunications Act and the Telecommunications Code of Practice 1997.

The Telecommunications Code of Practice, gazetted in 1997 and amended in 2002, requires that when a carrier is installing low-impact facilities, it must take all reasonable steps to:

- ensure as little detriment, damage and inconvenience as practicable is caused
- ensure that the land is restored to a condition that is similar to its condition before the installation began
- act in accordance with good engineering practice
- protect the safety of persons and property
- minimise interference with public utilities, roads and paths, traffic and land use
- protect the environment (including ecosystems, people and communities; resources; qualities and characteristics of locations and areas, and the social, economic and cultural aspects of all these)
- co-locate facilities with the existing facilities of other carriers or public utilities, or utilise public easements
- cooperate with any other carriers or utilities engaging in a similar activity for the same land to cause as little detriment, damage and inconvenience as possible
- find out whether it is necessary to notify the Environment Secretary of the installation.

2.4 How Does a Carrier Select a Location?

It is noted that the installation of small cell stobie pole mounted antennae aims to address specific black spots in relatively small locations (serving residents within a radius of 100m - 400m of the antennae). There are a number of factors for a Carrier to consider when selecting a location for a small cell stobie pole mounted antennae. The items below are considered by Telecommunication Carriers to be the most pertinent when determining site selection for such a facility:

- Planning requirements (i.e. heritage listings, conservation areas etc.)
- Property tenure

- Ensure established agreements with respective area Power Distributors (i.e. SA Power Networks)
- AC Power availability
- Transmission (fibre or radio) availability in the immediate area
- Utility pole structural determination
- Power Distributor technical requirements (i.e. cannot install above bare power line conductors)
- Clearances from property boundaries
- Tree / Building clutter for suitable Radio Frequency (RF) performance

In addition, under the Act, the maximum height allowance of a small cell stobie pole mounted antennae is 6.5 metres above natural ground level. The most commonly installed facility is 5.8 metres high. By contrast, mobile phone towers are generally 25–30 metres high.

Telecommunication Carriers are required to keep a minimum of 1.2m physical clearance from un-insulated SA Power Networks power lines for antennas or other ancillary items. This is an SA Power Networks requirement. Clearances can be reduced on poles with insulated cables upon approvals from SA Power Networks.

Carriers can only co-site on certain types of SA Power Networks poles (i.e. not on those with switching/capacitive devices or transformers for example).

Carriers also have their own industry EME precautionary clearances to adhere to for transmitting antennas. Nominally a 5.0m clearance above ground level is required for antennas (base off), for Common Public Areas, however this can be reduced to 4.0m if conditions can be met ensuring any public EME exposure cannot occur. Each type of antenna will emit different EME patterns (plumes), horizontally and vertically from the antenna(s), so physical antenna clearances will vary, so carriers only work with the extremities of the plumes they emit. Telstra for example ensure RPS3 Occupational limit zones (Non-Public "yellow" zones) do not cross property boundaries unless at least 10.0m above ground level and/or at least 3.0m from building rooftops / balconies etc. To ensure compliance there are distinct guidelines that must be adhered.

2.5 Public Notification and Objection Resolution Process:

The Telecommunications Code of Practice requires a carrier to:

- notify the Council at least 10 business days before commencing the installation of a small cell stobie pole mounted antennae on Council land
- make reasonable efforts to consult with, and resolve an objection from a council if a written objection is submitted
- respond to any objection in writing
- refer the matter to the Telecommunications Industry Ombudsman (TIO) if a council requests this (referral) in writing within five business days of receiving the carrier's written response
- comply with any direction from the TIO.

The Council can object to the carrier about the installation of a small cell stobie pole mounted antennae on Council land under the Telecommunications Code of Practice. Objections may be made about:

- the use of the land to engage in the activity
- the location of a facility on the land
- the date when the carrier proposes to start the installation, engage in it or stop it
- the likely effect of the installation on the land
- the carrier's proposals to minimise detriment and inconvenience, and to do as little damage as practicable, to the land.

<u>Summary</u>

Strict timeframes apply to the objection process. An objection under the Telecommunications

Code of Practice must be made in writing to the carrier at least five business days before the commencement date for the installation in the carrier's notice. In addition to the 'what Council can object to' list above, it is noted that a preference for a colour or finish treatment should be made at this point in the process.

If the Council's objection is not resolved, the Council can require the carrier to refer the matter to the TIO. Once a carrier has considered the objection and responded to Council in writing, the Council has five business days to request the carrier in writing to refer the objection to the TIO.

The TIO may investigate the proposal and decide whether to issue a direction to the carrier about the installation. Carriers must comply with a TIO direction. The TIO can also investigate complaints that a carrier has failed to give notice as required by the Telecommunications Code of Practice or about the manner in which the carrier has entered the land. Due to the tight time frames involved in this objection process, Administration would in this instance undertake this process and lodge the objection with the TIO.

2.6 Projected Roll Out of Small Cell Stobie Pole Mounted Antennae Installations in Adelaide Hills Council

Most recently, two small cell stobie pole mounted antennae installations occurred in Bridgewater and Aldgate, but it is understood anecdotally, that there is only moderate demand in the near term for Carriers to install additional 4G small cell stobie pole mounted antennae facilities within the Council area. This is largely on account of the low population base, however it is difficult to project how many small cell stobie pole mounted antennae facilities may be required within the Adelaide Hills Council Area in the longer term. It is considered that more of these small cell stobie pole mounted antennae may be required in the future as part of the 5G upgrade to mobile phone infrastructure and through an emerging preference for Telecommunication Carriers to install low-impact facilities over traditional large phone towers.

2.7 What Solutions Exist to Minimise the Visual Impact?

Telecommunication Carriers are aware of the need to ensure the installation of small cell stobie pole mounted antennae is done as sensitively as possible within a given locality. Experience has demonstrated that there is a willingness for Carriers to cooperate with Council to ensure improved outcomes. For example, in previous instances Council has requested that antennae installed as part of a small cell stobie pole mounted facility be finished in a neutral grey tone, with the associated ground based enclosure a heritage green, so as to blend in with its surrounds. This demonstrates that there is scope for Council to negotiate appropriate outcomes during the public notification process with regards to colour and finishes (as outlined in Section 2.6).

In addition to colour and finish treatments, there are additional solutions currently under development by Carriers that seek to further reduce the visual impact of these facilities. As demonstrated by Figure 5, a 'pod' solution is currently under trial that combines both the antennas and the radio units inside one tubular casing. This design markedly reduces visual clutter by removing the need for a ground based enclosure. Investigations have confirmed that these 'pods' can be finished in a range of colours to suit the locality in which they are installed. In a particularly sensitive area this could be a reasonable solution.



Figure 5: The pod solution (concept under trial) includes antennas/radio units all in one unit.

Another treatment under trial is a reflective wrap for the antennas, which aims to reduce the visual impact through concealment (refer to Figure 6 below). The wrap essentially reflects the colours of the sky and surrounds and thereby minimises its visual impact when viewed from a distance. This is considered an additional option to explore where a proposed location may make it difficult for colour and finish treatments alone to mitigate the visual impact of the proposed facility.



Figure 6: Reflective wrap installed on antennae to reflect background and respond to changing light conditions

2.8 Applying Design and Location Principles to Minimise Impact

As outlined in Section 2.5, under the Telecommunications Act 1997, Council has limited scope to influence all outcomes relating to the installation of small cell stobie pole mounted antennae. Notwithstanding, given the Adelaide Hills Council area is renowned for its leafy suburbs and country towns, and scenic landscapes which are traversed by tourist routes, it is considered necessary that to protect the visual amenity and character of these areas, the policy seeks to influence Telecommunication Carriers with regard to the location, design and colour and finish treatments of low-impact facilities. To this end the following principles should be applied to the installation of SCSPMA:

- Be placed on stobie poles that are in the least obtrusive locations to minimise their visual impact on the locality
- Be mounted on the top of a pole as opposed to the side mounted option
- Be either dark grey or dark green as opposed to white, or any other light colour, in order for them to blend in as much as possible, and

In addition, the following principles should be applied to the installation of any associated ancillary boxes:

- Be located at the base (rather than part way up) and behind the respective stobie pole in order to reduce the visual impact of these on the locality, and
- Be either dark grey or dark green as opposed to white, or any other light colour, in order for them to blend in as much as possible.

It is noted that the location of SCSPMA is largely determined by technical requirements and hence some alternate locations may not be feasible. However, agreement by Telecommunication Carriers to the application of these location, design and finishing principles will go some way to minimising the potential visual impact of these facilities on the character and amenity of the locality in which they are to be placed.

3. TERMS & DEFINITIONS

ACMA – Australian Communications and Media Authority

SCSPMA – Small cell stobie pole mounted antennae

Facility(ies) - Low-Impact Facility including small cell stobie pole mounted antennae

Carriers – A telecommunication company authorised by regulatory agencies to operate a telecommunications system

TIO – Telecommunications Industry Ombudsman

The Act – The Telecommunications Act, 1997

The Determination – Telecommunications (Low-impact Facilities) Determination 1997

4. OBJECTIVES

- **4.1** To minimise the impact of the installation of small cell stobie pole mounted antennae in the Adelaide Hills Council area for current and future generations.
- **4.2** To state Council's position with regard to the installation of small cell stobie pole mounted antennae within the Adelaide Hills Council area.
- **4.3** To protect localities from potential negative visual amenity and character impacts as a result of the installation of small cell stobie pole mounted antennae.
- **4.4** To advocate that this infrastructure be placed on commercial land or infrastructure as opposed to public, where possible.
- **4.5** Balance the visual impact of small cell stobie pole mounted antennae with the requirement to address mobile black spots and provide adequate mobile coverage to Adelaide Hills residents, business and visitors for public safety, commerce and accessibility.

5. POLICY STATEMENT

5.1 Adelaide Hills Council supports the installation of small cell stobie pole mounted antennae, where the installation appropriately responds to the visual amenity and character of a particular locality.

- **5.2** Adelaide Hills Council does not support the installation of small cell stobie pole mounted antennae, where the installation will unreasonably impact the visual amenity and character of a particular locality.
- **5.3** Council's preference is for such infrastructure to be placed on commercial and/or private land, as opposed to public, and will advocate with Telecommunication Carriers to achieve this aim, where possible.
- **5.4** Council will work cooperatively with Telecommunication Carriers to ensure that appropriate design and location outcomes, using best available and most feasible solutions, are achieved with regard to the installation of small cell stobie pole mounted antennae in the Adelaide Hills Council Area.

6. REVIEW OF THE POLICY

The following general principles will be applied in an instance where a change to the above stated Policy of the Adelaide Hills Council is being contemplated:

- **6.1** It is noted that flexibility to review and change policy is required to enable individuals, the Telecommunication Carriers, the community and/or government to adapt to and adopt change where appropriate.
- **6.2** Any changes to this Policy shall provide an opportunity for public input and debate/discussions before any changes are made.
- **6.3** If any legislative changes are proposed, then Council considers that public consultation be undertaken by the Federal Government. Council would seek to have the opportunity to consider all issues and then comment on those that are appropriate. Where a legislative change in relation to low-impact facilities or other circumstances influence Council's policy position, then the Policy shall be reviewed as expeditiously as possible.

7. DELEGATION

- **7.1** The Chief Executive Officer has the delegation to:
 - Approve, amend and review any procedures that shall be consistent with this Policy; and
 - Make any formatting, nomenclature or other minor changes to the Policy during the period of its currency.

8. AVAILABILITY OF THE POLICY

8.1 This Policy will be available for inspection at the Council's Offices during ordinary business hours and via the Council's website www.ahc.sa.gov.au. Copies will also be provided to the public upon request, and upon payment of a fee in accordance with the Council's Schedule of Fees and Charges.

Appendix 2

Updated Policy on Telecommunications Installation -Small Cell Stobie Pole Mounted Antennae

DRAFT COUNCIL POLICY



TELECOMMUNICATIONS INSTALLATION - SMALL CELL STOBIE POLE MOUNTED ANTENNAE

| Policy Number: | The Governance team will allocate the policy number. |
|--|---|
| Responsible Department(s): | Development & Regulatory Services |
| Relevant Delegations: | None |
| Other Relevant Policies: | None |
| Relevant Procedure(s): | None |
| Relevant Legislation: | Telecommunications Act 1997 (Federal) |
| Policies and Procedures Superseded by this policy on its Adoption: | Telecommunications Installation – Small Cell Stobie Pole Mounted Antennae adopted 23 July 2019 |
| Adoption Authority: | Council |
| Date of Adoption: | To be entered administratively |
| Effective From: | 8 March 2022 |
| Minute Reference for Adoption: | To be entered administratively |
| Next Review: | No later than 22 February 2025 or as required by legislation or changed circumstances |

Version Control

| Version No. | Date of Effect | Description of Change(s) | Approval |
|----------------|-------------------|--|-----------------------------------|
| 1.1 | 06/08/2019 | Adopted by Council | Council - Res 196/19 |
| 1.2 | 08/03/2022 | Legislative, formatting or other minor changes | Council – Res <mark>xx</mark> /22 |

TELECOMMUNICATIONS INSTALLATION – SMALL CELL STOBIE POLE MOUNTED ANTENNAE

1. INTRODUCTION

This policy has been prepared to articulate Council's position with regard to the installation of low impact telecommunication facilities in the Adelaide Hills Council area, in particular small cell Stobie pole mounted antennae **(SCSPMA)**.

Telecommunication Carriers need to install facilities to be able to deliver services to their customers. While current government policy allows the rollout of these facilities, one of the aims of the Telecommunications Act, 1997 (the Act) is to balance the needs of telephone companies with the rights of landowners, occupiers and local residents.

When installing large telecommunications facilities such as mobile phone towers, Telecommunication Carriers generally need to obtain development approval from local councils and comply with relevant state and territory planning laws. However, telecommunication companies licensed by the Australian Communications and Media Authority (ACMA) as 'carriers' may install a limited range of facilities (e.g. new antennae and microwave dishes, etc.) without the need to seek state or territory planning approval. The most common of these are 'low-impact facilities' such as Stobie pole mounted antennae.

Council considers that low-impact facilities, in particular SCSPMA, have the potential to impact the visual amenity and character of localities if their location, position and appearance is not properly considered. Given the potential roll out of additional SCSPMA facilities in the Adelaide Hills Council, there is a need for Council to take a proactive position on this issue and enable it to advocate for suggested ways to reduce the visual impacts of such antennae on the surrounding locality.

The policy position aims to protect the character and amenity of the District's residential settlements from the potential negative visual impacts of SCSPMA facilities and provides for guidelines for minimising these impacts. The Policy also outlines the general principles that will be applied in a situation where a change to the Council's adopted policy position is being contemplated.

2. OBJECTIVES

- 2.1 To minimise the impact of the installation of small cell Stobie pole mounted antennae in the Adelaide Hills Council area for current and future generations.
- 2.2 To state Council's position with regard to the installation of small cell Stobie pole mounted antennae within the Adelaide Hills Council area
- 2.3 To protect localities from potential negative visual amenity and character impacts as a result of the installation of small cell Stobie pole mounted antennae.
- 2.4 To advocate that this infrastructure be placed on commercial land or infrastructure as opposed to public, where possible.
- 2.5 Balance the visual impact of small cell Stobie pole mounted antennae with the requirement to address mobile black spots and provide adequate mobile coverage to Adelaide Hills' residents, business and visitors for public safety, commerce and accessibility.

3. DEFINITIONS

- 3.1 SCSPMA Small cell Stobie pole mounted antennae
- 3.2 Facility(ies) Low-Impact Facility including small cell Stobie pole mounted antennae
- 3.3 **Carriers** A telecommunication company authorised by regulatory agencies to operate a telecommunications system
- 3.4 **TIO** Telecommunications Industry Ombudsman
- 3.5 The Act The Telecommunications Act, 1997
- 3.6 The Determination Telecommunications (Low-impact Facilities) Determination 2018
- 3.7 **The Code of Practice** Telecommunications Code of Practice 2021

4. BACKGROUND

4.1 <u>What are Low-Impact Facilities?</u>

Low-impact facilities are those which, because of their size and location, are considered to have a low impact and be less likely to raise significant planning, heritage or environmental concerns. The Telecommunications (Low-impact Facilities) Determination 2018 lists types of low-impact facilities as follows:

- small radio communications dishes and antennae (small cell Stobie pole mounted antennae)
- underground cabling and cable pits, and
- public payphones.

It is noted that low-impact facilities can take on numerous configurations and forms. However, this policy is only concerned with small cell Stobie pole mounted antennae involving principally panel, yagi, or omni antennae and their associated structures.

The following images in Figure 1 and 2 depict the current configuration of small cell Stobie pole mounted antennae being rolled out in the Council area at Aldgate and Bridgewater. In addition, Figure 3 depicts an alternative example of a pole mounted antennae and enclosure.



Figure 1 & 2: Current 4G installations with omni antenna on utility pole and ground based enclosure (Aldgate and Bridgewater installation)



Figure 3: Current 4G installations using a "Koala" equipment enclosure on the pole (no ground based cabinet)

4.2 <u>Current Exemptions From State Planning Laws</u>

Part 1 of Schedule 3 to the Telecommunications Act 1997 allows a carrier to enter onto land and install a facility if the facility is a low-impact facility, without the need to acquire development plan approval under relevant state laws.

A low-impact facility is specified by the Determination. Two key qualifiers determine whether a facility can be classed as low impact, namely its location relative to the order of sensitivity and specific design parameters. The order of sensitivity, is based on local zoning regimes and has been identified as follows:

• area of environmental significance (i.e. World Heritage Area)

- residential areas
- commercial areas
- industrial areas
- rural areas.

The determination defines where low-impact facilities may be installed based on these zoning considerations. For example, a facility that is deemed low impact in an area zoned rural or industrial may not be low impact if it is installed in a residential area. A facility in an area of environmental significance, such as a World Heritage area or an area on the Register of the National Estate, cannot be designated as a low-impact facility. Figure 4 outlines the types of low-impact facilities in which the exemptions apply.

| Column 1 Item no. | Column 2 Facility | Column 3 Areas |
|----------------------|---|--|
| 1 | Subscriber connection deployed by radio or satellite terminal antenna or dish: | Residential Commercial |
| | (a) not more than 1.2 metres in diameter; and (b) either: (i) colour-matched to its background; or (ii) in a colour agreed in writing between the carrier and the relevant local authority | Industrial Rural |
| 2 | Subscriber connection deployed by radio or satellite terminal antenna or dish: (a) not more than 1.8 metres in diameter; and (b) either: (i) colour-matched to its background; or (ii) in a colour agreed in writing between the carrier and the relevant local government authority | Industrial Rural |
| 3 | Panel, yagi or other like antenna: (a) flush mounted to an existing structure; and (b) either: (i) colour-matched to its background; or (ii) in a colour agreed in writing between the carrier and the relevant local authority | Residential Commercial Industrial Rural |
| 4 | Panel, yagi or other like antenna: (a) not more than 2.8 metres long; and (b) if the antenna is attached to a structure— protruding from the structure by not more than 5 metres; and (c) either: (i) colour-matched to its background; or (ii) in a colour agreed in writing between the carrier and the relevant local authority | Residential Commercial Industrial Rural |

Figure 4 – Select Typesof Low-Impact Facilities and Associated Exemptions (Source: Telecommunications (Low-impact Facilities) Determination 2018)

As outlined in Section 4.1, this policy is only related to low impact facility installations involving row 3 and 4in Figure 4 above, namely small cell Stobie pole mounted antennae which includes "Panel, yagi, or other like antennae". For small cell Stobie pole mounted antennae to qualify for the exemption they must be limited to 2.8m in length, be fixed to a mounting arm not exceeding 5m and finished in colours to match its surrounds or be agreed upon with the local authority for that

locality, with negotiations to take place during the public notification process. The opportunity to negotiate as part of the public notification process provides the scope for Council to achieve the stated objectives of this Policy.

4.3 Telecommunications Code of Practice

While engaged in low-impact facility activities, the carrier must comply with the requirements in the Telecommunications Act and the Telecommunications Code of Practice 2021.

The Code of Practice requires that when a carrier is installing low-impact facilities, they must take all reasonable steps to:

- act in accordance with good engineering practice; and
- protect the safety of persons and property; and
- ensure that the activity interferes as little as practicable with:
 - o the operations of a public utility; and
 - o public roads and paths; and
 - the movement of traffic; and
 - the use of land; and
- protect the environment.

4.4 How Does a Carrier Select a Location?

It is noted that the installation of small cell Stobie pole mounted antennae aims to address specific black spots in relatively small locations (serving residents within a radius of 100m – 400m of the antennae). There are a number of factors for a Carrier to consider when selecting a location for a small cell Stobie pole mounted antennae. The items below are considered by Telecommunication Carriers to be the most pertinent when determining site selection for such a facility:

- Planning requirements (i.e. heritage listings, conservation areas etc.)
- Property tenure
- Ensure established agreements with respective area Power Distributors (i.e. SA Power Networks)
- AC Power availability
- Transmission (fibre or radio) availability in the immediate area
- Utility pole structural determination
- Power Distributor technical requirements (i.e. cannot install above bare power line conductors)
- Clearances from property boundaries
- Tree / Building clutter for suitable Radio Frequency (RF) performance

4.5 Additional Design Considerations

Under the Act, the maximum height allowance of a small cell Stobie pole mounted antennae is 6.5 metres above natural ground level. The most commonly installed facility is 5.8 metres high. By contrast, mobile phone towers are generally 25–30 metres high.

Telecommunication Carriers are required to keep a minimum of 1.2m physical clearance from uninsulated SA Power Networks power lines for antennas or other ancillary items. This is an SA Power Networks requirement. Clearances can be reduced on poles with insulated cables upon approvals from SA Power Networks.

Carriers can only co-site on certain types of SA Power Networks poles (i.e. not on those with switching/capacitive devices or transformers for example).

Carriers also have their own industry EME precautionary clearances to adhere to for transmitting antennas. Nominally a 5.0m clearance above ground level is required for antennas (base off), for Common Public Areas, however this can be reduced to 4.0m if conditions can be met ensuring any public EME exposure cannot occur. Each type of antenna will emit different EME patterns (plumes), horizontally and vertically from the antenna(s), so physical antenna clearances will vary, so carriers only work with the extremities of the plumes they emit. Telstra for example ensure RPS3 Occupational limit zones (Non-Public "yellow" zones) do not cross property boundaries unless at least 10.0m above ground level and/or at least 3.0m from building rooftops / balconies etc. To ensure compliance there are distinct guidelines that must be adhered.

4.6 Public Notification and Objection Resolution Process

The Telecommunications Code of Practice requires a carrier to:

- notify Council at least 10 business days before commencing the installation of a small cell Stobie pole mounted antennae on Council land
- make reasonable efforts to consult with, and resolve an objection from Council if a written objection is submitted
- respond to any objection in writing
- refer the matter to the Telecommunications Industry Ombudsman (TIO) if Council requests this (referral) in writing within five business days of receiving the carrier's written response
- comply with any direction from the TIO.

4.7 Summary of Objection Resolution Process

Council can object to the carrier about the installation of a small cell Stobie pole mounted antennae on Council land under the Telecommunications Code of Practice. Objections may be made about the:

- use of the land to engage in the activity
- <u>location</u> of a facility on the land
- date when the carrier proposes to start the installation, engage in it or stop it
- likely effect of the installation on the land
- carrier's proposals to minimise <u>detriment</u> and inconvenience, and to do as little damage as practicable, to the land.

Strict timeframes apply to the objection process. An objection under the Code of Practice must be made in writing to the carrier at least five business days before the commencement date for the installation in the carrier's notice. In addition to the 'what Council can object to' list above, it is noted that a preference for a colour or finish treatment should be made at this point in the process.

If Council's objection is not resolved, Council can require the carrier to refer the matter to the TIO. Once a carrier has considered the objection and responded to Council in writing, Council has five business days to request the carrier in writing to refer the objection to the TIO.

The TIO may investigate the proposal and decide whether to issue a direction to the carrier about the installation. Carriers must comply with a TIO direction. The TIO can also investigate complaints that a carrier has failed to give notice as required by the Telecommunications Code of Practice or about the manner in which the carrier has entered the land. Due to the tight time frames involved in this objection process, Administration would in this instance undertake this process and lodge the objection with the TIO.

4.8 <u>Projected Roll Out of Small Cell Stobie Pole Mounted Antennae Installations in Adelaide Hills</u> <u>Council</u>

There is only moderate demand in the near term for Carriers to install additional small cell Stobie pole mounted antennae facilities within the Council area, which is largely on account of the low population base. However, it is difficult to project how many small cell Stobie pole mounted antennae facilities may be required within the Adelaide Hills Council area in the longer term. It is considered likely that an increased roll out Stobie may be required in the future, particularly as part of the 5G upgrade and through an emerging preference for Telecommunication Carriers to install low-impact facilities over traditional large phone towers.

4.9 <u>What Solutions Exist to Minimise the Visual Impact?</u>

Telecommunication Carriers are aware of the need to ensure the installation of small cell Stobie pole mounted antennae is done as sensitively as possible within a given locality. Experience has demonstrated that there is a willingness for Carriers to cooperate with Council to ensure improved outcomes. For example, in previous instances Council has requested that antennae installed as part of a small cell Stobie pole mounted facility be finished in a neutral grey tone, with the associated ground based enclosure a heritage green, so as to blend in with its surrounds. This demonstrates the scope for Council to negotiate appropriate outcomes during the public notification process with regards to colour and finishes (as outlined in Section 2.6).

In addition to colour and finish treatments, there are additional solutions currently under development by Carriers that seek to further reduce the visual impact of these facilities. As demonstrated by Figure 5, a 'pod' solution is currently under trial that combines both the antennas and the radio units inside one tubular casing. This design markedly reduces visual clutter by removing the need for a ground based enclosure. Investigations have confirmed that these 'pods' can be finished in a range of colours to suit the locality in which they are installed. In a particularly sensitive area this could be a reasonable solution.

Another treatment under trial is a reflective wrap for the antennas, which aims to reduce the visual impact through concealment (refer to Figure 6 below). The wrap essentially reflects the colours of the sky and surrounds and thereby minimises its visual impact when viewed from a distance. This is considered an additional option to explore where a proposed location may make it difficult for colour and finish treatments alone to mitigate the visual impact of the proposed facility.



Figure 5: The pod solution (concept under trial) includes antennas/radio units all in one unit.



Figure 6: Reflective wrap installed on antennae to reflect background and respond to changing light conditions

5. APPLYING LOCATION AND DESIGN PRINCIPLES TO MINIMISE IMPACT

- 5.1 As outlined in Section 2.5, under the Telecommunications Act 1997, Council has scope to influence certain outcomes relating to the installation of small cell Stobie pole mounted antennae. In the context of the Adelaide Hills Council area being renowned for its leafy suburbs and country towns, and scenic landscapes which are traversed by tourist routes, it is considered that Council proactively protect the visual amenity and character of these areas, through the application of this policy. In particular, Council should negotiate with Telecommunication Carriers with regard to:
 - the location
 - design (including position); and
 - colour and finish treatments
- 5.2 To support these negotiations the following principles should be applied to the installation of SCSPMA:
 - Be placed on Stobie poles that are in the least obtrusive locations to minimise their visual impact on the locality
 - Be mounted on the top of a pole as opposed to the side mounted option
 - Be either dark grey or dark green as opposed to white, or any other light colour, in order for them to blend in with their natural surrounds as much as possible, and
- 5.3 In addition, the following principles should be applied to the installation of any associated ancillary boxes:
 - Be located at the base (rather than part way up) and behind the respective Stobie pole in order to reduce the visual impact of these on the locality, and
 - Be either dark grey or dark green as opposed to white, or any other light colour, in order for them to blend in as much as possible.
- 5.4 It is noted that the location of SCSPMA is largely determined by technical requirements and hence some alternate locations may not be feasible. However, agreement by Telecommunication Carriers to the application of these location, design and finishing principles will go some way to minimising the potential visual impact of these facilities on the character and amenity of the locality in which they are to be placed.

6. POLICY STATEMENT

- 6.1 Adelaide Hills Council supports the installation of small cell Stobie pole mounted antennae, where the installation appropriately responds to the visual amenity and character of a particular locality.
- 6.2 Adelaide Hills Council does not support the installation of small cell Stobie pole mounted antennae, where the installation will unreasonably impact the visual amenity and character of a particular locality.
- 6.3 Council's preference is for such infrastructure to be placed on commercial and/or private land, as opposed to public, and will advocate with Telecommunication Carriers to achieve this aim, where possible.

6.4 Council will work cooperatively with Telecommunication Carriers to ensure that appropriate design and location outcomes, using best available and most feasible solutions, are achieved with regard to the installation of small cell Stobie pole mounted antennae in the Adelaide Hills Council Area.

7. REVIEW OF THE POLICY

The following general principles will be applied in an instance where a change to the above stated Policy of the Adelaide Hills Council is being contemplated:

- 7.1 It is noted that flexibility to review and change policy is required to enable individuals, the Telecommunication Carriers, the community and/or government to adapt to and adopt change where appropriate.
- 7.2 Any changes to this Policy shall provide an opportunity for public input and debate/discussions before any changes are made.
- 7.3 If any legislative changes are proposed, then Council considers that public consultation be undertaken by the Federal Government. Council would seek to have the opportunity to consider all issues and then comment on those that are appropriate. Where a legislative change in relation to low-impact facilities or other circumstances influence Council's policy position, then the Policy shall be reviewed as expeditiously as possible.

8. DELEGATION

- 8.1 The Chief Executive Officer 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 <u>www.ahc.sa.gov.au</u>.

ADELAIDE HILLS COUNCIL ORDINARY COUNCIL MEETING Tuesday 22 February 2022 AGENDA BUSINESS ITEM

| ltem: | 12.7 |
|----------------------|---|
| Responsible Officer: | Rebecca Shepherd Manager Community Development Community Capacity |
| Subject: | Policy Review - Volunteer Engagement |
| For: | Decision |

SUMMARY

The Volunteer Engagement Policy 24 July 2018 has been reviewed and minor tracked amendments proposed for consideration. The purpose of this report is to seek Council adoption of the Volunteer Engagement Policy 22 February 2022 (Appendix 1).

The Policy outlines Council's commitment to volunteering and provides a best practice framework for the management of volunteers to ensure consistent practices are undertaken across Council.

RECOMMENDATION

Council resolves:

- 1. That the report be received and noted.
- 2. With an effective date of 8 March 2022, to revoke the *Volunteer Engagement Policy* 24 July 2018 and to adopt the draft Volunteer Engagement Policy 22 February 2022, as contained in Appendix 1.
- 3. That the Chief Executive Officer be authorised to make any formatting, nomenclature or other minor changes to the *Volunteer Engagement Policy* 22 February 2022 prior to the effective date of adoption.

1. GOVERNANCE

Strategic Management Plan/Functional Strategy/Council Policy Alignment

Strategic Plan 2020-24 – A brighter futureGoalCommunity WellbeingObjective C3A community that grows together

Priority C3.2 Support volunteering both organisationally and in the community as an essential element in delivering community outcomes and building wellbeing

The Volunteer Engagement Policy (the Policy) ensures that volunteers are managed consistently across Council.

Legal Implications

The Policy covers the following Acts:

- Volunteer Protection Act 2001
- Children's Protection Act 1993 (SA) and the Children's Protection Regulations 2010 (SA)
- Work Health Safety Act 2012
- Equal Opportunity Act 1992
- Local Government Act 1999

The Policy covers the legal requirements of involving volunteers and ensures appropriate processes are in place to manage volunteers in Council. Legal requirements are further supported through compliance to the *National Standards for Volunteer Involvement* (Volunteering Australia 2015) which sets our best practice guidelines for managing volunteers.

Risk Management Implications

Volunteers may be inappropriately engaged by Council and may be inconsistently managed across Council. Volunteers may also be at risk of workplace injury and decreased retention.

The adoption of the Volunteer Engagement Policy will assist in mitigating the risk of:

Those registered as Council volunteers being inappropriately engaged in the organisation which leads to inconsistent management practices, increased risk of workplace injury, decreased retention and overall reduction in human capital to achieve organisational goals.

| Inherent Risk | Residual Risk | Target Risk |
|---------------|---------------|-------------|
| Medium (3C) | Low (2D) | Low (1E) |

This Policy and associated processes are existing controls.

Financial and Resource Implications

There are no new financial and resource implications of adopting this Policy as they reflect existing practice and resource allocations.

Customer Service and Community/Cultural Implications

This Policy is placed to highlight the commitment Council has to volunteering. It provides a best practice framework for the management of volunteers articulating the structure and expectations around how volunteers are managed for the benefit of Council, the community and those individuals participating in the program.

> 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: | Desktop audit of other organisations' policies |
| | Community: Not Applicable |

2. BACKGROUND

Council supports a range of volunteer opportunities and programs that serve the community. These services are particularly focused around Libraries and Community Development and include but are not limited to:

- Transport
- Shopping assistance
- Youth Leadership
- Library services
- Community Centre
- Community Sheds
- Positive Ageing programs
- Advisory and Working Group Roles

To confirm Council's volunteer management practices are contemporary and meet best practice, the Policy was updated from the previous document to ensure its currency, to more clearly articulate Council's commitment to volunteering and to reflect the role of the Volunteering Coordinator.

3. ANALYSIS

The minor amendments to the Policy ensure the value and impact of volunteering is clearly articulated to stakeholders and a consistent and effective approach towards volunteer management is defined. The changes made to the Policy are reflected in *Appendix 1* and are discussed below.

The Policy reflects current practice and legislative requirements in the stated Acts, and other guidelines such as the:

• Volunteers Protection Regulations (SA) 2019

The updated Policy contains the following amendments:

- Reference to the AHC Strategic Plan 2020-2024, Goal 2, C3.2
- Clear definition of the role of the Volunteering Coordinator
- That a volunteer may terminate their volunteer role and that Council may terminate a volunteer's role

The Policy continues to reference roles and responsibilities of Council and volunteers in order to clearly set expectations, accepted behaviours and confirm boundaries. The Policy also reflects that Council may vary its response to bushfire, pandemic and disaster management. Council Volunteers must follow local, state and Federal regulations and legislation.

The Policy gives direction and structure to the way that volunteers are managed for the benefit of Council, the community and for the individuals participating in the program by stating the Council's expectations and standards for volunteers and the rights and responsibilities of volunteers.

4. OPTIONS

Council has the following options:

- I. Adopt the review of the *Volunteer Engagement Policy*. This Policy shows Council's commitment to meeting its legal responsibilities under the various Acts and effective involvement of volunteers through adhering to national standards (Recommended).
- II. Defer adoption of the *Volunteer Engagement Policy* to investigate any suggested amendments (Not Recommended).
- III. Not adopt the Volunteer Engagement Policy (Not Recommended)

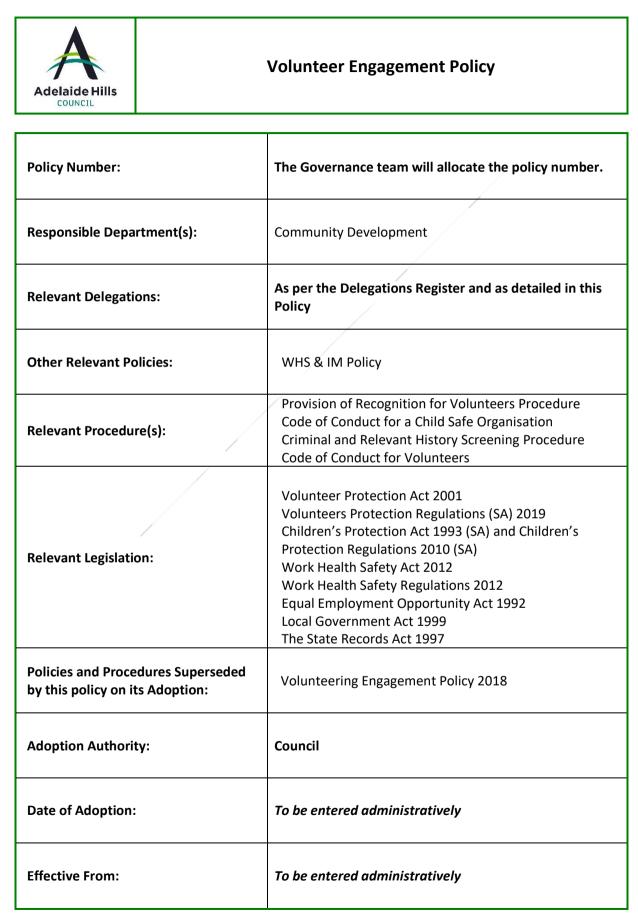
5. APPENDIX

(1) Volunteer Engagement Policy 22 February 2022

Appendix 1

Volunteer Engagement Policy 2022

COUNCIL POLICY



| Minute Reference for Adoption: | To be entered administratively |
|--------------------------------|---|
| Next Review: | No later than March 2025 or as required by legislation or changed circumstances |

Version Control

| Version No. | Date of Effect | Description of Change(s) | Approval |
|----------------|-------------------|--|--|
| 1.1 | 08/03/2022 | Minor amendments to reflect changes in AHC Strategic Plan and updating the Volunteering Coordinator role and responsibilities and that a volunteer role may be terminated | [To be added following Council adoption] |
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VOLUNEER ENGAGEMENT POLICY

1. INTRODUCTION

- 1.1 Adelaide Hills Council recognises the importance and the role of volunteering in strengthening connections and understanding between people which promotes a sense of belonging and social wellbeing for individuals, communities and society.
- 1.2 Council acknowledges volunteers are motivated by diverse factors and is committed to engaging volunteers in meaningful activities suited to their skills and interests. Council provides the support and recognition needed to assist volunteers perform their roles effectively. Council values diversity and we are committed to supporting a diverse volunteer base which is representative of our community.
- 1.3 Council demonstrates effective volunteer engagement delivered through a volunteer management framework and in accordance with the 'National Standards for Volunteer Involvement' (Volunteering Australia 2015).

2. OBJECTIVES

2.1 This policy confirms Council's commitment to volunteering and provides a best practice framework for the management of volunteers by:

- Articulating the basis for involving and providing direction and structure to the way volunteers are managed for the benefit of Council, the community and those individuals participating in the programs
- Provides understanding of Council's expectations and standards for volunteers and the rights and responsibilities of volunteers in accordance with the National Standards for Volunteer Involvement
- 2.2 The policy demonstrates Council's compliance with the:
 - Volunteer Protection Act 2001 and Volunteers Protection Regulations (SA) 2019
 - Children's Protection Act 1993 (SA) and Children's Protection Regulations 2010 (SA)
 - Work Health Safety Act 2021
 - Equal Employment Opportunity Act 1992
 - Local Government Act 1999 and
 - Volunteering Australia's National Standards for Volunteer Involvement 2015

2.3 This policy has been developed to reflect Council's strategic objectives in relation to volunteering.

3. DEFINITIONS

3.1 **"Volunteering"** is time willingly given for the common good and without financial gain (Volunteering Australia 2015)

3.2 A **"volunteer"** is an individual who is registered with and has approval by Council to undertake activities:

- Of the volunteer's own free will and without coercion
- For no financial reward from Council
- In designated volunteer positions only

3.3 The following persons, for the purposes of this policy, are not considered volunteers:

- People on student placement and work experience programs
- Council Members of Adelaide Hills Council
- Persons receiving payment outside of the volunteer reimbursement framework
- People working on a voluntary basis for organisations with the Council
- Partners or supports

3.4 A "**Volunteer Leader**" in Council is defined as paid staff members who are directly responsible for the day to day management and leadership of volunteers undertaking duties on behalf of Council.

3.5 The **"Volunteering Coordinator"** in Council is defined as an AHC staff member who develops and implements systems to support, attract, recruit and retain volunteers and who supports Volunteer Leaders to manage and lead volunteers.

4. SCOPE

4.1 This policy is intended as a guide for all Council departments which involve volunteers that are registered with Adelaide Hills Council. It also guides Council's vision for the ongoing engagement and involvement of volunteers.

4.2 This policy applies to all volunteers and to those employees who work in activities, programs and services where volunteers are involved.

5. POLICY STATEMENT

Policy Principles

5.1 Council supports volunteering and understands that effective engagement of volunteers provides the organisation with skills, talents and perspectives that are essential to remaining relevant and sustainable and extends our capacity to accomplish our goals.

5.2 Council recognises that the volunteer program provides several benefits to both the volunteers and the community including:

- Community participation
- Enhanced personal development and self esteem

- Increased access to resources and information
- Social interaction and satisfaction
- Participation with established Council services and events
- Improvement to the well-being of the community

5.3 Council supports a range of volunteer programs that serve the local community in a variety of areas including, but not limited to:

- Transport
- Youth Leadership
- Shopping assistance
- Library services
- Community Centres
- Community Sheds
- Arts & Heritage
- Advisory Groups

5.4 Volunteer responsibilities are formalised and documented for each volunteer program, which clearly identify the role of each volunteer. Council provides adequate resources to manage its various volunteer programs to ensure that the objectives of this Policy are met.

6. ROLES AND RESPONSIBILITIES

- 6.1 <u>Volunteers' Rights</u>: Council recognises that volunteers have the right to:
 - Make a choice of type of involvement, commitment of time, and the right to say 'no'
 - Be provided with a clearly written Volunteer Role Description and to receive appropriate orientation and ongoing training
 - Have access to designated employees (Volunteer Leaders) with queries or support relating to their volunteer role
 - Receive ongoing support and direction from Volunteer Leaders
 - Be provided with the appropriate resources to undertake their volunteer duties as required
 - Be treated with respect and as a valued member of the team
 - Receive reimbursement for approved out-of-pocket expenses
 - Be consulted, valued and welcomed regarding ideas and suggestions for improvements to the program with which they work
 - Have complaints or grievances heard by an appropriate People Leader (Volunteer Leader, Volunteering Coordinator or Team Leader) and to be aware of the grievance procedures
 - Work in a safe environment
 - Be covered by appropriate insurances whilst engaged in their volunteer duties
 - Terminate their volunteer role with Council at any time

6.2 <u>Volunteers' Responsibilities</u>: Council recognises that volunteers have obligations and responsibilities to the Council including:

- Make a realistic commitment in terms of involvement and reliability
- Understand and acknowledge the requirements of the Code of Conduct for Volunteers and relevant policies and procedures
- Participate in the appropriate induction and ongoing training as provided

- Report to their Volunteer Leader any damage to property or third party
- Notify their Volunteer Leader if they are unable to undertake duties
- Report any unsafe working conditions / potential hazards to their Volunteer Leader
- Operate under the direction and supervision of Council employees to achieve the objectives required
- Maintain confidentiality regarding Council business, program information or any other sensitive, private information they come across during their volunteer duties
- Council Volunteers must follow local, state and Federal regulations and legislation in relation to bushfire, pandemic and disaster management.
- 6.3 <u>Council's Rights</u>: Council has the right:
 - To negotiate a commitment from a volunteer
 - To expect a volunteer to undergo appropriate training
 - To expect to be notified in advance if a volunteer is unable to undertake duties
 - To refuse a volunteer placement
 - To request that a volunteer undertakes a Criminal and Relevant History Screening Check or medical check for fitness for the position, predetermined by the chosen area of work
 - To expect a volunteer to observe privacy and confidentiality obligations
 - To terminate a volunteer appointment due to unsatisfactory volunteer work and/or inappropriate behaviour or if the role is no longer required
- 6.4 <u>Council's Responsibilities</u>: Council will ensure that volunteers:
 - Do not undertake duties assigned to employees
 - Are offered reimbursement for approved out-of-pocket expenses
 - Have adequate skills and knowledge to undertake duties
 - Are provided with a volunteer induction and local orientation and appropriate training
 - Receive appropriate support and supervision
 - Are registered with Council, through registration in the Better Impact Volunteer Management system, and insured within Council's Personal Accident and Public Liability policies whilst undertaking approved work activities
 - Have a safe working environment, safe equipment and safe systems of work
 - Have adequate resources to ensure the sustainability of the volunteer management system

7. **DELEGATION**

- 7.1 The Chief Executive Officer 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.

7. AVAILABILITY OF THE POLICY

8.1 This Policy will be available via the Council's website <u>www.ahc.sa.gov.au</u>.

ADELAIDE HILLS COUNCIL ORDINARY COUNCIL MEETING Tuesday 22 February 2022 AGENDA BUSINESS ITEM

| Item: | 12.8 |
|----------------------|---|
| Responsible Officer: | Natalie Westover Manager Property Services Corporate Services |
| Subject: | Policy Adoption - Alteration and Occupation of Road Policy Review (Previously Road Rents Policy) |
| For: | Decision |

SUMMARY

Council has developed a range of policies over a number of years that are periodically reviewed in accordance with a schedule previously endorsed by the Strategic Planning & Development Policy Committee to ensure they remain compliant and contemporary. This report seeks a review of the *Alteration and Occupation of Public Roads Policy*.

RECOMMENDATION

Council resolves:

- 1. That the report be received and noted
- 2. With an effective date of 8 March 2022, to revoke the 24 April 2018 *Road Rents Policy and* adopt the 22 February 2022 draft *Alteration and Occupation of Public Roads Policy* as contained in *Appendix 1*.
- 3. That the Chief Executive Officer be authorised to make any formatting, nomenclature or other minor changes to the 22 February 2022 draft *Alteration and Occupation of Public Roads Policy* prior to the effective date.

1. GOVERNANCE

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 O3.1 | Enhance governance structures and systems to prudently adapt to changing circumstances and meet our legislative obligations |

The Council is committed to open, participative and transparent decision making and administrative processes. We diligently adhere to legislative requirements to ensure public accountability and exceed these requirements where possible.

Legal Implications

Sections 221, 222 and 223 of the *Local Government Act 1999* (the Act) allows Council to allocate permits relative to the use of roads and road reserves.

Section 125 of 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.

> Risk Management Implications

Maintenance of a contemporary and legislatively compliant policy framework 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

The proposed changes to the policies do not result in any changes to the existing financial position for customers.

The review of the policies has been managed within existing resource allocations.

Customer Service and Community/Cultural Implications

There is a high expectation that Council has appropriate corporate governance processes in place including an effective suite of policies.

The adoption of the *Alteration and Occupation of Public Road Policy* will provide information and direction to both Council staff and the community in relation to the rules and regulations governing the use of road verges for business purposes.

Sustainability Implications

Not Applicable.

> Engagement/Consultation conducted in the development of the report

| Council Committees: | Not Applicable |
|---------------------|---|
| Council Workshops: | Not Applicable |
| Advisory Groups: | Property Advisory Group 8 November 2021 |
| External Agencies: | Not Applicable |
| Community: | Not Applicable |

2. BACKGROUND

Council has developed a range of policies over a number of years that are periodically reviewed to ensure they remain compliant and contemporary. This report seeks a review of the *Alteration and Occupation of Public Roads Policy* (previously Road Rents Policy).

3. ANALYSIS

Since the last policy review in 2018, Council has prepared an *Alteration of a Public Road Procedure* to ensure applications for alteration on road reserves and roads are assessed, completed and documented in a unified manner by the Property and Infrastructure and Operations Departments.

The proposed name change of the policy, also better reflects the various uses of permits from rental of unmade roads through to encroachments on road reserves, and alterations on road reserves such as: vegetation removal, installation of crossovers and installation of service infrastructure on road reserves.

The *Road Rents Policy* was last reviewed in April 2018. The format of the Policy has been changed to comply with existing standards and to make it easier to read and understand. There are no substantial changes proposed to this policy, other than to ensure the terminology used is reflected in the new procedure document. Refer to *Appendix 1*.

4. OPTIONS

Council has the following options:

- I. To adopt the draft *Alteration and Occupation of Public Roads Policy* as attached (Recommended)
- II. To alter or substitute elements of the draft *Alteration and Occupation of Public Roads Policy* (Not Recommended).

Should the Council identify the need for substantial amendments to the draft Policy, it is recommended that they be referred to staff for review to allow for analysis of the implications of the amendments, prior to the matter being brought back to the Council for further consideration.

5. APPENDIX

(1) Draft Alteration and Occupation of Public Road Policy

Appendix 1

Draft Alteration and Occupation of Road Policy

COUNCIL POLICY



1

1

ALTERATION & OCCUPATION OF PUBLIC ROADS ROAD RENTS

| Policy Number: | INF-06 |
|--|---|
| Responsible Department(s): | Property Services |
| Other Relevant Policies: | Outdoor Dining, Festivals & Events, Roadside Trading, Public Consultation & Review of Council Decisions |
| Relevant Procedure(s): | Road Rent Procedure Manual 2005 Alteration of Road Procedure 2021 |
| Relevant Legislation: | Section 221, 222 & 223 – Local Government Act 1999 |
| Policies and Procedures Superseded by this policy on its Adoption: | Road Rents, 24/4/2018, 12.5Road Rents, 04/12/2007, Item 10.2, B326 |
| Adoption Authority: | Council |
| Date of Adoption: | 24 April 2018 <u>To be entered administratively</u> |
| Effective From: | 14 May 2018To be entered administratively |
| Minute Reference for Adoption: | <u>To be entered administratively</u> \tem 12.5, 91/18 |
| Next Review: | No later than March 2021 <u>5</u> or as required by legislation or changed circumstances |

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Road Rents PolicyAlteration and Occupation of Public Roads (Previously Road Rent Policy)

Version Control

I

| Version No. | Date of Effect | Description of Change(s) | Approval |
|----------------|-------------------|-----------------------------|---------------------------|
| | | | |
| 1.0 | 4/12/2007 | Initial Policy for adoption | Council – B326 |
| 2.0 | 24/4/2018 | Policy Review | <u>Council – Re 91/18</u> |
| | | | |
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| | | | |

ALTERATION AND OCCUPATION OF PUBLIC ROAD (Previously Road Rent) POLICY

ROAD RENTS POLICY

1. INTRODUCTION

1.1 Adelaide Hills Council is responsible for the upkeep and management ofthe majority of the roads within its council boundaries. Whilst most roads are used by the general public and carry a large amount of traffic daily, there are a number of smaller less used roads that provide access to individual properties, as well as roads that have been planned, with titles created, but have not been built. These roads are referred to as unmade public roads. In addition to these, there are road reserves which generally comprise the area of reserve between the actual sealed roadway and the boundary of properties that adjoin the roadway.

<u>1.2</u> The Council's Property, Biodiversity and Infrastructure and Operations teams issue and administer all road use permits in accordance with Division 6 – Control of work on roads of the *Local Government Act 1999*.

1.1 Adelaide Hills Council is responsible for the upkeep and management of the majority of the roads within its council boundaries. Whilst most roads are used by the general public and carry a large amount of traffic daily, there are a number of smaller less used roads that provide access to individual properties, as well as roads that have been planned, with titles created, but have not been built. These roads are referred to as unmade roads. In addition to these, there are road reserves which generally comprise the area of reserve between the actual sealed roadway and the boundary of properties that adjoin the roadway.

1.2 Within the Adelaide Hills Council area a number of roads were planned but never made. The council issues permits to persons that occupy the unmade roads who are generally the owners of properties that adjoin these unmade roads and that utilise them as part of their property.

These permits allow adjoining property owners to make alterations to roads, unmade roads and road reserves for such activities as fencing to enclose stock for grazing purposes, fire hazard reduction, horticultural activities and general use in conjunction with the adjoining property. The Council's Property Department issues and administers all road rent permits in accordance with Division 6 – Control of work on roads of the Local Government Act 1999.

2. <u>PURPOSEOBJECTIVES</u>

2.1 The main purpose of issuing road rent permit is to provide statutory authorisation **Formatte** to property owners allowing them to use council road reserves for private and business

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Page 3

uses. The permit provides clear terms and conditions about the type of activity that may occur on specific sections of council road reserves. The permit also requires the holder to obtain adequate Public Liability Insurance for activities undertaken pursuant to the permit.

3. DEFINITIONS

I

| <u>Alteration</u> | Under Section 221 of the Local Government Act (SA) 1999: |
|--|---|
| | altering the construction or arrangement of the road to permit or facilitate access from an adjacent property; or |
| | erecting or installing a structure (including pipes, wires, cables, fixtures, fittings and other objects) in, on, across, under or over the road; or |
| | changing or interfering with the construction, arrangement or materials of the road; or |
| | changing, interfering with or removing a structure (including pipes, wires, cables, fixtures, fittings or other objects) associated with the road; or |
| | planting a tree or other vegetation on the road, interfering with vegetation on the road, or removing vegetation from the road. |
| <u>Term</u> | Permit term may be issued for up to a five (5) year period, in accordance with this Policy. |
| <u>Non-Exclusive Permit</u> | The permit holder has a right to use the road reserve for specific purpose but the right does not entitle the holder to exclusive use or possession. The permit holder must make adequate provision for other users to have free, safe and unrestricted access over the area to which a permit may pertain. The road reserve may be fenced but must allow for an unlocked gate, and if required by Council, signage to confirm that the land is publicly accessible. |
| <u>Exclusive Permit</u> | The permit holder has a right to exclusive use of the road or road reserve, but Council and or any other person authorised by or through Council may use or access the road. |
| <u>Commercial/Special</u> <u>Purpose Permit</u> | This permit is used when a road reserve or part of a road reserve is authorised for one- off special use such as café sidewalk/outdoor seating or commercial uses such as roadside petrol outlet that are not appropriate to issue as either a non-exclusive or exclusive permit. |
| <u>Road</u> | Under the Local Government Act 1999, means a public or private street, road or thoroughfare to which public access is available on a continuous or substantially continuous basis to vehicle or pedestrians or both and includes a bridge, viaduct, subway, alley, laneway or walkway. |

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Road Rents PolicyAlteration and Occupation of Public Roads (Previously Road Rent Policy)

Page 5

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ROAD ALTERATION EXAMPLES

5.

pursuant to the permit.

with the adjoining property.

4. POLICY STATEMENT

Below are common alterations to public roads, which require the authorisation of Council, but is not a comprehensive list:

Section 221 of the Local Government Act 1999 states that a person must not make an

The main purpose of issuing a permit is to provide statutory authorisation to property owners allowing them to use council road reserves for private and business uses. The permit provides clear terms and conditions about the type of activity that may occur on specific sections of unmade roads and road reserves. The permit also requires the holder to obtain adequate Public Liability Insurance for activities undertaken

These permits allow adjoining property owners to make alterations to roads, unmade roads and road reserves for such activities as fencing to enclose stock for grazing purposes, fire hazard reduction, horticultural activities and general use in conjunction

alteration to a public road unless authorised to do so by the Council,

- Construction of a new property access
- Widening a driveway crossover
- Building a second driveway crossover
- Erecting a fence on the verge
- Installing new kerb
- Excavating within the carriageway
- Verge planting
- Indirect water service works
- Installation of advertising signage
- Installation of fixed signage on road reserve
- Installation of fixed bollards/tables or other built structures on the road reserve
- Physical construction of a track/path
- Grazing/fire hazard reduction of unmade public road (UPR)
- Use of public road for parking
- Installation of a mailbox on road reserve
- Temporary installation of skip bin/shipping container/temporary fence on road/road reserve

6. TYPES OF PERMITS

There are three types of permits: Non Exclusive, Exclusive, and Special Purpose/Commercial.

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6.1 Non Exclusive Permits

The permit holder has a right to use the road reserve for specific purpose but the right does not entitle the holder to exclusive use or possession. The permit holder must make adequate provision for other users to have free, safe and unrestricted access over the area to which a permit may pertain. The road reserve may be fenced but must allow for an unlocked gate, and if required by Council, signage to confirm that the land is publicly accessible.

6.2 Exclusive Permits

The permit holder has a right to exclusive use of the road or road reserve, but Council and or any other person authorised by or through Council may still use or access the road.

6.3 Commercial/Special Purpose Permits

This permit is used when a road reserve or part of a road reserve is authorised for one-off special use such as café sidewalk/outdoor seating or commercial uses such as roadside petrol outlet that are not appropriate to issue as either a non-exclusive or exclusive permit.

7. TERM

- 7.1 Council issues permits for up to a five (5) year period. Permits will expire at 30 June or upon the change in ownership of the adjoining land holding.
- 7.2 A permit may be cancelled by the permit holder in the nominated year by providing three (3) months written notice to Council.
- 7.3 Requests for longer terms, in line with legislation (up to 42 years) for exclusive or commercial/special purpose permits will be assessed on a case by case basis. These requests will be brought to Council for a resolution prior to the permit being issued.

8. ANNUAL REVIEW

8.1 Permits are subject to an annual review to determine compliance with the permit.

8.2 If the Permit holder is in breach of the terms and condition of the permit, then the Council is entitled to terminate the permit by providing three (3) months written notice to the permit holder.

9. PUBLIC CONSULTATION

9.1 Non Exclusive Permits

No consultation is required for Non Exclusive Permits.

9.2 Exclusive Permits and Commercial/Special Purpose Permits

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In accordance with Section 223(1)(c) of the Local Government Act 1999 and Section 25(1) of the Local Government Act (General) Regulations 2013, public consultation is required only in the event of:

- (a) the permit resulting in any part of a road being fenced, enclosed or partitioned so as to impede the passage of traffic to a material degree; or
- (b) To authorise the use of a road for cultivation purposes when any part of the road is to be fenced.

10. INSURANCES

- 10.1
 Public Liability insurance must be maintained by the permit holder for anamount not less than \$20,000,000 per event or such other amount as the Council may from time to time require, and
- 10.2 Permit holders must provide a copy of the certificate of currency for Public Liability Insurance on an annual basis.
- 10.3 The Permit Holder agrees to indemnify and to keep indemnified Council, itsservants and agents and each of them from and against all actions, costs, claims, damages, charge and expenses whatsoever which may be brought or made or claimed against them or any of them arising out of or in relation to the Permit as determined by the Council.

11. EXPIRATION OR TERMINATION OR THE PERMIT

- 11.1 At either the expiration or termination of the permit, the Council may require thepermit holder to make good the land, or to make good the land or compensate the Council for the cost required to make good the land, ie. damages to fencing or erosion issues.
- 11.2 If the permit holder is in breach of the terms and conditions of the permit, then the Council is entitled to terminate the permit by providing written notice to the permit holder.

12. SALE/TRANSFER OF ADJOINING LAND

Upon the sale of the adjoining land:

- 12.1 Council will reissue the road rent permit in the name of the purchaser of the adjoining land,
- 12.2 If the road rent of that financial year is not adjusted between the Vendor and Purchaser at settlement, the Council will provide a pro-rata refund to the Vendor and will charge the Purchaser with a road rent permit fee on a pro-rata basis for the balance of the financial year.

13. MAINTENANCE

<u>13.1</u> The permit holder must keep the permit land in a state appropriate for its situation including management of vegetation to reduce fire risk.

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|---|---|
| 13.2 The permit land must be kept free of rubbish. Accumulation of waste on the permit land is prohibited and Council will remove at the permit holder's expense. 14. FEES | |
| 14.1 Permit fees (Road Rents) are reviewed and set annually by Council as at 1 July each year. In the event that a permit commences after 1 July, the annual fee will be adjusted on a pro-rata basis. | |
| 14.2 Please refer to Council's Fees and Charges Register on the Council's website (www.ahc.sa.gov.au) for permit costs. | |
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| 15. NATURAL RESOURCES AND REMNANT VEGETATION | Formatted: Indent: Left: 1.27 cm, No bullets or numbering |
| Remnant vegetation may exist on many road reserves, closed roads and unmade roads. These road areas are often maintained by local bush care groups. In obvious cases where vegetation and understorey exists, grazing and other uses that can damage the environment are not permitted. The Biodiversity Management Team is consulted prior to any permit being granted. | |
| 16. STATUTORY AUTHORITIES AND SERVICES | Formatted: Outline numbered + Level: 1 + Numbering Style 1, 2, 3, + Start at: 1 + Alignment: Left + Aligned at: 0.63 cm + Tab after: 1.9 cm + Indent at: 1.9 cm |
| Quite often, statutory authorities run electrical, communications, drains and sewers through road reserves. These authorities are protected by statutory easements, which are not generally registered. Care must be taken to protect these authorities' interests and no digging or major alteration is allowed. Furthermore, no construction of structures is allowed on road reserve without the prior consent of Council. | |
| 17. DELEGATION | Formatted: Outline numbered + Level: 1 + Numbering Style 1, 2, 3, + Start at: 1 + Alignment: Left + Aligned at: 0.63 cm + Tab after: 1.9 cm + Indent at: 1.9 cm |
| <u>Approve, amend and review any procedures that shall be consistent with this</u> <u>Policy; and</u> | |
| Make any formatting, nomenclature or other minor changes to the Policy during the period of its currency. | |
| 18. AVAILABILITY OF THE POLICY | Formatted: Indent: Left: 2.5 cm, No bullets or numbering Formatted: Outline numbered + Level: 1 + Numbering Style |
| This Policy will be available for inspection at the Council's Offices during ordinary business hours and via the Council's website www.ahc.sa.gov.au. | 1, 2, 3, + Start at: 1 + Alignment: Left + Aligned at: 0.63 cm + Tab after: 1.9 cm + Indent at: 1.9 cm |
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DON'T FORGET TO UPDATE HEADERS

ADELAIDE HILLS COUNCIL ORDINARY COUNCIL MEETING Tuesday 22 February 2022 AGENDA BUSINESS ITEM

| ltem: | 12.9 | |
|----------------------|--|--|
| Responsible Officer: | Natalie Westover | |
| | Manager Property Services | |
| | Corporate Services | |
| Subject: | Policy Review - Outdoor Dining Permit Policy | |
| For: | Decision | |

SUMMARY

Council has developed a range of policies over a number of years that are periodically reviewed in accordance with a schedule previously endorsed by the Strategic Planning & Development Policy Committee to ensure they remain compliant and contemporary. This report seeks a review of the Outdoor Dining Permit Policy.

RECOMMENDATION

Council resolves:

- 1. That the report be received and noted
- 2. With an effective date of 8 March 2022, to revoke the 24 April 2018 *Outdoor Dining Permit Policy* and to adopt the 22 February 2022 draft *Outdoor Dining Policy* as contained in *Appendix 1*.
- 3. That the Chief Executive Officer be authorised to make any formatting, nomenclature or other minor changes to the 22 February 2022 draft *Outdoor Dining Policy* prior to the effective date.

1. GOVERNANCE

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 O3.1 | Enhance governance structures and systems to prudently adapt to |
| | changing circumstances and meet our legislative obligations |

The Council is committed to open, participative and transparent decision making and administrative processes. We diligently adhere to legislative requirements to ensure public accountability and exceed these requirements where possible.

Legal Implications

Sections 221, 222 and 223 of the *Local Government Act 1999* (the Act) allows Council to allocate permits relative to the use of roads and road reserves.

Section 125 of 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.

> Risk Management Implications

Maintenance of a contemporary and legislatively compliant policy framework 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

The proposed changes to the policies do not result in any changes to the existing financial position for customers.

The review of the policies has been managed within existing resource allocations.

Customer Service and Community/Cultural Implications

There is a high expectation that Council has appropriate corporate governance processes in place including an effective suite of policies.

The adoption of the *Outdoor Dining Policy* will provide information and direction to both Council staff and the community in relation to the rules and regulations governing the use of road verges for business purposes.

Sustainability Implications

Not Applicable.

> Engagement/Consultation conducted in the development of the report

| Council Committees: | Not Applicable |
|---------------------|---|
| Council Workshops: | Not Applicable |
| Advisory Groups: | Property Advisory Group 8 November 2021 |
| External Agencies: | Not Applicable |
| Community: | Not Applicable |

2. BACKGROUND

Council has developed a range of policies over a number of years that are periodically reviewed to ensure they remain compliant and contemporary. This report seeks a review of the *Outdoor Dining Policy*.

3. ANALYSIS

The *Outdoor Dining Policy* was last reviewed in April 2018. The format of the policy has been changed to comply with existing standards and to make it easier to read and understand.

There are no substantial changes proposed to this policy other than rewording the sections to make it clearer and updating the Application form. Refer to **Appendix 1**.

4. OPTIONS

Council has the following options:

- I. To adopt the draft *Outdoor Dining Policy* as attached (Recommended)
- II. To alter or substitute elements of the draft Outdoor Dining Policy (Not Recommended).

Should the Council identify the need for substantial amendments to the draft Policy, it is recommended that they be referred to staff for review to allow for analysis of the implications of the amendments, prior to the matter being brought back to the Council for further consideration.

5. APPENDICES

- (1) Draft Outdoor Dining Policy
- (2) Outdoor Dining Configuration Techniques
- (3) Outdoor Dining Planter Box and Screens
- (4) Outdoor Dining Furniture Guide Chairs
- (5) Outdoor Dining Furniture Guide
- (6) Outdoor Dining Application Form
- (7) Outdoor Dining Assessment Checklist
- (8) Outdoor Dining Guide for Applicants

Appendix 1 Draft Outdoor Dining Policy

COUNCIL POLICY



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OUTDOOR DINING

| Policy Number: | The Governance team will allocate the policy number. | |
|--|---|--|
| Responsible Department(s): | Property Services | |
| Relevant Delegations: | As per the Delegations Register and as detailed in this Policy | |
| Other Relevant Policies: | Alteration of Road Policy | |
| Relevant Procedure(s): | Alteration of Road Procedure | |
| Relevant Legislation: | Local Government Act 1999, Planning, Development and Infrastructure Act 2016, Public and Environmental Health Act 1987, Food Act 2001 | Formatted: Font: 11 Formatted: Font: 11 |
| Policies and Procedures Superseded by this policy on its Adoption: | Outdoor Dining 24/4/2018, Item 12.5 | |
| Adoption Authority: | Council | |
| Date of Adoption: | To be entered administratively | |
| Effective From: | To be entered administratively | |
| Minute Reference for Adoption: | To be entered administratively | |
| Next Review: | No later than March 2025 or as required by legislation or changed circumstances | |

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<<u>Policy Name> Outdoor Dining</u> Policy

Version Control

| Version No. | Date of Effect | Description of Change(s) | Approval |
|--|-------------------|-----------------------------|--------------------------------------|
| 1.0 | 23/02/1999 | Initial policy for adoption | Council – Res B78 |
| 2.0 | 04/12/2007 | Policy Review | Council – Res B326 |
| <u>1.0</u> <u>2.0</u> <u>3.0</u> | 08/11/2011 | Policy Review | Council – Res 327 |
| <u>4.0</u> | 24/4/2018 | Policy Review | <u>Council – Res</u> <u>91/18</u> |
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OUTDOOR DINING POLICY

1. INTRODUCTION

1.1 The Adelaide Hills Council recognises and supports the practice of outdoor dining in the various business centres within the townships and urban areas of the Council area, but acknowledges the need for appropriate permit procedures and guidelines for the assessment and approval of these activities.

Outdoor dining contributes to the amenity of our streetscapes and other public places. Outdoor or *al fresco* dining areas provide a place to not only eat, but are also venues for meeting, and a place for people to engage in the social and cultural life in the Adelaide <u>Hills.</u>

<u>1.2</u> Council has an active involvement in the management of Outdoor Dining Areas, and may get involved in the following ways:

- as a Land Owner
- as the Development Assessment Authority administering the Development Act 1993.
- as the Administrator of the Local Government Act 1999 and the issuer of
 authorisation permits.
- as an Enforcement body in relation to the Food Act 2001

2. OBJECTIVES

The policy provides guidelines that facilitate outdoor dining in the Adelaide Hills area. It establishes the approach to be taken when assessing outdoor dining applications and while issuing Permits for Outdoor Dining Areas, to ensure an appropriate balance between the interests of Council, businesses, residents and visitors to the Adelaide Hills Council area. The Policy is consistent with an integrated approach to the design and management of the Council's public realm that is aimed at improving its quality and image.

2.52.1 The objectives of this policy are:

- To demonstrate the accountability and responsibility of the Adelaide Hills Council to its ratepayers;
- To treat all parties involved fairly and equitably; and
- To monitor and record all processes related to the assessment and issuing of Outdoor Dining Permits in the Adelaide Hills Council district
- ———To provide for and improve public health, safety and amenity in relation to outdoor dining areas. To treat all parties involved fairly and equitably;

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| | altering the construction or arrangement of the road to permit or facilitate access from an adjacent property; or | |
| | erecting or installing a structure (including pipes, wires, cables, fixtures, fittings and other objects) in, on, across, under or over the road; or | |
| | changing or interfering with the construction, arrangement or materials of the road; or | |
| | changing, interfering with or removing a structure (including pipes, wires, cables, fixtures, fittings or other objects) associated with the road; or | |
| | planting a tree or other vegetation on the road, interfering with vegetation on the road, or removing vegetation from the road. | |
| <u>Commercial/Special</u> <u>Purpose Permit</u> | This permit is used when a road reserve or part of a road reserve is authorised for one- off special use such as café sidewalk/outdoor seating or commercial uses such as roadside petrol outlet that are not appropriate to issue as either a non-exclusive or exclusive permit. | |
| <u>Outdoor Dining</u> | is defined as tables and chairs placed on public land for the purpose of increasing the capacity of the café, delicatessen, dining or similar option for the proprietor and customers. | |
| Road | Under the Local Government Act 1999, means a public or private street, road or thoroughfare to which public access is available on a continuous or substantially continuous basis to vehicle or pedestrians or both and includes a bridge, viaduct, subway, alley, laneway or walkway. | |

4. SCOPE

In any, or all, of the above ways Outdoor Dining Areas will require Council consent under:

- 4.1 The Local Government Act (Section 208) where an area is owned by Council, the Council's consent is required to ensure that the land is being used in an appropriate manner - this permission is given under the Local Government Act 1999 by way of a permit or authorisation.
- 4.2 The Planning, Development and Infrastructure Act 2016 where, in addition to requiring a Permit under the Local Government Act, the establishment of Outdoor Dining areas may require (especially if located on a footpath), Development Approval (including both Development Plan Consent and/or Building Rules Consent).

If a change of land use is envisaged to be a part of the application, then Development Plan Consent will be required. These approvals must consider the criteria set out in this policy and adhere to the recommended layout requirements shown in Appendices 1, 2, 3, 4 and 5. Tables and chairs must be positioned in a

regular, orderly manner. Staff of the food business must conduct meals, service and clearing in a manner consistent with the requirements of the Development Approval. Applications for approval must address car parking requirements, pedestrian access areas, safety requirements for patrons and motorists, and other relevant issues.

Construction of any fixtures and additional structures such as blinds, awnings and screens may also require approval under the *Planning*, *Development and Infrastructure Act 2016*.

- 4.3 Areas where Outdoor Dining extends to footpaths, where the use is deemed as constituting a "business purpose" and requires that a permit be issued under Section 222 of the Local Government Act, 1999. If a road is to be 'altered', an authorisation will pursuant to this Act also be required. In some instances, the business owner may elect to apply for both an extension of his business to the footpath and the alteration of the road layout.
- 4.4 When submitting an application for an Outdoor Dining permit, the following issues must be addressed:
 - the location and layout of the Outdoor Dining area;
 - the furniture design and quality;
 - maintenance plans for the space;
 - the proposed hours of operation;
 - the length of time the permit/ authorisation is to apply for;
 - planned installation and maintenance of fixtures and fittings
 - method and extent of the enclosure.
 - the appropriate uses and management of the Outdoor Dining area
 - fees, insurance, monitoring and enforcement of the area
 - requirements under the Food Act 2001, and responsibilities in terms of powers, functions and duties it confers or imposes (Standard 3.2.2 – Food Safety Practices and General Requirements and Standard 3.2.3 – Layout of Premises to be such that there is a minimisation of the opportunities for food contamination).

4.1-This policy applies to outdoor dining areas that are located on footpaths and road reserves that are Council owned (as indicated in Section 208 of the Local Government Act 1999), where any food and/or non-alcoholic or alcoholic beverage is served.

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5. POLICY STATEMENT

5.1 <u>The use of public footpaths and road reserves</u> <u>by food businesses is not a right, but a</u> privilege to be granted only where there is no adverse impact on pedestrian and patron safety, vehicular traffic flow, and where character and amenity of the locality can be preserved. Formatted: Font: Calibri, English (Australia) Formatted: Default Paragraph Font, Font: (Default) Calibri, 13 pt, English (Australia) Formatted: Font: Calibri, 18 pt, English (Australia) Formatted: Normal, Left, Add space between paragraphs of the same style, No bullets or numbering Formatted: Font: Calibri, English (Australia) Formatted: Font: Calibri, English (Australia) Formatted: Font: (Default) Calibri, 11 pt, English (Australia) Formatted: Indent: Left: 0 cm, First line: 0 cm

¹ Footpaths and Public roads under the Local Government Act 1999 include road reserves, thoroughfares and alley <u>ways.</u>

5.2 Council supports the use of public footpaths in the Stirling District Centre and other town centres within the townships and urban areas for Outdoor Dining, especially in association with an existing restaurant, where no structures are to be constructed and where the use only involves the placement of tables, chairs, bollards, planters, signage and umbrellas in line with the requirements set out in this policy document.

| Types of Outdoor Dining Licence Permits | | | |
|---|---|--|--|
| Permit type/category | Common examples | | |
| Restaurant/ Café/ Pub | Extension of restaurant/ café or pub seating to the | | |
| Dining Permit | front, side or rear | | |
| Fast-food Outdoor Seating | • Extension of seating related to fast food serving areas | | |
| Permit | like Pizza bars, Fish and Chip Shops etc. | | |
| Temporary Outdoor Dining | Seasonal seating areas – eg Summer dining or Wine | | |
| <u>Permit</u> | and food festivals | | |

6. APPLICATION PROCESS

6.1 Application

Outdoor dining requires an operating licence and may, in some cases, require Development Approval. Application forms are available from www.ahc.sa.gov.au, all Service Centres of the Adelaide Hills Council or mail requests to PO Box 44, Woodside SA 5244 or telephone 8408 0400.

For an outdoor cafe to serve alcohol a further application must be made to the Council's Development Services Unit, telephone 8408 0558, and subsequently to the Office of the Liquor Licensing Commission, telephone 8226 8410.

If it is determined the activity would require other approvals, such as approval under the Public and Environmental Health Act 1987 or Development Approval under the Development Act 1993, the applicant will be advised to first obtain those approvals before the application is processed further.

6.2 Documentation

An application for an outdoor dining permit consists of:

- a fully completed Application Form (refer to Appendix 6 Application Form Outdoor Dining Permit);
- a Certificate of insurance that indemnifies the Council;
- a Certificate of Currency for public liability insurance;
- photographs / photocopies of the proposed furniture;
- a scaled (1:100 minimum) dimensioned plan showing the proposed location of the tables and chairs. Two copies are required;
- fees in accordance with the Council's Schedule of Fees and Charges.
- 6.3 Notification and Approval

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Where Development Approval is required, the Council will issue an Outdoor Dining Permit once Development Approval has been granted.

An outdoor dining permit is valid when the Council has:

- issued a duly executed permit to the proprietor; and
- received a copy of the public liability insurance certificate as required under Item 12 of this policy.

6.4 Permit Fee

The use of a public footpath as an outdoor dining area attracts an annual fee calculated on the number of seats the outdoor dining area seats.

Fees are set and reviewed each year by Council and are listed in Council's Fees and Charges Register located on the Adelaide Hills Council website at www.ahc.sa.gov.au

A permit may be transferred by application and payment of an administration fee as per Council's Fees & Charges Policy. Where changes to the existing layout are proposed, a new application is required.

6.5 Term of Outdoor Dining Permit

Permits are issued for up to a five (5) year period. Permits will expire at 30 June or upon the change in ownership of the business holding.

A permit maybe cancelled by the permit holder in the nominated year by providing written notice to Council.

6.6 Cancellation or Amendment of Licence

A licence may be cancelled or amended if:

- The proprietor fails to comply with the conditions of the licence, or there are changed conditions affecting the outdoor dining area in its particular location, such as increased risk to health or safety.
- The permit holder will be given a minimum of three (3) calendar months' notice.
- <u>Council or Service Authorities require access to the area for the purpose of</u> servicing infrastructure.

6.7 Renewal of Permit

A permit will only be renewed after a review by the Council of the operations, health and safety conditions relating to the outdoor dining area.

A Certificate of Currency for the policy must accompany the application for, and renewal of, an outdoor dining permit.

6.8 Public Use

Outdoor dining areas remain public spaces. Outdoor dining operators and their patrons do not have exclusive use of the area.

6.9 Annual Audit Compliance

Permits are subject to an annual review to determine compliance with the permit.

If the Permit holder is in breach of the terms and condition of the permit, then the Council is entitled to terminate the permit by providing written notice to the permit holder.

6.10 Public Infrastructure

In some locations the existing area may require alterations for appropriate use as an outdoor dining area. In these instances the Council may approve alterations to the surface of the public infrastructure after the following has occurred.

- The application is in accordance with this policy.
- Engineering plans of the proposed alterations are provided at the cost of the applicant.

Any alterations to the public infrastructure are to be paid by the applicant.

Where approval is granted and the applicant incurs costs greater than \$3,000 in accordance with this principle (5.10) the Council will give a commitment that if Council terminates the licence within the first 3 years by the use of principle 5.6.2, the Council will refund a portion of the costs occurred by using the following formula.

<u>Refund = (Cost of Work ÷ 36 months) x (36 months – Time lapsed since infrastructure work completed in months)</u>

6.11 Public Car Parking

In special circumstances outdoor dining areas may be established on public car parking space. This space is recognised as a valuable community asset and a further fee will be charged for the use of this area for the purpose of outdoor dining. The fee for the use of public car parking space is as per Council's Fees & Charges Policy.

6.12 Sale or Transfer of the Business

An outdoor dining permit will cease upon the sale or transfer for the business that holds the outdoor dining permit, unless:

- A written request is received from the purchaser of the business to transfer the outdoor dining permit.
- The outdoor dining permit will be re-issued in the name of the purchaser upon receipt of a written request to transfer
- If the outdoor dining permit is to be transferred and the outdoor dining permit fee for that financial year is not adjusted between the vendor and purchaser at settlement, the Council will provide a pro-rata refund to the

vendor and will charge the purchaser with a outdoor dining permit fee on a pro-rata basis for the balance of the financial year.

6.13 Conditions of Permit

The following conditions, where applicable, will apply to Permits:

- Vendors must comply with all provisions of the Australian Road Rules.
- The permit holder must remove all plant and equipment from the area at the end of the day or at the conclusion of business hours, unless special circumstances are evident and prior approval is received to allow plant to remain on site.
- Music or other audible means used for attracting customers, e.g., bells, is
 to be kept to a minimum so as not to create a nuisance to residents or
 other businesses. The music or bell is not to be used when the vehicle is
 stationary. Note: environmental protection legislation governs noise
 impacts, for example when loud music interferes with the enjoyment of
 an area by a person.
- Council and Environment Protection Authority should be consulted with regards to any issues concerning noise and its impact on adjoining properties.
- The permit holder will comply with all relevant laws of the
 <u>Commonwealth and State and any relevant Council by-laws.</u>
- The permit, and the name and address of the permit holder, is to be displayed prominently in the premises/vehicle so as to be clearly seen by customers or onlookers.
- The permit holder is required to notify Council in writing within 7 days of any changes of address of the business.
- The permit is non-transferable except in accordance with item 10.12
- All permit applications that relate to the sale or distribution of any food materials, must have lodged a food business notification form, as well as have had undertaken an inspection of any plant that is intended to be used in line with this permit, by an Environmental Health Officer, prior to the consideration for approval of any permit application.

Any breaches of permit condition(s) may result in the revocation of the permit as stated below.

- Operators are required to comply with all the requirements and conditions specified in the Permit/ the authority and this Policy.
- Any variation of the permit holder's operations from that authorised in the Permit will require an application to alter the Permit's requirements and/or conditions.
- Any breach of the Permit's requirements and conditions will require compliance to rectify the breach(es) and may result in the Permit being terminated.
- Repeated breaches of the Permit's requirements may result in the cancellation of the permit and authorisation. No refund will be provided. The following guideline is seen as enforceable with regards to any breaches of Permit and/or permit conditions:

| <policy name<="" th=""><th>e>_Outdoor Dining Policy Page</th><th>2 10</th></policy> | e>_Outdoor Dining Policy Page | 2 10 |
|--|---|--|
| | First breach – Verbal warning will be issued. Compliance to l achieved within 10 working days. | be |
| | 2) Second breach – Written notice is provided by Council. Complian | nce |
| | must be achieved within 28 days. 3) Third breach – Cancellation: Authorised Officer provides a furth extension or enforces a cancellation of the Outdoor Dining Perm | |
| | No refund is provided. | |
| <u>a</u> ti n | f a breach is of a material degree, the Council may choose not to issue a verbal warning and may issue a written notice requiring the breach to be remedied within the speci- imeframe provided in that notice. If the breach is not remedied in accordance with the notice then the Council may terminate the Outdoor Dining Permit by further written notice. | ific he |
| p | PUBLIC LIABILITY INSURANCE Operators are required to hold public liability insurance that notes Council as a specific person to the minimum value of \$20 million or as deemed from time to time. This amou vill be reviewed annually in consultation with the Local Government Association Mutu | unt |
| | iability Scheme. Policies must note the Council as a "specified person". | |
| <u>8.</u> | INDEMNITY | Formatted: Numbered + Level: 1 + Numbering Style: 1, 2, 3, + Start at: 1 + Alignment: Left + Aligned at: 0.63 cm + Tab after: 1.9 cm + Indent at: 1.9 cm |
| | The Permit Holder agrees to indemnify and to keep indemnified Council, its servants ar agents and each of them from and against all actions, costs, claims, damages, charge | nd |
| | ind expenses whatsoever which may be brought or made or claimed against them or | |
| <u>a</u> | any of them arising out of or in relation to the Permit as determined by the Council. | |
| <u>9.</u> | DELINEATION | Formatted: Numbered + Level: 1 + Numbering Style: 1, 2, 3, + Start at: 1 + Alignment: Left + Aligned at: 0.63 cm + Tab after: 1.9 cm + Indent at: 1.9 cm |
| | Jse of Outdoor Dining areas on footpaths must include the placement of all associate | ted |
| | bjects, furniture, fixtures and other accessories within the specified area. No eleme hould encroach into adjoining areas unless specified and authorised. Council may, at | |
| | own discretion, place markers on Council land to identify these approved Outdoor Dini | |

10. LAYOUT OF OUTDOOR DINING SPACES

areas.

I

- There is an important relationship between areas of food preparation and associated Outdoor Dining. Access, circulation, hygiene and safety issues must be addressed.
- Outdoor Dining areas may be created to the front or side of a restaurant, café and/or fast food premise that is associated with a footpath or garden.
- No elements of a proposed Outdoor Dining area must conflict with the provisions of the Adelaide Hills Council Development Plan, and where specific Development Plan provisions apply for a Zone or Policy Area, these are to be adhered to.

- The Adelaide Hills Council will consider the appropriateness of suggested Outdoor Dining areas in terms of the requirements of Appendices 1, 2, 3, 4 and 5. Furthermore, the Policy Background (indicated above) must be understood by all applicants. This policy will apply to all Outdoor Dining areas within the Adelaide Hills Council district.
- The assessment of the location and appropriateness of any Outdoor Dining area is at the total discretion of the Council. Council may choose to provide short term approvals where required, and where conflicts with adjoining land uses are envisaged, specific conditions may be set.
- Outdoor Dining areas should only be associated with approved restaurants, cafes or other premises providing meals, and may be proposed beyond property boundaries only if express consent is provided by any affected property owners.
- Where Council considers that the area is required for existing or proposed community uses, for facilities or infrastructure (phone boxes, public seating, taxi stands, bus stops, bins, hydrants, loading/unloading zones), the Outdoor Dining area will only be considered subject to the relocation of existing or proposed facilities or infrastructure, as required.

10.1 Outdoor Dining Layout

The layout of Outdoor Dining areas must be in accordance with Appendices 1, 2, 3, 4 and 5.

- 10.2 Other Considerations
 - Pedestrian Circulation Areas size and appropriateness
 - Traffic Issues aspects that may hinder, block or affect the movement and safety of road users.
 - Car parking issues associated with Outdoor Dining areas
 - Any associated Obstructions
 - Raised/ inaccessible areas that may disadvantage users

10.3 Hours of Operation

Outdoor Dining areas should only operate during the approved operating hours of its parent business. Unbolted/ unattached furniture must be safely stored after hours.

11. MANAGEMENT AND MAINTENANCE OF OUTDOOR DINING AREAS

11.1 Licenced Area

Use of the area, including placement of outdoor furniture, plants and planters, is strictly within the boundaries of the licensed area.

11.2 Maintenance and Cleaning

The street furniture, including planting in planter boxes, belonging to an outdoor dining area must be kept in a safe and well maintained condition. The area must be regularly cleaned to present a well-cared for image as specified in the permit.

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Permit holders are responsible for cleaning furniture, the outdoor dining area pavement and the adjacent footpath Waste and sweepings must not be disposed of into the street gutter, and must be disposed in the appropriate manner. This refuse matter is not to be deposited into public litter bins.

Failure to maintain and clean the outdoor dining area to the satisfaction of the Council may lead to cancellation of the permit.

It is the responsibility of the operator to keep the area clean at all times, including steam cleaning of the area including food and beverage spills are to be cleaned up regularly and disposed of appropriately, and waste is not discharged into the stormwater system.

11.3 Removal of Furniture

All tables, chairs and umbrellas must be removed from the footpath at the close of business each day. Tables may be permanently fixed to the footpath with the approval of Council.

11.4 Consumption of Alcohol

Applicants are required to advise if they are applying for a liquor licence. An application for the consumption of alcohol at an outdoor dining area must be made initially to the Council's Development Services Unit and subsequently to the Office of the Liquor Licensing Commission. Alcohol must only be served and consumed in the area designated in any approvals granted.

11.5 Toilets

Toilet facilities should be made available for patrons wherever possible, and must be provided where alcohol is served.

11.6 Lighting

Adequate lighting must be provided where outdoor dining occurs outside daylight hours to ensure safety and amenity for pedestrians and patrons. It is the responsibility of the permit holder to provide additional lighting if necessary. Flashing or Chasing lights are not permitted and lights must not create unreasonable "spill" into properties.

11.7 Table Service

- Staff of the operator are responsible for cleaning tables and ensuring that waste is
 <u>disposed of appropriately,</u>
- Meals are to be prepared in the building and not within the outdoor dining area,
- Tables should not be preset with cutlery, glasses or unprotected food.

11.8 Dogs

Outdoor dining areas are places where there is a potential for dog owners to combine walking with socialising at the local café. While it is up to operators to determine if dogs will be permitted, the following conditions will apply:

- Dogs must be under effective control and on lead at all times and must not be a nuisance to other patrons or pedestrians
- Dogs must not be fed from the table, although water may be provided.

11.9 Smoking

<u>Under the *Tobacco Products Regulation Act 1997,* smoking is not permitted in public outdoor dining areas from 1 July 2016.</u>

- An outdoor dining area must be smoke-free at all times that food is being offered or provided, regardless of whether anyone is eating in the area.
- Outdoor dining areas must have adequate signage displayed to show that there is no smoking in the area. Signs must be displayed in such numbers and in positions of prominence so that the signs are likely to be seen by people within the area.

Businesses and venues can order free "No Smoking" signs from SA Health. See www.sahealth.sa.gov.au/tobaccolaws

11.10 Damage to Property

Any damage to an outdoor dining area by patrons is the responsibility of the permit holder, with all costs of repairs and reinstatement to be the responsibility of the permit holder.

11.11 Amplified Music

Amplified music or live entertainment is not permitted without Council approval.

11.12 Development Approval

The use of the Outdoor Dining area must be consistent with the development approval of the parent business. An application for Development Approval for an Outdoor Dining area must provide/show:

- clear identification of existing and proposed Outdoor Dining areas;
- table servicing layout and movement;
- provisions for animals (if any);
- demarcated Smoking areas (if any);
- cleanliness and removal of rubbish details;
- safety devices to be used (if any);
- any details preventing/ kerbing damage to property;
- music or sound details;
- access to Toilets; and,
- all details of associated Liquor licensing areas and applications.

11.13 Location Specific Requirements

The Adelaide Hills Council Outdoor Dining Policy affects all the townships and residential areas of the Council district. Certain townships have historically developed narrow footpaths and Outdoor Dining in these areas must allow

appropriate pedestrian circulation widths. Dining areas in such areas should be planned carefully.

12. DESIGN CONTEXT

12.1 Circulation and Access

A defined area for outdoor dining will be approved by the Council only if it allows for safe pedestrian circulation and access, improves or maintains the existing amenity of the area, provides for convenient use, and does not compromise or restrict the sight lines for motorists.

A clear distance of at least 2.0 metres must be maintained for pedestrian circulation along the footpath. A variation to this minimum distance may be considered depending on site specific circumstances. Areas defined for outdoor dining must be in accordance with the diagrams in. Appendix 2 – Outdoor Dining Configuration.

The defined area of dining must be set back at least 0.6 metres from the face of the kerb. The defined area of dining should also be set back a minimum of 3.0 metres from an intersection.

12.2 Streetscape Character

The character and amenity of a street can be enhanced by the addition of outdoor dining where the placement and selection of outdoor furniture reflects and enhances other street elements, such as existing street furniture, street trees, garden beds, street light poles, fire hydrants, building entrances, service pits and roadside signage.

The location and design of all street elements should be considered in a manner that complements and improves the existing streetscape.

12.3 Protuberances

Where outdoor dining is located on a protuberance into a carriageway, additional protection must be provided to diners by placement of either pedestrian bollards or a fixed glass screen (see Section 5 below). The criteria for circulation and access outlined in Section 4 above will still apply.

Approval must be obtained for the installation of bollards and fixed glass screens at the time of applying for an outdoor dining licence.

13. STREET FURNITURE

13.1 Introduction

The selection and placement of street furniture must comply with the Council's guidelines.

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13.2 Enclosure

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An outdoor dining area must be clearly defined to provide a safe environment for patrons and pedestrians. This can be achieved through appropriate placement of tables, seats, glass screens, bollards and/or planter boxes, while still maintaining an open, accessible environment that enhances the amenity of the street.

Umbrellas may be used to provide shade from sun, and shelter from wind and rain. Umbrellas must be securely fixed to prevent blowing over in strong winds - the fixing must be into a concrete footing underneath the footpath pavement. No part of the umbrella stand should protrude above the pavement level so as to present a hazard to pedestrians when the umbrella is removed. Umbrellas must achieve a minimum of 2 metres height clearance from the pavement when in use.

Development Approval under the *Planning, Infrastructure and Development Act* 2016 is required for awnings and shade structures. These elements must be designed to fit in with the existing buildings and street character, and must be connected to the public storm water system, in accordance with approval from Council.

13.3 Fixed Glass Screens and Plastic Blinds

Fixed glass-screens and plastic blinds provide protection from noise and wind, and may assist in definition of the area to be used for outdoor dining. Fixed glass screens and plastic blinds require Development Approval under the Development Act 1993.

The design and placement of fixed glass screens must comply with the following principles (as listed in the following page).

13.4 Design

The form and structural strength of screens - must be adequate to meet functional requirements including wind loads, resistance to vandalism and impact from pedestrians.

- To avoid clutter in the street, screens must be simple in design and not appear as a decorative element in the street.
- Logos and other decorative elements are not permitted on screens.
- Screens may be laid out in a variety of configurations.

13.5 Location and Placement

Screen placement depends on:

- Distance from kerb line (minimum 0.6m)
- Spacing with regard to buildings, trees and other elements of public street furniture
- Positioning which allows for pedestrian amenity, including refuge from traffic
- Existing kerbside use (i.e. car parking, loading zones, etc)

<u>Screens must not be placed where they present a barrier and subsequent danger</u> to pedestrians crossing the street. The length of any single screen along the street

frontage must not exceed 15 metres, and a maximum of three screens in any one street block is permitted. Where adjacent screens are up to the maximum of 15 metres along the street frontage, the gap between screens must be a minimum of <u>3 metres</u>.

Screens must not be placed on top of service covers or where they interfere with existing services. Permit holders must remove screens at their own cost within three weeks of notification if the Council notifies its intention to repave the footpath.

Approval for any particular screen will be site specific.

13.6 Bollards

Bollards may be required where outdoor dining is located on a protuberance, or where additional definition of the area is necessary. The bollards used are designed to protect outdoor dining areas from withstanding an impact from a slow moving vehicle.

Bollard placement depends on:

- Distance from kerb line (minimum 0.6m)
- <u>Spacing with regard to buildings, trees and other elements of public street</u>
 <u>furniture</u>

13.7 Planter Boxes

Planter boxes may be used to provide further definition to outdoor dining areas as well as variety and colour to the street.

Approval must be obtained for installation of planter boxes, including their design and placement, at the time of applying for an outdoor dining licence (refer to Appendix 3 – Defined Areas, Planter Boxes and Outdoor Dining Screens.

The design and placement of planter boxes must comply with the following principles:

a. Design of Planter Boxes

- The form and structural strength of planter boxes must be adequate to meet functional requirements including resistance to vandalism and impact from pedestrians.
- Planter boxes must not have sharp corners or edges.
- The physical appearance of planter boxes, including materials and style, <u>must be consistent with the streetscape character including other street</u> <u>elements.</u>
- To maintain their appearance and structural integrity, durable materials able to withstand harsh use should be used. Fully moulded plastic planter boxes are not permitted.
- Logos and other forms of advertising are not permitted on planter boxes.

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 Plant material may be either planted directly into planter boxes or contained within plastic pots for ease of replacement. Where irrigation is required the water supply lines must be concealed underneath the footpath. Drainage may also be provided and permission gained to connect direct to the street's stormwater system. Overflow from irrigation systems or hand watering must not stain pavements or cause a safety hazard for pedestrians.

b. Size of Planter Boxes

Planter boxes may be of a variety of sizes, although a minimum width of 500mm is recommended. Planter boxes must not exceed 1200mm long in any one unit.

c. Plant Material

- Plant species must be suitable in terms of form, shape, hardiness and ability to be maintained.
- A list of plant species proposed to be used must be submitted at the time of applying for a licence.
- All dead plants must be removed and replaced with healthy specimens.

d. Location and Placement

The placement of planter boxes depends on:

- Distance from kerb line (minimum 0.6m)
- Spacing with regard to buildings, trees and other elements of public street furniture
- Positioning which allows for pedestrian amenity, including refuge from traffic
- Existing kerbside use (i.e. car parking, loading zones, etc)

Planter boxes must not be placed where they present a barrier and subsequent danger to pedestrians crossing the street. Where a number of planter boxes are proposed, a minimum gap of 300mm must be provided between units.

Planter boxes must not be placed on top of service covers or where they interfere with existing services. Permit holders must remove planter boxes at their own cost within three weeks of notification if the Council notifies its intention to repave the footpath.

13.8 Street Furniture Style

Street furniture can either be selected from the indicative style range provided in this document (refer to Appendix 4 – Furniture Guide and Appendix 5 Furniture Guidelines) or individually designed subject to the Council's approval. Furniture should enhance the amenity of an area and provide a well-designed practical suite that is durable, attractive and fits within the existing street character.

13.9 Materials and Colours

To maintain the appearance and structural integrity of outdoor furniture, durable materials and colours able to withstand harsh use should be used.

Fully moulded plastic chairs and tables are not permitted.

13.10 Advertising and Signage

Advertising and signage is controlled under the Development Act 1993 and the Adelaide Hills Council Development Plan and is subject to development approval.

<u>Furniture used in outdoor dining areas can have the name or logo of the premises</u> placed on items of furniture. Markings should be a minor element in the design.

A-frame signs are not permitted within the outdoor dining area or the 2.0 metre clear pedestrian zone adjacent to the dining area.

6. <u>14.</u> DELEGATION

614.-1 The Chief Executive Officer 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.

7. 15. AVAILABILITY OF THE POLICY

This Policy will be available via the Council's website <u>www.ahc.sa.gov.au</u>.

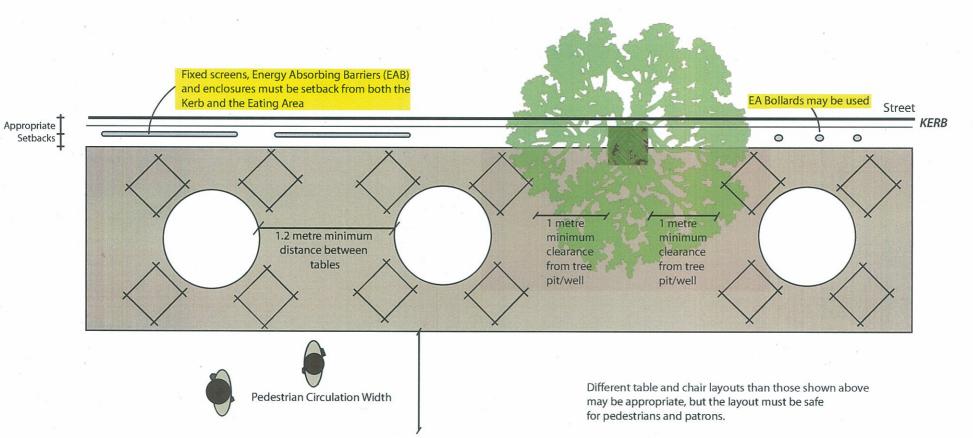
DON'T FORGET TO UPDATE HEADERS

Appendix 2

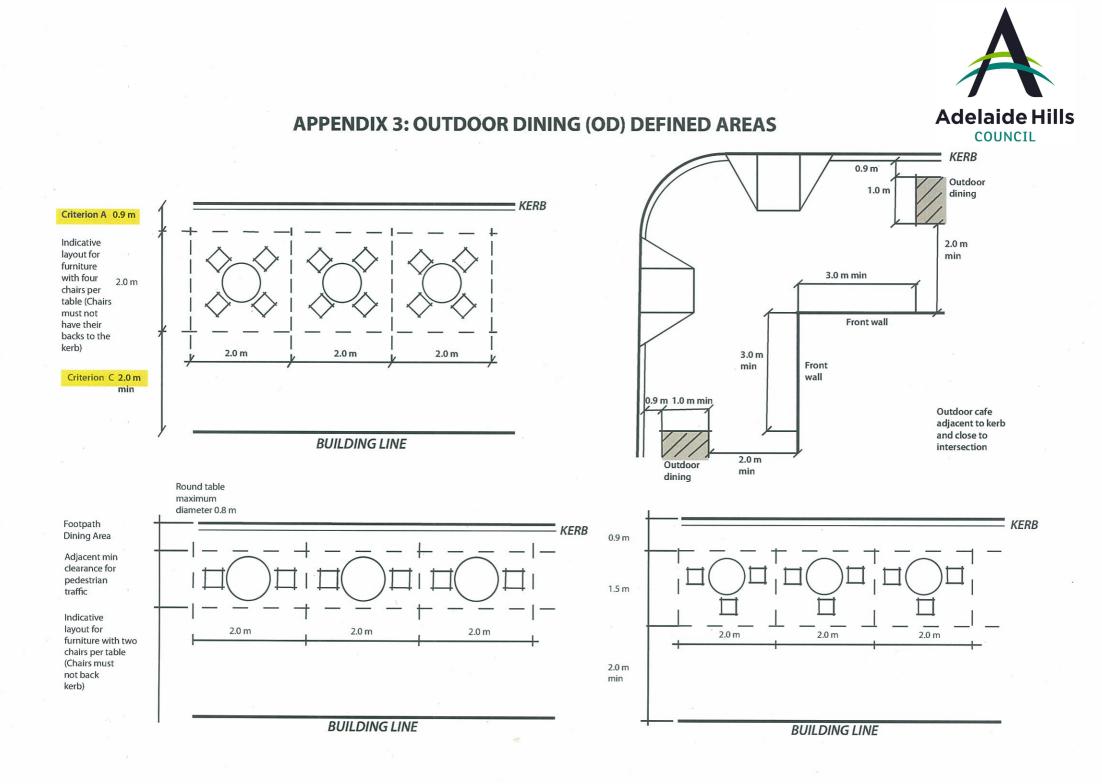
Outdoor Dining Configuration Techniques



APPENDIX 2: OUTDOOR DINING (OD) CONFIGURATION TECHNIQUES



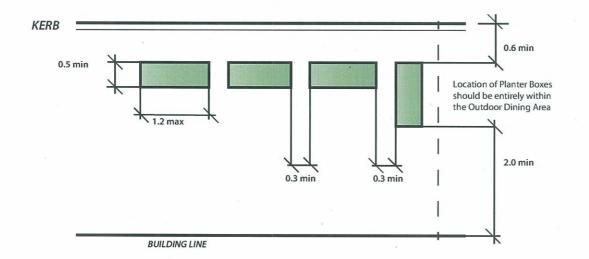
Pedestrian Circulation widths must be appropriate based on pedestrian volume and width of footpaths.



Appendix 3

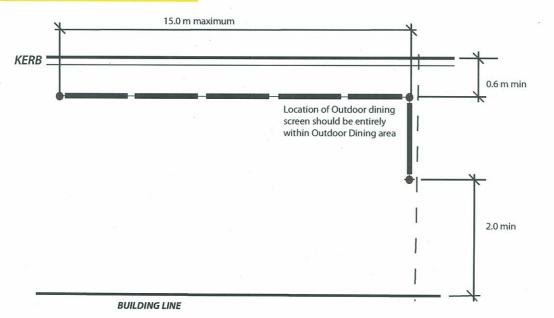
Outdoor Dining – Planter Box and Screens

PLANTER BOXES





OUTDOOR DINING SCREENS



Appendix 4

Outdoor Dining – Furniture Guide - Chairs









APPENDIX 5: FURNITURE GUIDE - UMBRELLAS





SOLAR LIGHT UMBRELLAS MAY BE USED WHERE REQUIRED





Appendix 5 *Outdoor Dining – Furniture Guide*



ADELAIDE HILLS COUNCIL PO Box 44, Woodside SA 5244

OUTDOOR DINING/ CAFÉ FURNITURE GUIDELINES

These guidelines apply to the whole area of the Adelaide Hills Council region. More specific guidelines may be adopted for certain streets. Conditions apply to outdoor café licences.

| TABLES | |
|--|---|
| Tops: | Any shape or colour Prefer diameter 700mm. Max. 800mm Material to be either metal, timber, moulded laminate or similar. Plastic tops unless of a high-end specialist design are <u>NOT</u> permitted. |
| Bases: | Prefer disc shape, any size. Any colour except white Material to be metal or timber, plastic bases are only permitted where high- end designs are used. If fixed, to be treated against rusting, and fixing bolts to be property finished. |
| CHAIRS | |
| Materials: Colour & Finish: Shape & Style: | Preferably metal or timber, but appropriate plastic chairs are acceptable. Any colour or finish. Café, post-modern minimalist and green-urbanism related styles preferred. Poolside, domestic or cast Italianate styles are <u>NOT</u> permitted. |
| UMBRELLAS | |
| Size & Colour: Shape & Style: Material & Finish: Height: Fixing/Bases: | Preferably 1800mm – 2700mm diameter, any colour. Any (preferably Italian market type) Any Material (prefer timber frame and canvas cover), any finish Minimum clearance of 2000mm above footpath Preferably attached to table or metal disc base. Plastic parasol bases <u>NOT</u> permitted. |
| PLANTERS | |
| Material: Colour & Finish: Dimensions: | Compressed sandstone, concrete, or Glass Reinforced Concrete (GRC). Natural stone. Painted and maintained. Anti-graffiti sealant required. 400-700mm high, 400-600mm wide, any modular lengths. |
| PLANTINGS | |
| Types of Plants: Soils: | Edging Box (Buxus Semperviren), Lavenders, Trailing Pelagonium, Spider Plant (Chlorophytum Cosmosum), Agapanthus, Kafir Lily (Clivia Miniata), Miniature Conifers, Golden Diosma and annuals such as Petunia and Marigold. Soils should be friable and well drained. A water retainer (e.g. 'terra-sorb') and compost or a slow release fertilizer should be used. |
| | •• |

OTHER REQUIREMENTS

Two copies of scaled (1:100 minimum) dimensioned plan showing the proposed location of tables and chairs.

Appendix 6 *Outdoor Dining – Application Form*



PO Box 44

Woodside SA 5244

Phone: 08 8408 0400

Fax: 08 8389 7440

mail@ahc.sa.gov.au

www.ahc.sa.gov.au

OUTDOOR DINING PERMIT APPLICATION

| Trading Name of Business & | |
|--------------------------------|---------------------|
| Registered Address: | |
| A.C.N / ABN: | |
| Location of Business: | |
| Applicant Name: | |
| Applicant Address: | |
| Telephone Number: | |
| Email Address: | |
| ABN/ACN: | |
| Number of chairs: | |
| Tables/Bollards/Fixtures to be | YES/NO |
| secured to the road reserve | Details: |
| Hours of Operation: | |
| Liquor Licence obtained for | YES/NO |
| Outdoor Dining Area: | Liquor Licence No.: |

Appendix 7

Outdoor Dining – Assessment Checklist



OUTDOOR DINING APPLICATION – ASSESSMENT CHECKLIST

APPLICATION PROCESS Application Form Lodged Two copies of a site plan lodged with application (scale 1:100 minimum) indicating: location of tables and chairs, and dimensions of proposed outdoor 0 dining area details of the appearance and structure of the street furniture 0 photographs/photocopies of the proposed furniture types/styles 0 Relevant fees paid Copy of application for outdoor dining referred to Development Services Section to determine if a development application is required for increasing the seating capacity and/or any proposed structure to be placed within the Council's pavement area. Copy of Certificate of Currency of Current Public Liability Insurance provided: . o Noting Adelaide Hills Council as interested Party, and indemnifying Council Minimum of twenty million (\$20,000,000) dollars public liability insurance.

| SITE INSPECTION | | |
|--|--|---|
| Circulation and Access | Safe pedestrian circulation and access maintained which meets the defined areas guidelines of the Outdoor Dining Policy | |
| | Clear distance of at least 2.0 metres provided to maintain pedestrian circulation along the footpath | |
| Streetscape Character | • The dining area maintains or enhances the amenity of the area | |
| | The location and design of street furniture meets the style requirements of the Outdoor Dining Policy and complements or enhances the existing streetscape | |
| Public Safety | The dining area is set back a minimum of 0.6 metres from the face of the kerb | |
| | The dining area is set back a minimum of 3.0 metres from an intersection | □ |
| 6 ⁰ de 19 - 19 - 19 - 19 - 19 - 19 - 19 - 19 - | The dining area does not compromise or restrict the line of sight of motorists and pedestrians | |

OUTDOOR DINING APPLICATION – ASSESSMENT CHECKLIST

| 1 | Is the outdoor dining area located on a protuberance? | f YES |
|---------------------|--|----------|
| · · | The application includes either pedestrian bollards and/or fixed [glass screens] | |
| | Development approval for screen(s) | |
| | Approval sought for bollards and/or screening. | |
| | Approval granted for bollards and/or screening. | |
| Design and | Are Umbrellas to be used? | f YES |
| Street Furniture | Umbrellas to be securely fixed to prevent blowing over | |
| | Umbrella fixed into a concrete footing underneath the footpath pavement | |
| | No part of the umbrella stand constitutes a trip hazard by protruding above the pavement level | |
| • | The umbrella has a minimum 2 metres height clearance from the pavement | |
| | Are Fixed Glass Screens / Plastic Blinds being used? | f YES |
| | o development approval sought | |
| | o development approval granted |] |
| · . | • Screens are simple in design | |
| | Screens have no logos or advertising displayed | |
| | Minimum of 600mm from the kerb line |] |
| | Pedestrian amenity maintained | |
| | Impact on existing kerbside facilities considered, i.e. parking, Ioading zones, pedestrian access | - |
| | Street frontage screens do not exceed 15 metres | |
| | Only three screens in any one street block | |
| · · · | o screens are appropriate for site | ļ |
| | o service covers are provided for. |] |
| · · | Are Bollards required and being installed? | f YES |
| | bollards placed to provide protection from slow vehicles | |
| • | bollards placed a minimum of 600mm from kerb line | |
| | bollards spaced to maintain pedestrian access | Ξ. |
| · · _ | Enhances the amenity of the area. | |
| | Are Planter Boxes being used? | f YES |
| | · | 7 |
| | Has approval been sought? | |
| • | |] |

OUTDOOR DINING APPLICATION - ASSESSMENT CHECKLIST

| * • EJ | ~~~ | |
|---------------------------------------|-----|----------------|
| | ade | |
| (· • · · | | <u> </u> |
| • • • • • • • • • • • • • • • • • • • | | Theory and the |

| | No sharp edges or corners. | |
|--------------------------|--|--------|
| | Consistent with streetscape character. | |
| | Durable construction (plastic boxes not allowed) | |
| • | No logos or advertising on boxes | |
| | Drainage and Irrigation runoff provided for | |
| | Appropriate plant materials listed with application (refer to Council's Landscape Architect). | |
| | Planter box(es) do not exceed 1200mm in length. | |
| | Minimum of 600mm from kerb line. | |
| | Appropriately spaced and positioned to provide for pedestrian access and amenity. | |
| | Existing kerbside use considered (car parking and loading zones). | |
| | Where more than one Planter Box is used, there is a minimum gap of 300mm between boxes. | |
| | Not obstructing service covers. | |
| | Street Furniture Style | |
| | Details provided appropriate Street Furniture. | |
| | Street Furniture meets the requirements of Council's indicative style guide or otherwise enhances the amenity of the area and existing street character. | |
| | Durable materials (structural integrity) and colours utilised (fully moulded plastic tables and chairs not permitted). | |
| Advertising & Signage | Furniture used only has the name or logo of the premises placed on them and logos are of a minor nature. | |
| | A-Frame signs not within the dining area or within a two metre clear pedestrian zone adjacent the dining area. | |
| | A-Frame signs meet the requirement of the By-Law. | |
| | Does any advertising signage need development approval? | If YES |
| | Approval sought | |
| | o Approval granted | |
| Liquor Licence | Is a Liquor Licence required? | If YES |
| Licence | Referred to Council's Development Assessment Unit | |
| | Application lodge | |
| ····· | Application granted | |
| Management of Site | Adequate lighting proved where outdoor dining occurs outside daylight hours | . 🗖 |
| | Area tables to be affixed to the footpath? | |
| | Provisions for tables and chairs to be removed from footpath at the close of business each day. | |

CHECKLIST FOR ONGOING ACTIONS

Periodical Checks to be undertaken for all Outdoor Dining to ensure compliance to Outdoor Dining Policy and conditions of approval includes:

Six Months

| • • • • | | |
|---------|---|----------------|
| 1. | Specific conditions of approval being met | |
| 2. | Outdoor Dining Policy requirements being met | |
| 3. | Dining Area and Street Furniture being kept in a safe and well maintained condition and manner. | |
| 4. | Area is regularly cleaned. | |
| 5. | Tables, Chairs and Umbrellas being removed at the close of business each day (unless tables are permanently fixed to footpath). | y 🗆 |
| Ти | velve Months | Done/Initialed |
| 6. | Updated Insurance Certificate of Currency provided to Council | |
| 7. | Renewed Outdoor Dining Licence issued. | |
| 8. | Annual renewal fees paid. | |
| | | |

<u>PLEASE NOTE</u>: No permits to be issued without issue of any required Development Approvals, or a response from the Development Services Section of the Council

Signed Name Title

Appendix 8 Outdoor Dining – Guide for Applicants

INFORMATION SHEET



GUIDE FOR APPLICANTS OUTDOOR DINING

What is the outdoor dining permit and policy?

Well planned and maintained outdoor dining areas contribute to and enhance the amenity of the Adelaide Hills Townships and Urban areas.

Council has established conditions to ensure that outdoor dining occurs in a manner that benefits traders, residents and visitors to the region. These conditions also ensure that users of the space are safe from identified hazards. These conditions are imposed in a permit and defined in Council's Outdoor Dining policy.

The outdoor dining policy within the Adelaide Hills Council provides a framework within which applications for outdoor dining are assessed, permits issued and maintained.

What are the statutory requirements associated with outdoor dining?

Section 222 of the Local Government Act states that any person wanting to place tables and chairs or any other furniture on the footpath area of any street or road or public place under Council's care must obtain a permit from Council. Permit holders are required to comply with Council By-Laws.

All information required must be submitted to ensure that the application for a permit is complete.

Will a Development Application need to be lodged with an application for an outdoor dining permit?

In many instances, a Development Application will also need to be lodged with an application for a permit. These instances are:

- If a change of use is required associated with the outdoor dining permit.
- If any building or structural changes are being made associated with the permit.
- If any signage is being altered.
- If any development is being undertaken in
- accordance with the Development Act 1993.
 If any changes proposed will alter the amenity of the locality (e.g. overall increase in daily ongoing traffic movements to and from the site)
- If a liquor licence is sought to serve alcoholic beverages which requires any associated planning considerations.

Will the Development Application require public notification?

The public notification process is different depending on which category the development falls under. If the development is Category 3, public notification must take the form of a notice in the newspaper (The Advertiser) as well as individual notification. Individual notification will require the adjoining owners and occupiers, and anyone who the Council believes will be affected by the development to be notified. For a Category 2 development, adjoining owners and occupiers must be notified. It should be noted that the applicant must cover the costs associated with public notification. This fee will be additional to the lodgement and assessment fees. Category 1 applications will not require public notification.

Who has a say if the Development Application requires public notification?

Any person who wishes to make a representation to state their reason for objecting to or supporting a development, must do so within the time specified in the notice. This is usually 10 business days from the date of the notice. You may also have the opportunity to be heard personally before Council, however you must state this in your representation.

What is the purpose of notification?

The process of public notification allows adjoining owners and neighbours to look at an application, consider the likely impacts on themselves and provide comment to Council. This provides Council with an insight into the issues that may affect the people living in the vicinity of the proposed development.

What is a safe distance from the kerb while considering the layout and planning an outdoor dining area?

The Outdoor Dining policy lists safe distances from the kerb ranging from 0.6 metres to 0.9 metres and more depending on the road being a DTEI operated road, Council road or minor road.

For specific safe distances, please refer to the Outdoor Dining Policy and diagrams which can be accessed on Council's web page on www.ahc.sa.gov.au under Council Policies.

What information is required to be included with an application for a permit?

- A site plan of the proposed area (to a scale not less than 1:100) showing:
 - 1. the front of the building immediately abutting the area to be used.
 - the width of the footpath showing the area to be used for the placing of tables and seating and the area that is to be used for pedestrian traffic (a minimum width of 2 metres free of obstruction and in direct line of travel is to be set aside for pedestrian circulation). The layout must comply with Criteria A, B and C of the Outdoor Dining policy.
 - 3. the location of tables and seating, and details of fixed and removable furniture must be provided.
 - 4. the location of any obstructions be they flower boxes, litter bins, trees, verandah posts, lights, service pits, etc.
 - 5. the location and style of any protective barriers and bollards and/or planter boxes.
- Design and quantity of furniture must be provided, along with details of fixtures and other accessories.

What happens once a permit application is granted?

Once approval for an outdoor dining licence is obtainable, the applicant shall supply a 'Certificate of currency' against public liability before authorisation for a permit is given. Please refer to the Insurance/Indemnity section of the Outdoor Dining Policy for further details regarding the permit.

In accordance with Section 242 of the Local Government Act, time limits apply when dealing with certain applications. This applies to Council's authorisation to use a road for a business purposes. If a decision is not made within two months after a relevant period, it should be taken to have been refused.

What if an outdoor dining application requires a Liquor Licence?

Where the Licensee desires to serve alcoholic beverages in the Outdoor Dining area, a separate application must be made to the Office of Liquor and Gambling Commission for a licence.

FURTHER INFORMATION CAN BE OBTAINED FROM:

Adelaide Hills Council

Environment & Development Services PO Box 44 WOODSIDE SA 5244

28 Main Street WOODSIDE SA 5244

Phone: 8408 0400 Fax: 8389 7440 E-mail: <u>www.ahc.sa.gov.au</u>

Department of Planning and Local Government GPO Box 1815 ADELAIDE SA 5001

136 North Terrace ADELAIDE SA 5001

Phone: 8303 0600 Fax: 8303 0604 www.planningsa.gov.au

PLEASE NOTE: The information provided in this article is only intended to be a summary. All permit and development applications are considered on their individual merits and therefore situations may vary. If you have any development enquiries or require more detailed information in this regard, then please either view our website www.ahc.sa.gov.au or contact the Development Services Unit at (8) 8408-0558.

Last Updated: October 2011

ADELAIDE HILLS COUNCIL ORDINARY COUNCIL MEETING Tuesday 22 February 2022 AGENDA BUSINESS ITEM

| ltem: | 12.10 |
|----------------------|---|
| Responsible Officer: | Deryn Atkinson Manager Development Services Development and Regulatory Services |
| Subject: | Policy Adoption - Access to Development Application Information Policy |
| For: | Decision |

SUMMARY

The introduction of the *Planning, Development and Infrastructure Act 2016* (the Act) and the on-line PlanSA portal has resulted in a number of changes to the display of development application information. In particular, an applicant can view a number of documents related to their development application directly on-line, including approved plans and specifications and the decision notice. As a consequence, the *Development Application Document Reproduction Policy* has been reviewed and renamed to better align with third party requests to have access to information. This report is seeking a resolution of Council to adopt the new *Access to Development Application Information Policy* (*Appendix 1*) and to revoke the *Council's Development Application Document Reproduction Policy* (*Appendix 2*).

RECOMMENDATION

Council resolves:

- 1. That the report be received and noted.
- 2. With an effective date of 8 March 2022, to revoke the 11 October 2016 Development Application Document Reproduction Policy and to adopt the 22 February 2022 Access to Development Application Information Policy as contained in Appendix 1.
- 3. That the Chief Executive Officer be authorised to make any formatting, nomenclature or other minor changes to the draft 22 February 2022 *Access to Development Application Information Policy* prior to the effective date.

1. GOVERNANCE

Strategic Management Plan/Functional Strategy/Council Policy Alignment

Strategic Plan 2020-24 – A brighter future

| Goal Objective B2 | Built Environment Preserve and enhance the unique character of the Hills for current and future generations |
|----------------------|---|
| Goal | 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

Providing application information to members of the public may require the reproduction of documents. Council is obligated to reproduce documents in accordance with records management obligations under the *State Records Act 1997 (SA)*.

Public inspection of development applications is permitted by members of the public where public notification is required for the purposes of sections 107(3) and 110(2) of the PDI Act but only during the public notification period. Requests from a member of the public for copies of the application information on display made during the public notification period must be provided on payment of a fee fixed by the Fees and Charges Register. Regulation 49 (3) of the PDI Regulations permits Council or SCAP to require the person making the request to provide their name, address and contact details and verify this information in an appropriate manner.

Access to development application information not required to be made publicly available or, outside the public notification period is considered a Freedom of Information request. The *Freedom of Information Act 1991 (SA)* provides a legally enforceable right for members of the public to access Council information but Council is subject to the *Copyright Act 1968* (Cth), which restricts the reproduction of written material, artistic works and other creative works, without permission of the copyright owner.

Risk Management Implications

The revocation of Council's *Development Application Document Reproduction Policy* and adoption of the new *Access to Development Application Information Policy* will assist in mitigating the risk of:

Outdated policy and inconsistency in the manner in which requests for Development Application information are processed leading to community confusion and misunderstanding and a loss of stakeholder (i.e. customer and regulator) confidence.

| Inherent Risk | Residual Risk | Target Risk |
|---------------|---------------|-------------|
| Medium (2C) | Low (1E) | Low (1E) |

Note that there are a number of other controls that assist with managing these risks.

Financial and Resource Implications

The Fees and Charges Register includes a fee for Freedom of Information applications and access to development records, search and copying fees. The application fee (for requests made outside public notification periods) is currently \$38.25 with copy charges listed separately.

> Customer Service and Community/Cultural Implications

The Policy sets a consistent approach for circumstances where a member of the public requests to have access to development application information, both during an assessment of an application and after consent has been granted.

Sustainability Implications

Not Applicable

> Engagement/Consultation conducted in the development of the report

Consultation on the development of this report was not required:

| Council Committees: | Not Applicable |
|---------------------|----------------|
| Council Workshops: | Not Applicable |
| Advisory Groups: | Not Applicable |
| Not Applicable | Not Applicable |
| Community: | Not Applicable |

2. BACKGROUND

On 11 October 2016 the former Strategic Planning and Development Policy Committee endorsed the current *Development Application Document Reproduction Policy*.

- 12. OFFICER REPORTS DECISION ITEMS
- 12.1. Development Application Document Reproduction Policy Review

Moved Cr John Kemp S/- Cr Lynton Vonow 47

That the Strategic Planning & Development Policy Committee resolves:

- 1. That the report be received and noted.
- With an effective date of 24 October 2016, to revoke the 24 November 2015 Development Application Document Reproduction Policy and to adopt the Development Application Document Reproduction Policy, as contained in Appendix 1.

Carried Unanimously

The introduction of the *Planning, Development and Infrastructure Act 2016* (the Act) has altered the way development application information is managed, with records now held in the State Plan SA Portal for new applications from 19 March 2021. Previous application information under the *Development Act 1993* is however still retained in the Council records management system.

As a result of these changes, Council's current *Development Application Document Reproduction Policy* (*Appendix 2*) requires review.

3. ANALYSIS

Public inspection of development application information is permitted by members of the public only where public notification is required for the purposes of sections 107(3) and 110(2) of the PDI Act, and only during the public notification period. Requests from a member of the public for copies of the application information on display made during the public notification period must be provided on payment of a fee fixed by the Fees and Charges Register. Regulation 49 (3) of the PDI Regulations permits Council or SCAP to require the person making the request to provide their name, address and contact details and verify this information in an appropriate manner.

An important component of the new system is the on-line State portal for the submission and assessment of all development applications by Councils, State Planning and accredited professionals. The display of development application information on public notification is viewable on-line through the PlanSA Portal and also at the Council office for the period of public notification. Lodgement of submissions in response to public notification from representors is also via the PlanSA Portal. The applicant has access to approved plans and decision notices also through the PlanSA Portal. The Policy has been updated to reflect the use of the Portal.

Access to development application information not required to be made publicly available or, access outside the public notification period is considered a Freedom of Information request. Council is subject to the *Copyright Act 1968* (Cth), which restricts the reproduction of written material, artistic works and other creative works, without permission of the copyright owner. The Policy explains the requirement to seek this permission for copying information but also recognises that access may be provided in the form of viewing where copyright permission is not given. The revised Policy also covers the situation of representors seeking access to amended plans and information provided to Council in response to representations. As well as updating the Policy for relevancy to the new system, the new draft Policy in **Appendix 1** addresses policy gaps regarding general information requests and requests for information in response to representations after public notification close. The changes to the Policy include:

- Adoption of the new Council policy template format with section 6 of the new Policy covering copyright instead of section 3 but the content remains largely the same
- Updated legislative references
- Replacement of section 4 that related to the Development Act with new section 7 that relates to the PDI Act and Regulations and the new Plan SA Development Application Register
- Replacement of superseded references to category 2 and 3 applications with development application information on public notification
- Update of the section on viewing development application information on public notification and obtaining copies of documentation (refer 7.2 of the Policy in Appendix 1)
- A new section on General Requests for Access to and/or Copies of Development Application Information (refer 7.1 of the Policy in **Appendix 1**)
- A new section on requests by a person who submitted a Representation for access to plans and information provided by the applicant in response to representations (refer 7.3 of the Policy in **Appendix 1**). This was a gap identified in the previous Policy.
- A new section 7.4 on Access for Applicants to Development Application Information held in the Plan SA Portal.
- The name of the Policy has been changed from *Development Application Document Reproduction Policy* to *Access to Development Application Information Policy* to reflect that Freedom of Information Requests may allow for viewing information when copyright permission cannot be obtained. The new Policy name is also aligned with the fee name in the Fees and Charges Register.

4. OPTIONS

Council has the following options:

- I. Resolve to revoke the existing *Development Application Document Reproduction Policy* and approve the new *Access to Development Application Information Policy* (Recommended).
- II. To determine an alternative course of action (Not Recommended).

5. APPENDICES

- (1) Access to Development Application Information Policy
- (2) Development Application Document Reproduction Policy

Appendix 1

Access to Development Application Information Policy

COUNCIL POLICY



ACCESS TO DEVELOPMENT APPLICATION DOCUMENTS (previously known as DEVELOPMENT APPLICATION DOCUMENT REPRODUCTION)

| Minute Reference for Adoption: | To be entered administratively |
|--|--|
| Effective From: | 08 March 2022 |
| Date of Adoption: | To be entered administratively |
| Adoption Authority: | Council |
| Policies and Procedures Superseded by this policy on its Adoption: | Development Application Document Reproduction Policy adopted 11 October 2016 |
| Relevant Legislation: | Planning Development & Infrastructure Act 2016 Planning Development & Infrastructure (General) Regulations 2017 Freedom of Information Act 1991 & Regulations State Records Act 1997 Copyright Act 1968 (Cth) |
| Relevant Procedure(s): | None |
| Other Relevant Policies: | Fees and Charges Policy |
| Relevant Delegations: | As per the Delegations Register and as detailed in this Policy |
| Responsible Department(s): | Development Services supported by Information Management |
| Policy Number: | The Governance team will allocate the policy number. |

| Next Review: | No later than 22 February 2025 or as required by legislation or changed circumstances |
|--------------|---|
|--------------|---|

Version Control

| Version No. | Date of Effect | Description of Change(s) | Approval |
|----------------|-------------------|--------------------------|-------------------------------------|
| 1.1 | 22/2/2022 | Adopted by Council | Council - Res <mark>47/20</mark> |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

ACCESS TO DEVELOPMENT APPLICATION DOCUMENTS POLICY

1. INTRODUCTION

Under the *Planning Development and Infrastructure Act 2016* (the PDI Act) and *Planning Development and Infrastructure (General) Regulations* 2017 (the PDI Regulations) members of the public have various entitlements to information held by the Adelaide Hills Council or the Attorney General's Department (State Planning) that are relevant to development applications and approved building work.

Providing information to members of the public may require the reproduction of documents. Council is obligated to reproduce documents in accordance with records management obligations under the *State Records Act 1997 (SA)*.

The Freedom *of Information Act 1991 (SA)* provides a legally enforceable right for members of the public to access Council information which is not required to be made publicly available.

As well as being bound by the requirements of the above Acts, Council is subject to the Copyright Act 1968 (Cth), which restricts the reproduction of written material, artistic works and other creative works, without permission of the copyright owner.

2. OBJECTIVES

This Policy provides Council and its administration and members of the public with guidelines on the process for managing requests for access to, and/or copies of, development application information. It also provides information on copyright.

3. **DEFINITIONS**

- 3.1 "CAP" means Council Assessment Panel
- 3.2 "Copyright Act" means the Commonwealth Copyright Act 1968;
- 3.3 "Council" means Adelaide Hills Council;
- 3.4 **"Document"** means a paper or record of any kind, including a disk, tape or other article from which information is capable of being reproduced (with or without the aid of another article or device);
- 3.5 **"Freedom of Information Act"** means the South Australian *Freedom of Information Act* 1991;
- 3.6 **"Official Record"** has the same meaning as the *State Records Act*, being a record made or received by the Council in the conduct of its business, but does not include:
 - a record made by an agency as a draft only and not for further use or reference; or
 - a record received into or made for the collection of a library, museum or art gallery and not otherwise associated with the business of the agency; or
 - a Commonwealth record as defined by the Archives Act 1983 of the Commonwealth or an Act of the Commonwealth enacted in substitution for that

Act; or

- a record that has been transferred to the Commonwealth.
- 3.7 **"PDI Act"** means the *Planning Development and Infrastructure Act 2016;*
- 3.8 **"PDI Regulations" means the Planning Development and Infrastructure (General)** *Regulations* 2017;
- 3.9 **"Public notification period"** means the time when representations may be made to the Council as prescribed by the PDI Regulations on a development application where *public notice* was prescribed
- 3.10 **"Record"** has the same meaning as the *State Records Act*, being:
 - written, graphic or pictorial matter; or
 - a disk, tape, film, social media, webpage or other object that contains information or from which information may be reproduced;
- 3.11 "State Records Act" means the State Records Act 1997;
- 3.12 **"Work"** has the same meaning as this term in the *Copyright Act*, i.e. a literary, dramatic, musical or artistic work;

4. SCOPE

- 4.1 This Policy applies to requests for access to, and/or copies of, development application plans and information to both members of the public and, property owners.
- 4.2 It covers circumstances where requests for information are made during the asessment of an application and after a decision. For requests during the public notification period of a development application information is available for viewing on the Plan SA Portal and legislation requires that copies must be made available to members of the public if requested.
- 4.3 The Policy also applies to requests for copies of development application documentation where the request for a copy of the information is made after the close of the public notification period.

5. POLICY STATEMENT

5.1 This Policy affirms Council's commitment to openness and transparency in the provision of information to the public in accordance with its legislative obligations and its commitment to high standards of records management whilst avoiding infringing copyright of that information.

6. COPYRIGHT

6.1 <u>What is Copyright?</u>

Copyright is a form of property which exists in written, artistic and other "works". Copyright only exists through the operation of the *Copyright Act*. As with other forms of property, copyright may be sold or transferred, and allows persons who create works to derive an income from them.

The *Copyright Act* creates legally enforceable intellectual property rights in works by ensuring that works cannot be reproduced without the prior permission of the copyright owner.

Where a work is reproduced without permission, a copyright infringement occurs which, in turn, gives rise to a right for the copyright owner to take civil (and in some cases, criminal) action against the infringer.

Copyright does not protect mere ideas, rather, it protects the way that ideas and information are described, illustrated or documented.

6.2 <u>What is "work"?</u>

Most of the works which the Council deals with include:

- written reports produced by engineers, accountants, planners and other professionals
- building plans and specifications
- infrastructure plans
- tender documents
- letters and emails
- photographs
- diagrams; graphs/charts.

The term "literary works" in the Copyright Act is not exhaustively defined and, according to case law authorities, can in some circumstances, include documents such as letters where they contain original creative written "works".

6.3 When does copyright protection arise?

Copyright protection automatically arises as soon as a work is recorded or fixed onto a medium which can be reproduced.

Copyright exists in works regardless of whether or not a work is endorsed with a "©" symbol and whether or not it contains a copyright warning.

6.4 Who owns copyright?

Generally, copyright is owned by the individual creator or author of the work or, where a work is created by a person during the course of their employment, their employer will own copyright.

For example, where a Council employee creates a "work" during the course of their employment and in accordance with their job description – in such cases, copyright automatically vests in the employer.

Copyright ownership can be transferred ("assigned") by way of a written agreement.

Unless copyright has been assigned to the Council:

- copyright in building plans is owned by the architect or draftsperson who drew them;
- copyright in a report is owned by the author of the report; and
- copyright in a table or graph or other technical information is owned by its creator.

6.5 What is a copyright infringement?

A copyright infringement is an unauthorised reproduction of a work where it is (amongst other things):

- photocopied;
- scanned;
- published on a website;
- displayed on an overhead screen; and
- e-mailed.

6.6 When can works lawfully be reproduced?

Works can be reproduced without committing a copyright infringement where the Council is the owner of the copyright, or where the Council has permission, called a "licence", which allows it to lawfully reproduce a document.

In this Policy, the Council relies upon implied licences to allow it to reproduce works, where:

- reproduction is necessary by way of legal obligation; or
- reproduction is necessary out of practical necessity and in the circumstances, it is reasonable to expect that the owner of copyright would know that their work is required to be reproduced.

6.7 Specific legislative exemptions to copyright infringements

In addition to licences, there are a number of legislative exemptions which allow the Council to reproduce documents for certain purposes, including:

- where reproduction of a work is required for the purpose of giving professional advice by a legal practitioner or for the purposes of litigation;
- where reproduction of a work constitutes a "fair dealing" for the purpose of research or study; or
 - During the assessment of development applications, the Internal reproduction of documents for assessment purposes, including for public notification purposes and for Council Assessment Panel Agendas.

7. MANAGING REQUESTS FOR COPIES OF DEVELOPMENT APPLICATION INFORMATION

The Plan SA website contains a register of Development Applications for the entire state that is searchable by street and suburb, street address, application number, applicant name and Council area. This provides a good basic level of general information for the public.

7.1 <u>General Requests for Access to and/or Copies of Development Application Information</u> Except in limited circumstances outlined in this Policy, general requests for copies of development application information will require a Freedom of Information Application to be completed, verification of identity and the relevant fee paid. A link to the application form is availabe on the Council website <u>www.ahc.sa.gov.au/Access to</u> <u>Council Information</u> Council's administration will process the Freedom of Information Application and liaise with development staff to locate the documentation sought before seeking the permission of the applicant and the copyright owner to copy the information. If permission cannot be obtained, the information management team will discuss alternate options, such as viewing the documentation.

7.2 <u>Viewing Development Application Information on Public Notification and Obtaining</u> <u>Copies</u>

Public inspection of development applications is permitted by members of the public where public notification is required for the purposes of sections 107(3) and 110(2) of the PDI Act but only during the public notification period. Requests from a member of the public for copies of the application information on display made between the commencement date and the close date of the public notification period must be provided on payment of a fee fixed by the Fees and Charges Register. Regulation 49 (3) of the PDI Regulations permits Council to require the person making the request to provide their name, address and contact details and verify this information in an appropriate manner.

For information requests outside of the public notification period or, where there is no public notification applicable to the application, the request is treated as a General Request as outlined in 7.1 of the Policy. The exception is where the request is by a person who submitted a representation in the prescribed manner for the relevant development and the request is for access to the response to representations by the applicant (refer 7.3).

7.3 Requests by a Person who submitted a Representation for access to plans and information provided by the applicant in response to representations

7.2.1 In the case of a development with public notification where the CAP is the relevant authority and staff do not have delegation to determine a decision for planning consent, access to copies of agenda reports and attachments will be available to view via the Council website and at the CAP meeting in the form of a hardcopy agenda. This includes plans and information provided by the applicant in response to public notification representations.

Copies of plans and reports will only be supplied to a person who submitted a representation where a request is made by that person <u>and</u> where the permission of the author of the plans and/or reports can be obtained to provide copies, prior to the CAP meeting.

7.2.2 In the case of development with public notification where staff have delegation to determine a decision for planning consent, access to view plans and information provided by the applicant in response to representations may be provided where the request is by a person who submitted a representation in the prescribed manner and, the request is made prior to a decision being issued. Viewing will be in person at the Council office.

Copies of plans and reports will only be supplied to a person who submitted a representation where a request is made by that person <u>and</u> where the permission of the author of the plans and/or reports can be obtained to provide copies, prior to the decision being issued.

7.4 <u>Access for Applicants to Development Application Information held in the Plan SA Portal</u> The PDI Act intended persons who interact with the development system to do so by digital means. This means applicants have access to their approved plans and decision notices on the Plan SA portal where the decision relates to an application submitted for planning or building consent in the Plan SA Portal.

Should a request for copies of development application information received by Council relate to a development application lodged in the Plan SA Portal and be from a person other than the applicant for the development application, then a Freedom of Information Application will be requested as outlined in 7.1 of the Policy. This will be forwarded by Council to State Planning at the Attornery General's Department for action. The exception to this is where the request is made between the commencement date and the close date of the public notification period of a development (refer section 7.2).

8. DELEGATION

- 8.1 The Chief Executive Officer 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 <u>www.ahc.sa.gov.au</u>.

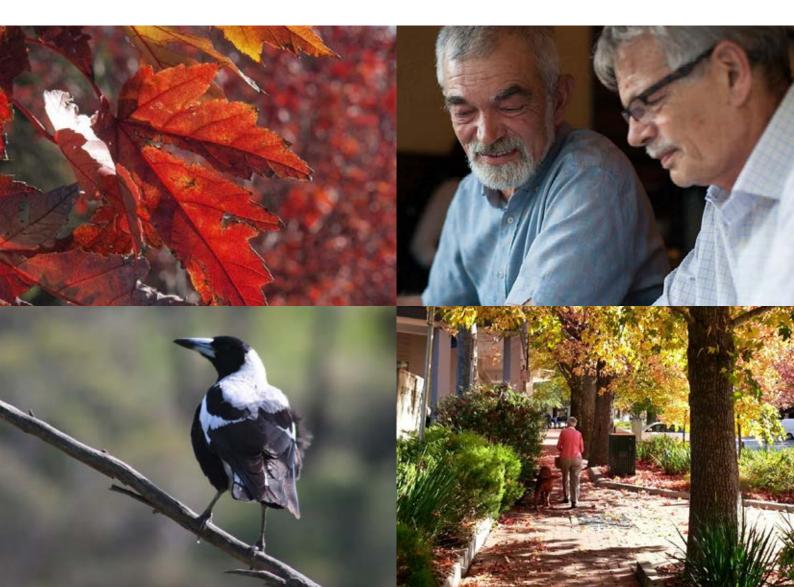
Appendix 2

Existing Development Application Document Reproduction Policy 2016



Council Policy

Development Application Document Reproduction



COUNCIL POLICY



DEVELOPMENT APPLICATION DOCUMENT REPRODUCTION

| | ſ | | |
|--|--|--|--|
| Policy Reference: | DEV-03 | | |
| Responsible Department(s): | Strategy & Development | | |
| Relevant Delegations: | Development Act 1993 and Development Regulations 2008, Freedom of Information Act 1991 & Regulations as outlined in the Instrument of Delegation | | |
| Other Relevant Policies: | Fees and Charges Policy | | |
| Relevant Procedure(s): | None | | |
| Relevant Legislation: | Development Act, 1993 Development Regulations 2008 Freedom of Information Act 1991 & Regulations State Records Act 1997 Copyright Act 1968 (Cth) | | |
| Policies and Procedures Superseded by this policy on its Adoption: | 24 November 2015, Item 12.2, 55 | | |
| Adoption Authority: | Strategic Planning and Development Policy Committee | | |
| Date of Adoption: | 11 October 2016 | | |
| Effective From: | 24 October 2016 | | |
| Minute Reference for Adoption: | Item 12.1, 47 | | |
| Revision Date(s): | No later than October 2019 or as required by legislation. | | |

DEVELOPMENT APPLICATION DOCUMENT REPRODUCTION

1. POLICY STATEMENT

Under the *Development Act* 1993 (SA) and *Development Regulations 2008 (SA)* members of the public have various entitlements to information held by the Council that are relevant to development applications and approved building work.

The *Freedom of Information Act 1991 (SA)* provides a legally enforceable right for members of the public to access other Council information which is not required to be made publicly available.

Providing information to members of the public may require the reproduction of documents. The Council is also obligated to reproduce documents in the course of adhering to records management obligations under the *State Records Act 1997 (SA)*.

As well as being bound by the requirements of the above Acts, the Council is subject to the *Copyright Act 1968* (Cth), which restricts the reproduction of written material, artistic works and other creative works, without permission of the copyright owner.

This Policy affirms the Council's commitment to openness and transparency in the provision of information to the public in accordance with its legislative obligations and its commitment to high standards of records management whilst avoiding infringing copyright in that information.

2. APPLICATION OF POLICY

This Policy applies to the reproduction of documents under the *Development Act and Development Regulations, State Records Act* and *Freedom of Information Act* and the provision of copies of documents to members of the public.

In this Policy:

- the "Council" means Adelaide Hills Council
- the "*Development Act*" means the South Australian *Development Act 1993*;
- the "Development Regulations" means the South Australian Development Regulations 2008;
- the "Freedom of Information Act" means the South Australian Freedom of Information Act 1991;
- the "State Records Act" means the State Records Act 1997;
- the "Copyright Act" means the Commonwealth Copyright Act 1968;
- "work" has the same meaning as this term in the *Copyright Act*, i.e. a literary, dramatic, musical or artistic work;
- "record" has the same meaning as the *State Records Act*, being:
 - written, graphic or pictorial matter; or
 - a disk, tape, film or other object that contains information or from which information may be reproduced (with or without the aid of another object or device);
- "Official record" has the same meaning as the *State Records Act*, being a record made or received by the Council in the conduct of its business, but does not include:
 - a record made or received by an agency for delivery or transmission to another person or body (other than an agency) and so delivered or transmitted; or
 - a record made by an agency as a draft only and not for further use or reference; or

- a record received into or made for the collection of a library, museum or art gallery and not otherwise associated with the business of the agency; or
- a Commonwealth record as defined by the Archives Act 1983 of the Commonwealth or an Act of the Commonwealth enacted in substitution for that Act; or
- a record that has been transferred to the Commonwealth.

3. INTRODUCTION TO THE COPYRIGHT ACT 1968

3.1 What is Copyright?

Copyright is a form of property which exists in written, artistic and other "works". Copyright only exists through the operation of the *Copyright Act*. As with other forms of property, copyright may be sold or transferred, and allows persons who create works to derive an income from them.

The *Copyright Act* creates legally enforceable intellectual property rights in works by ensuring that works cannot be reproduced without the prior permission of the copyright owner.

Where a work is reproduced without permission, a copyright infringement occurs which, in turn, gives rise to a right for the copyright owner to take civil (and in some cases, criminal) action against the infringer.

Copyright does not protect mere ideas, rather, it protects the way that ideas and information are described, illustrated or documented.

3.2 What is "work"?

Most of the works which the Council deals with including:

- written reports produced by engineers, accountants, planners and other professionals;
- building plans and specifications;
- infrastructure plans;
- tender documents;
- photographs;
- diagrams;
- graphs; and
- charts.

The term "literary works" in the *Copyright Act* is not exhaustively defined and, according to case law authorities, can in some circumstances, include documents such as letters where they contain original creative written "works".

3.3 When does copyright protection arise?

Copyright protection automatically arises as soon as a work is recorded or fixed onto a medium which can be reproduced.

Copyright exists in works regardless of whether or not a work is endorsed with a "©" symbol and whether or not it contains a copyright warning.

3.4 Who owns copyright?

Generally, copyright is owned by the individual creator or author of the work or, where a work is created by a person during the course of their employment, their employer will own copyright.

For example, where a Council employee creates a "work" during the course of their employment and in accordance with their job description – in such cases, copyright automatically vests in the employer.

Copyright ownership can be transferred ("assigned") by way of a written agreement.

Unless copyright has been assigned to the Council:

- copyright in building plans is owned by the architect or draftsperson who drew them;
- copyright in a report is owned by the author of the report; and
- copyright in a table or graph or other technical information is owned by its creator.

3.5 What is a copyright infringement?

A copyright infringement is an unauthorised reproduction of a work where it is (amongst other things):

- photocopied;
- scanned;
- published on a website;
- displayed on an overhead screen; and
- e-mailed.

3.6 When can works lawfully be reproduced?

Works can be reproduced without committing a copyright infringement where the Council is the owner of the copyright, or where the Council has permission, called a "licence", which allows it to lawfully reproduce a document.

In this Policy, the Council relies upon implied licences to allow it to reproduce works, where:

- reproduction is necessary by way of legal obligation; or
- reproduction is necessary out of practical necessity and in the circumstances, it is reasonable to expect that the owner of copyright would know that their work is required to be reproduced.

3.7 Specific legislative exemptions to copyright infringements

In addition to licences, there are a number of legislative exemptions which allow the Council to reproduce documents for certain purposes, including:

- where reproduction of a work is required for the purpose of giving professional advice by a legal practitioner or for the purposes of litigation; and
- where reproduction of a work constitutes a "fair dealing" for the purpose of research or study.

4. DEVELOPMENT ACT 1993

The following Policy provisions apply to the reproduction of works under the *Development Act* by the Council.

4.1 Specific legislative exemptions to copyright infringements

Internal reproduction of documents for assessment purposes

During the assessment of a development application, Council staff need to make reproductions of plans and other works so that they may be marked, or drawn upon, and so that original copies may be preserved. Further, such documents often need to be scanned so that they can be logged and viewed electronically, and stored and saved into the Council's records management system.

As the reproduction of works is necessary for development assessment purposes, such works can lawfully be reproduced by the Council for internal purposes.

4.2 Public notification of category 2 and 3 development applications

Regulation 34(1) provides that the Council must ensure that the following documents, lodged with category 2 and 3 development applications, are made available for inspection by the public:

- the application;
- any supporting plans, drawings, specifications or other documents or information provided to the Council; and
- any statement of effect (where applicable).

Regulation 34(2) and regulation 34(3) state that the Council must provide to a member of the public, a copy of any information available for inspection where:

- a request is made within the inspection period (i.e. for 10 business days after notice is given by the Council see Regulation 35, Development Regulations); and
- a fee fixed by the Council is paid; (refer Fees and Charges Policy) and
- the person who requests the copy provides their name, address and contact details to the Council.

Accordingly, the Council will reproduce works submitted as part of a development application for the purposes of regulation 34 as this is a necessary requirement of the Development Regulations.

4.2.1 Display of documents

The Council will not publish regulation 34(1) documents (plans and supporting documentation) on its website. If a member of the public wishes to inspect and/or obtain a copy of a development application document during its public notification period, that person should attend the Council's offices in person. Where a person cannot attend the Council in person due to extenuating circumstances, the Council may, in its absolute discretion and on a case-by-case basis, provide a copy of a development application document to a member of the public, by post, email or fascimile, provided that it is satisfied that the person making the request is entitled to make a representation.

4.2.2 Viewing and obtaining copies of documents on display for Category 2 and 3 development applications

During Public Notification Period

If a <u>member of the public who has received notification from the Council</u> of a Category 2 or 3 development application requests a copy of such a document, during the public notification period, then Regulation 34 states that a copy must be provided, so long as the person requesting the copy:

- paying any applicable fee set by the Council; and
- provides their name, address and contact details to the Council; and
- verifies their identity through the provision of appropriate identification.

Outside of the Public Notification Period

If a member of the public requests to view or obtain a copy of development information outside of the notification period, but before a development is approved, the Council will generally not provide access of these documents to them with the exception of the circumstances below.

For Category 2 and 3 applications to be determined by the CDAP, viewing of amended plans and reports by a person who has made a valid representation will be permitted upon the release of the CDAP agenda (see clause 4.3 of this Policy).

For Category 2 and 3 applications to be determined by the staff, viewing of amended plans and reports by <u>a person who has made a valid representation</u> will be permitted by pre-arranged appointment upon application to the assessing officer.

In the above circumstances, where the person requests a copy of the information, this will be provided only where the permission of the applicant or, the copyright owner or applicant, has been given to make a copy, subject to:

- paying any applicable fee set by the Council; and
- providing their name, address and contact details to the Council; and
- verifing their identity through the provision of appropriate identification.

In all other circumstances, persons making such a request should apply for disclosure of the document under the Freedom of Information Act. However, according to section 22(2)(c) of that Act, access to a document must not be given by providing a copy of that document if to do so would constitute a copyright infringement. Accordingly, access to a plan or drawing under the Freedom of Information Act would likely be given by inspection, unless the applicant obtains the permission of the copyright owner for a copy of the relevant document to be made.

Access to information between the public notification phase of a development application and its approval is strictly controlled by the Development Act, and is intended to limit third party "interference" in this process.

4.3 Viewing and obtaining copies of application documents for Council Development Assessment Panel ("CDAP") agendas

CDAP agendas necessarily contain officer reports and all documents relevant to development applications to be determined by the CDAP, including copyright-protected works. Due to this legal obligation, the Council enjoys an implied licence of necessity for providing copies of such documents to its CDAP members, and to staff attending a CDAP meeting.

Councils are entitled to reproduce copyright-protected application documents during the development assessment process to:

- display plans and other documents on an overhead screen and/or monitors during a CDAP meeting; and
- reproduce documents to attach to CDAP agenda officer reports for provision to CDAP members.

Section 56A(15) of the Development Act provides that members of the public are entitled to reasonable access to the CDAP agendas. An agenda is the list of items to be deliberated upon by the CDAP at its meeting and does not include reports and other attachments to the agenda.

Council provides reasonable access to agendas, the officer reports and minutes by making these available for public inspection at the Council Service Centres, and by publishing these documents on the Council's website.

The plans, reports and other documents which are attached to officer reports will be available for viewing at the Council Service Centres but will not be published on

Council's website. Copies of such documents will only be provided to members of the public <u>with permission of the copyright owner or applicant</u>, subject to:

- paying any applicable fee set by the Council; and
- providing their name, address and contact details to the Council; and
- verifing their identity through the provision of appropriate identification..

Note: CDAP meetings do not come under the jurisdication of the *Local Government Act 1999* and are therefore not subject to section 84(5) of the *Local Government Act 1999* which requires that copies of all documents and reports presented to Council Members during a Council meeting must be made available for inspection by members of the public.

4.4 Inspection and copies of the register of applications

The Council is required to keep a register of development applications, pursuant to regulation 98(1). From 1 January 2014, this register must also be published on the Council's website.

The register is required to contain information about development applications, not the application documents themselves. The register should contain:

- the name and address of the applicant (or of each applicant);
- the date of the application;
- the date on which the application was received by the Council or other relevant authority;

- a description of the land which is the subject of the application;
- a brief summary of the matters, acts or things in respect of which any consent or approval is sought;
- details of any referral or concurrence on the application;
- whether any decision is made on the application by the Council, a regional development assessment panel, the Development Assessment Commission or the Governor (where appropriate);
- any decision on the application;
- in the case of an application for building rules consent the fee or fees payable;
- the date of the commencement of any building work and the date of the completion of any building work; and
- if any decision on the application is the subject of an appeal, the result of the appeal.

The Council must make the register available for inspection by the general public (no fee).

Regulation 98(3) provides that the Council **may** provide to a member of the public a copy of any part of the register, or document kept for the purposes of regulation 98(1), on payment of a fee fixed by the Council.

The Council will provide copies of documents kept for the purposes of its register where to do so would not constitute a copyright infringement.

Where a copyright infringement could arise, Council will not provide copies of these documents, unless the person requesting such has obtained permission from the copyright owner, or otherwise has signed a statutory declaration to the effect that the owner of copyright cannot be located after reasonable enquiries have been made.

4.5 Inspection and copies of documents relating to approved developments

In the case of applications that have been assessed and a decision made, regulation 101(1) obliges the Council to retain certain development application documents relating to <u>building work</u> only (i.e. not regulated/significant trees, land divisions or land uses). These documents include *"all technical details, particulars, plans, drawings, specifications and other documents or information relating to building work"*.

Further, regulation 101(a1) requires the Council to retain a copy of each document provided to it by a private certifier in relation to any application for development plan consent assessed by the private certifier.

Regulation 101(4)(a) provides that a person may <u>inspect</u> at the offices of the Council during its normal office hours any document retained by the Council under regulation 101(a1) or 101(1), with the consent of the Council or the owner of the building to which the document relates, and on payment of a fee fixed by the Council (refer Fees and Charges Policy).

Regulation 101(4)(b) states that a person may, on payment of a reasonable fee fixed by the Council, obtain a copy of any document retained by the Council under regulation 101(a1) or 101(1).

In recognition of the practical need for copies of such documents to be provided in certain situations, and taking into account copyright considerations, the Council will provide copies where the person requesting the copies:

- is the current owner of the building; or
- is the applicant who obtained development authorisation of the building; or
- requires the documents for the purposes of litigation, or to seek legal advice; or
- has signed a statutory declaration to the effect that they have made reasonable enquiries to locate the owner of copyright in the documents and has not been able to find them.

This obligation however is subject to a number of exceptions in regulation 101 (5)(b), including where copying a document would:

- in the opinion of the Council, unreasonably jeopardise the present or future security of a building; or
- involve an infringement of copyright in matter contained in a document; or
- constitute a breach of any other law.

Accordingly, where a person does not have permission from the copyright owner of plans and other documents held by the Council under regulation 101(a1) or 101(1), the Council is not obliged to provide a copy of that document to that person.

4.6 Personal information

Development Application forms and representations are not published on the Council's website. However application information is displayed on the register of applications on the website.

Representors must provide their contact details on representation forms in order for their representation to be valid in accordance with section 38 of the Development Act and Regulation 35 of the Development Regulations. Further, the contact details of representors must be provided to CDAP members and applicants so that a representor's entitlement to make a representation can be verified.

Representation forms are required to be provided to the applicant and will become attachments along with other documents to CDAP agendas.

Each representation form issued by the Council notifies representors that their representation may be reproduced, in full as a public document. Representors are given an opportunity to elect to have their details masked by advising Council in writing of this at the time the representation is submitted.

5. FREEDOM OF INFORMATION ACT 1991

Applications for disclosure of development application documents may be made pursuant to the *Freedom of Information Act*.

According to section 13(f) of the *Freedom of Information Act*, applicants may request that access to Council documents be given to them in a particular way.

According to section 20(1)(b) of the *Freedom of Information Act*, the Council may refuse to grant access to documents the subject of an application under this Act if the documents are available for inspection by the Council or another agency – e.g. a State Government department – or if they are available for inspection through a separate process under another Act.

For instance, where development application documents are made available for inspection during the public notification period under Regulation 34 of the Development Regulations, the Council <u>may</u> refuse access to those documents requested under the *Freedom of Information Act* if the documents are on display and the person has a right to view or copy these. In this circumstance the person making application may seek a refund of any fees paid. For more information on when development application documents are made publicly available, see clause 4 of this Policy.

Section 22(1) of the *Freedom of Information Act* provides that access to Council documents may be given via various means, including by giving the applicant a copy of the document.

However, section 22(2)(c) of the *Freedom of Information Act* provides that where an applicant has requested that a copy of a document be provided to them, an alternative form of access may be given where providing a copy would involve an infringement of copyright in matter contained in the document.

This means that the Council cannot lawfully reproduce works subject to copyright for the purpose of providing access under the *Freedom of Information Act* without the prior permission of the copyright owner.

In order to avoid infringing copyright, the Council should consider providing access to copyrightprotected documents under the *Freedom of Information Act* by way of inspection, unless:

- the applicant is the owner of copyright in those documents; or
- the applicant has obtained the permission of the owner of copyright in those documents to have them copied; or
- where the applicant has attempted to locate the owner of copyright, but has not been successful, the applicant signs a statutory declaration to this effect.

What if a document is over 20 years old and therefore must be disclosed under 20(2)(c) of the *Freedom of Information Act*?

In this situation, the Council is obliged to provide access to that document, but must still adhere to section 22(2)(c) of the *Freedom of Information Act* and only allow inspection as the method of access if providing a copy would constitute a copyright infringement.

6. STATE RECORDS ACT 1997

Under this Act, the Council has an obligation to maintain official records in its custody in good order and condition. This obligation applies not only to the capture, storage, maintenance and disposal of physical records, but also to records in electronic format.

An official record is defined in section 3 of the Act to mean a record made or received by the Council *in the conduct of its business*. This means that, because Council Members and staff of the Council variously act as representatives of the Council, any record created, sent, received, forwarded or transmitted by Council staff and/or Council Members in the performance and discharge of their functions and duties may be classified as an official record.

In order to ensure that official records are kept in safe custody in accordance with the requirements of the *State Records Act*, the Council may cause reproductions of works to be made, including electronic copies ("scans") of documents to be saved in its internal records management systems, and may create additional hard copies of documents, where appropriate. Where an official record is reproduced into an Electronic Document Records System, the original may be destroyed in accordance with General Disposal Schedule 21.

The reproductions of works for records management purposes should only be made available to the general public where the original no longer exists. In certain circumstances original works which are digitised (scanned) may be destroyed.

General Disposal Schedule 21: For management and disposal of source documents and digitised versions after digitisation and the accompanying Digitisation of Official Records and Management of Source Documents Guideline establish the criteria for enabling the destruction of source documents. Both GDS21 and the Guideline are available from <u>www.archives.sa.gov.au</u>.

7. AVAILABILITY OF THE POLICY

The public may inspect a copy of this policy, without charge, at the offices of council during office hours, and may obtain a copy for a fee as per Council's Fees & Charges Register. The policy is also available on Council's website www.ahc.sa.gov.au.

ADELAIDE HILLS COUNCIL ORDINARY COUNCIL MEETING Tuesday 22 February 2022 AGENDA BUSINESS ITEM

| Item: | 12.11 |
|----------------------|---|
| Responsible Officer: | Lachlan Miller Executive Manager Governance and Performance Office of the Chief Executive |
| Subject: | Council Resolutions Update including 2 year update to outstanding resolutions |
| For: | Decision |

SUMMARY

The Action List is updated each month by the responsible officer and outlines actions taken on resolutions passed at Council meetings. In some cases actions can take months or years to be completed due to the complexity and/or the level of influence Council has in the matter.

In March 2015, Council resolved that outstanding resolutions passed before 31 March 2013 would be the subject of a report outlining the reasons why the resolutions have not been completed, detailing what actions have been taken and an estimated date of completion.

While the above resolution referred to a date, the duration was two (2) years and the intent of the Council's resolution has been carried forward as a prudent accountability mechanism.

RECOMMENDATION

Council resolves:

- 1. That the report be received and noted
- 2. The following completed items be removed from the Action List:

| Meeting Date | Meeting | Res No. | Item Name | Previously |
|--------------|------------------|---------|---|--|
| | | | | Declared COI |
| 27/08/2019 | Ordinary Council | 223/19 | Review of Primary Production Incentive Grant Funding | None declared |
| 17/12/2019 | Ordinary Council | 314/19 | Road Exchange Montacute Road Montacute | None declared |
| 23/11/2021 | Ordinary Council | 252/21 | CWMS Fee Adjustment | Material - Cr Malcolm Herrmann Material - Cr Linda Green Material - Cr Andrew Stratford |
| 14/12/2021 | Ordinary Council | 287/21 | Citizen of the Year Awards 2022 - Confidential | None declared |
| 14/12/2021 | Ordinary Council | 288/21 | Citizen of the Year Awards 2022 - Period of Confidentiality | None declared |
| 14/12/2021 | Ordinary Council | 291/21 | East Waste Independent Chair Appointment - Period of Confidentiality | None declared |
| 25/01/2022 | Ordinary Council | 13/22 | Delegations Review January 2022 | Nil |
| 25/01/2022 | Ordinary Council | 19/22 | Audit Committee Independent Member Extension of Term | Nil |
| 25/01/2022 | Ordinary Council | 20/22 | Audit Committee Independent Member Extension of Term - Confidential Duration of Confidentiality | Nil |

1. GOVERNANCE

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 O5.3 Demonstrate accountability through robust corporate planning and reporting that enhances performance, is relevant and easily accessible by the community

The timely completion of Council resolutions assists in meeting legislative and good governance responsibilities and obligations.

Legal Implications

Not applicable

Risk Management Implications

Regular reporting on outstanding action items will assist in mitigating the risk of:

Actions arising from Council resolutions may not be completed in a timely manner

| Inherent Risk | Residual Risk | Target Risk | | |
|---------------|---------------|-------------|--|--|
| High (4C) | Medium (4E) | Medium (4E) | | |

Financial and Resource Implications

Not applicable

> Customer Service and Community/Cultural Implications

Not applicable

Sustainability Implications

Not applicable

> Engagement/Consultation conducted in the development of the report

Not applicable

2. BACKGROUND

At its meeting of 24 March 2015 Council resolved:

That the CEO provides a report to the 28 April 2015 Council meeting in relation to outstanding resolutions passed before 31 March 2013 outlining the reasons why the resolutions have not been completed, detailing what actions have been taken and an estimated date of completion.

The contents of this report formed a workshop discussion with Council Members on 3 May 2017.

While the above resolution referred to a date, the duration was two (2) years and the intent of the Council's resolution has been carried forward as a prudent accountability mechanism.

3. ANALYSIS

The Action list has been updated to provide Council with information regarding outstanding actions. Completed resolutions are identified in the recommendation for removal from the Action List.

4. OPTIONS

Council has the following options:

- I. Note the status of the outstanding items and the proposed actions
- II. Resolve that other actions are required.

5. APPENDIX

(1) Action List

Appendix 1

Action List

| Meeting Date | Meeting | Res No. | Item Name | Previously Declared COI | Action Required (Council Resolution) | Responsible Director | Status | Status (for Council reporting) |
|--------------|------------------|---------|--|----------------------------|---|----------------------|-------------|--|
| 22/03/2016 | Ordinary Council | 69/16 | Land Acquisition Colonial Drive Norton Summit | | Negotiate with the Anglican Church and CFS regarding the proposed boundary realignment and the preparation of preliminary plans | Terry Crackett | In Progress | April 21 - The State Dioceses has advised that they are ready to progress and have engaged a valuer to provide an updated valuation. Council has engaged a valuer to undertake a valuation. A report will be presented to Council for consideration once the valuation process is completed. June 21 - The State Dioceses has advised that there has been a delay in progressing and they expect to be in a position to further engage with Council in July/August. July 21 - The State Dioceses has provided a valuation which will be discussed with Council's Property Advisory Group prior to a report being presented to Council for consideration October 21 - Matter discussed with Council's property Advisory Group and feedback provided to the State Dioceses for consideration November 21 - following additional communication with the State Diocese, the matter was again disucussed with the Council's Property Advisory Group and feedback provided to the State Diocese Jan 22 - Fee estimates are being sought to complete the survey work which will assist to finalise a position with a report expected to be presented to Council at the March meeting for consideration. |
| 26/04/2016 | Ordinary Council | 83/16 | Croft & Harris Road Precinct, Lenswood | None declared | That the Office for Recreation and Sport and Department of Planning, Transport and Infrastructure be approached to discuss any potential funding opportunities to undertake bituminising works up to where the bicycle access occurs. That a further report be presented on potential road treatments for Croft Road Lenswood and the surrounding road network once additional data has been collected on peak traffic numbers generated through a major event and staff continue negotiations with Forestry SA regarding infrastructure improvements for Cudlee Creek Forest Reserve. | Peter Bice | In Progress | Croft Road upgrade application for the Bushfire Recovery Grant Funding Program has been submitted and we are awaiting outcome. |

| Vieeting Date | Meeting Res | es No. | Item Name | Previously | Action Required (Council Resolution) | Responsible Director | Status | Status (for Council reporting) |
|---------------|-------------------------------------|--------|--|---|--|--|-------------|---|
| Veeting Date | Meeting Res Ordinary Council 7/1 | /17 | Item Name Cromer Cemetery Revocation of Community Land | Previously Declared COI None declared | Action Required (Council Resolution) a report be prepared and submitted to the Minister for Local Government seeking approval for the revocation of the community land classification of a portion of the land contained in Certificate of Title Volume 5880 Folio 219 identified in red on the plan attached as Appendix 1. | Responsible Director Terry Crackett | In Progress | Status (for Council reporting) DEWNR have requested that the revocation be put on hold whilst they investigate the requirements to alter the trust affecting the land and undertake an assessement of the native vegetation on the land, this is likely to take some months. DEW advised on 4/12/18 that there are some impediments to the progression of the proposed boundary realignment due to the mining operations on the adjacent land, which are being negotiated with the Dept for Mining. Advice is that these negotiations could take considerable time (2yrs). In the interim, consideration will be given to the granting of a right of way to ensure that the cemetery has legal access. DEW staff member dealing with this matter has left DEW so there may be an extended delay whilst it is reallocated and assessed. DEW awaiting finalisation of negotiations with Dept for Mining March 21 - Council staff have requested an update from DEW as to the status of this matter October 21 - Council staff continue to engage with DEW to seek a progression of the matter November 21 - no further update from DEW Jan 22 - contact has been made with DEW who are investigating the situation again prior to further |

| Meeting Date | Meeting | Res No. | Item Name | Previously | Action Required (Council Resolution) | Responsible Director | Status | Status (for Council reporting) |
|--------------|------------------|---------|--------------------------|---------------|---------------------------------------|----------------------|-------------|---|
| | | | | Declared COI | | | | |
| 28/08/2018 | Ordinary Council | 200/18 | Proposal to enter 11 AHC | None declared | 1. That the report be received and | Peter Bice | In Progress | The Heritage Applications were phased over the years |
| | | | Reserves into Heritage | | noted. | | | in order to be accommodated within available |
| | | | Agreements 2018 | | 2. That the Biodiversity Officer be | | | resourcing. |
| | | | | | authorised to enter:Doris Coulls | | | |
| | | | | | Reserve, 152 Old Mt Barker Road, | | | Heritage Agreement have been registered over: |
| | | | | | AldgateHeathfield Waste Facility, 32 | | | Kiley Reserve |
| | | | | | Scott Creed Road, HeathfieldKiley | | | Shanks Reserve |
| | | | | | Reserve, 15 Kiley Road, AldgateShanks | | | Kyle Road Nature Reserve, |
| | | | | | Reserve, 1 Shanks Road, AldgateStock | | | Leslie Creek Reserve |
| | | | | | Reserve, Stock Road, MylorLeslie | | | Aldgate Valley 2 Reserve |
| | | | | | Creek Reserve, Leslie Creek Road, | | | Doris Coulls Reserve |
| | | | | | MylorMi Mi Reserve, 125 Aldgate | | | Mylor Parklands |
| l | | | | | Valley Road, MylorAldgate Valley 2 | | | Heathfield Waste Facility |
| | | | | | Reserve, 114 Aldgate Valley Road, | | | |
| | | | | | MylorKyle Road Nature Reserve, Kyle | | | Heritage Applications scheduled for FY21/22 currently |
| | | | | | Road, MylorCarey Gully Water | | | under way: |
| | | | | | Reserve, Deviation Road, Carey | | | • eserve 26 - "Stock Rd 1" |
| | | | | | GullyHeathfield Stone Reserve, 215 | | | •Mi Mi Reserve |
| | | | | | Longwood Road, HeathfieldMylor | | | •Øarey Gully Water Reserve |
| | | | | | Parklands, Mylor | | | • ■eathfield Stone Reserve |
| | | | | | all being of significant biodiversity | | | |
| | | | | | value, into Heritage Agreements. | | | Heathfield Stone rededication in progress. |
| | | | | | 3. That the Heritage Agreements | | | |
| | | | | | retain the existing dog access | | | |
| | | | | | arrangements in place for each of | | | |
| | | | | | those reserves. | | | |
| | | | | | | | | |

| Meeting Date | Meeting | Res No. | Item Name | Previously Declared COI | Action Required (Council Resolution) | Responsible Director | Status | Status (for Council reporting) |
|--------------|-----------------|---------|--|----------------------------|--|----------------------|-------------|---|
| 11/09/2018 | Special Council | 229/18 | Road Exchange McBeath Drive, | | In accordance with sections 12 and 15 | Terry Crackett | In Progress | Road exchange documentation has been executed and |
| | | | Skye Horsnell Gully | | of the Roads (Opening and Closing) | | | provided to Boral for lodgement with the Surveyor- |
| | | | | | Act 1991, as regards the land within | | | General. |
| | | | | | the Adelaide Hills Council area, enter | | | Submission has been prepared and lodged with the |
| | | | | | into an Agreement for Exchange with | | | Boundaries Commission jointly on behalf of the City of |
| | | | | | Boral Resources (SA) Ltd and issue a | | | Burnside and Adelaide Hills Council. The Boundaries |
| | | | | | Road Process Order to open as road | | | Commission has agreed to investigate the proposal |
| | | | | | portions of Section 906 Hundred of | | | and that process is underway. Further feedback has |
| | | | | | Adelaide numbered "1", "2" and "3" | | | been provided to the Boundaries Commission to |
| | | | | | on Preliminary Plan No. 17/0066 | | | progress. Boral are negotiating a Land Management |
| | | | | | (Appendix 1) and in exchange to close | | | Agreement with the State Government which has |
| | | | | | portions of McBeath Drive marked | | | delayed the completion of the land division and road |
| | | | | | "A", "B", "C" and "D" on Preliminary | | | exchange |
| | | | | | Plan No. 17/0066, subject to the | | | Awaiting advice that land division has been completed |
| | | | | | following:Boral Resources (SA) Ltd | | | so that the bounday realignment can occur |
| | | | | | agreeing to pay all costs associated | | | November 21 - Boral have received final DA and |
| | | | | | with the road exchange process | | | lodgement of land division plan with Land Services SA |
| | | | | | including but not limited to all survey, | | | is expected shortly, once the land division is finalised, |
| | | | | | valuation and reasonable legal | | | the boundary realignment can proceed |
| | | | | | costs; Boral Resources (SA) Ltd | | | Jan 22 - awaiting lodgement of land division plans by |
| | | _ | | | agreeing to pay all costs associated | | | Boral |
| 11/09/2018 | Special Council | 232/18 | Revocation of Community Land | None declared | To commence a process to revoke the | Terry Crackett | In Progress | Initial consultation to identify possible locations for |
| | | | Bridgewater Retirement | | Community Land classification of the | | | the establishment of a garden and memorial |
| | | | Village | | land located on the corner of Mt | | | concluded on 28 January 2019 with only one |
| | | | | | Barker Road and Second Avenue | | | submission received being a suggestion from the |
| | | | | | Bridgewater known as 511 Mt Barker | | | Retirement Village residents to investigate Carripook |
| | | | | | Road Bridgewater contained in | | | Park as their preferred option. |
| | | | | | Certificate of Title Volume 5488 Folio | | | Council, at the meeting of 27 August 2019, approved |
| | | | | | 788 (Land) on which a portion of the | | | Carripook Park as the location to vary the trust to. |
| | | | | | Bridgewater Retirement Village is | | | The Attorney-General has provided in-principle |
| | | | | | located by:Preparing a report as | | | support to the proposal so a design for the landscaped |
| | | | | | required under section 194(2)(a) of | | | garden and bushfire memorial at Carripook Park will |
| | | | | | the Local Government Act 1999 and | | | be prepared for submission to the Supreme Court. |
| | | | | | making it publicly | | | November 21 - consultation has been undertaken and |
| | | | | | available.Undertaking consultation in | | | draft affidavit has been prepared for lodgement with |
| | | | | | accordance with its Public | | | the Supreme Court |
| | | | | | Consultation Policy as required under | | | Jan 22 - awaiting approval from the Attorney General |
| | | | | | section 194(2)(b) of the Local | | | prior to lodgement with the Supreme Court |
| | | | | | Government Act 1999. | l | 1 | |

| Meeting Date | Meeting | Res No. | Item Name | Previously Declared COI | Action Required (Council Resolution) | Responsible Director | Status | Status (for Council reporting) |
|--------------|------------------|---------|---|----------------------------|--|----------------------|-------------|---|
| 26/03/2019 | Ordinary Council | 77/19 | Randell's Cottages, Beavis Court, Gumeracha | None declared | That, acknowledging that a land division in Watershed (Primary Production) is non-complying, an initial approach be made to the State Commission Assessment Panel to determine the possibility of a land division to create a separate allotment for the potentially local heritage listed building located at 1 Beavis Court, Gumeracha know as Randell's Cottages being supported. That subject to the response from the State Commission Assessment Panel, a Development Application be lodged for a non-complying land division. That, if a land division is not supported, an expression of interest (EOI) process be undertaken in respect of the local heritage listed building located at 1 Beavis Court, Gumeracha known as Randell's Cottages to determine any interest in restoring the building for tourism or other purpose (other than long term residential) under a long term lease arrangement. That the CEO be delegated to prepare the necessary documentation to undertake the EOI. | | In Progress | The land sits within the Enviromental Food Protection Area and proposed use (land division) is not supported. An application will be made to DPTI for a review once the Minister announces the review, which is expected to commence in March 2021. Subject to a removal of the land from the EFPA, a development application will then be lodged for the division of the cottages (noting that it will be a non-complying development). Note that the implementation of the new legislation (Planning Development and Infrastructure Act 2016) has been deferred to March 2021 which has delayed the review of the EFPA. August 21 - review currently underway by Plan SA Jan 22 - further consideration is being given to options |
| 7/05/2019 | Special Council | 94/19 | Stonehenge Reserve Masterplan Update and Findings from Consultation | None declared | That the report be received and noted.To not proceed with any of the masterplanning options at Stonehenge Reserve at this point in time.To proceed with resurfacing works at both the Stonehenge Reserve and | Terry Crackett | In Progress | Works to the Heathfield High School site courts are well underway. Works to existing courts at Stonehenge Reserve are due to be completed shortly. |

| Meeting Date | Meeting | Res No. | Item Name | Previously | Action Required (Council Resolution) | Responsible Director | Status | Status (for Council reporting) |
|--------------|------------------|---------|-------------------------|---------------|--|----------------------|-------------|---|
| | | | | Declared COI | | | | |
| 25/06/2019 | Ordinary Council | 173/19 | Library Services Review | None declared | That the report be received and noted. That the Administration proceed with the replacement of the mobile library as per the provision in the 2018-19 Capital Works Budget and the Long Term Financial Plan as budgeted for in the 2018/19 Annual Business Plan, with the Council noting that the budget will need to be carried forward into 2019-20. That a Library Services Strategy be developed during 2019-20. That Council consults with the community on any changes to operating hours and services. | | In Progress | Council staff have undertaken a review of the mobile library service delivery model and a revised business case considered by Council at its June 2021 meeting. This resulted in a new approach to replacing the mobile library. Draft Library Services Strategy presented at a Council Workshop 10 November 2020 for feedback. Subsequent changes to library management and the detailed review of the outreach services offering (as above) resulted in further work being deferred until the second half of 2021. The various Friends of the Libraries groups were engaged and had input into the draft Library Services Strategic Plan in OCtober/November 2021. The Strategy is expected to be finalised in May 2022 after endorsement of the draft and community consultation in March/April. Mobile Library scoping has been completed with the procurement process to commence in March 2022. Awaiting endorsement of Strategic plan before progressing work on review of Monday opening hours. |

| Meeting Date | Meeting | Res No. | Item Name | Previously Declared COI | Action Required (Council Resolution) | Responsible Director | Status | Status (for Council reporting) |
|--------------|------------------|---------|---|----------------------------|--|----------------------|-------------|---|
| 23/07/2019 | Ordinary Council | 188/19 | LED Street Lighting Upgrade | None declared | That the report be received and noted.To approve an increase of \$365k in Council's 2019/20 capital budget to commence the transition of 900 P – category public streetlights to LED with the funding source to be recommended to Council at its next budget review.That Council engage SAPN to commence the changeover of P-Category lights to LED public lighting on Council roads and that authority is given to the CEO to finalise a contract with SAPN and sign that agreement.That Council enter into a PLC tariff agreement for public lighting with SAPN until 30 June 2020 and subsequently move to the tariff set by the Australian Energy Regulator from July 2020.That Council continues to liaise with SAPN and DPTI on the changeover of Council public lighting on roads under the care and control of the State Government.That a further report be provided to Council on the | | In Progress | Council is working with an electrical consultant to investigate the most efficient tariff structure associated with LED upgrades on Council owned infrastructure. Council is seeking quotes for Council owned lights in Aldgate, Summertown and Uraidla. The Public Lighting Working Group (including representatives from Local Government, DIT and SAPN) has established a sub-group to work with DIT on the transition of V Category lights on state maintained roads. Timing of any agreements between LG and DIT unknown. Council officers continue to be updated on sub-group progress and have nominated to join main street lighting working group. |
| 27/08/2019 | Ordinary Council | 223/19 | Review of Primary Production Incentive Grant Funding | None declared | outcome of the continued discussions with SAPN and DPTI. 1. That the report be received and noted. 2. That the Primary Production Incentive Grant be discontinued and the balance of the funds be redirected to community education on rural land management issues and European Wasp control for the benefit of the primary production sector. | Marc Salver | Completed | Through colloboration with Council's Rural Land Management Advisory Group the rural land management education series titled "Adelaide Hills – A Shared Space" has been developed released. The Communications Team have now launched the series with rolling promotion to occur across Council's platforms over the coming weeks and months, with engagement to continue periodically with ongoing reference to the series occuring via dedicated landing page on Council's website |

| Meeting Date | Meeting | Res No. | Item Name | Previously Declared COI | Action Required (Council Resolution) | Responsible Director | Status | Status (for Council reporting) |
|--------------|------------------|---------|---------------------------------------|----------------------------|--|----------------------|-------------|---|
| 17/09/2019 | Special Council | 239/19 | Circular Procurement Pilot Project | None declared | Council resolves:That the report be received and noted.To approve participation in the Circular Procurement Pilot Project.That the Chief Executive Officer be authorised to execute the Memorandum of Understanding as contained in Appendix 1 of this report.That the Council endorses, in principle, the following targets:subject to the procurement needs and requirements of Council in 2020/21 purchasing recycled plastic products or materials equivalent to 10% of the weight of plastic collected within the Council area, which is equivalent to approximately 25 tonnes based on 2017/18 data.subject to the procurement needs and requirements of Council, commencing in 2021/22 Council will incrementally increase its purchasing of recycled plastic products or materials thereafter until it is equivalent to 50% of the weight of plastic collected within the Council area, which is equivalent to 124 tonnes based on 2017/18 data.That a report be provided to Council in early | Peter Bice | In Progress | The Circular Procurement Project is now underway, and the Memorandum of Understanding has been executed. Amendments to Council's procurement processes has been completed to provide effect to Council's participation in the Circular Procurement trial. Staff training in the Circular Procurement Project has been undertaken. Recording of goods purchased with recycled content has commenced including bin surrounds, wheelie bins, office paper, fence posts and road construction materials. To date council has purchased 3446 tonnes of recycled product including predominantly recycled road base and other items such as wheelie bins, bollards, picket fence panels and steel rails. Training is ongoing as required, staff continue to record purchases of recycled product through the procurement process. Staff continue to record purchases of recycled product through the procurement process. |
| 26/11/2019 | Ordinary Council | 277/19 | MON Water Usage from Bores | None declared | That the CEO investigates any circumstances where Council provides water to or receives water from a person/organisation. Following the investigation, a report detailing, among other things, any contractual arrangements, costs, risks and liabilities, be provided to Council by 30 April 2020 | Terry Crackett | In Progress | Investigations as to various arrangements is being undertaken with a report being presented to Council once further investigations are completed. May 21 - investigations have indicated some complexities with one of the sites which is being further investigated before a report is presented to Council. August 21 - further investigation is being undertaken and report is deferred October 21 - advice to be sought from the Property Advisory Group in November and then report presented to Council November 21 - matter further discussed with Council's Property Advisory Group, report to be presented to Council in January January 22 - preliminary report to be presented to Council in February |

| Meeting Date | Meeting | Res No. | Item Name | Previously | Action Required (Council Resolution) | Responsible Director | Status | Status (for Council reporting) |
|--------------|------------------|---------|---|-------------------------------|---|----------------------|-------------|--|
| 17/12/2019 | Ordinary Council | 314/19 | Road Exchange Montacute Road Montacute | Declared COI None declared | | Terry Crackett | Completed | Road Closure completed - Government Gazette notice 3 February 2022 |
| 28/01/2020 | Ordinary Council | 11/20 | Revocation of Community Land - Bridgewater Retirement Village | None declared | That the report be received and notedSubject to the Supreme Court issuing an order granting approval for a trust variation scheme, a report be prepared and submitted to the Minister for Planning seeking approval to revoke the community land classification of Allotment 220 in Filed Plan No. 8131 known as 511 Mount Barker Road Bridgewater.The Mayor and CEO be authorised to sign all necessary documentation to give effect to this resolution. | Terry Crackett | In Progress | Application to the Minister for Planning will be made once the trust variation scheme has been approved by the Supreme Court. The Attorney-General has provided in-principle support for the proposal. A detailed landscape design has been prepared, community consultation on the design is underway and submission for the Supreme Court is being prepared. November 21 - consultation has been undertaken, draft affidavit has been prepared for lodgement with the Supreme Court Jan 22 - awaiting approval from the Attorney General to lodge with the Supreme Court |

| Meeting Date | Meeting | Res No. | Item Name | Previously Declared COI | Action Required (Council Resolution) | Responsible Director | Status | Status (for Council reporting) |
|--------------|--------------------|---------|-------------------------------|----------------------------|--|----------------------|-------------|--|
| 28/07/2020 | Ordinary Council | 149/20 | Road Widening Netherhill Road | | 1. That the report be received and | Terry Crackett | In Progress | Progress has commenced in accordance with the |
| 20/07/2020 | or annar y council | 145/20 | Kenton Valley | None acciarca | noted | reny crackett | | resolution |
| | | | Kenton valley | | 2. To purchase the areas of land | | | |
| | | | | | totalling 335 sqm identified in red on | | | Awaiting completion of the process by the Surveyor |
| | | | | | the Land Acquisition Plan attached as | | | and Land Services Group |
| | | | | | Appendix 2 ("land") from Stephen | | | |
| | | | | | Paul Cowie the land owner at 67 | | | |
| | | | | | Nether Hill Road, Kenton Valley, for | | | |
| | | | | | the purchase price of \$6,700 (excl GST) | | | |
| | | | | | plus all reasonable costs to vest the | | | |
| | | | | | Land as public road. | | | |
| | | | | | 3. To purchase the area of land being | | | |
| | | | | | 188 sqm identified in red on the Land | | | |
| | | | | | Acquisition Plan attached as Appendix | | | |
| | | | | | 2 ("land") from Paul Andrew Arnup | | | |
| | | | | | and Danielle Marie Beatrice Helbers | | | |
| | | | | | the land owner at 109 Nether Hill | | | |
| | | | | | Road, Kenton Valley, for the purchase | | | |
| | | | | | price of \$3,760 (excl GST) plus all | | | |
| | | | | | reasonable costs to vest the Land as | | | |
| | | | | | public road. | | | |
| | | | | | 4. The road land being acquired to be | | | |
| | | | | | excluded as Community Land pursuant | | | |
| | | | | | to the Local Government Act 1999; | | | |
| | | | | | and | | | |
| | | | | | 5. That the Mayor and CEO be | | | |
| | | | | | | | | |
| | | | | | authorised to sign all necessary | | | |
| | | | | | documentation, including affixing the | | | |

| Meeting Date | Meeting | Res No. | Item Name | Previously Declared COI | Action Required (Council Resolution) | Responsible Director | Status | Status (for Council reporting) |
|--------------|------------------|---------|---------------------------------|--------------------------------|--|----------------------|-------------|--|
| 22/09/2020 | Ordinary Council | 205/20 | 100 Old Mt Barker Road Stirling | Material - Cr Kirrilee Boyd | That the report be received and noted To progress the budgeted upgrade of the old school building located at 100 Old Mt Barker Road Stirling including the replacement of the roof, gutters, facia boards, downpipes and damaged internal ceilings, with the anticipated cost to be \$155,000. To apply to the Minister for Environment and Water for approval to lease the land located at 100 Old Mt Barker Road Stirling, including the old school building, to The Old School Community Garden Inc. Subject to obtaining the approval specified in 3 above, offer to The Old School Community Garden a 2 year lease over the land located at 100 Old Mt Barker Road Stirling, including the old school building. The rent under the lease to be \$1 per annum (if demanded). That the Mayor and Chief Executive Officer be authorised to sign all necessary documents, including affixing the common seal, to give | | In Progress | Initial information provided to Crown Lands in relation to approval for lease, Ministerial approval is required for the lease and this is being sought. April - DA granted and tender for works being undertaken June 21 - works are being scheduled subject to availability of materials and contractor October 21 - meeting held with occupiers of the site to discuss progression of works and leasehold arrangements including restrictions on use November 21 - works have commenced on site Jan 22 - following completion of the works, a lease will be negotiated with the OSCG |

| Meeting Date | Meeting | Res No. | Item Name | Previously Declared COI | Action Required (Council Resolution) | Responsible Director | Status | Status (for Council reporting) |
|--------------|------------------|---------|---------------------------------------|----------------------------|--|----------------------|-------------|--|
| 15/12/2020 | Ordinary Council | 300/20 | Road Exchange Pomona Road Stirling | None declared | 1. That the report be received and noted2. In accordance with sections 12 and 15 of the Roads Opening and Closing) Act 1991, enter into an Agreement for Exchange with the owner of the land of 21 Pomona Road Stirling and issue a Road Process Order to open as public road the area identified as "Road to be opened 1" on the Preliminary Plan No 20/0038 and in exchange to close a portion of Pomona Road as identified on the Preliminary Plan No 20/0038 as "Public Road A", subject to the owner of the land at 21 Pomona Road Stirling agreeing to pay all costs associated with the road exchange process including but not limited to all survey, valuation and reasonable legal costs 3. The closed road be excluded as Community Land pursuant to the Local Government Act 1999. The Mayor and Chief Executive Officer be authorised to sign all documents necessary, including affixation of the common seal, to give effect to this resolution | Terry Crackett | In Progress | Final Plans and Road Process Order documents have been executed by all parties. Awaiting on processing with the Surveyor- General and the Lands Titles Office |
| 27/01/2021 | Ordinary Council | 22/21 | CWMS Review | None declared | that the report, related attachments and the discussion and considerations of the subject matter be retained in confidence until 30 July 2021. | Peter Bice | In Progress | |

| Meeting Date | Meeting | Res No. | Item Name | Previously Declared COI | Action Required (Council Resolution) | Responsible Director | Status | Status (for Council reporting) |
|--------------|------------------|---------|--|---|---|----------------------|-------------|---|
| 23/03/2021 | Ordinary Council | 49/21 | Local Heritage Grant Fund Project 2020 - 2021 | Material - Cr Linda Green Perceived - Cr Leith Mudge | That the report be received and noted To approve the eight shortlisted projects to receive grant funding as detailed in the body of this report to contribute to the works as detailed in <i>Appendix 1</i> of this report and listed below:Our Lady of the Rosary Church, Aldgate - \$2,5000ld Post Office, Crafers - \$1,417Crataegus Cottage, Crafers - \$2,500Circa 1850's Cottage, Mount George - \$2,500Shop, Stirling - \$2,500Stone Cottage, Stirling \$2,500Former Aldgate Valley Church of Christ, Aldgate - \$2,500Cudlee Creek Uniting Church, Cudlee Creek - \$2,500 To delegate to the Chief Executive Officer to determine whether any changes to grant recipient's proposed works maintain grant eligibility. | | In Progress | Round 2 update: Currently four out of the endorsed eight applications have received grant funding following successful completion of the grant application process. Two applications are still engaged in the Developemnt Application process. One application has been withdrawn. Full completion of Round 2 (three projects) is contingent on the individual property owners completing the works and informing Council, and for this reason it is difficult to estimate a completion timeline. It is hoped that with more favourable weather in the coming months that works that had been delayed can now progress. The Thrid and final round of the grant was open for applications until the 31st January 2022. Staff are currently reviewing the applciations and will present the shortlisted projects for endorsement in the coming months. |

| Meeting Date | Meeting | Res No. | Item Name | Previously Declared COI | Action Required (Council Resolution) | Responsible Director | Status | Status (for Council reporting) |
|--------------|------------------|---------|-------------------------------|----------------------------|---|----------------------|-------------|---|
| 23/03/2021 | Ordinary Council | 52/21 | Crown Land Revocation | None declared | That the report be received and noted That the consultation report (<i>Appendix 1</i>) be received and noted To apply to the Minister for Planning to revoke the Community Land classification of the following parcels of land:- CR 5752/186, Lot 32 Fullgrabe Road, Crafers CR 5753/725, Section 1609 Illert Road, Mylor CR 5753/729, Section 1657 Scott Creek Road, Scott Creek CR 5753/741, Sections 53 and 54 Sandy Waterhole Road, Woodside CR 5753/742, Section 547 Schuberts Road, Lobethal Vi. CR 5753/744, Section 553 Pedare Park Road, Woodside Vii. CR 5753/745, Section 556 Tiers Road, Woodside | | In Progress | Being progressed in accordance with resolution. November 21 - awaiting feedback from the Minister for Planning on final application for revocation Jan 22 - final application has been lodged with the Minister for Planning |
| 27/04/2021 | Ordinary Council | 70/21 | Green Organic Service Options | None declared | Council resolves that:The report be received and notedThe budget for free green organic drop off days be increased to \$138,600 as part of the Draft 2021/22 Annual Business Plan and BudgetFunding for a detailed analysis of Option 2 be included in the budget development for 2022/23. | | In Progress | Increased budget for free green organic drop off days adopted with the 2021/22 Annual Business Plan and Budget at the June 2021 Council meeting. Funding for a detailed analysis of Option 2 (Expand kerbside FOGO bin to all residents to ensure equity in kerbside services) will be included in the budget development for 2022/23. No progress to occur on this action until development of the 2022/23 budget. |

| Meeting Date | Meeting | Res No. | Item Name | Previously Declared COI | Action Required (Council Resolution) | Responsible Director | Status | Status (for Council reporting) |
|--------------|------------------|---------|---|----------------------------|---|----------------------|-------------|---|
| 22/06/2021 | Ordinary Council | 117/21 | Mobile Library Replacement | None declared | That the report be received and noted. That the Administration proceed with the replacement of the mobile library with a customised van and that the amount carried forward into 2021-22 be adjusted from \$480,000 to \$200,000.That the report be received and noted. That the Administration proceed with the replacement of the mobile library with a customised van and that the amount carried forward into 2021-22 be adjusted from \$480,000 to \$200,000. | David Waters | In Progress | Scoping has been completed with procurement of the selected vehicle and interior fit out to commence in March 2022. |
| 22/06/2021 | Ordinary Council | 119/21 | Community & Recreation Facilities Framework & Play Space Framework - Drafts for Consultation | None declared | That the report be received and noted. To receive and endorse the draft Community and Recreation Facilities Framework and the draft Play Space Framework and implement Stage 3 of Engagement (consultation). That the results of Stage 3 Engagement and the final draft Frameworks be presented to Council for their consideration by December 2021. That the CEO be authorised to:Make any formatting, nomenclature or other minor changes to the Draft Framework documents prior to being released for public consultation andDetermine the consultation timings, media and processes while ensuring consistency and compliance with the provisions of applicable legislation and Council's <i>Public Consultation Policy</i>. | Terry Crackett | In Progress | Framework consultation with stakeholders and the general community commenced in August 2021, and have now been extended until the 19th November. Consultation findings will be provided to Council in December. Financial implications will be considered at upcoming workshops, and a final draft for endorsement due in mid-2022. Jan 22 - due to extended consultation timeframe and request by a number of clubs to meet to discuss the framework, a workshop with Council has been delayed. It is proposed to arrange a meeting of CRFFIWG following completion of the requested meetings with clubs |
| 22/06/2021 | Ordinary Council | 146/21 | Event Opportunity - SANTOS TDU 2022 | None declared | Refer to Confidential Minute | David Waters | In Progress | The Santos Tour Down Under has been replaced with a domestic event in 2022 however the report remains in confidence. |

| Meeting Date | Meeting | Res No. | Item Name | Previously | Action Required (Council Resolution) | Responsible Director | Status | Status (for Council reporting) |
|--------------|------------------|---------|----------------------------|---------------|--|----------------------|-------------|---|
| | | | | Declared COI | | | | |
| 22/06/2021 | Ordinary Council | 147/21 | Event Opportunity SANTOS | None declared | that the report, related attachments | David Waters | In Progress | |
| | | | TDU 2022 | | and the minutes of Council and the | | | |
| | | | | | discussion and considerations of the | | | |
| | | | | | subject matter be retained in | | | |
| | | | | | confidence until Council receives | | | |
| | | | | | written confirmation from the South | | | |
| | | | | | Australian Tourist Commission that | | | |
| | | | | | the event information is no longer | | | |
| | | | | | confidential, but not longer than 30 | | | |
| | | | | | June 2022. | | | |
| 27/07/2021 | Ordinary Council | 154/21 | AH Reconciliation Working | None declared | 1. the report be received and | David Waters | In Drogross | The selection panel met via zoom 20 December. As per |
| 27/07/2021 | Ordinary Council | 154/21 | Group Terms of Reference & | None declared | noted. | David Waters | in Progress | the Terms of Reference the approval of the selection |
| | | | Membership | | | | | as recommended by the panel rests with the CEOs of |
| | | | Membership | | 2. Council adopts the changes to the Terms of Reference of the | | | both Adelaide Hills Council and Mount Barker District |
| | | | | | Adelaide Hills Reconciliation Working | | | Council. Andrew Aitkin approved this selection 21 |
| | | | | | Group as proposed in <i>Appendix 1</i> with | | | December 2021 however confirmation from Mount |
| | | | | | a review to take place in two years. | | | Barker Council was only recieved 11 February 2022. |
| | | | | | 3. Council authorises the Chief | | | Those who put in EOI will now be notified of the |
| | | | | | Executive Officer to make any minor | | | outcome and the membership of this group |
| | | | | | alterations to the Terms of Reference, | | | appointed. The first meeting has been scheduled for |
| | | | | | not affecting the substantive form or | | | Wednesday 16 March at 6.30pm via zoom |
| | | | | | function of the Adelaide Hills | | | Wednesday 10 March at 0.50pm via 200m |
| | | | | | Reconciliation Working Group, as may | | | |
| | | | | | be required to finalise the matter. | | | |
| | | | | | 4. in conjunction with the | | | |
| | | | | | Mount Barker District Council, to | | | |
| | | | | | commence the Adelaide Hills | | | |
| | | | | | Reconciliation Working Group | | | |
| | | | | | Community Member Expression of | | | |
| | | | | | Interest process and appoints Cr | | | |
| | | | | | Kirrilee Boyd to the selection panel | | | |
| | | | | | with Cr Ian Bailey as proxy member. | | | |
| | | | | | with chain bailey as proxy member. | | | |
| | | | | | | | | |
| | | | | | | | | |

| Meeting Date | Meeting | Res No. | Item Name | Previously | Action Required (Council Resolution) | Responsible Director | Status | Status (for Council reporting) |
|--------------|------------------|---------|--|---|---|----------------------|-------------|--|
| 27/07/2021 | Ordinary Council | 158/21 | Revocation of Community Land Classification - Closed Roads R2142AA & R1573AB | Declared COI Perceived - Cr Linda Green | That the report be received and noted To commence a revocation of community land process for the land described as "AA" in Road Plan No. 2142 ("Closed Road"), off Lenger Road, Mount Torrens including consultation in accordance with Council's Public Consultation Policy and the <i>Local Government Act 1999</i> with the intention of selling the Closed Road to the adjoining owners. To commence a revocation of community land process for the land described as "A" and "B" in Road Plan No. 1573 ("Closed Road") adjacent to 105 Nicholls Road, Norton Summit including consultation in accordance with Council's Public Consultation Policy and the <i>Local Government Act 1999</i> with the intention of selling the Closed Road to the adjoining owners. That a further report be presented to Council at the completion of the consultation. | Terry Crackett | In Progress | Commenced in accordance with the resolution Public Consultation to commence early February for revocation of Community Land Classification |
| 27/07/2021 | Ordinary Council | 167/21 | 46 Mt Barker Road Stirling - Old Stirling Police Station | Material - Cr Mark Osterstock | that the minutes, report, related attachments and the discussion and considerations of the subject matter be retained in confidence until the | Terry Crackett | In Progress | Minutes have been released from confidentiality. |
| 4/08/2021 | Ordinary Council | 169/21 | MON Natural Burials | None declared | That the CEO provides a report to Council by 30 June 2022, outlining a policy and/or procedures by which Council can effectively manage natural burials in council cemeteries, such a report to include suitable locations and indicative costs. | Terry Crackett | In Progress | Preliminary planning underway for return to Council with report by 30 June 2022. |

| Meeting Date | Meeting | Res No. | Item Name | Previously Declared COI | Action Required (Council Resolution) | Responsible Director | Status | Status (for Council reporting) |
|--------------|------------------|---------|---|----------------------------|--|----------------------|-------------|---|
| 24/08/2021 | Ordinary Council | 170/21 | Road Exchange Aldi Devleopment Pomona Road Stirling | None declared | That the report be received and notedIn accordance with sections 12 and 15 of the <i>Roads (Opening and</i> <i>Closing) Act 1991</i> , enter into an Agreement for Exchange with the owner of the land of 3-5 Pomona Road Stirling and issue a Road Process Order to open as public road the area identified as "Road to be opened 1" on the Preliminary Plan No 21/0011 and in exchange to close a portion of Pomona Road as identified on the Preliminary Plan No 21/0011 as "Public Road A", subject to the owner of the land at 3-5 Pomona Road Stirling and Council agreeing to share all costs associated with the road exchange process including but not limited to all survey, valuation and reasonable legal costs. The closed road be excluded as Community Land pursuant to the <i>Local Government Act</i> <i>1999</i> . The Mayor and Chief Executive Officer be authorised to sign all documents necessary, including affixation of the common seal, to give effect to this resolution. | | In Progress | Commenced in accordance with resolution Awaiting Road Process Documents for Council execution from the Surveyor |
| 24/08/2021 | Ordinary Council | 173/21 | Closed Road Upper Hermitage Community Revocation Consultation Outcome | None declared | That the report be received and noted. To cease the revocation of community land process for the land described as "A" in Road Plan No. 855 ("Closed Road"). To retain the Closed Road on the Council's Community Land Register and undertake a community consultation process to adopt a Community Land Management Plan for the Closed Road as a Conservation Reserve. | Terry Crackett | In Progress | Commenced in accordance with resolution, consultation for the inclusion into the Community Land Management Plan will be undertaken inconjunction with the next round of consultation for updates to the Community Land Management Plan later this year |

| Meeting Date | Meeting | Res No. | Item Name | Previously Declared COI | Action Required (Council Resolution) | Responsible Director | Status | Status (for Council reporting) |
|--------------|------------------|---------|---|------------------------------|---|----------------------|-------------|--|
| 24/08/2021 | Ordinary Council | 178/21 | Operational Workplace Review | | 1.That the report be received and noted2.That Council take up commercial lease space in Stirling at 85 Mount Barker Road Stirling, and | | In Progress | Commenced in accordance with resolution Fitout of Garrod Office and progression of preliminary work for Stirling transportable underway. Scoping of other components to be undertaken by June 2022. |
| 28/09/2021 | Ordinary Council | 205/21 | Roadside Trading Policy for Community Consultation | Actual - Cr Kirrilee Boyd | That the report be received and noted. To approve the draft <i>Roadside</i> <i>Trading (Use of Public Road Verges for</i> <i>Business Purposes) Policy</i> as contained in <i>Appendix 1</i> for community consultation. That a further report be presented to Council for consideration following completion of the community consultation | Terry Crackett | In Progress | Consultationhas been completed. Consultation outcomes and proposed policy position will be presented to Council at a workshop in March prior to being presented to Council for a decision. |

| Meeting Date | Meeting | Res No. | Item Name | Previously Declared COI | Action Required (Council Resolution) | Responsible Director | Status | Status (for Council reporting) |
|--------------|------------------|---------|---|----------------------------|---|----------------------|-------------|--|
| 26/10/2021 | Ordinary Council | 220/21 | Charleston Cemetery Compulsory Acquisition | None declared | That the report be received and noted. To revoke the resolution of Council of 22 May 2001, B129. To commence a process to compulsorily acquire, under the <i>Land</i> <i>Acquisition Act 1969</i>, the Charleston Cemetery being the land contained in Certificate of Title Volume 5066 Folio 740 located at 36 Newman Road Charleston from The Charleston Cemetery Trust Inc.To continue to manage the Charleston Cemetery on behalf of The Charleston Cemetery Trust Inc in the interim from the date of this resolution until the completion of the land acquisition process.To authorise the Mayor and Chief Executive Officer to undertake all necessary actions, including execution of documents, including under the common seal of Council, to give effect to this resolution. | Terry Crackett | In Progress | Commenced in accordance with the resolution. November 21 - letter seeking consent to undertake the compulsory acqusition has been sent to the Minister Jan 22 - Minister has advised they are considering their position and will advise further in due course |
| 26/10/2021 | Ordinary Council | 221/21 | Single Use Plastic MON Response | None declared | That the report be received and notedThat the actions outlined in this report are implemented. | Peter Bice | In Progress | The Sustainability, Waste and Emergency Management team have met and prepared an action plan which identifies responsibility for the actions. Initial discussions have been held with responsible officers and actions are in progress. Staff are preparing a brief submission on the consultation undertaken by State Government on pending single use plastic bans beyond March 2022. |
| 26/10/2021 | Ordinary Council | 235/21 | Ashton Landfill - Confidential Item | None declared | As per Confidential minute | Peter Bice | In Progress | Matter continues to be progressed. Further updates will be provided when a material change occurs. |
| 26/10/2021 | Ordinary Council | 238/21 | Electricity Procurement Legal Matter - Confidential Item | None declared | As per confidential minute | Peter Bice | In Progress | |

| Meeting Date | Meeting | Res No. | Item Name | Previously Declared COI | Action Required (Council Resolution) | Responsible Director | Status | Status (for Council reporting) |
|--------------|------------------|---------|--|---|---|----------------------|-------------|---|
| 23/11/2021 | Ordinary Council | 244/21 | Cromer Cemetery Legal Access | None declared | That the CEO writes to the Minister for the Environment and Water requesting that the Department of the Environment and Water expedite a reply to Council in regard to legal access to the Cromer Cemetery. | | In Progress | Letter has been drafted and is to be sent to the Minister before the end of January 22 |
| 23/11/2021 | Ordinary Council | 250/21 | Road Acquisition - Portion of Teringie Drive Teringie | None declared | That the report be received and noted. To purchase Allotment 592 in Deposited Plan No. 127876 (Appendix 3) being an area of land totalling 7sqm identified in red on the Certificate of Title attached as Appendix 2 ("Land") from the land owner at 59 Teringie Drive, Teringie, for the purchase price of \$1,000 (excl GST) plus all reasonable costs to vest the Land as public road. The Land being purchased to be excluded as Community Land pursuant to the Local Government Act 1999 ; and That the CEO be authorised to sign all necessary documentation to give effect to this resolution | | Not Started | Commenced in accordance with Council resolution. Documents being prepared by Conveyancer to complete the boundary realignment |
| 23/11/2021 | Ordinary Council | 252/21 | | Material - Cr Malcolm Herrmann Material - Cr Linda Green Material - Cr Andrew Stratford | That the report be received and noted That it provides an efficiency dividend in total of \$143,880 to Community Waste Management Scheme (CWMS) Customers at \$71 per occupied property unit and \$35 per vacant property unit.3. That the CEO be authorised to distribute the dividend to customers via the most effective and efficient administration process, that being a credit to the rate notice in Quarter 3 | | Completed | CWMS Fee adjustment completed as part of third quarter reminder rates notice to customers. Letter to all CWMS customers distributed informing them of the CWMS fee adjustment. |
| 14/12/2021 | Ordinary Council | 274/21 | Woodside Recreation Ground Reuse further information | Perceived - Cr Stratford | The report be received and noted. That a report be prepared for Council's information on the costs associated with bore water saving | Peter Bice | Not Started | Exploration of bore water saving initiatives to commence early 2022. Tender documents being prepared for expert consultancy services. |

| Meeting Date | Meeting | Res No. | Item Name | Previously Declared COI | Action Required (Council Resolution) | Responsible Director | Status | Status (for Council reporting) |
|--------------|------------------|---------|---|----------------------------|---|----------------------|-------------|--|
| 14/12/2021 | Ordinary Council | 276/21 | Trails & Cycling Routes Framework - Draft Service Levels and Guidelines for consultation | None declared | That the report be received and notedThat the draft Trails and Cycle Routes Service Levels in Appendix 1 and Guidelines in Appendix 2 be endorsed for consultation That the results of consultation and the final draft Framework be presented to Council for their consideration by June 2022. That the CEO be authorised to: Make any formatting, nomenclature or other minor changes to the Policy prior to being released for public consultation andDetermine the consultation timings, media and processes while ensuring consistency and compliance with the provisions of applicable legislation and Council's <i>Public Consultation Policy</i> . | Terry Crackett | In Progress | Commenced in accordance with resolution |
| 14/12/2021 | Ordinary Council | 287/21 | Citizen of the Year Awards 2022 - Confidential | None declared | As per Confidential Minute | David Waters | Completed | The award winners have been made public and details of recipients are available on Council's website. |
| 14/12/2021 | Ordinary Council | 288/21 | Citizen of the Year Awards 2022 - Period of Confidentiality | None declared | that the report, related attachments and the minutes of Council and the discussion and considerations of the subject matter be retained in confidence until the presentation of the awards on 26 January 2022, with the exception of the appropriate release of information to award recipients and their close family and friends, nominators and media outlets to enhance coverage of the awards. | David Waters | | Details of the Award recipients are located on Council's website. |
| 14/12/2021 | Ordinary Council | 291/21 | East Waste Independent Chair Appointment - Period of Confidentiality | None declared | that an order be made under the provisions of sections 91(7) and (9) of the <i>Local Government Act 1999</i> that the discussion and considerations of the subject matter be retained in confidence until 30 March 2022 or until East Waste advises of the Independent Chairperson appointment, whichever occurs earlier. | Andrew Aitken | Completed | EW General Manager - 11/2/22 advised that Fraser Bell unanimously appointed to the role of Board Chair. |

| Meeting Date | Meeting | Res No. | Item Name | Previously Declared COI | Action Required (Council Resolution) | Responsible Director | Status | Status (for Council reporting) |
|--------------|------------------|---------|--|----------------------------|---|----------------------|-------------|--|
| 25/01/2022 | Ordinary Council | 2/22 | MON Randell's Cottages, Gumeracha | Nil | I move that the CEO provides a report to the April council meeting on options for the future of Randell's Workmen's Cottages, Beavis Court, Gumeracha. Such options to include separation of the cottage land from the reserve, Council's current investment in the preservation of the buildings and possible end use. | Terry Crackett | Not Started | |
| 25/01/2022 | Ordinary Council | 3/22 | Amy Gillett Bikeway | Nil | That the report be received. That the Mayor, on behalf of Council, writes to the Hon Barnaby Joyce MP, Deputy Prime Minister, Minister for Infrastructure, Transport and Regional Development in relation to the approved funding of \$2.6 million (GST exclusive) under the Community Development Grants Programme to Council for the Amy Gillett Bikeway - Mount Torrens to Birdwood project (Stage 4), accepts the funding, and respectfully requests a further time extension to 30 June 2022 in order to enable further negotiations to take place with the State Government concerning the construction and delivery of this project. In the event that the Minister does not grant a further time extension, in order to enable final negotiations to take place with the State Government concerning construction and delivery of this project. | Peter Bice | In Progress | Letters all sent, and contact has been made by a number of the identified sakeholders t explore positive way orward to seek project delivery to be enabled. |
| 25/01/2022 | Ordinary Council | 4/22 | Wastewater Applicaiton Fee Refund Policy Update | Nil | That the report be received and noted. With an effective date of 8 February 2022, to revoke the 18 December 2018 Wastewater Application Fee Refund | | Not Started | |
| 25/01/2022 | Ordinary Council | 5/22 | CAP Membership - Extension of Council Member term | Material - Cr John Kemp | That the report be received and noted. That the term of the current Council | Marc Salver | Not Started | |

| Meeting Date | Meeting | Res No. | Item Name | Previously | Action Required (Council Resolution) | Responsible Director | Status | Status (for Council reporting) |
|--------------|--------------------|---------|--------------------------------|------------------|--|----------------------|-------------|---|
| | | | | Declared COI | | | | |
| 25/01/2022 | Ordinary Council | 8/22 | Revocation of Building and | Material - Cr | That the report be received and noted. | Marc Salver | Not Started | |
| | | | Swimming Pool Inspection | Andrew Stratford | That Council revokes the Building and | | | |
| 25/01/2022 | Ordinary Council | 9/22 | Revocation of Liquor Licensing | Material - Cr | That the report be received and noted. | Marc Salver | Not Started | |
| | | | Policy | Mark Osterstock | That Council revokes the Liquor | | | |
| 25/01/2022 | Ordinary Council | 10/22 | Updating Arrangements for | Nil | 1. That the report be received | Marc Salver | Not Started | |
| | | | Building Fire Safety Committee | | and noted. | | | |
| | | | Members | | 2. To appoint the following | | | |
| | | | | | members to the Adelaide Hills Building | | | |
| | | | | | Fire Safety Committee as the | | | |
| | | | | | appropriate Authority for the | | | |
| | | | | | purposes of Section 157 (17) of the | | | |
| | | | | | Planning, Development and | | | |
| | | | | | Infrastructure Act 2016 commencing | | | |
| | | | | | on 27 January 2022 and expiring on 31 | | | |
| | | | | | May 2022: | | | |
| | | | | | Louis Palumbo, Team Leader Building | | | |
| | | | | | Services as an authorised Council | | | |
| | | | | | Officer with expertise and | | | |
| | | | | | qualifications in building surveying | | | |
| | | | | | and fire safety; andTom Warneke, | | | |
| | | | | | Building Officer as the Council | | | |
| | | | | | representative with Catherine Clare, | | | |
| | | | | | Building Officer appointed as deputy | | | |
| | | | | | member. | | | |
| | | | | | 3. To appoint Louis Palumbo as | | | |
| | | | | | the Presiding Member of the Building | | | |
| | | | | | Fire Safety Committee. | | | |
| | | | | | 4. With an effective date of 27 | | | |
| | | | | | January 2022, to revoke the 26 | | | |
| | | | | | September 2017 Building Fire Safety | | | |
| | | | | | Committee Terms of Reference and to | | | |
| 05/04/0000 | | 10/00 | | | adopt the draft Building Fire Safety | | | |
| 25/01/2022 | Ordinary Council | 12/22 | Service Review Brief - Civil | Nil | 1. That the report be received | Andrew Aitken | In Progress | The brief has been completed with the procurement |
| | | | Services | | and noted | | | process commenced in anticipation of going to market |
| | | | | | | | | in mid-late february. |
| | | | | | 2. To adopt the draft <i>Service</i> | | | |
| 25 (01 /2022 | Oudine no Cessa il | 12/22 | | A.11 | Review Brief – Civil Services as | An duraw Aithen | Complet | |
| 25/01/2022 | Ordinary Council | 13/22 | Delegations Review January | Nil | That the report be received and noted | Andrew Altken | Completed | All instruments have been uploaded to the website. |
| | | | 2022 | | That, having considered a review of | | | Staff instruments will be managed through business as |
| | | | | | Council's Delegations as presented, | | | usual activities. |

| Meeting Date | Meeting | Res No. | ltem Name | Previously Declared COI | Action Required (Council Resolution) | Responsible Director | Status | Status (for Council reporting) |
|--------------|------------------|---------|--|----------------------------|--|----------------------|-------------|--|
| 25/01/2022 | Ordinary Council | 16/22 | MWN Fire Hydrants and Fire Plugs | Nil | I move that Council writes to SA Water Board Chair Mr. Andrew Fletcher, requesting the locations of Fire Hydrants and Fire Plugs be included on the South Australian Government Geographic Information System (GIS) mapping website SALocationMapViewer (https://location.sa.gov.au/viewer/?% 20map). I move that Council writes to SA Water Board Chair Mr. Andrew Fletcher, seeking information on the methodology used to ensure Fire Plugs and Hydrants are inspected to assess functionality, particularly in the bushfire prone areas of the Adelaide Hills. A report be presented to Council on the reply from SA Water. | | In Progress | Letters have been sent to Mr Fletcher encompassing the information requests outline in the Council Resolution. Omce response received, a report will be preapred to be tabled at the next available Council Meeting. |
| 25/01/2022 | Ordinary Council | 19/22 | Audit Committee Indpendent Member Extension of Term | Nil | Refer to Confidential Minute | Andrew Aitken | Completed | Natalie Johnson has been advised of the extention of her term as per the Council resolution. |
| 25/01/2022 | Ordinary Council | 20/22 | Audit Committee Independent Member Extension of Term - Confidential Duration of Confidentiality | | that the report, related attachments and the minutes of Council be retained in confidence until 30 April 2022. | Andrew Aitken | Completed | CEO has exercised the delegation under s91(7) to cease the confidentiality period following notification to Independent Member Natalie Johnston of the term extension. |
| 25/02/2022 | Ordinary Council | 7/22 | CAP Membership - Selection Panel for Independent Members | Nil | To appoint Cr John Kemp and Cr Leith Mudge and the CEO (or delegate) as members of the Council Assessment Panel Independent Member Selection Panel. | Marc Salver | Not Started | |

ADELAIDE HILLS COUNCIL ORDINARY COUNCIL MEETING Tuesday 22 February 2022 AGENDA BUSINESS ITEM

| Item: | 17.2.1. |
|----------------------|---|
| Responsible Officer: | Lachlan Miller Executive Manager Governance & Performance Office of the Chief Executive |
| Subject: | Audit Committee Recommendations to Council |
| For: | Decision |

SUMMARY

The Audit Committee held its first meeting of the calendar year on 14 February 2022.

The Committee made recommendations to Council in relation to a number of decision items. The Budget Review 2 and Long Term Financial Plan are discrete items in the 22 February 2022 Council agenda and the balance of items recommended to Council are provided in this report.

Each item is briefly summarised in this report and the full Audit Committee Report is included as an appendix.

RECOMMENDATION

Council resolves:

- 1. That the report be received and noted
- 2. To adopt the revised *Strategic Internal Audit Plan v1.9a* as contained in Appendix 1.
- **3.** To approve the *2021-22 External Audit Plan* by Galpins Accountants, Auditors and Business Consultants as contained in Appendix 2.
- 4. To note the status of the Risk Management Plan at Appendix 3.

1. GOVERNANCE

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 structure 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 |

Appendices 1 and 3 relate to the Council's *Internal Audit Policy* and *Risk Management Policy* respectively.

Legal Implications

As per the individual items in the appendices.

Risk Management Implications

Receiving specialist advice and recommendations from 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

As per the individual items in the appendices.

Customer Service and Community/Cultural Implications

As per the individual items in the appendices.

Sustainability Implications

As per the individual items in the appendices.

> Engagement/Consultation conducted in the development of the report

As per the individual items in the appendices.

2. BACKGROUND

The Audit Committee's role is 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.

The Committee considers matters within the above specialist functions and, where appropriate, makes recommendations to Council on matters which are outside of its delegation to approve.

3. ANALYSIS

Internal Audit Quarterly Update – Appendix 1

The Audit Committee had previously requested the Administration to undertake an assurance mapping exercise to identify the degree of audit overlap between the Internal and External Audit Plans. The report considered at the 14 February 2022 meeting provided the results of the mapping exercise along with a recommendation to remove a number of internal audits from the Strategic Internal Audit Plan (SIAP) for which there was overlap.

The Committee has noted the lack of progress in the conduct of the SIAP to date and will continue to closely monitor the implementation of the revised Plan (for Council's approval) over the coming meetings.

The Committee's recommendation is:

7.8 Internal Audit Quarterly Update

Moved Natalie Johnston S/- Cr Leith Mudge

AC11/22

The Audit Committee resolves:

- 1. That the report be received and noted
- 2. To recommend to Council to adopt the revised Strategic Internal Audit Plan v1.9a as contained in Appendix 1.

Carried Unanimously

2021-22 External Audit Plan – Appendix 2

One of the specific roles of the Audit Committee, under its Terms of Reference, is to consider and recommend the External Audit's terms of engagement and the scope of each audit.

At the 14 February 2022 meeting, the Audit Committee considered the External Audit Plan for the audit of the 2021-22 Financial Statements and the Internal Financial Controls. The External Audit partner, Tim Muhlhausler, attended the meeting and answered questions from Committee members with particular focus on the subject of computer aided audit techniques (CAATs) and cyber security. The Committee's recommendation is:

7.1 External Audit Plan 2021-22

Moved Cr Malcolm Herrmann S/- Cr Leith Mudge

AC4/22

- 1. That the report be received and noted.
- 2. To recommend to Council the approval of the 2021-22 External Audit Plan by Galpins Accountants, Auditors and Business Consultants as contained in Appendix 1.

Carried Unanimously

<u>Risk Management Plan Update – Appendix 3</u>

The Risk Management Plan update is a standing report at all Audit Committee meetings and it provided the Committee with the current status of the strategic risk profile of Council, the control effectiveness ratings and the status of mitigation activities planned to further manage the residual risk profile.

While the Risk Management Plan Update is not a recommendation from the Audit Committee to Council, it is provided to Council after each Committee meeting for the Council's information.

The Committee's recommendation is:

7.6 Risk Management Plan Update

Moved Cr Leith Mudge S/- Natalie Johnston

AC9/22

The Audit Committee resolves the report be received and noted.

Carried Unanimously

4. OPTIONS

Council has the following options:

- I. To consider the individual recommendations from the Audit Committee and decide accordingly (Recommended)
- II. To determine alternative or no course of action in relation to each of the recommendations. (Not Recommended)

5. APPENDICES

- (1) Internal Audit Quarterly Update
- (2) 2021-22 External Audit Plan
- (3) Risk Management Plan Update

Appendix 1 Internal Audit Quarterly Update

ADELAIDE HILLS COUNCIL AUDIT COMMITTEE MEETING Monday 14 February 2022 AGENDA BUSINESS ITEM

| Item: | 7.8 |
|----------------------|---|
| Responsible Officer: | Lachlan Miller Executive Manager Governance & Performance Office of the Chief Executive |
| Subject: | Internal Audit Quarterly Update |
| For: | Information |

SUMMARY

At its 15 November 2021 meeting the Audit Committee requested that the current Strategic Internal Audit Plan (SIAP) be reviewed to determine the level of potential overlap between the internal audits scheduled and the audit work conducted by the external auditor (Galpins) in relation to the Internal Financial Controls Audit.

The assurance mapping exercise has taken the *Better Practice Model* – *Internal Financial Controls for South Australian Councils* guide (which provides the legislated guidelines for council internal financial controls framework) and aligned these to the scope of each proposed internal audit on the SIAP.

A revised SIAP v1.9a (Appendix 1) is presented for the Audit Committee's recommendation to Council.

Given the assurance mapping exercise and the Xmas/New Year period, no audits have been conducted since the last meeting.

RECOMMENDATION

The Audit Committee resolves:

- 1. That the report be received and noted
- 2. To recommend to Council to adopt the revised Strategic Internal Audit Plan v1.9a as contained in Appendix 1.

1. GOVERNANCE

Strategic Management Plan/Functional Strategy/Council Policy Alignment

Strategic Plan 2020-24 – A brighter future

| 5 | 5, |
|---------------|---|
| 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) |

The controls tested are part of the internal control framework contributing to the current Residual Risk rating. The recommendations arising from audits and the management actions to be undertaken are mitigations which will contribute to reducing the risk rating to the Target Risk level.

Financial and Resource Implications

The Internal Audit budget for the 2021-22 financial year should be sufficient for the audits that are likely to be conducted in the financial year.

The proposed audits are planned to be outsourced under the oversight of the Executive Manager Governance and Performance. Given the range of demands on this role, and the specialised nature of a number of the audits, it is not possible to undertake audits internally and while not necessary, it does promote the objectivity of the audit process.

> 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:

| Council Committees: | Nil |
|---------------------|----------------|
| Council Workshops: | Not Applicable |
| Advisory Groups: | Not Applicable |
| External Agencies: | Not Applicable |
| Community: | Not Applicable |

2. BACKGROUND

The Committee last received a quarterly report at its 14 November 2021 meeting. At this meeting the Committee discussed the issue of auditee fatigue particularly in light of the perceived significant level of crossover between those areas audited in relation to the Internal Financial Controls Audit under the External Audit Plan and those scheduled for internal audit under the Strategic Internal Audit Program SIAP).

The Committee noted that audit briefs have been prepared for the upcoming Recruitment & Retention Audit and the Budgetary Management Audit (see SIAP at *Appendix 2*).

While not specifically resolved, the Committee advocated the undertaking of an assurance mapping exercise between the internal and external audit programs to identify the areas of duplication with a view to resetting the balance of the SIAP.

3. ANALYSIS

Section 125(2) of the Act, in conjunction with section 10A of the *Local Government (Financial Management) Regulations 2011*, requires internal financial controls of council to be designed and implemented in accordance with the *Better Practice Model – Internal Financial Controls for South Australian Councils* guide (Better Practice Model).

The external auditor utilises the Better Practice Model to frame the external audit workplan for the Internal Financial Controls Audit (for more information see the External Audit Plan agenda item) The assurance mapping exercise has been undertaken utilising the *Better Practice Model* –. The results of the mapping are shown in the SIAP v1.9a at *Appendix 2*.

The assurance map identifies that the following proposed internal audits have a level of coverage (albeit not complete coverage) in the Better Practice Model. Further, the External Audit Plan (considered in a separate agenda item) sets out the External Auditor's assessment of the inherent risks associated with key business cycles and the controls testing approach proposed (see pages 11-12 of the External Audit Plan), this is shown below:

| Proposed Internal Audit | Business Cycle | EA Plan Risk Assessment |
|---------------------------|------------------------------|----------------------------|
| Budgetary Management | 2.2 Budgets | Not rated |
| Capital Works Programming | 3.7 Fixed Assets | High |
| & Delivery | 3.8 Project Costing | Not rated |
| Treasury Management | 3.2 Banking | High |
| | 3.3 Investments | Not rated |
| | 4.3 Borrowings | Not rated |
| Business Continuity Plan | 2.2 General Ledger | Medium |
| Debt Management | 3.4 Debtors | Medium |
| Procurement | 6.1 Purchasing & procurement | High |
| | 6.4 Credit cards | High |
| | 7.1 Contracting | Not rated |
| Asset Operation | 3.7 Fixed Assets | High |
| Contract Management | 7.1 Contracting | Not rated |

Given the intention to remove the duplicated effort and the audit fatigue, the Administration proposes removing the internal audits from the SIAP that appear to have controls testing planned as part of the External Audit Plan. For clarity these internal audits as follows:

- Procurement
- Asset Operation
- Debt Management

Further it is proposed to remove the Business Continuity Plan audit from the remainder of the SIAP given that the Plan has not yet been finalised.

4. OPTIONS

The Committee has the following options:

- I. To receive and note this report (Recommended).
- II. To recommend to Council to adopt the revised SIAP v1.9a as contained in Appendix 1 (Recommended); or
- II. To identify an alternative course of action.

5. APPENDIX

(1) Strategic Internal Audit Plan 2018/19 – 22/23 v1.9a

Appendix 1

Strategic Internal Audit Plan 2018/19 – 22/23 v1.9a





Better Practice Model – Internal Financial Controls for South Australian Councils

April 2017

Prepared by the Internal Controls Work G<u>roup for and</u>

Prepared by the Internal Controls Work Group for and on behalf of South Australian Local Government Financial Management Group Inc. (SALGFMG)





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Inherent Limitations

The guidance provided is advisory in nature and has not been conducted in accordance with the standards issued by the Australian Auditing and Assurance Standards Board and consequently no opinions or conclusions under these standards are expressed. Recommendations and suggestions for improvement should be assessed by management for their full commercial impact before they are implemented.

We believe that the statements made in this report are accurate, but no warranty of completeness, accuracy, or reliability is given in relation to the statements and representations made, and the information and documentation provided. We have not attempted to verify these sources independently unless otherwise noted within the report.

Statement of Disclaimer

This Framework has been prepared by the South Australian Local Government Financial Management Group Inc. (SALGFMG). The Framework is intended to provide general information on financial controls and does not purport to be comprehensive nor is it intended to replace professional advice for your Council or for your specific circumstances. The contents do not constitute advice and should not be relied upon as such. If advice concerning individual circumstances of your Council or other expert assistance is required, the services of a competent professional adviser should be sought.

This Framework cannot be regarded as a complete list of all financial risks and controls relevant to Councils within South Australia and should not be relied upon as a substitute for action that Councils should take to ensure that Section 125 of the *Local Government Act 1999* requirements are met such:

"that appropriate policies, practices and procedures of internal control 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 the council's assets, and to secure (as far as possible) the accuracy and reliability of council records.".

As detailed in section 99 (1) (g) of the *Local Government Act 1999*, it is the responsibility of the Chief Executive Officer of each council:

"to ensure that the assets and resources of the council are properly managed and maintained".

No responsibility or liability to any third party is accepted by the SALGFMG as the Framework has not been prepared, and is not intended, for use by third parties or for any other purpose.





1.Introduction

1.1. Overview of Internal Control

Internal control is one of the foundations of a robust corporate governance framework. The Committee of Sponsoring Organisations (COSO) broadly defines internal control as:

"a process, effected by an entity's board of directors, management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

- Effectiveness and efficiency of operations; and
- Reliability of financial reporting; and
- Compliance with applicable laws and regulations."

Section 125 of the Local Government Act 1999 ("the Act") requires that:

"a council must ensure that appropriate policies, practices and procedures of internal control 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 the council's assets, and to secure (as far as possible) the accuracy and reliability of council records".

This Framework provides guidance which Councils can use alongside their existing risk framework to aid in developing a risk based approach to the identification and assessment of financial risks and internal controls, and create a strong internal environment focussed on continuous improvement. This will also assist in ensuring compliance with the provisions of the *Local Government Act 1999*.

It is important to note that while this Framework considers financial risks only, the approach should be seen as forming one part of Council's overall risk management and governance framework. Whilst the Framework excludes non-financial risks, consideration should also be given to any financial implications that these risks could have on the entity.

1.2. Audit of Internal Financial Controls

Section 129 (1) (b) of the *Local Government Act 1999* ("the Act") requires a council's external auditor to audit:

'the controls exercised by the council during the relevant financial year in relation to the receipt, expenditure and investment of money,

the acquisition and disposal of property and the incurring of liabilities'.

Under section 129 (3) (b) of the Act they must provide:

'an audit opinion as to whether the controls audited under subsection (1)(b) are sufficient to provide reasonable assurance that the financial transactions of the council have been conducted properly and in accordance with law'.

External auditors should apply ASAE 3000 Standard on Assurance Engagements and ASAE 3150 *Assurance Engagements on Controls* in conducting their audit under section 129 (1) (b) of the Act.

Pursuant to Section 126(4)(c) of the Local Government Act 1999, Council Audit Committees are responsible for reviewing the adequacy of the accounting, internal control, reporting and other financial management systems and practices of the Council on a regular basis. The provision to





Council Members of reports by the Audit Committee concerning internal controls is an important part of good practice financial governance.

Auditors should have regard to the application of the risk based approach applied by Council in performing their testing and forming their opinion under section 129(3) of the Act. The auditor should obtain sufficient appropriate audit evidence pertaining to controls for each risk to determine if the internal financial controls over that risk provide sufficient assurance that the financial transactions of the council have been conducted properly and in accordance with the law.

1.3. Internal Financial Controls

Internal financial control, as a part of Council's broader internal control processes, is designed to assist the Council in addressing the risk of fraud and error, improving reliability of financial reporting and compliance with laws, regulations and policies. It focuses on Council's financial processes and functions that deal with, but are not limited to, budgeting, financial reporting, transaction processing, financial delegations and treasury management.

Internal financial control will be instrumental in:

- Safeguarding Council assets
- Ensuring reliability of both financial and non-financial reporting
- Complying with legislation and Council policies
- Promoting the effectiveness and operational efficiency of Council

Internal control will not remove all financial risk but is a means of managing risk and reducing the likelihood and consequence of adverse events. A sound system of internal financial control is essential for a council to ensure that its resources are allocated in the most appropriate manner, operational and financial objectives are being met and to facilitate compliance with the accountability provisions of the *Local Government Act 1999*.

1.4. Three Lines of Defence

A council's internal control environment typically includes the following components:

- Structure of the organisation
- Culture of the organisation
- Knowledge, skills and experience of employees
- · Processes employed by the organisation to conduct business

Management is primarily responsible for managing organisational risks on a day-to-day basis and thereby forms the first line of defence for the Council. Management achieves this by establishing an appropriate internal control environment including the relevant internal financial controls addressing the underlying financial accounting assertions.

The second line of defence is composed of the corporate functions that establish the policies and procedures which govern organisational activities and processes. This is established through monitoring activities such as self-assessment of the adequacy of internal controls on an aggregated level which establishes the boundaries and expected standards by which the business operates.

Finally, the third line of defence consists of internal audit which is charged with the responsibility to perform an objective assessment on the performance of control activities and business processes. An internal audit function is not a mandatory requirement for councils, however the absence of such a function may increase the consequence of control failure.





| Local Government Act and Regulations | | | | | | | | |
|---|---|---------------------------------|--|--|--|--|--|--|
| External Auditor | | | | | | | | |
| 1 st Line of Defence | 2 nd Line of Defence | 3 rd Line of Defence | | | | | | |
| Risk Governance Framework | | | | | | | | |
| Establishment of Internal Control Environment and Internal Control Activities | Risk Identification and Assessment Establishment of Policies and Procedures Control Monitoring Management Evaluation Process Monitoring and Improvement | Internal Audit | | | | | | |

Additionally Council's Audit Committee, external auditor and the Local Government Act 1999 and Regulations play an important part in framing the Council's governance and internal control environment.

Legislation and regulation sets the framework for the governance and internal control environment by establishing requirements designed to improve the environment as it is developed. The Audit Committee and external auditors are also able to provide independent and objective feedback and assessment of the internal controls in relation to the financial reporting processes of Council as they relate to the three lines of defence.

1.5. Internal Financial Control Environment

The Council should establish an internal financial control environment. This should be based on the following steps, and incorporate a suite of internal controls, policies and procedures that create a framework for a robust and strong environment within the organisation.

- 1) Identification of Financial Risks
- 2) Assessment of Inherent Risk (the level of risk associated with the particular issue before the implementation of related controls)
- 3) Evaluation of Control Activities
- 4) Assessment of Residual Risk (risk that remains with Council over a particular issue after controls have been implemented and assessed for their effectiveness)
- 5) Address Residual Risks and Control Activities
- 6) Ongoing Monitoring of Internal Financial Controls.

The above approach is detailed further at section 1.7.

The steps above should be performed on a regular basis, with steps 1 to 5 performed at least annually, noting steps 1 and 2 need only be considered at a high level to identify if there have been any changes within Council or to Council's external environment (e.g. new legislation) that would result in new or revised financial risks or a change in the assessment of inherent risk associated with a financial risk.

Council's internal control framework should be designed as a living process aimed at embedding a culture of continuous improvement within the Council. This is achieved by performing regular assessments of risk and identification of areas that are deficient or where improvement may be possible, and implementing processes and controls that address these areas.





1.6. Risk Based Approach to Internal Financial Controls

Given all councils have limited resources, it is important to focus on the key financial risks and controls. Councils should design and implement internal financial control activities and monitoring systems that prioritise extreme and high financial risks as identified by the Council's risk tolerance framework.

This can be achieved by applying a risk based approach to the Risk and Control Assessment Process documented at 1.7.

By applying a risk based framework, councils should document and assess the internal financial controls that relate to a particular financial risk to the extent that they mitigate that risk to an acceptable level.

Councils should apply judgment as to the quantum of controls to document in relation to each financial risk. Council must satisfy itself that, in aggregate, the controls as documented and assessed are sufficient to provide comfort that the financial risk is being managed at an acceptable level. The controls implemented will depend on the inherent risk assessment, the residual risk given controls already in place and the risk tolerance of the organisation. If Councils can demonstrate through their self-assessment that particular controls in place reduce a particular financial risk to a low level it is not considered necessary to document further controls in relation to that risk.

The Council's internal control structure comprises three elements: the financial accounting system; control procedures; and the control environment. It is important to note that while all these elements are applicable to Councils of all sizes, the degree of formality and the specifics of how the components are implemented may vary considerably for practical and sound reasons and highlights the inherent weaknesses and limitations of internal control. As stated in the COSO Integrated Framework,

"An internal control system, no matter how well conceived and operated, can provide only reasonable--not absolute--assurance to management and the board regarding achievement of an entity's objectives. The likelihood of achievement is affected by limitations inherent in all internal control systems. These include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the collusion of two or more people, and management has the ability to override the system. Another limiting factor is that the design of an internal control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs."

Councils should also consider liaising with their internal and external auditors as part of this process to validate that the internal financial controls implemented are sufficient to mitigate the risks.

1.7. Risk and Control Assessment Process

The risk management methodology outlined below has been adapted from the Australia / New Zealand Standard on Risk Management (AS/NZS ISO 31000:2009) ("the Standard") to provide a structured approach for councils. This methodology will assist in the Councils risk management processes with particular emphasis on the following:

- Identifying the key financial risks facing the organisation
- Assessing whether the associated internal controls are effective
- Identifying where further controls may be required.





This Framework focuses on the risks specifically of a financial nature, with control assessment worksheets provided to further assist in the application of the risk management methodology. The key financial risks identified have been grouped under relevant risk category and business processes. These risks are a guide only, with the identification of the actual risks relevant for each council being a fundamental component of the risk management practices of each council.

For each risk the Framework identifies the possible control measures that are typically in place to mitigate the risks identified, however it is important to note that no control is considered mandatory for Councils but are provided as guidance on the likely controls that exist or could be implemented to mitigate a particular risk. Councils should tailor the appropriate controls to reflect their individual circumstances in order to demonstrate the existence of a set of relevant controls to ensure that inherent financial risk is mitigated through the application of those controls to an acceptable level of residual risk, and to meet the requirements of the *Local Government Act 1999* and Regulations.

If the residual financial risk is at an acceptable level then there is no need to implement further internal controls, and there may be an opportunity to reduce the controls in place and focus resources to areas where the residual risk requires further mitigation. Should the residual financial risk not be at an acceptable level, then the council should review the controls identified in the Framework as a starting point to identify further controls for implementation. The purpose is to reduce the residual risk to an acceptable level, noting that this may form part of the control assessment action plan.

To ensure accountability each control needs to be assigned to an assessing officer and reviewing officer. Typically the assessing officer is the person performing the task or function (e.g. Financial Accountant) and the reviewing officer the person reviewing completion of the task or function (e.g. Financial Accountant's Line Manager).

Management should apply the following methodology when performing their assessment of financial risk and internal controls.

Step 1: Identify Risks

The first step is to identify the key financial risks facing the Council. The aim of the risk identification process is to consider all finance-related risks which might affect the achievement of the Council's objectives and operations. Comprehensive identification of risks is important because a potential risk not identified at this stage may not be included in further analysis.

The control assessment worksheets included within this Framework provide details of the activities and financial risks that are expected to apply to all councils. These should be used as a starting point for the identification of financial risks, but are not intended to be an exhaustive list. Councils should include additional risks if they are considered relevant to their activities.

Step 2: Assess Inherent Risk

Once the key financial risks have been identified they are analysed in terms of how likely the risk event is to occur (likelihood) and the possible magnitude (consequence) of the risk event. From this analysis the level of inherent risk can be determined. The inherent risk represents the level of risk associated with the particular issue before the implementation of related controls. That is, Councils should not consider any of the controls that are in place in their assessment of inherent risk.

Councils should refer to their own risk assessment matrix when assessing inherent risk to arrive at a rating based on the likelihood and consequence of the financial risk occurring. An example risk matrix detailing the suggested parameters for quantification of likelihood and consequence as provided in the Standard is provided below, with further details of the parameters for likelihood and consequence included in Appendix A.





| Consequence | | Insignificant | Minor | Moderate | Major | Catastrophic |
|----------------|---|---------------|----------|----------|----------|--------------|
| Likelihood | | 1 | 2 3 | | 4 | 5 |
| Almost Certain | Е | Moderate | High | High | Extreme | Extreme |
| Likely | D | Low | Moderate | High | Extreme | Extreme |
| Possible | С | Low | Low | Moderate | High | Extreme |
| Unlikely | в | Low | Low | Low | Moderate | High |
| Rare | А | Low | Low | Low | Moderate | High |

Step 3: Evaluate Control Activities

The next step is to identify and document the control activities in place and evaluate the appropriateness, design and effectiveness of these controls on a scale from 1 - 5. A suggested control effectiveness rating scale is provided below. An effectiveness rating should be provided by both the assessing officer (typically the person performing the function) and the reviewing officer (typically the person reviewing completion of that task or function such as the line manager), along with commentary as to the basis for the assessment on that rating.

The worksheets contained in this document detail suggested core and additional controls that relate to each risk. The controls are classified as core and additional with the intention being that the suggested core controls are likely to be more important or critical. The worksheets may be amended to reflect the Council's unique operating environment. This may be achieved by modifying, removing or including alternative controls.

It should be emphasised that the suggested 'core' controls are not intended to depict a minimum list of controls required, but may provide a suitable reference point for considering the appropriate internal financial controls for the Council.

Ultimately councils should aim to implement relevant control activities which result in an acceptable level of residual financial risk.





| Definitions of Control Effe | ectiveness Ratings |
|-------------------------------------|---|
| 1. Ineffective | During the period, the control has not been implemented as described. Urgent management action is required to implement the described control processes. |
| 2. Requires significant improvement | During the period, the control has been implemented as described, but with significant deficiencies in the consistency or effectiveness of implementation. Significant management action required to implement processes to improve the effectiveness of the control. |
| 3. Partially effective | During the period, the control has been implemented as described, but with some deficiencies in the consistency and/or effectiveness in which it has been applied. |
| 4. Majority effective | During the period, the control has been implemented as described and in the majority of cases has been consistently and/or effectively applied. There is potential to enhance the effectiveness of the control, but only with minor adjustments. |
| 5. Effective | During the period, the control as described has been fully implemented and has in all cases has been consistently and/or effectively applied. |

Where a control activity has been given an effectiveness rating of 3 or below by the assessing or reviewing officer, some level of explanation should be provided for the deficiency in the control activity, and consideration of establishing an action plan to address this. The purpose of the action plan is to document Council's intention to address the deficiency.

Step 4: Assess Residual Risk

Once the control activities have been assessed and reviewed the residual financial risk can be determined. The residual risk represents the risk that remains with Council after controls have been implemented and assessed for their effectiveness.

Council should consider the likelihood and consequence of a given financial risk occurring with reference to the effectiveness of the controls in place in relation to that risk as documented. The same risk assessment framework as in step 2 should be used as part of this step.

Step 5: Treat Risks and Control Activities

Together with the action plans from step 3, Councils should consider the acceptability of the residual financial risk. If a residual risk is assessed at an acceptable level then no further action is required. However, should the residual financial risk be at an unacceptable level, the council should identify further controls to be implemented. Step 3 should then be performed and the residual financial risk reassessed (step 4) to ensure that the risks are being managed at an acceptable level.

Step 6: Ongoing Monitoring

Once residual financial risk is at an acceptable level management should regularly monitor controls to provide ongoing assurance of the adequacy of the control environment. This should be conducted applying a risk based approach. Particular focus should be given to areas where control deficiencies have been previously identified and where there is a heavy reliance on internal financial controls to mitigate significant inherent risks. It is expected that Councils will be able to justify their approach to the monitoring of particular controls, which could take the form of revised self-assessments, increased frequency of assessment of controls related to specific risks and/or spot checking the operation of particular controls.





The monitoring should seek to target controls where monitoring activities provide the greatest value to Council in terms of risk management and/or continuous improvement.

The use of an internal audit function can also be a useful mechanism to independently test the effectiveness of a control in conjunction with the work undertaken by external auditors in evaluating the effectiveness of the internal control environment.

Additionally as part of the monitoring process, Councils should consider whether the controls in place are the most effective to address the relevant financial risks and improvements that can be made to the overall control environment.

1.8. Guidance for Implementation of Internal Control

A number of initiatives can be adopted by councils to implement the process for risk assessment and internal financial controls assessment within the entity. Councils should consider the matters listed below in designing their framework for risk identification and control assessment.

Education

To embed the process of assessment and continuous improvement in respect of internal financial controls within the culture of Council, it is important that the process is owned by the whole entity, not just the Finance department. Education of Council staff will therefore be critical to enable this to occur. Depending on the size and experience of Council's staff, this could take a number of forms including:

- Workshops with staff
- Training/information sessions
- Other communications (e.g. web based or via email/intranet).

The aim of the education should be to enable staff to develop an understanding of the nature of internal controls and an understanding of the context in which the assessment of internal financial controls is performed. Additionally it should provide them with the skills and understanding to perform the assessment in accordance with the Better Practice Model.

Setup of Internal Financial Control Framework

Focus should be given to the process of setting up the internal financial control framework that forms part of Council's self-assessment process. A risk-based approach should also be applied here, with additional consideration given to the financials risks that are most important and critical to Council's operations. A responsible officer who is knowledgeable and experienced within each specific financial area should be assigned the task of assessing the levels of inherent and residual risk pertaining to a particular risk residing within that area and identifying the appropriate suite of controls that mitigate that risk. As part of this process the responsible officer should identify which controls are the most efficient and effective to mitigate the risk, noting that these may not necessarily be controls that are already in place within the entity. It is often valuable to obtain a broader perspective when setting up the internal financial control framework by inviting the responsible officers to conduct the risk assessment and identification of controls as a group in a workshop format.

Alignment with Corporate Risks, Policies and Procedures

The financial risks considered by Council's self-assessment policy should be aligned with the corporate risks and risk register adopted by Council. Responsible officers should ensure consistency between the corporate level risks and any equivalent or relevant risk assessments made within the framework of internal financial controls.





Documenting and updating policies and procedures that include elements of internal financial controls is also a key activity. These should be reviewed in conjunction with the control assessments to verify they are still accurate and up-to-date and reflect the control assessments made by Council staff. Additionally cross referencing the relevant content within these policies to the control assessments and vice-versa will demonstrate the links between the assessments performed and the policies and procedures in place.

Documentation

To provide for an efficient process of internal review of self-assessments, and the subsequent audit, sufficient commentary and documentation (where applicable) should be included within Council's self-assessment tool that demonstrates how the officer has concluded as to the effectiveness rating of a particular control. This could comprise:

Commentary in responses that detail how the officer has verified the effectiveness of a particular control.

Reference to supporting documents (i.e. policies/procedures/minutes/process flowcharts) that demonstrate the operation of a particular control.

Details or reference of specific testing performed that demonstrates the operation and effectiveness of a particular control.

The aim of the response should be to provide sufficient detail for an independent person to review and arrive at the same conclusion as the responding officer.

Liaising with Internal and External Auditors

Councils should be proactive in their discussions with their appointed external auditor in relation to matters pertaining to internal financial controls. An effective internal control framework should include ongoing communication between Council and the external auditor. This can include:

- Application of risk-based approach to internal financial controls
- Deficiencies identified in internal financial controls
- Appropriateness of action plans to improve internal financial controls
- Recommendations by the external auditor for improvements to internal financial controls and their status
- Any issues identified in the design of the internal financial control framework or the assessment of internal financial controls.

This dialogue will help the process of continuous improvement within Council and ensure that potential issues are identified and resolved in a timely manner prior to the annual audit of internal financial controls.

Where in place, Council's internal auditor can also provide advice in respect of the internal financial control framework and assessment of internal financial controls.

1.9. Listing of Risk Categories & Associated Business Processes

The remainder of the Framework has been separated into a number of risk categories and business processes, based largely on standard Statement of Financial Position and Statement of Comprehensive Income account classifications and/or key business functions. Each of these sections includes an explanatory introduction and also suggests relevant principles, practices, key issues and options for councils.





It is envisaged that Council staff will be able to apply appropriate internal financial controls within each section through risk management practices in order to develop an effective system of internal financial controls that specifically addresses their own particular requirements.

For each Risk category and Business process documented, the Framework provides guidance on key financial risks and a list of possible controls to mitigate these risks. It should be noted that these possible internal financial controls are suggestions only and each Council will need to consider its own operating environment and level of acceptable residual risk based on an assessment of the internal controls they have in place. The suggested list of controls provide a useful starting point and in some instances it is likely a Council may have additional or alternate controls from the list of possible controls listed in the Framework that ensure the level of residual risk is acceptable to the Council.





| Risk Category | Business Process |
|------------------------------|--|
| Strategic Financial Planning | Budgets General Ledger Statutory Reporting Management Reporting |
| Assets | Cash Floats and Petty Cash Banking Investments Debtors Inventory Prepayments Fixed Assets Project Costing Loans/Grants to Clubs/Community Groups |
| Liabilities | Accounts Payable Accrued Expenses Borrowings Employee Provisions Taxation |
| Revenue | Rates/Rate Rebates Grants User Pay Income – Fee for Services Investment / Interest Income Receipting Other Revenue |
| Expenses | Purchasing & Procurement Payroll Elected Members' Expenses Credit Cards Employee Reimbursements Other Expenses |
| External Services | Contracting |
| Financial Governance | Governance |





2. Strategic Financial Planning

2.1. Budgets

Introduction

Under Section 123 of the Local Government Act 1999:

- (1) a council must have, for each financial year
 - a) an annual business plan; and
 - b) a budget.
- (7) Each budget of a council must:
 - a) be considered in conjunction with the Council's annual business plan (and must be consistent with that plan, as adopted); and
 - b) be adopted by the council after the council has adopted its annual business plan.
- (8) an annual business plan and a budget must be adopted by a council after
 31 May for the ensuing financial year and, except in a case involving
 extraordinary administrative difficulty, before 31 August for the financial year.

Under Section 123 (13), "a council must, as required by the regulations, and may at any time, reconsider its annual business plan or its budget during the course of a financial year and, if necessary or appropriate, make any revisions".

Councils may choose to adopt a number of budgets with varying periods (i.e. annual or longerterm) and varying bases (i.e. cashflow). Budgets must be structured in a way that assists Council in meeting their "strategic management plan". Effectively, the budget process represents a key element of Council's strategic financial plan which in turn constitutes a fundamental element of the overall strategic management plan. The Budget represents an important way of monitoring the achievement of Council's strategic objectives.

For an analysis of the issues associated with the strategic financial plan and budgets, please refer to the relevant sections in "A Framework for Local Government Financial Management" published by the Local Government Association of South Australia.

Key Issues/Risks

In relation to Budgets, the major risks faced by Councils may be summarised as follows:

- 1) Budgets do not reflect strategic objectives
- 2) Unrealistic budgets
- 3) Budgets are inaccurately recorded due to variances between the budget adopted by Council and its finance system
- 4) Budgets are not compliant with relevant legislation

These risks are addressed in the following Control Assessment Worksheets.





| Control Assessment | Worksheet | | | | | | | | | |
|---|-------------------|---|------------------------------|------------------------------|------------------------------------|---|--|--|--|--|
| Risk Category: | Strategic Finance | Strategic Financial Planning | | | | | | | | |
| Business Process: | Budgets | | | | Date: | | | | | |
| Risk No. 1: | Budgets do not | reflect strate | egic objectives | | | | | | | |
| Description: | | If Budgets are not linked to the objectives contained within the Annual Business Plan, there is an increased risk that the initiatives and outcomes of the Strategic Management Plans will not be achieved. | | | | | | | | |
| Inherent Risk Asses | sment | | | | | | | | | |
| Likelihood | | Consequen | се | Rating | | Accept | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| Possible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) | | | |
| Process to establish the annual budget and ensure it is aligned with the Annual Business Plan and Strategic Management Plans, including Long Term Financial Plan and Asset Management Plans. | | Core | | | | | | | | |





| Possi | ible Controls | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) |
|--------|--|---------------------|------------------------------|------------------------------|------------------------------------|---|--|
| 2 | Council has in place a process which is delegated to council administration who are responsibl to put in place a framework of internal controls over budget formulation and management. | ^e Core | | | | | |
| 3 | Insert any additional or replacement controls identified by the organisation to mitigate risk. | Core/ Additional | | | | | |
| Resid | lual Risk Assessment | | | | | | |
| Likeli | hood | Consequence | 9 | Rati | ng | Accept | |
| | | | | | | | |
| | | | | | | | |





| Conti | rol Assessment W | orksheet | | | | | | | | |
|--|---|-------------------|--------------|-----------------|-----------------|---------------|--------------------------|--------------------|--|--|
| Risk | Category: | Strategic Finance | ial Planning | | | Prepared by: | | | | |
| Busir | ness Process: | Budgets | | | | Date: | | | | |
| Risk | No. 2: | Unrealistic Bud | gets | | | | | | | |
| Description: Unrealistic budgets will lead to significant variances and the associated inefficiency in analysing and addressing the variances. If budgets are too aggressive, than this can have a detrimental effect on employees' morale. On the other hand, if budgets are set at easily attainable levels, this will result in Council not maximising performance. | | | | | | | | | | |
| | ent Risk Assessm | nent | Concomuon | | Dati | ina | | Accort | | |
| LIKEI | ihood | | Consequence | | Rating | | | Accept | | |
| | | | | | | | | | | |
| _ | | | Control | Assessing | Reviewing | Control | Action Plan ¹ | Comment | | |
| Poss | ible Controls | | Туре | Officer – Title | Officer – Title | Effectiveness | (if control not | (substantiation of | | |
| | | | | | | Rating | effective) | rating) | | |
| 1 | Budgets and bud are based on rea achievable assur preparation. | • | Core | | | | | | | |





| Poss | ible Controls | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) |
|-------|---|---------------------|------------------------------|------------------------------|------------------------------------|---|--|
| 2 | The adopted budget and budget amendments approved by Council are reviewed and the impact on financial sustainability considered. | Core | | | | | |
| 3 | Insert any additional or replacement controls identified by the organisation to mitigate risk. | Core/ Additional | | | | | |
| Resid | dual Risk Assessment | | | I | | | |
| Likel | ihood | Consequence | Consequence | | Rating | | cept |
| | | | | | | | |





| Contr | rol Assessment Wo | orksheet | | | | | | |
|--------|--|-------------------|------------------------------|------------------------------|------------------------------|------------------------------------|---|--|
| Risk | Category: | Strategic Financ | Strategic Financial Planning | | | | | |
| Busir | ness Process: | Budgets | | | | Date: | | |
| Risk | No. 3: | Budgets are inac | ccurately rec | orded due to varia | nces between the I | oudget adopted | by Council and its fina | ince system |
| Desc | If Budgets are inaccurately reported (i.e. processing errors occur when inputting the Budget into the financial system), this will result in actual performance not being measured accurately. | | | | | | | |
| Inher | ent Risk Assessme | ent | | | | | | |
| Likeli | ihood | | Consequence | | Rating | | Accept | |
| | | | | | | | | |
| Possi | ible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) |
| 1 | Access to edit Bud and master file is r to appropriately au personnel. | estricted/limited | Core | | | | | |





| Poss | Possible Controls | | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) | |
|--------|---|-------------|------------------------------|------------------------------|------------------------------------|---|--|--|
| 2 | There is a process in place to review actual compared to budge and significant variances investigated. | t Core | | | | | | |
| 3 | There is a process in place to ensure the finance system reflect the original adopted budget and a changes adopted by Council. | | | | | | | |
| 4 | Insert any additional or replacement controls identified by the organisation to mitigate risk. | | | | | | | |
| Resid | dual Risk Assessment | | | 1 | | | | |
| Likeli | ihood | Consequence | Consequence | | Rating | | Accept | |
| | | | | | | | | |





| Control Assessment Worksheet | | | | | | | | | | |
|------------------------------|--|--|------------------------------|------------------------------|------------------------------------|---|--|--|--|--|
| Risk Category: | Strategic Financ | Strategic Financial Planning | | | | | | | | |
| Business Process: | Budgets | | | | Date: | | | | | |
| Risk No. 4: | Budgets are not | compliant w | vith relevant legisla | tion | | | | | | |
| Description: | | f a Council is not compliant with legislation it increases the risk of delays in delivering services and reduces the integrity of the oudgeting process with the community. | | | | | | | | |
| Inherent Risk Assessn | Inherent Risk Assessment | | | | | | | | | |
| Likelihood | | Consequence | ce | Rat | Rating | | Accept | | | |
| | | | | [| | | | | | |
| | | | | | | | | | | |
| Possible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) | | | |
| budget and any l | e compliant with the ent Act 1999 and | Core | | | | | | | | |





| Poss | Possible Controls | | trol e | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) |
|-------|--|-----------------|---------------|------------------------------|------------------------------|------------------------------------|---|--|
| 2 | The original budget and an amendments must be made accordance with the Local Government Act 1999 and associated Regulations. | de in / Core | • | | | | | |
| 3 | 3 Insert any additional or replacement controls identified by the organisation to mitigate risk. | | e/ itional | | | | | |
| Resid | dual Risk Assessment | | | | | | | |
| Likel | ihood | Conse | equence | | Rati | ng | Accept | |
| | | | | | | | | |
| | | | | | | | | |





2.2. General Ledger

Introduction

Given that the financial information contained within the General Ledger is the basis of the annual financial statements and management reports, it is imperative that Councils ensure that the internal financial controls surrounding the General Ledger are operating effectively. The development and implementation of effective internal financial controls in relation to the General Ledger is one important way that Councils can fulfil their statutory obligations under Section 124 (1) of the *Local Government Act 1999* that states:

- (1) A council must:
 - a) keep such accounting records as correctly and adequately record and explain the revenues, expenses, assets and liabilities of the council; and
 - b) keep its accounting records in such manner as will enable -
 - (i) the preparation and provision of statements that present fairly financial and other information; and
 - (ii) the financial statements of the council to be conveniently and properly audited.

When reviewing the internal financial controls surrounding the General Ledger, Councils should consider the following issues:

- Processing of accurate journals and effective review of such journals
- Performance of effective and regular Balance Sheet reconciliation process involving independent review
- Adequate data security measures including access controls and a formal disaster recovery plan.

Key Issues/Risks

In relation to the General Ledger, the major risks faced by Councils may be summarised as follows:

- 1) General Ledger does not contain accurate financial information
- 2) Data contained within the General Ledger is permanently lost.

These risks are addressed in the following Control Assessment Worksheets.

Segregation of Duties

Within the General Ledger, it is imperative that the following tasks be segregated:

- Preparation of journals and Balance Sheet reconciliations
- Review and approval of journals and Balance Sheet reconciliations.





| Cont | rol Assessment Wo | orksheet | | | | | | |
|--------|--|------------------|-----------------|---|-------------------|---------------------|--------------------------|------------------------------|
| Risk | Category: | Strategic Financ | ial Planning | | | Prepared by: | | |
| Busi | ness Process: | General Ledger | | | | Date: | | |
| Risk | No. 1: | General Ledger | does not coi | ntain accurate finar | ncial information | | | |
| Desc | ription: | | • | irate journals) occur eports being misstat | | ger, this may resul | t in the General Ledg | er, as well as the financial |
| Inher | ent Risk Assessme | ent | | | | | | |
| Likeli | ihood | | Consequen | ce | Rat | ing | | Accept |
| | | | | | | | | |
| | | | | | | | | |
| | | | | Accessing | Boviowing | Control | Action Plan ¹ | Comment |
| Poss | ible Controls | | Control Type | Assessing Officer – Title | Reviewing | Effectiveness | (if control not | (substantiation of |
| | | | 1980 | Officer – Title | Officer – Title | Rating | effective) | rating) |
| 1 | All major updates and changes to General Ledger finance system are authorised, tested and documented. | | Core | | | | | |
| 2 | Access to General Ledger maintenance is restricted to appropriately authorised personnel. | | Core | | | | | |





| Poss | ible Controls | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) |
|------|---|-----------------|------------------------------|------------------------------|------------------------------------|---|--|
| 3 | Reconciliation of all balance sheet accounts is completed in accordance with a schedule of review and/or procedure. | Core | | | | | |
| 4 | All balance sheet reconciliations are reviewed by a person other than the preparer at least annually. | Core | | | | | |
| 5 | Journal entry access is restricted to appropriately authorised personnel. | Core | | | | | |
| 6 | Financial data is backed up and stored offsite. | Core | | | | | |
| 7 | Amendments to the structure of the General Ledger framework and accounts are reviewed and approved by appropriately authorised personnel. | Core | | | | | |
| 8 | General Ledger policies and procedures are appropriately created, updated and communicated to relevant staff. | Core | | | | | |





| Possi | ible Controls | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) | | |
|------------|--|---------------------|------------------------------|------------------------------|------------------------------------|---|--|--|--|
| 9 | All journals, including manual entries, identify date posted, narration, author, journal and posting reference. | Core | | | | | | | |
| 10 | There is a process in place to review actual vs budget and significant variances investigated. | Core | | | | | | | |
| 11 | Finance system does not allow posting of unbalanced journals or if it does regular reviews are conducted on the suspense account and discrepancies investigated and actioned. | Additional | | | | | | | |
| 12 | Insert any additional or replacement controls identified by the organisation to mitigate risk. | Core/ Additional | | | | | | | |
| Resic | Residual Risk Assessment | | | | | | | | |
| Likeli | hood | Consequence |) | Rati | ng | Aco | cept | | |
| 1 Action D | Action Plan Reference – Provide an action plan if control is not in place or where the control is rated 3 or below by reviewing officer. | | | | | | | | |





| Cont | rol Assessment W | orksheet | | | | | | | | | | |
|-------|--|-------------------------------------|--|---------------------|---------------------|--------------------|--------------------------|--------------------------|--|--|--|--|
| Risk | Category: | Strategic Finance | trategic Financial Planning Prepared by: | | | | | | | | | |
| Busi | ness Process: | General Ledger | | | | Date: | | | | | | |
| Risk | No. 2: | Data contained | within the G | eneral Ledger is pe | rmanently lost | | | | | | | |
| Desc | ription: | If adequate back significant operat | | | by Council, data wi | thin the General L | edger may be perma | nently lost resulting in | | | | |
| Inher | Inherent Risk Assessment | | | | | | | | | | | |
| Likel | ihood | | Consequen | се | Rat | ing | | Accept | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | A | Deviencies | Control | Action Plan ¹ | Comment | | | | |
| Poss | ible Controls | | Control Type | Assessing | Reviewing | Effectiveness | (if control not | (substantiation of | | | | |
| | | | i ypc | Officer – Title | Officer – Title | Rating | effective) | rating) | | | | |
| 1 | Financial data is backed up and stored offsite. | | Core | | | | | | | | | |
| 2 | All major updates and changes to the General Ledger finance system are authorised, tested and documented. | | Core | | | | | | | | | |





| Poss | ible Controls | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) |
|--------|---|---------------------|------------------------------|------------------------------|------------------------------------|---|--|
| 3 | Access to General Ledger maintenance is restricted to appropriately authorised personnel. | Core | | | | | |
| 4 | General Ledger policies and/or procedures are appropriately created, updated and communicated to relevant staff. | Core | | | | | |
| 5 | Formal disaster recovery plan is in place and communicated to relevant staff. | Additional | | | | | |
| 6 | Insert any additional or replacement controls identified by the organisation to mitigate risk. | Core/ Additional | | | | | |
| Resid | lual Risk Assessment | | | | | | |
| Likeli | hood | Consequence | | Rating | | Accept | |
| | | | | | | | |
| | | | | | | | |





2.3. Statutory Reporting

Introduction

The fundamental purpose of Reporting is to provide timely and accurate financial and nonfinancial information to both the elected body and senior management within Council and the external users of financial statements. Timely and accurate reporting provides the appropriate stakeholders with reliable information that can assist in the effective management and monitoring of the performance of Council operations. Various sections of the Local Government Act deal specifically with the Statutory Reporting requirements for Councils. For example:

Under Section 127 (1),

- (1) 'A council must prepare for the financial year:
 - a) financial statements and notes in accordance with standards prescribed by the regulations; and
 - b) other statements or documentation relating to the financial affairs of the council required by the regulations'.

In particular the financial statements of a council, council subsidiary or regional subsidiary must be in accordance with the requirements set out in the Model Financial Statements

Under Section 131 (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'.

Councils should also refer to the relevant AASB standards as they provide further detail and guidance on the relevant reporting or accounting issue. The Statutory Reporting process must also include for consideration the following issues:

- Appointment and role of the Audit Committee (refer Section 126 of the Local Government Act)
- Appointment and role of the statutory auditor (refer Section 128 of the Local Government Act)
- Responsibilities of the CEO in relation to the auditor (refer Section 130 of the Local Government Act)
- Accuracy of the data produced by the financial and accounting system and used for reporting purposes.

It is also recognised that all Councils have a number of specified Prudential Reporting requirements under Section 48 of the Local Government Act, when engaging in a commercial project:

- Where the expected recurrent or capital expenditure of the project exceeds: either 20
 per cent of the Council's average annual operating expenses over the previous five
 financial years or
- 2) Where the expected capital cost of the project over the ensuing five years is likely to exceed \$4,000,000 (indexed) or
- 3) Where the Council considers it necessary or appropriate.





For an analysis of the risks and controls associated with management reporting, please refer to the 'Management Reporting' business process in Section 2.4 of this Framework.

Key Issues/Risks

In relation to Statutory Reporting, the major risks faced by Councils may be summarised as follows:

- 1) Council does not comply with statutory reporting requirements and deadlines
- 2) Council's statutory reports provide inaccurate financial information.

These risks are addressed in the following Control Assessment Worksheets.

Segregation of Duties

Within the Statutory Reporting cycle, it is imperative that the following tasks be segregated:

- Preparation of statutory financial reports
- Review and approval of statutory financial reports.





| Conti | rol Assessment Wo | orksheet | | | | | | | |
|--|-------------------|-------------------------------|-----------------|------------------------------|------------------------------|------------------------------------|---|--|--|
| Risk | Category: | Strategic Financ | ial Planning | l | | Prepared by: | | | |
| Busir | ness Process: | Statutory Report | ing | | | Date: | | | |
| Risk | No. 1: | Council does no | t comply wi | th statutory reportion | ng requirements a | nd deadlines. | | | |
| Desc | ription: | If Council does no penalties. | ot comply wit | h statutory reporting | requirements, this r | nay result in Coun | cil being liable to pay | statutory breaching | |
| Inher | ent Risk Assessme | ent | | | | | | | |
| Likeli | hood | | Consequen | се | Rat | ing | | Accept | |
| | | | | | | | | | |
| | | | | | | | | | |
| Poss | ible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) | |
| 1 Statutory financial reports prepared by appropriate personnel are reviewed by senior management and/or Audit Committee. | | Core | | | | | | | |
| 2 Council has a process in place to ensure statutory reporting deadlines are met. | | Core | | | | | | | |





| Poss | ible Controls | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) |
|-------|---|---------------------|------------------------------|------------------------------|------------------------------------|---|--|
| 3 | Council has complied with all of its financial reporting requirements as per the <i>Local Government Act 1999</i> and relevant regulations | Core | | | | | |
| 4 | There is a process to ensure that appropriate personnel responsible for preparing statutory reports are aware of changes to reporting requirements. | Core | | | | | |
| 5 | Liaison with external auditors to ensure timely completion and lodgement of statutory documents. | Core | | | | | |
| 6 | Insert any additional or replacement controls identified by the organisation to mitigate risk. | Core/ Additional | | | | | |
| Resid | dual Risk Assessment | | | 1 | | | |
| Likel | ihood | Consequence | | Rating | | Accept | |
| | | | | | | | |





| Contr | Control Assessment Worksheet | | | | | | | | | | |
|---|------------------------------|---|--|--|------------------------------|------------------------------------|---|--|--|--|--|
| Risk | Category: | Strategic Financ | ial Planning | | | Prepared by: | | | | | |
| Busir | ness Process: | Statutory Report | ting | | | Date: | | | | | |
| Risk I | No. 2: | Council's statutory reports provide inaccurate financial information. | | | | | | | | | |
| Desc | ription: | | f inaccurate financial information is contained within statutory reports (i.e. annual statements), then Council faces the risk of not ulfilling its statutory obligations. This may result in legal and financial penalties. | | | | | | | | |
| Inher | Inherent Risk Assessment | | | | | | | | | | |
| Likelihood Consequence | | | | | Rating | | Accept | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| Possible ControlsControl TypeAssessing Officer – Title | | | | | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) | | | |
| 1 There is a process in place to review actual compared to budget and significant variances investigated. | | Core | | | | | | | | | |





| Poss | ible Controls | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) |
|------|---|-----------------|------------------------------|------------------------------|------------------------------------|---|--|
| 2 | Statutory financial reports prepared by appropriate personnel; reviewed by senior management and/or Audit Committee. | Core | | | | | |
| 3 | Reconciliation of all balance sheet accounts is completed in accordance with a schedule of review and/or procedure. | Core | | | | | |
| 4 | Financial policies and procedures, and related guidance are reviewed and updated as required. | Core | | | | | |
| 5 | All balance sheet reconciliations are reviewed by a person other than the preparer at least annually. | Core | | | | | |
| 6 | Liaison with external auditors to ensure completion and lodgement of statutory documents. | Core | | | | | |
| 7 | Liaison with legal and tax advisors as required to assist in timely completion and lodgement of statutory documents. | Additional | | | | | |





| Possi | ble Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) |
|--------|---|----|---------------------|------------------------------|------------------------------|------------------------------------|---|--|
| 8 | Insert any additional or replacement controls identified by the organisation to mitigate risk. | | Core/ Additional | | | | | |
| Resid | ual Risk Assessmer | nt | | | | | | |
| Likeli | Likelihood | | Consequence |) | Rati | ng | Acc | cept |
| | | | | | | | | |
| | | | | | | | | |





2.4. Management Reporting

Introduction

The fundamental purpose of reporting is to provide timely and accurate financial and nonfinancial information to both the elected body and senior management within Council and external users of financial statements. Timely and accurate reporting provides the appropriate stakeholders with reliable information that can assist in the effective management and monitoring of the performance of Council operations.

Council's operations can be reported internally, largely through the preparation of monthly management reports comparing actuals to budgets. Management reports need to provide sufficient detail to enable the identification of significant variances and need to be prepared by suitably qualified and experienced staff. It is important to note that management reports should focus on comparing actuals to budgets, explaining significant variances to budget and report on significant operational matters. When reviewing the internal control environment surrounding the management reporting process, Councils should consider the following issues:

- Regular timing of reviews
- Appropriate delegations of authority
- Adequately qualified and trained management
- Nature of the financial information being reviewed
- Timely investigation of variances and/or unusual trends identified from the review.

For an analysis of the risks and controls associated with statutory reporting, please refer to the 'Statutory Reporting' business process in Section 2.3 of this Framework.

Key Issues/Risks

In relation to Management Reporting, the major risks faced by Councils may be summarised as follows:

- 1) KPIs are not consistent with Corporate Objectives and accounting policies adopted by Council are not adhered to by Council administration
- 2) Council's financial information is not reviewed in a timely manner to enable effective decision making
- 3) Council's management reports provide inaccurate financial information
- 4) Significant budget variances are either not investigated on a timely basis or not investigated at all.

These risks addressed in the following Control Assessment Worksheets.

Segregation of Duties

Within the Management Reporting cycle, it is imperative that the following tasks be segregated:

- Preparation of management reports
- Review and approval of management reports.





| Contr | rol Assessment W | orksheet | | | | | | | | |
|--|---|----------------------------------|-----------------|------------------------------|------------------------------|------------------------------------|---|--|--|--|
| Risk | Category: | Strategic Financ | ial Planning | | | Prepared by: | | | | |
| Busir | ness Process: | Management Re | porting | | | Date: | | | | |
| Risk | No. 1: | KPIs are not cor administration. | isistent with | Corporate Objectiv | es and accounting | g policies adopte | ed by Council are no | adhered to by Council | | |
| Desc | Description: If KPIs are not linked to the Corporate Objectives, then senior management will be striving towards measures that ultimately will not lead to the achievement of the desired corporate objectives. | | | | | | | | | |
| Inher | Inherent Risk Assessment | | | | | | | | | |
| Likeli | hood | | Consequence | | Rating | | | Accept | | |
| | | | | | | | | | | |
| Possi | ible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) | | |
| 1 Council has adopted a set of key financial indicators and targets that are consistent with the corporate objectives | | Core | | | | | | | | |





| Poss | sible Controls | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) | |
|-------|--|---------------------|------------------------------|------------------------------|------------------------------------|---|--|--|
| 2 | Council has a suite of accounting policies and procedures that are regularly reviewed, and updates are communicated to appropriate personnel. | Core | | | | | | |
| 3 | The long term financial plan is reviewed in accordance with the <i>Local Government Act 1999</i> and monitored in line with key financial targets. | Core | | | | | | |
| 4 | Insert any additional or replacement controls identified by the organisation to mitigate risk. | Core/ Additional | | | | | | |
| Resi | dual Risk Assessment | | | | | | | |
| Likel | ihood | Consequence | | Rating | | Accept | | |
| | | | | | | | | |
| | | | | | | | | |





| Contr | Control Assessment Worksheet | | | | | | | | | | |
|--|------------------------------|------------------|--|------------------------------|------------------------------|---|---|--|--|--|--|
| Risk | Category: | Strategic Financ | ial Planning | | | Prepared by: | | | | | |
| Busir | ness Process: | Management Re | porting | | | Date: | | | | | |
| Risk | No. 2: | Council's financ | ial informatio | n is not reviewed i | in a timely manner | nanner to enable effective decision making. | | | | | |
| Desc | ription: | | f Council does not review its financial performance effectively, informed decisions as to the performance of Council cannot be made and plans for the future may not be achieved. | | | | | | | | |
| Inherent Risk Assessment | | | | | | | | | | | |
| Likeli | Likelihood Consequence | | | 9 | Rating | | Accept | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| Possible Controls | | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) | | | |
| Council reviews and reports on its financial performance in accordance with relevant legislative requirements. | | Core | | | | | | | | | |





| Possi | Possible Controls | | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) |
|--------|---|---------------------|------------------------------|------------------------------|------------------------------------|---|--|
| 2 | There is a process in place to ensure relevant staff are clearly informed of their duties and responsibilities in relation to financial management reporting. | Additional | | | | | |
| 3 | Insert any additional or replacement controls identified by the organisation to mitigate risk. | Core/ Additional | | | | | |
| Resic | lual Risk Assessment | | | | | | |
| Likeli | hood | Consequence | | Rati | ng | Aco | cept |
| | lan Reference – Provide an action plan if control is not | | | | | | |





| Contr | Control Assessment Worksheet | | | | | | | | | | |
|-------------------|---|------------------|---|------------------------------|------------------------------|------------------------------------|---|--|--|--|--|
| Risk | Category: | Strategic Financ | ial Planning | | | Prepared by: | | | | | |
| Busir | ness Process: | Management Re | porting | | | Date: | | | | | |
| Risk | No. 3: | Council's manag | jement report | s provide inaccura | ate financial inform | al information. | | | | | |
| Desc | ription: | - | If management reports are inaccurate due to processing errors or unreliable data, the elected body and the senior management will not be able to monitor the performance of Council effectively. | | | | | | | | |
| Inher | Inherent Risk Assessment | | | | | | | | | | |
| Likeli | Likelihood Consequence | | | e | Rating | | Accept | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| Possible Controls | | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) | | | |
| 1 | 1 There is a process in place for the review of financial management reporting for reasonableness and accuracy. | | Core | | | | | | | | |





| Poss | Possible Controls | | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) |
|--------|---|---------------------|------------------------------|------------------------------|------------------------------------|---|--|
| 2 | There are automated exception reports that identify variances to budget based on a predetermined threshold to be investigated. | Additional | | | | | |
| 3 | Insert any additional or replacement controls identified by the organisation to mitigate risk. | Core/ Additional | | | | | |
| Resid | lual Risk Assessment | | | | | | |
| Likeli | hood | Consequence | | Rating | | Accept | |
| | | | | | | | |
| | | | | | | | |





| Control Assessment Worksheet | | | | | | | | | | | |
|---|------------------|------------------------------|------------------------------|------------------------------------|---|--|------|--|--|--|--|
| Risk Category: | Strategic Financ | ial Planning | | | Prepared by: | | | | | | |
| Business Process: | Management Re | porting | | | Date: | | | | | | |
| Risk No. 4: | Significant budg | et variances | are either not inve | stigated on a timel | y basis or not in | vestigated at all. | | | | | |
| Description:Significant budget variances may indicate a major operational issue that requires immediate attention. If these variances are either addressed by management on a timely basis or not at all, then this may have a major impact upon the operational efficiency of CourtDescription:This risk assumes that Councils already perform comparisons of actual performance against budget. It should be noted that if actual performance is not compared against budget, the senior management will not be notified of any variances/unusual trends that may indicate significant operational issues that require immediate attention. Also without budget comparisons, the senior management is unable to measure the performance of Council. | | | | | | | | | | | |
| nherent Risk Assessm | ient | | | | | | | | | | |
| Likelihood | | Consequence | | Rati | ng | Ace | cept | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| Possible Controls | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) | | | | | |
| Management and/or Council review the financial management reports on a regular basis and investigate all significant variances to budget. | | Core | | | | | | | | | |





| Poss | Possible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) |
|--------|---|---|---------------------|------------------------------|------------------------------|------------------------------------|---|--|
| 2 | 2 Insert any additional or replacement controls identified by the organisation to mitigate risk. | | Core/ Additional | | | | | |
| Resid | lual Risk Assessment | t i i i i i i i i i i i i i i i i i i i | | | | | | |
| Likeli | Likelihood | | Consequence | | Rating | | Accept | |
| | | | | | | | | |
| | | | | | | | | |





3.Assets

3.1. Cash Floats and Petty Cash

Introduction

Given the potential for misappropriation, the receipting, handling and recording of Cash Floats and Petty Cash is a high risk activity. Accordingly, Councils must develop and implement ways in which this high risk can be minimised. When reviewing the internal control environment surrounding Cash Floats and Petty Cash, Councils should consider the following issues:

- Designating the appropriate levels of cash floats and petty cash
- Storage of cash floats & petty cash in secured locations both within and outside regular office hours
- Designated personnel responsible for the managing and monitoring of cash floats & petty cash
- Regular and independent counts of cash floats & petty cash.

For an analysis of the risks and controls associated with banking, please refer to the 'Banking' business process in Section 3.2 of this Framework.

Key Issues/Risks

In relation to Cash Floats and Petty Cash, the major risk faced by Councils may be summarised as follows:

- 1) Cash floats and petty cash are inadequately safeguarded
- 2) Cash floats and petty cash transactions are either invalid, inaccurately recorded or not recorded at all.

These risks are addressed in the following Control Assessment Worksheets.

Segregation of Duties

Given the high risk of misappropriation surrounding cash, it is imperative that Councils focus strongly on ensuring that where possible, duties are segregated and that opportunities for staff collusion are minimised. A suggested way to minimise these risks is through the regular counts of cash floats and petty cash by personnel independent from the recording of these assets.





| Cont | rol Assessment W | orksheet | | | | | | |
|--|--|--------------------------------|-----------------|------------------------|--------------------|-------------------------|--------------------------|--------------------|
| Risk | Category: | Assets | | | | Prepared by: | | |
| Busi | ness Process: | Cash Floats and | I Petty Cash | | | Date: | | |
| Risk | No. 1: | Cash Floats and | I Petty Cash | are inadequately s | afeguarded. | | | |
| Desc | ription: | n Floats and F misappropria | • | tricted by storing the | ese assets in secu | re locations (i.e. safe |), then these assets are | |
| Inher | rent Risk Assessm | ent | | | | | | |
| Likel | ihood | | Consequen | се | Rat | ting | | Accept |
| | | | | | | | | |
| | | | | | | | | |
| | | | | Accessing | Boviowing | Control | Action Plan ¹ | Comment |
| Poss | ible Controls | | Control Type | Assessing | Reviewing | Effectiveness | (if control not | (substantiation of |
| | | | 1 Jpc | Officer – Title | Officer – Title | Rating | effective) | rating) |
| Cash floats and petty cash are stored in secured facilities (e.g. safes, registers) when not in use. | | Core | | | | | | |
| 2 | Access to the cash floats and petty cash is limited to authorised personnel. | | Core | | | | | |





| Poss | ible Controls | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) |
|------|--|-----------------|------------------------------|------------------------------|------------------------------------|---|--|
| 3 | A register for cash floats and petty cash and custodians is maintained by authorised personnel to record all movements. | Core | | | | | |
| 4 | I.O.U.'s are prohibited. | Core | | | | | |
| 5 | Petty Cash amounts paid out should be under a predetermined amount and payments cannot be split over more than one voucher to come under the predetermined amount. | Core | | | | | |
| 6 | Cash floats and petty cash are reconciled and reviewed by a person other than the person responsible for the petty cash | Additional | | | | | |
| 7 | Spot cash float and petty cash counts conducted periodically by independent personnel. | Additional | | | | | |





| Possi | Possible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) |
|--------|---|-----|---------------------|------------------------------|------------------------------|------------------------------------|---|--|
| 8 | Insert any additional or replacement controls identified by the organisation to mitigate risk. | | Core/ Additional | | | | | |
| Resid | ual Risk Assessme | ent | | | | | | |
| Likeli | Likelihood | | Consequence | • | Rati | ng | Acc | cept |
| | | | | | | | | |
| | | | | | | | | |





| Control Assessment Worksheet | | | | | | | | | | |
|---|--|-----------------|------------------------------|------------------------------|------------------------------------|---|--|--|--|--|
| Risk Category: | Assets | | | | Prepared by: | | | | | |
| Business Process: | Cash Floats and | Petty Cash | | | Date: | | | | | |
| Risk No. 2: | Cash Floats and | Petty Cash | ransactions are ei | ther invalid, inaccu | urately recorded | or not recorded at al | l. | | | |
| Description: Inherent Risk Assess | float and petty cash registers to avoid the cash balances in the management reports and financial statements from being misstated. | | | | | | | | | |
| Likelihood | | Consequence | | Rating | | 4 | Accept | | | |
| Possible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) | | | |
| A register for cash floats and petty cash and custodians is maintained by authorised personnel to record all movements. | | Core | | | | | | | | |





| Poss | Possible Controls | | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) |
|------|---|------------|------------------------------|------------------------------|------------------------------------|---|--|
| 2 | Petty Cash to be approved in line with policy or procedure having regard to amounts, substantiation criteria and authorisation. | Core | | | | | |
| 3 | Custodians of cash floats are informed of and undertake their responsibilities and obligations including reconciliations and accountability for cash movements. | Core | | | | | |
| 4 | Cash handling and petty cash policy and/or procedures are available to all staff. | Core | | | | | |
| 5 | Cash floats and petty cash are reconciled and reviewed by a person other than the preparer. | Additional | | | | | |





| Possi | Possible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) |
|--------|--|-----|---------------------|------------------------------|------------------------------|------------------------------------|---|--|
| 6 | 6 Insert any additional or replacement controls identified by the organisation to mitigate risk. | | Core/ Additional | | | | | |
| Resid | ual Risk Assessme | ent | | | | | | |
| Likeli | Likelihood | | Consequence | | Rating | | Accept | |
| | | | | | | | | |
| | | | | | | | | |





3.2. Banking

Introduction

When reviewing the internal control environment surrounding Banking, Councils should consider the following issues:

- Number of cheque-signatories
- Appropriate personnel to be designated cheque-signatories
- Number of bank accounts to be held by Council
- Timely reconciliation of bank accounts
- EFT controls, passwords and access permissions
- Custody of blank cheques and cheque-signing machines.

For an analysis of the risks and controls associated with cash handling, please refer to the 'Cash Floats & Petty Cash' business process in Section 3.1 of this Framework.

Key Issues/Risks

In relation to Banking, the major risks faced by Councils may be summarised as follows:

- 1) Banking transactions are either inaccurately recorded or not recorded at all
- 2) Fraud (i.e. misappropriation of funds).

These risks addressed in the following Control Assessment Worksheets.

Segregation of Duties

Given the high risk of misappropriation surrounding cash and banking, it is imperative that Councils focus strongly on ensuring that where possible segregation of duties is achieved. For example, the following activities should be performed by separate personnel:

- Opening mail containing cheque payments
- Recording all cheque payments in the mail
- · Receipting all cash payments from ratepayers/customers
- Recording all cash receipts
- Banking all cash receipts and cheques
- Bank reconciliations.

Also, the opportunity for the misappropriation of funds through collusion should be minimised by the regular independent review of bank reconciliations.





| Cont | rol Assessment Wo | orksheet | | | | | | | | |
|--|-------------------|-----------------|-----------------|--|------------------------------|------------------------------------|---|--|--|--|
| Risk | Category: | Assets | | | | Prepared by: | | | | |
| Busi | ness Process: | Banking | | Date: | | | | | | |
| Risk | No. 1: | Banking transac | tions are eit | ons are either inaccurately recorded or not recorded at all. | | | | | | |
| Desc | ription: | | - | | - | | g either being inaccu eports and the financ | ately recorded or not ial statements. | | |
| Inher | ent Risk Assessme | ent | | | | | | | | |
| Likel | ihood | | Consequen | се | Rat | Rating | | Accept | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| Poss | ible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) | | |
| There is a process in place to ensure all cash, blank cheques and/or cheque signing machine are adequately safeguarded. | | Core | | | | | | | | |
| Access to EFT Banking system is restricted to appropriately designated personnel. | | Core | | | | | | | | |





| Possi | Possible Controls | | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) |
|--------|---|---------------------|------------------------------|------------------------------|------------------------------------|---|--|
| 3 | Bank reconciliations are performed on a predetermined basis and are reviewed by an appropriate person. Any identified discrepancies are investigated. | Core | | | | | |
| 4 | Insert any additional or replacement controls identified by the organisation to mitigate risk. | Core/ Additional | | | | | |
| Resid | lual Risk Assessment | | | | | | |
| Likeli | Likelihood | | Consequence | | Rating | | cept |
| | | | | | | | |
| | | | | | | | |





| Control Asse | essment Wo | rksheet | | | | | | | | |
|---|--|-------------------|-----------------|--|------------------------------|------------------------------------|---|--|--|--|
| Risk Categor | y: | Assets | | | | Prepared by: | | | | |
| Business Pro | ocess: | Banking | | | | Date: | | | | |
| Risk No. 2: | | Fraud (i.e. misap | propriation | of funds) | | | | | | |
| Description: | | | • | iated, this will result in banking either being inaccurately recorded or not recorded at all. As a result the cash ated in both the management reports and the financial statements. | | | | | | |
| Inherent Risk | Assessme | nt | | | | | | | | |
| Likelihood Con | | | Consequend | e | Rati | ng | Ac | cept | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| Possible Con | ntrols | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) | | |
| 1 ensure and/or | 1 There is a process in place to ensure all cash, blank cheques and/or cheque-signing machine are adequately safeguarded. | | Core | | | | | | | |
| Bank reconciliations are performed on a predetermined basis and are reviewed by an appropriate person. Any identified discrepancies are investigated. | | Core | | | | | | | | |





| Possi | ble Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) |
|--------|---|-------------------|---------------------|------------------------------|------------------------------|------------------------------------|---|--|
| 3 | Cash transfers betw accounts and inves undertaken by app | stment bodies are | Core | | | | | |
| 4 | There is a process ensure all cash col adequately recorde regularly. | llected is | Core | | | | | |
| 5 | 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 | | Core/ Additional | | | | | |
| Resid | lual Risk Assessme | ent | | | | | | |
| Likeli | hood | | Consequence |) | Rati | ng | Acc | cept |
| | | | | | | | | |
| | | | | | | | | |





3.3. Investments

Introduction

All Councils have the statutory power to invest money under its control under Section 139 (1) of the Local Government Act. With this statutory power to invest, comes a whole range of associated risks, some of which are of a financial nature.

In order to minimise Council's exposure to financial loss, it is imperative that all councils implement an appropriate level of internal financial controls. Council's power to invest money is limited by the statutory requirements of Section 139 (2) of the Local Government Act which states that a council must, in exercising its power of investment:

- a) exercise the care, diligence and skill that a prudent person of business would exercise in managing the affairs of other persons; and
- b) avoid investments that are speculative or hazardous in nature.

Furthermore, under Section 139 (3), "a council must, so far as may be appropriate in the circumstances, have regard to:

- a) the purposes of the investment
- b) the desirability of diversifying council investments
- c) the nature of and risk associated with existing council investments
- d) the desirability of maintaining the real value of the capital and income of the investment
- e) the risk of capital or income loss or depreciation
- f) the potential for capital appreciation
- g) the likely income return and the timing of income return
- h) the length of the term of a proposed investment
- *i) the period for which the investment is likely to be required*
- *j)* the liquidity and marketability of a proposed investment during, and on the determination of, the term of the investment
- k) the aggregate value of the assets of the council
- I) the likelihood of inflation affecting the value of a proposed investment
- m) the costs of making a proposed investment
- *n)* the results of any review of existing council investments.

Under Section 139 (5), "a council may obtain and consider independent and impartial advice about the investment of funds or the management of its investments from a person whom the council reasonably believes to be competent to give the advice".

The Council also has a statutory obligation under Section 140, to review the performance (individually and as a whole) of its investments, at least once in each year.

Key Issues/Risks

In relation to Investments, the major risks faced by Councils may be summarised as follows:

- 1) Council makes poor investment decisions
- 2) Investment transactions are either not recorded or are recorded inaccurately
- 3) Investment income is inaccurately calculated or not recorded in the appropriate period
- 4) Conflict of interest impacts negatively upon the investment decision.

These risks are addressed in the following Control Assessment Worksheets.





Segregation of Duties

Most systems of internal control rely on assigning certain responsibilities to different individuals, or "segregating" incompatible functions. The following segregation of duties should exist within the investment cycle. Such segregation of duties is intended to prevent one person from having both:

- Access to assets and
- Responsibility for maintaining the accountability for such assets.

For instance, in the investment cycle, different individuals are typically responsible for:

- Recording of investment transactions
- Approving new investments
- Following up on reconciliation or confirmation of investments to statements from third parties
- Review and analysis of recorded investments transactions by means of summary reports of activities (e.g. describing liquidity, interest rate gap, dealing positions, exposure to counterparties)
- Authorised signature of payments with respect to investment transactions.

If one individual has responsibility for more than one of these functions, that individual could misappropriate assets and conceal the misappropriation.





| Cont | rol Assessment Wo | orksheet | | | | | | | | |
|---|---|--------------------------------|--|--|------------------------------|------------------------------------|---|--|--|--|
| Risk | Category: | Assets | | | | Prepared by: | | | | |
| Busi | ness Process: | Investments | | Date: | | | | | | |
| Risk | No. 1: | Council makes p | oor investm | nt decisions. | | | | | | |
| Desc | ription: | If Council decides investment. | to invest in high-risk or controversial projects, this can result in negative publicity and the potential loss of the original | | | | | | | |
| Inher | rent Risk Assessme | ent | | | | | | | | |
| Likel | ihood | | Consequend | ce in the second s | Rati | Rating | | cept | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| Poss | ible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) | | |
| 1 | Council has a clear and comprehensive investment policy to assist when making any decisions to invest funds. | | Core | | | | | | | |
| 2 Delegations are in place for approving and making investment decisions. | | Core | | | | | | | | |





| Poss | Possible Controls | | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) |
|------|---|------|------------------------------|------------------------------|------------------------------------|---|--|
| 3 | Council reviews investment performance at least annually in accordance with relevant legislation. | Core | | | | | |
| 4 | All investments are to be held in the name of the Council or associated entities in accordance with the source of funds. | Core | | | | | |
| 5 | Conflicts of interest are to be disclosed as part of investment decision process. | Core | | | | | |
| 6 | There is a process in place to monitor cash and anticipated future cash flows. Surplus funds invested in accordance with Council policy. | Core | | | | | |





| Poss | Possible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) |
|--------|---|-----|---------------------|------------------------------|------------------------------|------------------------------------|---|--|
| 7 | Insert any additional or replacement controls identified by the organisation to mitigate risk. | | Core/ Additional | | | | | |
| Resid | lual Risk Assessme | ent | | | | | | |
| Likeli | Likelihood | | Consequence | | Rating | | Accept | |
| | | | | | | | | |





| Con | trol Assessment W | /orksheet | | | | | | | | | |
|------|--|------------------|-----------------|---|------------------------------|------------------------------------|---|--|--|--|--|
| Risk | Category: | Assets | | | | Prepared by: | | | | | |
| Bus | iness Process: | Investments | | | | Date: | | | | | |
| Risk | (No. 2: | Investment trans | sactions are | actions are either not recorded or are recorded inaccurately. | | | | | | | |
| Des | cription: | investments matu | ire or are sol | - | are neither received | | ut title to the investme investment transactio | ent is never received, or if ns are recorded | | | |
| Inhe | erent Risk Assessn | nent | | | | | | | | | |
| Like | lihood | | Consequence | | Rating | | Accept | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| Pos | sible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) | | | |
| 1 | Cash transfers between bank accounts and investment bodies are undertaken by appropriate staff. | | Core | | | | | | | | |
| 2 | 2 Journals are processed regularly for all investments and a reconciliation process is in place to verify accuracy of transactions. | | Core | | | | | | | | |





| Poss | sible Controls | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) |
|------|--|---------------------|------------------------------|------------------------------|------------------------------------|---|--|
| 3 | Records of investments are kept detailing amounts and maturity dates. | Additional | | | | | |
| 4 | Insert any additional or replacement controls identified by the organisation to mitigate risk. | Core/ Additional | | | | | |
| Resi | dual Risk Assessment | | | | | | |
| Like | lihood | Consequence | | Rating | | Accept | |
| | | | | | | | |
| | | | | | | | |





| Cont | rol Assessment Wo | orksheet | | | | | | | | |
|-------|--|-----------------|---|------------------------------|------------------------------|------------------------------------|---|--|--|--|
| Risk | Category: | Assets | | | | Prepared by: | | | | |
| Busi | ness Process: | Investments | | | | Date: | | | | |
| Risk | No. 3: | Investment inco | ome is inaccurately calculated or not recorded in the appropriate period. | | | | | | | |
| Desc | ription: | | misstatemer | | | - | t income recorded in the erest rates and/or inacc | | | |
| Inher | ent Risk Assessm | ent | | | | | | | | |
| Likel | ihood | | Consequen | се | Rating | | Accept | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| Poss | ible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) | | |
| 1 | Actual investment income compared to budget on a regular basis; variances are investigated. | | Core | | | | | | | |
| 2 | 2 Journals are processed regularly for all investments and a reconciliation process is in place to verify accuracy of transactions. | | Core | | | | | | | |





| Possi | Possible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) |
|--------|---|----|---------------------|------------------------------|------------------------------|------------------------------------|---|--|
| 3 | Insert any additional or replacement controls identified by the organisation to mitigate risk. | | Core/ Additional | | | | | |
| Resid | ual Risk Assessme | nt | | | | | | |
| Likeli | Likelihood | | Consequence | | Rating | | Accept | |
| | | | | | | | | |
| | | | | | | | | |





| Control / | Control Assessment Worksheet | | | | | | | | | |
|---|---|--------------------|---------------|------------------------------|------------------------------|------------------------------------|---|--|--|--|
| Risk Cat | tegory: | Assets | | | | Prepared by: | | | | |
| Busines | s Process: | Investments | | | | Date: | | | | |
| Risk No. | . 4: | Conflict of intere | st impacts no | egatively upon the | investment decisi | on. | | | | |
| Descript | escription: If a decision to invest funds is influenced by a personal relationship with a third-party, an inappropriate investment decision may result. Negative publicity and a potential loss of investment income and devaluation in the investment may result from such an investment decision. | | | | | | | | | |
| Inherent | Risk Assessme | nt | | | | | | | | |
| Likelihoo | od | | Consequence | | Rating | | Ac | cept | | |
| | | | | | | | | | | |
| Possible | Possible Controls | | | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) | | |
| 1 Council has a clear and comprehensive investment policy to assist when making any decisions to invest funds. | | Core | | | | | | | | |





| Poss | Possible Controls | | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) | | |
|--------|--|---------------------|------------------------------|------------------------------|------------------------------------|---|--|--|--|
| 2 | Staff involved in the investment decision making process understands their obligations under the Investment Policy. | Core | | | | | | | |
| 3 | There is a process in place to ensure compliance with Conflict of Interests and Code of Conduct. | Core | | | | | | | |
| 4 | All investments are to be held in the name of the Council or associated entities in accordance with the source of funds. | Core | | | | | | | |
| 5 | Insert any additional or replacement controls identified by the organisation to mitigate risk. | Core/ Additional | | | | | | | |
| Resid | Residual Risk Assessment | | | | | | | | |
| Likeli | Likelihood | | Consequence | | Rating | | cept | | |
| | | | | | | | | | |
| | | | | | | | | | |





3.4. Debtors

Introduction

Councils have a statutory right to raise revenue through a form of taxation – rates. Rates represent the major source of revenue for Councils and consequently the risks and controls surrounding rates and the associated debtors constitute a significant component of the internal control environment within Council.

Along with this statutory right to raise rate revenue, Section 144 of the Local Government Act provides councils with the statutory right to recover fees, charges, expenses or other amounts from a person, by action in a court of competent jurisdiction. Councils also need to ensure that rate-related and other debtors are recovered on a timely basis. Should it be required, there are statutory guidelines as to the procedure for writing-off any debts.

Specifically under Section 143 (1) of the Local Government Act, a council may write-off any debts owed to the council under the following circumstances:

- a) if the council has no reasonable prospect of recovering the debts or
- b) if the costs of recovery are likely to equal or exceed the amount to be recovered.

Furthermore, under Section 143 (2), a council must not write off a debt under Section 143 (1) unless the chief executive officer has certified:

- a) that reasonable attempts have been made to recover the debt or
- b) that the costs of recovery are likely to equal or exceed the amount to be recovered.

Finally, under Section 143 (3), if a council delegates the power to write off debts under this section, the council must set an amount above which the delegation will not apply.

Please refer to the 'Rates / Rebates' business process in Section 5.1 of this Framework for an analysis of the risks and controls that specifically relate to the revenue processes in regard to rates.

Key Issues/Risks

In relation to Debtors, the major risks faced by Councils may be summarised as follows:

- 1) Debtors are either inaccurately recorded or not recorded at all
- 2) Credit notes to debtors are either inaccurately recorded or not recorded at all
- 3) An appropriate provision for doubtful debts is not recorded
- 4) Debtors are either not collected on a timely basis or not collected at all
- 5) The Debtors master file data does not remain pertinent.

These risks are addressed in the following Control Assessment Worksheets.

Segregation of Duties

Most systems of internal control rely on assigning certain responsibilities to different individuals or "segregating" incompatible functions. Such segregation of duties is intended to prevent one person from having both:

- Access to assets and
- Responsibility for maintaining the accountability for such assets.





For instance, in the revenue system, different individuals are typically responsible for:

- Recording revenue
- Approving revenue
- Invoicing the ratepayer
- Maintaining accounts receivable records and/or authorising adjustments to debtors
- Processing cash receipts
- Performing independent debtors' confirmation and following up on discrepancies
- Making changes to debtor master files.

If one individual has responsibility for more than one of these functions, that individual could misappropriate assets and conceal the misappropriation.





| Cont | rol Assessment W | /orksheet | | | | | | | | |
|--|---|--|-----------------|------------------------------|------------------------------|------------------------------------|---|--|--|--|
| Risk | Category: | Assets | | | | Prepared by: | | | | |
| Busir | ness Process: | Debtors | | | | Date: | | | | |
| Risk | No. 1: | Debtors are eith | er inaccurat | ely recorded or not | recorded at all. | | | | | |
| Desc | ription: | ption: Errors in invoices can lead to a misstatement of debtors and revenue, uncollectible accounts, and customer dissatisfaction. If invoice are issued but not recorded, revenue and accounts receivable in the financial statements may be understated. Furthermore, the related cash receipts may also not be recorded and may be misappropriated. Alternatively, the Council is unlikely to notice or follow on delinquent payments if the invoice has not been recorded. | | | | | | | | |
| Inher | ent Risk Assessm | nent | | | | | | | | |
| Likeli | ihood | | Consequence | | Rating | | Accept | | | |
| | | | | | | | | | | |
| Poss | ible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) | | |
| 1 | Debtor's reconciliation is performed on a regular basis to the General Ledger and reviewed by an appropriate person. | | Core | | | | | | | |
| 2 The organisation maintains a Debt Collection Policy and/or procedure. | | Core | | | | | | | | |





| Poss | Possible Controls | | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) | | |
|--------|---|---------------------|------------------------------|------------------------------|------------------------------------|---|--|--|--|
| 3 | Statements are provided regularly t debtors. | O Additional | | | | | | | |
| 4 | Debtors and revenue are compared to budget regularly and investigates significant variances. | | | | | | | | |
| 5 | Insert any additional or replacement controls identified by the organisation to mitigate risk. | Core/ Additional | | | | | | | |
| Resid | Residual Risk Assessment | | | | | | | | |
| Likeli | Likelihood | | Consequence | | Rating | | cept | | |
| | | | | | | | | | |
| | | | | | | | | | |





| Contr | rol Assessment W | orksheet | | | | | | | |
|---|--|-----------------|-----------------|------------------------------|------------------------------|------------------------------------|---|--|--|
| Risk | Category: | Assets | | | | Prepared by: | | | |
| Busir | ness Process: | Debtors | | | | Date: | | | |
| Risk | No. 2: | Credit notes to | debtors are e | either inaccurately | recorded or not re | corded at all. | | | |
| | Description: Inaccurately recorded credit notes can lead to a misstatement of debtors and revenue, and may result in uncollectible accounts and/or customer dissatisfaction. Credit notes issued but not recorded result in misstated accounts receivable and revenue and may result in customer dissatisfaction. They may have a negative impact on cash flows because customers may refuse to pay notices/invoices for which they are awaiting credits even if the credits are only for a small portion of the notices/invoices. | | | | | | | | |
| Inher | ent Risk Assessm | ent | | | | | 1 | | |
| Likeli | hood | | Consequence | | Rating | | Accept | | |
| | | | | | | | | | |
| Possible Controls | | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) | |
| 1 | 1 There is a process in place to review and approve all credit notes for sundry debtors in accordance with delegations of authority. | | Core | | | | | | |
| 2 All invoices raised and credit notes applied have an audit trail. | | Core | | | | | | | |





| Poss | Possible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) | |
|--------|---|--|---------------------|------------------------------|------------------------------|------------------------------------|---|--|--|
| 3 | Invoice and credit note input data is balanced; out-of-balance batches are corrected promptly. | | Additional | | | | | | |
| 4 | Statements are provided regularly to debtors. | | Additional | | | | | | |
| 5 | 5 Insert any additional or replacement controls identified by the organisation to mitigate risk. | | Core/ Additional | | | | | | |
| Resid | Residual Risk Assessment | | | | | | | | |
| Likeli | Likelihood | | Consequence | | Rating | | Accept | | |
| | | | | | | | | | |
| | | | | | | | | | |





| Contr | rol Assessment Wo | orksheet | | | | | | | |
|---|--|-----------------|------------------------------|------------------------------|------------------------------------|---|--|--|--|
| Risk | Category: | Assets | | | | Prepared by: | | | |
| Busir | ness Process: | Debtors | | | | Date: | | | |
| Risk | No. 3: | An appropriate | provision for | doubtful debts is n | not recorded. | | | | |
| Desc | Description: If the provision for doubtful debts is not correctly stated, debtors will be misstated in both the management reports and the financial statements. | | | | | | | | |
| Inher | ent Risk Assessme | ent | | | | | | | |
| Likeli | ihood | | Consequence | | Rating | | Accept | | |
| | | | | | | | | | |
| | | | | | | | | | |
| Possible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) | | |
| Relevant staff reviews sundry debtors ageing profile on a regular basis and investigates any outstanding items, and considers provision for doubtful debts at year end. | | Core | | | | | | | |





| Pos | sible Controls | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) |
|--------------------------|--|---------------------|------------------------------|------------------------------|------------------------------------|---|--|
| 2 | Bad debt write-offs and movements in the provision for doubtful debts for Sundry Debtors are processed in accordance with delegations of authority and Local Government Act. | Core | | | | | |
| 3 | Records of bad debt write-offs should be maintained. | Additional | | | | | |
| 4 | Insert any additional or replacement controls identified by the organisation to mitigate risk. | Core/ Additional | | | | | |
| Residual Risk Assessment | | | | | | | |
| Like | lihood | Consequence | | Rating | | Accept | |
| | | | | | | | |
| | | | | | | | |





| Control Assessment Worksheet | | | | | | | | | | |
|---|-------------------------|---|------------------------------|------------------------------|------------------------------------|---|--|--|--|--|
| Risk Category: | Assets | | | | Prepared by: | | | | | |
| Business Process: | Debtors | | | | Date: | | | | | |
| Risk No. 4: | Debtors are eith | er not collect | ed on a timely bas | is or not collected | at all. | | | | | |
| Description: | _ | If aged debtors are not identified and managed effectively, this may result in debtors not being collected on a timely basis or not collected at all. This will place greater demands on Council's cash flow. | | | | | | | | |
| Inherent Risk Assess | nherent Risk Assessment | | | | | | | | | |
| Likelihood Consequence | | | e | Rating | | Accept | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| Possible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) | | | |
| Debtor's reconciliation is performed on a regular basis to the General Ledger and reviewed by appropriate staff, with consideration of segregation of duties. | | Core | | | | | | | | |





| ble Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) |
|---|--|---|---|---|---|---|--|
| Relevant staff reviews debtors ageing profile on a regular basis and investigates any outstanding items, and considers provisions for doubtful debts. | | Core | | | | | |
| Statements are provided regularly to debtors. | | Additional | | | | | |
| Insert any additional or replacement controls identified by the organisation to mitigate risk. | | <mark>Core/</mark> Additional | | | | | |
| ual Risk Assessme | ent | | | | | | |
| Likelihood | | Consequence | | Rating | | Accept | |
| | | | | | | | |
| | Relevant staff revie ageing profile on a and investigates an items, and consider doubtful debts. Statements are pro debtors. Insert any addition replacement conta by the organisation risk. | Relevant staff reviews debtors ageing profile on a regular basis and investigates any outstanding items, and considers provisions for doubtful debts. Statements are provided regularly to debtors. Insert any additional or replacement controls identified by the organisation to mitigate risk. ual Risk Assessment | ble Controls Type Relevant staff reviews debtors ageing profile on a regular basis and investigates any outstanding items, and considers provisions for doubtful debts. Core Statements are provided regularly to debtors. Additional Insert any additional or replacement controls identified by the organisation to mitigate risk. Core/ ual Risk Assessment Additional | ble ControlsTypeOfficer – TitleRelevant staff reviews debtors ageing profile on a regular basis and investigates any outstanding items, and considers provisions for doubtful debts.CoreStatements are provided regularly to debtors.AdditionalInsert any additional or replacement controls identified by the organisation to mitigate risk.Core/ Additionalual Risk AssessmentInsert and additional or mitigate | ble Controls Type Officer – Title Officer – Title Relevant staff reviews debtors ageing profile on a regular basis and investigates any outstanding items, and considers provisions for doubtful debts. Core Image: Core Statements are provided regularly to debtors. Additional Core/ Image: Core/ Image: Core/ Insert any additional or replacement controls identified by the organisation to mitigate risk. Core/ Additional Image: Core/ ual Risk Assessment Image: Core/ Image: Core/ Image: Core/ Image: Core/ Image: Core/ | ble Controls Control Type Assessing Officer – Title Reviewing Officer – Title Effectiveness Rating Relevant staff reviews debtors ageing profile on a regular basis and investigates any outstanding items, and considers provisions for doubtful debts. Core Image: Core | ble Controls Control Type Assessing Officer – Title Reviewing Officer – Title Effectiveness Rating Effectiveness Rating Effectiveness Rating Effectiveness Rating Relevant staff reviews debtors ageing profile on a regular basis and investigates any outstanding items, and considers provisions for doubful debts. Core Image: Core |





| Con | trol Assessment Wo | rksheet | | | | | | | |
|------|--|-----------------|-----------------|------------------------------|------------------------------|------------------------------------|---|--|--|
| Risk | Category: | Assets | | | | Prepared by: | | | |
| Busi | ness Process: | Debtors | | | | Date: | | | |
| Risk | No. 5: | The Debtors mas | ster file data | does not remain p | ertinent. | | | | |
| Desc | Description: "Pertinent" means that the debtor's master file reflects current conditions. In this context, the pertinence attribute of quality relates both to master file records and to individual data fields within those records. For example, pertinent debtors master file records include records for current debtors and exclude records for former debtors. | | | | | | | | |
| Inhe | nherent Risk Assessment | | | | | | | | |
| Like | lihood | Consequence | | Rating | | Accept | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| Poss | sible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) | |
| 1 | Access to the debtor's master file is restricted to appropriately designated personnel and is reviewed by relevant staff for accuracy and on-going pertinence. | | Core | | | | | | |





| Pos | sible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) |
|------|--|--|---------------------|------------------------------|------------------------------|------------------------------------|---|--|
| 2 | There is a process in place to ensure changes to the debtors master file are compared to source documents to ensure they are inputted accurately | | Core | | | | | |
| 3 | Debtors system provides a record changes made to n | | Additional | | | | | |
| 4 | Insert any additional or replacement controls identified by the organisation to mitigate risk. | | Core/ Additional | | | | | |
| Res | idual Risk Assessment | | | | | | | |
| Like | Likelihood | | Consequence | | Rating | | Accept | |
| | | | | | | | | |
| | | | | | | | | |





3.5. Inventory

Introduction

There are no specific provisions relating to inventory in the Local Government Act. It is recognised that for many Councils, inventory levels are normally quite low. However as a minimum, Council when reviewing the internal control environment surrounding inventory should consider the following issues:

- Inventory policy: to determine which items are to be treated as inventory and administered
- Physical storage: to ensure that all inventory items are adequately secured
- Issues and returns: to ensure that all inventory issues and returns are adequately recorded
- Stock takes: to ensure that inventory levels are accurately recorded and reported on a timely basis
- Yearend considerations: to ensure that consistent valuation policies are adopted and applied.

Key Issues/Risks

In relation to Inventory, the major risks faced by Councils may be summarised as follows:

- 1) Inventory received is either recorded inaccurately or not recorded at all
- 2) Inventory is inadequately safeguarded
- 3) Inventory held by Council becomes obsolete.

These risks are addressed in the following Control Assessment Worksheets.

Segregation of Duties

For Councils with significant inventory levels, the following segregation of duties should exist within the inventory management cycle:

- Where possible, personnel responsible for purchasing, accounts payable, receiving, inventory, inventory counts, production scheduling, and shipping have responsibility for only one such function and have no system access to functions other than their assigned function
- Individuals who are responsible for transaction processing should ordinarily have no responsibility for master file maintenance or updating the chart of accounts, except through the authorised application menu options
- Personnel responsible for the custody of inventory have 'read-only' access to inventory records, and personnel who are responsible for inventory transaction processing have neither responsibility for inventory management master file maintenance nor update access to the inventory master file.

Most systems of internal control rely on assigning certain responsibilities to different individuals, or "segregating" incompatible functions. Such segregation of duties is intended to prevent one person from having both:

- Access to assets and
- Responsibility for maintaining the accountability for such assets.





Such segregation of duties is especially important in relation to separating the custody or handling of inventory from access to inventory records and master files. In addition, physical counts of inventory should be performed by someone independent of custody of inventory and with no access to inventory records. Discrepancies noted in the comparison of the counts to inventory records should also be followed up by an individual who is independent of the custody and recording of inventory.

It is recognised that a number of Councils do not have significant inventory levels. For these Councils, a cost-benefit analysis may indicate that such levels of segregation of duties are not applicable and/or cost effective.





| Contr | rol Assessment W | orksheet | | | | | | | |
|------------------------|---|-----------------|-----------------|------------------------------|------------------------------|------------------------------------|---|--|--|
| Risk | Category: | Assets | | | | Prepared by: | | | |
| Busir | ness Process: | Inventory | | | | | | | |
| Risk | No. 1: | Inventory recei | ved is either | recorded inaccurat | ely or not recorded | d at all. | | | |
| Desci | Description: Incomplete and/or inaccurate recording of inventor received may also lead to supplier disputes and/or | | | | | | nt of inventory. Failure t | o record inventory | |
| Inher | Inherent Risk Assessment | | | | | | | | |
| Likelihood Consequence | | | | | Rat | Rating | | Accept | |
| | | | | | | | | | |
| | | | | | | | | | |
| Possi | ible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) | |
| 1 | Physical inventory is counted periodically with review by an appropriate person and is reconciled against the general ledger, material variances investigated. | | Core | | | | | | |





| Poss | ible Controls | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) |
|------|---|-----------------|------------------------------|------------------------------|------------------------------------|---|--|
| 2 | All inventory write-offs and provisions for obsolescence to be approved by appropriate staff in accordance with Delegations of Authority. | Core | | | | | |
| 3 | There is a process in place to ensure all inventory adjustments and stock transfers are valid and accurate | Core | | | | | |
| 4 | Procurement of inventory is approved in accordance with the Delegations of Authority and relevant Procurement policy and/or procedure. | Core | | | | | |
| 5 | There is a process in place to ensure that invoices are paid after goods have been received. | Additional | | | | | |





| Possi | Possible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) |
|--------|---|---|---------------------|------------------------------|------------------------------|------------------------------------|---|--|
| 6 | Insert any additional or replacement controls identified by the organisation to mitigate risk. | | Core/ Additional | | | | | |
| Resid | ual Risk Assessment | t | | | | | | |
| Likeli | Likelihood | | Consequence | | Rating | | Accept | |
| | | | | | | | | |
| | | | | | | | | |





| Con | Control Assessment Worksheet | | | | | | | | | | |
|------|---|-----------------------|---|------------------------------|------------------------------|------------------------------------|---|--|--|--|--|
| Risk | c Category: | Assets | | | | Prepared by: | | | | | |
| Bus | iness Process: | Inventory | | | | Date: | | | | | |
| Risk | « No. 2: | Inventory is inade | quately safeg | ately safeguarded. | | | | | | | |
| Des | cription: | If inventory is not s | ecurely stored, it may be subject to damage or theft. | | | | | | | | |
| Inhe | Inherent Risk Assessment | | | | | | | | | | |
| Like | lihood | | Consequence | | Rat | ing | Acc | ept | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| Pos | sible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) | | | |
| 1 | Access to inventory is restricted to authorised personnel, where appropriate. | | Core | | | | | | | | |
| 2 | Goods are delivered to relevant inventory locations and checked for completeness and quality, and defective goods returned on a timely basis. | | Additional | | | | | | | | |





| Pos | sible Controls | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) |
|------|--|---------------------|------------------------------|------------------------------|------------------------------------|---|--|
| 3 | Inventory is appropriately insured. | Additional | | | | | |
| 4 | Insert any additional or replacement controls identified by the organisation to mitigate risk. | Core/ Additional | | | | | |
| Res | idual Risk Assessment | | | | | | |
| Like | lihood | Consequence | | Rating | | Accept | |
| | | | | | | | |
| | | | | | | | |





| Con | trol Assessment \ | Norksheet | | | | | | | |
|---|--|-------------------|-----------------|-----------------|-----------------|-------------------------|-------------------------------|----------------------------|--|
| Risk Category: Assets Prepared by: | | | | | | | | | |
| Bus | iness Process: | Inventory | | | | Date: | | | |
| Risł | « No. 3: | Inventory held by | Council becc | omes obsolete. | | | | | |
| Description: Council may have inventory that has expired or is technically obsolete, and therefore is not usable. In addition to the loss in asset value the cost of disposing of obsolete inventory can be high. Further, certain types of inventory have a limited life span. Adequate inventory management, adequate storage facilities and ongoing monitoring are central to maintaining the usability of inventory and maximising its life span. | | | | | | | | | |
| Inhe | erent Risk Assessi | ment | | | | | | | |
| Like | elihood | | Consequence | | Rating | | | Accept | |
| | | | | Assessing | Reviewing | Control | Action Plan ¹ | Comment | |
| Pos | sible Controls | | Control Type | Officer – Title | Officer – Title | Effectiveness Rating | (if control not effective) | (substantiation of rating) | |
| Usability of inventory and level of inventory is assessed at least annually. | | Core | | | | | | | |
| 2 | Assessment of appropriate inventory consumption having regard to risk is undertaken. | | Additional | | | | | | |





| Pos | Possible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) |
|-----------|--|--|---------------------|------------------------------|------------------------------|------------------------------------|---|--|
| 3 Resi | 3 Insert any additional or replacement controls identified by the organisation to mitigate risk. Residual Risk Assessment | | Core/ Additional | | | | | |
| | | | Consequence | | Rati | ng | Acc | cept |
| | | | | | | | | |





3.6. Prepayments

Introduction

There are no specific sections of the Local Government Act that deal specifically with prepayments. However as a minimum, Council when reviewing the internal control environment surrounding prepayments should address the issue of when payments are to be classified as prepayments, and the period over which they should be amortised.

It is important that all prepayments are identified and recorded on a timely basis to ensure that expenses are recognised in the appropriate period and that the financial statements are not misstated. The recognition, treatment and recording of prepayments is normally a process associated with year-end reporting for most Councils.

Key Issues/Risks

In relation to Prepayments, the major risk faced by Councils may be summarised as follows:

1) Prepayments are either inaccurately recorded or not recorded at all.

This risk is addressed in the following Control Assessment Worksheets.





| Control Assessment | Worksheet | | | | | | | | | |
|--------------------------|---|-----------------|------------------------------|------------------------------|------------------------------------|---|--|--|--|--|
| Risk Category: | Assets | | | | Prepared by: | | | | | |
| Business Process: | Prepayments | | | | Date: | | | | | |
| Risk No. 1: | Prepayments ar | e either inac | curately recorded of | or not recorded at | all. | | | | | |
| Description: | Deferring all of an expense when only a portion should be deferred or Not deferring any part of an expense when at least some portion of the expense should be deferred. | | | | | | | | | |
| Inherent Risk Assessment | | | | | | | | | | |
| Likelihood | | Consequen | се | Ra | ting | | Accept | | | |
| | | | | | | | | | | |
| Possible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) | | | |
| the General Ledg | ordance with the w or procedure to ger and reviewed with consideration | Core | | | | | | | | |





| Possible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) |
|-------------------|---|---------------------|------------------------------|------------------------------|------------------------------------|---|--|
| 2 | Procedures provide guidance as to the recognition, treatment and recording of prepayments. | Additional | | | | | |
| 3 | Insert any additional or replacement controls identified by the organisation to mitigate risk. | Core/ Additional | | | | | |
| Resi | dual Risk Assessment | | | | | | |
| Like | lihood | Consequence | | Rat | ing | Ac | cept |
| | | | | | | | |
| | | | | | | | |





3.7. Fixed Assets

Introduction

In this Framework, the definition of 'Fixed Assets' is stated to include infrastructure and Property, Plant and Equipment (PPE) assets. The risks and controls documented in the following Control Assessment Worksheets address both the specific risks associated with infrastructure assets and those more general risks associated with fixed assets as a whole. The key risks associated with infrastructure have been identified as being appropriate identification and valuation. When reviewing the internal control environment surrounding fixed assets, Council should consider the following issues:

- Additions and disposals
- Classification and capitalisation policies
- Depreciation policies
- Recording / registers
- Year-end considerations
- Security arrangements, insurance coverage and maintenance plans
- Valuations.

The financial impact of fixed assets on the operations of Council and the annual financial statements is significant as evidenced by the following relationships:

- Additions and disposals
- Capital additions may have significant demands on cash flows and may represent a significant capital investment
- Choice of depreciation policy affects the depreciation charged to the Statement of Comprehensive Income
- Disposals of fixed assets may result in profit and loss on sale.

Further guidance in relation to the appropriate recognition, depreciation, impairment and valuation of fixed assets is provided by the following:

- AASB 13: Fair Value Measurement
- AASB 116: Property, Plant and Equipment
- AASB 117: Leases
- AASB 136: Impairment of Assets
- AASB 140: Investment Property
- The Australian Infrastructure Financial Management Guidelines produced by IPWEA; and
- CPA Guide to Valuation and Depreciation Under the International Accounting Standards for the Public Sector

Key Issues/Risks

In relation to fixed assets, the major risks faced by Councils may be summarised as follows:

- Fixed asset acquisitions, disposals and write-offs are fictitious, inaccurately recorded or not recorded at all. Fixed Asset Register (FAR) does not remain pertinent.
- Fixed assets are inadequately safeguarded
- Fixed Assets are not valued correctly initially or on subsequent revaluation
- Depreciation charges are either invalid, not recorded at all or are inaccurately recorded which includes inappropriate useful lives and residuals.
- Fixed Asset maintenance and/or renewals are inadequately planned.





These risks are addressed in the following Control Assessment Worksheets.

Segregation of Duties

Most systems of internal control rely on assigning certain responsibilities to different individuals, or "segregating" incompatible functions. Such segregation of duties is intended to prevent one person from having both:

- Access to assets; and
- Responsibility for maintaining the accountability for such assets.

The following types of responsibilities should ordinarily be segregated:

- Transaction initiation (acquisitions or disposals)
- Transaction authorisation
- Transaction recording
- Custody of assets
- Reconciliation of physical fixed assets and liabilities to records.

Therefore, personnel responsible for fixed asset acquisition, disposal, recording, and maintenance should have responsibility for only one such function and have no system access to functions other than their assigned function. In addition, personnel who are responsible for fixed asset transaction processing should have neither responsibility for fixed asset masterfile maintenance nor update access to the fixed asset master file.





| Control Assessment W | orksheet | | | | | | | |
|--|--------------------------------------|--------------------|---|------------------------|------------------|-----------------------|--------------------|--|
| Risk Category: | Assets | | | | Prepared by: | | | |
| Business Process: | Fixed Assets | Fixed Assets Date: | | | | | | |
| Risk No. 1: | Fixed asset acqu Register (FAR) o | | | ffs are fictitious, in | accurately recor | ded or not recorded a | t all. Fixed Asset | |
| Description: Recorded fixed asset acquisitions that do not represent fixed assets acquired by Council may result in misstatement in the management report and financial statements. Inaccuracies in the input and/or processing of asset acquisition details or amounts may lead to the asset being incorrectly reflected in the general ledger. Asset acquisitions that are not recorded may understate the value of fixed assets and depreciation, and may lead to assets being lost or misappropriated. | | | | | | | | |
| Inherent Risk Assessm | ent | | | | | | | |
| Likelihood | | Consequenc | e | Rati | ing | Ac | cept | |
| | | | | | | | | |
| Possible Controls Control Type Assessing Reviewing Control Action Plan ¹ Comment Officer – Title Officer – Title Officer – Title Officer – Title Effectiveness (if control not effective) (substantiation of rating) | | | | | | | | |
| There is a process in place for the verification of fixed assets which is reconciled to the FAR. | | Core | | | | | | |





| Possible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) |
|-------------------|---|-----------------|------------------------------|------------------------------|------------------------------------|---|--|
| 2 | Recorded changes to the FAR and/or masterfile are approved by appropriate staff compared to authorised source documents and General Ledger to ensure accurate input. | Core | | | | | |
| 3 | All fixed asset acquisitions and disposals are approved in accordance with Delegation of Authority and relevant Procurement and Fixed Asset Policies. | Core | | | | | |
| 4 | Maintenance of the fixed asset register is limited to appropriate staff with consideration to segregation of duties. | Core | | | | | |





| Poss | Possible Controls | | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) |
|------|---|------|------------------------------|------------------------------|------------------------------------|---|--|
| 5 | Council has an asset accounting policy which details thresholds for recognition of fixed assets which is monitored to ensure adherence. | Core | | | | | |
| 6 | Reconciliation of fixed assets to the General Ledger is performed in accordance with schedule of review or procedure. | Core | | | | | |
| 7 | Asset register calculations are reviewed for accuracy. | Core | | | | | |
| 8 | Fixed assets are recorded on acquisition, creation or when provided free of charge to facilitate accurate identification of assets and recording of details with regards to the Asset Accounting Policy. | Core | | | | | |





| Possible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) | |
|-------------------|---|-----------------|------------------------------|------------------------------|------------------------------------|---|--|------|
| 9 | Asset maintenance is planned and monitored with relevant staff in accordance with the Asset Management Plans. | | Additional | | | | | |
| 10 | 10 Insert any additional or replacement controls identified by the organisation to mitigate risk. | | Core/ Additional | | | | | |
| Resid | lual Risk Assessme | ent | | | | | | |
| Likeli | hood | | Consequence | • | Rati | ng | Acc | cept |
| | | | | | | | | |
| | | | | | | | | |





| Con | trol Assessment \ | Norksheet | | | | | | | |
|---|---|--------------|-----------------|------------------------------|------------------------------|------------------------------------|---|--|--|
| Risł | c Category: | Assets | | | | Prepared by: | | | |
| Bus | iness Process: | Fixed Assets | | | | Date: | | | |
| Risk No. 2: Fixed assets are inadequately safeguarded. | | | | | | | | | |
| Des | Description: If fixed assets are not securely stored, they may be subject to damage or theft. | | | | | | | | |
| Inhe | erent Risk Assess | ment | | | | | | | |
| Likelihood Consequence Rating Accept | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| Pos | sible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) | |
| 1 Where appropriate, fixed assets are secured and access is restricted to appropriate staff and authorised users. | | Core | | | | | | | |
| 2 | 2 Where appropriate, fixed assets are insured. | | Core | | | | | | |





| Possible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) |
|-------------------|--|---------------------|------------------------------|------------------------------|------------------------------------|---|--|
| 3 | Where appropriate, identification details are recorded for portable and attractive assets such as IT and fleet assets, on acquisition to facilitate accurate identification. | Additional | | | | | |
| 4 | Insert any additional or replacement controls identified by the organisation to mitigate risk. | Core/ Additional | | | | | |
| Resi | dual Risk Assessment | | | | | | |
| Like | lihood | Consequenc | e | Rat | ing | Ac | cept |
| | | | | | | | |
| | | | | | | | |





| Control Assessment | Worksheet | | | | | | | |
|---|------------------|-----------------|---|------------------------------|------------------------------------|---|--|--|
| Risk Category: | Assets | | | | Prepared by: | | | |
| Business Process: | Fixed Assets | | | | Date: | | | |
| Risk No. 3: | Fixed Assets are | e not valued o | correctly initially or | r on subsequent re | evaluation. | | | |
| Description: | | | prrectly, the manage the use of inapprop | • | | s will be misstated. Fo | r example, incorrect | |
| Inherent Risk Assess | ment | | | | | | | |
| Likelihood Consequence Rating Accept | | | | | | | | |
| | | | | | | | | |
| Possible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) | |
| Relevant staff review useful lives, residuals, valuations, depreciation methodology and test for impairment as required by Accounting Standards and legislation to ensure that methods used are still appropriate and significant changes are incorporated into Asset Management Plans. | | Core | | | | | | |





| Pos | ssible Controls | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) |
|-----|--|---------------------|------------------------------|------------------------------|------------------------------------|---|--|
| 2 | Profit or loss on disposal calculations can be substantiated and verified with supporting documentation. | Core | | | | | |
| 3 | Insert any additional or replacement controls identified by the organisation to mitigate risk. | Core/ Additional | | | | | |
| Re | sidual Risk Assessment | | | | | | |
| Lik | Likelihood Consequence | | e | Rating | | Accept | |
| | | | | | | | |
| | | | | | | | |





| Contr | rol Assessment V | Vorksheet | | | | | | |
|---|---|---------------------------------------|-----------------|------------------------------|------------------------------|------------------------------------|---|--|
| Risk | Category: | Assets | | | | Prepared by: | | |
| Busir | ness Process: | Fixed Assets | | | | Date: | | |
| Risk | No. 4: | Depreciation cha lives and residua | - | er invalid, not reco | orded at all or are | inaccurately reco | orded which includes | s inappropriate useful |
| Dece | | | • | • | • | • | to fictitious assets or ods of calculation are | assets that have been not properly applied. |
| Desc | Description: Depreciation charges should be calculated in accordance with the accounting policy, including the useful life, depreciation method, and calculation formulas. | | | | | | | |
| Inher | ent Risk Assessr | nent | | | | | | |
| Likeli | ihood | | Consequence | 9 | Rat | ing | | Accept |
| | | | | | | | | |
| Possi | ible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) |
| 1 Depreciation charges are calculated in accordance with the asset accounting policy and compliant with relevant accounting standards, including the useful life, depreciation method and residual values. | | Core | | | | | | |





| Pos | Possible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) |
|------|--|-----|---------------------|------------------------------|------------------------------|------------------------------------|---|--|
| 2 | 2 Insert any additional or replacement controls identified by the organisation to mitigate risk. | | Core/ Additional | | | | | |
| Res | idual Risk Assessme | ent | | | | | | |
| Like | Likelihood Con | | Consequenc | Consequence | | Rating | | cept |
| | | | | | | | | |
| | | | | | | | | |





| Control Assessment | Worksheet | | | | | | | | | |
|--|--|---|------------------------------|------------------------------|------------------------------------|---|--|--|--|--|
| Risk Category: | Assets | | | Prepared by: | | | | | | |
| Business Process: | Fixed Assets | | | | Date: | | | | | |
| Risk No. 5: | Fixed Asset mai | Fixed Asset maintenance and/or renewals are inadequately planned. | | | | | | | | |
| Description: | If Council does not conduct effective financial planning for the long-term use of their Fixed Assets, this will result in Council not having sufficient funds to reinvest in fixed assets when required. | | | | | | | | | |
| Inherent Risk Assess | ment | | | | | | | | | |
| Likelihood | | Consequen | се | Rat | ing | | cept | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| Possible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) | | | |
| Asset Management Plans are prepared and renewal expenditure and programmed maintenance required is reviewed periodically to reflect changing priorities, additional asset data and other relevant factors. | | Core | | | | | | | | |





| Possible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) | |
|--------------------------|--|---------------------|------------------------------|------------------------------|------------------------------------|---|--|--|
| 2 | Asset Management Plans for all major asset classes are adopted and reviewed by Council as required by the <i>Local Government Act 1999</i> . | Core | | | | | | |
| 3 | Insert any additional or replacement controls identified by the organisation to mitigate risk. | Core/ Additional | | | | | | |
| Residual Risk Assessment | | | | | | | | |
| Likelihood | | Consequenc | e | Rating | | Accept | | |
| | | | | | | | | |
| | | | | | | | | |





3.8. Project Costing

Introduction

Councils invest heavily in significant capital projects. Given this level of investment, it is imperative that expenditure on capital projects is reported accurately to the elected body and senior management. Accurate project costing is largely based on the use of a costing system that apportions costs to functions, activities, goods or services based on a reliable and consistent basis. The Local Government (Financial Management) Regulations 2011 require Councils to prepare externally reported financial information on a Full Cost Attribution basis.

Full Cost Attribution is defined in the Regulations as:

"a system under which all costs, including indirect and overhead costs, are allocated to a function, activity, good or service on a reliable and consistent basis".

Full Cost Attribution represents one methodology used to assign costs to projects and contrasts with the more traditional method, referred to as Direct Costing. For a detailed analysis of the issues surrounding costing systems generally and full cost attribution specifically, please refer to 'A Guideline to Implementing Full Cost Attribution', published by the Local Government Association of South Australia.

Key Issues/Risks

In relation to Project Costing, the major risks faced by Councils may be summarised as follows:

- 1) Projects are either inaccurately recorded or not recorded at all
- 2) Appropriate approvals are not received for the establishment and changes in project scope or costs.

These risks are addressed in the following Control Assessment Worksheets.





| Control Assessment | Worksheet | | | | | | | | | |
|--|---|---|------------------------------|------------------------------|------------------------------------|---|--|--|--|--|
| Risk Category: | Assets | | | Prepared by: | | | | | | |
| Business Process: | Project Costing | | | | Date: | | | | | |
| Risk No. 1: | Projects are eit | Projects are either inaccurately recorded or not recorded at all. | | | | | | | | |
| Description: | If an inappropriate costing method is used to record Project Costs or if there are finance system processing errors, this will result in Projects being inaccurately recorded, leading to misstatements in both the management reports and the financial statements. If the costs associated with approved Projects are not recorded due to oversights by personnel, this will result in Project Costs being | | | | | | | | | |
| Inherent Risk Assess | | missialement | s in both the manag | ement reports and t | | | | | | |
| Likelihood | | Consequen | се | Rating | | Accept | | | | |
| | | | | | | | | | | |
| Possible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) | | | |
| Actual project costs are regularly compared to budgets; significant variances are investigated by relevant staff. | | Core | | | | | | | | |





| Pos | Possible Controls | | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) | | |
|------|---|---------------------|------------------------------|------------------------------|------------------------------------|---|--|--|--|
| 2 | The project costing methodology is reviewed to ensure appropriate costs ae recorded. | Additional | | | | | | | |
| 3 | Where there is a separate system to manage projects, relevant financial information is reconciled to the general ledger. | Additional | | | | | | | |
| 4 | Insert any additional or replacement controls identified by the organisation to mitigate risk. | Core/ Additional | | | | | | | |
| Res | Residual Risk Assessment | | | | | | | | |
| Like | lihood | Consequenc | e | Rating | | Ac | Accept | | |
| | | | | | | | | | |
| | | | | | | | | | |





| Control Assessment Worksheet | | | | | | | | | | | |
|------------------------------|--|--|---|------------------------------|------------------------------------|---|--|--|--|--|--|
| Risk | c Category: | Assets | | | | Prepared by: | | | | | |
| Bus | iness Process: | Project Costing | | | | Date: | | | | | |
| Risk | « No. 2: | Appropriate app | Appropriate approvals are not received for the establishment and changes in project scope or costs. | | | | | | | | |
| Des | cription: | If over-expenditures are not detected or project scopes are changed without approval, this will result in Project objectives not being achieved and may restrict Council's ability to commit to funding future Projects. | | | | | | | | | |
| Inherent Risk Assessment | | | | | | | | | | | |
| Like | Likelihood Consequence | | 9 | Rating | | Accept | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| Possible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) | | | | |
| 1 | Actual project cos compared to budg variances are inve appropriate staff. | gets; significant | Core | | | | | | | | |





| Possible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) |
|-------------------|---|-----------------|------------------------------|------------------------------|------------------------------------|---|--|
| 2 | Processes are in place for establishing and changing project scope and budgets with approvals in accordance with Delegations of Authority. | Core | | | | | |
| 3 | Exception report generated detailing all variances for project costs over a fixed threshold (i.e. percentage or dollar amount). Exception report reviewed by appropriate staff and all significant variances are investigated. | Additional | | | | | |
| 4 | There is an on-going review of current projects having regard to project scope and delivery within budget and with variations communicated and endorsed within relevant Delegations of Authority. | Additional | | | | | |





| Poss | Possible Controls | | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) |
|-----------|--|--|------------------------------|------------------------------|------------------------------------|---|--|
| 5 Resi | 5 Insert any additional or replacement controls identified by the organisation to mitigate risk. Residual Risk Assessment | | | | | | |
| | | | • | Rati | ing | Aco | cept |





3.9. Loans/Grants to Clubs/Community Groups

Introduction

As a minimum when reviewing the internal control environment surrounding Loans / Grants to Clubs / Community Groups, Councils should consider the following issues:

- Appropriate approval and authorisation of the loan in accordance with the Delegations of Authority
- The negative publicity that Council may receive from lending funds in these circumstances
- Conflicts of interest issues when deciding on the recipient of the funds
- Adequate recovery and collection procedures
- Monitoring those funds have been used for the purpose intended.

For an analysis of further risks and controls in relation to debtors generally, please refer to the 'Debtors' business process in Section 3.4 of this Framework.

Key Issues/Risks

In relation to Loans / Grants to Clubs / Community Groups, the major financial risks faced by Councils may be summarised as follows:

- 1) Council issues Loans / Grants without appropriate approvals
- Loans/Grants to Clubs/Community Groups are inaccurately recorded or not recorded at all
- 3) Clubs/Community Groups not able to repay Loans/Grants to Council.

These risks are addressed in the following Control Assessment Worksheets.

Segregation of Duties

The following activities should be separated in relation to Loans / Grants to Clubs / Community Groups:

- Approval of loan / grant
- Recording of the loan / grant
- Receipting loan / grant repayments
- Recording loan / grant repayments
- Approving write-off of loans / grants.





| Con | trol Assessment V | Norksheet | | | | | | |
|------|--|-------------------------------|--------------------------------|------------------------------|--|--------------------------|---|--|
| Risk | c Category: | Assets | | | | Prepared by: | | |
| Bus | iness Process: | Loans / Grants | to Clubs / Co | ommunity Groups | | Date: | | |
| Risk | « No. 1: | Council issues | Loans/Grant | s without appropria | ate approvals. | | | |
| Des | cription: | Clubs/Communit demands on cas | y Groups. Su h flow for Cou | ch groups may not th | nen be in a position tive publicity. This v | to repay the loans | • | distributed to inappropriate sulting in both increased n balance and a |
| Inhe | erent Risk Assess | ment | | | | | | |
| Like | elihood | | Consequen | се | Rat | ting | | Accept |
| Pos | sible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness | Action Plan ¹ (if control not | Comment (substantiation of |
| 1 | 1 Council has a policy for issuing funds to Clubs/Community Groups. The Policy includes criteria for approval of funds with reference to the Delegations of Authority and Conflicts of Interest. | | Core | | | Rating | effective) | rating) |





| Pos | sible Controls | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) |
|------|---|---------------------|------------------------------|------------------------------|------------------------------------|---|--|
| 2 | Appropriate staff monitor compliance of the funding arrangements. | Core | | | | | |
| 3 | Insert any additional or replacement controls identified by the organisation to mitigate risk. | Core/ Additional | | | | | |
| Resi | idual Risk Assessment | | | | | | |
| Like | lihood | Consequence | | Rating | | Accept | |
| | | | | | | | |
| | | | | | | | |





| Con | trol Assessment | Worksheet | | | | | | | | |
|------|---|-------------------|--|------------------------------|------------------------------|------------------------------------|---|--|--|--|
| Risk | Category: | Assets | | | | Prepared by: | | | | |
| Busi | iness Process: | Loans / Grants to | Clubs / Con | nmunity Groups | | Date: | | | | |
| Risk | No. 2: | Loans/ Grants to | Clubs / Community Groups are inaccurately recorded or not recorded at all. | | | | | | | |
| Desc | cription: | | the funds. Un | intentional or intention | • | | the amount of the loa being recorded at all a | ns or the details of the and the management | | |
| Inhe | rent Risk Assess | ment | | | | | | | | |
| Like | lihood | | Consequend | nce R | | ating | | Accept | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| Pos | sible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) | | |
| 1 | 1 Loan receivable reconciliations are prepared and reviewed by appropriate staff with follow up of all outstanding receipts. | | Core | | | | | | | |
| 2 | 2 All loans/grants to Clubs/Community Groups are approved in accordance with the policy. | | Core | | | | | | | |





| Poss | sible Controls | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) |
|------|--|---------------------|------------------------------|------------------------------|------------------------------------|---|--|
| 3 | There is a process in place to ensure all grants issued are spent in accordance with the funding agreement. | Core | | | | | |
| 4 | A loan schedule is provided to the loan recipient. | Core | | | | | |
| 5 | Insert any additional or replacement controls identified by the organisation to mitigate risk. | Core/ Additional | | | | | |
| Resi | dual Risk Assessment | | | | | | |
| Like | lihood | Consequence | | Rating | | Accept | |
| | | | | | | | |
| | | | | | | | |





| Control Assessment | Worksheet | | | | | | | | |
|--|---------------------------------------|---|---|---|---|---|--|--|--|
| Risk Category: | Assets | | | | Prepared by: | | | | |
| Business Process: | Loans / Grants t | o Clubs / Cor | mmunity Groups | | Date: | | | | |
| Risk No. 3: | Clubs/Communi | unity Groups not able to repay Loans/Grants to Council. | | | | | | | |
| Description: | recorded is the an original repayment | mount that the nt schedule, th rable. If a dec | ey will receive in full. he carrying value of t ision is made that th | When a Club/Comi the loan must be an | munity Group is no alysed by Council | a regular basis to ensi ot repaying the loan in with a view to assess will result in the carryin | accordance with the | | |
| Inherent Risk Asses | sment | | | | | | | | |
| Likelihood | | Consequence | | Rat | ing | | Accept | | |
| | | | | | | | | | |
| | | 1 | | | | | | | |
| Possible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) | | |
| Bad-debt write-offs for loans receivable are approved in line with relevant delegations. | | Core | | | | | | | |





| Pos | sible Controls | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) |
|------|---|---------------------|------------------------------|------------------------------|------------------------------------|---|--|
| 2 | Loan receivable reconciliations are prepared and reviewed by appropriate staff with follow up of all outstanding receipts. | Core | | | | | |
| 3 | Council has a policy for issuing funds to Clubs/Community Groups. The Policy includes criteria for approval of funds with reference to the Delegations of Authority and conflicts of interest. | Core | | | | | |
| 4 | Insert any additional or replacement controls identified by the organisation to mitigate risk. | Core/ Additional | | | | | |
| Res | idual Risk Assessment | | | | | | |
| Like | lihood | Consequenc | e | Rat | ing | Ac | cept |
| | | | | | | | |
| | | | | | | | |





4. Liabilities

4.1. Accounts Payable

Introduction

There are no sections of the Local Government Act that deal specifically with accounts payable. However when reviewing the internal control environment surrounding accounts payable, Council should consider the following issues:

- Receipt of approved goods and services
- Processing and recording of supplier invoices
- Custody of blank cheques and cheque-signing machines and access to electronic payment facilities
- Maintenance of the supplier master file.

For the purposes of this Framework, the accounts payable function has been defined as the process of recording the supplier invoice as a liability and its subsequent disbursement. Accordingly, the accounts payable function is separate from the preliminary activity of purchasing.

For the risks and controls associated with purchasing, please refer to the 'Purchasing & Procurement' business process in Section 6.1 of this Framework.

Key Issues/Risks

In relation to accounts payable, the major risks faced by Councils may be summarised as follows:

- 1) Accounts payable amounts and disbursements are either inaccurately recorded or not recorded at all
- 2) Credit notes and other adjustments to accounts payable are either inaccurately recorded or not recorded at all
- 3) Disbursements are not authorised properly
- 4) Accounts are not paid on a timely basis
- 5) Supplier master file data does not remain pertinent and/or unauthorised changes are made to the supplier master file.

These risks are addressed in the following Control Assessment Worksheets.

Segregation of Duties

The following segregation of duties should exist within the disbursement cycle:

- Signed cheques, which have been compared to appropriate supporting documentation by the signatory, are delivered to someone independent of both the preparer and the initiator of the cheque for prompt mailing,
- Cheques should not be returned to the preparer or initiator of the cheque subsequent to being signed and should be timely mailed to ensure that opportunity for misappropriation is minimised,
- The return address on the envelopes that are used to mail cheques should be to a person(s) who does not prepare cheques or approve payment requests for payment
- Cheques once signed should also be timely mailed and processed to accounts payable to ensure that the cash and liability balances are fairly represented in the accounting records. This is especially important at period ends.





In addition the following tasks should be segregated in relation to the accounts payable function:

- Approval of supplier invoice
- Recording of liability (supplier invoice)
- Approval of payment (i.e. signing of cheque or approving EFT payment).





| Control Assessment V | Vorksheet | | | | | | | | | |
|--|--|--|---|--|--|---|---|--|--|--|
| Risk Category: | Liabilities | | | | Prepared by: | | | | | |
| Business Process: | Accounts Payable | ; | | | Date: | | | | | |
| Risk No. 1: | Accounts payable | ble amounts and disbursements are either inaccurately recorded or not recorded at all. | | | | | | | | |
| Description: | expense, inventory not represent good and the organisation | r, or asset acc s or services on might incur I the related i | counts. Also, errone received (due to in r a financial loss. If | eous payments ma valid delivery addro accounts payable a | y be made to vend ess on purchase o amounts are not re | ors. If amounts poste rder), unauthorised p corded at all, accoun | stated, as will the relevant of to accounts payable do ayments might be made ts payable will be ade, which may damage | | | |
| Inherent Risk Assess | nent | | | | | | | | | |
| Likelihood | c | onsequence | 9 | Rating | | | Accept | | | |
| | | | | | | | | | | |
| Possible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) | | | |
| Payments are verified to appropriate supporting documentation and are in line with Delegations of Authority. | | Core | | | | | | | | |





| Poss | sible Controls | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) |
|--------|---|------------------------|------------------------------|------------------------------|------------------------------------|---|--|
| 2 | Payments are endorsed by relevant staff separate to the preparer, who ensures that they are paid to the correct payee. | | | | | | |
| 3 | Predetermined variances between Purchase Orders and Invoices are assessed and payment released of after verification by the officer with delegation to do so. | only Additional | | | | | |
| 4 | Statements received from supplie are reconciled to the supplier accounts in the accounts payable subledger regularly and difference are investigated. | Additional | | | | | |
| 5 | Insert any additional or replacement controls identified the organisation to mitigate risk | A district and all | | | | | |
| Resi | dual Risk Assessment | | | T | | | |
| Like | lihood | Consequence | | Rati | ing | Aco | cept |
| 1.4.55 | Plan Reference – Provide an action plan if control i | | oostrol is rated 2 or holes | | | | |





| Con | ntrol Assessment W | /orksheet | | | | | | |
|---|--------------------|--------------------|-----------------|------------------------------|------------------------------|------------------------------------|---|--|
| Risl | k Category: | Liabilities | | | | Prepared by: | | |
| Bus | iness Process: | Accounts Payable | • | | | Date: | | |
| Risl | k No. 2: | Credit notes and o | other adjustm | ents to accounts | payable are eithe | er inaccurately re | corded or not recor | ded at all. |
| Description: If credit notes and other adjustments are not recorded accurately, accounts payable inventory, or asset accounts. If adjustments are not recorded at all, accounts payable, accurately, if goods returned are not reflected by debits in accounts payable, accurately, inderlying expense, inventory, or asset accounts. | | | | | | counts payable, re | elated assets, and exp | penses will be misstated. |
| Inhe | erent Risk Assessn | nent | | | | | - | |
| Like | elihood | C | onsequence | | Rat | Rating Accept | | Accept |
| | | | | | | | | |
| Pos | sible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) |
| 1 Separation of Accounts Payable and Procurement duties. | | Core | | | | | | |
| 2 Goods returned notes are matched to credit notes; differences are investigated promptly. | | Additional | | | | | | |





| Pos | sible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) |
|------|---|-----------------------------|---------------------|------------------------------|------------------------------|------------------------------------|---|--|
| 3 | Statements receive are reconciled to the accounts in the accounts in the accounts subledger regularly are investigated. | e supplier ounts payable | Additional | | | | | |
| 4 | Insert any addition replacement contr the organisation to | rols identified by | Core/ Additional | | | | | |
| Resi | dual Risk Assessm | ent | | | | | | |
| Like | lihood | С | onsequence | | Rati | ng | Ac | cept |
| | | | | | | | | |
| | | | | | | | | |





| Control Assessment | Worksheet | | | | | | | | |
|---|------------------|-----------------|--|------------------------------|------------------------------------|---|--|--|--|
| Risk Category: | Liabilities | | | | Prepared by: | | | | |
| Business Process: | Accounts Payable | e | | | Date: | | | | |
| Risk No. 3: | Disbursements a | re not author | ised properly. | | | | | | |
| Description: | | | sements could result in Council making payments to suppliers for goods and services not actually received by a ncil may expend its funds on items of a private or personal nature when reimbursing employee expense claims. | | | | | | |
| Inherent Risk Asses | sment | | | | | | | | |
| Likelihood | (| Consequence | 9 | Ra | ting | Accept | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| Possible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) | | |
| All invoices and payment requests are approved in accordance with relevant policies and/or Delegations of Authority. | | Core | | | | | | | |
| 2 Blank cheques to be held securely and access restricted to relevant staff. | | Core | | | | | | | |





| Poss | ible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) |
|------|---|----------------------------------|---------------------|------------------------------|------------------------------|------------------------------------|---|--|
| 3 | Employee expenses approved by authori independently verific relevant substantiat | ised staff and ed and include | Core | | | | | |
| 4 | Records must be m payments with supp documentation. | | Core | | | | | |
| 5 | Insert any addition replacement contr the organisation to | ols identified by | Core/ Additional | | | | | |
| Resi | dual Risk Assessme | ent | | | | | | |
| Like | ihood | (| Consequence | | Rati | ing | Ac | cept |
| | | | | | | | | |
| | | | | | | | | |





| Con | trol Assessment V | Vorksheet | | | | | | |
|------|--|-------------------|-----------------|------------------------------|------------------------------|------------------------------------|---|---|
| Risk | k Category: | Liabilities | | | | Prepared by: | | |
| Bus | iness Process: | Accounts Payab | le | | | Date: | | |
| Ris | k No. 4: | Accounts are no | ot paid on a t | imely basis. | | | | |
| Des | cription: | | If supplier inv | voices are paid well b | | | available discounts (i.e. early payment discount | early payment) or have t) greater demands will |
| Inhe | erent Risk Assessr | nent | | | | | | |
| Like | elihood | | Consequen | се | Rat | ing | Ac | cept |
| | | | | | | | | |
| | | | | | | | | |
| Pos | sible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) |
| 1 | Relevant staff to r payables listing of basis and investig appropriate. | n a predetermined | Core | | | | | |
| 2 | There is a system generated report | | Core | | | | | |





| Pos | sible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) |
|------|---|--------------------------|---------------------|------------------------------|------------------------------|------------------------------------|---|--|
| 3 | Statements received are reconciled to the accounts in the accounts sub ledger regularly a are investigated. | supplier unts payable | Additional | | | | | |
| 4 | Insert any additiona replacement contro by the organisation risk. | ols identified | Core/ Additional | | | | | |
| Resi | dual Risk Assessme | nt | | | | | | |
| Like | lihood | | Consequence | • | Rati | ng | Ac | cept |
| | | | | | | | | |
| | | | | | | | | |





| Con | trol Assessment V | Vorksheet | | | | | | | | |
|------|---|--------------------------------------|---|-----------------------|--|---|---|--|--|--|
| Risk | Category – | Liabilities | | | | Prepared by: | | | | |
| Busi | iness Process – | Accounts Payat | De Date: | | | | | | | |
| Risk | No. 5 – | Supplier master | r file data does not remain pertinent and/or unauthorised changes are made to the supplier master file. | | | | | | | |
| Desc | cription – | and to individual bank account. Co | data fields wi buncil needs t | thin those records. F | For example, if sup ate controls are in | pplier data is not up place to ensure th | -to-date, payments c at no unauthorised ch | s both to master file record ould be made to the wrong anges to the supplier | | |
| Inhe | rent Risk Assessr | nent | | | | | | | | |
| Like | lihood | | Consequence | | Rating | | Accept | | | |
| Pos | sible Controls | | Control Type | Assessing | Reviewing | Control Effectiveness | Action Plan ¹ (if control not | Comment (substantiation of | | |
| | | | i ypc | Officer – Title | Officer – Title | Rating | effective) | rating) | | |
| 1 | Access to the sup restricted to author | oplier masterfile is orised staff | Core | | | | | | | |
| 2 | Recorded change master file are co authorised source ensure that they accurately. | e documents to | Core | | | | | | | |





| Poss | sible Controls | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) |
|------|--|---------------------|------------------------------|------------------------------|------------------------------------|---|--|
| 3 | Separation of accounts payable and procurement duties. | Core | | | | | |
| 4 | There is a process in place to ensure the supplier master file is periodically reviewed for ongoing pertinence. | Additional | | | | | |
| 5 | Requested changes or additions to supplier masterfile are verified independently of source documentation. | Additional | | | | | |
| 6 | Insert any additional or replacement controls identified by the organisation to mitigate risk. | Core/ Additional | | | | | |
| Resi | dual Risk Assessment | | | | | | |
| Like | lihood | Consequenc | e | Ra | ating | Ac | cept |
| | | | | | | | |





4.2. Accrued Expenses

Introduction

There are no specific sections of the Local Government Act that deal specifically with accrued expenses. However as a minimum, Council when reviewing the internal control environment surrounding accrued expenses should address the issue of when accrued expenses should be recognised as a liability. It is important that all Accrued Expenses are identified and recorded on a timely basis to ensure that expenses are recognised in the appropriate period and that the financial statements are not misstated.

The recognition, treatment and recording of accrued expenses is normally a process associated with year-end reporting for most Councils.

Key Issues/Risks

In relation to Accrued Expenses, the major risk faced by Councils may be summarised as follows:

1) Accrued Expenses are either inaccurately recorded or not recorded at all.

This risk is addressed in the following Control Assessment Worksheets.

Segregation of Duties

Please refer to "Segregation of Duties" in the 'Accounts Payable' business process in Section 4.1 for an analysis of the segregation of duties issues that generally relate to liabilities.





| Control Assessment | Worksheet | | | | | | | | |
|---|-----------------------------|--|------------------------------|------------------------------|------------------------------------|---|--|--|--|
| Risk Category: | Liabilities | | | | Prepared by: | | | | |
| Business Process: | Accrued Expense | ses | | | Date: | | | | |
| Risk No. 1: | Accrued Expense | ses are either | r inaccurately recor | ded or not record | ed at all. | | | | |
| Description: | normal review of misstated. | ccrued expenses are either inaccurately recorded (i.e. inaccurate estimation of accrual) or unrecorded (i.e. no invoice received and mal review of expenses did not identify need to accrue for expenses), the management reports and financial statements will be stated. | | | | | | | |
| Inherent Risk Assess | ment | | | | | | | | |
| Likelihood | | Consequence | e Rating | | | Accept | | | |
| Possible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) | | |
| Accrued expenses reconciliations are completed in accordance with a schedule of review and/or procedure. | | Core | | | | | | | |





| Pos | by the organisation to mitigate risk. esidual Risk Assessment | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) |
|------|---|------|---------------------|------------------------------|------------------------------|------------------------------------|---|--|
| 2 | 2 replacement controls identified by the organisation to mitigate | | Core/ Additional | | | | | |
| Res | dual Risk Assessn | nent | | | | | | |
| Like | lihood | | Consequence | • | Rati | ng | Ac | cept |
| | | | | | | | | |
| | | | | | 1 | | 1 | |
| | | | | | | | | |





4.3. Borrowings

Introduction

All Councils have the statutory power to raise funds through the borrowing of money or by obtaining other forms of financial accommodation, under Section 133 of the Local Government Act. Council's power to borrow money and obtain other forms of financial accommodation is however limited by the statutory requirements of Section 134 of the Local Government Act which states that:

"A council must not enter into a financial arrangement unless or until:

- a) the council has obtained and considered independent and impartial advice about the proposed financial arrangements and the appropriate risk-management policies, controls and systems that should be in place from a person whom the council reasonably believes to be competent to give the advice
- b) the council has adopted risk-management policies, controls and systems by a resolution passed by at least a two-thirds majority of the members of the council".

With this statutory power to borrow, comes a whole range of associated risks, some of which are of a financial nature. In order to minimise Council's exposure to financial loss, it is imperative that all councils implement a comprehensive suite of internal financial controls.

Key Issues/Risks

In relation to Borrowings, the major risks faced by Councils may be summarised as follows:

- 1) Borrowings are either not recorded or are recorded inaccurately
- 2) Loans are taken out without appropriate approval
- 3) Loans are not repaid in accordance with the agreed terms
- 4) Loan repayments are not recorded at all or are recorded inaccurately
- 5) Lack of working capital to meet Council's financial commitments

It should be understood that the accumulated effect of these risks is far wider than purely financial consequences. For example, the financial loss to Council that could result from inappropriate borrowings result may lead to widespread negative perceptions of Council throughout the community.

These risks are addressed in the following Control Assessment Worksheets.

Segregation of Duties

Most systems of internal control rely on assigning certain responsibilities to different individuals, or "segregating" incompatible functions. Such segregation of duties is intended to prevent one person from having both:

- Access to assets
- Responsibility for maintaining the accountability for such assets.

For instance, in the accounting system, different individuals are typically responsible for:

- Recording of borrowing transactions
- Approving new borrowings
- Following up on reconciliation or confirmation of borrowing to statements from third parties





- Review and analysis of recorded borrowing transactions by means of summary reports of activities (e.g. describing liquidity, interest rate gap, dealing positions, exposure to counterparties)
- Authorised signature of payments with respect to borrowing transactions.

If one individual has responsibility for more than one of these functions, that individual could misappropriate assets and conceal the misappropriation.





| Control Assessment | Worksheet | | | | | | | |
|---|------------------------------------|-----------------|------------------------------|------------------------------|------------------------------------|---|--|--|
| Risk Category: | Liabilities | | | | Prepared by: | | | |
| Business Process: | Borrowings | Date: | | | | | | |
| Risk No. 1: | Borrowings are | either not re | corded or are recor | rded inaccurately. | | | | |
| Description: | Financing may b misstatement of | | t either inaccurately | recorded or not rec | corded at all in the | general ledger or loai | n register, resulting in | |
| Inherent Risk Assessment | | | | | | | | |
| Likelihood | | Consequen | ce | Ra | ting | | Accept | |
| | | | | | | | | |
| | | | | | | | | |
| Possible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) | |
| A loan register is including referent resolution approved the schedule of the | | Core | | | | | | |





| Poss | ible Controls | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) |
|------|---|---------------------|------------------------------|------------------------------|------------------------------------|---|--|
| 2 | Debt repayments are transacted and recorded in the correct accounting period, and are reconciled to ensure they are matched to the loan schedule where applicable. | Core | | | | | |
| 3 | A review is undertaken to identify unrecorded loan liabilities at key reporting dates. | Core | | | | | |
| 4 | All new loan repayment schedules and conditions are checked prior to accepting each loan. | Additional | | | | | |
| 5 | Insert any additional or replacement controls identified by the organisation to mitigate risk. | Core/ Additional | | | | | |
| Resi | dual Risk Assessment | | | | | | |
| Like | ihood | Consequence | | Rating | | Accept | |
| | | | | | | | |





| Control As | sessment W | orksheet | | | | | | |
|---|-------------|-----------------|-----------------|---|------------------------------|------------------------------------|---|--|
| Risk Catego | ory: | Liabilities | | | | Prepared by: | | |
| Business P | Process: | Borrowings | | | | Date: | | |
| Risk No. 2: | | Loans are taken | out without a | ppropriate approv | al. | | | |
| Descriptior | n: | | - | approvals not be ob opriate loan terms a | | g out loans, the Co | ouncil may be exposed t | o undue financial risk |
| Inherent Ri | isk Assessm | ent | | | | | | |
| Likelihood | | | Consequence | 9 | Rat | ing | Ad | cept |
| | | | | | | | | |
| | | | | | • | | | |
| Possible C | ontrols | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) |
| 1 appro | - | | Additional | | | | | |
| 2 All loans are in accordance with treasury management policy(ies) which outline appropriate approval mechanisms and authority required. | | Core | | | | | | |





| Poss | sible Controls | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) |
|------|---|---------------------------------------|------------------------------|------------------------------|------------------------------------|---|--|
| 3 | Insert any additional or replacement controls identified by the organisation to mitigate risk. | Core/ Additional | | | | | |
| Resi | dual Risk Assessment | | | | | | |
| Like | lihood | Consequence | 9 | Rati | ng | Ac | cept |
| | | | | | | | |
| 1 | Plan Reference - Provide an action plan if control is po | · · · · · · · · · · · · · · · · · · · | | | | | |





| Control Assessment | Worksheet | | | | | | |
|--|---------------------------------------|-----------------|------------------------------|------------------------------|------------------------------------|---|--|
| Risk Category: | Liabilities | | | | Prepared by: | | |
| Business Process: | Borrowings | | | | Date: | | |
| Risk No. 3: | Loans are not re | epaid in accor | dance with the ag | reed terms. | | | |
| Description: | If repayments rec impose penalties | | - | nissed, made late, | or made in the wro | ong amount, the lend | er may have the right to |
| Inherent Risk Assess | ment | | | | | | |
| Likelihood | | Consequence | е | Rat | ing | | Accept |
| | | | | | | | |
| | | | - | | | | |
| Possible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) |
| 1 There is a proces ensure that loan made in accorda schedule. | repayments are | Core | | | | | |
| Loan repayments made via automated direct debit, where applicable, are approved appropriately and monitored for on- going relevance. | | Additional | | | | | |





| Possible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) | | |
|---|--------|---------------------|------------------------------|------------------------------|------------------------------------|---|--|--|--|
| 3 Insert any additional or replacement controls identified by the organisation to mitigate risk. | | Core/ Additional | | | | | | | |
| Residual Risk Assessment | | | | | | | | | |
| Like | lihood | Consequence | | Rating | | Accept | | | |
| | | | | | | | | | |
| Action Plan Reference - Provide an action plan if control is not in place or where the control is rated 3 or below by reviewing officer | | | | | | | | | |





| Con | Control Assessment Worksheet | | | | | | | | | |
|----------------------------|---|--|-----------------|---|------------------------------|------------------------------------|---|--|--|--|
| Risk Category: Liabilities | | | | | | Prepared by: | | | | |
| Bus | siness Process: | Borrowings | | | | Date: | | | | |
| Risł | k No. 4: | Loan repayment | s are not red | are not recorded at all or are recorded inaccurately. | | | | | | |
| Des | cription: | If loan repayments are made but not recorded, liabilities, and cash will be overstated and interest expense may be inaccurately recorded. If loan repayments are recorded inaccurately liabilities, cash, and interest expense may be misstated. Overpayments reduce cash available for other business activities, while underpayments may give the lender cause (and the right) to call the loan (i.e., to demand that the loan be repaid immediately) or to impose penalties. | | | | | | | | |
| Inhe | erent Risk Assessm | | | no loan bo ropala ini | | | | | | |
| Like | elihood | | Consequence | | Rating | | Accept | | | |
| | | | | | | | | | | |
| Pos | Possible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) | | |
| 1 | All additions, deletions, and other changes to the loan register and loan repayment data are undertaken by relevant staff, and are compared to the loan agreement to ensure that they were input accurately. Identified errors are corrected. | | Core | | | | | | | |





| Pos | Possible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) | | |
|------|--|--|---------------------|------------------------------|------------------------------|------------------------------------|---|--|--|--|
| 2 | 2 Insert any additional or replacement controls identified by the organisation to mitigate risk. | | Core/ Additional | | | | | | | |
| Res | Residual Risk Assessment | | | | | | | | | |
| Like | Likelihood | | Consequence | | Rating | | Accept | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |





| Control Assessment Worksheet | | | | | | | | | | |
|--|---|-----------------|------------------------------|--|------------------------------------|---|--|--|--|--|
| Risk (| Category: | Liabilities | | | | Prepared by: | | | | |
| Busin | ess Process: | Borrowings | | | | Date: | | | | |
| Risk No. 5: Lack of working capital to meet Council's financial comm | | | | cial commitments. | | | | | | |
| Description | | | • | ake many forms (i.e. loans, cash advance debentures). If these borrowings including access to a standby borrowing naged effectively, Council may run out of cash, thereby reducing the operational efficiency of the organisation. | | | | | | |
| Inhere | ent Risk Assessme | ent | | | | | | | | |
| Likeli | Likelihood | | Consequence | | Rating | | Accept | | | |
| | | | | | | | | | | |
| Possible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) | | | |
| 1 | Cashflow forecasts to ensure sufficien is available | | Core | | | | | | | |





| Poss | Possible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) |
|-------|--|-----|---------------------|------------------------------|------------------------------|------------------------------------|---|--|
| 2 | 2 2 2 2 2 3 2 3 3 3 3 3 3 3 3 3 3 3 3 3 | | Core/ Additional | | | | | |
| Resi | dual Risk Assessme | ent | | | | | | |
| Likel | Likelihood | | Consequence | | Rating | | Accept | |
| | | | | | | | | |
| | | | | | | | | |





4.4. Employee Provisions

Introduction

Staff entitlements represent a significant component of Council's operating expenditure. In addition to the payroll expense are the provisions for employee entitlements that largely comprise:

- Provision for Annual Leave
- Provision for Long Service Leave.

"Employee entitlements" may be defined as:

"benefit entitlements which employees accumulate as a result of rendering services to the employer up to the reporting date".

Although there are no sections of the Local Government Act that deal specifically with Employee Provisions, a number of accounting standards provide Councils with guidance when considering the appropriate recording of these provisions. These are as follows:

• AASB 119 Employee Benefits.

This standard provides prescriptive guidance in terms of the methodology to be used when calculating and recognising the Employee Provisions.

For the risks and controls associated with payroll, please refer to the Payroll Business Process is Section 6.2 of this Framework.

Key Issues/Risks

In relation to Employee Provisions, the major risk faced by Councils may be summarised as follows:

1) Employee Provisions are either inaccurately recorded or not recorded at all

This risk is addressed in the following Control Assessment Worksheets.

Segregation of Duties

To minimise any weaknesses associated with segregation of duties issues in relation to employee entitlements, it is imperative that the recording and processing of leave entitlements is separated from the initial approval of leave, and that access to the payroll master file is restricted to appropriately designated and qualified staff.





| Contr | rol Assessment Wo | orksheet | | | | | | | | |
|--------|--|--|-----------------|------------------------------|------------------------------|------------------------------------|---|--|--|--|
| Risk | Category: | Liabilities | | | | Prepared by: | | | | |
| Busir | ness Process: | Employee Provis | sions | | | Date: | | | | |
| Risk | No. 1: | Employee provis | sions are eit | her inaccurately rec | corded or not reco | or not recorded at all. | | | | |
| Desc | ription: | inaccurate and th | e employee p | | stated. If accruals a | | recorded at all, staff correctly or not at all, | entitlements will be staff entitlements will be | | |
| Inher | Inherent Risk Assessment | | | | | | | | | |
| Likeli | ihood | | Consequen | се | Rat | Rating Accept | | | | |
| | | | | | | | | | | |
| Possi | ible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) | | |
| 1 | Where appropriate provisions are calc automated proces of the calculations accuracy to ensure statutory reporting | culated by an s and the integrity are verified for e consistency with | Core | | | | | | | |





| Poss | ible Controls | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) |
|-------|---|---------------------|------------------------------|------------------------------|------------------------------------|---|--|
| 2 | There is an approval process for all staff requests for leave and leave taken is recorded by somebody independent from the approval. | Core | | | | | |
| 3 | There is a process in place to ensure the accuracy and completeness of inputs into the calculation of the employee provisions. | Core | | | | | |
| 4 | Leave balances are recorded on pay advices for verification by staff. | Additional | | | | | |
| 5 | Insert any additional or replacement controls identified by the organisation to mitigate risk. | Core/ Additional | | | | | |
| Resi | dual Risk Assessment | | | | | | |
| Likel | ihood | Consequence | 9 | Rati | ng | Aco | cept |
| | | | | | | | |
| | | | | | | | |





4.5. Taxation

Introduction

Normally, Councils are exempt from Income Tax and Payroll Tax. Accordingly, the main areas of taxation that impact upon Council's operations are as follows:

- Fringe Benefits Tax
- Goods and Services Tax
- Pay As You Go ("PAYG").

Accordingly, Council should refer to the following legislation and accounting guidance releases for assistance with understanding, calculating and recognising their statutory liabilities in relation to tax:

- The Fringe Benefits Act 1986
- The Fringe Benefits Tax Assessment Act 1986
- A New Tax System (Goods and Services Tax Act) 1999
- Income Tax Assessment Act 1997
- AAG6: Accounting for the Fringe Benefits Tax.

When reviewing the internal control environment surrounding taxation, Council should consider the following issues:

- Accurate reporting of taxation liabilities in accordance with statutory requirements
- Timely reporting of Returns/Statements to avoid payment of late lodgement penalty fees
- Regular training of appropriately qualified staff.

Given the complexity surrounding the calculation and reporting of taxation liabilities, it is imperative that Council has appropriately qualified and trained staff to perform this task or access to expert advice.

Key Issues/Risks

In relation to Taxation, the major risks faced by Councils may be summarised as follows:

- 1) Tax liabilities are either inaccurately recorded or not recorded at all
- 2) Council does not meet statutory reporting / lodgement deadlines.

These risks are addressed in the following Control Assessment Worksheets.

Segregation of Duties

To minimise any weaknesses associated with segregation of duties in relation to taxation, it is imperative that that following tasks are separated:

- Calculation, recording and processing of tax liabilities
- Review of tax lodgement documentation
- Payment of tax liabilities
- Approval of payment of tax liabilities
- Receipt of tax refunds
- Recording of tax refunds.





| Control Assessment W | orksheet | | | | | | |
|---|--|-----------------|------------------------------|------------------------------|------------------------------------|---|--|
| Risk Category: | Liabilities | | | | Prepared by: | | |
| Business Process: | Taxation | | | | Date: | | |
| Risk No. 1: | Tax liabilities are | e either inacc | curately recorded o | or not recorded at a | all. | | |
| Description: If staff are not provided with adequate training to keep them up to date with all relevant changes in taxation or if Council does not obtain tax advice from external tax advisors, then there is the risk that either tax liabilities will be inaccurately recorded or not recorded at all. As a result, the taxation liabilities will be misstated in both the management reports and the financial statements and Council may be liable for late lodgement penalty fees and avoidance fees. | | | | | | | |
| Inherent Risk Assessment | | | | | | | |
| Likelihood | | Consequence | | Rat | ing | A A | Accept |
| | | | | | | | |
| Possible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) |
| | tements and ved and approved prior to lodgement. | Core | | | | | |





| Pos | ssible Controls | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) | |
|-----|---|--------------------------------|------------------------------|------------------------------|------------------------------------|---|--|--|
| 2 | There is a process in place to ensure relevant staff respons preparation of taxation return up to date and comply with re legislative requirements. | ible for s, are Core | | | | | | |
| 3 | Relevant staff periodically rev selection of transactions to en appropriate tax treatment. | | | | | | | |
| 4 | External advice is sought who staff requires additional techr expertise. | | | | | | | |
| 5 | Insert any additional or replacement controls ident the organisation to mitigate | | | | | | | |
| Res | Residual Risk Assessment | | | | | | | |
| Lik | elihood | Consequence | Consequence | | Rating | | cept | |
| | | | | | | | | |
| | | | | | | | | |





| Control Assessment W | Control Assessment Worksheet | | | | | | | | | |
|--|---|-----------------|------------------------------|------------------------------|------------------------------------|---|--|--|--|--|
| Risk Category: | Liabilities | | | | Prepared by: | | | | | |
| Business Process: | Taxation | | | | Date: | | | | | |
| Risk No. 2: | Council does no | ot meet statu | tory reporting/lodge | ement deadlines. | | | | | | |
| Description: | Description: It is important that Council recognises and records statutory reporting/lodgement deadlines in order to avoid any late lodgement penalty fees. | | | | | | | | | |
| Inherent Risk Assessn | Inherent Risk Assessment | | | | | | | | | |
| Likelihood | | Consequen | се | Rati | ing | Ac | cept | | | |
| | | | | | | | | | | |
| | | 1 | | | | | | | | |
| Possible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) | | | |
| There is a proces ensure that all ta lodged within sta | Core | | | | | | | | | |





| Possi | ble Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) |
|--------|---|-----|---------------------|------------------------------|------------------------------|------------------------------------|---|--|
| 2 | 2 Insert any additional or replacement controls identified by the organisation to mitigate risk. | | Core/ Additional | | | | | |
| Resid | ual Risk Assessme | ent | | | | | | |
| Likeli | Likelihood | | Consequence |) | Rati | ng | Aco | cept |
| | | | | | | | | |
| | | | | | | | | |





5.Revenue

5.1. Rates / Rate Rebates

Introduction

Under section 146 of the Local Government Act, a council may impose rates and charges of the following kinds on land within its area:

- General rates
- Separate rates
- Service rates
- Service charges

Rates generally represent the most significant source of revenue for Councils and accordingly it is imperative that Councils consider the following statutory requirements under the Local Government Act:

- Division 2 Basis of Rating
- Division 3 Specific characteristics of rates and charges
- Division 4 Differential Rating and special adjustments
- Division 5 Rebates of rates
- Division 6 Valuation of land for the purpose of rating
- Division 7 Issues associated with the declaration of rates
- Division 8 The Assessment Record
- Division 9 Imposition and Recovery of Rates and Charges.

AASB 118: Revenue also provides guidance for the disclosure of operating revenue, including rates income. For a summary of the recognition, determination and calculation of rates and rate rebates, we refer you to the following documents published by the Local Government Association:

- "Rates and Rating" in "A Framework for Local Government Financial Management"
- Model Rates Policy & Guidelines
- Model Rate Rebate Policy & Guidelines.

For an analysis of the risks and controls specifically relating to the issues surrounding the associated debtors with respect to rates, please refer to 'Debtors' business process in Section 3.4 of this Framework.

Key Issues/Risks

In relation to Rates / Rate Rebates, the major risks faced by Councils may be summarised as follows:

- 1) Council does not raise the correct level of rate income
- 2) Rates and rate rebates are either inaccurately recorded or not recorded at all
- 3) The Property master file does not remain pertinent
- 4) Rates are not collected on a timely basis

These risks are addressed in the following Control Assessment Worksheets.





Segregation of Duties

Most systems of internal control rely on assigning certain responsibilities to different individuals, or "segregating" incompatible functions. Such segregation of duties is intended to prevent one person from having both:

- Access to assets
- Responsibility for maintaining the accountability for such assets.

For instance, throughout the revenue process, different individuals are typically responsible for:

- Recording rate revenue and rate rebates
- Approving the rate revenue and rate rebates
- Invoicing the ratepayer
- Maintaining rate records and/or authorising adjustments to rate assessments
- Processing cash receipts
- Following up on rates outstanding
- Performing independent confirmation of rates information and following up on discrepancies
- Rate payer service calls, and/or complaints.

If one individual has responsibility for more than one of these functions, that individual could misappropriate assets and conceal the misappropriation.





| Cont | rol Assessment Wo | orksheet | | | | | | | | |
|--------------------------------------|--|------------------|-----------------|---|------------------------------|------------------------------------|---|--|--|--|
| Risk | Category: | Revenue | | | Prepared by: | | | | | |
| Busir | ness Process: | Rates / Rate Reb | ates | | | Date: | | | | |
| Risk | No. 1: | Council does no | t raise the c | raise the correct level of rate income. | | | | | | |
| Desc | ription: | | | | | | hodology or inaccurate ossible negative publici | | | |
| Inher | ent Risk Assessme | ent | | | | | | | | |
| Likelihood Consequence Rating Accept | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| Poss | ible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) | | |
| 1 | 1 Rates are automatically generated by the rate system, including the calculation of rate rebates and other parameters as applicable. | | Core | | | | | | | |
| 2 | All software changes to rate modelling functionality fully tested and reviewed by relevant staff. | | Core | | | | | | | |





| Possible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) | |
|-------------------|--|---|------------------------------|------------------------------|------------------------------------|---|--|--|
| 3 | There is a rating po is reviewed annually clear guidance on ra methodology and re and remissions in lin legislation. | y that provides ating elevant rebates | Core | | | | | |
| 4 | 4 <i>Insert any additional or</i> <i>replacement controls identified</i> <i>by the organisation to mitigate</i> <i>risk.</i> | | Core/ Additional | | | | | |
| Resid | lual Risk Assessme | nt | | | | | | |
| Likeli | Likelihood | | Consequence | | Rating | | Accept | |
| | | | | | | | | |
| | | | | | | | | |





| Contr | rol Assessment Wo | orksheet | | | | | | | | |
|--|-------------------|-------------------|--|--|------------------------------|------------------------------------|---|--|--|--|
| Risk | Category: | Revenue | | | | Prepared by: | | | | |
| Busir | ness Process: | Rates / Rate Reb | ates | | | Date: | | | | |
| Risk I | No. 2: | Rates and rate re | e rebates are either inaccurately recorded or not recorded at all. | | | | | | | |
| Desci | ription: | , | | incorrect calculations) can lead to ratepayer dissatisfaction. Revenue and rates debtors in the financial statements Furthermore, the related cash receipts may not be recorded and may be misappropriated. | | | | | | |
| Inher | ent Risk Assessme | ent | | | | | | | | |
| Likeli | hood | | Consequenc | e | Rat | ing | Accept | | | |
| | | | | | | | | | | |
| | | | | | | | · | | | |
| Possi | ible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) | | |
| 1 Rates are automatically generated by the rate system, including the calculation of rate rebates and other parameters as applicable. | | Core | | | | | | | | |
| 2 Annual valuation update is balanced prior to the generation of rates; all mismatches resolved prior to finalising rate generation. | | Core | | | | | | | | |





| Poss | ible Controls | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) | | |
|------------|---|---------------------|------------------------------|------------------------------|------------------------------------|---|--|--|--|
| 3 | All rate rebates and adjustments including write offs are appropriately authorised, with reference to Delegations of Authority and source documents. | Core | | | | | | | |
| 4 | Rates are generated and tested for accuracy of calculation methodology prior to the rates billing run. | Core | | | | | | | |
| 5 | Employees responsible for processing rate payments and rebates cannot process their own payments or rebates unless the transaction is approved by someone independent of the process | Core | | | | | | | |
| 6 | Insert any additional or replacement controls identified by the organisation to mitigate risk. | Core/ Additional | | | | | | | |
| Resid | Residual Risk Assessment | | | | | | | | |
| Likeli | ihood | Consequence | ; | Rati | ng | Aco | cept | | |
| 1 Action P | Action Plan Reference – Provide an action plan if control is not in place or where the control is rated 3 or below by reviewing officer. | | | | | | | | |





| Control Assessmen | t Worksheet | | | | | | | | | | |
|---|--|-----------------|------------------------------|------------------------------|------------------------------------|---|--|--|--|--|--|
| Risk Category: | Revenue Prepared by: | | | | | | | | | | |
| Business Process: | Rates / Rate R | ebates | | | Date: | | | | | | |
| Risk No. 3: | The Property r | naster file dat | a does not remain | pertinent. | | | | | | | |
| Description: "Pertinent" means that the Property master file reflects current conditions and no unauthorised changes are made. In this context, the pertinence attribute of quality relates both to master file records and to individual data fields within those records. For example, pertinent Property master file records include records for current ratepayers and exclude records for former ratepayers. Inaccurate data may result in rate notices being issued to the incorrect ratepayer and may lead to public dissatisfaction. | | | | | | | | | | | |
| Inherent Risk Assessment | | | | | | | | | | | |
| Likelihood | | Consequen | ce | Rat | ting | | Accept | | | | |
| Possible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) | | | | |
| master file data adjustments ar | e compared to rce documents to ey were input audit trail is | Core | | | | | | | | | |





| Poss | ible Controls | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) |
|-------|---|---------------------|------------------------------|------------------------------|------------------------------------|---|--|
| 2 | Access to the Property master file is restricted to appropriately designated personnel, with a process in place to ensure changes are in line with policies and procedures. | Core | | | | | |
| 3 | Insert any additional or replacement controls identified by the organisation to mitigate risk. | Core/ Additional | | | | | |
| Resi | dual Risk Assessment | | | | | | |
| Likel | ihood | Consequence | | Rating | | Accept | |
| | | | | | | | |
| | | | | | | | |





| Contr | Control Assessment Worksheet | | | | | | | | | |
|--------|--|------------------|-----------------|------------------------------|------------------------------|------------------------------------|---|--|--|--|
| Risk | Category: | Revenue | | | | Prepared by: | | | | |
| Busir | ness Process: | Rates / Rate Reb | oates | | | Date: | | | | |
| Risk | No. 4: | Rates are not co | llected on a ti | mely basis. | | | | | | |
| Desc | Description: If rates are not collected on a timely basis there may be pressure on Council's working capital requirements and negative publicity in the community with increased level of section 184 sale of properties and increased legal action. | | | | | | | | | |
| Inher | ent Risk Assessme | ent | | | | | | | | |
| Likeli | Likelihood | | Consequence | | Rating | | Accept | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| Possi | ible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) | | |
| 1 | There is a process in place to ensure that rates are collected in a timely manner and overdue rates are followed up. | | Core | | | | | | | |





| Poss | Possible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) |
|-------|---|-----|---------------------|------------------------------|------------------------------|------------------------------------|---|--|
| 2 | 2 Insert any additional or replacement controls identified by the organisation to mitigate risk. | | Core/ Additional | | | | | |
| Resi | dual Risk Assessme | ent | | | | | | |
| Likel | Likelihood | | Consequence | | Rating | | Accept | |
| | | | | | | | | |
| | | | | | | | | |





5.2. Grants

Introduction

As part of the normal operations, Councils may receive revenue in the form of grants from various organisations. The nature of the grant affects the accounting treatment and recognition of the amount received by Council. One issue for Council to consider is whether a grant is:

- Restricted the grant money can only be used for specific programs or purposes
- Unrestricted the grant money can be used for any operational purpose
- Refundable if Council does not comply with the terms of the grant then all monies are to be refunded by Council
- Non-refundable Council is not liable for any funds refund.

If Council does not comply with the terms of any "restricted" and/or "refundable" grant, then the monies might have to be refunded to the original provider. Accordingly, it is extremely important that Councils comply with the terms of the Grant when utilising the funds provided. Also, if Councils are unable to secure re-current grant funding, community expectations may be established for the related service but not able to be met in future periods. For further guidance on the treatment, recognition, and disclosure of grant income, please refer to the following:

- AASB 15 : Revenue from Contracts with Customers (for annual reporting periods on or after 1 January 2018)
- AASB 1049: Whole of Government and General Government Sector Financial Reporting
- AASB 118 : Revenue (superseded by AASB 15 on or after 1 January 2018)
- AASB1004: Contributions

Key Issues/Risks

In relation to Grants, the major risks faced by Councils may be summarised as follows:

- 1) Council loses recurrent Grant funding to provide existing service
- 2) Grant funding is not claimed by Council on a timely basis or not claimed at all
- 3) Grants are either inaccurately recorded or not recorded at all.

These risks are addressed in the following Control Assessment Worksheets.

Segregation of Duties

Please refer to the 'Rates / Rate Rebates' business process in Section 5.1 of this Framework for a discussion of the relevant segregation of duties issues that generally relate to revenue.





| Control Assessment | Worksheet | | | | | | | |
|---|--------------------------------------|-----------------|---------------------|---------------------|-------------------|--------------------------|-------------------------|--|
| Risk Category: | Revenue | | | | Prepared by: | | | |
| Business Process: | Grants | | | | Date: | | | |
| Risk No. 1: | Council loses re | current Gra | nt funding to provi | de existing service |). | | | |
| Description: | If Councils are ur able to be met in | | - | nding, community e | xpectations may b | e established for the | related service but not | |
| Inherent Risk Assess | sment | | | | | | | |
| Likelihood | | Consequence | | Rat | Rating | | Accept | |
| | | | | | | | | |
| | | | | | | | | |
| | | | Accessing | Poviowing | Control | Action Plan ¹ | Comment | |
| Possible Controls | | Control Type | Assessing | Reviewing | Effectiveness | (if control not | (substantiation of | |
| | | 1980 | Officer – Title | Officer – Title | Rating | effective) | rating) | |
| Management and/or Council to approve all tied grants (prior to funds being received by Council) to ensure that Council will be able to meet the terms and obligations of the grant. | | Core | | | | | | |





| Possi | ble Controls | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) |
|--------|---|---------------------|------------------------------|------------------------------|------------------------------------|---|--|
| 2 | Council reviews services where grant funding has ceased to ensure it understands the financial impact on its sustainability. | Core | | | | | |
| 3 | Insert any additional or replacement controls identified by the organisation to mitigate risk. | Core/ Additional | | | | | |
| Resid | lual Risk Assessment | | | | | | |
| Likeli | Likelihood | | Consequence | | Rating | | cept |
| | | | | | | | |
| | | | | 1 | | | |





| Cont | rol Assessment Wo | orksheet | | | | | | |
|---|--|------------------|-----------------|--|------------------------------|------------------------------------|---|--|
| Risk | Category: | Revenue | | | | Prepared by: | | |
| Busi | ness Process: | Grants | | | | Date: | | |
| Risk | No. 2: | Grant funding is | not claimed | by Council on a tin | nely basis or not c | laimed at all. | | |
| Desc | ription: | | | collect grant funding (e placed under greate | - | | s or not submitting the | relevant |
| Inher | ent Risk Assessme | ent | | | | | | |
| Likel | ihood | | Consequen | ce | Rati | ing | Accept | |
| | | | | | | | | |
| | | | | | | | | |
| Poss | ible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) |
| 1 There is a process in place for the regular review of all grant income to monitor compliance with the terms of the grant. | | Core | | | | | | |
| 2 | 2 Grant funding is identified as part of the budget process and/or subsequent budget reviews. | | Core | | | | | |





| Possi | Possible Controls | | | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) |
|------------|--|------|-----------------|------------------------------|------------------------------|------------------------------------|---|--|
| 3 Resid | 3 Insert any additional or 3 replacement controls identified by the organisation to mitigate risk. Residual Risk Assessment | | re/ ditional | | | | | |
| Likeli | | Cons | sequence | | Rati | ng | Acc | cept |





| Cont | rol Assessment Wo | orksheet | | | | | | |
|--|---|------------------|-----------------|------------------------------|------------------------------|------------------------------------|---|--|
| Risk | Category: | Revenue | | | | Prepared by: | | |
| Busi | ness Process: | Grants | | | | Date: | | |
| Risk | No. 3: | Grants are eithe | r inaccuratel | y recorded or not r | ecorded at all. | | | |
| Description: If Council does not comply with the terms of the grant, repayment may be required. If Council does not provide receipts to all providers of grants and then reconcile these receipts to bank statements, grants may not be recorded at all, leading to misstatements in both the management reports and the financial statements. | | | | | | | | |
| Inher | ent Risk Assessme | ent | | | | | | |
| Likel | ihood | | Consequenc | e | Rating | | Accept | |
| | | | | | | | | |
| | | | | | | | | |
| Poss | ible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) |
| 1 | Grant funding is identified as part of the budget process and/or subsequent budget reviews. | | Core | | | | | |
| 2 | 2 There is a process in place to ensure that grant funding received is reconciled to the budget and the funding agreement. | | Core | | | | | |





| Possi | Possible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) |
|--------|---|-----|---------------------|------------------------------|------------------------------|------------------------------------|---|--|
| 3 | Insert any additional or replacement controls identified by the organisation to mitigate risk. | | Core/ Additional | | | | | |
| Resid | lual Risk Assessme | ent | | | | | | |
| Likeli | Likelihood | | Consequence | | Rating | | Accept | |
| | | | | | | | | |
| | | | | | 1 | | | |





5.3. User Pay Income – Fees for Service

Introduction

Councils may generate User Pay Income – Fee for Services through the provision of services to the community. Typical examples of these services may be sporting and recreational facilities. When reviewing the internal control environment surrounding User Pay Income, Council should consider the following issues:

- Designating the appropriate fee to be charged to ensure that the user receives and perceives value for money in the service provided
- Appropriate controls surrounding the recording of the revenue
- Adequate access and security controls surrounding cash handling, receipting and banking.

For guidance as to the disclosure requirements in relation to User Pay Income, we refer you to AASB 118 : Revenue (AASB15 ; *Revenue from Contracts with Customers* for annual reporting periods beginning on or after 1 January 2018).

For an analysis of the risks and controls in relation to Debtors (i.e. the collection and recovery of user pay policies), please refer to the *Debtors* business process in Section 3.4 of this Framework. Given that a portion of User Pay Income is represented by cash receipts, please refer to the *Receipting, Cash Floats and Petty Cash*, and *Banking* business processes in this Framework that deal with the specific risks and controls relating to these activities.

Key Issues/Risks

In relation to User Pay Income, the major risks faced by Councils may be summarised as follows:

- 1) The fee charged does not reasonably reflect the value of the services provided
- 2) Council does not apply User Pay principles consistently
- 3) User pay income is either inaccurately recorded or not recorded at all.

These risks are addressed in the following Control Assessment Worksheets.

Segregation of Duties

Please refer to the Rates / Rate Rebates business process in Section 5.1 of this Framework for a discussion of the relevant segregation of duties issues that generally relate to Revenue.





| Control Assessment Worksheet | | | | | | | | | | |
|--|-----------------|---|------------------------------|------------------------------|------------------------------------|---|--|--|--|--|
| Risk Category: | Revenue | | | | Prepared by: | | | | | |
| Business Process: | User Pay Income | e – Fees for S | ervice | | Date: | | | | | |
| Risk No. 1: | The fee charged | does not rea | sonably reflect the | value of the servi | ces provided. | | | | | |
| Description: | | If members of the community who pay to utilise a service provided by Council and believe that the fee charged does not reasonably reflect the value of the service provided, this could result in negative publicity, public dissatisfaction and loss of revenue. | | | | | | | | |
| Inherent Risk Assessment | | | | | | | | | | |
| Likelihood | | Consequence | | Rating | | Accept | | | | |
| | | | | | | | | | | |
| Possible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) | | | |
| There is a process in place to establish fees and charges (including GST treatment) which are reviewed annually and adopted by Council. | | Core | | | | | | | | |





| Poss | Possible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) | | |
|------|---|--|---------------------|------------------------------|------------------------------|------------------------------------|---|--|--|--|
| 2 | Regular reviews are conducted to ensure formal lease agreements and other Council facilities contracts are being met and payments are made on time. | | Core | | | | | | | |
| 3 | Fees and Charges register is maintained and made available to the public. | | Core | | | | | | | |
| 4 | 4 Insert any additional or 4 replacement controls identified by the organisation to mitigate risk. | | Core/ Additional | | | | | | | |
| Resi | Residual Risk Assessment | | | | | | | | | |
| Like | Likelihood | | Consequence | | Rating | | Accept | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |





| Conti | rol Assessment Wo | orksheet | | | | | | | | |
|--------|--|-----------------|-----------------|---|------------------------------|------------------------------------|---|--|--|--|
| Risk | Category: | Revenue | | | | Prepared by: | | | | |
| Busir | ness Process: | User Pay Income | e – Fees for | Service | | Date: | | | | |
| Risk | No. 2: | Council does no | t apply User | Pay principles cor | sistently. | | | | | |
| Desc | ription: | | | apply User Pay principles consistently (i.e. by charging different rates for the same service), this could result in public dissatisfaction and loss of revenue. | | | | | | |
| Inher | ent Risk Assessme | ent | | | | | | | | |
| Likeli | ihood | | Consequen | ce | Rat | ing | Ac | cept | | |
| | | | | | | | | | | |
| | | | | | | | · | | | |
| Poss | ible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) | | |
| 1 | There is a process in place to establish fees and charges (including GST treatment) which are reviewed annually and adopted by Council | | Core | | | | | | | |
| 2 | Fees and Charges register is | | Core | | | | | | | |





| Poss | ible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) |
|-------|---|---------------------------------|---------------------|------------------------------|------------------------------|------------------------------------|---|--|
| 3 | There is a process manage and recon deposits. | • | Core | | | | | |
| 4 | There is a process ensure the fees and applied in accordar adopted in the fees register. | d charges are nce with those | Additional | | | | | |
| 5 | Insert any additional or replacement controls identified by the organisation to mitigate risk. | | Core/ Additional | | | | | |
| Resid | Residual Risk Assessment | | | | | | | |
| Likel | Likelihood | | Consequence | | Rating | | Accept | |
| | | | | | | | | |





| Cont | Control Assessment Worksheet | | | | | | | | | |
|--------|---|---------|---|------------------------------|------------------------------|------------------------------------|---|--|--|--|
| Risk | Category: | Revenue | | | | Prepared by: | | | | |
| Busir | Business Process: User Pay Income | | | e – Fees for Service | | | | | | |
| Risk | Risk No. 3: User pay income | | is either inaccurately recorded or not recorded at all. | | | | | | | |
| Desc | | | om users are inaccurately recorded or not recorded at all by the Council, due to intentional or unintentional errors, this and revenue being misstated. | | | | | | | |
| Inher | ent Risk Assessme | ent | | | | | | | | |
| Likeli | ihood | | Consequence | | Rating | | Accept | | | |
| | | | | | | | | | | |
| | | · | | | | | | | | |
| Poss | Possible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) | | |
| 1 | There is a process in place to ensure that amounts charged are in accordance with Council's Fees and Charges register. | | Core | | | | | | | |
| 2 | 2 Delegations are in place for adjusting or waiving fees for service charges adopted in the fees and charges register. | | Core | | | | | | | |





| Poss | Possible Controls | | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) | | | |
|-------|---|---------------------|------------------------------|------------------------------|------------------------------------|---|--|--|--|--|
| 3 | There is a process in place to ensure that fee for service income is accounted for. | Additional | | | | | | | | |
| 4 | Insert any additional or replacement controls identified by the organisation to mitigate risk. | Core/ Additional | | | | | | | | |
| Resid | Residual Risk Assessment | | | | | | | | | |
| Likel | ihood | Consequence | | Rating | | Accept | | | | |
| | | | | | | | | | | |





5.4. Investment / Interest Income

Introduction

All Councils have the statutory power to invest money under its control, under section 139 (1) of the *Local Government Act 1999*. Investment income largely takes the form of dividends and interest.

For an analysis of the risks and controls associated with investments, please refer to the 'Investments' business process in Section 3.3 of this Framework.

Key Issues/Risks

In relation to Investment / Interest Income, the major risk faced by Councils may be summarised as follows:

1) Investment income is either inaccurately recorded or not recorded at all.

This risk is addressed in the following Control Assessment Worksheet.

Segregation of Duties

Most systems of internal control rely on assigning certain responsibilities to different individuals, or "segregating" incompatible functions. Such segregation of duties is intended to prevent one person from having both:

- Access to assets and
- Responsibility for maintaining the accountability for such assets.

For instance, in the investment cycle, different individuals are typically responsible for:

- Recording of investment transactions
- Approving new investments
- Following up on reconciliation or confirmation of investments to statements from third parties
- Review and analysis of recorded investments transactions by means of summary reports of activities (e.g. describing liquidity, interest rate gap, dealing positions, exposure to counterparties)
- Authorised signature of payments with respect to investment transactions.

If one individual has responsibility for more than one of these functions, that individual could misappropriate assets and conceal the misappropriation.





| Contr | ol Assessment We | orksheet | | | | | | |
|--------------------------------------|---|---|-----------------|------------------------------|------------------------------|------------------------------------|---|--|
| Risk (| Category: | Revenue | Revenue | | | | | |
| Business Process: Investment / Inter | | erest Income | | | Date: | | | |
| Risk | No. 1: | Investment income is either inaccurately recorded or not recorded | | | | | | |
| Descr | Description: Inaccurately recorded investment income, investment income recorded in the incorrect period and investments not recorded at a result in misstatements in both the management reports and financial statements. Such errors may result from inaccurate data e interest rates and/or inaccurate calculation of interest or dividend income. | | | | | | | |
| Inhere | ent Risk Assessm | ent | | | | | | |
| Likeli | hood | | Consequence | | Rating | | Accept | |
| | | | | | | | | |
| Possi | ble Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) |
| 1 | Investment balances and the interest earned are reconciled on a regular basis to third party statements and are accounted for in the relevant period. | | Core | | | | | |





| Possible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) | |
|-------------------|--|-----------------|------------------------------|------------------------------|------------------------------------|---|--|--|
| 2 | There is a process in place to ensure that interest attributable to a specific project is correctly recorded in line with the conditions of the agreement or relevant legislation. | | Core | | | | | |
| 3 | Actual investment income compared to budget on a regular basis; variances are investigated. | | Additional | | | | | |
| 4 | 4 Insert any additional or replacement controls identified by the organisation to mitigate risk. | | Core/ Additional | | | | | |
| Resid | lual Risk Assessme | ent | | | | | | |
| Likeli | hood | Consequence | | Rating | | Accept | | |
| | | | | | | | | |
| | | | | | | | | |





5.5. Receipting

Introduction

As a minimum, when reviewing the internal control environment surrounding Receipting, Councils should consider the following issues:

- Timely banking of receipts
- Accurate recording of receipts
- Issuing appropriate documentation to customers.

It is widely understood that "the receipt of cash" is a high risk activity. Consideration should be given to ways and means to minimise the risk. For instance, arrangements for the payment of rates might include options for payment of the rates by credit card on-line, telephone or direct to a bank, Australia Post or some other financial institution. Receipt of payments by cheque or EFTPOS might also be encouraged. Such arrangements not only provide convenience for residents, but transfer some of the risk associated with the receipt of cash and act to minimise the risk to staff".

Another way to minimise the risk associated with cash receipting is to ensure that all cash received is banked on a regular basis. Ideally, this should occur on a daily basis, but staffing levels and level of cash receipts may make this impractical.

Details of further risks and controls associated with cash handling and banking are considered in the 'Cash Floats & Petty Cash' in Section 3.1, and the 'Banking' Business Process in section 3.2 of this Framework.

Key Issues/Risks

In relation to Receipting, the major risks faced by Councils may be summarised as follows:

- 1) Receipts are either inaccurately recorded or not recorded at all
- 2) Receipts are not deposited at the bank on a timely basis.

These risks are addressed in the following Control Assessment Worksheets.

Segregation of Duties

The following duties should be segregated within the receipting function:

- Receipting all cash payments from ratepayers/customers
- Recording all cash receipts
- Banking of cash receipts and cheques.

Also the opportunity for the misappropriation of funds through collusion should be minimised by the regular performance and independent review of bank reconciliations.





| Contr | ol Assessment W | /orksheet | | | | | | | | |
|--|------------------|---|--|------------------------------|------------------------------------|---|--|--|--|--|
| Risk (| Category: | Revenue | | | | Prepared by: | | | | |
| Busin | ess Process: | Receipting | | | | Date: | | | | |
| Risk I | No. 1: | Receipts are either inaccurately recorded or not recorded at all. | | | | | | | | |
| Desci | ription: | in an overstateme of-balance condit | Inaccurately entered receipts can lead to receipts being allocated to the incorrect customer account. Invalid or duplicated receipts result in an overstatement of cash and understatement of accounts receivable. In addition, postings in the wrong amount may result in an out-of-balance condition between the general ledger and the bank statement. Unrecorded receipts (through either intentional or unintentional errors) may lead to an overstatement of accounts receivable and misappropriation. | | | | | | | |
| Inher | ent Risk Assessm | nent | | | | | | | | |
| Likeli | hood | | Consequence | | Rating | | Accept | | | |
| | | | | | | | | | | |
| Possible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) | | | |
| Customers are provided with a system generated or pre-numbered (manual) sequential tax compliant receipt detailing payment made. | | Core | | | | | | | | |





| Poss | ible Controls | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) |
|------|---|-----------------|------------------------------|------------------------------|------------------------------------|---|--|
| 2 | Process in place to ensure all monies received (including that from all offsite locations) are receipted and recorded in a timely manner. | Core | | | | | |
| 3 | Officers who create debtors invoices do not have access to receipting payments and/or reversing receipt transactions. | Core | | | | | |
| 4 | Receipt transactions are reconciled to the daily takings and out-of- balance banking is corrected promptly. | Core | | | | | |
| 5 | There is a process in place to ensure that the third party receipting downloads are reconciled to the third party substantiation documents. | Core | | | | | |





| Poss | ible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) |
|-------|---|--|---------------------|------------------------------|------------------------------|------------------------------------|---|--|
| 6 | Appropriate process is in place to manage the funds collected on behalf of third parties. | | Additional | | | | | |
| 7 | 7 There is a review process for the authorisation of the reversal of transactions. | | Additional | | | | | |
| 8 | Insert any additional or replacement controls identified by the organisation to mitigate risk. | | Core/ Additional | | | | | |
| Resid | Residual Risk Assessment | | | | | | | |
| Likel | Likelihood | | Consequence | | Rating | | Accept | |
| | | | | | | | | |
| | | | | | | | | |





| Cont | rol Assessment Wo | orksheet | | | | | | |
|--------|---|--|-----------------|------------------------------|------------------------------|------------------------------------|---|--|
| Risk | Category: | Revenue | | | | Prepared by: | | |
| Busir | ness Process: | Receipting | | | | Date: | | |
| Risk | No. 2: | Receipts are not | deposited at | the bank on a time | ely basis. | | | |
| Desc | ription: | If cash receipts ar and a potential los | | - | nen there is an incre | ased likelihood th | at the receipts will be or | pen to misappropriation |
| Inher | ent Risk Assessme | ent | | | | | | |
| Likeli | ihood | | Consequenc | e | Rat | ing | Ac | cept |
| | | | | | | | | |
| | | | | | | | | |
| Poss | ible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) |
| 1 | Prior to and during the banking process, cash is stored securely at all times. | | Core | | | | | |
| 2 | Bank reconciliations are performed on a predetermined basis and are reviewed by an appropriate person. Any identified discrepancies are investigated. | | Core | | | | | |





| Poss | ible Controls | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) |
|--------|--|-----------------|------------------------------|------------------------------|------------------------------------|---|--|
| 3 | Receipts are deposited regularly at the bank by a person independent from the initial recording of the cash receipts. | Additional | | | | | |
| 4 | A Insert any additional or replacement controls identified by the organisation to mitigate risk. | | | | | | |
| Resid | Residual Risk Assessment | | | | | | |
| Likeli | ihood | Consequence | | Rating | | Accept | |
| | | | | | | | |
| | | | | | | | |





5.6. Other Revenue

Introduction

Other Revenue received by Councils typically includes:

- Donations
- Expiation Fees
- License Fees
- Permits
- Proceeds from the disposals of fixed assets.

For guidance as to the disclosure requirements in relation to Other Income, we refer you to AASB 118: Revenue (AASB 15: *Revenue from Contracts with Customers* for annual reporting periods on or after 1 January 2018).

For an analysis of the risks and controls in relation to Debtors (i.e. the collection and recovery of other income), please refer to the 'Debtors' business process in Section 3.4 of this Framework.

Key Issues/Risks

In relation to Other Revenue, the major risks faced by Councils may be summarised as follows:

1) Other Revenue is either inaccurately recorded or not recorded at all.

This risk is addressed in the following Control Assessment Worksheets.

Segregation of Duties

Please refer to the 'Rates / Rate Rebates' business process in Section 5.1 of this Framework for a discussion of the relevant segregation of duties issues that generally relate to revenue.





| Contr | ol Assessment Wo | orksheet | | | | | | | |
|--|------------------|------------------|------------------------------|------------------------------|------------------------------------|---|--|--|--|
| Risk (| Category: | Revenue | | | | Prepared by: | | | |
| Busin | ess Process: | Other Revenue | | | | Date: | | | |
| Risk I | No. 1: | Other Revenue is | s either inacc | urately recorded o | r not recorded at all. | | | | |
| Description: Errors in invoices can lead to a misstatement of debtors and not recorded, other revenue, debtors and cash in the financial | | | | | | | ed or if cash received is | | |
| Inherent Risk Assessment | | | | | | | | | |
| Likelihood Consequence | | | е | Rating | | Accept | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| Possible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) | | |
| 1 There is a process in place to ensure that all other revenues are accurately recorded and there is an audit trail. | | Core | | | | | | | |





| Possi | Possible Controls Insert any additional or replacement controls identified | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) |
|--------|--|-----|---------------------|------------------------------|------------------------------|------------------------------------|---|--|
| 2 | replacement controls identified | | Core/ Additional | | | | | |
| Resid | lual Risk Assessme | ent | | | | | | |
| Likeli | Likelihood | | Consequence | | Rating | | Accept | |
| | | | | | | | | |
| | | | | | 1 | | | |





6.Expenses

6.1. Purchasing & Procurement

Introduction

The recent development of on-line purchasing and e/procurement present Councils with the opportunity to enhance the operational efficiency of the purchasing, procurement and disbursement environments. However it is important that this drive for operational efficiency does not circumvent the essential controls that should exist within this key facet of Council's operations.

When reviewing the internal control environment surrounding purchasing and procurement, Council should consider the following issues:

- Increasing use of on-line purchasing and e-procurement
- Obtaining value for money in purchasing and procurement
- Delegations of Authority
- Credit cards (please refer to the separate business process for Credit Cards in Section 6.4 this Framework)
- Custody of blank cheques and cheque-signing machines and access to electronic payment facilities.

Please refer to the chapter "Internal Control Framework" in "A Framework for Local Government Financial Management", published by the Local Government Association for a more detailed analysis of the importance of delegations in relation to purchasing and procurement.

For an analysis of the risks and controls specifically in relation to disbursements, tendering and contracting, please refer to the 'Accounts Payable' in Section 4.1 and the 'Contracting' business process in Section 7.1 of this Framework:

Key Issues/Risks

In relation to Purchasing & Procurement, the major risks faced by Councils may be summarised as follows:

- 1) Council does not obtain value for money in its purchasing and procurement
- 2) Purchases of goods and services are made from non-preferred suppliers
- 3) Purchase orders are either recorded inaccurately or not recorded at all
- 4) Purchase orders are made for unapproved goods and services
- 5) Supplier master file data does not remain pertinent and/or unauthorised changes are made to the supplier master file.

These risks are addressed in the following Control Assessment Worksheets.

Segregation of Duties

The following activities should be segregated within the purchasing and procurement cycle:

- Approval of purchase orders
- Recording of the original purchase and liability.

If staffing levels make this control impractical, then purchase orders should be approved in accordance with the delegations of authority.





| Control Asses | ssment Wo | rksheet | | | | | | | | |
|---|-----------|-----------------|-----------------|------------------------------|------------------------------|------------------------------------|---|--|--|--|
| Risk Category | y: | Expenses | | | | Prepared by: | | | | |
| Business Pro | cess: | Purchasing & Pr | ocurement | curement Date: | | | | | | |
| Risk No. 1: | | Council does no | t obtain valu | le for money in its | purchasing and pr | ocurement. | | | | |
| Description: | | | | - | | | this may result in Cour | - | | |
| Inherent Risk | Assessme | nt | | | | | | | | |
| Likelihood | | | Consequen | ce | Rat | ing | Accept | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| Possible Cont | trols | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) | | |
| 1 Council has a Procurement Policy that provides direction on acceptable methods and the process for procurement activities to ensure transparency and value for money within a consistent framework, with consideration of any potential conflicts of interest. | | Core | | | | | | | | |





| Poss | Possible Controls | | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) |
|------|--|------------|------------------------------|------------------------------|------------------------------------|---|--|
| 2 | Employees must ensure all purchases are in accordance with Council's Procurement Policy and approved in accordance with the Delegations of Authority and other relevant policies. | Core | | | | | |
| 3 | The organisation has a process in place to ensure use of preferred suppliers where relevant to maximise the best value for money to Council | Additional | | | | | |
| 4 | All relevant staff should undertake training for the raising of orders, posting of goods received and the requirements of the creditors process. | Additional | | | | | |





| Poss | Possible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) |
|-------|---|-----|---------------------|------------------------------|------------------------------|------------------------------------|---|--|
| 5 | 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 | | Core/ Additional | | | | | |
| Resi | dual Risk Assessme | ent | | | | | | |
| Likel | Likelihood | | Consequence | | Rating | | Accept | |
| | | | | | | | | |
| | | | | | | | | |





| Control Assessm | ent Worksheet | | | | | | | | |
|---|---|-----------------|--------------------|--------------------|----------------------|--------------------------|--------------------------|--|--|
| Risk Category: | Expenses | | | | Prepared by: | | | | |
| Business Proces | s: Purchasing & P | rocurement | | | Date: | | | | |
| Risk No. 2: | Purchases of go | oods and ser | vices are made fro | m non-preferred s | uppliers. | | | | |
| Description: | If purchases of g price for the good | | | non-preferred supp | oliers, this may res | ult in Council not obta | aining the best possible | | |
| Inherent Risk Assessment | | | | | | | | | |
| Likelihood | | Consequen | се | Rat | ting | | Accept | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | Assessing | Reviewing | Control | Action Plan ¹ | Comment | | |
| Possible Controls | \$ | Control Type | Officer – Title | Officer – Title | Effectiveness | (if control not | (substantiation of | | |
| | | | Officer – Title | Officer – Title | Rating | effective) | rating) | | |
| 1 Employees must ensure all purchases are in accordance with Council's Procurement Policy and approved in accordance with the Delegations of Authority and other relevant policies. | | Core | | | | | | | |





| Possi | Possible Controls | | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) |
|--------|--|---------------------|------------------------------|------------------------------|------------------------------------|---|--|
| 2 | There is a process in place to review purchasing patterns and ensure maximum use of preferred suppliers. | Additional | | | | | |
| 3 | Insert any additional or replacement controls identified by the organisation to mitigate risk. | Core/ Additional | | | | | |
| Resid | lual Risk Assessment | | | | | | |
| Likeli | hood | Consequence | ; | Rati | ng | Ace | cept |
| | | | | | | | |
| | | | | | | | |





| Control Assessment V | Vorksheet | | | | | | | | |
|---|-----------------|--|------------------------------|------------------------------|------------------------------------|---|---|--|--|
| Risk Category: | Expenses | | | | Prepared by: | | | | |
| Business Process: | Purchasing & Pi | rocurement | | | Date: | | | | |
| Risk No. 3: | Purchase orders | s are either recorded inaccurately or not recorded at all. | | | | | | | |
| Description: Inaccurate input of purchase orders could lead to financial losses due to incorrect good entry or processing is incomplete, receipts of goods and/or processing of invoices mig instructed only to accept goods for which purchase orders have been issued, and only order. In invoice processing, the invoice is normally matched with the purchase order | | | | | | | s employees are normal cified in each purchase | | |
| Inherent Risk Assessr | nent | | | | | | | | |
| Likelihood | | Consequence | | Rat | Rating | | Accept | | |
| | | | | | | | | | |
| Possible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) | | |
| Purchase order numbers are either system generated and/or sequentially numbered. | | Core | | | | | | | |





| Poss | sible Controls | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) |
|------|---|---------------------|------------------------------|------------------------------|------------------------------------|---|--|
| 2 | There is a process in place to ensure all invoices for payment are matched to relevant source documents such as purchase orders where applicable and are in line with Procurement Policy guidelines. | Core | | | | | |
| 3 | There is a process in place to follow up and action incomplete purchase orders. | Additional | | | | | |
| 4 | There is a process in place to review purchasing patterns and ensure maximum use of preferred suppliers. | Additional | | | | | |
| 5 | Insert any additional or replacement controls identified by the organisation to mitigate risk. | Core/ Additional | | | | | |
| Resi | dual Risk Assessment | | | | | | |
| Like | lihood | Consequence | | Rating | | Accept | |
| | | | | | | | |
| | | | | | | | |





| Control Assessment | Worksheet | | | | | | | | |
|---|--------------------|-----------------|---|------------------------------|------------------------------------|---|--|--|--|
| Risk Category: | Expenses | | | | Prepared by: | | | | |
| Business Process: | Purchasing & Pr | ocurement | | | Date: | | | | |
| Risk No. 4: | Purchase orders | are made f | or unapproved goo | ds and services. | | | | | |
| Description: | function should no | ot acquire go | ion procures goods and services to fulfil Council's requirements, as approved by management. The purchasing acquire goods or services for which purchase orders have not been approved by management. Purchase orders sed or entered on-line. | | | | | | |
| Inherent Risk Assess | ment | | | | | | | | |
| Likelihood | | Consequen | се | Ra | Rating | | Accept | | |
| | | | | | | | | | |
| Possible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) | | |
| Employees must ensure all purchase orders are issued in accordance with Council's Procurement Policy and approved in accordance with the Delegations of Authority and other relevant policies. | | Core | | | | | | | |





| Poss | Possible Controls Insert any additional or replacement controls identified | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) |
|-------|--|-----|---------------------|------------------------------|------------------------------|------------------------------------|---|--|
| 2 | replacement controls identified | | Core/ Additional | | | | | |
| Resid | dual Risk Assessme | ent | | | | | | |
| Likel | Likelihood | | Consequence | | Rating | | Accept | |
| | | | | | | | | |
| | | | | | • | | • | |





| Cont | trol Assessment W | orksheet | | | | | | | | |
|--------------------------|---|-----------------|-----------------|------------------------------|------------------------------|---|---|--|--|--|
| Risk | Category: | Expenses | | | | Prepared by: | | | | |
| Busi | iness Process: | Purchasing & Pr | ocurement | | | Date: | | | | |
| Risk | No. 5: | Supplier master | file data doe | s not remain pertin | ent and/or unauth | nauthorised changes are made to the supplier master file. | | | | |
| Desc | Description:To be considered "pertinent," the managementDescription:records and to individual data fields could be made to an unapproved support | | | | | | | | | |
| Inherent Risk Assessment | | | | | | | | | | |
| Likel | lihood | | Consequence | | Rating | | | Accept | | |
| | | | | | | | | | | |
| Poss | sible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) | | |
| 1 | Access to the supplier master file and ability to make changes is restricted to appropriately authorised staff. | | Core | | | | | | | |





| Poss | sible Controls | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) |
|-------|--|---------------------|------------------------------|------------------------------|------------------------------------|---|--|
| 2 | There is a process in place to review the supplier master file for ongoing pertinence and ensure all changes are checked against source documents to ensure they were input accurately. | Additional | | | | | |
| 3 | Insert any additional or replacement controls identified by the organisation to mitigate risk. | Core/ Additional | | | | | |
| Resi | dual Risk Assessment | | | | | | |
| Likel | ihood | Consequence | e | Rati | ng | Aco | cept |
| | | | | | | | |
| | | | | | | | |





6.2. Payroll

Introduction

There are no sections of the Local Government Act that specifically deal with Payroll. However as a minimum, Council when reviewing the internal control environment surrounding payroll should consider the following issues:

- Compliance with statutory obligations (e.g. superannuation)
- Compliance with tax obligations and liabilities (e.g. Group tax)
- Changes in Employee Details
- Time recording
- Leave entitlements
- Payment processes.

One operational issue that can have a financial impact for Councils is that of the differential treatment accorded to contractors as compared to employees. When utilising contractors, Councils do not recognise these expenses as payroll related costs and are not liable for the employee benefits normally associated with payroll expenses (i.e. superannuation and leave entitlements).

For most Councils, payroll represents a significant operating expense. Accordingly, the internal financial controls environment needs to address the significant risk associated with this activity.

Key Issues/Risks

In relation to Payroll, the major risks faced by Councils may be summarised as follows:

- 1) Payroll expense is inaccurately calculated
- 2) Payroll disbursements are made to incorrect or fictitious employees
- 3) Time and/or attendance data is either invalid, inaccurately recorded or not recorded at all
- 4) Payroll master file does not remain pertinent and/or unauthorised changes are made to the payroll master file
- 5) Voluntary and statutory payroll deductions are inaccurately processed or without authorisation.
- 6) Employees termination payments are not in accordance with statutory and enterprise agreements.

These risks are addressed in the following Control Assessment Worksheets.

Segregation of Duties

The following segregation of duties should exist within the payroll and personnel cycle. Inquiries from employees regarding payroll calculations and disbursements may arise for a variety of reasons. Any such queries should be followed up by personnel independent of the payroll preparation and disbursement process to ensure:

- Appropriate segregation of duties exist between preparation, disbursement, and human resources (or personnel management); thus, the potential for concealment of fraud is minimised
- Any errors in calculation and/or disbursement are properly identified and corrected and not concealed
- Confidentiality of employee personnel matters is maintained.





Typically, all payroll queries (i.e. requests to change details) ought to be directed to supervisory level staff in the human resource or personnel management department. It is noted that in some councils, human resources are not involved in payroll queries and this segregation of duties issue is not applicable. However if Management regularly reviews the payroll master file and is advised of all significant changes to detail, the weakness associated with this segregation of duties issue may be reduced.





| Cont | rol Assessment Wo | orksheet | | | | | | | | | |
|--------|---|-----------------|--------------------------------|-----------------|-----------------|-------------------------|---|--|--|--|--|
| Risk | Category: | Expenses | | | | Prepared by: | | | | | |
| Busir | ness Process: | Payroll | | | | Date: | | | | | |
| Risk | No. 1: | Payroll expense | se is inaccurately calculated. | | | | | | | | |
| Desc | ription: | | | | | | ement errors. It will ns), giving rise to the | also lead to potential for industrial | | | |
| Inher | ent Risk Assessme | ent | | | | | | | | | |
| Likeli | ihood | | Consequen | се | Rating | | Accept | | | | |
| | | | | | | | | | | | |
| | | | Control | Assessing | Reviewing | Control | Action Plan ¹ | Comment | | | |
| Poss | ible Controls | | Туре | Officer – Title | Officer – Title | Effectiveness Rating | (if control not effective) | (substantiation of rating) | | | |
| 1 | Where possible standard programmed formulae perform payroll calculations. | | Core | | | | | | | | |
| 2 | 2 There is a process to ensure all overtime is verified and approved by relevant appropriate staff. | | Core | | | | | | | | |





| Poss | ible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) |
|--------|---|--------------|---------------------|------------------------------|------------------------------|------------------------------------|---|--|
| 3 | There is a process ensure accurate da payroll source docu | ita entry of | Core | | | | | |
| 4 | All calculations for g payroll payments a accuracy. | | Core | | | | | |
| 5 | Payroll is periodical the General Ledger | - | Additional | | | | | |
| 6 | Insert any additional or replacement controls identified by the organisation to mitigate risk. | | Core/ Additional | | | | | |
| Resid | Residual Risk Assessment | | | | | | | |
| Likeli | Likelihood | | Consequence | | Rati | ng | Accept | |
| | | | | | | | | |





| Contr | ontrol Assessment Worksheet | | | | | | | | | | |
|--------|--|-------------------|---------------|------------------------------|------------------------------|------------------------------------|---|--|--|--|--|
| Risk | Category: | Expenses | | | | Prepared by: | | | | | |
| Busin | ess Process: | Payroll | | | | Date: | | | | | |
| Risk I | No. 2: | Payroll disburse | ments are ma | ade to incorrect or | fictitious employe | es. | | | | | |
| Desci | ription: | When payroll disb | oursements ar | e posted to either th | e wrong employee | or fictitious emplo | yees, this may cause p | payroll disputes. | | | |
| Inher | Inherent Risk Assessment | | | | | | | | | | |
| Likeli | Likelihood Consequence | | | | Rating | | Accept | | | | |
| | | | | | | | | | | | |
| | | | | _ | | | | | | | |
| Possi | Possible Controls | | | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) | | | |
| 1 | The payment of the payroll is authorised by appropriate staff not involved in the preparation of the payroll. | | Core | | | | | | | | |





| Poss | ible Controls | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) |
|------|---|-----------------|------------------------------|------------------------------|------------------------------------|---|--|
| 2 | Payroll system generates audit reports detailing all payroll changes and there is a process in place to ensure all changes are reviewed and verified against source documents. | Core | | | | | |
| 3 | There is a process in place to ensure employees are not added to the payroll masterfile, nor details amended or amounts paid without receipt of the appropriate forms which have been authorised by relevant staff. | Core | | | | | |
| 4 | Employee records to include employment details and/or contract terms and conditions, authorisations for payroll deductions and leave entitlements. | Core | | | | | |





| Poss | ible Controls | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) |
|------|---|-----------------|------------------------------|------------------------------|------------------------------------|---|--|
| 5 | There is a segregation of duties from those preparing the payroll to those responsible for preparation of source documents (e.g. timesheets, leave requests etc). | Core | | | | | |
| 6 | Any non-routine payroll queries or unusual payroll transactions/request are referred to management for investigation. | Core | | | | | |
| 7 | There is a process to ensure employees are made inactive in payroll records upon termination. | Core | | | | | |
| 8 | The payment for the payroll must be reconciled to a system generated report detailing amount and employee prior to payment. | Core | | | | | |
| 9 | There is a process to ensure an independent review of proposed payroll payments by authorised staff. | Additional | | | | | |





| Poss | Possible Controls 10 Insert any additional or replacement controls identified by the organisation to mitigate risk. | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) |
|------|--|--|---------------------|------------------------------|------------------------------|------------------------------------|---|--|
| | 10 replacement controls identified by the organisation to mitigate risk. | | Core/ Additional | | | | | |
| | Residual Risk Assessment Likelihood C | | Consequence | ; | Rati | ng | Acc | cept |





| Control Assessment V | Vorksheet | | | | | | | | | |
|---|------------------|-----------------|------------------------------|---|------------------------------------|---|--|--|--|--|
| Risk Category: | Expenses | | | | Prepared by: | | | | | |
| Business Process: | Payroll | | | | Date: | | | | | |
| Risk No. 3: | Time and/or atte | ndance data | is either invalid, in | either invalid, inaccurately recorded or not recorded at all. | | | | | | |
| Description: Recording of time not actually worked can lead to the underpayment or overpayments to employees. This may affect council operations. Inaccurate input of time worked may result in payroll errors due to underpayments or overpayments. If time worked is not input, there is a risk that employees will not be paid. This can lead to an understatement of the paid and industrial disputes. | | | | | | | payments to employees | | | |
| nherent Risk Assessr | nent | | | | | | | | | |
| Likelihood | | Consequence | | Rating | | | Accept | | | |
| | | | | | | | | | | |
| Possible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) | | | |
| There is a process to ensure all overtime is verified and approved by relevant appropriate staff. | | Core | | | | | | | | |





| Poss | Possible Controls | | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) |
|------|---|------------|------------------------------|------------------------------|------------------------------------|---|--|
| 2 | There is a process to ensure the total of payment summaries for the year is reconciled to the general ledger and payroll and is appropriately reviewed. | Core | | | | | |
| 3 | Relevant staff are required to complete timesheets and/or leave forms, authorise them and have approved by the relevant supervisor. | Core | | | | | |
| 4 | There is a process in place to ensure accurate data entry of payroll source documents. | Core | | | | | |
| 5 | Time recording and attendance exceptions such as TOIL or flexitime are based on relevant policies/agreement are identified, monitored and corrected. | Additional | | | | | |





| Pos | Possible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) |
|------|--|-----|---------------------|------------------------------|------------------------------|------------------------------------|---|--|
| 6 | 6 <i>Insert any additional or</i> <i>replacement controls identified</i> <i>by the organisation to mitigate</i> <i>risk.</i> | | Core/ Additional | | | | | |
| Resi | dual Risk Assessme | ent | | | | | | |
| Like | Likelihood | | Consequence | | Rating | | Accept | |
| | | | | | | | | |
| | | | | | | | • | |





| Control Assessment V | /orksheet | | | | | | | | | | |
|--|---|--|------------------------------|------------------------------|------------------------------------|---|--|--|--|--|--|
| Risk Category: | Expenses | | | | Prepared by: | | | | | | |
| Business Process: | Payroll | | | | Date: | | | | | | |
| Risk No. 4: | Payroll master fi | le does not r | emain pertinent ar | nd/or unauthorised | changes are ma | de to the payroll mas | ster file. | | | | |
| Description: | and to individual of be deposited in th | To be deemed pertinent, the master files must reflect current conditions. In this context, pertinence relates both to master file records and to individual data fields within those records. For example, if employee bank account numbers are not up to date, payments may be deposited in the wrong employee account. Also, if pay rate / conditions change due to promotion or reclassification and these are not reflected in the payroll master file, this will result in incorrect payroll disbursements. | | | | | | | | | |
| Inherent Risk Assessn | nent | | | | | | | | | | |
| Likelihood | | Consequence | | Rating | | Accept | | | | | |
| | | | | | | | | | | | |
| Possible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) | | | | |
| The ability to access, modify or transfer information contained in the payroll master files is restricted to authorised staff. | | Core | | | | | | | | | |





| Possi | Possible Controls | | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) | | | |
|--------|--|---------------------|------------------------------|------------------------------|------------------------------------|---|--|--|--|--|
| 2 | Managers periodically review listings of current employees within their departments and variances are investigated. | Additional | | | | | | | | |
| 3 | Insert any additional or replacement controls identified by the organisation to mitigate risk. | Core/ Additional | | | | | | | | |
| Resid | Residual Risk Assessment | | | | | | | | | |
| Likeli | Likelihood | | Consequence | | Rating | | cept | | | |
| | | | | | | | | | | |





| Contro | I Assessment Wo | rksheet | | | | | | | | |
|--|------------------|------------------|-----------------|---|------------------------------|------------------------------------|---|--|--|--|
| Risk Ca | ategory: | Expenses | | | | Prepared by: | | | | |
| Busine | ess Process: | Payroll | | | | Date: | | | | |
| Risk No | o. 5: | Voluntary and st | tatutory payı | oll deductions are | inaccurately proce | essed or without | authorisation. | | | |
| Descrip | ption: | | | must reflect current conditions. Inaccurate deductions may arise from improper changes to the payroll deduction processing, resulting in incorrect employee deductions relating for tax, superannuation, etc. | | | | | | |
| Inherer | nt Risk Assessme | nt | | | | | | | | |
| Likelih | ood | | Consequen | ce | Rating | | Accept | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| Possib | le Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) | | |
| The listing of payroll deductions is periodically reviewed by relevant staff for accuracy, compliance with statutory requirement and ongoing pertinence with changes compared to authorised source documents to ensure that they were input accurately. | | Core | | | | | | | | |





| Poss | Possible Controls | | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) | | |
|--------------------------|--|---------------------|------------------------------|------------------------------|------------------------------------|---|--|--|--|
| 2 | All payroll deductions must be approved by the relevant employee. | Core | | | | | | | |
| 3 | Access to the payroll deduction listing is restricted to authorised staff. | Core | | | | | | | |
| 4 | Insert any additional or replacement controls identified by the organisation to mitigate risk. | Core/ Additional | | | | | | | |
| Residual Risk Assessment | | | | | | | | | |
| Like | lihood | Consequence | | Rating | | Accept | | | |
| | | | | | | | | | |
| | | | | | | | | | |





| Control Assessment Worksheet | | | | | | | | | | |
|------------------------------|--|-------------------|-----------------|------------------------------|------------------------------|------------------------------------|---|--|--|--|
| Risk (| Category: | Expenses | | | | Prepared by: | | | | |
| Busin | ess Process: | Payroll | | | | Date: | | | | |
| Risk I | No. 6: | Employees term | ination paymo | ents are not in acc | cordance with stat | utory and enterp | rise agreements. | | | |
| Descr | ription: | Termination of en | nployees outsi | de union agreemer | its or statutory requ | irements can lead | to industrial disputes | or litigation. | | |
| Inhere | ent Risk Assessm | ient | | | | | | | | |
| Likeli | hood | | Consequence | 9 | Rat | Rating | | Accept | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| Possi | Possible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) | | |
| 1 | There is a process in place to ensure termination payments comply with relevant policies, procedures and legislation. | | Core | | | | | | | |
| 2 | 2 There is adequate training of payroll staff to ensure they are up to date with relevant statutory and enterprise agreements. | | Additional | | | | | | | |





| Possi | Possible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) |
|--------|---|-----|---------------------|------------------------------|------------------------------|------------------------------------|---|--|
| 3 | Insert any additional or replacement controls identified by the organisation to mitigate risk. | | Core/ Additional | | | | | |
| Resid | lual Risk Assessme | ent | | | | | | |
| Likeli | Likelihood | | Consequence | | Rating | | Accept | |
| | | | | | | | | |
| | | | | | 1 | | | |





6.3. Elected Members Expenses

Introduction

Under Section 76 (1) of the Local Government Act, "a member of a council is entitled to the allowance determined by the Remuneration Tribunal in relation to the member's office and indexed in accordance with this section".

Elected members, under Section 77 (1) of the Local Government Act, are "*entitled to receive from the council:*

- a) Reimbursement of expenses ... incurred in performing or discharging official functions and duties; and
- b) Reimbursement of expenses...approved by the council specifically or under a policy established by the council".

Under Section 79 (1), "the Chief Executive Officer of a council must ensure that a record (the "Register of Allowances and Benefits") is kept, in which is enteredin respect of each member of the council:

- a) The annual allowance payable to the member; and
- b) Details of any expenses reimbursed by the council under Section 77(1) (b); and
- c) Details of other benefits paid or payable to, or provided for the benefit of, the member by the council.

For a comprehensive analysis of the issues surrounding Elected Members' Expenses, please refer to the "Model Elected Members' Allowances and Support Policy", prepared by the Local Government Association.

Key Issues/Risks

In relation to Elected Members, the major risk faced by Councils may be summarised as follows:

- 1) Elected Member expenses and allowances are inaccurately recorded or not recorded at all.
- 2) Elected Members obtain unauthorised private benefit from Council.

These risks are addressed in the following Control Assessment Worksheets.

Segregation of Duties

Please refer to "Segregation of Duties" in the Purchasing & Procurement business process for an analysis of the segregation of duties issues that relate generally to expenses.





| Cont | trol Assessment Wo | orksheet | | | | | | |
|------|---|---------------------------------------|-----------------|------------------------------|------------------------------|------------------------------------|---|--|
| Risk | Category: | Expenses | | | | Prepared by: | | |
| Busi | ness Process: | Elected Members | s Expenses | | | Date: | | |
| Risk | No. 1: | Elected Member | expenses a | nd allowances are i | naccurately record | led or not record | led at all. | |
| Desc | cription: | If Elected Membe of Allowances and | • | | not recorded agains | t the correct Elect | ed Member or not recor | ded at all, the Register |
| Inhe | rent Risk Assessme | ent | | | | | | |
| Like | lihood | | Consequen | ce | Rati | ng | Ac | cept |
| | | | | | | | | |
| | | | | | | | | |
| Poss | sible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) |
| 1 | Elected Members must complete and sign an expense reimbursement form when claiming Council related expenditure in line with the Policy (including providing valid substantiation) and are authorised by relevant staff. | | Core | | | | | |





| Pos | sible Controls | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) |
|------|---|------------------------------|------------------------------|------------------------------|------------------------------------|---|--|
| 2 | All Elected Members allowar in accordance with the remu tribunal and are paid in a tim manner. | ineration Core | | | | | |
| 3 | Register of Allowances and maintained by designated pe and is made publicly availab Register is reviewed to ensu- accuracy. | erson le. The Core | | | | | |
| 4 | Insert any additional or replacement controls iden the organisation to mitigat | | | | | | |
| Res | idual Risk Assessment | | | | | | |
| Like | lihood | Consequenc | Consequence | | Rating | | cept |
| | | | | | | | |
| | | | | | | | |





| Conti | Control Assessment Worksheet | | | | | | | | | | |
|--------|--|----------------|---|---|------------------------------|------------------------------------|---|--|--|--|--|
| Risk | Category: | Expenses | | | | Prepared by: | | | | | |
| Busir | ness Process: | Elected Member | rs Expenses | | | Date: | | | | | |
| Risk | No. 2: | Elected Member | s obtain unauthorised private benefit from Council. | | | | | | | | |
| Desc | ription: | | | rse Elected Members for expenses of a personal nature or not in compliance with the relevant policy, this may result y and public dissatisfaction. | | | | | | | |
| Inher | ent Risk Assessme | ent | | | | | | | | | |
| Likeli | ihood | | Consequenc | e | Rat | ing | Ac | cept | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| Poss | ible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) | | | |
| 1 | Elected Members must complete and sign an expense reimbursement form when claiming Council related expenditure in line with the policy (including providing valid substantiation) and is authorised by a relevant officer. The signing of the form confirms that the Elected Members have excluded all items of a personal nature. | | Core | | | | | | | | |





| Poss | ible Controls | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) |
|--------|--|---------------------|------------------------------|------------------------------|------------------------------------|---|--|
| 2 | Where use of public assets or services by Elected members is identified debtors invoice is raised for reimbursement | Core | | | | | |
| 3 | A policy clearly outlines what Elected Members can claim for council related expenses and is clearly communicated and adherence monitored. | Core | | | | | |
| 4 | Insert any additional or replacement controls identified by the organisation to mitigate risk. | Core/ Additional | | | | | |
| Resid | dual Risk Assessment | | | I | | | |
| Likeli | ihood | Consequence | | Rating | | Accept | |
| | | | | | | | |





6.4. Credit Cards

Introduction

The drive for operational efficiency in the purchasing and procurement has led to a number of developments, such as the proliferation of on-line purchasing and e-procurement. Included in these developments is the use of Credit Cards within Council. When reviewing the internal control environment surrounding the use of Credit Cards in the purchasing cycle, Councils should consider the following issues:

- Robust process for issuing cards to appropriately designated employees
- Restricted access to Credit Cards
- Appropriate Credit Card limits
- Regular review of credit card statements focusing on both the level and nature of credit card expenses.

For an analysis of the risks and controls associated with the disbursement and reimbursements processes associated with credit card statements/expenses, please refer to the Purchasing & Procurement in section 6.1 on page 134 and Employee Reimbursement Business Activities in Section 6.5 of this Framework.

Key Issues/Risks

In relation to Credit Cards, the major risks faced by Councils may be summarised as follows:

- 1) Credit Cards are issued to unauthorised employees.
- 2) Credit Cards are used for purchases of a personal nature
- 3) Credit Card limits are set at inappropriate levels.

These risks along are addressed in the following Control Assessment Worksheets.

Segregation of Duties

Please refer to "Segregation of Duties" in the Purchasing & Procurement Business Activity for the risks and controls that generally relate to expenses.





| Control Asses | ssment Wo | orksheet | | | | | | |
|--|-----------|------------------|-----------------|---|------------------------------|------------------------------------|---|--|
| Risk Category | y: | Expenses | | | | Prepared by: | | |
| Business Pro | cess: | Credit Cards | | | | Date: | | |
| Risk No. 1: | | Credit Cards are | issued to u | nauthorised emplo | yees. | | | |
| Description: | | | | mployees without the hat have not been a | | - | may result in the Credit | Cards being used to |
| Inherent Risk | Assessme | ent | | | | | | |
| Likelihood | | | Consequen | ce | Rat | ing | A | ccept |
| | | | | | | | | |
| | | | | | | | | |
| Possible Cont | trols | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) |
| 1 There is a process in place to ensure there are appropriate approvals prior to the issuing of Credit Cards and limits. | | Core | | | | | | |
| 2 Credit card holders sign a declaration confirming compliance with Council policy and procedures prior to the Credit Card being released. | | Core | | | | | | |





| Possi | ible Controls | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) |
|--------|---|---------------------|------------------------------|------------------------------|------------------------------------|---|--|
| 3 | Access to credit card details and supporting documentation is restricted to appropriate staff. | Core | | | | | |
| 4 | Insert any additional or replacement controls identified by the organisation to mitigate risk. | Core/ Additional | | | | | |
| Resid | lual Risk Assessment | | | | | | |
| Likeli | hood | Consequence | | Rating | | Accept | |
| | | | | 1 | | | |





| Contre | Control Assessment Worksheet | | | | | | | | | |
|---------|--|------------------|-----------------|------------------------------|------------------------------|------------------------------------|---|--|--|--|
| Risk C | Category: | Expenses | | | | Prepared by: | | | | |
| Busin | ess Process: | Credit Cards | | | | Date: | | | | |
| Risk N | No. 2: | Credit Cards are | used for pure | chases of a persor | nal nature. | | | | | |
| Descr | iption: | | | • | | | ese items will be paid by as well as adverse publ | - | | |
| Inhere | ent Risk Assessme | ent | | | | | | | | |
| Likelil | hood | | Consequence | | Rating | | Accept | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| Possi | ble Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) | | |
| 1 | Credit card holders sign a declaration confirming compliance with Council policy and procedures prior to the Credit Card being released. | | Core | | | | | | | |





| Poss | ible Controls | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) |
|------|--|-----------------|------------------------------|------------------------------|------------------------------------|---|--|
| 2 | There is a process in place to approve all credit card transactions to ensure compliance with the policies and procedures covering credit card usage. | Core | | | | | |
| 3 | Cardholders are advised in the policy and procedures that improper use of the credit card, such as purchases of a personal nature, may result in disciplinary action in accordance with the Code of Conduct. | Core | | | | | |
| 4 | Cardholders must check their statement to ensure all transactions are correct and identify any transactions of a personal nature which must be reimbursed to Council. | Core | | | | | |





| Pos | sible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) |
|------|---|-----|---------------------|------------------------------|------------------------------|------------------------------------|---|--|
| 5 | 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 | | Core/ Additional | | | | | |
| Res | dual Risk Assessme | ent | | | | | | |
| Like | Likelihood | | Consequence | | Rating | | Accept | |
| | | | | | | | | |
| | | | | • | | • | | |





| Cont | rol Assessment Wo | orksheet | | | | | | | | |
|--------|--|-------------------|-------------------------------------|---|------------------------------|------------------------------------|---|--|--|--|
| Risk | Category: | Expenses | | | | Prepared by: | | | | |
| Busir | ness Process: | Credit Cards | | | | Date: | | | | |
| Risk | No. 3: | Credit Card limit | ts are set at inappropriate levels. | | | | | | | |
| Desc | ription: | | - | are too high, then this may result in an increase in expenditure and budget overruns. On the other hand, if credit ficient, this could reduce the operational effectiveness of the credit card process and result in purchasing delays. | | | | | | |
| Inher | ent Risk Assessme | ent | | | | | | | | |
| Likeli | ihood | | Consequence | e | Rat | ing | Ac | cept | | |
| | | | • | | | | | | | |
| | | | | | | | | | | |
| Poss | ible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) | | |
| 1 | 1 There is a process in place to ensure there are appropriate approvals set prior to the issuing of Credit Cards and limits. | | Core | | | | | | | |
| 2 | 2 There is a process in place to ensure credit card limits and usage is reviewed for operational efficiency. | | Core | | | | | | | |





| Possi | ble Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) |
|--------|---|-----|---------------------|------------------------------|------------------------------|------------------------------------|---|--|
| 3 | Insert any additional or replacement controls identified by the organisation to mitigate risk. | | Core/ Additional | | | | | |
| Resid | lual Risk Assessme | ent | | | | | | |
| Likeli | Likelihood | | Consequence | | Rating | | Accept | |
| | | | | | | | | |
| | | | | | 1 | | | |





6.5. Employee Reimbursements

Introduction

When reviewing the internal control environment surrounding Employee Reimbursements, Councils should consider the following issues:

- Establishment of policy providing guidance to all employees of the appropriate process for employee reimbursements
- Authorisation of employee reimbursements in accordance with Delegations of Authority
- Submission of supporting documentary evidence (i.e. receipts) with all employee reimbursement claims
- Efficient lodgement and processing of employee reimbursements via on-line approval, where appropriate
- Claiming Employee reimbursements via the use of credit cards provided to employees by Council, where appropriate.

For an analysis of the risks and controls associated with the petty cash disbursements, disbursements generally and reimbursements of Elected Members' Expenses, please refer to the following business processes in this Framework:

- Cash Floats and Petty Cash in Section 3.1
- Accounts Payable in Section 4.1
- Elected Members' Expenses in Section 6.3.

Key Issues/Risks

In relation to Employee Reimbursements, the major risks faced by Councils may be summarised as follows:

- 1) Employees are reimbursed for expenses of a personal nature
- 2) Employee reimbursements are either inaccurately recorded or not recorded at all.

These risks are addressed in the following Control Assessment Worksheets.

Segregation of Duties

Please refer to "Segregation of Duties" in the Purchasing & Procurement business process for an analysis of the segregation of duties issues that generally relate to expenses.





| Control Assessment Worksheet | | | | | | | | | | |
|---|---------------|-----------------|---|------------------------------|------------------------------------|---|--|--|--|--|
| Risk Category: | Expenses | | | | Prepared by: | | | | | |
| Business Process: | Employee Rein | nbursements | | | Date: | | | | | |
| Risk No. 1: | Employees are | reimbursed f | or expenses of a pe | ersonal nature. | | | | | | |
| Description: | | | or private or persona inancial statements, | • | | sary expenditures and r or the Council. | misstatements in the | | | |
| Inherent Risk Asses | sment | | | | | | | | | |
| Likelihood Consequence | | | ce | Rating | | Accept | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| Possible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) | | | |
| There is a process in place to ensure all employee reimbursements are valid with supporting documentation and approved by appropriate staff. | | Core | | | | | | | | |





| Possi | ible Controls | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) |
|--------|---|---------------------|------------------------------|------------------------------|------------------------------------|---|--|
| 2 | A policy or procedure is in place setting guidelines for employee reimbursements. | Additional | | | | | |
| 3 | Insert any additional or replacement controls identified by the organisation to mitigate risk. | Core/ Additional | | | | | |
| Resid | lual Risk Assessment | | | | | | |
| Likeli | hood | Consequence | | Rating | | Aco | cept |
| | | | | | | | |
| | | | | | | | |





| Contr | rol Assessment W | orksheet | | | | | | |
|---|--|----------------|-----------------|------------------------------|------------------------------|------------------------------------|---|--|
| Risk | Category: | Expenses | | | | Prepared by: | | |
| Busir | ness Process: | Employee Reim | oursements | | | Date: | | |
| Risk | No. 2: | Employee reimb | ursements a | re either inaccurate | ely recorded or no | t recorded at all. | | |
| Description: If employee reimbursements are inaccurately recorded due to processing errors or the raising of fictitious claims, both the management reports and the financial statements will be misstated. If employee reimbursements are not recorded at all, then both the management reports and the financial statements will be misstated. Inherent Risk Assessment | | | | | | | | |
| Likeli | | | Consequence | | Rat | Rating | | Accept |
| Possi | ible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) |
| 1 | 1 Employee reimbursements are checked against the supporting documentation and compliance with relevant policies and procedures. | | Core | | | | | |





| Possi | Possible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) |
|--------|---|-----|---------------------|------------------------------|------------------------------|------------------------------------|---|--|
| 2 | Insert any additional or replacement controls identified by the organisation to mitigate risk. | | Core/ Additional | | | | | |
| Resid | ual Risk Assessme | ent | | | | | | |
| Likeli | Likelihood | | Consequence | | Rating | | Aco | cept |
| | | | | | | | | |
| | | · | | | | | | |





6.6. Other Expenses

Introduction

Other Expenses may typically include the following:

- Office related expenses (i.e. printing and stationery)
- Operational expenses (i.e. utilities).

When reviewing the internal control environment surrounding Other Expenses, Councils should consider the following issues:

- Appropriate approval in accordance with Delegations of Authority
- Timely recording and monitoring against budget.

For an analysis of the risks and controls associated with the recording and disbursement of Other Expenses, please refer to the 'Accounts Payable' business process in Section 4.1 of this Framework.

Key Issues/Risks

In relation to Other Expenses, the major risk faced by Councils may be summarised as follows:

1) Other Expenses are invalid, inaccurately recorded or not recorded at all.

This risk is addressed in the following Control Assessment Worksheets.

Segregation of Duties

Please refer to "Segregation of Duties" in the 'Purchasing & Procurement' business process in Section 6.1 for an analysis of the segregation of duties issues that relate generally to expenses.





| Contr | Control Assessment Worksheet | | | | | | | | | |
|--------|--|-----------------|---|------------------------------|------------------------------------|---|--|------|--|--|
| Risk | Category: | Expenses | | | | Prepared by: | | | | |
| Busin | ess Process: | Other Expenses | | | | Date: | | | | |
| Risk I | No. 1: | Other Expenses | Other Expenses are invalid, inaccurately recorded or not recorded at all. | | | | | | | |
| Desci | Description: If processing errors occur, this will result in Other Expenses either being inaccurately recorded or not recorded at all. | | | | | | t all. | | | |
| Inher | Inherent Risk Assessment | | | | | | | | | |
| Likeli | hood | | Consequence | | Rati | ng | Ac | cept | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| Possi | ble Controls | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) | | | |
| 1 | 1 There is a process in place to ensure that all other expenses are accurately recorded and there is an audit trail. | | Core | | | | | | | |





| Possi | Possible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) |
|--------|---|-----|---------------------|------------------------------|------------------------------|------------------------------------|---|--|
| 2 | Insert any additional or replacement controls identified by the organisation to mitigate risk. | | Core/ Additional | | | | | |
| Resid | ual Risk Assessme | ent | | | | | | |
| Likeli | Likelihood | | Consequence | | Rating | | Accept | |
| | | | | | | | | |
| | | | | | | | | |





7.External Services

7.1. Contracting

Introduction

For the purposes of this Framework the Contracting Business Activity considers the risks and controls in relation to contracting and tendering. Under Section 49 (1) of the Local Government Act, "*a council must prepare and adopt policies on contracts and tenders, including policies on the following:*

- a) The contracting out of services and
- b) Competitive tendering and the use of other measures to ensure that services are delivered cost-effectively
- c) The use of local goods and services; and
- d) The sale or disposal of land or other assets.

Section 49 (2), "the policies must:

- a) Identify circumstances where the council will call for tenders for the supply of goods, the provision of services or the carrying out of works, or the sale or disposal of land or other assets and
- b) Provide a fair and transparent process for calling tenders and entering into contracts in those circumstances; and
- c) Provide for the recording of reasons for entering into contracts other than those resulting from a tender process".

For a further analysis in respect of this issue, please refer to "Competitive Tendering – Service Provision in Local Government Manual", produced by the Local Government Association of South Australia.

When "in-house bids" are made for tenders or contracts, it is important to ensure that the application and inclusion of overhead costs is accurate. Misstated applied overhead costs can result in an inaccurate tender price being submitted that may expose the internal department to providing a service to Council that is unrealistic and not cost-effective.

Key Issues/Risks

In relation to Contracting, the major risks faced by Councils may be summarised as follows:

- 1) Council is not able to demonstrate that all probity issues have been addressed in the Contracting process
- 2) Council does not obtain value for money in relation to its contracting.
- 3) Commitments are made for unapproved goods and services

These risks are addressed in the following Control Assessment Worksheets.

Segregation of Duties

Within the contracting and tendering process, the following activities should be segregated or be performed by more than one person:

- Pre-selecting contract and tender applicants for consideration by Selection Panel
- Final selection of successful contractors and tenderers
- Contract and tender management (including management reporting and disbursements to service provider).





| Control Assessment | Vorksheet | | | | | | | |
|--|------------------|-----------------|---|------------------------------|------------------------------------|---|--|--|
| Risk Category: | External Service | s | | | Prepared by: | | | |
| Business Process: | Contracting | | | | Date: | | | |
| Risk No. 1: | Council is not a | ble to demor | nstrate that all prob | ity issues have be | en addressed in | the Contracting pro | cess. | |
| Description: | | • | I to comply with probity issues throughout the Contract process but also needs to be able to demonstrate ot be demonstrated by Council, this will increase the likelihood of negative publicity and public | | | | | |
| Inherent Risk Assessi | nent | | | | | | | |
| Likelihood | | Consequence | | Rat | ing | | Accept | |
| | | | | | | | | |
| Possible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) | |
| 1 There are robust and transparent evaluation and selection processes in place to engage contractors where relevant in accordance with the Code of Conduct, Conflict of Interest and Procurement Policy. | | Core | | | | | | |





| Poss | ible Controls | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) |
|------|---|-----------------|------------------------------|------------------------------|------------------------------------|---|--|
| 2 | The selection panel is made up of appropriate personnel who have declared any relevant conflict of interest to ensure that informed and objective decision is made when selecting contractors. | Core | | | | | |
| 3 | Council maintains a current contract register. | Core | | | | | |
| 4 | There is a process in place to ensure that commitments are made with approval by Council or delegated staff. | Core | | | | | |
| 5 | There is a contract management process in place throughout the term of the contract to ensure that supplier/contractor meet their obligations. | Core | | | | | |





| Possi | Possible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) |
|--------|--|-----|---------------------|------------------------------|------------------------------|------------------------------------|---|--|
| 6 | 6 Insert any additional or replacement controls identified by the organisation to mitigate risk. | | Core/ Additional | | | | | |
| Resid | lual Risk Assessme | ent | | | | | | |
| Likeli | hood | | Consequence | | Rating | | Aco | cept |
| | | | | | | | | |
| | | | | 1 | | | | |





| Contro | ol Assessment Wo | orksheet | | | | | | | |
|---|---|------------------|-----------------|------------------------------|------------------------------|------------------------------------|---|--|--|
| Risk C | Category: | External Service | S | | | Prepared by: | | | |
| Busin | ess Process: | Contracting | | | | Date: | | | |
| Risk N | lo. 2: | Council does no | t obtain valu | le for money in rela | tion to its Contrac | ting. | | | |
| Descri | Poor contract selection and management of ineffective contractors can result in Council not obtaining value for money in relation to its Contractors. | | | | | | | | |
| Inhere | ent Risk Assessme | ent | | | | | | | |
| Likelih | nood | | Consequence | | | ng | Accept | | |
| | | | | | | | | | |
| | | | | | | | | | |
| Possil | ble Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) | |
| There are robust and transparent evaluation and selection processes in place to engage contractors where relevant in accordance with the Code of Conduct, Conflict of Interest and Procurement Policy. | | Core | | | | | | | |





| ł | Possible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) |
|---|-------------------|--|-----------------|------------------------------|------------------------------|------------------------------------|---|--|
| | 2 | Tender Documents are kept securely. | Core | | | | | |
| | 3 | There is a contract management process throughout the term of the contract to ensure that supplier/contractor meet their obligations. | Core | | | | | |
| | 4 | There is an ongoing management in place that identifies and manages deliverables, key contact clauses, responsibilities, milestones and includes dispute resolution procedures. | Additional | | | | | |





| Pos | Possible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) |
|------|---|-----|---------------------|------------------------------|------------------------------|------------------------------------|---|--|
| 5 | Insert any additional or replacement controls identified by the organisation to mitigate risk. | | Core/ Additional | | | | | |
| Res | dual Risk Assessme | ent | | | | | | |
| Like | lihood | | Consequence | | Rating | | Ace | cept |
| | | | | | | | | |
| | | | | | • | | • | |





| Contr | Control Assessment Worksheet | | | | | | | | | |
|--------|---|--|--|------------------------------|------------------------------|------------------------------------|---|--|--|--|
| Risk (| Category: | External Service | S | | | Prepared by: | | | | |
| Busin | ess Process: | Contracting | | | | Date: | | | | |
| Risk I | No. 3: | Commitments are made for unapproved goods and services | | | | | | | | |
| Desci | ription: | | e is likelihood Council can find itself committed to unapproved goods and services for which it will be liable for payment and can in council not obtaining best value for project and service outcomes | | | | | | | |
| Inhere | Inherent Risk Assessment | | | | | | | | | |
| Likeli | hood | | Consequence | 9 | Rating | | Accept | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| Possi | ble Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) | | |
| 1 | There is a process ensure that commi with approval by C delegated staff. | tments are made | Core | | | | | | | |





| Possible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) | |
|-------------------|---|-----------------|------------------------------|------------------------------|------------------------------------|---|--|--|
| 2 | 2 Insert any additional or replacement controls identified by the organisation to mitigate risk. | | Core/ Additional | | | | | |
| Resid | ual Risk Assessme | ent | | | | | | |
| Likeli | Likelihood | | Consequence | | Rating | | Accept | |
| | | | | | | | | |
| | | | | | | | | |





8. Financial Governance

8.1. Governance

Introduction

Financial governance refers to the methods and processes that a Council uses to manage its financial affairs in pursuing its strategic and corporate objectives. Underpinning the effectiveness of the financial governance framework are clear roles and responsibilities and appropriate high levels of accountability.

It comprises the policies and practices by which a Council meets its responsibility to the community to achieve long-term financial sustainability.

It is critical that financial governance policies and practices are efficient, effective and transparent, as good financial governance enhances public confidence in Local Government. Also it helps to ensure that a Council is in a position to plan appropriately and make decisions that are properly responsive to the interests of its community.

A council has decision making powers defined under the *Local Government Act 1999* with the Chief Executive Officer as per Section 99 of *Local Government Act 1999* empowered to ensure those decision are implemented and to undertake responsibility for the day to day operations. The Chief Executive Officer may then delegate (or sub-delegate) a power or function vested in or on the chief executive officer to an employee of council ,committee of council or an authorised person as per Division 4.

Council policies and procedures govern organisational activities and processes and assist in establishing the boundaries and expected standards by which the council operates. This is further enhanced through the application of the Internal Financial Controls Framework generally.

Key issues/Risks

This section on Financial Governance is overarching in that it considers the major risks faced by Councils, and are summarised as follows:

- 1) Policies and Procedures do not reflect current requirements
- Delegations of authority are not commensurate with job roles and responsibilities
 Staff are not aware of their responsibilities to ensure good governance including
- compliance with policies, procedures and relevant legislation.

These risks are addressed in the following Control Assessment Worksheets.





| Conti | Control Assessment Worksheet | | | | | | | | | |
|---|---|------------------|-----------------|------------------------------|------------------------------|------------------------------------|---|--|--|--|
| Risk | Category: | Financial Govern | nance | | | Prepared by: | | | | |
| Busir | ness Process: | Governance | | | | Date: | | | | |
| Risk | No. 1: | Policies and Pro | cedures do n | ot reflect current r | equirements. | | | | | |
| Desc | Description: If policies and procedures are not updated on a regular basis, they may not reflect current practices and legislation or changes in the operating environment. | | | | | | | | | |
| Inher | ent Risk Assessme | nt | | | | | | | | |
| Likeli | ihood | | Consequence | | Rating | | Accept | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| Poss | Possible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) | | |
| There is a process in place to ensure all policies and procedures referenced in the Better Practice Model are reviewed for appropriateness and relevance. | | Core | | | | | | | | |





| Possi | Possible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) |
|--------|---|----|---------------------|------------------------------|------------------------------|------------------------------------|---|--|
| 2 | <i>Insert any additional or replacement controls identified by the organisation to mitigate risk.</i> | | Core/ Additional | | | | | |
| Resid | ual Risk Assessme | nt | | | | | | |
| Likeli | Likelihood | | Consequence | | Rating | | Accept | |
| | | | | | | | | |
| | | | | | | | | |





| Contr | Control Assessment Worksheet | | | | | | | | | |
|--------|--|-------------------------------|-----------------|------------------------------|------------------------------|------------------------------------|---|--|--|--|
| Risk | Category: | Financial Govern | nance | | | Prepared by: | | | | |
| Busir | ness Process: | Governance | | | | Date: | | | | |
| Risk | No. 2: | Delegations of a | uthority are n | ot commensurate | with job roles and | responsibilities | | | | |
| Desci | Description: If the delegations of authority are not approved for the appropriateness of a person's role this can undermine the effectiveness of internal controls and increase the organisation's risk of fraud. | | | | | | | | | |
| Inher | ent Risk Assessme | ent | | | | | | | | |
| Likeli | ihood | | Consequence | | Rating | | Accept | | | |
| | | | | | | | | | | |
| Possi | ible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) | | |
| 1 | Delegations of aut in the Better Practi reviewed for appro changes approved | ce Model are priateness, with | Core | | | | | | | |





| Possi | Possible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) |
|--------|---|-----|---------------------|------------------------------|------------------------------|------------------------------------|---|--|
| 2 | 2 Insert any additional or replacement controls identified by the organisation to mitigate risk. | | Core/ Additional | | | | | |
| Resid | ual Risk Assessme | ent | | | | | | |
| Likeli | Likelihood | | Consequence | | Rating | | Accept | |
| | | | | | | | | |
| | | | | | | | | |





| Control Assessment Worksheet | | | | | | | | | |
|------------------------------|--|--|------------------------------|------------------------------|------------------------------------|---|--|--|--|
| Risk (| Category: | Financial Govern | nance | | | Prepared by: | | | |
| Busin | ness Process: | Governance | | | | Date: | | | |
| Risk I | No. 3: | Staff are not aware of their responsibilities to ensure good governance including compliance with policies, procedures and relevant legislation. | | | | | | | |
| Desci | Description: If staff are not aware of their responsibilities they could be making decisions that are not within the scope of their authority which can increase Council's exposure to risk and potentially lead to maladministration, misconduct and/or corruption. | | | | | | | | |
| Inher | ent Risk Assessme | ent | | | | | | | |
| Likeli | ihood | | Consequence | | Rating | | Accept | | |
| | | | | | | | | | |
| Possible Controls | | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) | | |
| 1 | There is a process are aware of polici procedures referer Practice Model. | es and | Core | | | | | | |





| Poss | ible Controls | Control Type | Assessing Officer – Title | Reviewing Officer – Title | Control Effectiveness Rating | Action Plan ¹ (if control not effective) | Comment (substantiation of rating) |
|--------|---|---------------------|------------------------------|------------------------------|------------------------------------|---|--|
| 2 | There is a process in place for staff to be made aware of the Code of Conduct and Conflict of Interest. | Core | | | | | |
| 3 | Insert any additional or replacement controls identified by the organisation to mitigate risk. | Core/ Additional | | | | | |
| Resid | lual Risk Assessment | | | | | | |
| Likeli | Likelihood | | j | Rati | ng | Acc | cept |
| | | 1 | | | | | |

¹ Action Plan Reference – Provide an action plan if control is not in place or where the control is rated 3 or below by reviewing officer.





Appendix A – Likelihood & Consequence Tables

The following tables have been provided as a guide for risk management processes. Councils may wish to consider tailoring the parameters provided for their individual circumstances, or use their existing likelihood and consequence parameters.

| Likelihood Rating | Description |
|-------------------|---|
| E. Almost Certain | Is expected to occur in most circumstances |
| D. Likely | Will probably occur in most circumstances |
| C. Possible | Might occur at some time |
| B. Unlikely | Could occur at some time |
| A. Rare | May occur only in exceptional circumstances |

| Impact Scale | Socio-political & Community issues | Business Impact | Public Safety | Environment |
|------------------|---|--|---|--|
| 1. Insignificant | No adverse effect on public image Insignificant level of community concern Negligible adverse impact upon social health and well-being of the community which has little or no impact upon established community relationships and links. | Low financial loss – impact of less than \$5k Small delays in undertaking routine needs or tasks for ½ day. | No injuries or no significant injuries Negligible loss or damage to property / infrastructure. | "Nuisance" category under the SA Environment Protection Act (1993) met Contamination – on-site release immediately contained Slight, quickly reversible damage to few species. |





| Impact Scale | Socio-political & Community issues | Business Impact | Public Safety | Environment |
|--------------|--|--|---|---|
| 2. Minor | Minor adverse effect on public image Minor level of community concern Minor adverse impact upon social health & well-being of the community that may have a minor impact upon established community relationships & links. | Medium financial loss – impact of between \$5k and \$20k Minor impact in undertaking routine needs or tasks for 1 day. | First aid treatment required Minor loss or infrastructure damage. | "Nuisance" category under SA Environment Protection Act (1993) met Some minor adverse effects to few species/ ecosystem parts that are short term and immediately reversible. |
| 3. Moderate | Moderate adverse effect on public image Moderate level of community concern Social health and well-being of the community affected by moderately reduced opportunities for participation in community life and/or decision making, moderate incidences of increased isolation etc. | High financial loss – impact of between \$20k and \$50k Capability / production impaired, moderate impact on stakeholders & routine needs or tasks for 1 – 3 days. Minor legal issues, non compliances and breaches of regulation. | Medical treatment required Moderate loss/or infrastructure damage. | "Material" category under the SA Environment Protection Act (1993) met Contamination – on-site release contained with outside assistance Temporary, reversible damage, loss of habitat and migration of animal population, plants unable to survive, pollution requires physical removal, land contamination localised and can be quickly remedied. |





| Impact Scale | Socio-political & Community issues | Business Impact | Public Safety | Environment |
|-----------------|---|---|--|--|
| 4. Major | Major adverse effect on public image Significant level of community concern Social health and well-being of the community seriously affected by major community unrest and/or significant breakdown of established community relationships and links. | Major financial loss - impact of between \$50k and \$100k Loss of capability, disruption to production, major impact on stakeholders & routine needs or tasks for 3 – 5 days. Serious breach of regulation with investigation or report to authority with prosecution and/or moderate fine possible. | Serious & extensive injuries Serious structural damage to infrastructure or serious loss of assets. | "Serious" category under the SA Environment Protection Act (1993) met Contamination – off-site release with no detrimental effects Death of individual animals, large scale injury, loss of keystone species and widespread habitat destruction. |
| 5. Catastrophic | Huge effect on public image Community outrage Social health & well-being of the community hugely affected by major community unrest and/or significant breakdown of established community relationships & links. | Huge financial loss/exposure – impact greater than \$100k Loss of production/capability, failure to meet stakeholder's needs for more than 5 days Projects & programs failure, inability to meet minimum acceptable standards, most objectives not met Major breaches of regulation, major litigation. | Fatalities Critical loss, irreversible damage property / infrastructure. | "Serious" category under the SA Environment Protection Act (1993) met Toxic release off-site with detrimental effect Death of animals in large numbers, destruction of flora species, air quality requires evacuation, permanent and wide spread land contamination, irreversible soil erosion or severe compaction, widespread introduction of weeds. |





Appendix B – Definition of Key Terms

Appropriate / Authorised Staff / Relevant staff – Is defined as a person that has been assigned responsibility for completing specified tasks and activities which includes, but is not limited to, the approval of loans and liabilities and approval of expenditure.

Core – Considered to be the recommended controls that the Council should consider initially as a suitable starting point when reviewing the risks associated with a business process. These controls will typically be applicable for Councils of all sizes and locations

Additional – Theses possible controls are typically those that may be more applicable to Councils of a larger size or complexity and where resources are not limited.

Where:

Must – This specifies an unconditional requirement.

Should – This specifies that conformance is expected unless, when applying professional judgment, circumstances justify deviation.



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Appendix 2 2021-22 External Audit Plan

ADELAIDE HILLS COUNCIL AUDIT COMMITTEE MEETING Monday 14 February 2022 AGENDA BUSINESS ITEM

| ltem: | 7.1 |
|----------------------|---|
| Responsible Officer: | Lachlan Miller Executive Manager Governance & Performance Office of the Chief Executive |
| Subject: | 2021-22 External Audit Plan |
| For: | Decision |

SUMMARY

At its 15 December 2020 meeting, Council (upon the Audit Committee's recommendation) resolved to exercise the two-year option under the Professional Services Agreement for External Audit with Galpins Accountants, Auditors and Business Consultants (Galpins) for the conduct of the 2020-21 and 2021-22 audits years of the audit contract.

With the financial year approaching completion, Galpins have prepared a 2021-22 External Audit Plan (**Appendix 1**) for the 2021-22 Annual Financial Statements Audit and Internal Financial Control Audit.

Under the Audit Committee's Terms of Reference, two of the key roles in relation to External Audit relate to recommending the approval of the auditor's terms of engagement and reviewing and making recommendations regarding the proposed external audit plan.

Mr Tim Muhlhausler of Galpins will be attending the meeting to provide any further information or clarifications.

The purpose of this report is to provide the 2021-22 External Audit Plan for the Committee's review and, if satisfied, to seek the Committee's recommendation to Council for approval.

RECOMMENDATION

The Audit Committee resolves:

- 1. That the report be received and noted.
- 2. To recommend to Council the approval of the *2021-22 External Audit Plan* by Galpins Accountants, Auditors and Business Consultants as contained in Appendix 1.

1. GOVERNANCE

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 05.1 | Enhance governance structure 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 |

External audit is a key accountability function to the community regarding the financial governance of the organisation.

Legal Implications

Chapter 8 – Administrative and financial accountability, Part 3 – Accounts, financial statements and audit, Division 4 – Audit of the *Local Government Act 1999* and Part 6 - Audit of the *Local Government (Financial Management) Regulations 2011* set out the requirements regarding the appointment of the external auditor and the conduct of the audit.

Legislative changes arising form the *Statute Amendment (Local Government Review)* Act 2021 continue to be progressively commenced and a separate report in the 14 February 2022 agenda summarises the changes that will impact the Audit Committee's role and functions.

Specifically related to external audit, new provisions in s128(6) of the *Local Government Act 1999* require that where an auditor has provided services for 5 successive financial years, that the council must appoint another audit firm and not use the previous firm until at least 5 years have passed.

Risk Management Implications

The appointment of the external auditor consistent with the requirements of legislation assists 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 makes a budget allocation each year for the expenses associated with the conduct of the external audit.

The external audit function is managed by the Governance & Performance Department although the Financial Services Department is most significantly impacted throughout the external audit process.

> Customer Service and Community/Cultural Implications

There is a high expectation that Council's accounts are audited by appropriately qualified and independent external auditors.

Sustainability Implications

Not directly applicable

> Engagement/Consultation conducted in the development of the report

Consultation on the development of this report was as follows:

| Council Committees: | Not Applicable |
|---------------------|--|
| Workshops: | Not Applicable |
| Advisory Groups: | Not Applicable |
| External Agencies: | Galpins Accountants, Auditors and Business Consultants |
| Community: | Not Applicable |

2. BACKGROUND

The Audit Committee's Terms of Reference set out a number of specific functions, one of which relates to External Audit and contains key roles for the Committee, relevant to the conduct of the 2021-22 Annual Financial Statement Audit and Internal Financial Control Audit, as follows:

- 1. 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 (clause 3.5.2.2);
- 2. 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 (clause 3.5.2.3)
- 3. 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) (clause 3.5.2.4); and
- 4. Review and make recommendations on the annual audit plan, and in particular its consistency with the scope of the external audit engagement (clause 3.5.4).

Roles 1 & 4 occur in the framing of the external audit plan and engagement letter and is traditionally considered by the Audit Committee at the February meeting. Roles 2 & 3 occur when considering the Audit Completion Report at the October meeting.

On 27 February 2018, Galpins were appointed by Council for the provision of external audit services for a three year period (with the option of a further period of up to two years) commencing with the audit of the financial year ending 30 June 2018.

On 15 December 2020, Council (upon the Audit Committee's recommendation) resolved to exercise the two-year option under the Professional Services Agreement for External Audit with Galpins Accountants, Auditors and Business Consultants (Galpins) for the conduct of the 2020-21 and 2021-22 audits years of the audit contract.

3. ANALYSIS

The *Audit Engagement Letter*, as approved by Council for the 2018-19 audit (*Appendix 2*), contains a clause that it remains effective for future years. Galpins have confirmed that there are no changes to the provisions of the letter (other than the obvious applicability to each successive year's audits)

In preparation for the 2021-22 External Audit, Galpins have prepared a *2021-22 External Audit Plan* (*Appendix 1*) for the Audit Committee's review and, if satisfied, recommendation to the Council for approval.

The External Audit Plan is similar to previous years with the exception that the Audit Methodology has been expanded to provide additional information following queries being raised by the Committee regarding the use of substantive testing.

The Administration has reviewed the Plan and is agreeable with the scope, methodology and timeframes set out in the Plan.

Tim Muhlhausler (Partner) will be attending the Audit Committee meeting to provide any further information or clarifications.

Should the Audit Committee determine to recommend to Council to approve both documents, a report will be prepared for the Council's 22 February 2022 meeting.

4. OPTIONS

The Committee has the following options:

- I. To recommend to Council the scope of work and timing of the 2021-22 External Audit Plan by Galpins Accountants, Auditors and Business Consultants as contained in *Appendix 1*. (Recommended)
- II. To seek amendments to the scope of work and timing of the 2021-22 External Audit Plan by Galpins Accountants, Auditors and Business Consultants as contained in *Appendix 1*. Seeking amendment may impact on the timeliness and/or cost of External Audit service provision (Not Recommended)

5. APPENDICES

- (1) 2021-22 External Audit Plan
- (2) Audit Engagement Letter Galpins

Appendix 1

2021-22 External Audit Plan



2021/22 External Audit Plan

Adelaide Hills Council



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1. AUDIT SCOPE

Applicable Financial Reporting Framework

The financial report is a general purpose financial report. The financial report is prepared in compliance with section 127 of the *Local Government Act 1999,* in accordance with relevant Australian Accounting Standards and in accordance with the requirements set out in the Model Financial Statements (as required by the *Local Government (Financial Management) Regulations 2011*).

The financial report prepared by council comprises a Statement of Comprehensive Income, a Statement of Financial Position, a Statement of Changes in Equity, a Statement of Cash Flows, notes disclosures and a certificate from the Mayor and the Chief Financial Officer.

Opinion on the Financial Report

The financial statements prepared for each financial year must be audited by the council's auditor as required by section 127(3) of the *Local Government Act 1999*. The auditor must provide to the council an opinion with respect to the financial statements (s129(3)(a)).

We are to provide an opinion as to whether council financial report presents fairly, in all material aspects, the financial position of the council as at the end of current financial year, and its financial performance and its cash flow for the year ended on that date in accordance with the *Australia Accounting Standards*, *Local Government Act 1999* and *Local Government (Financial Management) Regulations 2011*.

Opinion on the Internal Controls

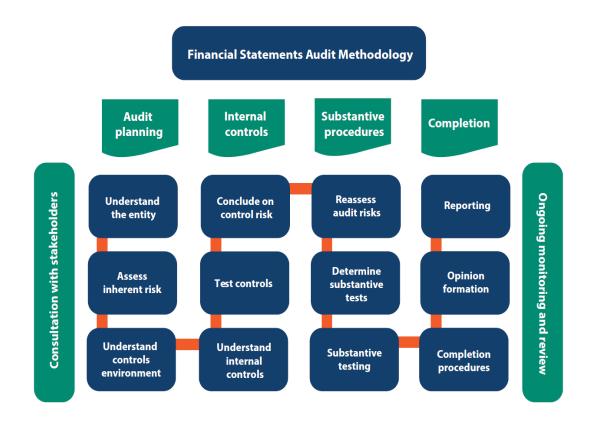
Section 125(1) requires council to ensure that appropriate policies, practices and procedures of internal control are implemented and maintained in order to assist the council to carry out its activities in an efficient and orderly manner to achieve its objectives, to ensure adherence to management policies, to safeguard the council's assets, and to secure (as far as possible) the accuracy and reliability of council records. The auditor must provide audit opinion as to whether the controls audited are sufficient to provide reasonable assurance that the financial transactions of the council have been conducted properly and in accordance with the law (s129(3)(b)).

Section 125(2) of the Act, in conjunction with section 10A of the Local Government (Financial Management) Regulations 2011, requires internal financial controls of council to be designed and implemented in accordance with the *Better Practice Model – Internal Financial Controls*.

We are to provide an opinion whether council has complied, in all material aspects, with section 125 of the *Local Government Act 1999* only as it relates to financial internal controls established by Council in relation to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities so as to provide reasonable assurance that the financial transactions of the council have been conducted properly and in accordance with law for the period being audited.

2. AUDIT METHODOLOGY

The Galpins Audit Methodology is a risk-based methodology consisting of four main stages – Audit Planning, Internal Controls, Substantive Procedures and Completion. Further detail regarding these stages is provided below.



Our audit methodology incorporates all the key elements of a traditional audit approach, enhanced with the addition of modern audit techniques and artificial intelligence technology to create our own unique, industry leading methodology.

The stages are managed in an environment of ongoing monitoring and review and consultation with stakeholders.

Galpins

Audit planning

The objective of the audit planning stage is to develop an understanding of the entity, its unique characteristics and requirements, allowing us to tailor our audit approach accordingly.

- We research and document the entity's industry, regulatory environment, legislative responsibilities, financial reporting environment and internal governance arrangements.
- We perform analytical review, carry out structured interviews with management and other relevant staff and conduct walkthroughs to gain an understanding of the internal controls at the entity level and the financial reporting process.
- Based on this knowledge, we identify and rank the risks of material misstatement, fraud and non-compliance with legislation
- Materiality for the engagement is determined for the financial statements as a whole; for individually significant items, and a threshold for clearly trivial differences is also established.
- The overall audit strategy is then developed and audit procedures defined to achieve an efficient and effective audit approach to mitigate identified risks.

Internal controls

We design and perform tests of internal controls to determine the risk of material misstatement in the financial statements, and add value by identifying opportunities for improvement in processes and controls.

- Informed by the insights gained from our planning, we obtain an understanding of key internal financial controls and perform tests of design and effectiveness for these controls.
- We use the results of control testing to refine our assessment of the risks of material misstatement and design further audit procedures to reduce risk where necessary.
- We apply our significant experience in the design, implementation and audit of internal control environments and activities to identify opportunities for improvement in our clients' internal financial controls

Substantive procedures

Using the latest Artificial Intelligence Assisted Audit Techniques, we analyse every transaction in the financial ledger, supporting identification of high-risk transactions. Informed by insights gained from planning, controls testing and AI analysis, we design and perform tests of account balances and transaction streams.

- We use cutting edge Artificial Intelligence Assisted Audit Techniques to risk-rate 100% of financial transactions in the general ledger, using at least 28 different criteria.
- We perform advanced anomaly detection and trend analysis using next-generation Artificial Intelligence Assisted data analytics layered with machine learning and natural language capabilities.
- The results of our analysis are used to identify specific high risk transactions to be tested, such as suspicious manual journals and payments, and provide insights into the financial health of the entity, performance trends, and other risk factors requiring audit attention.
- We design targeted substantive procedures, including analytical review and tests of detail, to address identified risks.
- The results of substantive testing performed during the audit are evaluated to determine the extent to which risks have been addressed. This enables us to develop a final assessment of the risk of material misstatement.

Completion

This stage consolidates all of the audit work performed during the previous stages to determine the appropriate audit opinion and report results to management and those charged with governance.

- We evaluate the results of audit testing and determine whether adjustments to the financial statements are required.
- We review the final financial statements to provide support regarding the best presentation of these reports.
- Following discussions with management, we prepare a management letter/s providing relevant feedback on the entity's financial operations, performance, internal controls and legislative compliance together with recommendations for improvements.
- Based on our final assessment of the risk of material misstatement, we issue an audit opinion regarding the presentation of the financial statements.

3. SUMMARY AUDIT PLAN

Audit Plan Summary Table – Statement of Comprehensive Income – Income

| Account balance | Key Business cycle | 2021 | 2020 | Key Audit Matter | Audit Approach | Inherent risk |
|---------------------------|--------------------|--------|--------|------------------|--------------------------|---------------|
| Rates and charges | Rates | 40,110 | 38,547 | N/A | Controls and Substantive | High |
| Statutory charges | User Pay Income | 1,489 | 1,180 | N/A | Substantive | Low |
| User charges | User Pay Income | 705 | 704 | N/A | Substantive | Low |
| Grants | Grants | 8,219 | 5,245 | Section 4.4 | Substantive | Moderate |
| Investment Income | Investment Income | 22 | 42 | N/A | Substantive | Low |
| Reimbursements | Other revenue | 235 | 228 | N/A | Substantive | Low |
| Other Income | Other revenue | 637 | 605 | N/A | Substantive | Low |
| Equity Accounted Business | Other revenue | 764 | 73 | N/A | Substantive | Low |
| | | 52,181 | 46.536 | | | |

Audit Plan Summary Table – Statement of Comprehensive Income – Expenses

| Account balance | Key Business cycle | 2021 | 2020 | Key Audit Matter | Audit Approach | Inherent risk |
|---|-----------------------------------|--------|--------|----------------------|--------------------------|---------------|
| Employee costs | Payroll | 18,644 | 17,664 | N/A | Controls and Substantive | High |
| Materials, contracts and other expenses | Purch/Procurement and contracting | 21,101 | 21,608 | N/A | Controls and Substantive | High |
| Depreciation, amortisation and impairment | Fixed assets | 9,451 | 9,207 | Sections 4.1/4.2/4.3 | Controls and Substantive | High |
| Finance costs | Other expenses | 615 | 589 | N/A | Substantive | Low |
| Net loss – equity accounted businesses | Other expenses | 13 | 10 | N/A | Substantive | Low |
| | | 49,824 | 49,078 | | | |

Audit Plan Summary Table – Statement of Comprehensive Income – Other SCI items

| Account balance | Key Business cycle | 2021 | 2020 | Key Audit Matter | Audit Approach | Inherent risk |
|---|--------------------|---------|---------|------------------|--------------------------|---------------|
| Physical Resources Received Free of Charge | Fixed assets | 1,884 | 970 | N/A | Controls and Substantive | High |
| Asset Disposal & Fair Value Adjustments | Fixed assets | (2,405) | (1,757) | N/A | Controls and Substantive | High |
| Amounts Received Specifically for new/up assets | Grants | 1,108 | 556 | Section 4.4 | Substantive | Moderate |
| | | 587 | (231) | | | |

Audit Plan Summary Table – Statement of Financial Position – Assets

| Account balance | Key Business cycle | 2021 | 2020 | Key Audit Matter | Audit Approach | Inherent risk |
|---|--------------------|---------|---------|----------------------|--------------------------|---------------|
| Cash and cash equivalents | Banking | 637 | 518 | N/A | Controls and Substantive | High |
| Trade and other receivables | Debtors | 3,225 | 2,761 | N/A | Controls and Substantive | Moderate |
| Inventories | Inventories | 23 | 18 | N/A | Substantive | Low |
| Equity accounted investments | Other assets | 2,342 | 1,491 | N/A | Substantive | Low |
| Infrastructure, property, plant & equipment | Fixed assets | 433,592 | 422,745 | Sections 4.1/4.2/4.3 | Controls and Substantive | High |
| | | 439,819 | 427,533 | | | |

Audit Plan Summary Table – Statement of Financial Position – Liabilities

| Account balance | Key Business cycle | 2021 | 2020 | Key Audit Matter | Audit Approach | Inherent risk |
|--------------------------|--------------------|--------|--------|------------------|--------------------------|---------------|
| Trade and other payables | Accounts Payable | 7,734 | 5,254 | N/A | Controls and Substantive | High |
| Borrowings current | Borrowings | 5,523 | 7,285 | N/A | Substantive | Low |
| Provisions current | Provisions | 3,963 | 3,588 | N/A | Substantive | Moderate |
| Borrowings non-current | Borrowings | 5,425 | 5,446 | N/A | Substantive | Low |
| Provisions non-current | Provisions | 1,527 | 1,528 | N/A | Substantive | Moderate |
| | | 24,172 | 23,101 | | | |

Audit Plan Summary Table – Statement of Financial Position – Equity

| Account balance | Key Business cycle | 2021 | 2020 | Key Audit Matter | Audit Approach | Inherent risk |
|----------------------------|-----------------------|---------|---------|----------------------|--------------------------|---------------|
| Accumulated surplus | Other business cycles | 142,182 | 138,645 | N/A | Substantive | Low |
| Asset revaluation reserves | Fixed assets | 273,017 | 265,206 | Sections 4.1/4.2/4.3 | Controls and Substantive | High |
| Other reserves | Other business cycles | 448 | 581 | N/A | Substantive | Low |
| | | 415,647 | 404,432 | | | |

4. KEY AUDIT MATTERS

Key audit matters are those matters that, in the auditor's professional judgement, ARE of most significance in the audit of the financial report. We address these matters in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

4.1 Valuation of Infrastructure assets

| Why the matter is significant | Overall audit response |
|--|--|
| Infrastructure assets are valued at fair value. The | Our audit includes but is not limited to the following |
| fair values of these assets were based on | activities: |
| depreciated current replacement costs which is | reconciling closing balances to the asset register/s |
| comprised by the gross replacement cost less | reconciling the movements in note 7 to the asset |
| accumulated depreciation. | register/s |
| Council values the gross replacement cost using the estimated average cost (unit cost) at which it could construct a substitute asset of comparable quality in the normal course of business. There is inherent subjectivity involved in making judgments in relation to assumptions used to estimate unit rates which also involved determining the: components of assets that are replaced at different times in the asset lifecycle costs required to replace these components using current prices for materials, labour, and plant costs indices for measuring subsequent changes in unit rates. The useful lives of assets and the measurement of accumulated depreciation are determined by | register/s reviewing the basis for valuation used by external valuers assessing the competence of external valuers (experts) in accordance with Australian Auditing Standards reviewing the fair value hierarchy disclosed in note 7 for each category of asset reconciling the useful lives used to calculate the accumulated depreciation and the depreciation for the period to revaluation reports reviewing useful lives for different components in comparison to other local government entities and industry standards performing a recalculation of depreciation reviewing the methodology used by Council to perform componentisation of infrastructure assets and comparing the methodology used to Council's actual asset management practices and to other |
| external valuers and management. Estimated useful lives are a significant unobservable input which materially impacts asset valuations. The appropriate useful life depends on many different factors that vary between councils, including asset management strategies adopted, target service levels, maintenance strategies applied, traffic volumes, soil conditions, levels of flooding, construction materials used, etc. Significant judgement is used to determine the different useful lives for different components of assets and to calculate the accumulated depreciation since original construction using these estimated useful lives. | local government entities reconciling the unit rates used for different components of infrastructure assets to the unit rates provided in revaluation reports / other supporting documents (e.g. actual contract rates) reviewing the unit rates in comparison to other local government entities assessing the adequacy of disclosures in the financial report. |
| The significant professional judgments used to estimate the gross replacement cost and the accumulated depreciation directly influence the calculation of annual depreciation expense. | |

4.2 Valuation of Land and Buildings

| Why the matter is significant | Overall audit response |
|---|---|
| Land and buildings are valued at fair value. The basis of valuation to be used for these assets depends on a number of factors such as the nature of the asset, purpose of their use, the highest and best use of the asset, and potential restrictions to the disposal of these assets among other factors. Valuation of land depends on whether the land is classified as Crown land or community land. Community land and Crown land are valued using unobservable (level 3) inputs as the allowance for the restriction on sale (requiring Ministerial consent) is an unobservable input, and is likely to have a significant effect on valuation. Land, where Council has an unfettered right to sell, is typically valued at current market value based on their highest and best use. Level 2 inputs are primarily used for unrestricted land during the valuation process. Valuation of buildings depends on the nature of these assets. Some Council buildings have no active market due to the specialised nature of the assets and the services they provide. For such buildings, fair value is usually determined on the basis of replacement with a new building having similar service potential. Valuation techniques used to measure fair value of these buildings include significant unobservable inputs (level 3). For buildings that have an active market, valuation is assessed on market value principles which is deemed to be their fair value based on level 2 inputs. The most significant input into this valuation approach is sales transactions of comparable properties within the local area, adjusted for any pertinent differences. The significant professional judgments used to estimate the value of buildings directly influence the calculation of annual depreciation expense of these assets. | Our audit includes but is not limited to the following activities: reconciling closing balances to the asset register/s reconciling the movements in note 7 to the asset register/s reviewing the basis for valuation used by external valuers assessing the competence of external valuers (experts) in accordance with Australian Auditing Standards analysing the nature of the land and building assets to conclude whether the fair value hierarchy provided in note 7 for each category of asset was reasonable reconciling the useful lives used to calculate accumulated depreciation and depreciation expense for the period to the revaluation reports reviewing useful lives for different components in comparison to other local government entities performing a recalculation of depreciation; and assessing the adequacy of disclosures in the financial report. |

4.3 Accounting treatment of capitalisation of assets

| Why the matter is significant | Overall audit response |
|--|---|
| Councils are asset intensive and highly dependent on large portfolios of assets to deliver services to the community. Hence, there is a high volume of transactions and significant amounts involved in relation to capitalisation of assets. Due to the unique characteristics of Council's assets a number of considerations are taken into account when an expenditure is capitalised which include: whether Council is incurring capital expenditure on physical resources that are controlled by Council. Control is the most difficult of the characteristics of an asset to be defined, including considerations beyond legal ownership Inclusions and exclusions of costs at initial recognition of an asset in accordance with AASB 116, including treatment of internal salaries and wages Treatment of costs involved in dismantling and removing the asset and/or restoring the site under AASB 137 Borrowing costs to be capitalised into the cost of IPPE where the asset is a "qualifying asset" per AASB 123, and accounting for subsequent costs as being capital or maintenance expenditure. | Our audit includes but is not limited to the following activities: performing analytical procedures to define whether the amounts capitalised for the FY were in accordance with our expectation and our understanding of the entity; reviewing internal policies and controls in place for capitalisation of assets; selecting a sample of additions and performing an assessment of the nature of the addition to conclude whether it has been recognised in accordance with Australian Accounting Standards; reviewing the Work In Progress (WIP) schedule and selecting a sample of transfers out to ensure that the asset was appropriately valued and capitalised in the right account; and reviewing the WIP schedule in order to identify projects that should have been capitalised but were not. |

4.4 Revenue Recognition

| Why the matter is significant | How the matter will be addressed |
|---|--|
| AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities provide the freamework for determining the timing of revenue recognition for councils. | Our audit includes but is not limited to the following activities: • performing analytical procedures to identify any variance that would represent a risk or incorrect application of AASB 15 and/or AASB 1058 |
| Income from capital and other specific purpose grants may require recognition over time as performance obligations are met (where these obligations are sufficiently specific and arise from enforceable contracts), and a liability recognised for unspent monies. Analysis of funding agreements and some level of professional judgement is required in making such determinations. | reviewing a sample of grant agreements and assessing whether agreements contain sufficiently specific performance obligations evaluating the accounting policies used by Council to account for grants in accordance with AASB 15 and AAB 1058 testing a sample of financial transactions for compliance with Australian Accounting Standards. |

5. KEY BUSINESS CYCLES – CONTROLS APPROACH

5.1. High risk areas where audit will place reliance on controls

The Galpins audit methodology requires a controls approach for account balances and business cycles with inherent risks assessed as high. The account balances and business cycles listed below are considered high risk areas due to the materiality of the account balances, the high volume of transactions involved and other reasons outlined below:

| Key Business Cycles | Account balance | Why the risk is High |
|--|---|--|
| Purchasing and Procurement / Contracting | Materials, Contracts & Other expenses | One of the largest expense items high volume of transactions / data – subject to error fraud risk area (procurement, payments and credit cards) |
| | | procurement and contracting are key focus areas for ICAC and the Auditor-General's Department. |
| Fixed Assets | IPPE, Depreciation expense, Asset Disposals and FV adjustments, Asset Revaluation Reserves Physical Resources Received Free of Charge | Involves three Key Audit Matters that require high degree of professional judgement (refer to section 4 – Key Audit Matters). councils are asset intensive and highly dependent on multiple assets to deliver services to the community. largest account balance in the Statement of Financial Position high volume of transactions / data – subject to error fraud risk area (capitalisation of assets / depreciation). |
| Accounts Payables | Trade and other payables | One of the largest liabilities opportunity for understatements if there is a poor use of accrual basis of accounting it can be indicative of poor culture payments represent an opportunity for fraud. |
| Rates / Rates Rebates | Rates and charges | One of the largest revenue items often used as a reference point for analysing expenditure decisions politically sensitive – reputational risk involved if rates are raised incorrectly. |
| Payroll | Employee costs | One of the largest expense items high volume of transactions / data – subject to error. errors impact individuals financially. |
| Credit Cards | Materials, Contracts & Other expenses | Amounts are not material, however the use of public money is politically sensitive (qualitative factors). fraud risk area. The nature of the amount rather than the significance of the amount may cause public opinion concerns. |
| Banking | Cash and cash equivalents | Material balance fraud risk any instances of errors and/or fraud it can be indicative of broader errors poor attitude to cash controls may be indicative of overall culture related to the entity's controls environment public money. |

5.2. Medium risk areas where audit will place reliance on controls

The Galpins audit methodology provides that auditors can adopt either controls or substantive approach for areas with inherent risks assessed as moderate. We have outlined below the medium risk areas where audit intend to place some reliance on controls.

| Key Business Cycles | Account balance | Reasons for controls approach |
|---------------------|-----------------------------|---|
| General ledger | All accounts | Values from all business cycles are captured in the GL, and therefore any concerns over GL controls are pervasive across all financial statement balances good controls to ensure completeness and accuracy of the GL are essential to ensure the fair presentation of the financial report. |
| Debtors | Trade and other receivables | Material balance valuation assertion can only be fully addressed by performing a review of the internal controls related to debt collection, review of debtors ageing profile and reconciliation process in place to reconcile the GL to the subsidiary ledgers. |
| Receipting | Trade and other receivables | Material balance Completeness and Existence assertions can only be fully addressed by reviewing receipting processes to ensure that receipts are accurately recorded. |

5.3. Medium risk areas where audit will not place reliance on controls

Below, the medium risk areas where audit understands that key assertions at risk can be addressed through substantive procedures (i.e. no reliance on controls).

| Key Business Cycles | Account balance | Reasons for substantive approach |
|---------------------|---|---|
| Employee Provisions | Provisions | Key assertion at risk (valuation) can be addressed through substantive procedures (e.g. analytical procedures, recalculation and analysis of inflation and discount rates used). controls related to hourly rates, leave approvals, existence of the employees included in the payroll reports, maintenance of employees' data master file, collection of payroll data that impact on the calculation of the provisions are covered in the payroll business cycle. |
| Grants | Grants / Amounts Received Specifically for new upgraded assets. | This business cycle involves a low volume of transactions key assertions at risk (accuracy and cutoff) can be addressed by performing substantive procedures (e.g. analytical procedures, reviewing grant agreements, inspecting receipts, analysis of classification of the grant and review of the clauses of the agreement to determine the appropriate revenue recognition criteria). |

6. CONTROLS OPINION

6.1. Financial Internal Controls Selected for Audit

In forming a controls opinion the auditor must assess the internal controls of the council based on criteria provided in the *Better Practice Model* – *Internal Financial Controls* (section 19(1)(3) of the *Local Government (Financial Management) Regulations 2011*).

The Better Practice Model – Internal Financial Controls (BPM) provides a number of internal financial controls within different business cycles that address a variety of inherent risks. A risk based approach is used to determine the key business cycles, and key risks within these business cycles, that we have determined as critical for the purpose of issuing a controls opinion.

| Business cycles | Account Balance | BPM controls | Inherent Risk |
|---|---|--------------|------------------|
| Purchasing and Procurement / Contracting | Materials / Contracts / Other Expenses | 10 | High |
| Fixed Assets | IPPE, Depreciation expense, Asset Disposals and FV adjustments, Revaluation Reserves | 16 | High |
| Accounts Payables | Accounts Payables | 13 | High |
| Rates / Rates Rebates | Rates charges | 10 | High |
| Payroll | Employee Costs | 19 | High |
| Credit cards | Materials / Contracts / Other Expenses | 5 | High |
| Banking | Cash and cash equivalents | 5 | High |
| General Ledger | All accounts | 11 | Moderate |
| Debtors | Debtors | 6 | Moderate |
| Receipting | Debtors / Rates and charges / Statutory charges / User charges / Other income | 5 | Moderate |
| Total number of contro | ls | 100 | |

The key core controls for the following key business cycles have been identified as critical for the purpose of issuing a controls opinion this financial year:

The audit of internal controls of a council referred in section 129 must be carried out in accordance with the Australian Standards on Assurance published by the Auditing and Assurance Standards Board, specifically ASAE 3000 – *Standard on Assurance Engagements* and ASAE 3150 – *Assurance Engagement on Controls*.

During our interim audit we perform tests of design and effectiveness of the internal financial controls selected. Based on the results of the control testing, we form our controls opinion. The overall assessment of the risk of non-compliance with s125 of *the Local Government Act 1999* (refer to section *1. Audit Scope*) and the related findings are rated as follows:

| Category | Description |
|-------------------------|--|
| High Risk Weaknesses | The issue described could lead to a material weakness in the Council's internal controls and non-compliance with s125 of the Local Government Act. |
| Moderate Weaknesses | The issue described does not represent a material weakness due to the existence of compensating controls. However, the failure of the compensating controls or the existence of any other moderate weakness within the same business cycle may lead to a material weakness in the Council's internal controls and non-compliance with s125 of the Local Government Act. |
| Low Risk Weaknesses | The issue described is a low risk weakness due to the existence of compensating controls and/or the failure or absence of the internal controls does not impact significantly on the Council's financial risk. However, multiple low-level risk weakness within the same business cycle may lead to a material weakness in the Council's internal controls and non-compliance with s125 of the Local Government Act. |

A prioritised list of controls from the Better Practice Model is provided in Appendix 1. After completing our tests of effectiveness of internal controls we perform a control risk assessment for each account balance. The control risks are combined with our initial inherent risk assessment performed during our audit planning stage for determining the risk of material misstatements for each account balance (see section 7 of this plan for more details).

6.2. IT Entity Level Controls

In addition to consideration of Better Practice Model controls, our 2021/22 financial year audit will include a review of the following IT controls (in so far as they relate to financial risk):

| IT Areas | Topics covered |
|--------------------------|---|
| IT Entity Level Controls | IT Governance IT Strategic Planning Adequate financial resources Adequate IT Personnel resources IT Risk Management |
| Change Management | Process for changes to software / programs Process for changes to IT Infrastructure |
| Information Security | Physical access to the Data Centre including locks including alarms, fire protection, air conditioning Logical access to the network Remote access to the network Logical access to the financial system |
| Backup and recovery | - Backup process - IT Disaster Recovery Plan - Business Continuity Plan |
| Third Party IT Providers | - Understanding outsourced IT services - Access of Third Parties to the network - Business Continuity Plan |

7. RISK OF MATERIAL MISSTATEMENTS

Risk of material misstatement consists of the following components:

| Risks | Definition | |
|----------------|---|--|
| Inherent risks | How susceptible to fraud or error the financial statements assertions are given the nature of the entity, considering external factors such as competency of staff, availability of information, prior period misstatements, accounting systems, level of supervision, etc before consideration of any related controls. The inherent risk assessment is performed during the planning stage when obtaining understanding of the entity's business. | |
| Controls risks | Risk of a misstatement due to error or fraud that could occur and not be prevented or detected by Council's internal controls. The assessment of internal controls risks is performed during the internal controls stage after performing test of internal controls. | |

The risk of material misstatement will be based on the combination of inherent and controls risks as demonstrated in the table below:

| | | Inherent Risks | | |
|-----------------|--------|----------------|--------|-----|
| | | HIGH | MEDIUM | LOW |
| ols S | HIGH | Н | Н | M |
| Contro Risks | MEDIUM | Н | М | L |
| | LOW | М | L | L |

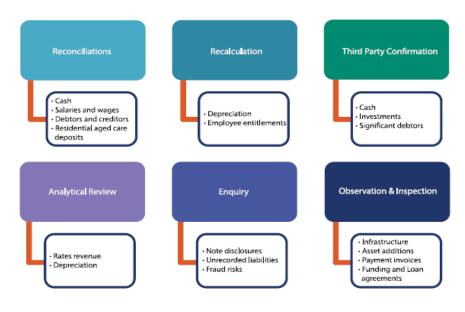
The risk of material misstatement will determine the nature and extent of our audit procedures and sample sizes to be utilised. Once we assess the risk of material misstatements (RoMM) we will design our substantive audit procedures to address identified risks. The table below summarises the impact of risk of material misstatements on our audit strategy:

| Inherent | Controls | RoMM | Impact on audit strategy | |
|----------|----------|--------|---|--|
| Risk | Risk | | | |
| Low | Low | Low | High reliance on controls/minimum level of substantive tests | |
| | Medium | Low | Medium reliance on controls / low level of substantive tests | |
| | High | Medium | No reliance on controls / medium level of substantive tests | |
| Medium | Low | Low | High reliance on controls / low level of substantive tests | |
| | Medium | Medium | Med. reliance on controls/medium level of substantive tests | |
| | High | High | No reliance on controls / high level of substantive tests | |
| High | Low | Medium | High reliance on controls / medium level of substantive tests | |
| | Medium | High | No reliance on controls / high level of substantive tests | |
| | High | High | No reliance on controls / high level of substantive tests | |

8. SUBSTANTIVE PROCEDURES

From our risk analysis (please refer to section 6 of this plan), we are able to design and refine appropriate substantive procedures, including analytical review and test of details, to address identified risks of material misstatements of financial statements.

Testing methods to be applied to account balances and transactions include:



Please refer to the audit timetable indicating the dates for our final visit to perform our final substantive procedures (please refer to section 10 of this plan).

Audit will request authorisation from Council to request an independent confirmation from banks of information such as Council's account balances, securities, treasury management instruments, documents and other related information held by banks on behalf of Council.

We will also require Council to request its lawyers to send a 'Legal Representation Letter' to us, identifying any matters with potential financial reporting implications (a template of the letter will be provided by the auditors).

9. AUDIT COMPLETION

This stage consolidates all the audit work performed during the previous stages. We perform a final risk of material misstatements assessment and conclude whether procedures performed were sufficient to reduce the audit risk to an acceptable level. We evaluate the results of audit testing and determine whether adjustments to the financial statements are required. We also review the final financial statements to promote the best presentation of these reports.

An audit completion report will be provided to the audit committee members containing:

- Our audit clearance
- Final Management Letter
- Final report listing key matters addressed during the audit
- Draft financial statement auditor's report and controls opinion, and
- List of immaterial uncorrected misstatements (IUMs)

10. AUDIT TIMETABLE

The following is an indicative timetable for the audit. Actual audit dates will be negotiated with the Council to ensure that dates are convenient.

| Audit A | Activities | Indication of Dates |
|---------|---|---------------------|
| 1. | Initial Meetings with Finance Management and Key Staff | Late February |
| | Members | |
| 2. | Detailed Audit Plan / Audit Program Development | 10 February |
| 3. | Presentation of the plan to the audit committee members | 14 February |
| 4. | Interim Site Visit (Internal controls review) | 2, 3, 4 May |
| 5. | Interim Management Letter | Late May |
| 6. | Final Audit Visit | TBA |
| 7. | Audit Completion Report (with audit clearance) | TBA |
| 8. | Final auditor's reports | TBA |



11. CONTACT DETAILS



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Registered Company Auditor, MIIA (Aust), Registered SMSF Auditor Partner

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APPENDIX 1 – CRITICAL INTERNAL FINANCIAL CONTROLS



Risks

R1 R2

D0

Purchasing and Procurement Council does not obtain value for money in its purchasing and procurement. Purchases of goods and services are made from non-preferred suppliers.

| R3 R4 | Purchase orders are either recorded inaccurately or not recorded at all. Purchase orders are made for unapproved goods and services. | |
|----------|--|--------------|
| RISKS | Control | Control Type |
| R1 | Council has a Procurement Policy that provides direction on acceptable methods and the process for procurement activities to ensure transparency and value for money within a consistent framework, with consideration of any potential conflicts of interest. | Core |
| R1,R2 | Employees must ensure all purchases are in accordance with Council's Procurement Policy and approved in accordance with the Delegations of Authority and other relevant policies. | Core |
| R1 | The organisation has a process in place to ensure use of preferred suppliers where relevant to maximise the best value for money to Council | Core |
| R2,R3 | There is a process in place to review purchasing patterns and ensure maximum use of preferred suppliers | Additional |
| R3 | Purchase order numbers are either system generated and/or sequentially numbered. | Core |
| R3 | There is a process in place to ensure all invoices for payment are matched to relevant source documents such as purchase orders where applicable and are in line with Procurement Policy guidelines. | Core |
| R3 | There is a process in place to follow up and action incomplete purchase orders. | Additional |

CONTRACTING

| Risks R1 R2 | Council is not able to demonstrate that all probity issues have been addressed in the Contracting process. Council does not obtain value for money in relation to its Contracting. | |
|-------------------|--|--------------|
| | · · · · · | |
| RISKS | Control | Control Type |
| R1,R2 | There are robust and transparent evaluation and selection processes in place to engage contractors where relevant in accordance with the Code of Conduct, Conflict of Interest and Procurement Policy. | Core |
| R1 | The selection panel is made up of appropriate personnel who have declared any relevant conflict of interest to ensure that informed and objective decision is made when selecting contractors. | Core |
| R1 | Council maintains a current contract register. | Core |

Adelaide Hills Council



FIXED ASSETS

Risks Fixed asset acquisitions, disposals and write-offs are fictitious, inaccurately recorded or not recorded at all. Fixed Asset Register R1 (FAR) does not remain pertinent. If fixed assets are not securely stored, they may be subject to damage or theft. R2 If fixed assets are not valued correctly, the management reports and financial statements will be misstated. For example, R3 incorrect carrying values may result from the use of inappropriate depreciation rates. Depreciation charges are either invalid, not recorded at all or are inaccurately recorded which includes inappropriate useful lives R4 and residuals. Fixed Asset maintenance and/or renewals are inadequately planned. R5 RISKS Control **Control Type** R1 There is a process in place for the verification of fixed assets which is reconciled to the FAR. Core Recorded changes to the FAR and/or masterfile are approved by appropriate staff compared to authorised source **R1** Core documents and General Ledger to ensure accurate input. All fixed asset acquisitions and disposals are approved in accordance with Delegation of Authority and relevant R1 Core Procurement and Fixed Asset Policies. R1 Maintenance of the fixed asset register is limited to appropriate staff with consideration to segregation of duties. Core Council has an asset accounting policy which details thresholds for recognition of fixed assets which is monitored R1 Core to ensure adherence. Reconciliation of fixed assets to the General Ledger is performed in accordance with schedule of review or R1 Core procedure. R1 Asset register calculations are reviewed for accuracy. Core Fixed assets are recorded on acquisition, creation or when provided free of charge to facilitate accurate R1 Core identification of assets and recording of details with regards to the Asset Accounting Policy. R1 Asset maintenance is planned and monitored with relevant staff in accordance with the Asset Management Plans Additional R2 Core Where appropriate, fixed assets are secured and access is restricted to appropriate staff and authorised users.

| RISKS | Control | Control Type |
|-------|---|--------------|
| R2 | Where appropriate, identification details are recorded for portable and attractive assets such as IT and fleet assets, on acquisition to facilitate accurate identification. | Additional |
| R3 | Relevant staff review useful lives, residuals, valuations, depreciation methodology and test for impairment as required by Accounting Standards and legislation to ensure that methods used are still appropriate and significant changes are incorporated into Asset Management Plans. | Core |
| R3 | Profit or loss on disposal calculations can be substantiated and verified with supporting documentation. | Core |
| R4 | Depreciation charges are calculated in accordance with the asset accounting policy and compliant with relevant accounting standards, including the useful life, depreciation method and residual values. | Core |
| R5 | Asset Management Plans are prepared and renewal expenditure and programmed maintenance required is reviewed periodically to reflect changing priorities, additional asset data and other relevant factors. | Core |
| R5 | Asset Management Plans for all major asset classes are adopted and reviewed by Council as required by the Local Government Act 1999. | Core |

GENERAL LEDGER

| Risks | |
|-------|--|
| R1 | General Ledger does not contain accurate financial information |
| R2 | Data contained within the General Ledger is permanently lost. |

| RISKS | Control | Control Type |
|-------|---|--------------|
| R1,R2 | All major updates and changes to General Ledger finance system are authorised, tested and documented. | Core |
| R1,R2 | Access to General Ledger maintenance is restricted to appropriately authorised personnel. | Core |
| R1 | Reconciliation of all balance sheet accounts are completed in accordance with a schedule of review and/or procedure. | Core |
| R1 | All balance sheet reconciliations are reviewed by a person other than the preparer at least annually. | Core |
| R1 | Journal entry access is restricted to appropriately authorised personnel. | Core |
| R1,R2 | Financial data is backed up and stored offsite. | Core |
| R1 | Finance system does not allow posting of unbalanced journals or if it does regular reviews are conducted on the suspense account and discrepancies investigated and actioned. | Core |
| R1 | Amendments to the structure of the General Ledger framework and accounts are reviewed and approved by appropriately authorised personnel. | Core |
| R1,R2 | General Ledger policies and procedures are appropriately created, updated and communicated to relevant staff. | Core |
| R2 | Formal disaster recovery plan is in place and communicated to relevant staff. | Core |
| R1 | There is a process in place to review actual vs budget and significant variances investigated. | Core |



ACCOUNTS PAYABLE

| Risks | |
|-------|---|
| R1 | Accounts payable amounts and disbursements are either inaccurately recorded or not recorded at all. |
| R2 | Credit notes and other adjustments to accounts payable are either inaccurately recorded or not recorded at all. |
| R3 | Disbursements are not authorised properly. |
| R4 | Accounts are not paid on a timely basis. |
| R5 | Supplier master file data does not remain pertinent and/or unauthorised changes are made to the supplier master file. |

| RISKS | Control | Control Type |
|----------|---|--------------|
| R1,R2,R4 | Statements received from suppliers are reconciled to the supplier accounts in the accounts payable subledger regularly and differences are investigated. | Additional |
| R3 | Records must be maintained of all payments with supporting documentation. | Core |
| R1 | Payments are endorsed by relevant staff separate to the preparer, who ensures that they are paid to the correct payee. | Core |
| R5 | Access to the supplier masterfile is restricted to authorised staff | Core |
| R2,R5 | Separation of Accounts Payable and Procurement duties. | Core |
| R3 | All invoices and payment requests are approved in accordance with relevant policies and/or Delegations of Authority. | Core |
| R1 | Predetermined variances between Purchase Orders and Invoices are assessed and payment released only after verification by the officer with delegation to do so. | Additional |
| R1 | Payments are verified to appropriate supporting documentation and are in line with Delegations of Authority. | Core |
| R4 | Relevant staff to review aged payables listing on a predetermined basis and investigate where appropriate. | Core |
| R5 | Recorded changes to the supplier master file are compared to authorised source documents to ensure that they were input accurately. | Core |

| RISKS | Control | Control Type |
|-------|---|--------------|
| R5 | Requested changes or additions to supplier masterfile are verified independently of source documentation. | Additional |
| R4 | There is a system generated report detailing supplier invoices due for payment at any one time. | Core |
| R5 | There is a process in place to ensure the supplier master file is periodically reviewed for ongoing pertinence. | Additonal |



RATES / RATES REBATES

| Risks | |
|-------|---|
| R1 | Council does not raise the correct level of rate income. |
| R2 | Rates and rate rebates are either inaccurately recorded or not recorded at all. |
| R3 | The Property master file data does not remain pertinent. |
| R4 | Rates are not collected on a timely basis. |
| | |

| RISKS | Control | Control Type |
|-------|---|--------------|
| R1,R2 | Rates are automatically generated by the rate system, including the calculation of rate rebates and other parameters as applicable. | Core |
| R2 | Rates are generated and tested for accuracy of calculation methodology prior to the rates billing run | Core |
| R1 | All software changes to rate modelling functionality fully tested and reviewed by relevant staff. | Core |
| R1 | There is a rating policy in place that is reviewed annually that provides clear guidance on rating methodology and relevant rebates and remissions in line with legislation. | Core |
| R2 | Annual valuation update is balanced prior to the generation of rates; all mismatches resolved prior to finalising rate generation. | Core |
| R2 | All rate rebates and adjustments including write offs are appropriately authorised, with reference to Delegations of Authority and source documents. | Core |
| R4 | There is a process in place to ensure that rates are collected in a timely manner and overdue rates are followed up. | Core |
| R3 | Recorded changes to property master file data and any rate adjustments are compared to authorised source documents to ensure that they were input accurately. An audit trail is maintained for all changes. | Core |
| R3 | Access to the Property master file is restricted to appropriately designated personnel, with a process in place to ensure changes are in line with policies and procedures. | Core |
| R2 | Employees responsible for processing rate payments and rebates cannot process their own payments or rebates unless the transaction is approved by someone independent of the process | Core |

Adelaide Hills Council



PAYROLL

| Risks | | |
|----------------------------------|--|--------------|
| R1 R2 R3 R4 R5 R6 | Payroll expense is inaccurately calculated. Payroll disbursements are made to incorrect or fictitious employees. Time and/or attendance data is either invalid, inaccurately recorded or not recorded at all. Payroll master file does not remain pertinent and/or unauthorised changes are made to the payroll mast Voluntary and statutory payroll deductions are inaccurately processed or without authorisation. Employees termination payments are not in accordance with statutory and enterprise agreements. | ter file. |
| RISKS | Control | Control Type |
| R1 | Where possible standard programmed formulae perform payroll calculations. | Core |
| R1, R3 | There is a process to ensure all overtime is verified and approved by relevant appropriate staff. | Core |
| R1 | All calculations for generating payroll payments are verified for accuracy. | Core |
| R4,R5 | Managers periodically review listings of current employees within their departments and variances are investigated. | Additional |
| R1 | Payroll is periodically reconciled to the General Ledger accounts. | Additional |
| R2 | The payment for the payroll must be reconciled to a system generated report detailing amount and employee prior to payment. | Core |
| R2 | There is a process to ensure an independent review of proposed payroll payments by authorised staff. | Additional |
| R2 | The payment of the payroll is authorised by appropriate staff not involved in the preparation of the payroll. | Core |
| R2 | Employee records to include employment details and/or contract terms and conditions, authorisations for payroll deductions and leave entitlements. | Core |
| R2 | There is a process to ensure employees are made inactive in payroll records upon termination | Core |

| RISKS | Control | Control Type |
|-------|---|--------------|
| R5 | All payroll deductions must be approved by the relevant employee. | Core |
| R3 | Relevant staff are required to complete timesheets and/or leave forms, authorise them and have approved by the relevant supervisor. | Core |
| R2 | There is a segregation of duties from those preparing the payroll to those responsible for preparation of source documents (e.g. timesheets, leave requests etc). | Core |
| R2 | Payroll system generates audit reports detailing all payroll changes and there is a process in place to ensure all changes are reviewed and verified against source documents. | Core |
| R2 | There is a process in place to ensure employees are not added to the payroll masterfile, nor details amended or amounts paid without receipt of the appropriate forms which have been authorised by relevant staff. | Core |
| R5 | Access to the payroll deduction listing is restricted to authorised staff. | Core |
| R6 | There is a process in place to ensure termination payments comply with relevant policies, procedures and legislation. | Core |
| R3 | Time recording and attendance exceptions such as TOIL or flexitime are based on relevant policies/agreement are identified, monitored and corrected. | Core |
| R4 | The ability to access, modify or transfer information contained in the payroll master files is restricted to authorised staff. | Core |

Adelaide Hills Council



CREDIT CARDS

| Risks | | |
|-------|---|--------------|
| R1 | Credit Cards are issued to unauthorised employees. | |
| R2 | Credit Cards are used for purchases of a personal nature. | |
| R3 | Credit Card limits are set at inappropriate levels. | |
| | | |
| RISKS | Control | Control Type |
| R1,R3 | There is a process in place to ensure there are appropriate approvals prior to the issuing of Credit Cards and limits. | |
| R1,R2 | Credit card holders sign a declaration confirming compliance with Council policy and procedures prior to the Credit Card being released. | |
| R2 | There is a process in place to approve all credit card transactions to ensure compliance with the policies and procedures covering credit card usage. | |
| R2 | Cardholders must check their statement to ensure all transactions are correct and identify any transactions of a personal nature which must be reimbursed to Council. | |
| R3 | There is a process in place to ensure credit card limits and usage is reviewed for operational efficiency. | |

| | BANKING | |
|-------|---|--------------|
| Risks | | |
| R1 | Banking transactions are either inaccurately recorded or not recorded at all. | |
| R2 | Fraud (i.e. misappropriation of funds) | |
| | | |
| RISKS | Control | Control Type |
| R1,R2 | There is a process in place to ensure all cash, blank cheques and/or cheque signing machine are adequately safeguarded. | Core |
| R1 | Access to EFT Banking system is restricted to appropriately designated personnel. | Core |
| R1,R2 | Bank reconciliations are performed on a predetermined basis and are reviewed by an appropriate person. Any identified discrepancies are investigated. | Core |
| R2 | Cash transfers between bank accounts and investment bodies are undertaken by appropriate staff. | Core |

R2 There is a process in place to ensure all cash collected is adequately recorded and banked regularly. Core



DEBTORS

| Risks | |
|-------|---|
| R1 | Debtors are either inaccurately recorded or not recorded at all. |
| R2 | Rebates and credit notes to debtors are either inaccurately recorded or not recorded at all |
| R3 | An appropriate provision for doubtful debts is not recorded |
| R4 | Debtors are either not collected on a timely basis or not collected at all |
| R5 | The Debtors master file data does not remain pertinent. |
| - | |

| RISKS | Control | Control Type | CSA Importance Weighting |
|------------|---|--------------|--------------------------|
| R1, R4 | Debtor's reconciliation performed on a regular basis to the General Ledger and reviewed by an independent person. | Core | 4 |
| R1 | Council maintains a Debt Collection Policy. | Core | 5 |
| R2, R3, R4 | Management and/or Council review and approve all rebates, credit notes, bad debt write-offs and movements in the provision for doubtful debts, in accordance with delegations of authority and Local Government Act. | Core | 5 |
| R3, R4 | Management reviews debtors ageing profile on a regular basis and investigates any outstanding items. | Core | 4 |
| R5 | Access to the debtor's master file is restricted to appropriately designated personnel and is reviewed by management for accuracy and on-going pertinence. | Core | 5 |
| R5 | Recorded changes to debtor's master file data are compared to authorised source documents or confirmed with customers/ratepayers to ensure that they were input accurately. | Core | 4 |

| EC | | | TIN | |
|--------|----|------------|-----|--|
| EC | EI | P 1 | | |
| | | | | |

| Risks | |
|-------|---|
| R1 | Receipts are either inaccurately recorded or not recorded at all. |
| R2 | Receipts are not deposited at the bank on a timely basis. |

| RISKS | Control | Control Type |
|-------|--|--------------|
| R2 | Prior to and during the banking process, cash is stored securely at all times. | Core |
| R1 | Customers are provided with a system generated or pre-numbered (manual) sequential tax compliant receipt detailing payment made. | Core |
| R1 | There is a review process for the authorisation of the reversal of transactions. | Additional |
| R1 | Receipt transactions are reconciled to the daily takings and out-of-balance banking is corrected promptly. | Core |
| R2 | Receipts are deposited regularly at the bank by a person independent from the initial recording of the cash receipts. | Additional |

Appendix 2

Audit Engagement Letter – Galpins

Galpins

Accountants, Auditors & Business Consultants

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13 February 2019

Mr Andrew Aitken CEO Adelaide Hills Council PO Box 44 Woodside SA 5244

Dear Andrew,

AUDIT ENGAGEMENT LETTER

Scope

You have requested that we audit the financial report of Adelaide Hills Council (the Council) which comprises the balance sheet as at 30 June 2019, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and notes comprising a summary of significant accounting policies and other explanatory information, and Council certificate. You have also requested that we provide an audit of the compliance of the Council with the requirements of Section 125 of the *Local Government Act 1999* in relation only to the Internal Controls established by the Council to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities for the period 1 July 2018 to 30 June 2019 have been conducted properly and in accordance with law. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter. Our audit will be conducted with the objective of expressing an opinion on the financial report and financial controls in place.

The responsibilities of the auditor

We will conduct our audit of the financial report of the Council in accordance with Australian Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial report.

We will conduct our audit of the compliance of the Council with the requirements of Section 125 of the Local Government Act 1999 in accordance with applicable Australian Standards on Assurance Engagements ASAE 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information and ASAE 3150 Assurance Engagements on Controls, issued by the Australian Auditing and Assurance Standards Board, in order to state whether, in all material respects, the Council has complied with Section 125 of the Local Government Act 1999 in relation only to the Internal Controls specified above for the period 1 July 2018 to 30 June 2019. ASAE 3000 also requires us to comply with the relevant ethical requirements of the Australian professional accounting bodies.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with Australian Auditing Standards

In making our risk assessments, we consider internal control relevant to the Council's preparation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. However, we will communicate to you in writing concerning any significant deficiencies in internal control relevant to the audit of the financial report that we have identified during the audit.

The responsibilities of the Council and management

Our audit will be conducted on the basis that the Council and management acknowledge and understand that they have responsibility:

- (a) for the preparation of the financial report that presents fairly in accordance with the *Local Government Act* 1999, *Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards;
- (b) for such internal control as the Council and management determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error;
- (c) for the identification of risks that threaten compliance with section 125 of the Local Government Act 1999;
- (d) for design of the system, comprising controls which will mitigate those risks so that those risks will not prevent achievement of compliance with section 125 of the *Local Government Act 1999*;
- (e) for ensuring that the financial controls established by the Council were suitably designed to ensure compliance with section 125 of the *Local Government Act 1999*;
- (f) for operation of the controls as designed throughout the period;
- (g) to provide us with:
 - (i) access to all information of which the Council and management are aware that is relevant to the preparation of the financial report and compliance with section 125 of the *Local Government Act 1999* such as records, documentation and other matters;

- (ii) additional information that we may request from the Council and management for the purpose of the audit of the financial report and the controls opinion;
- (iii) unrestricted access to persons within the Council from whom we determine it necessary to obtain audit evidence;
- (h) for adjusting the financial report to correct material misstatements and for confirming to us in the representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial report as a whole;
- (i) for informing us of your knowledge of any allegations of fraud or suspected fraud affecting The Adelaide Hills Council received in communications from employees, former employees, regulators, or others;
- (j) for identifying and ensuring that the Council complies with applicable laws and regulations.

As part of our audit process, we will request from the Council and management written confirmation concerning representations made to us in connection with the audit.

We look forward to full cooperation from your staff during our audit.

Quality control

The conduct of our audit in accordance with Australian Auditing Standards means that information acquired by us in the course of our audit is subject to strict confidentiality requirements. Information will not be disclosed by us to other parties except as required or allowed for by law or professional standards, or with your express consent.

Our audit files may, however, be subject to review as part of the quality control review program of CPA Australia and/or The Institute of Chartered Accountants in Australia which monitors compliance with professional standards by its members. We advise you that by signing this letter you acknowledge that, if requested, our audit files relating to this audit will be made available under this program. Should this occur, we will advise you. The same strict confidentiality requirements apply under this program as apply to us as your auditor.

Independence

We confirm that, to the best of our knowledge and belief, we currently meet the independence requirements of the Australian professional accounting bodies or any applicable code of professional conduct in relation to the audit of the financial report. In conducting our audit of the financial report, should we become aware that we have contravened the independence requirements, we shall notify you on a timely basis.

To assist us in meeting the independence requirements, and to the extent permitted by law and regulation, we request you discuss with us:

(a) the provision of services offered to you by us prior to engaging or accepting the service; and

(b) the prospective employment opportunities of any current or former partner or professional employee of our firm prior to the commencement of formal employment discussions with the current or former partner or professional employee.

Communication

We may communicate with you or others via email transmission. Due to the nature of email transmission, we cannot guarantee that emails from us will be properly delivered and/or read only by the addressee. Therefore, we accept no liability or responsibility for any loss or damage to any person or entity resulting from the use of email transmissions in connection with this engagement.

Limitation of liability

Our liability is limited by a scheme approved under Professional Standards Legislation. Further information on the scheme is available from the Professional Standards Councils' website: http://www.professionalstandardscouncil.gov.au.

Paperless files

We advise that our firm maintains paperless files. Necessary documents that we need will be retained as scanned copies only. We will not keep original documents belonging to you – these will be scanned and returned to you. If documents are required by you in future for any purpose, we will only be able to provide scanned copies.

Presentation of audited financial report on the internet

The Council may intend to publish a hard copy of the audited financial report and auditor's report for members, and to electronically present the audited financial report and auditor's report on its internet web site. When information is presented electronically on a web site, the security and controls over information on the web site should be addressed by the Council to maintain the integrity of the data presented. The examination of the controls over the electronic presentation of audited financial information on the Council's web site is beyond the scope of the audit of the financial report. Responsibility for the electronic presentation of the financial report on the Council's web site is that of the Council.

Fees

We look forward to full cooperation from your staff and we trust that they will make available to us whatever records, documentation and other information we request in connection with our audit. Audit fees are specified in our tender. Our fees, which will be billed as work progresses, are based on the time required by the individuals assigned to the engagement. Individual hourly rates vary according to the degree of responsibility involved and the experience and skill required. The audit fees will be due within 30 days from the end of the month in which the Council receives a correctly rendered tax invoice from Galpins.

Our fee assumes that unaudited data (including trial balance, financial statements and notes to the accounts) are presented for audit in a satisfactory, auditable and timely manner, with full supporting schedules and documentation. While we will use our best endeavours to work with the Council to achieve a positive outcome,

Page 4 of 5

our fee does not allow for rework of the financial report after submission for audit, other than for minor audit adjustments. Where we consider that the quality of data presented will result in additional audit effort, we may need to negotiate an additional fee. In order to maintain audit independence, it is necessary that we avoid providing assistance to the Council to prepare the financial report.

Additional grant audits provided is charged on hourly basis, it depends on the number, size and nature of grants requiring acquittal.

Ownership of documents

All original documents obtained from the client arising from the engagement shall remain the property of the client. However, we reserve the right to make a reasonable number of copies of the original documents for our records. All other documents produced by us in respect of this engagement will remain the property of the firm.

The firm has a policy of exploring a legal right of lien over any client documents in our possession in the event of a dispute. The firm has also established dispute resolution processes.

Other

This letter will be effective for future years unless we advise you of its amendment or replacement, or the engagement is terminated.

Please sign and return this letter to indicate your acknowledgement of, and agreement with, the arrangements for our audit of the financial report including our respective responsibilities.

Yours sincerely,

Tim Muhihausier CA, Registered Company Auditor Partner

Acknowledged and agreed on behalf of Adelaide Hills Council by

Mr Andrew Aitken CEO

Date 5/8/2019

Appendix 3 Risk Management Plan Update

ADELAIDE HILLS COUNCIL AUDIT COMMITTEE MEETING Monday 14 February 2022 AGENDA BUSINESS ITEM

| ltem: | 7.6 |
|----------------------|---|
| Responsible Officer: | Steven Watson Governance & Risk Coordinator Office of the Chief Executive |
| Subject: | Risk Management Plan Update |
| For: | Information |

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 November 2021 assessment.

| • | Inherent Risk: | Nil (0) Change |
|---|--------------------|---|
| • | Residual Risk: | Medium residual risk is steady at 83% |
| | | Low residual risk is steady at 8% |
| • | Target Risk: | Medium target risk is steady at 75% |
| | | Low target risk is steady at 25% |
| • | New Mitigation(s): | Nil (0) new mitigations |
| • | Completed: | 62% (73) increased with seven (7) completed actions |
| • | In Progress: | Decrease from 28% to 26% (25) |
| • | Not Commenced: | Decrease from 15% to 12% (12) |

In relation to the Corporate Risk Framework, the SkyTrust Software Council uses for managing its WHS and other obligations has had its Corporate Risk Module populated with information from the previously used Strategic Risk Register spreadsheets. A copy of the *SkyTrust Strategic Risk Register* is at *Appendix 1*.

RECOMMENDATION

The Audit Committee resolves that the report be received and noted.

Strategic Management Plan/Council Policy

| Strategic Plan 2020- | -24 – A brighter future |
|----------------------|---|
| Goal 5 | A Progressive Organisation |
| Objective 05 | We are accountable, informed, and make decisions in the best interests of the whole community |
| Priority 05.1 | 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. |

A number of actions contained in the 2021-22 Annual Business Plan have been added as mitigations against the applicable strategic risk

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) | Medium (4D) | Medium (4D) |

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 2021-22 Annual Business Plan and Budget.

> 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 ApplicableCouncil Workshops:Not ApplicableAdvisory Groups:Not ApplicableExternal Agencies:Not ApplicableCommunity:Not Applicable

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. The current allocations have been in place since January 2020 with the transition of SR9a (human resources) back to the Executive Manger Organisational Development.

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.

Risk Management Framework

Additionally an extract of the Strategic Risk Register is usually provided to the Committee and Council. At its 13 May 2019 meeting the Committee requested that the full Register be provided for the Committee's review. The SkyTrust Software Council uses for managing its WHS and other obligations has had its Corporate Risk Module populated with information from the previously used Strategic Risk Register spreadsheets. A copy of the SkyTrust Strategic Risk Register is at **Appendix 1**.

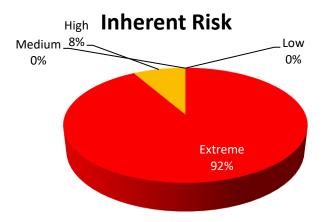
2. ANALYSIS

Strategic Risk Profile

The Strategic Risks are regularly reviewed by the risk owners responding to triggers in the risk environment, changes in causation or impact, changes in the control environment and on the completion of mitigation actions (which then form part of the control environment) which collectively can impact the likelihood and/or consequence of the risk.

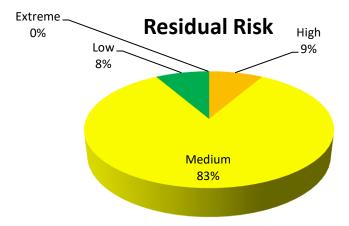
The Strategic Risks were recently reassessed and the following diagrams depict the Inherent, Residual and Target ratings.

There has been no change to the Inherent risk ratings from the November 2021 assessment.



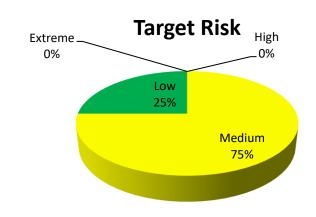
Officers regularly review their risks and mitigations, and the Residual Risk rating identifies the following changes since the November 2021 assessment:

- Medium residual risk is steady at 83%
- Low residual risk is steady at 8%



Officers regularly review their risks and mitigations, and the Target Risk rating identifies the following changes since the August 2021 assessment:

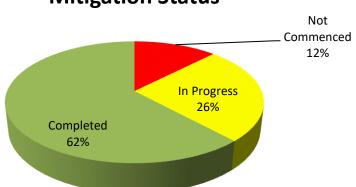
- Medium target risk is steady at 75% to 75%
- Low target risk is steady at 25% to 25%



The implementation of Mitigation Actions has been progressing steadily with increased new mitigations from risk owners undertaking their latest assessments in line with the 2021-22 Annual Business Plan adoption. The current status is as follows:

| Status | May 2021 | August 2021 | November 2021 | February 2022 |
|-------------------|--------------|--------------|---------------|---------------|
| Completed | 72% | 53% | 57% | 62% |
| Completed | (63 actions) | (58 actions) | (60 actions) | (73 actions) |
| | 26% | 24% | 28% | 26% |
| In Progress | (23 actions) | (26 actions) | (29 actions) | (25 actions) |
| Not Commenced | 2% | 23% | 15% | 12% |
| Not Commenced | (2 actions) | (26 actions) | (16 actions) | (12 actions) |
| New Initiatives | 3 New | 27 New | 1 New | Nil (0) New |
| (in above totals) | Mitigations | Mitigations | Mitigation | Mitigation |

This is shown diagrammatically below:



Mitigation Status

Risk Management Framework

As identified through an action in the Strategic Risk Register, the Administration has continued to work on the Risk Management Framework. This process was held up somewhat until a suitable software solution could be sourced and trialled. This trial is occurring and whilst the Administration is in early learning, it is envisaged further development including the reporting elements will provide positive benefits, operating efficiencies and deliver a sound and robust risk management framework.

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 – February 2022

Appendix 1 Strategic Risk Register – February 2022

| Department Adelaide Hills | Team Executive Leadership Team | Location/Project Other | Risk ID 170934 |
|---|--|--------------------------------|--|
| Council | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| Risk Control Type | Control Details | Reviewer | Effectiveness |
| | Established Policies and Procedures Framework | Niamh Milligan | INEFFECTIVEÂ (Designed Ad Operating Ineffectively) |
| | Recruitment Policies and Procedures in place | Niamh Milligan | EFFECTIVEÂ (Designed Adeo |
| | WHS Management System in place (Committee, Reporting, SkyTrust, Policy & Procedures) | Lee Merrow | Operating Effectively) EFFECTIVEÂ (Designed Adeo |
| | Regular audits by LGAWCS | | Operating Effectively) |
| | Volunteer Framework established and implemented Volunteer Policy Developed | Rebecca Shepherd | EFFECTIVEÂ (Designed Adeo Operating Effectively) |
| | Leadership Framework Established and development opportunities undertaken | Megan Sutherland | PARTIALLY EFFECTIVEÂ (De |
| | OD Structure supported through trained and experienced staff | Megan Sutherland | Adequately; Operating Part Effectively) INEFFECTIVEÂ (Designed |
| | | | Inadequately; Operating Eff |
| | Established Position Descriptions for all roles: | Niamh Milligan | EFFECTIVEÂ (Designed Adeo Operating Effectively) |
| | Enterprise Agreement Framework in place | Megan Sutherland | EFFECTIVEÂ (Designed Adeo Operating Effectively) |
| | 2022Fair treatment, Bullying & Grievance Policies and Procedures are established | Niamh Milligan | EFFECTIVEÂ (Designed Adeo |
| A | | | Operating Effectively) |
| Action Source Corporate Risk Register | Action Required Equity and diversity plan is being developed | Action Priority Six Months | Person Responsible Megan Sutherland |
| | | | |
| Corporate Risk | Review Fair Treatment and Bullying Procedures, and Grievance Resolution Procedure; | Six Months | Niamh Milligan |
| <u>Register</u> 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 | Megan Sutherland |
| Corporate Risk | Implement replacement Payroll system to comply with legislative requirements that will not be | Immediately | Megan Sutherland |
| Register | possible with existing system on 1 January 2022. | | |
| Corporate Risk | Undertake training in recruitment practices for staff involved in recruitment panels | Six Months | Niamh Milligan |
| Register | | | |
| | | | |
| 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 |
| | | | |
| Corporate Risk <u>Register</u> Corporate Risk | Leadership Coaching & Mentoring Program Progressed Review OD Structure to ensure resources aligned to corporate goals and undertake recruitment | Six Months Three Months | Megan Sutherland Megan Sutherland |
| Register | to ensure revised structure resourced. | | |
| | | | |
| Corporate Risk Register | Update OD Policies & Procedures to align to Framework. | Six Months | Niamh Milligan |
| Corporate Risk Register | Undertake Audit of Position Descriptions to Ensure currency and ensure update where not current | Six Months | Niamh Milligan |
| Corporate Risk Register | Training and Development Framework Reviewed & Implemented (captures current 4x8, WHS and Corporate Training needs) | Six Months | Niamh Milligan |
| Corporate Risk | WHS Policy & Procedure Review at LGAWCS followed by AHC application | Six Months | Megan Sutherland |
| Register | | | |
| 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 |
| Department | Team | Location/Project | Risk ID |
| Adelaide Hills | Executive Leadership Team | Other | 170941 |
| Council | | | |
| | | | |
| | | | |
| | | | |
| Risk Control Type | Control Details | Reviewer | Effectiveness |
| | Long Term Financial Plan in place and regularly Reviewed; | Terry Crackett | EFFECTIVEÂ (Designed Adeo |
| | Annual Business Plan developed and aligned each year to the Long Term Financial Plan; Internal audit and annual review of internal controls; | | Operating Effectively) |
| | System security and configuration; Induction procedures; Recruitment and selection processes; | | |
| | Financial delegations; Informed level of insurance cover through LGAMLS, rating policy, process and timeframes; | | |
| | Asset management register and program; Executive Manager Governance and Risk employed; | | |
| | Procurement Co-Ordinator role employed; Qualified employees that are trained in policies; 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 | | |
| Action Source Corporate Risk | Action Required Review positions across council that require criminal history checks, including financial roles | Action Priority Immediately | Person Responsible Megan Sutherland |
| Register | Recruit Procurement Coordinator Role | Immediately | Michael Carey |
| Corporate Risk <u>Register</u> Corporate Risk | Recruit Procurement Coordinator Role Review of Procurement Policy and procedures (Stage 1) | Immediately Immediately | James Greenfield |
| Register Corporate Risk | Review the process map of the insurance claims procedure to enable consistency of application. | Six Months | Steven Watson |
| <u>Register</u> Corporate Risk Register | Explore Grant funding opportunities | Immediately | Michael Carey |
| Corporate Risk Register | Develop a Treasury Management Policy | Immediately | Michael Carey |
| | | | |

| | Location/Project | Risk ID | Risk Title | Description | Responsible Person | Risk Type | Risk Category | F |
|-----------------------------------|--|--|---|---|-----------------------|-----------|------------------------------------|--|
| | Other | 170934 | | Failure to manage, improve and develop the human resources available to the Council. (F) | Megan Sutherland | Strategic | People & Culture (includes WHS) | Poor IR practices Ineffective attraction and retention init Lack of workforce planning and develo Deficient equity and diversity programs Poor leadership Failure to ensure appropriate WH&S for |
| | | | | | | | | Volunteers not trained or inducted effe |
| | Reviewer | Effectiveness | Risk Score | | | | | |
| | Niamh Milligan | INEFFECTIVEÂ (Designed Adequately; Operating Ineffectively) | 12 | | | | | |
| | Niamh Milligan | EFFECTIVEÂ (Designed Adequately; Operating Effectively) | 6 | | | | | |
| Policy & Procedures) | Lee Merrow | EFFECTIVEÂ (Designed Adequately; Operating Effectively) | 13 | | | | | |
| | Rebecca Shepherd | EFFECTIVEÂ (Designed Adequately; Operating Effectively) | 9 | | | | | |
| ndertaken | Megan Sutherland | PARTIALLY EFFECTIVEÂ (Designed Adequately; Operating Partially | 8 | | | | | |
| | Megan Sutherland | Effectively) INEFFECTIVEÂ (Designed Inadequately; Operating Effectively) | 12 | | | | | |
| | Niamh Milligan | EFFECTIVEÂ (Designed Adequately; | 4 | | | | | |
| | Megan Sutherland | Operating Effectively) EFFECTIVEÂ (Designed Adequately; | 5 | | | | | |
| | | Operating Effectively) | | | | | | |
| | Niamh Milligan Action Priority | EFFECTIVEÂ (Designed Adequately; Operating Effectively) Person Responsible | 6 Extra Comments | | | | | |
| | Six Months | Megan Sutherland | Further development of the plan is being undertaken through the Diversity and Inclusion Team. Some initial ideas for the plan have been researched. 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. | | | | | |
| | Six Months | | Fair Treatment, Workplace Bullying Policies and Grievance Procedure require an annual review to ensure currency | | | | | |
| e changing needs of the | Two Months | Megan Sutherland | 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. | | | | | |
| uirements that will not be | Immediately | | 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. | | | | | |
| itment panels | Six Months | Niamh Milligan | Implementation of the new HR system has commenced. Early information on the recruitment module in this system provides a possible option for updating our recruitment processes and it is expected this will be undertaken in 2022. Training of staff will be undertaken at that time on the new process. HR system implementation has had some delay; we are still working towards 30/06/2022 on e-recruitment implementation however. | | | | | |
| contributing to effective | Three Months | | 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. | | | | | |
| | Six Months | | Plans in this area will be renewed in 2022, when OD structure changes are in place. | | | | | |
| nd undertake recruitment | Three Months | | 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. One position has been appointed and is working well. The recruitment process has been completed for the other role and commences in Jan 2022 | | | | | |
| | Six Months | | A range of OD policy/procedure covering organisational processes need updating. A plan for review and update will commence in 2022 | | | | | |
| ore update where not | Six Months Six Months | Niamh Milligan | An action plan to update the outstanding PD's will be developed in discussion with People Leaders Update of T&D processes and framework is a focus for OD and WHS over the next 2 years, particularly due to the systems now available that support the ongoing management of these processes. A plan has been developed for WHS. Further work will commence in 2022 on the OD | | | | | |
| ion | Six Months | Megan Sutherland | requirements and opportunities in the new system Currently there is a suite of WHS Procedures in place and being used. A plan has been prepared and approved through Executive on the systematic update of the documents. | | | | | |
| ess and education is entified. | 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. | | | | | |
| | Location/Project | Risk ID | Risk Title | - | Responsible Person | Risk Type | Risk Category | Possible Risk Events |
| | Other | 170941 | | Failure to manage, improve and develop the financial resources available to Council. (F) | | Strategic | Financial | Poor internal control environment Poor procurement planning and proces Ineffective insurance arrangements. Poor financial management processes Poor contract management Poor People Management Ineffective Asset Planning Lack of Business Planning |
| | | | | | | | | Poor Strategic Planning Lack of Business Case development (in |
| | Reviewer | Effectiveness | Risk Score | | | | | |
| rm Financial Plan; | Terry Crackett | EFFECTIVEÂ (Designed Adequately; Operating Effectively) | 9 | | | | | |
| cess and timeframes; | | | | | | | | |
| nt; | | | | | | | | |
| and recalculated for | Action Priority | Person Responsible | Extra Comments | | | | | |
| ncluding 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. | | | | | |
| | Immediately | | undertaken currently. Recruitment completed in June 2018 | | | | | |
| consistency of application. | Immediately Six Months | | Updated Policy and Procedure endorsed by Council in August 2019 220104 Development of process map has commenced. | | | | | |
| | Immediately | | A Grant Funding Policy endorsed by Council. | | | | | |
| | Immediately | Michael Carey | Policy endorsed by Council October 2017 | | | | | |

| Possible Risk Events 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&S for employees and volunteers. Volunteers not trained or inducted effectively | Possible Consequences 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 injuried 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. | Initial Risk Score | Score | Other Requirements/Comments |
|---|---|---|---|--|
| | | | | |
| | | | | |
| Possible Risk Events | Possible Consequences | Initial Risk Score | Residual Risk Score | Other Requirements/Comments |
| 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 | Potential for qualified accounts as an audit outcome; inappropriate segregation of duties; increased potential for fraud; negative impact on Council brand & 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. | 24 | 9 | 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 will not occur until September 2021. |
| | Poor financial management processes (treasury, AP, AR) Poor contract management Poor People Management Ineffective Asset Planning | Poor internal control environmentPotential for qualified accounts as an audit outcome; inappropriate segregation of duties; increased potential for fraud; negative impact on Council brand & 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. | Initial Risk ScorePoor internal control environmentPoor internal control environmentPoor procurement planning and processes.Ineffective insurance arrangements.Poor financial management processes (treasury, AP, AR)Poor or contract managementPoor People ManagementIneffective Asset PlanningLack of Business Planning | Initial Risk ScoreResidual Risk ScorePoor internal control environment Poor procurement planning and processes. Ineffective insurance arrangements. Poor financial management processes (treasury, AP, AR) Poor contract management Poor contract management Poor People Management Ineffective Asset Planning Lack of Business PlanningPotential for qualified accounts as an audit outcome; inappropriate segregation of duties; increased potential for fraud; negative impact on Council brand & 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.249 |

| | Risk Type | Risk Category | Possible Risk Events | Possible Consequences | Initial Risk Score | Residual Risk | Other Requirements/Comments |
|---|-----------|------------------------------------|--|--|--------------------|------------------------|--|
| d | Strategic | People & Culture (includes WHS) | | 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 injuried 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. | 24 | Score | |
| | | | | | | | |
| | Risk Type | Risk Category | Possible Risk Events | Possible Consequences | Initial Risk Score | Residual Risk Score | Other Requirements/Comments |
| | Strategic | Financial | 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) | Potential for qualified accounts as an audit outcome; inappropriate segregation of duties; increased potential for fraud; negative impact on Council brand & 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. | 24 | 9 | 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 will not occur until September 2021. |
| | | | | | | | |

| Corporate Risk Register | Implement the Cyber Security Plan | Six Months | Ja |
|---|--|---|--|
| | | | |
| | | | |
| Register | Develop a Project Management Framework supported by Policies & Procedures Undertake a review of the Fleet Management Framework (including Policies & Procedures) | Six Months Six Months | As Cł |
| Register | Implement biannual reporting of procurement to ELT | One Month | Ja |
| • | Establish a process to ensure that a review of Purchase Order variations is undertaken | Three Months | Ja |
| • | Investigate the option for Business Interruption Insurance | Three Months | St |
| Register | | | |
| | | | |
| Corporate Risk Register | Provide a report to ELT on the Annual Placement of Insurance (including claims experience) | Two Months | St |
| Department | Team | Location/Project | Ri |
| Adelaide Hills | Executive Leadership Team | Other | 17 |
| Council | | | |
| Risk Control Type | Control Details | Reviewer | Ef |
| | '- Well resourced department, with qualified staff making informed and evidence based decisions. | David Waters | M |
| | - Regulatory responsibilities that incorporate inspection regimes, education and prosecution where necessary within a highly regulated environment. | | |
| | - Existence of Community Strategy - with identified community needs, gaps in service provision and reprioritised our CD efforts. Adopted June 2015. | | |
| | - Mandated 4-yearly development of strategic plan, incorporating community engagement, ensures effort is made periodically to understand issues important to the community. | | |
| | Community engagement policy and other relevant policies Regular satisfaction surveys and program evaluations. Communicate with empathy, regular informal contact with the community. | | |
| | Communicate with empatiny, regular informal contact with the community. Local engagement via Community Centres is occurring with cultural groups. Ad-hoc engagement on an as-needs basis. | | |
| | Development of the Reconciliation Action Plan (2015). Disability Action Plan (2011)., Age Friendly Community Plan (2017) | | |
| | Staff cultural awareness training. Recreation and Open Space Planner position created in early 2016. | | |
| Corporate Risk | Action Required Community Cultural Development Officer to develop Cultural Development principles and framework | Action Priority Immediately | Pe Re |
| 0 | framework Implement the new Access and Inclusion Plan | Immediately | Re |
| Corporate Risk | Review facility management arrangements. Develop a more consistent approach to community | Immediately | N |
| | Review facility management arrangements. Develop a more consistent approach to community facility users conduct across the various program areas. | Immediately | Na |
| Register | | Immediately Location/Project | Ri |
| Register Department Adelaide Hills | facility users conduct across the various program areas. | , | |
| Register Department Adelaide Hills | facility users conduct across the various program areas. Team | Location/Project | Ri |
| Register Department Adelaide Hills Council | facility users conduct across the various program areas. Team Executive Leadership Team | Location/Project | Ri |
| Register Department Adelaide Hills Council | facility users conduct across the various program areas. Team Executive Leadership Team Control Details - Monthly capital reports from finance | Location/Project Other | Ri |
| Register Department Adelaide Hills Council | facility users conduct across the various program areas. Team Executive Leadership Team Control Details - Monthly capital reports from finance - Reporting of The Quarter to Council - Regular team meetings with project updates | Location/Project Other Reviewer | Ri |
| Register Department Adelaide Hills Council | facility users conduct across the various program areas. Team Executive Leadership Team Control Details - Monthly capital reports from finance - Reporting of The Quarter to Council | Location/Project Other Reviewer | Ri |
| Register Department Adelaide Hills Council | facility users conduct across the various program areas. Team Executive Leadership Team Control Details - Monthly capital reports from finance - Reporting of The Quarter to Council - Regular team meetings with project updates - Quarterly budget review process - 3 Year Capital Program | Location/Project Other Reviewer | Ri |
| Register Department Adelaide Hills Council | facility users conduct across the various program areas. Team Executive Leadership Team Control Details - Monthly capital reports from finance - Reporting of The Quarter to Council - Regular team meetings with project updates - Quarterly budget review process - 3 Year Capital Program - Procurement policy - Process and qualified staff/teams - Project reporting process - Panel contractors - Legislation and policy - Legislation and policy - Legislation and policy - Counter Council - Council Counc | Location/Project Other Reviewer | Ri |
| Register Department Adelaide Hills Council | facility users conduct across the various program areas. Team Executive Leadership Team Executive Leadership Team Ontrol Details - Monthly capital reports from finance - Reporting of The Quarter to Council - Regular team meetings with project updates - Quarterly budget review process - 3 Year Capital Program - Procurement policy - Process and qualified staff/teams - Project reporting process - Panel contractors - Legislation and policy - KPI monitoring and reporting - Financial Reporting | Location/Project Other Reviewer | Ri |
| Register Department Adelaide Hills Council Risk Control Type | facility users conduct across the various program areas. Team Executive Leadership Team Executive Leadership Team Ontrol Details - Monthly capital reports from finance - Reporting of The Quarter to Council - Regular team meetings with project updates - Quarterly budget review process - 3 Year Capital Program - Process and qualified staff/teams - Project reporting process - Pael contractors - Legislation and policy - KPI monitoring and reporting - Financial Reporting - Financial Reporting - Financial Reporting - TitP 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 LTPP review each year | Location/Project Other Reviewer Peter Bice | Ri 16 |
| Register Department Adelaide Hills Council Risk Control Type Action Source Corporate Risk | facility users conduct across the various program areas. Team Executive Leadership Team Executive Leadership Team Monthly capital reports from finance - Monthly capital reports from finance - Reporting of The Quarter to Council - Regular team meetings with project updates - Quarterly budget review process - 3 Year Capital Program - Procurement policy - Process and qualified staff/teams - Project reporting process - Panel contractors - Legislation and policy - KPI monitoring and reporting - Timerial Reportin | Location/Project Other Reviewer | Ri |
| Register Department Adelaide Hills Council Risk Control Type Action Source Corporate Risk Register | facility users conduct across the various program areas. Team Executive Leadership Team Executive Leadership Team Control Details - Monthly capital reports from finance - Reporting of The Quarter to Council - Regular team meetings with project updates - Quarterly budget review process - 3 Year Capital Program - Procurement policy - Process and qualified staff/teams - Project reporting process - Panel contractors - Legislation and policy - KPI monitoring and reporting - TFP 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 Action Required Project Management - Jimplementation 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 b) Process to audit and check project management Climplementation of scheduled program maintenance. | Location/Project Other Reviewer Peter Bice Action Priority Immediately | Ri 16 16 16 16 16 16 16 |
| Register Department Adelaide Hills Council Risk Control Type Risk Control Type Corporate Risk Register Corporate Risk Register | facility users conduct across the various program areas. Team Executive Leadership Team Executive Leadership Team Control Details Monthly capital reports from finance Reporting of The Quarter to Council Regular team meetings with project updates Quarterly budget review process Quarterly budget review process Quarterly budget review process Quarterly budget review process Panel contractors Process and qualified staff/teams Procurement policy Process and qualified staff/teams Procurement policy Regulation and policy Regulation and policy Regulation and policy Regulation and policy Regulated Project reporting Repor | Location/Project Other Reviewer Peter Bice Peter Dice Immediately | Ri 16 16 16 16 16 16 16 16 16 16 16 16 16 16 16 16 17 16 16 17 16 16 17 18 19 19 10 10 11 11 11 11 11 11 11 11 11 11 12 13 14 15 15 16 17 18 19 11 11 11 12 13 14 15 |
| Register Department Adelaide Hills Council Risk Control Type Risk Control Type Corporate Risk Register Corporate Risk Register | facility users conduct across the various program areas. Team Executive Leadership Team Executive Leadership Team Control Details • Monthly capital reports from finance • Reporting of The Quarter to Council • Regular team meetings with project updates • Quarterly budget review process • 3 Year Capital Program • Procurement policy • Protess and qualified staff/teams • Project reporting process • 3 Year Capital Program • Procurement policy • KPI monitoring and reporting • Liegislation and policy • KPI monitoring and reporting • Liegislation and policy • KPI monitoring and reporting • Financial Reporting • Tropicet Management Plans) are captured as part of the LTFP review each year about a budget Project Management • a) Implementation of Project management. • Coll Management Finance. • 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 • Start to promote multiple year project planning in line with Asset Management Planning • Construction • Construct | Location/Project Other Reviewer Peter Bice Action Priority Immediately Immediately Immediately | Ri Ri 16 16 16 16 16 16 16 16 16 16 16 16 16 16 16 16 17 16 16 17 18 19 19 10 10 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 12 13 14 15 15 16 16 17 18 18 19 10 10 |
| Register Department Adelaide Hills Council Risk Control Type Risk Control Type Action Source Corporate Risk Register Corporate Risk Register Corporate Risk Register | facility users conduct across the various program areas. Team Executive Leadership Team Executive Leadership Team Control Details Monthly capital reports from finance Reporting of The Quarter to Council Regular team meetings with project updates Quarterly budget review process Quarterly budget review process Quarterly budget review process Quarterly budget review process Panel contractors Process and qualified staff/teams Procurement policy Process and qualified staff/teams Procurement policy Regulation and policy Regulation and policy Regulation and policy Regulation and policy Regulated Project reporting Repor | Location/Project Other Reviewer Peter Bice Peter Dice Immediately | |
| Register Department Adelaide Hills Council Risk Control Type Risk Control Type Corporate Risk Register Corporate Risk Register Corporate Risk Register Corporate Risk Register Corporate Risk Register Corporate Risk Register | facility users conduct across the various program areas. Team Executive Leadership Team Control Details Monthly capital reports from finance Reporting of The Quarter to Council Reputation meetings with project updates Quarterly budget review process Procurement policy Process and qualified staff/teams Program Profit profits Prodect management Plans) are captured as part of the LTFP review each year Protect ment equired new that Manager Child Staff and Natural Assets is underway since 17/15. A review was undertaken in 2016 to assess and refine framework. Enther review equired new that Manager Child Staff teams and refine framework. Enther review equired new that Manager Child Staff teams and refine framework. Enther review equired new that Manager Child Staff teams and refine framework. Enther review equired new that Manager Child Staff teams and refine framework. Enther review equired new that Manager Child Staff teams are provided to assess and refine framework. Enther review equired new that Manager Child Staff teams and refine framework. Enther review equired new that Manager Child Staff teams and refine framework. Enther review equired new that Manager Child Staff teams and refine framework. Enther review to associated with planning, consultation and approvals. Action: develop a budget bid database with a two stage process by 30/3/2016 Start to promote multiple year project planning in line with Asset Management Planning Develop process in conjunction with Organisational Development to transfer knowledge one an employee has notified intent to leave the organisation in the review of the staff knowledge with consideration of succession planning and transition to retirement) | Location/Project Other Other Reviewer Peter Bice Action Priority Immediately Immediately Six Months | Ri Ri I < |
| Register Department Adelaide Hills Council Adelaide Hills Council Risk Control Type Risk Control Type Action Source Corporate Risk Register Corporate Risk Register Corporate Risk Register Corporate Risk Register | facility users conduct across the various program areas. Team Executive Leadership Team Executive Leadership Team Control Details Monthly capital reports from finance Reporting of The Quarter to Council Regular team meetings with project updates Quarterly budget review process Process and qualified staff/teams Procet reporting process Panel contractors Legislation and policy KPI monitoring and reporting Financial Reporting Financial Reporting Triper Management Plans) are captured as part of the LTFP review each year Action Required Process and reforting Dimplementation 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 nov that Management. Col Implementation of scheduled program 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 time associated with planing, consultation and approvals. Action: develop a budget bid database with a two stage process by 30/3/2016 Start to promote multiple year project planning in line with Asset Management Planning Develop process in conjunction with Organisational Development to transfer knowledge once an employee has notified intent to leave the organisational Development to transfer knowledge once an employee has notified intent to leave the organisational Development to transfer knowledge once an employee has notified intent to leave the organisational Development to transfer knowledge once an employee has notified intent to leave the organisational Development to transfer knowledge with | Location/Project Other Reviewer Peter Bice Action Priority Immediately Immediately Immediately | Ri Ri 16 16 16 16 16 16 16 16 16 16 16 16 16 16 16 16 17 16 16 16 17 16 17 18 19 19 10 10 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11 12 13 14 15 16 16 17 18 18 19 |

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|-------------------------------------|---|--|-----------------------|
| nes Sinden | A Cyber Security Plan has been developed and will be presented to Audit Committee for endorsement in May 2021 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. | | |
| hley Curtis | | | |
| ristopher Janssan | This work has not commenced, will commence in 2022 | | |
| mes Greenfield | | | |
| nes Greenfield | 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 feeback on the quote and TRP information provided. | | |
| even 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. | | |
| sk ID | Risk Title | Description | Responsible Person |
| 0815 | | Failure to provide for the welfare, well-being and interests of the community (F) | David Waters |
| | | | |
| oderate reduction in risk | Risk Score | | |
| Solerate reduction in risk | y | | |
| rson Responsible | Extra Comments | | |
| becca Shepherd becca Shepherd | The previous risk review has concluded that this action is not necessary to achieve the target risk. IN PROGRESS. Provisional DIAP was adopted by Council in November 2020, following by further | | |
| talie Westover | engagement and final adoption of a revised Plan in January 2021. The plan has a 4 year implementation timetable. Following a number of workshops with council members and the working group, a draft Facility Framework was endorsed for further community engagement purposes, on 22 June 2021. It is expected that the final framework will be adopted by Council prior to 30 June 2022 and then | | |
| sk ID | progressively implemented, including new leases. | Description | Responsible |
| | | | Person |
| 9143 | | Failure to deliver projects, programs and services in accordance with plans (time, budget, quality) | Peter Bice |
| ectiveness | Risk Score | | |
| | 12 | | |
| reen Deenensihle | | | |
| rson Responsible ter Bice | Extra Comments IN PROGRESS. Project Management Documentation now being developed in partnership with | | |
| ter Bice | | | |
| ter Bice | IN PROGRESS. Project Management Documentation now being developed in partnership with | | |
| ter Bice | IN PROGRESS. Project Management Documentation now being developed in partnership with external expertise. | | |
| - | IN PROGRESS. Project Management Documentation now being developed in partnership with external expertise. COMPLETED. Initial 3 year program developed for 2017/18 ABP. | | |
| ter Bice | IN PROGRESS. Project Management Documentation now being developed in partnership with external expertise. COMPLETED. Initial 3 year program developed for 2017/18 ABP. COMPLETED. 3 Year Capital Program has been established, which help to achieve this goal. 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. Suggest this be transferred to Executive Manager Organisational Development. OD has some important priorities with strict deadlines currently. This process can be addressed through People Leaders focusing on their teams having documented procedure manuals in their areas being developed and continually updated. Where a person transitions to retirement, conversations are undertaken around the management of knowledge transfer and if a current | | |

| Risk Type | Risk Category | Possible Risk Events | Possible Consequences | Initial Risk Score | R |
|-----------|--------------------------------|---|--|--------------------|---|
| Strategic | Community Healt & Wellbeing | h Cause: Ineffective public health programs (food, immunisation, waste water) Ineffective community development programs Failure to identify and respond to key community issues Poor understanding of cultural and diversity issues in community. Lack of effective active and passive recreation participation strategies. Ineffective strategies to work with vulnerable members of the community. Inappropriate behaviour of community facility users. Unaffordable rates, fees and charges Ineffective regulatory services activities (including management of dogs, noise, parking) Poor facilities | Impact: - Food poisoning, insanitary conditions, etc. - Decreased wellbeing and an over-reliance on social support - Loss of faith in Council's ability to meet community needs - Inability for people from diverse backgrounds to live/participate in the community - Decreased health and wellbeing across the community - Inability/difficulty for people of all socioeconomic backgrounds to live in the district - cultural disrespect | 24 | |

| Risk Type | Risk Category | Possible Risk Events | Possible Consequences | Initial Risk Score | Residual Risk Score | Other Requirements/Comment |
|-----------|----------------------------|--|--|--------------------|------------------------|----------------------------|
| Strategic | Assets & Infrastructure | Causes: - Ineffective Budget Bid process (ineffective cost estimates preparation; possible lack of understanding of budget and budget process; - 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. - Lack of effective consistent project management methodologies - Unforeseen weather and climate conditions, - Lack of appropriate plant and equipment, - Poor contractor management, - Lack of resources (Lack of adequate skilled resources; Loss of key staff,) - Change in government legislation or policy, - Reduction in grant funding, - Lack of scheduled maintenance | Impact: - Cost of projects escalates, unbudgeted spending, impacts on delivery of the projects - Damage to Council reputation - Outcomes of the project delivered fails to meet community's expectations - Weaknesses in infrastructure necessitating increased maintenanc | 21 | 9 | |

| | Initial Risk Score | Residual Risk Score | Other Requirements/Comments |
|---|--------------------|------------------------|-----------------------------|
| nditions, etc. over-reliance on social support ty to meet community needs rse backgrounds to live/participate in the community ing across the community of all socioeconomic backgrounds to live in the district | 24 | 9 | |

| Corporate Risk Register | Develop Quarterly Report of all key projects to Council that provides a status and financial information | Immediately | Lachlan Miller |
|--|--|--|---|
| Department | Team | Location/Project | Risk ID |
| | | Othor | 170005 |
| Adelaide Hills Council | Executive Leadership Team | Other | 170965 |
| | | | |
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| | | | |
| Risk Control Type | Control Details | Reviewer | Effectiveness |
| | Legal considerations considered in agenda report templates, updates from LGA, legal providers | Lachlan Miller | PARTIALLY EFFECT |
| | and professional associations. Professional and experienced management team. | | Partially Adequate Partially Effective |
| | Register of leases and licenses. Legislative delegations register regularly reviewed, role specific training & 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 Upodate report. | | |
| Action Source | Action Required | Action Priority | Person Responsit |
| Corporate Risk Register | Legislative compliance audit | Immediately | |
| Corporate Risk Register | Development of contract management system, subject to funding | Immediately | Michael Carey |
| Corporate Risk Register | Development of a legal opinions database | Immediately | Lachlan Miller |
| Corporate Risk Register | Implementation of new delegations and authorisations management system and associated training. | Immediately | Steven Watson |
| Corporate Risk Register | | Immediately | Natalie Westover |
| Corporate Risk | Implement Statutes Amendment (Local Government Review) Act 2021 provisions (see Action ID | Immediately | Lachlan Miller |
| Register Department | 278100) Team | Location/Project | Risk ID |
| Separtment | | | |
| Adelaide Hills | Executive Leadership Team | Other | 170963 |
| Council | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| Risk Control Type | Control Details | Reviewer | Effectiveness |
| | 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 | Lachlan Miller | PARTIALLY EFFECT Adequately; Opera |
| | adopted, training provided to senior staff, RM considerations included in agenda report | | Effectively) |
| | templates. General awareness of risk management principles and considerations. Strategic Risk Profiling and management of assessments in SkyTrust, MLS Risk Reviews and advisory. | | |
| | CR62 (Poor representation of the community by Council Members leading to formal decisions | Lachlan Miller | PARTIALLY EFFECT |
| | that do not appropriately take account the community needs) - Provisions of LG Act, EM training on role, contact details on website, issue of email addresses and iPads; COI provisions, informed | | Partially Adequate Partially Effective |
| | and researched Council reports, public consultation policy and practices. | | |
| | C92 (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 | Lachlan Miller | PARTIALLY EFFECT Partially Adequate |
| | councils and wards, mandated representation reviews, voluntary representation review, 2017 ERR completed, Strategic Boundary Review report | | Partially Effective |
| | 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 | Lachlan Miller | PARTIALLY EFFECT Adequately; Opera |
| | submissions (OLG, ECCOSA, ECSA), consideration @ ELT and Council level, Membership on LG- | | Effectively) |
| | related bodies CR22 (Poor governance practices occur which lead to a loss of stakeholder (i.e. customer and | Lachlan Miller | PARTIALLY EFFECT |
| | regulator) confidence and/or legislative breaches.) - Legal considerations considered in agenda report templates, Governance Manager advises council, well-functioning Audit Committee, | | Adequately; Opera Effectively) |
| | 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. | | |
| | CR63 (Lack of effective strategic planning and resource allocation processes) - Suite of strategic management plans, strategic, business and project planning and budgeting processes, trained | Lachlan Miller | EFFECTIVEÂ (Desi Operating Effectiv |
| | and experienced staff. Corporate Planning & Performance Reporting Framework, CP&R Coord role, Service Review Framework adopted | | |
| | CR64 (Ineffective performance management and reporting processes leading to poor | Lachlan Miller | EFFECTIVEÂ (Desig |
| | 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, | | Operating Effectiv |
| | Corporate Planning & Performance Reporting Framework, Quarterly Council Performance Report, 4x8 processes, Management contract review process, enhanced major project reporting. | | |
| | CR65 (Poor working relationship between Council and the Administration leading to ineffective | Lachlan Miller | PARTIALLY EFFECT |
| | and inefficient performance by Council) - CM and Administration training in the respective roles, team building and relationship development, performance reporting, One Team -Communication | | Adequately; Opera Effectively) |
| | Protocols, designated administration contact listing, CEO 1:1, strengethened provisons in s58 | | |
| | CR37 (Actions arising from Council resolutions not be completed in a timely manner leading to a | Lachlan Miller | EFFECTIVEÂ (Desi |
| | loss of stakeholder confidence) - Action List, Minutes, Council Resolution Update report. Council | | Operating Effectiv |
| Action Source | Member queries Action Required Governance Framework Review | Action Priority | Person Responsit |
| Corporate Risk Register | Governance Framework Review | Immediately | Lachlan Miller |
| Corporate Risk Register | Review of s41 Committee and Advisory Group Terms of Reference | Immediately | Lachlan Miller |
| Corporate Risk | Rollout of ContolTrack (Internal control module) | Immediately | Michael Carey |
| Register Corporate Risk | Review of Risk Management Framework | Immediately | Steven Watson |
| Register | | | |
| Corporate Risk Register | Representation Review - 2016/17 | Immediately | Lachlan Miller |
| Corporate Risk | Participation in boundary reform initiatives | Immediately | Lachlan Miller |
| Register Corporate Risk Register | Review of s43 and external group fiduciary duties where Council members or staff are on Boards | Immediately | Lachlan Miller |
| Register Corporate Risk | 2018 LG Election induction training | Immediately | Lachlan Miller |
| Register Corporate Risk | Implementation of Corporate Planning & Performance Reporting Framework | Immediately | Lachlan Miller |
| Register | Strategic Boundary Review project | Immediately | Lachlan Miller |
| | | | |
| Corporate Risk Register | Implementation of LG Reform legislative changes. | Immediately | Lachlan Miller |
| Corporate Risk Register Corporate Risk Register | | | Lachlan Miller Lachlan Miller |
| Corporate Risk Register Corporate Risk | Implementation of LG Reform legislative changes. Service Review Framework development Representation Review - April 2024-April 2025 | Immediately Immediately Six Months | |

| | Lachlan Miller | COMPLETED: The Quarter now implemented and being reported to Council and Audit Committee | | | | | |
|------|---|--|--|-----------------------|-----------|-------------------|--|
| ject | Risk ID | | Description | Responsible Person | Risk Type | Risk Category | Possible Risk Events |
| | 170965 | Strategic Risk | Failure to exercise, | | | Governance, Legal | |
| | | | perform and discharge the | | | - | Lack of awareness of legislative/contractual/legislative/contract |
| | | | powers, functions and duties under | | | - | Ineffective delegation and authorisation mech Poor procurement and contract management |
| | | | legislation, contracts, leases and policies (PR) | | | - | Ineffective compliance management systems Staff do not possess the appropriate KSE Legislative changes, not being fully understood |
| | | | | | | - | Poor confidential item management processes Ineffective implementation of Council resoluti |
| | | | | | | | • |
| | Effectiveness | Risk Score | | | | | |
| | PARTIALLY EFFECTIVEÂ (Designed | 9 | - | | | | |
| | Partially Adequately; Operating Partially Effectively) | | | | | | |
| | | | | | | | |
| | | | | | | | |
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| | | | | | | | |
| ty | Person Responsible Lachlan Miller | Extra Comments NIL | | | | | |
| | Michael Carey | NIL | | | | | |
| | | As all legal opinions are recorded and accessible in TRIM/RecordsHub, a legal opinions database would be an inefficient use of resources. | | | | | |
| | | Software has been implemented and is now being updated as delegation changes occur. | | | | | |
| | | The draft Framework is currently open for community consultation. It is expected that the final framework will be endorsed by Council prior to 30 June 2022 and then progressively | | | | | |
| | Lachlan Miller | implemented including new leases. | - | | | | |
| ject | Risk ID | Risk Title | Description | Responsible Person | Risk Type | Risk Category | Possible Risk Events |
| | 170963 | | Failure to act as a | | _ | Governance, Legal | |
| | | | representative, informed and | | | | Poor governance practices (CR22) Poor risk management practices (CR21) |
| | | | responsible decision-maker in the interests of the | | | - | Poor representation arrangements (CR92) Poor representation of the community by Cou Lack of effective strategic planning and resour |
| | | | community. (PR) | | | - | Untimely implementation of Council resolution Lack of effective financial sustainability process |
| | | | | | | - | Ineffective performance management and rep Poor working relationship between Council and |
| | Effectiveness | Risk Score | | | | <u> </u> | <u>- Failure to engage in sector-wide reform initiat</u> |
| | PARTIALLY EFFECTIVEÂ (Designed Adequately; Operating Partially | 13 | | | | | |
| | Effectively) | | | | | | |
| r | PARTIALLY EFFECTIVEÂ (Designed | 8 | - | | | | |
| | Partially Adequately; Operating Partially Effectively) | | | | | | |
| | | | - | | | | |
| | PARTIALLY EFFECTIVEÂ (Designed Partially Adequately; Operating Partially Effectively) | 9 | | | | | |
| | PARTIALLY EFFECTIVEÂ (Designed | 3 | - | | | | |
| | Adequately; Operating Partially Effectively) | | | | | | |
| | PARTIALLY EFFECTIVEÂ (Designed Adequately; Operating Partially | 6 | - | | | | |
| | Effectively) | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | EFFECTIVEÂ (Designed Adequately; Operating Effectively) | 6 | | | | | |
| | | | - | | | | |
| | EFFECTIVEÂ (Designed Adequately; Operating Effectively) | 6 | | | | | |
| | | | | | | | |
| | PARTIALLY EFFECTIVEÂ (Designed | 5 | | | | | |
| | Adequately; Operating Partially Effectively) | | | | | | |
| | | | | | | | |
| | EFFECTIVEÂ (Designed Adequately; Operating Effectively) | 3 | | | | | |
| ty | Person Responsible Lachlan Miller | Extra Comments NIL | - | | | | |
| | 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. Endorsed and implemented for Financial Controls | - | | | | |
| | | SkyTrust configuration adequate for corporate rollout however additional work required on | - | | | | |
| | | reporting functionality. Documentation being amended for SkyTrust functionality. Intende to conduct function workshops as the training exercise. | | | | | |
| | | Representation Review completed and certified by Electoral Commissioner in November 2017 Participation is ongoing as boundary proposals are lodged. | - | | | | |
| | Lachlan Miller | NIL | | | | | |
| | | All mandatory and discretionary training completed. | - | | | | |
| | Lachlan Miller | Framework adopted by Council on 19 June 2018 and implemented in 2018-19. | | | | | |
| | Lachlan Miller | Final report adopted by Council in September 2020 | | | | | |
| | | Statute Amendment (Local Government Review) Act 2021 passed in Parliament in May 2021 sittings. | | | | | |
| | Lachlan Miller | Framework adopted by Council on 26 October 2021 | | | | | |
| | Lachlan Miller | | | | | | |

| Risk Type | Risk Category | Possible Risk Events | Possible Consequences | | Residual Risk | |
|---------------|-----------------------------------|---|---|-------------------------------|---------------|--|
| | | Lack of awareness of legislative/contractual/lease/policy requirements | Impact: Legislative/lease/policy of contractual obligations are not discharged leading to breaches of legislation and/ or contractual arrangements Failure to effectively undertake the functions of a council Contractual penalties and liabilities. Inefficient systems that lead to loss of resources Scrutiny and sanctions by integrity agencies Resolutions not implemented in a timely manner, opportunities missed, legislative obligations unmet | Initial Risk Score 21 | Score | Other Requirements/Comments The ELT has made the decision not to resource a compliance function and therefore doesn't have either a compliance register of all legislative/contractual/policy obligations or a compliance officer role. All functional areas are responsible for their legislative/policy/contractual obligation compliance. |
| | | | | | | |
| Risk Type | Risk Category | Possible Risk Events | Possible Consequences | Initial Risk Score | Residual Risk | Other Requirements/Comments |
| | Governance, Legal & Compliance | Cause: - Poor governance practices (CR22) - Poor risk management practices (CR21) - Poor representation arrangements (CR92) - Poor representation of the community by Council Members (CR62) - Lack of effective strategic planning and resource allocation processes. (CR63) - Untimely implementation of Council resolutions (CR37) - Lack of effective financial sustainability processes. (SR9c) - Ineffective performance management and reporting processes. (CR64) - Poor working relationship between Council and Administration. (CR65) - Failure to engage in sector-wide reform initiatives (CR81) | Impact: - Decisions are not representative of community sentiment or made in the community's interest - Decisions are poorly or incorrectly informed leading to a high risk profile, errors, loss, waste, omissions, breaches of legislation. - Breaches of legislation, unenforceable decisions/resolutions, creation of liabilities/ additional risk to Council, stakeholder and/or regulator dissatisfaction and/or sanction. | | Score | |
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| le | Risk Type | Risk Category | Possible Risk Events | Possible Consequences | Initial Risk Score | Residual Risk | Other Requirements/Comments |
|------|-----------|-----------------------------------|---|---|--------------------|---------------|---|
| ller | Strategic | Governance, Legal & Compliance | Cause: - Lack of awareness of legislative/contractual/lease/policy requirements - Lack of standardised lease terms and conditions. - Ineffective delegation and authorisation mechanisms. - Poor procurement and contract management practices - Ineffective compliance management systems - Staff do not possess the appropriate KSE - Legislative changes, not being fully understood - Poor confidential item management processes (CR 20 & 21) - Ineffective implementation of Council resolutions (CR37) | Impact: Legislative/lease/policy of contractual obligations are not discharged leading to breaches of legislation and/ or contractual arrangements Failure to effectively undertake the functions of a council Contractual penalties and liabilities. Inefficient systems that lead to loss of resources Scrutiny and sanctions by integrity agencies Resolutions not implemented in a timely manner, opportunities missed, legislative obligations unmet | 21 | g | The ELT has made the decision not to resource a compliance function and therefore doesn't have either a compliance register of all legislative/contractual/policy obligations or a compliance officer role. All functional areas are responsible for their legislative/policy/contractual obligation compliance. |
| | | | | | | | |
| e | Risk Type | Risk Category | Possible Risk Events | Possible Consequences | | Residual Risk | |
| ller | Strategic | Governance, Legal & Compliance | Cause: - Poor governance practices (CR22) - Poor risk management practices (CR21) - Poor representation arrangements (CR92) - Poor representation of the community by Council Members (CR62) - Lack of effective strategic planning and resource allocation processes. (CR63) - Untimely implementation of Council resolutions (CR37) - Lack of effective financial sustainability processes. (SR9c) - Ineffective performance management and reporting processes. (CR64) - Poor working relationship between Council and Administration. (CR65) - Failure to engage in sector-wide reform initiatives (CR81) | Impact: - Decisions are not representative of community sentiment or made in the community's interest - Decisions are poorly or incorrectly informed leading to a high risk profile, errors, loss, waste, omissions, breaches of legislation. - Breaches of legislation, unenforceable decisions/resolutions, creation of liabilities/ additional risk to Council, stakeholder and/or regulator dissatisfaction and/or sanction. | Initial Risk Score | Score | Other Requirements/Comments |
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| Department | Team | Location/Project | Risk ID |
|---|--|--|---|
| | | | |
| Adelaide Hills Council | Executive Leadership Team | Other | 170816 |
| | | | |
| | | | |
| Risk Control Type | Control Details | Reviewer | Effectiveness |
| | Participation in regional EM arrangements through the ZEMC, and the AMLRBMC and cooperation with other councils and agencies re EM | Peter Bice | EFFECTIVEÂ (Designed Adequa Operating Effectively) |
| | - 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. | | Operating Enectively) |
| | Provision of assistance to the community and to relevant government and non-government agencies assist recovery from emergencies. 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. - 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. | | |
| | - Ongoing fuel reduction programs on high risk Council owned land including woody weed control, slashing and maintenance of asset protection zones. | | |
| | - Ensure ongoing compliance with the F&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 | | |
| Action Source Corporate Risk | Action Required Development of new Emergency Management Plan. | Action Priority Immediately | Person ResponsibleJohn McArthur |
| Register | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| Corporate Risk | Commit to I Responda emergency response framework. | Immediately | Lachlan Miller |
| <u>Register</u> 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 | Immediately | John McArthur |
| U | management) | | |
| | | | |
| | | | |
| Corporate Risk Register | Research the establishment of a dedicated EM role (temporary/permanent) | Immediately | Lachlan Miller |
| Corporate Risk <u>Register</u> Corporate Risk | Establish Zone-based Preventative Maintenance Program Review bushfire prevention and mitigation arrangements | Immediately Immediately | Christopher Janssan Christopher Janssan |
| Register Corporate Risk | Review insurance option related to loss of rate revenue following significant loss of property | Six Months | Lachlan Miller |
| Register Department | assciated with bushfire Team | Location/Project | Risk ID |
| Adelaide Hills | Executive Leadership Team | Other | 170817 |
| Council | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| Risk Control Type | Control Details | Reviewer | Effectiveness |
| Risk Control Type | '- Biodiversity Strategy, - Water Management Plan | Reviewer Peter Bice | Effectiveness |
| Risk Control Type | '- Biodiversity Strategy, | | Effectiveness |
| Risk Control Type | '- Biodiversity Strategy, - Water Management Plan - Biodiversity Advisory Group and Sustainability Advisory Group - Trained & qualified staff - Safe working procedures - Blue Marker sites - Spill kits | | Effectiveness |
| Risk Control Type | '- Biodiversity Strategy, - Water Management Plan - Biodiversity Advisory Group and Sustainability Advisory Group - Trained & qualified staff - Safe working procedures - Blue Marker sites | | Effectiveness |
| Risk Control Type | ¹- Biodiversity Strategy, Water Management Plan Biodiversity Advisory Group and Sustainability Advisory Group Trained & qualified staff Safe working procedures Blue Marker sites Spill kits SDS Customer request system for reporting to us Machinery hygiene Development Plan Strategic Plan Reviewed with Goal area for Natural Environment established (including | | Effectiveness |
| Action Source Corporate Risk | '- Biodiversity Strategy, Water Management Plan Biodiversity Advisory Group and Sustainability Advisory Group Trained & qualified staff Safe working procedures Blue Marker sites Spill kits SDS Customer request system for reporting to us Machinery hygiene Development Plan | | Effectiveness Ffectiveness Person Responsible Sharon Leith |
| Action Source | '- Biodiversity Strategy, Water Management Plan Biodiversity Advisory Group and Sustainability Advisory Group Trained & qualified staff Safe working procedures Blue Marker sites Spill kits SDS Customer request system for reporting to us Machinery hygiene Development Plan Strategic Plan Reviewed with Goal area for Natural Environment established (including priorities) Action Required | Peter Bice | Person Responsible |
| Action Source Corporate Risk Register Corporate Risk Register Corporate Risk Register | ¹- Biodiversity Strategy, Water Management Plan Biodiversity Advisory Group and Sustainability Advisory Group Trained & qualified staff Safe working procedures Blue Marker sites Spill kits SDS Customer request system for reporting to us Machinery hygiene Development Plan Strategic Plan Reviewed with Goal area for Natural Environment established (including priorities) Action Required Water Resources strategy to be developed | Peter Bice | Person Responsible Sharon Leith |
| Action Source Corporate Risk Register Corporate Risk Register Corporate Risk Register Corporate Risk Register Corporate Risk Register Corporate Risk Register | ¹- Biodiversity Strategy, - Water Management Plan - Biodiversity Advisory Group and Sustainability Advisory Group - Trained & qualified staff - Safe working procedures - Blue Marker sites - Spill kits - SDS - Customer request system for reporting to us - Machinery hygiene - Development Plan - Strategic Plan Reviewed with Goal area for Natural Environment established (including priorities) - Action Required Water Resources strategy to be developed Project Management framework (see action above) Implementation plan for the Biodiversity Strategy to be developed; Interim review of Strategy Ensure adequate budget and human resources are allocated to the priority strategies articulated in the Biodiversity Strategy's Implementation Plan | Peter Bice Peter Bice Action Priority Immediately Immediately Immediately Immediately Immediately | Person Responsible Sharon Leith Ashley Curtis Tonia Brown Peter Bice |
| Action Source Corporate Risk Register Corporate Risk | Biodiversity Strategy, Water Management Plan Biodiversity Advisory Group and Sustainability Advisory Group Trained & qualified staff Safe working procedures Blue Marker sites Spill kits SDS Customer request system for reporting to us Machinery hygiene Development Plan Strategic Plan Reviewed with Goal area for Natural Environment established (including priorities) Action Required Water Resources strategy to be developed Project Management framework (see action above) Implementation plan for the Biodiversity Strategy to be developed; Interim review of Strategy Ensure adequate budget and human resources are allocated to the priority strategies articulated | Peter Bice Patter Bice Action Priority Immediately Immediately Immediately | Person Responsible Sharon Leith Ashley Curtis Tonia Brown |
| Action Source Corporate Risk Register Corporate Risk Register Corporate Risk Register Corporate Risk Register Corporate Risk Register Corporate Risk Register Corporate Risk Register Corporate Risk Register Corporate Risk Register | '- Biodiversity Strategy, - Water Management Plan - Biodiversity Advisory Group and Sustainability Advisory Group - Trained & qualified staff - Safe working procedures - Blue Marker sites - Spill kits - SDS - Customer request system for reporting to us - Machinery hygiene - Development Plan - Strategic Plan Reviewed with Goal area for Natural Environment established (including nriorities) Action Required Water Resources strategy to be developed Project Management framework (see action above) Implementation plan for the Biodiversity Strategy to be developed; Interim review of Strategy Ensure adequate budget and human resources are allocated to the priority strategies articulated in the Biodiversity Strategy's Implementation Plan Establish a program to review the safe operating procedures to ensure that they incorporate contemporary management techniques to minimise environmental impacts. Expansion of Blue Marker Sites | Peter Bice Peter Bice Action Priority Immediately Immediately Immediately Immediately Immediately Immediately Immediately Immediately Immediately | Person ResponsibleSharon LeithAshley CurtisTonia BrownPeter BiceChristopher JanssanChristopher Janssan |
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| Action Source Corporate Risk Register Corporate Risk Register Corporate Risk Register Corporate Risk Register Corporate Risk Register Corporate Risk Register Corporate Risk Register Corporate Risk Register Corporate Risk Register Department | '- Biodiversity Strategy, - Water Management Plan - Biodiversity Advisory Group and Sustainability Advisory Group - Trained & qualified staff - Safe working procedures - Blue Marker sites - Spill kits - SDS - Customer request system for reporting to us - Machinery hygiene - Development Plan - Strategic Plan Reviewed with Goal area for Natural Environment established (including nriorities) Action Required Water Resources strategy to be developed Project Management framework (see action above) Implementation plan for the Biodiversity Strategy to be developed; Interim review of Strategy Ensure adequate budget and human resources are allocated to the priority strategies articulated in the Biodiversity Strategy's Implementation Plan Establish a program to review the safe operating procedures to ensure that they incorporate contemporary management techniques to minimise environmental impacts. Expansion of Blue Marker Sites | Peter Bice Peter Bice Action Priority Immediately Immediately Immediately Immediately Immediately Immediately Immediately Immediately Immediately | Person ResponsibleSharon LeithAshley CurtisTonia BrownPeter BiceChristopher JanssanChristopher Janssan |
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| Action Source Corporate Risk Register Corporate Risk Register Corporate Risk Register Corporate Risk Register Corporate Risk Register Corporate Risk Register Corporate Risk Register Corporate Risk Register Corporate Risk Register Department | '- Biodiversity Strategy, - Water Management Plan - Biodiversity Advisory Group and Sustainability Advisory Group - Trained & qualified staff - Safe working procedures - Blue Marker sites - Spill kits - SDS - Customer request system for reporting to us - Machinery hygiene - Development Plan - Strategic Plan Reviewed with Goal area for Natural Environment established (including priorities) Action Required Water Resources strategy to be developed Project Management framework (see action above) Implementation plan for the Biodiversity Strategy to be developed; Interim review of Strategy Ensure adequate budget and human resources are allocated to the priority strategies articulated in the Biodiversity Strategy's Implementation Plan Establish a program to review the safe operating procedures to ensure that they incorporate contemporary management techniques to minimise environmental impacts. Expansion of Blue Marker Sites Team | Peter Bice Peter Bice Action Priority Immediately | Ashley Curtis Tonia Brown Peter Bice Christopher Janssan Christopher Janssan Risk ID |
| Action Source Corporate Risk Register Corporate Risk Register Corporate Risk Register Corporate Risk Register Corporate Risk Register Corporate Risk Register Corporate Risk Register Corporate Risk Register Department Adelaide Hills Council | '- Biodiversity Strategy, - Water Management Plan - Biodiversity Advisory Group and Sustainability Advisory Group - Trained & qualified staff - Safe working procedures - Blue Marker sites - Spill kits - SDS - Customer request system for reporting to us - Machinery hygiene - Development Plan - Strategic Plan Reviewed with Goal area for Natural Environment established (including priorities) Action Required Water Resources strategy to be developed Project Management framework (see action above) Implementation plan for the Biodiversity Strategy to be developed; Interim review of Strategy Ensure adequate budget and human resources are allocated to the priority strategies articulated in the Biodiversity Strategy's Implementation Plan Establish a program to review the safe operating procedures to ensure that they incorporate contemporary management techniques to minimise environmental impacts. Expansion of Blue Marker Sites Team | Peter Bice Peter Bice Action Priority Immediately | Ashley Curtis Tonia Brown Peter Bice Christopher Janssan Christopher Janssan Risk ID |
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| Action Source Corporate Risk Register Corporate Risk Register Corporate Risk Register Corporate Risk Register Corporate Risk Register Corporate Risk Register Corporate Risk Register Department Adelaide Hills Council | - Biodiversity Strategy, - Water Management Plan - Biodiversity Advisory Group and Sustainability Advisory Group - Trained & qualified staff - Safe working procedures - Bilue Marker sites - Spill kits - SoB - Customer request system for reporting to us - Machinery hygiene - Development Plan - Strategic Plan Reviewed with Goal area for Natural Environment established (including priorities) - Action Required Water Resources strategy to be developed Project Management framework (see action above) Implementation plan for the Biodiversity Strategy to be developed; Interim review of Strategy Ensure adequate budget and human resources are allocated to the priority strategies articulated in the Biodiversity Strategy's Implementation Plan Establish a program to review the safe operating procedures to ensure that they incorporate contemporary management techniques to minimise environmental impacts. Expansion of Blue Marker Sites Team Executive Leadership Team Cyber Security Audit Completed and endorsed by Audit Committee Implementation plan developed for establishing a Cyber Security Plan Cyber Security Controls Enacted | Peter Bice Peter Bice Action Priority Immediately Imme | Person Responsible Sharon Leith Ashley Curtis Tonia Brown Peter Bice Christopher Janssan Risk ID 170939 Effectiveness Major reduction in risk |
| Action Source Corporate Risk Register Corporate Risk Register Corporate Risk Register Corporate Risk Register Corporate Risk Register Corporate Risk Register Corporate Risk Register Corporate Risk Register Department Adelaide Hills Council | Biodiversity Strategy, Water Management Plan Biodiversity Advisory Group and Sustainability Advisory Group Trained & qualified staff Safe working procedures Blue Marker sites Split kits SDS Customer request system for reporting to us Machinery hygiene Development Plan Strategic Plan Reviewed with Goal area for Natural Environment established (including reiorities) Action Required Water Resources strategy to be developed Project Management framework (see action above) Implementation plan for the Biodiversity Strategy to be developed; Interim review of Strategy Ensure adequate budget and human resources are allocated to the priority strategies articulated in the Biodiversity Strategy's Implementation Plan Establish a program to review the safe operating procedures to ensure that they incorporate contemporary management techniques to minimise environmental impacts. Expansion of Blue Marker Sites Team Executive Leadership Team Cyber Security Audit Completed and endorsed by Audit Committee Implementation plan developed for establishing a Cyber Security Plan | Peter Bice Peter Bice Action Priority Immediately Immediately Immediately Immediately Immediately Immediately Immediately Immediately Immediately Reviewer | Person ResponsibleSharon LeithAshley CurtisTonia BrownPeter BiceChristopher JanssanChristopher JanssanI70939Effectiveness |
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| Action Source Corporate Risk Register Corporate Risk Register Corporate Risk Register Corporate Risk Register Corporate Risk Register Corporate Risk Register Corporate Risk Register Corporate Risk Register Department Adelaide Hills Council | Biodiversity Strategy, Water Management Plan Biodiversity Advisory Group and Sustainability Advisory Group Trained & qualified staff Safe working procedures Blue Marker sites Spill kits SoS Customer request system for reporting to us Machinery hygiene Development Plan Strategic Plan Reviewed with Goal area for Natural Environment established (including rinding) Strategic Plan Reviewed with Goal area for Natural Environment established (including rinding) Action Required Water Resources strategy to be developed Project Management framework (see action above) Implementation plan for the Biodiversity Strategy to be developed; Interim review of Strategy Ensure adequate budget and human resources are allocated to the priority strategies articulated in the Biodiversity Strategy's implementation plan Establish a program to review the Safe operating procedures to ensure that they incorporate contemporary management techniques to minimise environmental impacts. Expansion of Blue Marker Sites Team Executive Leadership Team Control Details Cyber Security Audit Completed and endorsed by Audit Committee Implementation plan developed for establishing a Cyber Security Plan Cyber Security Controls Enacted ICT Business Continuity Systems established | Peter Bice Peter Bice Action Priority Immediately Imme | Person Responsible Sharon Leith Ashley Curtis Tonia Brown Peter Bice Christopher Janssan Risk ID 170939 Effectiveness Major reduction in risk EFFECTIVEÂ (Designed Adequa Operating Effectively) EFFECTIVEÂ (Designed Adequa |

| sk ID | Risk Title | Description | Responsible Person | Risk Type | Risk Category | Possible Risk Events |
|---|---|--|--------------------------|-----------|---------------------------------|---|
| 70816 | Strategic Risk | Failure to take measures to protect the community from natural and other hazards (F) | Peter Bice | • | Community Health & Wellbeing | Cause: - Poor fire prevention initiatives - Poor flood protection initiatives - Poor wind protection initiatives - Ineffective emergency manageme - Ineffective asset maintenance and - Lack of participation in regional e |
| | | | | | | Noncompliance with legislation Insufficient budget |
| fectiveness | Risk Score | | | | | - Ineffective planning and preparat |
| FECTIVEÂ (Designed Adequately; perating Effectively) | 13 | | | | | |
| | | | | | | |
| erson Responsible | Extra Comments EM Framework endorsed by ELT $14/2/17$ EM responsibility now transferred to infrastructure 8: | | | | | |
| hn McArthur | EM Framework endorsed by ELT 14/2/17, EM responsibility now transferred to Infrastructure & 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 and or sod by ELT 14 October 2021 | | | | | |
| chlan Miller | endorsed by ELT 14 October 2021. Council is now part of this program . Its plan to be transferred to contemporary standard. | | | | | |
| hn McArthur | Anticipated to be complete by 31/12/19. 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. | | | | | |
| chlan Miller | EM responsibilities included in Manager Sustainability, Waste & Emergency Management position. | | | | | |
| nristopher Janssan | Zone program established | | | | | |
| ristopher Janssan chlan Miller | Structure in place Proposal received by Administration in March 2021, still to be assessed. | | | | | |
| sk ID | | Description | Responsible | Risk Type | Risk Category | Possible Risk Events |
| 0817 | Strategic Risk | Failure to manage, | Person | Strategic | Environment | Cause: |
| | | develop, protect, restore , enhance and conserve the environment in an ecologically sustainable manner and to improve amenity. (F) | | | | -Lack of understanding of biodivers - Inadequate planning controls, - Lack of specific skill and knowledg - Insufficient budget, - Lack of internal coordination in pr - Inadequate emergency responses - Lack of longitudinal planning and expectation, - Ineffective natural resource mana - Poor environmental management - Illegal dumning |
| fectiveness | Risk Score | | | | | |
| erson Responsible | Extra Comments | | | | | |
| aron Leith hley Curtis | Water Management Plan endorsed by Council 13 December 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 | - | | | | |
| eter Bice | Biodiversity Strategy endorsed by Council on 24/9/2019. Implementation plan for the Biodiversity Strategy complete. Implementation plan for the Biodiversity Strategy complete. The plan informs Annual | | | | | |
| nristopher Janssan | Programming and LTFP. Budget Bids to support this years program were included in the 2018-19 Annual Business Plan | | | | | |
| nristopher Janssan | and Budget Process. | | | | | |
| sk ID | Risk Title | Description | Responsible | Risk Type | Risk Category | Possible Risk Events |
| 0939 | Strategic Risk | Failure to manage, | Person Terry Crackett | Strategic | Community Health | Cause: |
| | | improve and develop the information resources available to the Council. (F) | | | & Wellbeing | Business systems do not effective Poor information management pr |
| fectiveness ajor reduction in risk | Risk Score | | | | | |
| FECTIVEÂ (Designed Adequately; | 9 | | | | | |
| perating Effectively) | | | | | | |
| FECTIVEÂ (Designed Adequately; perating Effectively) | 5 | | | | | |
| ajor reduction in risk rson Responsible | 9 Extra Comments | | | | | |
| mes Sinden | The Information Services Business Plan is reviewed on an annual basis to align with the setting of LTFP and Budget. | | | | | |

| Risk Type | Diale Catagorie | | | | | |
|-----------------------------|--|---|--|--------------------|-----------------------------|-----------------------------|
| | Risk Category | Possible Risk Events | Possible Consequences | Initial Risk Score | Residual Risk Score | Other Requirements/Comments |
| Strategic | Community Health & Wellbeing | Cause: Poor fire prevention initiatives Poor flood protection initiatives Poor wind protection initiatives Ineffective emergency management regimes Ineffective asset maintenance and replacement plans and programs Lack of participation in regional emergency management arrangements Noncompliance with legislation Insufficient budget Ineffective nlanning and preparations | Impact: Significant property loss and damage Loss of life, injury Reputational damage Exposure to liability and penalty Loss of community normality Council services stretched and some services may not be fully operational Loss or damage of public and private infrastructure Environmental and biodiversity impacts | 24 | 13 | |
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| Risk Type | Risk Category | Possible Risk Events | Possible Consequences | Initial Risk Score | Residual Risk Score | Other Requirements/Comments |
| Strategic | Environment | Cause: -Lack of understanding of biodiversity. - Inadequate planning controls, - Lack of specific skill and knowledge of natural environment, - Insufficient budget, - Lack of internal coordination in project delivery, - Inadequate emergency response to environmental hazard, - Lack of longitudinal planning and service delivery, difficulty of meeting varying community expectation, - Ineffective natural resource management strategies and processes. - Poor environmental management practices. - Illegal dumping | Impact: - Damage to local environment - Financial - restoration of failure to act (fines plus the works to restore) - Reputational damage - Impact on human health and wellbeing due to the loss of visual amenity and ability to interact with nature - Local amenity not maximised - Health and economic impacts due to climate change - Failure to meet stakeholder expectation | 22 | 13 | |
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| Risk Type | Risk Category | Possible Risk Events | Possible Consequences | Initial Risk Score | Residual Risk | Other Requirements/Comments |
| Risk Type Strategic | Risk Category Community Health & Wellbeing | | Possible Consequences 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 mislead; potential legal or financial implications. | 23 | Residual Risk Score | Other Requirements/Comments |
| | Community Health | n Cause: - Business systems do not effectively support organisational needs | 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 mislead; potential legal or | 23 | Score | Other Requirements/Comments |
| | Community Health | n Cause: - Business systems do not effectively support organisational needs | 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 mislead; potential legal or | 23 | Score | Other Requirements/Comments |
| | Community Health | n Cause: - Business systems do not effectively support organisational needs | 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 mislead; potential legal or | 23 | Score | Other Requirements/Comments |

| | Description | Responsible Person | Risk Type | Risk Category | Possible Risk Events | Possible Consequences | Initial Risk Score | Residual Risk Score | Other Requirements/Commen |
|---|--|-----------------------|-----------|---------------------------------|---|--|--------------------|------------------------|---------------------------|
| | Failure to take measures to protect the community from natural and other hazards (F) | | Strategic | Community Health & Wellbeing | Cause: - Poor fire prevention initiatives - Poor flood protection initiatives - Poor wind protection initiatives - Ineffective emergency management regimes - Ineffective asset maintenance and replacement plans and programs - Lack of participation in regional emergency management arrangements - Noncompliance with legislation - Insufficient budget - Ineffective planning and preparations | Impact: - Significant property loss and damage - Loss of life, injury - Reputational damage - Exposure to liability and penalty - Loss of community normality - Council services stretched and some services may not be fully operational - Loss or damage of public and private infrastructure - Environmental and biodiversity impacts | 24 | 13 | |
| 1 | 13 | | | | | | | | |
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| now transferred to Infrastructure 8 /10/19 - Draft Emergency anual (formerly within the Emergency | k | | | | | | | | |
| T 3 October 2019. Council to rgency Management Plan by te 07/11/19 - ELT formally resolved tial risk assessment workshop set for ober and is currently being e Creek fire were identified in an Afte d into the Incident Operations rames may need to be reviewed as ft Emergency Management Plan | r | | | | | | | | |
| Management Plan completed and ed to contemporary standard. Draft Incident Operations Manual mergency Management Plan to plan cipated to be completed by 30 | , | | | | | | | | |
| ons Manual to be considered by ELT cident Operations Manual adopted b Management Team completing this ecting lessons learnt from Cudlee e signed off by Acting CEO 14 19. | <mark>y</mark> | | | | | | | | |
| te & Emergency Management | | | | | | | | | |
| | Description | Responsible Person | Risk Type | Risk Category | Possible Risk Events | Possible Consequences | Initial Risk Score | Residual Risk Score | Other Requirements/Comme |
| | Failure to manage develop, protect, restore, enhance and conserve the environment in ar ecologically sustainable manner and to improve amenity. (F) | n | Strategic | Environment | Cause: -Lack of understanding of biodiversity. - Inadequate planning controls, - Lack of specific skill and knowledge of natural environment, - Insufficient budget, - Lack of internal coordination in project delivery, - Lack of internal coordination in project delivery, - Inadequate emergency response to environmental hazard, - Lack of longitudinal planning and service delivery, difficulty of meeting varying community expectation, - Ineffective natural resource management strategies and processes. - Poor environmental management practices. - Illegal dumning | Impact: - Damage to local environment - Financial - restoration of failure to act (fines plus the works to restore) - Reputational damage - Impact on human health and wellbeing due to the loss of visual amenity and ability to interact with nature - Local amenity not maximised - Health and economic impacts due to climate change - Failure to meet stakeholder expectation | 22 | 13 | |
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| r 2016. plementation plan for the | | | | | | | | | |
| the 2018-19 Annual Business Plan | | | | | | | | | |
| | Description | Responsible Person | Risk Type | Risk Category | Possible Risk Events | Possible Consequences | Initial Risk Score | Residual Risk Score | Other Requirements/Commer |
| | Failure to manage improve and | | Strategic | Community Health & Wellbeing | Cause: - Business systems do not effectively support organisational needs - Poor information management practices (capture, use, storage, retrieval). | 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 mislead; potential legal or | 23 | 13 | |
| | develop the information resources availabl to the Council. (F) | | | | | financial implications. | | | |
| 1 | information resources availab | | | | | | | | |
| | information resources available to the Council. (F) 13 9 5 9 | | | | | | | | |
| nnual basis to align with the setting of | information resources available to the Council. (F) 13 9 5 9 | | | | | | | | |

| Risk Type | Risk Category | Possible Risk Events | Possible Consequences | | Residual Risk | |
|-----------------------------|--|---|--|--------------------|-----------------------------|-----------------------------|
| Strategic | Community Health & Wellbeing | Cause: - Poor fire prevention initiatives | Impact: - Significant property loss and damage | Initial Risk Score | Score | Other Requirements/Comments |
| | | Poor flood protection initiatives Poor wind protection initiatives Ineffective emergency management regimes Ineffective asset maintenance and replacement plans and programs Lack of participation in regional emergency management arrangements Noncompliance with legislation Insufficient budget | Loss of life, injury Reputational damage Exposure to liability and penalty Loss of community normality Council services stretched and some services may not be fully operational Loss or damage of public and private infrastructure Environmental and biodiversity impacts | 24 | 13 | |
| | | - Ineffective planning and preparations | | | | |
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| Risk Type | Risk Category | Possible Risk Events | Possible Consequences | Initial Risk Score | Residual Risk Score | Other Requirements/Comments |
| Strategic | Environment | Cause: -Lack of understanding of biodiversity. - Inadequate planning controls, - Lack of specific skill and knowledge of natural environment, - Insufficient budget, - Lack of internal coordination in project delivery, - Inadequate emergency response to environmental hazard, - Lack of longitudinal planning and service delivery, difficulty of meeting varying community | Impact:- Damage to local environment- Financial - restoration of failure to act (fines plus the works to restore)- Reputational damage- Impact on human health and wellbeing due to the loss of visual amenity and ability to interactwith nature- Local amenity not maximised- Health and economic impacts due to climate change | 22 | 13 | |
| | | Eack of folgetualinal planning and service derivery, difficulty of meeting varying community expectation, Ineffective natural resource management strategies and processes. Poor environmental management practices. Illegal dumping | - Failure to meet stakeholder expectation | | | |
| | | expectation, - Ineffective natural resource management strategies and processes. - Poor environmental management practices. | | | | |
| | | expectation, - Ineffective natural resource management strategies and processes. - Poor environmental management practices. | | | | |
| | | expectation, - Ineffective natural resource management strategies and processes. - Poor environmental management practices. | | | | |
| | | expectation, - Ineffective natural resource management strategies and processes. - Poor environmental management practices. | | | | |
| | | expectation, - Ineffective natural resource management strategies and processes. - Poor environmental management practices. | | | | |
| | | expectation, - Ineffective natural resource management strategies and processes. - Poor environmental management practices. | | | | |
| Risk Type | Risk Category | expectation, - Ineffective natural resource management strategies and processes. - Poor environmental management practices. | | Initial Risk Score | Residual Risk Score | Other Requirements/Comments |
| Risk Type Strategic | Risk Category Community Health & Wellbeing | expectation, - Ineffective natural resource management strategies and processes Poor environmental management practices Illeval dumnine Possible Risk Events | - Failure to meet stakeholder expectation | 23 | Residual Risk Score | Other Requirements/Comments |
| | Community Health | expectation, - Ineffective natural resource management strategies and processes Poor environmental management practices Illegal dumning Possible Risk Events Cause: - Business systems do not effectively support organisational needs | Failure to meet stakeholder expectation Possible Consequences 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 mislead; potential legal or | 23 | Score | Other Requirements/Comments |
| | Community Health | expectation, - Ineffective natural resource management strategies and processes Poor environmental management practices Illegal dumning Possible Risk Events Cause: - Business systems do not effectively support organisational needs | Failure to meet stakeholder expectation Possible Consequences 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 mislead; potential legal or | 23 | Score | Other Requirements/Comments |
| | Community Health | expectation, - Ineffective natural resource management strategies and processes Poor environmental management practices Illegal dumning Possible Risk Events Cause: - Business systems do not effectively support organisational needs | Failure to meet stakeholder expectation Possible Consequences 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 mislead; potential legal or | 23 | Score | Other Requirements/Comments |
| | Community Health | expectation, - Ineffective natural resource management strategies and processes Poor environmental management practices Illegal dumning Possible Risk Events Cause: - Business systems do not effectively support organisational needs | Failure to meet stakeholder expectation Possible Consequences 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 mislead; potential legal or | 23 | Score | Other Requirements/Comments |

| Corporate Risk Register | Finalise development of Cyber Security Framework (including implementation Plan) | Six Months | James |
|---|---|--------------------------------|------------------|
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| Corporate Risk | Implement new records management system in conjunction with SharePoint upgrade | Six Months | James |
| Register | | | |
| | | | |
| Corporate Risk Register | Develop business case for the electronic capture of all records currently stored in hardcopy format both onsite and offsite. | Six Months | Jody A |
| | | | |
| Corporate Risk Register | Progress transition to cloud for remaining applications / systems | Six Months | James |
| Corporate Risk Register | Review Information Services Strategic Plan | Six Months | James |
| Deveentionent | | | Diele 15 |
| Department | Team | Location/Project | Risk ID |
| Adelaide Hills Council | Executive Leadership Team | Other | 16912 |
| | | | |
| | | | |
| Risk Control Type | Control Details | Reviewer | Effecti |
| | - Current Asset Management Plans for key asset categories | Peter Bice | EFFEC |
| | Long Term Financial Plan that captures the Strategic Plan and Asset Management Plans Endorsed annual budget for maintenance program (all asset categories) Annual Business Plan & Budget consultation undertaken | | Operat |
| | - Customer Survey undertaken - Asset condition audits undertaken cyclically | | |
| | Asset management system updated to Confirm Enterprise Asset Management Building inspections (last done 2017) | | |
| | Compliance audits for buildings as per legislation Customer request system captures community concerns/issues | | |
| | Sport and Recreation Strategy Bike Strategy Preventative Maintenance regime | | |
| | - Strategic Plan Reviewed with Goal area for Built Environment established (including priorities) | | |
| Action Source Corporate Risk | Action Required Update asset management plans as per cycle (and LTFP) | Action Priority Immediately | Persor David |
| Register Corporate Risk | Preventative Maintenance regime developed | Immediately | David |
| Register Corporate Risk | Establish service levels in consultation with community | Immediately | David |
| Register | | | |
| Corporate Risk Register | Establish cycle for condition audits and monitor (incl buildings) | Immediately | David |
| | | | |
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| Corporate Risk Register | Develop Bike Strategy to identify infrastructure requirements | Immediately | David |
| Corporate Risk Register | Revise Sport and Recreation Strategy to identify infrastructure requirements | Immediately | David |
| Department | Team | Location/Project | Risk ID |
| Adelaide Hills Council | Executive Leadership Team | Other | 17085 |
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| Risk Control Type | Control Details | Reviewer | Effecti |
| | Current Economic Development Strategy (EDS) (revised 2020-21); Team of 2 FTE experienced and highly competent officers employed to deliver EDS and provide | David Waters | Major |
| | 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 (qtly business newsletter and ad-hoc as required); | | |
| | Advisory Group exists for Primary Production Lands to ensure the views and needs of primary producers are understood and taken into account; | | |
| | 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. | | |
| Action Source Corporate Risk Register | Action Required Development of revised Economic Development Strategy Action Plan, involving engagement with key stakeholders to ensure Council's role is appropriately identified. | Action Priority Immediately | Persor Meliss |
| Register Corporate Risk | Identify significant economic infrastructure issues and opportunities | Immediately | Marc S |
| Register | | | |
| Corporate Risk Register | Assess effectiveness of key points of AHC engagement with community | Immediately | Marc S |
| Register Corporate Risk | Active and positive engagement with local business communities | Immediately | Meliss |
| Register Corporate Risk | Encourage an integrated and coordinated approach across all levels of govt to create a diverse | Immediately | Meliss |
| Register Corporate Risk | and sustainable economy across the District Work actively with business groups and associations, providing resources to interact and | Immediately | Meliss |
| | network on a consistent basis. Key role for EDO | | |
| | Assess effectiveness of key points of engagement with community e.g. website, contact control | Immediately | Melice |
| Register 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 | Meliss |

| n Plan) | Six Months | James Sinden | 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. | | | | | |
|---------------------------------------|--------------------------------|--|--|--|-----------------------|-----------|----------------|--|
| | | | Commencement was delayed due to the resignation of a key AHC Staff member responsible for | | | | | |
| | | | the delivery of the project. 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. | | | | | |
| | | | In the short term a specialist contract resource is being used to progress with implementation. | | | | | |
| | | | 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. | | | | | |
| | | | Development of ICT Policy and implementation of an ICT Operations Manual planning has started and AHC Staff have been assisting with the development of a Local Government Cyber | | | | | |
| 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) | | | | | |
| ed in hardcopy | Six Months | Jody Atkins | A business case has been developed that identifies cost estimates that exceed current budget allocation for storage and retrieval costs. Further analysis is required to identify potential savings with regards to identifying funding opportunities for this activity before agreement can be reached with regards to funding this work activity ongoing. | | | | | |
| | Six Months | James Sinden | Payroll and HR Systems currently in progress with an expected completion by September 2022 | | | | | |
| | Six Months | James Sinden | 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. | | | | | |
| | Location/Project | Risk ID | Risk Title | Description | Responsible Person | Risk Type | Risk Category | Possible Risk Events |
| | Other | 169129 | Strategic Risk | Failure to provide | Peter Bice | Strategic | Assets & | Cause: |
| | | | | appropriate infrastructure for the community (F) | | | Infrastructure | Ageing infrastructure in need of renew legislation Poor asset management regimes (dat Ineffective maintenance regimes Leaseholders conducting works outside |
| | | | | | | | | - Duplication or gaps in infrastructure p |
| | | | Risk Score | - | | | | |
| ement Plans | | EFFECTIVEÂ (Designed Adequately; Operating Effectively) | 12 | | | | | |
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| ent | | | | | | | | |
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| ncluding priorities) | | | | | | | | |
| | Action Priority Immediately | Person Responsible David Collins | Extra Comments Footpaths, Kerbs and Roads AMP adopted by Council Feb 2021. AMPS for other classes in | _ | | | | |
| | Immediately | David Collins | development. NIL | - | | | | |
| | Immediately | David Collins | Updated to CRM response times completed. Levels of service refinements required as part of AMP reviews. Stromwater Level of Service Report adopted by Council. Levels of service | | | | | |
| | | | established in adoption of Roads, Footpath and Kerb Asset Management Plan. | | | | | |
| | Immediately | David Collins | Building audits funded in 2020/21 | | | | | |
| | | | Span Bridge Audits completed in 202/21 | | | | | |
| | | | Condition audits identified in AMP and new system implementation and set up has delayed some condition auditing. | | | | | |
| | | | Audit of Kerb being undertaken by internal resource on ConfirmConnect February 2021. Footpath audit to be conducted in first half of 2021. | | | | | |
| | | | Conditon audit identified in Road, Footpath and Kerb AMP for all sealed roads. To be undertaken | | | | | |
| | Immediately | David Collins | in 2022/23 To Council Oct 16 - completed | | | | | |
| | Immediately | David Collins | Strategy completed and infrastructure requirements linked to Strategic Property Review. LTFP | | | | | |
| | Location/Project | Risk ID | now capturing ongoing investment. Risk Title | Description | Responsible Person | Risk Type | Risk Category | Possible Risk Events |
| | Other | 170851 | Strategic Risk | Failure to promote | | Strategic | Growth & | Cause: |
| | | | | the Council area and provide an | | | Prosperity | Inadequate provision for commercial Minimal or no understanding of, and |
| | | | | attractive climate and locations for | | | | groups/associations Lack of business operating skills in pe |
| | | | | the development of business, | | | | Lack of understanding of economic d Inappropriate infrastructure in indus |
| | | | | commerce, industry and tourism (F) | | | | of industrial precincts. Lack of understanding of tourism der |
| | | | | | | | | |
| | | | Risk Score | | | | | |
| r EDS and provide | David Waters | Major reduction in risk | 5 | | | | | |
| lder groups; district, to enable e | 2- | | | | | | | |
| needs of primary | | | | | | | | |
| which is designed to | | | | | | | | |
| demographic data | | | | | | | | |
| | Action Priority | Person Responsible | Extra Comments | | | | | |
| ng engagement | Immediately | Melissa Bright | Workshop held with Council Members late 2020. Anticipated to come to Council in March 2021 for adoption. Implementation to follow in the ensuing years. | | | | | |
| | 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 | | | | | |
| | Immediately | Marc Salver | the Northern Freight Train Bypass. Ongoing through role of Community Engagement Coordinator, through the introduction of online engagement tool and use of other social media platforms and engagement methodologies | | | | | |
| | Immediately | Melissa Bright | Ongoing role of MED | | | | | |
| o create a diverse | | Melissa Bright | Actively developing and maintaining relationships with relevant State and Commonwealth Govt | | | | | |
| nteract and | | Melissa Bright | agencies The Manager ED is actively building relationships with existing business associations and working | | | | | |
| to contact and | Immodiately | Molicco Drickt | with communities that currently do not have business groups (e.g. Gumeracha, Northern Hills, Lobethal) to explore the benefits | | | | | |
| te, contact centre, | 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. | | | | | |
| | Immediately | Melissa Bright | NIL | | | | | |
| | | | | | | | | |

| Description | Responsible Person | Risk Type | Risk Category | Possible Risk Events | Possible Consequences | Initial Risk Score | Residual Risk Score | Other Requirements/Comments |
|---|-----------------------|-----------|----------------------------|---|--|--------------------|------------------------|-----------------------------|
| Failure to provide appropriate infrastructure for the community (F | | Strategic | Assets & Infrastructure | Cause: - Ageing infrastructure in need of renewal to remain fit for purpose and/or comply with legislation - Poor asset management regimes (data, revels) - Ineffective maintenance regimes - Leaseholders conducting works outside of contractual/legislative obligations. - Duplication or gaps in infrastructure provision to communities. - Lack of understanding community needs and trends | Impact: - 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 | 21 | 13 | |

| 9 | Risk Type | Risk Category | Possible Risk Events | Possible Consequences |
|----|-----------|------------------------|--|--|
| rs | Strategic | Growth & Prosperity | Cause: Inadequate provision for commercial development in Development Code Minimal or no understanding of, and support for, business and tourism representative groups/associations Lack of business operating skills in people who wish to run a business Lack of understanding of economic drivers Inappropriate infrastructure in industrial precincts or nodes, placing barriers on development of industrial precincts. Lack of understanding of tourism demand | Impact: Loss of local jobs Loss of basic local retail and service businesses Devaluation of local residential and commercial property Rise in social problems and reduced quality of life Reduced property values |

| Initial Risk Score | Residual Risk Score | Other Requirements/Comments |
|--------------------|------------------------|-----------------------------|
| | | |
| 17 | 5 | |
| | | |

rvice businesses and commercial property

| Corporate Risk Register Corporate Risk | Identify significant argonizations, raise and skillaste within region | | |
|---|---|--|---|
| | Identify significant organisations, roles and skillsets within region | Immediately | Melissa Bright |
| Register | Improve partnership with DC Mt Barker and SATC to assist Adelaide Hills Tourism leverage tourism opportunities | Immediately | Melissa Bright |
| Corporate Risk Register | Improve engagement with local business associations | Immediately | Melissa Bright |
| Corporate Risk Register | Undertake precinct planning/placemaking, with consideration of triple bottom line (As appropriate) | Immediately | Melissa Bright |
| Department | Team | Location/Project | Risk ID |
| Adelaide Hills Council | Executive Leadership Team | Other | 150009 |
| | | | |
| Risk Control Type | Control Details | Reviewer | Effectiveness |
| | Development Policy Planning function in place to monitor, analyse and advise Implementing and transitioning to the new Planning & Design Code Up to date Policy in place Privately funded Code Amendment Policy and other development related policies in place Participation in relevant forums with State & Federal Govt and other stakeholder groups regarding any changes to development policy Undertake responsibilities outlined in the Collaborative Work Plan between SPC and Council regarding transitioning to the new Planning, Development & Infrastructure (PDI) Act 2016 Transition and amend where required the Council's Development Plan to the Planning & Design Code over the next 3 years in accordance with the PDI Act Precinct Planning Framework and expertise in place Skilled and experienced planning, building, infrastructure, sport & recreation planning, community development and economic development teams in place Community engagement and consultation methodologies in place to accord with the State's Community Engagement Charter Relevant development assessment staff and CAP members accredited in accordance with the State's Accreditation Scheme | Marc Salver | EFFECTIVEÂ (Designed Operating Effectively) |
| Action Source Corporate Risk | Action Required Rollout of Precinct Planning methodologies as projects are identified | Action Priority Immediately | Person Responsible James Szabo |
| Register | | | |
| 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 |
| Corporate Risk Register | Implementation of Planning, Development & Infrastructure (PDI) Act reforms | Immediately | Deryn Atkinson |
| Corporate Risk Register | Transition of Development Plan into the new Planning & Design (P&D) Code | Immediately | James Szabo |
| Corporate Risk Register | Asset Management Planning - renewal and future requirements | Immediately | Peter Bice |
| Corporate Risk | Regional Climate Change Adaptation Plan - Resilient Hills and Coast | Immediately | Peter Bice |
| Register Department | Team | Location/Project | Risk ID |
| Adelaide Hills Council | Executive Leadership Team | Other | 170933 |
| | | | |
| Risk Control Type | Control Details | Reviewer | Effectiveness |
| | CLMP Established: Nat : Dec 2024 Building Asset Management Plans Established: Nat: June 22 Sustainable funding for Asset Renewal and Mtce captured within LTFP: Chris / Nat : Annual Strategic Plan includes Goals / Objectives / Priorities associated with Public Areas : Nat : 2024 Sport & Recreation Strategy : Renee : June 22 Property Structure & Resourcing appropriate : Nat : Dec 22 Open Space & Recreation Structure & 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 & supporting mtce program: Kylie : Dec 21 Leases and Licenses for public areas established: Gen : June 2023 Trails Strategy adopted : Renee : June 22 Strategic Bicycle Plan : Renee : June 22 | Terry Crackett | Moderate reduction in |
| Action Source Corporate Risk | CLMP Established: Nat : Dec 2024 Building Asset Management Plans Established: Nat: June 22 Sustainable funding for Asset Renewal and Mtce captured within LTFP: Chris / Nat : Annual Strategic Plan includes Goals / Objectives / Priorities associated with Public Areas : Nat : 2024 Sport & Recreation Strategy : Renee : June 22 Property Structure & Resourcing appropriate : Nat : Dec 22 Open Space & Recreation Structure & 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 & supporting mtce program: Kylie : Dec 21 Leases and Licenses for public areas established: Gen : June 2023 Trails Strategy adopted : Renee : June 22 | | |
| Action Source Corporate Risk Register Corporate Risk | CLMP Established: Nat : Dec 2024 Building Asset Management Plans Established: Nat: June 22 Sustainable funding for Asset Renewal and Mtce captured within LTFP: Chris / Nat : Annual Strategic Plan includes Goals / Objectives / Priorities associated with Public Areas : Nat : 2024 Sport & Recreation Strategy : Renee : June 22 Property Structure & Resourcing appropriate : Nat : Dec 22 Open Space & Recreation Structure & 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 & supporting mtce program: Kylie : Dec 21 Leases and Licenses for public areas established: Gen : June 2023 Trails Strategy adopted : Renee : June 22 Strategic Bicycle Plan : Renee : June 22 | Terry Crackett Action Priority | Moderate reduction in |
| Action Source Corporate Risk Register Corporate Risk Register Corporate Risk Register | CLMP Established: Nat : Dec 2024 Building Asset Management Plans Established: Nat: June 22 Sustainable funding for Asset Renewal and Mtce captured within LTFP: Chris / Nat : Annual Strategic Plan includes Goals / Objectives / Priorities associated with Public Areas : Nat : 2024 Sport & Recreation Strategy : Renee : June 22 Property Structure & Resourcing appropriate : Nat : Dec 22 Open Space & Recreation Structure & 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 & supporting mtce program: Kylie : Dec 21 Leases and Licenses for public areas established: Gen : June 2023 Trails Strategy adopted : Renee : June 22 Strategic Bicycle Plan : Renee : June 22 | Terry Crackett Action Priority Six Months | Moderate reduction in Moderate reduction in Person Responsible Natalie Westover |
| Action Source Corporate Risk Register Corporate Risk Register Corporate Risk Register | CLMP Established: Nat : Dec 2024 Building Asset Management Plans Established: Nat: June 22 Sustainable funding for Asset Renewal and Mtce captured within LTFP: Chris / Nat : Annual Strategic Plan includes Goals / Objectives / Priorities associated with Public Areas : Nat : 2024 Sport & Recreation Strategy : Renee : June 22 Property Structure & Resourcing appropriate : Nat : Dec 22 Open Space & Recreation Structure & 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 & supporting mtce program: Kylie : Dec 21 Leases and Licenses for public areas established: Gen : June 2023 Trails Strategy adopted : Renee : June 22 Strategic Bicycle Plan : Renee : June 22 Action Required Update Community Land Management Plans Programmed maintenance regime to be developed (land and buildings) | Terry Crackett Action Priority Six Months Immediately | Moderate reduction in Moderate reduction in Person Responsible Natalie Westover Christopher Janssan |
| Action Source Corporate Risk Register Corporate Risk Register Corporate Risk Register | CLMP Established: Nat : Dec 2024 Building Asset Management Plans Established: Nat: June 22 Sustainable funding for Asset Renewal and Mtce captured within LTFP: Chris / Nat : Annual Strategic Plan includes Goals / Objectives / Priorities associated with Public Areas : Nat : 2024 Sport & Recreation Strategy : Renee : June 22 Property Structure & Resourcing appropriate : Nat : Dec 22 Open Space & Recreation Structure & 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 & supporting mtce program: Kylie : Dec 21 Leases and Licenses for public areas established: Gen : June 2023 Trails Strategy adopted : Renee : June 22 Strategic Bicycle Plan : Renee : June 22 Action Required Update Community Land Management Plans Programmed maintenance regime to be developed (land and buildings) Review of Crown Land under care and control of Council | Terry Crackett Action Priority Six Months Immediately Six Months | Moderate reduction in Person Responsible Natalie Westover Christopher Janssan |
| Action Source Corporate Risk Register Corporate Risk Register Corporate Risk Register Corporate Risk Register Corporate Risk Register | CLMP Established: Nat : Dec 2024 Building Asset Management Plans Established: Nat: June 22 Sustainable funding for Asset Renewal and Mtce captured within LTFP: Chris / Nat : Annual Strategic Plan includes Goals / Objectives / Priorities associated with Public Areas : Nat : 2024 Sport & Recreation Strategy : Renee : June 22 Property Structure & Resourcing appropriate : Nat : Dec 22 Open Space & Recreation Structure & Resourcing appropriate : Chris : Dec 22 Audit of trees undertaken of high risk assets (building, playground equipment) : Customer Request System established and integrated with Asset Mgt System : David W : Dec 22 Cemeteries Operating Policy & supporting mtce program: Kylie : Dec 21 Leases and Licenses for public areas established: Gen : June 2023 Trails Strategy adopted : Renee : June 22 Strategic Bicycle Plan : Renee : June 22 Action Required Update Community Land Management Plans Programmed maintenance regime to be developed (land and buildings) Review of Crown Land under care and control of Council Review of the Trails Strategy (including Bicycle Plan) | Terry Crackett Action Priority Six Months Immediately Six Months Six Months Six Months | Moderate reduction in Person Responsible Natalie Westover Christopher Janssan Christopher Janssan |
| | CLMP Established: Nat : Dec 2024 Sustainable funding for Asset Renewal and Mtce captured within LTFP: Chris / Nat : Annual Strategic Plan includes Goals / Objectives / Priorities associated with Public Areas : Nat : 2024 Sport & Recreation Strategy : Renee : June 22 Property Structure & Resourcing appropriate : Nat : Dec 22 Open Space & Recreation Structure & 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 & supporting mtce program: Kylie : Dec 21 Leases and Licenses for public areas established: Gen : June 2023 Trails Strategy adopted : Renee : June 22 Strategic Bicycle Plan : Renee : June 22 Action Required Update Community Land Management Plans Programmed maintenance regime to be developed (land and buildings) Review of Crown Land under care and control of Council Review of the Trails Strategy (including Bicycle Plan) Building Asset Management Plans Updated | Terry Crackett Action Priority Six Months Immediately Six Months Six Months Six Months Six Months Six Months Six Months Six Months | Moderate reduction in Person Responsible Natalie Westover Christopher Janssan Christopher Janssan Renee O'Connor Peter Bice |

| ly | Melissa Bright | Relationships with key contacts with business and industry organisations being regularly maintained and developed by the MED | | | | | |
|-------------------|--|--|--|--------------------------|------------------------|------------------|--|
| ly | Melissa Bright | MED active committee member of Adelaide Hills Tourism (AHT) and Visitor Information | | | | | |
| | Maliaca Drickt | Servicing Group | _ | | | | |
| ly | Melissa Bright | Regular communication established with SBA and WCA | | | | | |
| ly | Melissa Bright | The MED is a member of Council's Placemaking group to ensure a coordinated approach | | | | | |
| Project | Risk ID | Risk Title | Description | Responsible | Risk Type | Risk Category | Possible Risk Events |
| 10,000 | | | Description | Person | | nion category | |
| | 150009 | Strategic Risk | Failure to plan at the local and regional level for the future development and future requirements of the area. (F) | Marc Salver | Strategic | Service Delivery | Cause: - Poor understanding of development trends - Ineffective liaison with state and f - Unresponsive Development Plan to results in poor development outcom - Ineffective strategies to enhance a - Poor place making strategies. - Deficient planning and building ru |
| | | | | | | | Ineffective infrastructure planning Lack of appropriately trained and Poor business planning and budge |
| | Effectiveness | Risk Score | | | | | |
| | EFFECTIVEÂ (Designed Adequately; | | 5 | | | | |
| | Operating Effectively) | | | | | | |
| | | | | | | | |
| prity ly ly | Person Responsible James Szabo James Szabo | Extra Comments 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. COMPLETED. Stage 1 DPA approved by SPDPC on 14 August 2018 and subsequently by the Minister for Planning on 8 August 2019. | | | | | |
| ΊΥ | | 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. | | | | | |
| lγ | | 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. | | | | | |
| ly | Peter Bice | IN PROGRESS. Asset Management Plan reviews underway, and ongoing. Jeff Roorda Review | | | | | |
| | | findings and reasinable assumptions being considered and incorporated where appropriate. | | | | | |
| ly | Peter Bice | COMPLETED. Plan endorsed by Council 27/09/16 | | | | | |
| Project | Risk ID | Risk Title | | | | | Possible Risk Events |
| | | | Description | Responsible | Risk Type | Risk Category | |
| Toject | | | Description | Responsible Person | Risk Type | Risk Category | |
| | | Strategic Risk | Description Failure to manage and develop public areas vested in, or occupied by the Council (F) | Person Terry Crackett | Risk Type Strategic | | Lack of strategic and operational properties of strategic and operational open sports, recreation and open sports and open sports of the strategic |
| - | | | Failure to manage and develop public areas vested in, or occupied by the | Person Terry Crackett | | Community Health | Lack of strategic and operational properties and operational properties of sports, recreation and open sports, Physical hazards to users Physical hazards to users Poor climate adaptation regimes Lack of maintenance |
| | 170933 | Strategic Risk | Failure to manage and develop public areas vested in, or occupied by the | Person Terry Crackett | | Community Health | Lack of strategic and operational proor sports, recreation and open sports Physical hazards to users Poor climate adaptation regimes Lack of maintenance |
| kett | 170933 Effectiveness Moderate reduction in risk | Strategic Risk Risk Score 15 | Failure to manage and develop public areas vested in, or occupied by the | Person Terry Crackett | | Community Health | Lack of strategic and operational properties and operational properties of sports, recreation and open sports, Physical hazards to users Physical hazards to users Poor climate adaptation regimes Lack of maintenance |
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| | 170933 Effectiveness Moderate reduction in risk Moderate reduction in risk Person Responsible Natalie Westover Christopher Janssan Natalie Westover | Strategic Risk Risk Score Extra Comments 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. 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. Open Space operation programs for roadside and reserve maintenance are incorporated into | Failure to manage and develop public areas vested in, or occupied by the Council (F) | Person Terry Crackett | | Community Health | Lack of strategic and operational properties and operational properties of sports, recreation and open sports, Physical hazards to users Physical hazards to users Poor climate adaptation regimes Lack of maintenance |
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| Risk Type | Risk Category | Possible Risk Events | Possible Consequences | Initial Risk Score | Residual Risk Score | Other Requirements/Comments |
|-----------|---------------------------------|---|---|--------------------|------------------------|-----------------------------|
| Strategic | Service Delivery | Cause: Poor understanding of development, infrastructure, population, transport, demographics and trends Ineffective liaison with state and federal planning and development agencies. Unresponsive Development Plan that inappropriately restricts development opportunities & results in poor development outcomes. Ineffective strategies to enhance and conserve character areas and iconic sites. Poor place making strategies. Deficient planning and building rules consent practices. Ineffective infrastructure planning processes. Lack of appropriately trained and experienced staff. Poor business planning and budgeting processes to allocate sufficient resources to functions | approaches to addressing community needs and trends Uncoordinated approaches to infrastructure provision, lack of partnership & funding arrangements, lack of collaborative & mutually beneficial outcomes for community, Council and State Govt., duplication of services & resources Disempowered community with poor and inefficient use of public spaces Dysfunctional organisation with a poor reputation resulting in community dissatisfaction with level and type of service provision resulting in a Council regime change Non-compliant with legislative responsibilities resulting in considerable liability exposure Inconsistent and misdirected operations and service provision | 21 | 5 | |
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| Risk Type | Risk Category | Possible Risk Events | Possible Consequences | Initial Risk Score | Residual Risk | Other Requirements/Comments |
| Strategic | Community Health & Wellbeing | 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 | 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 | 25 | Score 15 | |
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| Corporate Risk | Develop Public Toilet Strategy | Six Months | Pa |
|----------------|--|------------|-----|
| Register | | | |
| Corporate Risk | Review the Open Space Mtce Programs to inform an update to the LTFP | Six Months | Nic |
| Register | | | |
| Corporate Risk | In conjunction with Rec & Sport update the audit regime of high risk assets following finalisation | Six Months | Na |
| Register | of the Community Recreation Facilities Framework | | |
| Corporate Risk | Develop Cemetery Mgt Plans for each cemetery under AHC care and control | Six Months | Na |
| Register | | | |

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ADELAIDE HILLS COUNCIL ORDINARY COUNCIL MEETING Tuesday 22 February 2022 AGENDA BUSINESS ITEM

| Item: | 12.12 |
|----------------------|---|
| Responsible Officer: | Peter Bice Director Infrastructure & Operations Infrastructure & Operations |
| Subject: | Lobethal Bushland Park |
| For: | Decision |

SUMMARY

The purpose of this report is to seek approval from Council for the CEO or his delegates to commence without prejudice negotiations with the Department of Environment and Water (DEW) to explore the potential for Lobethal Bushland Park (Aerial Map in *Appendix 2*) to become a Conservation Park under the *National Parks and Wildlife Act 1972*. This request was made in a letter from David Speirs MP Minister for Environment and Water sent to Mayor Wisdom and received on 17 February 2022 *(Appendix 1)*.

RECOMMENDATION

Council resolves:

- 1. That the report be received and noted
- 2. That the CEO or his delegates be authorised to enter into without prejudice negotiations with staff from the Department of Environment and Water to explore the potential for Lobethal Bushland Park to be transferred to the State Government as a Conservation Park.
- 3. That updates on the progress of these negotiations be provided to Council Members.
- 4. That a final report be provided to Council for its consideration following these negotiations.

1. GOVERNANCE

Strategic Management Plan/Functional Strategy/Council Policy Alignment

Strategic Plan 2020-24 – A brighter future

- Goal 3 A prosperous Economy
- Objective E3.3 Work with our local communities and businesses to create active, attractive and vibrant places.

| Goal 4 | A valued Natural Environment. |
|---------------|--|
| Objective N1 | Conserve and enhance the regional natural landscape character and amenity values of our region. |
| Priority N1.2 | Manage reserves and open space to support the community, whilst balancing biodiversity conservation, resource use and environmental impacts. |
| Objective N3 | Nurture valuable partnerships and collaborations and engage the local community in the management of our natural environment. |
| Priority 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. |

Legal Implications

There are requirements which would need to be met depending on the land title classification given to Lobethal Bushland Park, as well as those required by the heritage agreement currently in place.

Risk Management Implications

The entering into without prejudice negotiations with State Government on potential for Lobethal Bushland Park to become a conservation park will assist in mitigating the risk of:

A decision being made without all appropriate information leading to the public detriment.

| Inherent Risk | Residual Risk | Target Risk |
|---------------|---------------|-------------|
| 3B (high) | 2D (Low) | 2D (Low) |

Financial and Resource Implications

Lobethal Bushland Park is currently maintained through internal and external funding. We have internal staff funded under our operational budgets to complete works, as well as providing support to Bush for Life programs and the Friends of Lobethal Bushland Park volunteer group.

Council has also secured numerous grants in recent years to assist both internal staff and volunteers with various activities such as: post bushfire weed management; vegetation monitoring; infrastructure replacement and promotion; accessibility without erosion projects; Nature Play grants; Lookout Tower refurbishment grant; and kangaroo enclosure fencing at Lobethal Bushland Park to protect nationally threatened flora populations.

Ongoing negotiations with DEW will be undertaken as part of staff's current duties.

Customer Service and Community/Cultural Implications

Following the Cudlee Creek Bushfire, Council undertook a masterplan process for the Lobethal Bushland Park site. Following significant consultation, the plan was endorsed by Council at its August 2021 meeting.

There is now significant community expectation that Council (or the land manager) deliver on elements of the masterplan over time.

With the recent State Government policy shifts in regard to National Parks and Wildlife reserve management, further community consultation would be undertaken should a statutory management plan for a Conservation Park at the site be developed. (This was indicated in the letter from the Minister at Appendix 1.)

Sustainability Implications

Council staff and Friends of Lobethal Bushland Park are currently highly committed to improving the conservation values of the park.

> 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: | Department of Environment and Water |
| Community: | Not Applicable |

2. BACKGROUND

Council was recently approached, initially via a phone call from the Minister to Mayor Wisdom and subsequently by the Department of Environment and Water (DEW) to propose the possibility for Lobethal Bushland Park to be listed as a Conservation Park under the *National Parks and Wildlife Act 1972.*

A recent discussion was held between senior staff at Council and DEW. The Minister has since written to Council to seek in-principle support and to enable Council staff and departmental staff to now enter into without prejudice negotiations over coming months in relation to this proposal.

3. ANALYSIS

Internal discussions have commenced with relevant Council staff to assist in determining the current maintenance requirements at Lobethal Bushland Park. These included; the high level of maintenance required for the remnant vegetation and habitat; the recent Playspace upgrade; audited trails and the potential works needed in this area for future maintenance requirements.

An exploration and undertaking of formal negotiations with DEW will clarify whether the outcomes they seek are feasible, and that all appropriate considerations are included in any proposal, thus ensuring that if the Lobethal Bushland Park were to be listed as a Conservation Park, the post positive community and environmental outcomes are achieved.

This report seeks approval from Council for the CEO or his delegates to enter into without prejudice negotiations with DEW staff. It also recommends providing updates to Council Members on the progress of negotiations with DEW in regards to the prospect of Lobethal Bushland Park becoming a Conservation Park. This report also recommends that a report be provided to Council Members following final negotiations.

4. OPTIONS

Council has the following options:

- I. Authorise the CEO or his delegates to enter into without prejudice negotiations with Department of Environment and Water **(Recommended)**
- II. Not authorise the CEO or his delegates to enter into without prejudice negotiations with Department of Environment and Water (Not Recommended)

5. APPENDICES

- (1) Letter received from David Speirs MP Minister for Environment and Water
- (2) Aerial map of Lobethal Bushland Park

Appendix 1

Letter received from DEW

22EW0016377



Government of South Australia

> Office of the Minister for Environment and Water 81-95 Waymouth Street Adelaide SA 5000 GPO Box 1047 Adelaide SA 5001

Tel 08 8463 5680 minister.speirs@sa.gov.au

Mayor Jan-Claire Wisdom Adelaide Hills Council Email: jcwisdom@ahc.sa.gov.au

A- - CLAINE. Dear Mayor Wisdom

I write to you regarding an opportunity for the Adelaide Hills Council's Bushland Park in Lobethal to be included in the state's national park system.

Bushland Park has a range of natural values, including plant species of conservation significance, which play an incredibly valuable role in conserving the biodiversity of the Mount Lofty Ranges. I recognise that the park is highly regarded within the local community with its network of trails and core recreation area, especially following the Cudlee Creek bushfire in 2019, and I understand that it is supported by a dedicated volunteer base.

Further to our earlier conversations, I would like to explore the opportunity for this land to be transferred to the state government for protection under the *National Parks and Wildlife Act 1972* as a Conservation Park, to be managed by the National Parks and Wildlife Service within the Department for Environment and Water.

I understand that Council would need to discuss a range of matters as part of its consideration for this proposal, including planning and operational maintenance of the site, management of recreational assets and fire management. The recently adopted master plan for the site would likely provide a solid foundation for developing a statutory management plan for a Conservation Park, which would be subject to public consultation.

I would appreciate Council giving consideration to this proposal, and providing in-principle agreement for Council officers and departmental staff to negotiate without prejudice over the coming months.

For more information, please contact Jason Irving within the Department for Environment and Water, by email to <u>jason.irving@sa.gov.au</u> or on telephone 0401 120 880.

Yours sincerely

DAVID SPEIRS MP Minister for Environment and Water

Date: 10 02 ひここ

Appendix 2

Aerial map of Lobethal Bushland Park

AERIAL MAP-LOBETHAL BUSHLAND PARK

