

# Notice of Audit Committee Meeting



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## MEMBERSHIP

Cr Peter Field (*Presiding Member*)

Cr Rob Unger

Mr Ross Haslam

(*Independent Member*)

Mr Daniel Edgecombe  
(*Independent Member*)

Ms Deanne Bear

(*Independent Member*)

NOTICE is given pursuant to Sections 87 and 88 of the Local Government Act 1999 that the next AUDIT COMMITTEE MEETING will be held in the Civic Centre, 571 Montague Road, Modbury on WEDNESDAY 28 SEPTEMBER 2022 commencing at 6.30pm

A copy of the Agenda for the above meeting is supplied.

Members of the community are welcome to attend the meeting.



RYAN MCMAHON  
CHIEF EXECUTIVE OFFICER

Dated: 21 September 2022

# CITY OF TEA TREE GULLY

## AUDIT COMMITTEE MEETING 28 SEPTEMBER 2022

### AGENDA

#### 1. Opening and Welcome

Acknowledgement of Country Statement - to be read out as arranged by the Presiding Member

#### 2. Attendance Record:

- 2.1 Present
- 2.2 Apologies
- 2.3 Record of Officers in Attendance
- 2.4 Record of Number of Persons in the Public Gallery
- 2.5 Record of Media in Attendance

#### 3. Confirmation of Minutes of the Previous Meeting

That the Minutes of the Audit Committee Meeting held on 7 September 2022 be confirmed as a true and accurate record of proceedings.

#### 4. Public Forum

*Available to the public to address the Committee on policy, strategic matters or items that are currently before the Committee. Total time 10 mins with maximum of 2 mins per speaker. For more information refer to Council's website [www.cttg.sa.gov.au](http://www.cttg.sa.gov.au)*

#### 5. Deputations

*Requests from the public to address the meeting must be received in writing prior to the meeting and approved by the Presiding Member. For more information refer to Council's website [www.cttg.sa.gov.au](http://www.cttg.sa.gov.au)*

## 6. Presentations

### 6.1 Presentation - Small Tools Audit

Dewald Hartzenberg, Group Coordinator Operations, Fleet and Property Services, will present on the process and findings of a recent small tools audit (10 minutes).

*Requests to present to the meeting must be received in writing 5 days prior to the meeting and approved by the Presiding Member. For more information refer to Council's website [www.cttg.sa.gov.au](http://www.cttg.sa.gov.au)*

## 7. Petitions

## 8. Declarations of Conflicts of Interest

*Members are invited to declare any material, actual and/or perceived conflicts of interest in matters appearing before the Committee.*

## 9. Adjourned Business - Nil

## 10. Motions Lying on the Table - Nil

## 11. Management Reports

Office of the Chief Executive Officer - Nil

Assets & Environment - Nil

Organisational Services & Excellence

11.1 Internal Audit Report - Bushfire Prevention and Preparedness..... 5

11.2 Draft Annual Report for the Financial Year ending 30 June 2022..... 28

Community & Cultural Development - Nil

12.	Motion(s) on Notice - Nil	
13.	Motion(s) without Notice	
14.	Question(s) on Notice - Nil	
15.	Questions without Notice	
16.	Information Reports	
16.1	Council Insurance Policy and Premiums Analysis 2022-2023 .....	149
16.2	Internal Audit Agreed Actions Update .....	155
16.3	Audit Committee Works Program 2022-2023 Status Update - September 2022 .....	168
16.4	Internal Audit Plan Status Update .....	181
17.	Status Report on Resolutions	
17.1	Status Report on Audit Committee Resolutions .....	183
18.	Other Business - Nil	
19.	Section 90(2) Local Government Act 1999 – Confidential Items - Nil	
	<i>A record must be kept on the grounds that this decision is made.</i>	
20.	Date of Next Ordinary Meeting	
21.	Closure	





REPORT FOR

AUDIT COMMITTEE MEETING

MEETING DATE

28 SEPTEMBER 2022

RECORD NO:

D22/140139

REPORT OF:

ORGANISATIONAL SERVICES & EXCELLENCE

TITLE:

INTERNAL AUDIT REPORT - BUSHFIRE PREVENTION AND PREPAREDNESS

Item 11.1

## PURPOSE

To consider the Internal Audit Report and agreed actions in relation to an internal **audit undertaken by KMPG of a review of Council's bushfire prevention and preparedness processes and systems.**

## RECOMMENDATION

**That the Audit Committee receives the report titled “Internal Audit Report – Bushfire Prevention and Preparedness” and dated 28 September 2022, and endorses the agreed actions detailed in Attachment 1 of this report.**

## 1. BACKGROUND

The City of Tea Tree Gully is located in a bushfire-prone region. Despite the relatively high urbanisation of the Council area, there is a large amount of continuous native vegetation, significant bushfire risk, rural zones and dry park land areas within its boundaries, and in adjoining council areas. The Adelaide and Mount Lofty Ranges Bushfire Management Area Plan identifies a number of areas within the City of Tea Tree Gully which have a very high risk of bushfire. As per 2021 Census data, up to 4,650 residents reside within these areas at risk of bushfires.

Council plays a critical role in the event of a bushfire event that could occur within the boundaries of, or impact upon, the City of Tea Tree Gully. Council may provide resources to assist with the response to and recovery from bushfire events to minimise the impacts of such an emergency on its community.

Council has experienced recent bushfire events within its area and nearby, including the Cudlee Creek (2019) and Sampson Flat (2015) fires. Coupled with the increase in climate change impacts which may affect the length and predictability of the bushfire season, it is critical for Council to proactively ensure that robust bushfire prevention and preparedness plans are in place.

In accordance with the Internal Audit Plan 2021 – 2022, Bushfire Prevention and Preparedness was identified as one of the proposed internal audit activities to be undertaken by an independent provider for the Financial Year ending 2022. There was a delay in commencing this audit due to the availability of suitable external providers, therefore the audit did not commence until the 2022 – 2023 Financial Year.

The internal audit review was commissioned to review the adequacy and appropriateness of the bushfire prevention and preparedness of Council, to mitigate risks to the community and ensure legislative requirements are met, and to identify areas for improvement. This report outlines findings and recommendations in respect to bushfire management risks in line with relevant legislation and Council's identified risks in relation to bushfire.

## 2. DISCUSSION

Council engaged KMPG to conduct an internal audit review of its approach to bushfire management. The internal audit included considerations of the following areas:

1. Review and assess processes and documentation for planning and preparedness in relation to bushfire management and disaster risk reduction
2. Review of plans for operational service on total fire ban days and implementation by employees and sub-contractors

3. Assess effectiveness of communications and working relationships with relevant agencies
4. Assess relevant bushfire management information and education provided to the community
5. Assess practices, awareness and extent of alignment with the Adelaide and Mount Lofty Bushfire Management Area Plan and relevant Acts in Council operations
6. Review over-arching internal governance, roles and responsibilities and bushfire management training and alignment with better practice
7. Assess level of training provided to employees and sub-contractors related to bushfire risk areas
8. **Assess Council's ability to capture and implement lessons learned and continuous improvement.**

### Internal Audit Report

The Internal Audit Report (provided as Attachment 1 to this report) outlines positive observations, key findings, recommendations and proposed agreed actions, responsibilities and timeframes.

### Positive Observations

A number of positive observations were identified during the course of this internal audit and are summarised below:

- ✓ **Council's incident management arrangements follow the Australian Inter-Service Incident Management System (AIIMS) Principles**, which integrates well with the SA Fire and Emergency Services Commission (SAFECOM) guidelines.
- ✓ Pre-identified Council Incident Management Team (CIMT) staff are in place, with each functional role comprising of three contacts to promote well-being and avoid fatigue. The CIMT was reviewed after the Sampson Flat Bushfire.
- ✓ i-Responda and Burn Over training is provided to relevant field staff, which is refreshed / undertaken at least annually.
- ✓ Automated email notifications on forecast fire risk are provided to staff on the day prior to a declared High Fire Danger Day.
- ✓ Staff working from home in a high bushfire risk area must complete and keep an up to date a Bushfire Plan, as part of the Working From Home Checklist.

### Key Findings

A snap shot of the key findings, including performance improvement opportunities (PIOs) are provided below with full details of the findings, recommendations and agree actions provided in Sections 3 and 4 of Attachment 1.

Ref #	Description of Audit Findings	Rating
F1	Inconsistent approach to documenting and reporting of bushfire related information	Medium
F2	Gaps in the prioritisation of bushfire mitigation treatment processes	Medium
F3	Lack of formal bushfire reporting and communication to Senior Management / Council / Elected Members/ Audit Committee	Medium
F7	Gaps identified in the governance and effective management of fire access tracks	Low
PIO1	Opportunity to increase the level of information provided to the community	Process improvement opportunity Process improvement opportunity Process improvement opportunity
PIO2	Succession planning and loss of key information and relationships	
PIO3	Opportunity to further reduce hazards and fuel loads in the Council area	

### 3. FINANCIAL

The internal audit review was undertaken in accordance with the annual budget allocated to ensure delivery of the Internal Audit Plan.

The agreed management actions arising and their resourcing allocation are identified in Attachment 1 to this report.

#### 4. STRATEGIC OBJECTIVES

##### Strategic Plan

The following strategic objectives in Council's Strategic Plan 2025 are the most relevant to this report:

Objective	Comments
Environment	
<i>We are resilient to climate change and equipped to manage the impact of extreme weather events</i>	Strategic bushfire management practices allow Council to set clear objectives and strategies to achieve its legislative responsibilities. Appropriate and adequate practices implemented for bushfire prevention and preparedness contribute to disaster risk reduction, which minimises the impacts of bushfire events on the community.

##### Policies / Strategies

Council's Emergency Management Policy is relevant to this report, as it defines Council's role in emergency management including disaster risk reduction.

#### 5. LEGAL

Council has legislative responsibilities for bushfire management (including prevention and preparedness) under the *Local Government Act 1999*, *Fire and Emergency Services Act 2005*, the *State Emergency Management Plan*, and the *State Bushfire Management Plan 2021-2025*.

#### 6. RISK – IDENTIFICATION AND MITIGATION

**This audit contributes to Council's risk management process by identifying any potential gaps and improvement opportunities in current approaches.** Any agreed actions from the findings will work toward mitigating the level of risk to Council in relation to this topic and will ensure processes and systems are further refined.

All agreed actions will be monitored and reported on a periodic basis to the Audit Committee.

7. ACCESS AND INCLUSION

Any community bushfire awareness and education activities delivered or supported **by Council will address diversity and inclusion to ensure alignment with Council's Disability Access and Inclusion Plan 2020 – 2024.**

8. SOCIAL AND COMMUNITY IMPACT

By Council enhancing its bushfire prevention and preparedness activities, the risk and impacts to the community from bushfire events will be further mitigated.

9. ENVIRONMENTAL

There is no direct environmental impact, however any bushfire management activities will be undertaken in accordance with any relevant legislation and/or guidelines relating to the environment. Climate change impacts will also be **considered in Council's bushfire mitigation treatment processes.**

10. ASSETS

Nil

11. PEOPLE AND WORK PLANS

The agreed management actions arising and their impact on resourcing are identified in Attachment 1 to this report.

Aspects of the audit, current work practices and opportunities for improvement have been considered as part of the management responses to the agreed actions.

12. COMMUNITY AND STAKEHOLDER ENGAGEMENT

Any actions arising from the internal audit have been agreed with the relevant internal stakeholders. No community engagement has been undertaken in relation to this report.

13. COMMUNICATIONS OF COUNCIL DECISION

The outcomes of any decision will be communicated to relevant stakeholders

14. INTERNAL REPORT CONSULTATION

The following staff have been included in the consultation process in the preparation of Attachment 1.

Name	Position	Consulted about
John Moyle	Chief Executive Officer (prior to 3 September 2022)	Internal Audit report findings
Thornton	Director Assets and Environment	Internal Audit report findings and agreed management actions
Harfield	Director Community and Cultural Development	Internal Audit report findings and agreed management actions
Carol Neil	Manager Community Safety	Internal Audit report findings and agreed management actions
Laura Watson	Manager Parks	Internal Audit report findings
Andrew Sellars	Group Coordinator, Civil & Buildings Projects	Internal Audit report findings and agreed management actions
Adam Kelly	Manager Governance and Policy	Internal Audit report findings
Ilona Cooper	Fire Prevention and Asset Protection Officer	Internal Audit report findings and agreed management actions

## Attachments

1. [KPMG Bushfire Prevention and Preparedness Internal Audit Report - Final](#) .....12

## Report Authorisers

Lauren Monteleone	
<b>Emergency Management Advisor</b>	8397 7227
Ilona Cooper	
Manager Governance and Policy	8397 7310
Wayne Richards	
Acting General Manager Corporate Services	8397 7444

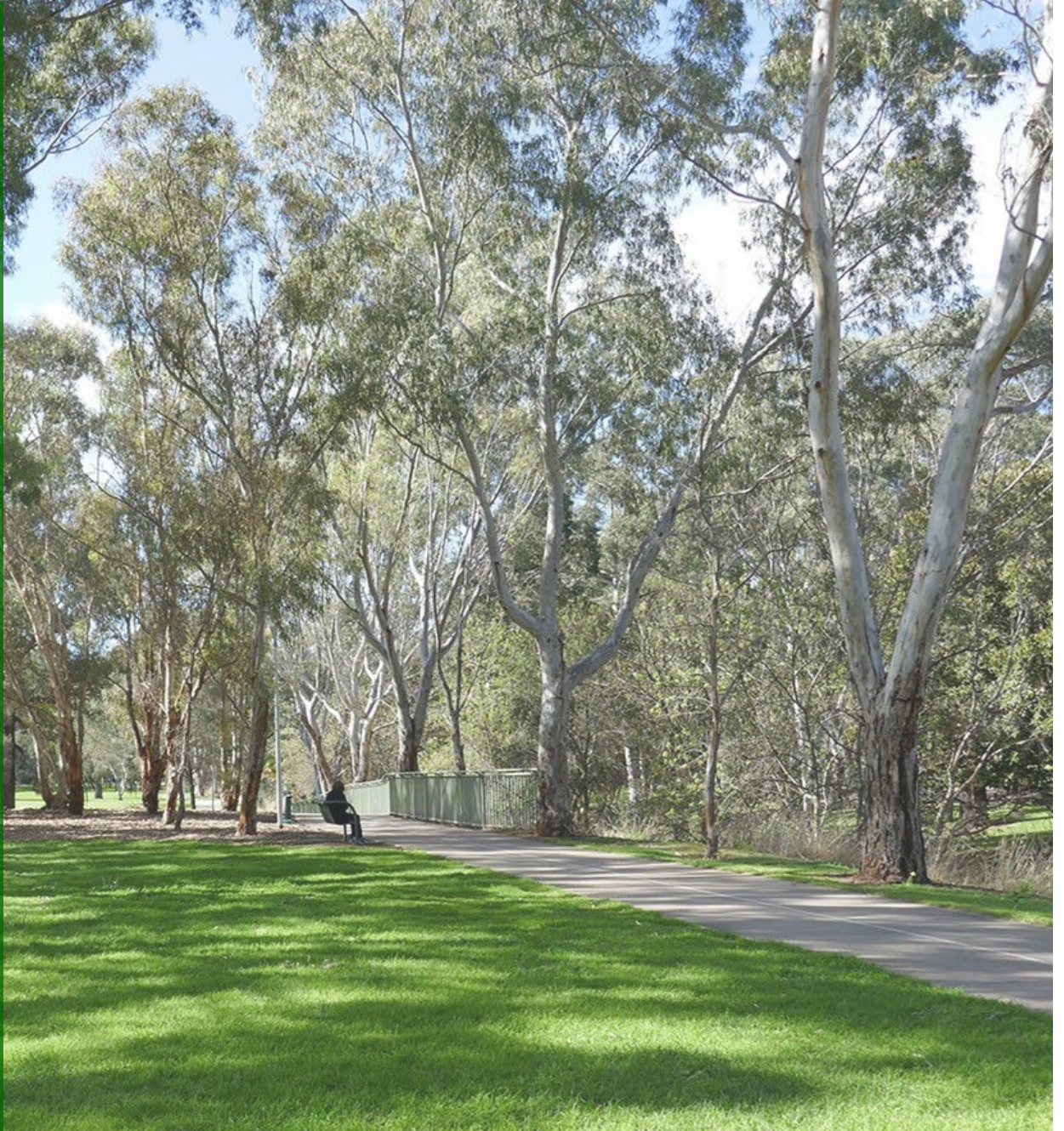




# City of Tea Tree Gully

## Bushfire Prevention and Preparedness

September 2022





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# 1.0 Executive Summary



## Executive Summary

## Background

## Internal Audit Findings

## Improvement Opportunities

## Appendices

In accordance with the City of Tea Tree Gully (CTTG) Internal Audit Plan, an internal audit focusing on the CTTG's Bushfire Prevention and Preparedness was performed. The objective, scope and approach for the internal audit are outlined below.

### Objective

The objective of this internal audit was to consider the adequacy and appropriateness of the Bushfire Prevention and Preparedness of the Council. The audit also identified gaps and recommendations for strengthening controls and alignment to better practice and determined how effective lessons learned are captured and implemented for the future.

### Scope

To address the overall objective above, the scope of this internal audit included consideration over the following areas:

- Review and assess processes and documentation for planning and preparedness in relation to bushfire management and disaster risk reduction.
- Review of plans for operational service on total fire ban days and implementation by employees and sub-contractors.
- Assess effectiveness of communications and working relationships with relevant agencies.
- Assess relevant bushfire management information and education provided to the community.
- Assess practices, awareness and extent of alignment with the Adelaide and Mount Lofty Ranges Bushfire Management Area Plan and relevant Acts in Council operations.
- Review over-arching internal governance, roles and responsibilities and bushfire management training and alignment with better practice.
- Assess level of training provided to employees and sub-contractors related to bushfire risk areas.
- Assess the CTTG's ability to capture and implement lessons learned and continuous improvement.

### Positive Observations

A number of positive observations were identified during the course of the internal audit, which are summarised below:



The Council's Incident Management Arrangements follow the Australian Inter-Service Incident Management Systems (AIIMS) Principles, which integrates well with the SA Fire and Emergency Services Commission (SAFECOM) guidelines.



Pre-identified Council Incident Management Team (CIMT) staff are in place, with each functional role comprising of three contacts to promote well-being and avoid fatigue. The CIMT was reviewed after the Sampson Flat Bushfire.



i-Responda and Burn Over Training is provided to relevant field staff, which is refreshed / undertaken at least annually.



Automated email notifications on forecast fire risk are provided to staff on the day prior to a declared High Fire Danger Day.

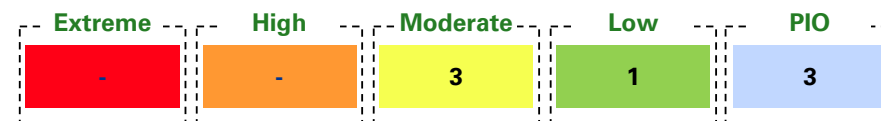


Staff working from home in a high bushfire risk area must complete and keep an up to date Bushfire Plan, as part of the Working From Home Checklist.

### Key Findings and Recommendations

The number of findings identified during the course of this internal audit is shown in the following table. A full list of the findings identified and the recommendations made are included in this report. Classification of internal audit findings are detailed in Appendix 2. These findings and recommendations were discussed with CTTG Management.

Management has accepted the findings and has agreed action plans to address the recommendations.





# 2.0 Background

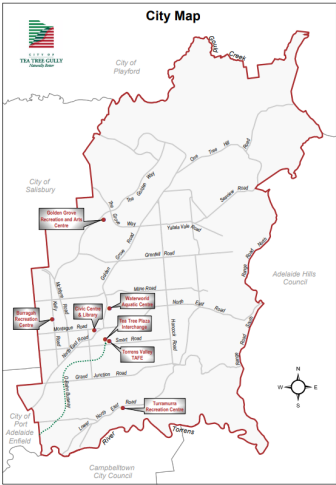
Executive Summary	Background	Internal Audit Findings	Improvement Opportunities	Appendices
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The City of Tea Tree Gully (CTTG) is located in a bushfire-prone region in South Australia. Despite the relatively high urbanisation of the Council area, there is a large amount of continuous native vegetation, significant bushfire risk rural zones and dry land park areas within the CTTG, and in adjoining council areas. The CTTG plays a critical role in the event of an emergency, specifically bushfire related, that could occur within the boundaries of, or impacts upon, the CTTG. The Council provides resources to assist with the response and recovery to bushfires to minimise the impacts of such an emergency on local residents, as well as to provide relief and support to those requiring assistance.

With an increase in climate change impacts and a number of significant bushfires affecting Australia in recent years, it is critical for the Council to proactively ensure that robust bushfire prevention and preparedness plans are in place.

**Fire weather is expected to increase from 6% to 13% by 2030**

- The Northern Adelaide Zone Emergency Management Plan (ZEMP)



Bushfire prevention is a year-round responsibility and with recent bushfires nearby, and within the CTTG area, including the Cudlee Creek (2019) and Sampson Flat (2015) Fires, prevention and preparedness is increasingly significant.

Per the Bushfire Management Area Plan, the CTTG has a number of areas within the Council zone which have a very high risk of bushfire. Per 2021 census data, up to 4,650 residents reside within these areas at risk of bushfires.

## Key and Emerging Risks

- Location of the Council area which comprises suburbs with large private properties and open spaces, as well as including, and bordering, a number of recreation and conservation parks.
- The increase in climate change impacts on bushfire management, including length and predictability of the bushfire season.
- Increased public scrutiny and community expectation in the lead up to the bushfire season.
- Management of employees and contractors on Total Fire Ban Days.
- Changing community information requirements:
  - Bushfire prevention and preparedness information needs to be inclusive and accessible to reflect the diverse needs of the community.
  - Work collaboratively with the community, other agencies and organisations involved in bushfire preparedness.

The CTTG holds numerous responsibilities under the Fire and Emergency Services Act 2005, the Emergency Management Act 2004 (including State Emergency Management Plan) as well as the State Bushfire Management Plan 2021-2025, as underpinned by the requirements of the Adelaide and Mount Lofty Ranges Bushfire Management Area Plan.

This includes:

- Fuel hazard reduction and fuel management requirements.
- Roadside vegetation management.
- Fire management planning.
- Development and building regulations in fire prone areas.
- Community engagement and education about bushfires.
- Overarching bushfire management practices.
- Performance of operations and delivery of services within bushfire prone areas.

## 2.0 Background



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### CTTG Bushfire Prevention and Preparedness Profile

The CTTG is undergoing a period of change resulting from the recent retirement of several key staff members involved in bushfire prevention, and State Bushfire Management Plan 2021-2025 legislative changes. The knowledge and experience of retiring staff members significantly contributed to the maturity of CTTG's bushfire management. This expertise coupled with fresh perspectives of incoming staff members provides an opportunity to further strengthen the bushfire management processes, as well as to drive a technological shift and modernisation of the CTTG's bushfire management, operations and alignment with the legislative changes.

### Supporting Systems

CTTG staff respond to services related to bushfire and other emergency incidents (e.g., storm water floods) with assistance from the following systems:

#### i-Responda

To support the CTTG in managing bushfire prevention and preparedness, the i-Responda operating platform, as developed by the Local Government Association (LGA), assists in the planning and implementation of the CTTG's response to emergency events. The i-Responda application is available on mobile phones to all staff members at the CTTG.

The application was developed to ensure that Council staff can participate safely in emergency management, and risks to Council and Council staff are appropriately managed. The CTTG uses i-Responda as one of the key tools to equip staff with information and tools to respond and assist to emergencies and manage associated risks.

#### Bushfire Management Area Plan

The Bushfire Management Area Plan (BMAP) is a strategic, risk-based tool which maps the risk rating of designated Bushfire Management Areas, developed by the Country Fire Service Bushfire Management Committee. The Adelaide and Mount Lofty Ranges BMAP is a key tool used by the CTTG in bushfire preparedness and has assisted in developing the Tea Tree Gully Safe Working Area (TTGSWA).

#### ESRI

ESRI is a Geographic Information System (GIS), that utilises location intelligence technology to analyse and combine data from multiple sources on a map.

### Relevant Agencies

Strong relationships with relevant agencies including the Country Fire Service (CFS), Metropolitan Fire Service (MFS), Department of Environment and Water (DEW), State Emergency Service (SES), Neighbouring Councils and the SA Police (SAPOL) remain integral components to providing a coordinated response in the event of a bushfire. Not only to assist with vegetation management and prescribed burning in the planning and preparation phases, but also to assist with effective traffic management and mobilisation of Local Government resources to support agencies in the event of a bushfire.

#### Local Government Functional Support Group (LGFSG)

Established in 2016 under the State Emergency Management Plan, the LGFSG coordinates the local government response in emergencies. This involves providing staff, equipment and logistics support in an emergency at each Council's discretion.

### Policy and Governance

The CTTG has a legislative responsibility for emergency management. As such, they have developed a suite of internal supporting procedures and documents to govern the management and enforcement of bushfire prevention and preparedness activities. The Total Fire Ban Day Plan and Council Emergency Management Plan outline the expected actions for Council staff on declared high, extreme and catastrophic fire danger days.

#### Council Incident Management Team

The Council Incident Management Team (CIMT) is responsible for managing emergency situations and incidents. The team consists of a group of highly trained professionals with extensive operational service delivery and have the capacity to make strategic decisions in the best interest of the community in the event of a bushfire or other incident. The CIMT membership has been adapted as a result of previous bushfire incidents.

## 2.0 Background



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### Summary of internal audit findings

Through our discussions with stakeholders, documentation review and sample testing performed, Internal Audit identified three (3) medium rated findings, one (1) low rated finding, and three (3) performance improvement opportunities (PIO). The following table provides a summary of our risk rated findings, the relevant issue owner and target date for implementation.



Rating	Ref #	Description
Medium	F1	Inconsistent approach to documenting and reporting of bushfire related information
Medium	F2	Gaps in the prioritisation of bushfire mitigation treatment processes
Medium	F3	Lack of formal bushfire reporting and communication to Senior Management / Council / Elected Members / Audit Committee
Low	F4	Gaps identified in the governance and effective maintenance of fire access tracks
PIO	PIO1	Opportunity to increase the level of information provided to the community
PIO	PIO2	Succession planning and loss of key information and relationships
PIO	PIO3	Opportunity to further reduce hazards and fuel loads in the Council area

# 3.0 Internal Audit Findings



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## Finding 1: Inconsistent approach to documenting and reporting of bushfire related information

Medium

### Observation(s):

A formal and consistent process is not in place to manage bushfire mitigation treatment documentation.

The process for recording bushfire mitigation treatments, status of treatments and related performance, is performed inconsistently between each CTTG department, with no formal process to guide the information, format and requirement of documentation to be recorded.

Through stakeholder consultations, Internal Audit identified the following:

- Whilst a form of documentation / checklist is held to indicate where a task has been completed, it is documented inconsistently between departments.
- There is no documentation to capture the status of the task, or explanations if a process is delayed or incomplete.
- Documents are not captured in a centralised location.
- ESRI and TechnologyOne are utilised by the Council for capturing bushfire mitigation treatments, however these are not utilised consistently by each department.

### Risk(s):

- Significant time and effort is spent locating documentation.
- Evidence / documentation is not provided in a timely manner in the case of an emergency (e.g. bushfire) or incident (e.g. WHS accident).
- Inconsistent application of data recording / management.
- CTTG is unable to demonstrate their compliance to undertaking the appropriate actions to address an issue.
- No defensible documentation of performance is held.

### Recommendation(s):

Internal Audit recommends the CTTG:

1. Develop a formal procedure to capture consistent recording and reporting of bushfire mitigation treatments and status.
2. It is also recommended that the filing procedure, documentation naming conventions and centralised location are subsequently communicated to staff. This procedure should also be made readily available to staff, e.g. on the intranet.
3. Consider whether existing systems such as ESRI, TechnologyOne or Content Manager may be suitable for this purpose.

### Management Action(s):

1. A framework will be developed to provide a consistent approach to recording and reporting bushfire mitigation treatments, including allocation of responsibilities and recording the status of treatment actions. This will provide a clearly defined monitoring, reporting and evaluation system for bushfire management activities.
2. The framework will be communicated to relevant staff and made available on the Council's intranet.
3. The use of technology to assist this process will be explored upon the release of BMAP 2.0 to ensure alignment between systems.

### Responsibility:

- Manager Community Safety
- Group Coordinator, Civil & Buildings Projects
- Emergency Management Advisor

### Target date:

30 November 2022 (initial framework).

To be further explored and refined by 24 December 2023.

# 3.0 Internal Audit Findings



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## Finding 2: Gaps in the prioritisation of bushfire mitigation treatment processes

Medium

### Observation(s):

The current bushfire prevention treatment prioritisation process requires updating.

The CTTG utilises the BMAP to determine the bushfire risk rating for areas within the Council zone and the appropriate bushfire mitigation treatments. Bushfire mitigation treatments undertaken by the Council include private property inspections, verge maintenance, slashing, and weed removal, and are coordinated with neighbouring councils on relevant borders.

Whilst current treatments are prioritised per the BMAP risk rating, Internal Audit identified the following gaps:

- Where there are competing treatments in areas with the same bushfire risk rating, there is reliance on staff expertise and no decision making guidance is provided to staff.
- No decision making process exists to guide staff on determining the priority of property inspections and related vegetation removal.
- Documentation for prioritisation of treatments undertaken is not maintained.
- The impacts of climate change are not formally considered in the bushfire mitigation treatments and prioritisation process, in particular:
  - Impacts of increases in fuel load, fuel dryness and fire weather on bushfire mitigation treatments in the bushfire management plans, such as changes to vegetation management and extensions to slashing areas.
  - Regular review and challenge of bushfire related policies and procedures on pre-determined anniversary dates, to consider climate change.
  - Regular re-assessments of risks and responses to ensure the flexibility and adaptability of plans.

There is an opportunity to use a risk based and future focused approach to prioritising and coordinating bushfire prevention treatments, assisting in the management and reporting progress as identified in Finding 1.

### Risk(s):

- Bushfire treatments are not prioritised appropriately.
- Lack of appropriate prioritisation may result in an unnecessary risk exposure.

### Recommendation(s):

Internal Audit recommends the CTTG:

1. Undertake a workshop (if required) to develop a prioritisation procedure, which may include:
  - A decision tree for the assessment of bushfire mitigation treatments.
  - A risk matrix to provide support in decisions made.
2. Formalise the consideration of climate change impacts on bushfire mitigation treatments and prioritisation by performing regular reviews of policies and procedures, including assessment of climate change risks and responses.

### Management Action(s):

1. A risk-based prioritisation tool will be developed to assist the decision-making process and resource allocation for bushfire mitigation treatments. This tool will form part of the new Framework to be developed (refer Finding 1).
2. The tool will ensure a flexible and adaptable bushfire treatment action plan with consideration of climate change impacts, changes to Council's risk profile, and reviews of relevant policies and procedures.

### Responsibility:

- Manager Community Safety
- Group Coordinator, Civil & Buildings Projects
- Emergency Management Advisor

### Target date:

30 November 2022



## 3.0 Internal Audit Findings



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### Finding 3: Lack of formal bushfire reporting and communication to Senior Management / Council / Elected Members / Audit Committee

Medium

#### Observation(s):

There is a lack of consistent reporting of bushfire preparedness and prevention management and related risks provided to Senior Management / Council / Elected Members / Audit Committee.

A Council Emergency Planning and Prevention Team (CEPPT) has recently been established which focuses on an all-hazards approach to provide strategic oversight of the Council's activities for disaster risk reduction, planning and prevention for emergencies. However, Internal Audit identified there is no formal reporting of bushfire preparedness actions and status of bushfire mitigation treatments provided to Senior Management / Council / Elected Members / Audit Committee.

Reports developed should integrate status / progress documentation, liaison with other agencies, data analytics of bushfire mitigation treatments performed, seasonality impacts and risk assessments, reporting and outcomes from the CEPPT once further developed, as well as existing information provided to the CFS and the Adelaide Mount Lofty Ranges Bushfire Management Committee.

There is further opportunity to utilise geospatial technology, such as ESRI or TechnologyOne, in reporting to allow for the graphical representation of the level of preparedness, prevention and risk rating across Council zones. At the commencement of the fire danger season, an analysis of boundaries, mitigation treatments and property inspections may assist to drive the prioritisation of activities and progress reporting to Senior Management / Council / Elected Members / Audit Committee. Following the fire danger season, an assessment and reflection on the performance of the bushfire mitigation processes should also be reported.

The report should clearly identify the outstanding treatments and risk areas of the bushfire management process, and be presented in an easy to read format, for example utilising traffic light reporting.

#### Risk(s):

- Important information is not provided in a clear and timely manner to Senior Management / Council / Elected Members / Audit Committee.
- Senior Management / Council / Elected Members / Audit Committee are unable to gather accurate current insight into Council performance / bushfire prevention activities and status.

#### Recommendation(s):

Internal Audit recommends the CTTG:

1. Develop a form of periodic status reporting to inform Senior Management / Council / Elected Members / Audit Committee on the status of bushfire prevention management. This may include:
  - Status of bushfire mitigation treatments.
  - Data analytics of tasks performed.
  - 'Pre Fire Danger Season' and 'Post Fire Danger Season' analysis and assessment.
  - Seasonable factor impact on the risk profile assessment.
  - Traffic light report to indicate status and risk rating.
  - Liaison with other agencies.
  - Utilisation of geospatial technology, e.g. ESRI or TechnologyOne.
2. Consider aligning reporting responsibilities to staff on external committees.
3. Consider the escalation process of reporting to the Audit Committee.

#### Management Action(s):

1. As part of the new Framework (refer Finding 1), internal and external reporting requirements will be established for the status of bushfire management activities undertaken by Council.
2. Reporting requirements will identify Council's collaboration with, and support provided to, other agencies with responsibilities for bushfire management.

#### Responsibility:

- Manager Community Safety
- Group Coordinator, Civil & Buildings Projects
- Emergency Management Advisor

#### Target date:

30 November 2022



# 3.0 Internal Audit Findings



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## Finding 4: Gaps identified in the governance and effective maintenance of fire access tracks

Low

### Observation(s):

Gaps were identified in the governance and maintenance of fire access tracks.

Fire access tracks are designed and maintained within the CTTG zone on both public and private property, for emergency use by the relevant agencies. The South Australian Firebreaks, Fire Access Track and Sign Standards Guidelines indicate 3 classifications of fire access tracks: major, standard and minor which must meet minimum requirements. Where a track does not meet the minimum requirements, it is deemed to be a service track.

Whilst records of fire access track maintenance is documented, Internal Audit identified the following gaps:

- Fire access track location is passed down through knowledge, and rationale and formal fire access track identification is not documented.
- Documentation is not held as to why each fire access track is being maintained.
- The Council's previous Fire Prevention Officer was the CFS Captain and as a result, there was a level of consultation with the CFS through this relationship. However, no formal consultation process with the CFS has occurred to determine whether:
  - Each fire access track being maintained is recorded in the CFS database and available for use in emergency situations, including new fire access track requests received by the CTTG.
  - The classification which the fire access track needs to be maintained to.
  - Fire access tracks with "no through roads" and turnaround points have appropriate signage.

Resources may be utilised in the upkeep of historical fire access tracks that will not be used by the CFS, or are maintained to a classification higher than required, and as a result, resources can be re-directed to other value adding areas of the Council.

### Risk(s):

- The CTTG may not be compliant with the South Australia firebreaks, fire access track and sign standards guidelines.
- No audit trail of fire access tracks that have been or require maintaining.
- Inefficient deployment of Council resources.

### Recommendation(s):

Internal Audit recommends the CTTG:

1. Consults with the CFS periodically to:
  - a) Improve track identification and record keeping, including the rationale for upkeep and maintenance.
  - b) Determine which fire access tracks are required to be maintained.
2. Capture additional data to quantify the fire access track maintenance to provide transparency.
3. Consider whether existing system such as ESRI or TechnologyOne are suitable to record fire access track documentation.

### Management Action(s):

1. In consultation with the CFS, a review of Council's existing fire access track network will be undertaken to determine the status, classification, and maintenance requirements of fire access tracks.
2. A suitable process will be established for the maintenance of fire access tracks and for the assessment and approval of applications for new fire access tracks.
3. Existing data maintained on ESRI will be reviewed to ensure accuracy and to provide consistent identification of fire access tracks and their classification (e.g. number and/or name).
4. Outcomes of this process will be incorporated into the new Framework (refer Finding 1) and the treatment prioritisation tool (refer Finding 2).

### Responsibility:

- Manager Community Safety
- Group Coordinator, Civil & Buildings Projects
- Emergency Management Advisor

### Target date:

31 August 2023

# 4.0 Performance Improvement Opportunities



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## PIO 1: Opportunity to increase the level of information provided to the community

### PIO

#### Observation(s):

Opportunities to increase the level of information communicated to the CTTG community were identified.

As the CTTG Council area is predominantly an urban and suburban area, there may be a misconception from new residents that the Council does not have any bushfire risk areas.

A number of measures are currently utilised by the CTTG to promote bushfire awareness within the community, including the Council's website, Gully Grapevine articles, corporate e-newsletter and social media. New Resident Packs were previously provided to new residents moving into areas of the Council deemed to be high risk bushfire zones, providing bushfire management and prevention information, however are no longer provided.

In consultation with the CFS, there is an opportunity to consider whether sufficient communication mechanisms are in place. This may include discussion with the CFS to determine:

- Which Council areas are captured by CFS existing community communications.
- Identify any gaps where residents residing in high-risk bushfire areas, as determined by the Council, are not receiving bushfire information.
- Consider whether additional communications may be necessary.

There is a further opportunity for the CTTG to utilise the *Stronger Together – South Australia's Disaster Resilience Strategy 2019 – 2024* to aid in developing communications that address diversity and inclusion. In particular:

- Ensuring all community information considers EAASL (English as a second language) communications.
- Accessibility of information for residents and rate payers with a disability.
- Discussion and integration of communications and support activities that can be delivered in partnership with other community service organisations, for example Uniting Communities, Salvation Army, Australian Red Cross.

Sufficient community information may provide the following benefits to the Council:

- Encourage community bushfire prevention actions including private property hazard reduction.
- Improve community safety in a bushfire event.
- Community are informed of the appropriate actions they must undertake to prepare for the bushfire season.

#### Recommendation(s):

Internal Audit recommends the CTTG:

1. Consults with the CFS to:
  - a) Determine whether there are gaps in high-risk areas of the Council which are not receiving bushfire information from the CFS.
  - b) Consider whether additional communications are required for residents in these areas, and consult with the CFS to implement cost-effective approaches. These may include:
    - Signage leading up to, and during, the fire danger season.
    - Mail drops
    - Bin stickers within high risk bushfire areas.
2. Ensure all information provided to the community address diversity and inclusion. For example, providing information in languages other than English and ensuring information accessibility by diverse members of the community.
3. Consider partnerships to deliver community information and support activities.

#### Management Action(s):

1. Council's current communications plan for emergencies will be reviewed and updated with any additional CFS public information that needs to be supported (e.g. Australian Fire Danger Rating System). Existing communications provided by the CFS to the community will be identified to ensure coordination of activities with Council's communication plan, with a focus on high-risk areas. Any additional communication methods will be considered based on this review and in consultation with the CFS.
2. Any communications provided as part of Council's communication plan will address diversity and inclusion.
3. Opportunities to deliver community information in partnership with other agencies will be explored.

#### Responsibility:

- Manager Community Safety
- Group Coordinator, Civil & Buildings Projects
- Emergency Management Advisor
- Manager Customer and Communications

#### Target date:

30 November 2022

# 4.0 Performance Improvement Opportunities



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## PIO 2: Succession planning and loss of key information and relationships

### Observation(s):

There is an opportunity to introduce a formal process for succession planning, to capture key information, relationships with agencies and role clarity.

The CTTG holds strong relationships with external agencies such as the CFS, neighbouring councils and SAPOL throughout, and outside of, the bushfire season. However, these relationships have been developed personally, with no formalised documentation.

With key long-term Council employees retiring recently, there is a risk of:

- Loss of valuable networks / relationships.
- Difficulty in coordination with bordering councils, SAPOL, CFS and other agencies during bushfire assistance or other emergency situations.
- Gaps in knowledge and relationships as staff are not informed of such relationships.

Whilst the CTTG has a member on the Adelaide Mount Lofty Ranges Bushfire Management Committee, there is an opportunity for the CTTG to:

- Provide inclusion in relevant position descriptions for the requirement to maintain working relationships with specific agencies.
- Document key contact information for succession planning.
- Utilise existing committees and groups to expand relationships and document sharing between agencies.
- Provide confidence to Senior Management / Council / Elected Members / Audit Committee regarding relationships with external agencies.

### Recommendation(s):

Internal Audit recommends the following:

1. Document relationships with agencies and distribute to relevant staff.
2. For relevant staff role position descriptions, include the requirement to maintain relationships with individuals and specific external agencies.
3. Report progress to Senior Management / Council / Elected Members / Audit Committee on activities undertaken.

## PIO

### Management Action(s):

1. The new Framework (refer Finding 1) will document Council's relationships with other agencies that have responsibilities for bushfire management.
2. Position Descriptions for relevant staff will be reviewed to include the requirement to maintain relationships with individuals and specific external agencies. This may include reference to specific roles as nominated representatives on external committees / groups.

### Responsibility:

- Manager Community Safety
- Group Coordinator, Civil & Buildings Projects
- Emergency Management Advisor
- Director Assets and Environment
- Director Community and Cultural Development

### Target date:

30 November 2022

## 4.0 Performance Improvement Opportunities



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### PIO 3: Opportunity to further reduce hazards and fuel loads in the Council area

#### Observation(s):

There is an opportunity to further investigate options to reduce fuel loads within the Council area.

With consideration of climate change impacts and in consultation with external agencies, other potential hazard reduction strategies should be assessed, which may include:

- Extending the vegetation management slashing program to create wider firebreaks.
- Increasing firebreaks in roadside vegetation to assist in reducing the spread of roadside fires.
- Removing heavy vegetation against structures in high risk areas and re-landscaping approaches.
- Changing vegetation types to reduce fuel loads.
- Removal of fine fuels and thicker low level vegetation in high risk occupied areas.
- Hazard reduction burns where ecologically beneficial and where other methods of fuel reduction are inappropriate. Any hazard reduction burns would be consulted with, and conducted by, the CFS and DEW.

Where operational tasks contribute to fuel load reduction, there is an opportunity to capture these activities in a structured format for increased internal and community awareness of bushfire prevention activities and resource allocation.

In addition, there is a further opportunity for the CTTG to formally confirm whether bushfire mitigation activities are being performed by other agencies responsible for land within the Council area. Where this information is not received through existing committees, further development of relationships should occur.

#### Recommendation(s):

Internal Audit recommends the CTTG:

1. Assess other potential hazard reduction strategies that are aligned with the risk appetite of the Council and inclusion into the Bushfire Treatment Action Plan if appropriate.
2. Confirm and periodically document the bushfire mitigation activities performed by responsible agencies on land within the Council area.

### PIO

#### Management Action(s):

1. The need for current and other hazard reduction strategies will be assessed using a risk management approach, taking into consideration climate change impacts and other influencing factors. This assessment will inform and align with the new treatment prioritisation tool (refer Finding 2).
2. Bushfire mitigation activities undertaken by other agencies on land within the Council area will be identified and confirmed to provide assurance and awareness. This information will be included in the new Framework (refer Finding 1).

It is important to note that a new reporting structure between the Bushfire Management Committee and the State Bushfire Coordination Committee has recently been established, with the provision of reports to the Minister. This will provide more transparency about bushfire management activities from all responsible agencies. Any reports will be provided to relevant staff for awareness.

#### Responsibility:

- Manager Community Safety
- Fire Prevention Officer
- Emergency Management Advisor

#### Target date:

1. 31 August 2023
2. 30 November 2022

# Appendix 1 – Staff Consultation



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The following CTTG stakeholders were consulted as part of this internal audit:

Name	Title
Andrew Sellars	Manager Parks OR Acting Director Assets & Environment
John Moyle	Chief Executive Officer
Carol Neil	Director Community and Cultural Development
Thornton Harfield	Director Assets and Environment
Adam Kelly	Group Coordinator Civil and Building Projects
Andrew Sellars	Manager Parks OR Acting Director Assets & Environment
Illona Cooper	Manager Governance and Policy
Marley Marks	Governance & Risk Administration Officer
Laura Watson	Manager Community Safety
Lauren Monteleone	Emergency Management Advisor
Scott Howarth	Asset Protection and Fire Prevention Officer
Justin Robbins	Manager Finance & Rating Operations
Ryan McMahon	Director Organisational Services & Excellence
Darren Bugg	Horticulture Maintenance Officer
Janet Halls	Team Leader Work Health Safety & Wellbeing

# Appendix 2 - Classification of Findings



Executive Summary

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The following framework for internal audit ratings is based on the City of Tea Tree Gully's risk assessment matrix.

## Risk and Opportunity Matrix



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### RISK ASSESSMENT MATRIX

**Note:** - This tool is provided as a **guide** to assist in the assessment of identified risks based on a range of potential impacts  
Professional judgement is required to assess the consequences and likelihood of a risk event (before and after effective risk mitigation action)

STEP 2		Likelihood Level and Risk Rating				
		Rare	Unlikely	Possible	Likely	Almost Certain
		1-10% chance the event will occur in the next 10-15 years	11-25% chance the event will occur 5-10 years	26-50% chance the event will occur 5 years	51-85% chance the event will occur in next 1-3 years	86-100% chance the event will occur in next 12 months
Consequence Levels	Critical	High	High	Extreme	Extreme	Extreme
	Major	Medium	Medium	High	High	Extreme
	Moderate	Medium	Medium	Medium	High	High
	Minor	Low	Low	Medium	Medium	Medium
	Insignificant	Low	Low	Low	Low	Low

STEP 3		RISK RATING		Expected Mitigation Timeframe	Reporting Consideration	Potential Impact - Mitigation Action Consideration
		Extreme	High	Immediate/Hours	CEO, ELT, Elected Members or delegate	Consequence would threaten the survival of Council, its assets, its ability to deliver services or cause loss of life. Requires implementation of immediate stringent new controls to mitigate the risk to an acceptable level.
		High	Medium	Days	CEO, ELT, Director or delegate	Consequence would threaten the survival or continued effective operation of key business function /program or cause extensive injury. Existing controls must be effective. Requires additional actions to mitigate the risk to an acceptable level.
		Medium	Low	Weeks	Director, Manager or delegate	Consequence would threaten an activity or operation. Existing controls must be effective or possible additional mitigation actions must be effectively implemented.
		Low		Months	Manager or delegate	The risk is dealt with by routine procedure /operation with on-going monitoring.

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Document Classification: KPMG Confidential



# Disclaimers

## Inherent Limitations

The scope of this report has been outlined in the Executive Summary. The services provided in connection with the engagement comprise an advisory engagement which is not subject to Australian Auditing Standards or Australian Standards on Review or Assurance Engagements, and consequently no opinions or conclusions intended to convey assurance will be expressed. Due to the inherent limitations of any internal control structure, it is possible that fraud, error or non-compliance with laws and regulations may occur and not be detected. Further, the internal control structure, within which the control procedures that have been subject to the procedures we performed operate, has not been reviewed in its entirety and, therefore, no opinion or view is expressed as to its effectiveness of the greater internal control structure. The procedures performed were not designed to detect all weaknesses in control procedures as they are not performed continuously throughout the period and the tests performed on the control procedures are on a sample basis. Any projection of the evaluation of control procedures to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

We believe that the statements made in this report are accurate, but no warranty of completeness, accuracy or reliability is given in relation to the statements and representations made by, and the information and documentation provided by, the CTTG's Management and personnel. We have not sought to independently verify those sources unless otherwise noted within the report. We are under no obligation in any circumstance to update this report, in either oral or written form, for events occurring after the report has been issued in final form unless specifically agreed with the CTTG. The internal audit findings expressed in this report have been formed on the above basis.

## Third Party Reliance

This report is solely for the purpose set out in the Executive Summary of this report and for CTTG's information, and is not to be used for any other purpose or distributed to any other party without KPMG's prior written consent. This internal audit report has been prepared at the request of the CTTG Audit Committee or its delegate in connection with our engagement to perform internal audit services as detailed in the contract. Other than our responsibility to the CTTG, neither KPMG nor any member or employee of KPMG undertakes responsibility arising in any way from reliance placed by a third party, including but not limited to the CTTG's external auditor, on this internal audit report. Any reliance placed is that party's sole responsibility.

## Electronic Distribution of Report

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REPORT FOR

AUDIT COMMITTEE MEETING

MEETING DATE

28 SEPTEMBER 2022

RECORD NO:

D22/174660

REPORT OF:

ORGANISATIONAL SERVICES &amp; EXCELLENCE

TITLE:

DRAFT ANNUAL REPORT FOR THE FINANCIAL YEAR  
ENDING 30 JUNE 2022

## PURPOSE

**To review Council's draft Annual Report for the financial year ending 30 June 2022.**

## RECOMMENDATION

That the Audit Committee recommends to Council:

That the draft Annual Report for the financial year ending 30 June 2022 as outlined in **Attachment 1 to the report titled "Draft Annual Report for financial year ending 30 June 2022" and dated 28 September 2022** be adopted, noting that the final report may be refined by Council staff to incorporate minor changes.



## 1. BACKGROUND

In accordance with Section 131 of the *Local Government Act 1999* (the Act), Council is required to prepare and adopt its Annual Report on or before 30 November each year. The Act prescribes for specific information to be provided within the Annual Report and that the draft report, as circulated, meets all of the requirements of the Act and other relevant legislation.

## 2. DISCUSSION

The document has been prepared for the Audit Committee's review and comment prior to completing the final document that will be presented to Council in October 2022. The report has been reviewed for compliance with the *Local Government Act 1999*.

A copy of the draft Annual Report and Council's financial statements for the financial year ending 30 June 2022 are included in Attachment 1.

## 3. STRATEGIC OBJECTIVES

### Strategic Plan

The following **strategic objectives** in Council's Strategic Plan 2025 are the most relevant to this report:

Objective	Comments
Community	
<i>People feel a sense of belonging, inclusion and connection with the City and the community</i>	The draft Annual Report provides a summary of the outcomes achievements in line with Council's strategic objectives.
<i>Diversity is welcome and celebrated</i>	
<i>There are opportunities for people to volunteer, give back and share their skills with others</i>	
<i>Our services are accessible to all and respond to changing community needs</i>	
<i>People can have a say in decisions that affect them and the key decisions of the Council</i>	
Environment	
<i>Environmentally valuable places and sites that are flourishing and well cared for</i>	The draft Annual Report provides a summary of the outcomes achievements in line with Council's strategic objectives.
<i>A community that is protected from public and environmental health risks</i>	
<i>The carbon footprint of our city is reduced through the collective efforts of community and Council, including businesses</i>	

<i>Our consumption of natural resources is minimized by reducing, reusing and recycling products and materials, and using renewable resources</i>	
<i>We are resilient to climate change and equipped to manage the impact of extreme weather events</i>	
<i>Our tree canopy is increasing</i>	
Economy	
<b>Modbury Precinct is revitalised as the city's key activity</b>	The draft Annual Report provides a summary of the outcomes achievements in line with Council's strategic objectives.
<i>A population profile that supports a growing economy</i>	
<i>A local economy that is resilient and thrives, where businesses are supported to grow and prosper, provide local jobs and sustain our community and visitors and utilize technology to improve the livability of our city</i>	
<i>People are supported to develop their leadership and employment capabilities</i>	
<i>Support the efficient use of land for valuable mineral extraction and energy resources</i>	
Places	
<i>Streets, paths, open spaces and parks are appealing, safe and accessible</i>	The draft Annual Report provides a summary of the outcomes achievements in line with Council's strategic objectives.
<i>Opportunities exist to express and experience art and culture</i>	
<i>Neighbourhoods are easy to move around and are well connected with pedestrian and cycle paths that offer an alternative to cars</i>	
<i>Buildings and places are energy efficient, well designed and display a uniqueness of character and identity</i>	
<i>Housing is well designed and affordable and responds to the changing needs of existing and future residents</i>	
<i>Infrastructure and community facilities are fit for purpose, constructed using sustainable practices and well maintained</i>	
Leadership	
<i>Leadership and advocacy is focused on the long term interests of the community</i>	The draft Annual Report provides a summary of the outcomes achievements in line with Council's strategic objectives.
<i>Customer service provides a positive experience for people and is based on honesty and transparency</i>	
<i>Planning considers current and future community needs</i>	
<i>Delivery of services is sustainable and adaptable</i>	

Decision making is informed, based on evidence and is consistent	
Major strategic decisions are made after considering the views of the community	

## Policies / Strategies

Nil

### 4. LEGAL

Council has a legal responsibility to adopt the Annual Report on or before 30 November 2022 pursuant to section 131 of the *Local Government Act 1999*.

### 5. RISK – IDENTIFICATION AND MITIGATION

Nil

### 6. PEOPLE AND WORK PLANS

The draft Annual Report has been compiled within existing staff resources.

### 7. FINANCIAL

Costs associated with the preparation and distribution of the Annual Report are accommodated within the current budget.

### 8. ASSETS

Nil

### 9. ENVIRONMENTAL

Nil

### 10. COMMUNITY AND STAKEHOLDER IMPACT

Nil

### 11. COMMUNITY AND STAKEHOLDER ENGAGEMENT

Nil

### 12. PROMOTION AND COMMUNICATIONS OF COUNCIL DECISION AND OPERATIONAL IMPACTS

Council is required to distribute the Annual Report to a number of government bodies and persons, including each member of the Council and in various locations as prescribed by legislation. This will occur after the adoption of the annual report by Council.

### 13. INTERNAL REPORT CONSULTATION

Due to the nature of this report, the covering report has not been distributed internally for comment. Each relevant key stakeholder was involved in the creation of the draft Annual Report.

#### Attachments

1. <a href="#">Annual report 2021 - 2022 - draft only</a> .....	33
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#### Report Authorisers

Kristyn Barnes  
Governance Administration Officer

Deana Taglierini Governance Advisor	8397 7263
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Ilona Cooper Manager Governance and Policy	8397 7310
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Wayne Richards Acting General Manager Corporate Services	8397 7444
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CITY OF  
TEA TREE GULLY  
*Naturally Better*

2021-2022

# Draft Annual Report



## The City of Tea Tree Gully's Annual Report 2021–2022 provides details on our performance against our 2021–2022 Annual Business Plan and Budget, as well as the outcomes and objectives of our Strategic Plan 2025.

This publication has been developed in compliance with the *Local Government Act 1999 (SA)* and provides a comprehensive and transparent account of our performance, achievements, challenges and financial management from 1 July 2021 to 30 June 2022.

For more information, call 8397 7444 or visit **[cttg.sa.gov.au](https://cttg.sa.gov.au)**

We acknowledge the Kaurna people as the Aboriginal traditional owners and custodians of the lands and waters in the area now known as the City of Tea Tree Gully.

We respect the spiritual relationships with country and stories here that have developed over tens of thousands of years.

We recognise that this rich cultural heritage is a living culture and remains important to Kaurna people, other Aboriginal people and our non-Aboriginal communities today.

The wellbeing and prosperity of Kaurna and other Aboriginal people is important to the strong, vibrant communities we strive for.



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**Cover photo:** Resident Marie-Christine with her daughter Isabelle using the new pump track at Solandra Reserve, Modbury North.



New plantings at Ladywood Road as part of a recent streetscape upgrade.



# Introduction

The 2021–2022 financial year was a period of strength and resilience for the City of Tea Tree Gully.

Despite challenging conditions, Council pushed ahead with more than \$30 million in capital works projects to support community wellbeing. Many jobs were created through construction, while our local economy grew by 6.4%.

More than \$6 million was invested in upgrading local sporting facilities to help build a stronger, healthier community. This included planning for the \$12 million community building and sporting clubroom at Harpers Field, plus completion of lighting upgrades at Modbury Sporting and Modbury Tennis and Tango Netball Clubs.

External grant funding supported the delivery of these and many other major infrastructure projects. Additional grants have already been secured for the 2022–2023 financial year.

About \$7.6 million was invested in roads and footpaths to improve safety and accessibility.

The revitalisation of the Modbury Precinct continued to be prioritised, with a major upgrade of the Meadowvale Inclusive Precinct, while streetscape upgrades occurred on Ladywood and Reservoir Roads. Streetscape upgrades were also progressed on Golden Grove, Montague and North East Roads within the precinct.

As a result, Modbury continues to attract substantial investment and evolve into a thriving economic centre.

On the environmental front, biodiversity improvements continued and a citywide transition to LED street lighting began.

More green organics bins and Mini Muncher kitchen caddies were distributed to residents to encourage the recycling of organic resources to improve environmental and economic outcomes for our community.

Our major events program was highly successful, attracting more than 52,650 people. Civic Park Carols returned as a live event, following an online event in 2020 due to COVID-19 restrictions.

The 2021–2022 financial year closed with a significant achievement for the 4,700 households connected to the Community Wastewater Management System (CWMS), with the State Government transferring all CWMS customers to SA Water from 1 July 2022. All urban property owners in our City now pay the same to dispose of their wastewater, translating to sewerage service cost savings for former CWMS customers. Council is grateful to the State Government and all others involved in negotiations.

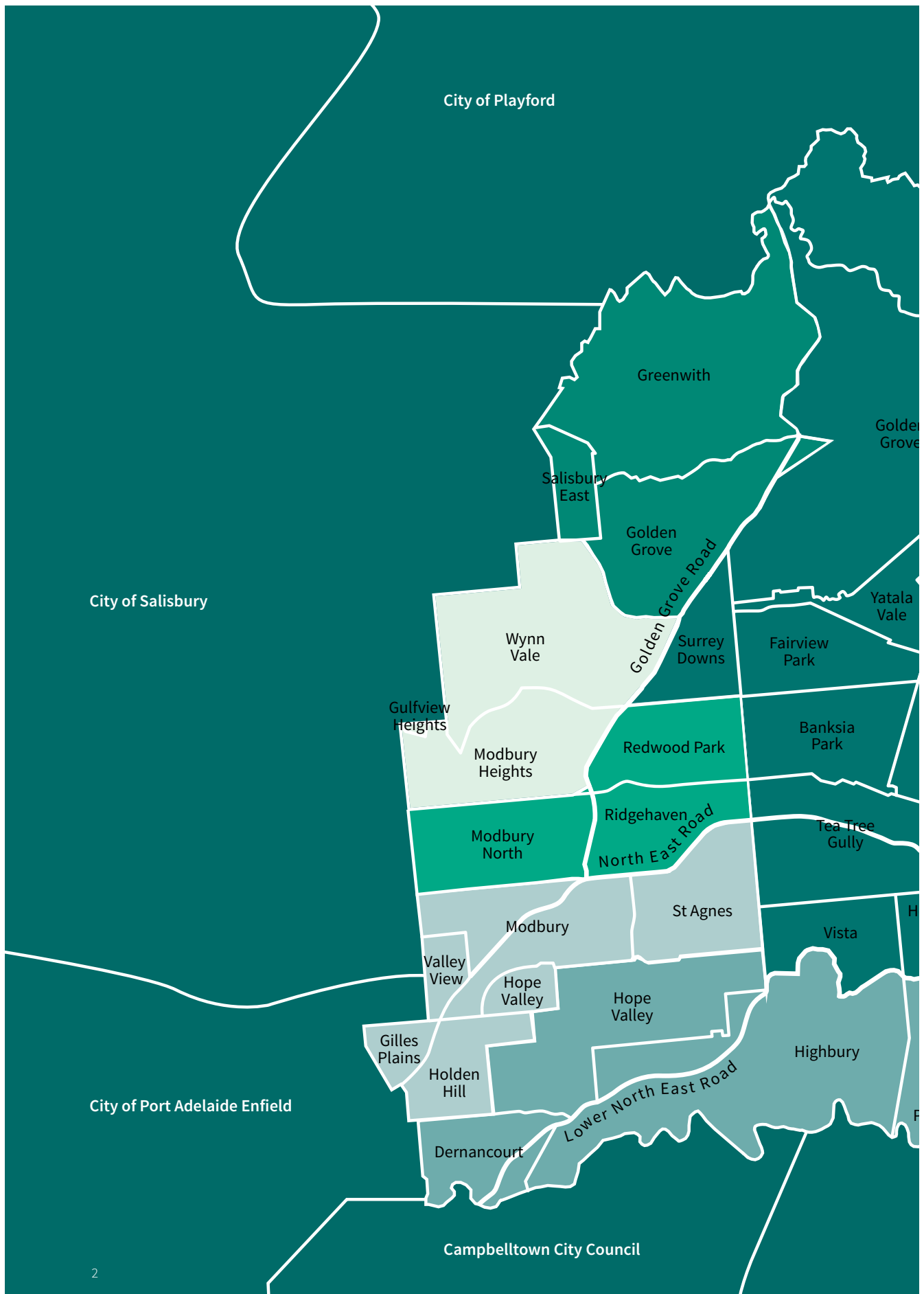
Through careful management, service improvements and efficiencies, the City of Tea Tree Gully is in a sound financial position and can confidently look to the future.

With local government elections in November 2022, thanks must go to our Elected Members for their commitment over the past four years. Thanks also to our staff, volunteers and community for their support.

Finally, best wishes go to John Moyle, who retired as CEO in September 2022. He brought stability and strong leadership to the role, while overseeing substantial investment in community infrastructure. I am honoured to follow on from John as CEO. I look forward to serving our community and building on the unique qualities that make our City such a great place.



**Ryan McMahon**  
Chief Executive Officer





# City profile

A snapshot of key information about our City, including geographical, economic, demographic and event data.



**9,521 ha**  
total land area

**607**  
parks and reserves

**1,305 ha**  
open space

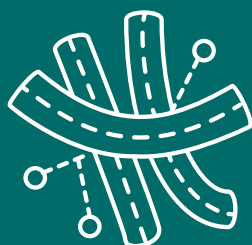
**122**  
playgrounds

**33%**  
rural area

**100,000**  
street trees

**66%**  
urban area

**27.5%**  
tree canopy cover



**590 km**  
sealed roads

**534 km**  
sealed footpaths

**1,235 km**  
kerbs and gutters

**93.7 km**  
unsealed footpaths

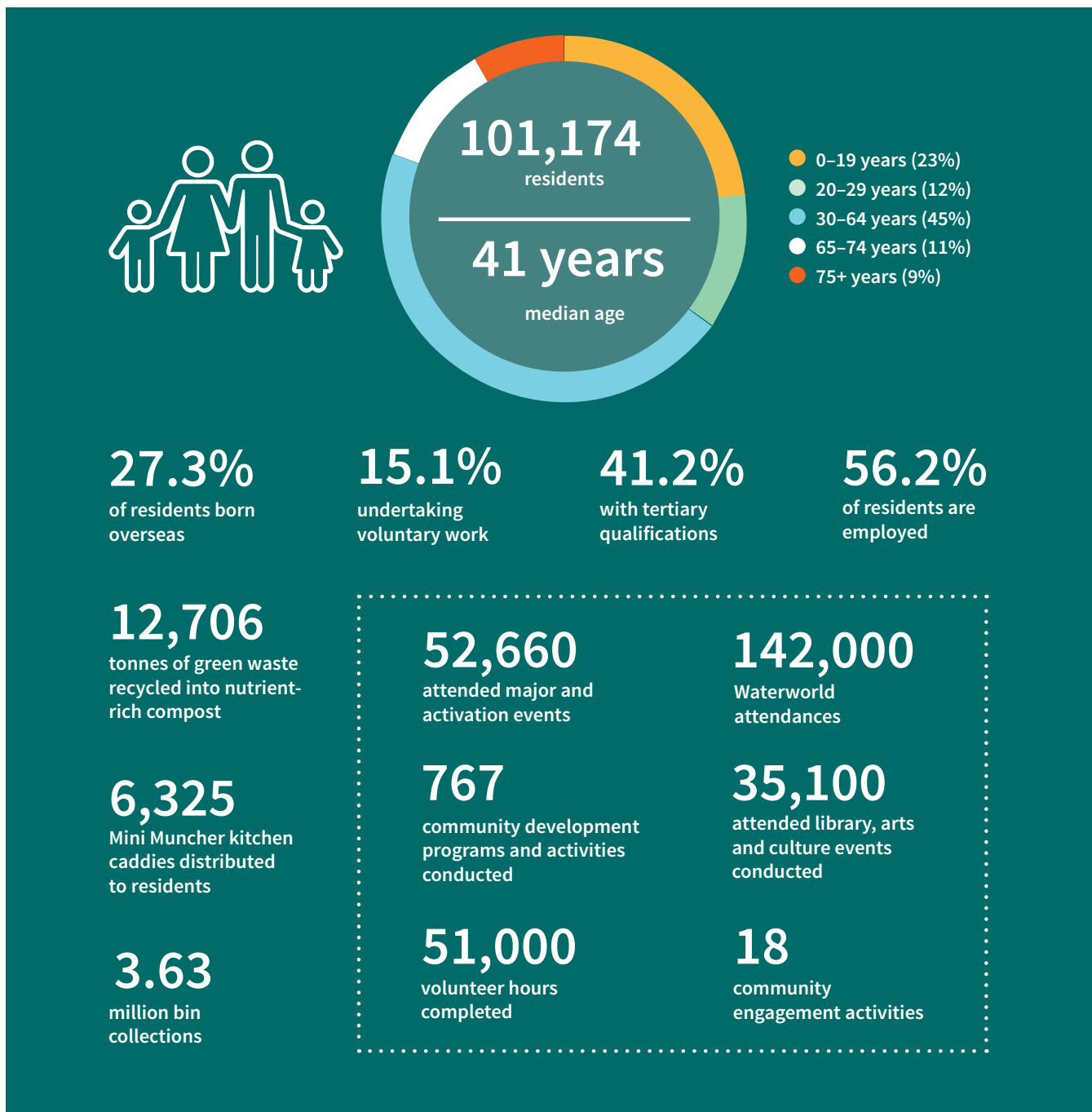


**41,022**  
dwellings

**2.5**  
people per household

**5,499**  
active trading businesses

**\$3.4b**  
Gross Regional Product



# The year that was

A pictorial review of some of our major achievements in 2021–2022.





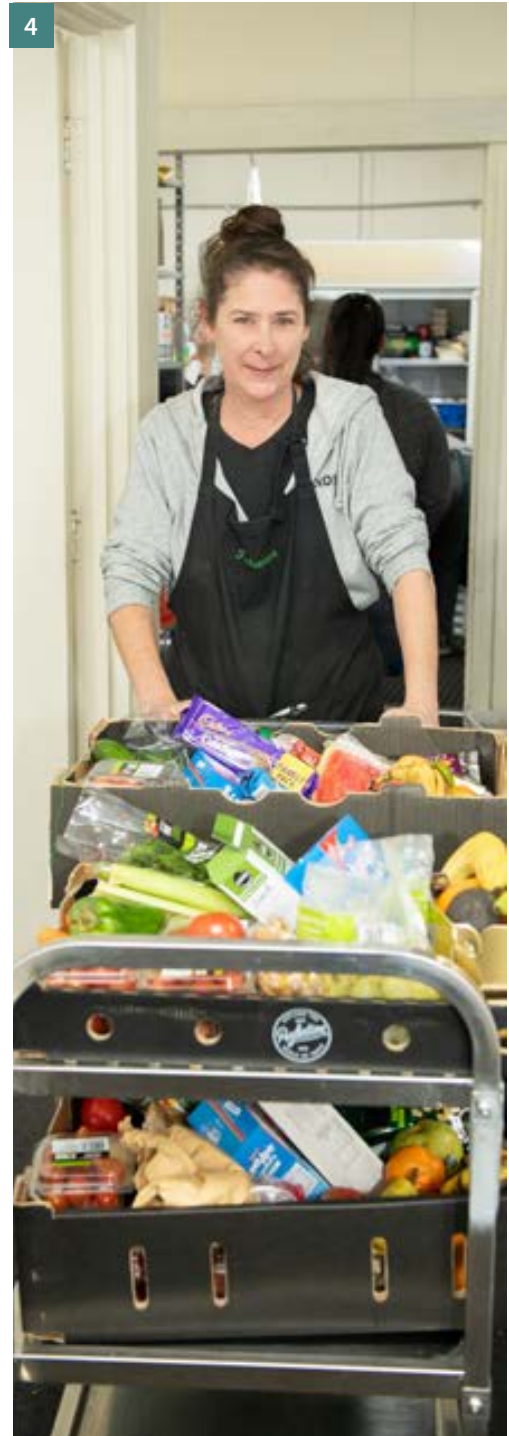


1. **Events:** An estimated 52,650 people attended major and activation events within the City, including Civic Park Carols, which returned as a live event following an online event only in 2020 due to COVID-19 restrictions. A nature-play festival, Anzac Day events and sponsored events were also held. Special thanks to our sponsors: Nine Network Adelaide, Westfield Tea Tree Plaza, Solo Resource Recovery, Can:Do Group, Retire Australia and Amuse Event Lighting and Audio Visual.  
Picture: Civic Park Carols.

2. **Footpaths and roads:** About \$7.6 million was invested in roads and footpaths to improve safety and accessibility in various locations across the City.  
Picture: Footpath construction.

3. **Buildings and facilities:** A number of key Council buildings and facilities were upgraded. This included a major upgrade of Modbury Bowling Club, where a roof was installed over the two synthetic greens, while design work commenced for a new community building and sporting clubroom at Harpers Field (Golden Grove).  
Picture: Modbury Bowling Club (Ridgehaven).

4. **Supporting our community:** Looking out for the wellbeing of our community has been more important than ever during the COVID-19 pandemic, such as programs through our community and recreation centres, our library and at other community venues.  
Picture: Pathways Community Centre volunteer. The centre received a community grant to assist with their food distribution program.







- 5. Open spaces and verges:** More than 1,300 hectares of Council-owned parks, reserves and gardens were maintained. With an eye to the future, thousands of trees and shrubs were planted to improve biodiversity and to help us cope with climate change.

Picture: John Eichner Reserve at Greenwith.



- 6. Community Waste Water Management System:** Thanks to lobbying from residents, elected members and staff, customers of our Community Wastewater Management System (CWMS) became SA Water customers on 1 July 2022 – potentially saving customers hundreds of dollars a year.

Picture: An SA Water employee liaises with a former CWMS customer – photo courtesy of SA Water.



- 7. Modbury Precinct:** Works to revitalise Modbury continued, including a major upgrade of the Meadowvale Inclusive Precinct, while streetscape improvements were progressed on Golden Grove, Montague and North East Roads in the precinct.

Picture: Meadowvale Inclusive Precinct

- 8. Waste:** An additional 6,325 Mini Muncher kitchen caddies and 2,060 green organics bins were distributed to residents who previously did not have these items. This has contributed to a 54-tonne reduction in waste going to landfill during the reporting period.

Picture: Residents using a new green organics bins and a Mini Muncher kitchen caddy.



# Strategic direction & achievements

Council uses a suite of strategic management plans to set its priorities and guide decision making and annual business planning, including budgeting.

The Strategic Plan 2025 is the lead document in Council's strategic planning framework. It articulates our vision and aspirations for the community – that is, everyone who lives in, works in or visits the City of Tea Tree Gully.

Community wellbeing is at the heart of the plan, which aims to build a healthy community that enjoys a quality lifestyle.

To ensure that we have the flexibility to adjust to changing priorities and build our capacity, we have also developed a plan geared towards improving the way we do business.

In working towards this vision, the 2021–2022 Annual Business Plan and Budget identified key projects, programs and services that we anticipated would deliver on the aspirations and objectives identified in these plans.

The chart (right) illustrates how we are tracking against the key performance indicators for each theme outlined in our Strategic Plan 2025.

## Strategic Plan 2025: Summary of progress 2021–2022

Community	92.1%
Environment	87.8%
Economy	95.0%
Places	85.8%
Leadership	88.7%
Overall	89.9%





## Reporting on strategic plan themes and objectives

### Community

We create opportunities for people to connect with one another and to their local community.

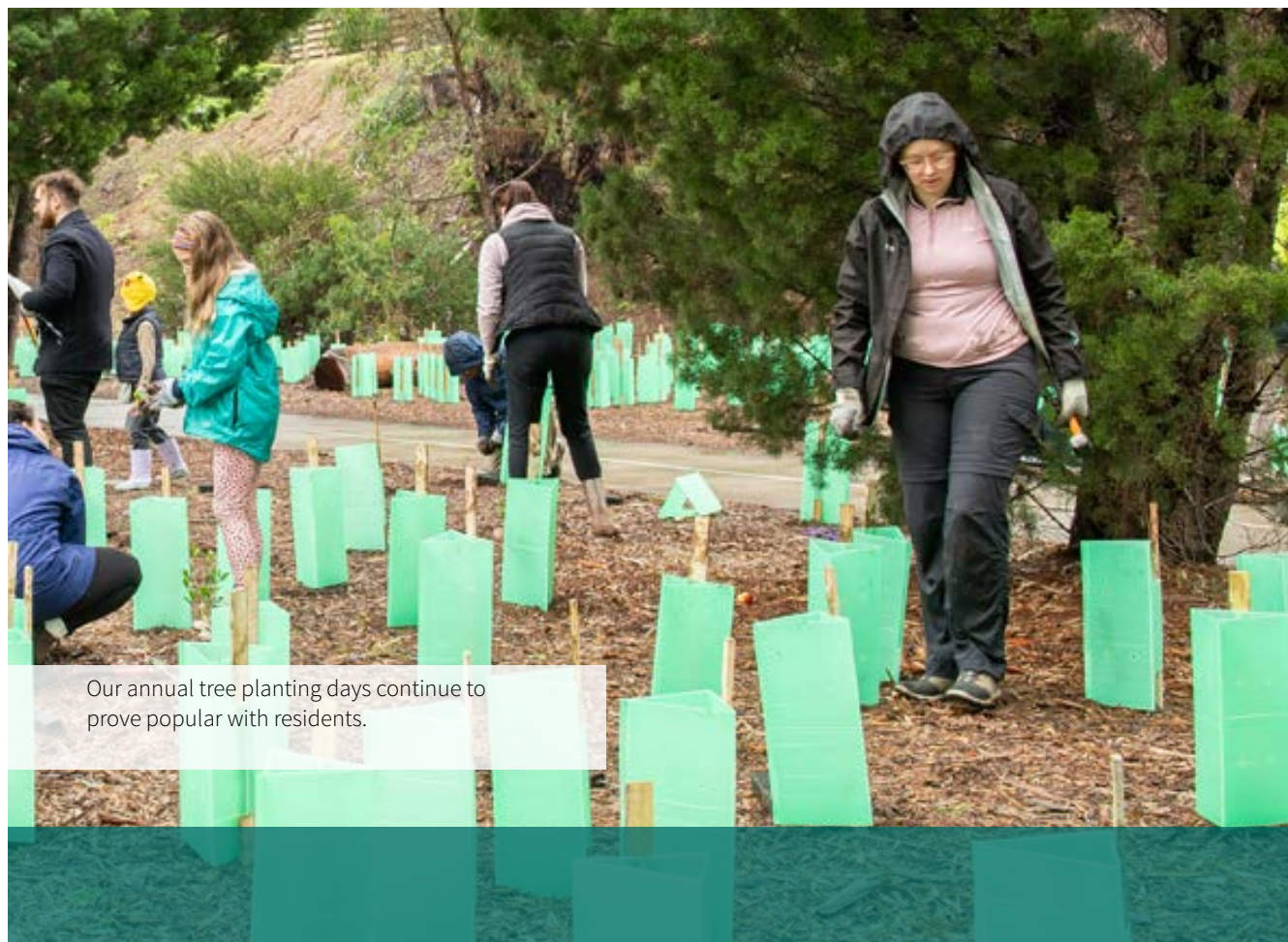
#### Objectives

- People feel a sense of belonging, inclusion and connection with places, spaces and the community
- Diversity is welcome and celebrated
- There are opportunities for people to volunteer, give back and share their skills with others in the community
- Our services are accessible to all and respond to changing community needs
- People can have a say in decisions that affect them and the key decisions of the Council

#### Achievement highlights

- An average 90% satisfaction level for Council-run major community events, according to evaluation surveys
- 5 citizenship ceremonies conducted with 587 new Australian citizens
- 18 formal opportunities for the community to have their say via the community engagement process
- A DHS survey showed 78% of participants felt better connected to people due to involvement with our community centres





Our annual tree planting days continue to prove popular with residents.

### Environment

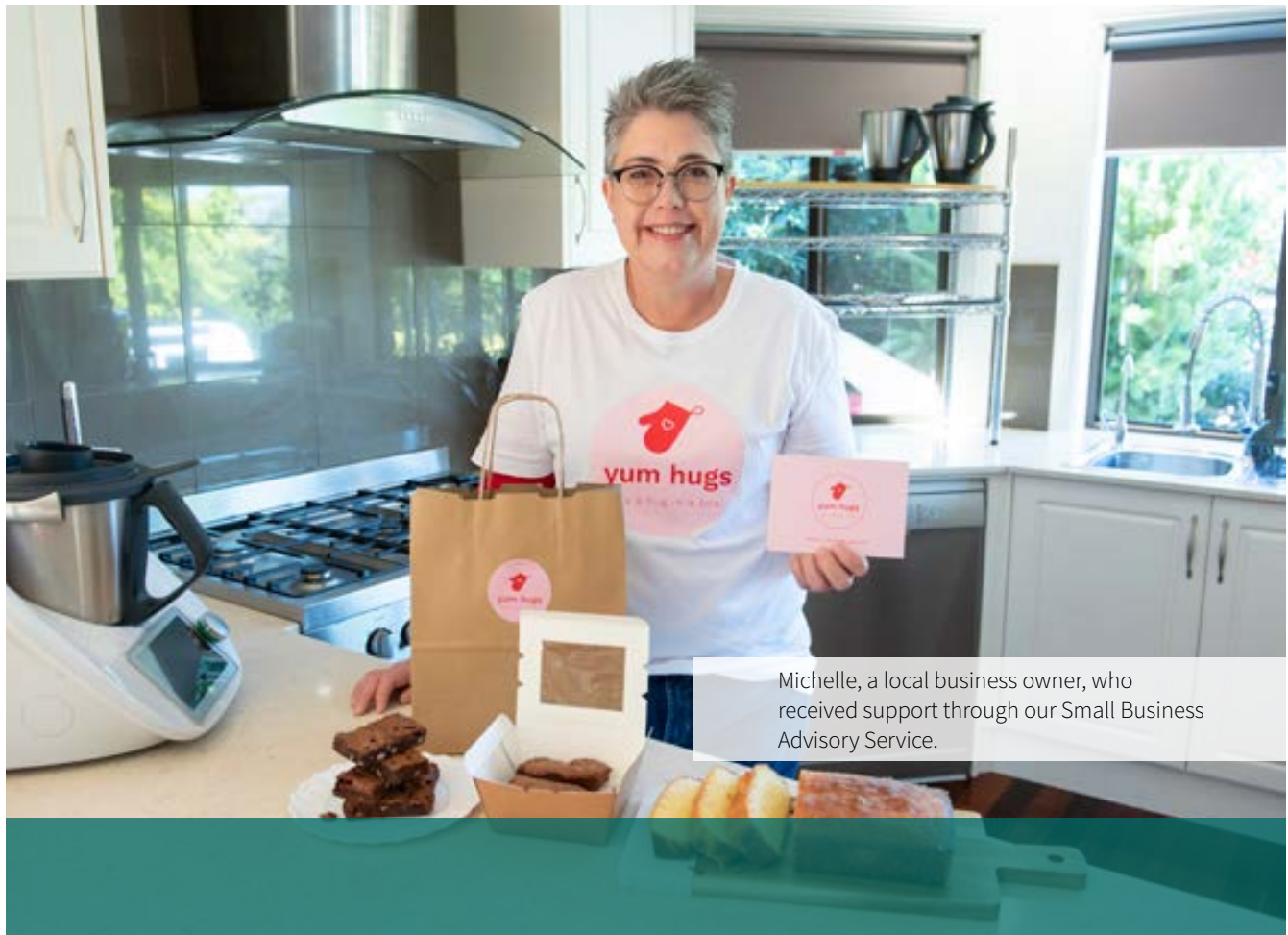
We are leaders in how we manage and care for our environment – we minimise the impacts of climate change, protect our community from public and environmental health risks, and actively promote sustainable and healthy living.

#### Objectives

- Environmentally valuable places and sites that are flourishing and well cared for
- A community that is protected from public and environmental health risks
- The carbon footprint of our city is reduced through the collective efforts of community and Council, including business
- Our consumption of natural resources is minimised by reducing, reusing and recycling products and materials, and using renewable resources
- We are resilient to climate change and equipped to manage the impact of extreme weather events
- Our tree canopy is increasing

#### Achievement highlights

- A 14.7% reduction in greenhouse gas emissions from the same period last year
- A 4.67% reduction in electricity consumption from the same period last year
- Despite an increase of 389 bins, waste going to landfill reduced by 54 tonnes
- In response to the State Government's single-use plastics ban, Council now provides compostable bags at all dog waste bag dispensers. Approximately 1.8 million bags have been used in this period.



### Economy

We support a thriving local economy where businesses are successful and people have access to a range of employment and education opportunities.

#### Objectives

- Modbury Precinct is revitalised as the City's key activity centre
- A population profile that supports a growing economy
- A local economy that is resilient and thrives, where businesses are supported to grow and prosper, provide local jobs and sustain our economy, and visitors can utilise technology to improve the liveability of our City
- People are supported to develop their leadership and employment capabilities
- Support the efficient use of land for valuable mineral extraction and energy resources

#### Achievement highlights

- The City's Gross Regional Product has increased by \$0.2 billion to \$3.4 billion over the last 12 months
- 233 unique businesses supported through the small business advisory service and workshops
- There are 5,499 actively trading businesses in the City of Tea Tree Gully – an increase of 20 businesses.





Solandra Reserve at Modbury North. Some sections of the playground were upgraded in 2021–2022.

### Places

We create places where people enjoy living and spending time because they are appealing, safe, accessible and interesting.

### Objectives

- Streets, paths, open spaces and parks are appealing, safe and accessible
- Opportunities exist to express and experience art and culture
- Neighbourhoods are easy to move around and are well connected with pedestrian and cycle paths that offer an alternative to cars
- Buildings and places are well designed, energy efficient and display a uniqueness of character and identity
- Housing is well designed and affordable and responds to the changing needs of existing and future residents
- Infrastructure and community facilities are fit for purpose, constructed using sustainable practices and well maintained

### Achievement highlights

- The reconstruction and major upgrade of Memorial Drive, Tea Tree Gully, between Neale Street and Dowding Terrace, was completed on time and budget, with the total cost of work being \$796,000
- Bentley Skate Bowl reconstructed and upgraded at a cost of \$517,000
- Sports Lighting – Bulkana Oval LED lighting and Modbury Sporting Club projects completed at a cost of \$436,000
- Streetlight LED Changeover Stage 1: approximately 500 lights changed to date, saving approximately \$34,000 annually in energy and tariff costs





A Council project manager consults with a contractor on the Ladywood Road streetscape upgrade.

### Leadership

We are trusted to make good decisions that are in the best interests of our community.

#### Objectives

- Leadership and advocacy is focused on the long-term interests of the community
- Customer service provides a positive experience for people based on honesty and transparency
- Planning considers current and future community needs
- Delivery of services is sustainable and adaptable
- Decision making is informed, based on evidence and is consistent
- Major strategic decisions are made after considering the views of our community

#### Achievement highlights

- 70 continuous improvement activities identified by staff and reported to Council. This is well above the target of 25 initiatives per year, highlighting the commitment of the organisation and staff to embed continuous improvement into standard work practices.
- An operating expenditure at year end which is 2.12% under the quarter three budget review forecast

# Reporting our progress on 2021–2022 targets

The measure of our success was driven by the achievement of the objectives outlined in our Strategic Plan. A series of performance indicators has been developed to measure our progress against these objectives.

In addition to these indicators, we also use a number of financial measures to assess the achievements of our organisation, which are detailed in the Our Finances section of this report (from page 54).

## Measures of success

Wellbeing indicators	Target	Achieved
Overall community wellbeing score	75	76.4
Resident satisfaction with their life as a whole	65%	62%
Resident satisfaction with how safe they feel	71%	77%
Resident satisfaction with feeling part of the community	46%	43%
Resident satisfaction with opportunities to have their say	57%	55%
Capital works indicators		
Capital works projects completed by 30 June 2022	90%	70% <sup>1</sup>
Customer service indicators		
Overall resident satisfaction with Council communications	75%	63%
Enquiry resolution at the first point of contact	65%	82%

<sup>1</sup> During 2021–2022, Council received significant government grant funding for numerous community infrastructure projects, such as sporting facility and building upgrades. These projects were generally delivered with sporting clubs and other partners, who also contributed funding. Several of these projects were endorsed after the adoption of our Annual Business Plan 2021–2022, with some planned to run over multiple financial years. The cumulative value of these projects carrying over into 2022–2023 significantly impacted the percentage of projects completed.





Participants in a Compassion Cafe event at Redwood Park discuss death and dying.





# Our Council

The City of Tea Tree Gully is divided into six wards and represented by the Mayor and 12 Elected Members, elected by the local community every four years.

The roles of the Mayor and Elected Members are specified within the *Local Government Act 1999*, the legislation that provides the framework for councils to operate in South Australia.

Elected Members play a vital leadership role in representing the interests of the community and setting the vision and strategic direction of Council.

# Mayor and Elected Members



## Mayor

**Kevin Knight**

0414 723 009 or kevin.knight@cttg.sa.gov.au



## Balmoral Ward

**Cr Rob Unger**

0416 116 654 or rob.unger@cttg.sa.gov.au

### Position vacant

Cr Olivia Savvas filled the position of Ward Councillor for Balmoral Ward from November 2018 until her election to the State Government on 29 March 2022.



## Pedare Ward

**Cr Brett Rankine**

0434 366 469 or brett.rankine@cttg.sa.gov.au

**Cr Bernie Keane**

0407 560 215 or bernie.keane@cttg.sa.gov.au



## Steventon Ward

**Cr Lucas Jones JP**

0425 411 618 or lucas.jones@cttg.sa.gov.au

**Cr Jessica Lintvelt**

0432 170 364 or jessica.lintvelt@cttg.sa.gov.au



### Drumminor Ward

**Cr Damian Wyld**

0402 751 889 or [damian.wyld@cttg.sa.gov.au](mailto:damian.wyld@cttg.sa.gov.au)

**Cr Lyn Petrie**

0401 877 700 or [lyn.petrie@cttg.sa.gov.au](mailto:lyn.petrie@cttg.sa.gov.au)



### Hillcott Ward

**Cr Sandy Keane**

0419 850 779 or [sandy.keane@cttg.sa.gov.au](mailto:sandy.keane@cttg.sa.gov.au)

**Cr Kristianne Foreman**

0419 608 661 or [kristianne.foreman@cttg.sa.gov.au](mailto:kristianne.foreman@cttg.sa.gov.au)  
Elected 14 December 2021. Vacancy created due to the removal from office of Cr Alicia Schlueter on 24 August 2021.



### Water Gully Ward

**Cr Robin Coleman**

0412 139 773 or [robin.coleman@cttg.sa.gov.au](mailto:robin.coleman@cttg.sa.gov.au)

**Cr Peter Field**

0430 515 032 or [peter.field@cttg.sa.gov.au](mailto:peter.field@cttg.sa.gov.au)



# Elector representation

## Periodic review of elector representation

Councils in South Australia are required (by section 12 of the *Local Government Act 1999*) to carry out a comprehensive review of all aspects of their elector representation arrangements to determine whether the community would benefit from an alteration to its composition or ward structure.

This review must be undertaken at least once in each relevant period, as prescribed by the *Local Government (General) Regulations 2013* and published by notice in the South Australian Government Gazette. The City of Tea Tree Gully last undertook a review between October 2016 and October 2017, with the next review scheduled for October 2024 to October 2025.

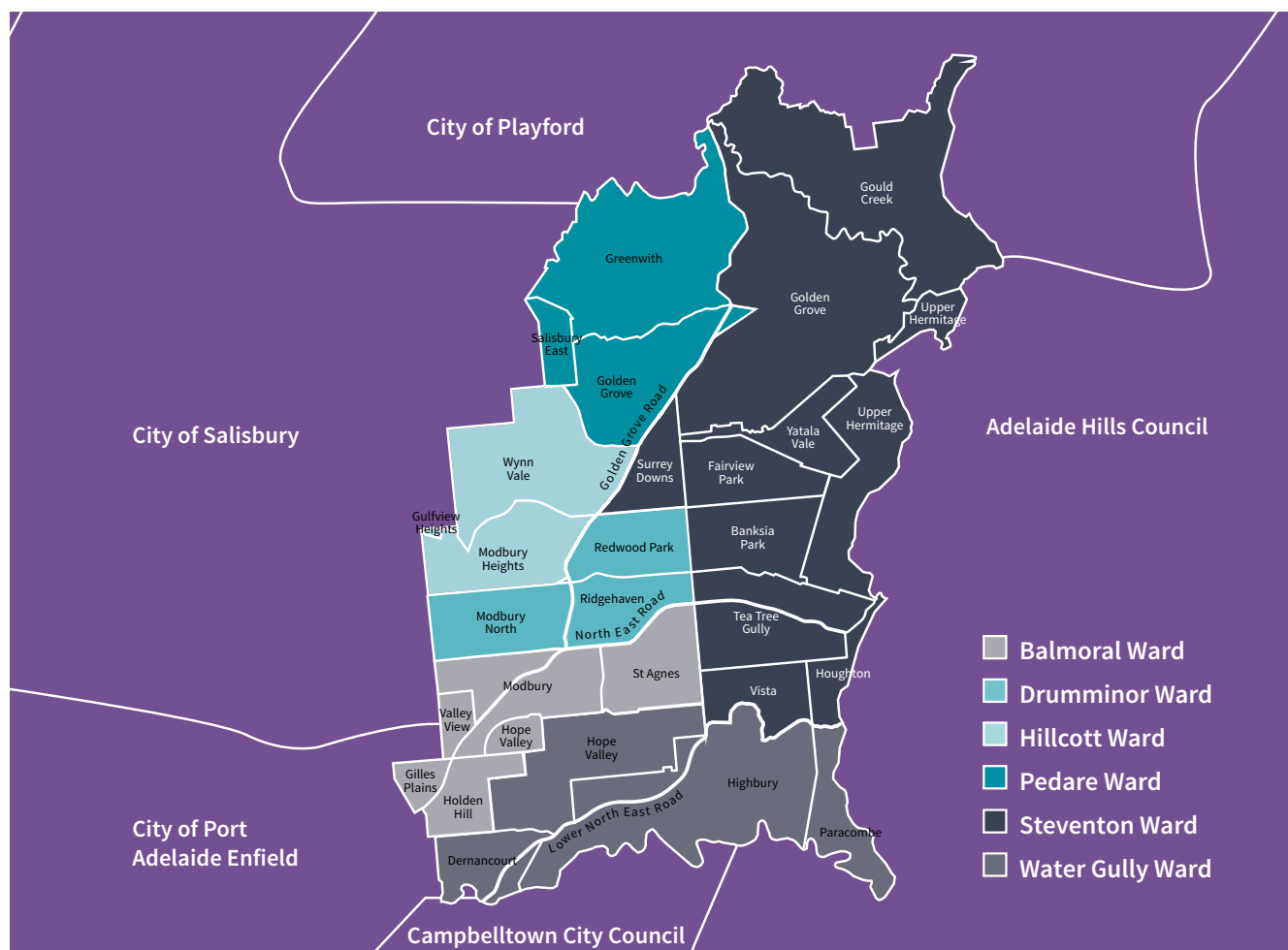
Sections 12, 26 and 33 of the *Local Government Act 1999* set out the requirements and processes that councils are required to follow when undertaking an elector representation review. Areas considered in this type of review include:

- election or appointment of the principal member (mayor or chairperson)
- whether the Council area should be divided into wards and/or whether existing wards should be abolished

- the number of councillors that should represent the community (including the number of voters represented by each councillor if divided into wards)
- the boundaries or names of wards if there are to be any.

As part of the review process, Council must prepare a representation report that covers these areas, which will be subject to public consultation.

The Council must then make a decision on what the future representation structure and composition of Council would be. Depending on the nature of the final representation report, it may be referred to the Electoral Commissioner of South Australia for consideration as per the requirements in the Act. Any changes made to Council's composition or structure as a result of the review would come into effect for the next periodic local government elections.



The City of Tea Tree Gully is represented by 13 Council Members, including the Mayor, who is elected by the whole community, and 12 Elected Members representing six wards (two councillors per ward), who are elected by voters in their wards.

The Mayor and 12 Elected Member positions represent a total of 74,880 electors across the City of Tea Tree Gully, with each Elected Member representing an average of approximately

5,760 electors. This continues to be one of the highest numbers of electors per elected member of all 68 South Australian councils.

The chart below compares the City of Tea Tree Gully's representation quota with neighbouring and other comparable councils. The representation quota has been determined by dividing the total number of electors for each council by the number of elected members.

Council name	Number of Elected Members	Number of electors	Representation quota
Onkaparinga	13	131,830	10,140
Salisbury	15	98,474	6,564
Tea Tree Gully	13	74,880	5,760
Charles Sturt	17	90,259	5,309
Marion	13	68,216	5,247
Port Adelaide Enfield	18	89,105	4,950
Playford	16	67,796	4,237
Campbelltown	11	37,137	3,376
Adelaide Hills	13	30,462	2,343

# Allowances & training

## Allowances

Elected Members receive an annual allowance to assist with the cost of performing their duties.

These allowances are set by the independent Remuneration Tribunal of South Australia in accordance with the provisions of section 76 of the *Local Government Act 1999*.

Elected Members may receive support in performing their duties as prescribed in the *Local Government Act 1999* and Council's Elected Member Support Policy. The Policy, as well as a register that records all Elected Members' allowances and support, is available to view on our website.

## Other allowances

External independent members of two of Council's committees are paid a sitting fee to attend meetings.

Audit Committee	Allowance paid
Independent members	\$500 per meeting

Council Development	
Assessment Panel	Allowance paid
Presiding member	\$563.75 per meeting
Independent member	\$461.25 per meeting
Elected member	\$256.25 per meeting

Elected Member	Allowance paid Jul 2021 – Jun 2022
Mayor Kevin Knight	\$87,878.55
Cr Alicia Schlueter <sup>1</sup>	\$3,196.65
Cr Olivia Savvas <sup>2</sup>	\$13,329.09
Cr Lyn Petrie	\$21,969.62
Cr Sandy Keane	\$21,969.62
Cr Bernie Keane	\$21,969.62
Cr Jessica Lintvelt	\$21,696.62
Cr Rob Unger <sup>3</sup>	\$23,173.63
Cr Damian Wyld <sup>4</sup>	\$27,462.05
Cr Lucas Jones <sup>5</sup>	\$27,462.05
Cr Peter Field <sup>6</sup>	\$27,462.05
Cr Robin Coleman <sup>7</sup>	\$27,462.05

<sup>1</sup> Removal from Office from 24 August 2021

<sup>2</sup> Resignation from Council on 29 March 2022

<sup>3</sup> Presiding Member of Service Reviews Committee (sitting fee of between \$230–\$248 per meeting)

<sup>4</sup> Presiding Member of the Governance and Policy Committee

<sup>5</sup> Deputy Mayor and Presiding Member of the CEO Performance and Remuneration Review Committee

<sup>6</sup> Presiding Member of Audit Committee

<sup>7</sup> Presiding Member of Traffic Management Safety Committee

### Gifts and benefits

No gifts above the value of \$50 were declared as provided to members of the Council during the relevant financial year.

### Development and training

The City of Tea Tree Gully is committed to providing training and development activities for Elected Members in accordance with the Elected Member Training and Development Policy.

During 2021–2022, the training and development program for Elected Members included the following professional learning opportunities, along with some relevant workshop discussion topics:

- Golden Grove rezoning – rural living to residential, commercial and recreational areas
- SA Water Little Para Reservoir
- Recycling contract
- Public lighting
- Playground Guide
- Overview of the 'In Focus' website
- Overview of key project current points of interest and other topical subjects
- Community grants
- Tree management
- Strategic land opportunities
- Fair treatment awareness
- Local Government Reform
- Elected Member city tour – capital works underway 2021–2022
- Elected Member city tour – capital works
- Budget 2022–2023
- State Government election promises 2022
- Waterworld community engagement future planning project

- Records management and Information
- Community Grants
- Developer-led Code Amendments
- Supashock tour and presentation
- Disability inclusion and awareness training
- Progress report on key projects in 2021–2022 update
- Storm damage update
- Differential rate
- Australian Local Government Association National General Assembly
- Local Government Association Annual and Ordinary General Meetings
- Mandatory training for newly elected member.

Council invested approximately \$11,000 to provide this training and development.

The following table provides a summary of the details of any interstate and international travel (excluding prescribed interstate travel) undertaken by members of the Council during the relevant financial year funded in whole or in part by the Council. The costings are as at 30 June 2022.

Name	Training	Cost
Cr Lucas Jones	Australian Local Government Association National General Assembly – Canberra	\$2337.87
Cr Jessica Lintvelt	Australian Local Government Association National General Assembly – Canberra	\$2329.21
Cr Lyn Petrie	Australian Local Government Association National General Assembly – Canberra	\$2846.84

# Confidentiality provisions

While Council and committee meetings are generally conducted in public, in the interest of the broader community it may be necessary to restrict public access to discussion and/or documents.

During 2021–2022, of the 460 agenda items, 38 were considered in accordance with section 90(3) of the *Local Government Act 1999*, where it was necessary to exclude the public from the discussion of a particular matter. This represents

approximately 8% of matters considered by Council and its committees.

The following table summarises the number of occasions that the provisions listed in section 90(2) (excluding the public during debate) or section 91(7) (documents to be kept confidential for a period of time) were used during the 2021–2022 financial year. The confidential status was current at 30 June 2022.

Date of meeting	Council / committee	Subject matter	Section 90(2)	Section 90(3)	Section 91(7)	Confidentiality status
28 June 2022	Council	Harpers Field Community Building and Clubrooms Redevelopment Section 48 Prudential Report	1	(b)	1	Order remains
28 June 2022	Council	Draft Annual Business Plan 2022–2023 amendments	1	(d) and (h)	1	Order remains
14 June 2022	Audit	Harpers Field Community Building and Clubrooms Redevelopment Section 48 Prudential Report	1	(b)	1	Order remains
14 June 2022	Council	Correspondence from Ombudsman – Complaint relating to the Investigation Process for Third Party Referrals	1	(j)	1	Order remains
24 May 2022	Council	Organisational Structure – Current considerations	1	(a)	0	No retention

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Date of meeting	Council / committee	Subject matter	Section 90(2)	Section 90(3)	Section 91(7)	Confidentiality status
17 May 2022	Special Meeting of Council	Chief Executive Officer Recruitment – Next Steps	1	(a)	1	Released on 20 May 2022
10 May 2022	Council	Feedback on ESCOSA Proposed Framework and Approach – Section 122 Strategic Management Plan Advice Scheme	1	(j)	1	Released on 30 June 2022
26 April 2022	Council	Recycling Centre Appeal – 1272 North East Road, Tea Tree Gully	1	(h) and (i)	1	Released on 5 May 2022
26 April 2022	Council	Golden Grove Residential and Commercial Code	1	(m)	1	Order remains
22 March 2022	Council	Supplementary Election Corflutes	1	(i)	1	Minutes released on 30 March 2022 Other order remains
22 March 2022	Council	Edinburgh Reserve Inclusive Playspace – Procurement Status	1	(b) and (k)	1	Released on 27 April 2022
22 March 2022	Council	City Beautification Project – Procurement Status	1	(b) and (k)	1	Released on 11 May 2022
8 March 2022	Council	Recycling Centre Appeal – 1272 North East Road, Tea Tree Gully	1	(b) and (h)	1	Released on 5 May 2022
8 March 2022	Council	Update – Mayor Knight Facebook Live Interview	1	(a), (e), (h) and (j)	1	Order remains

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Date of meeting	Council / committee	Subject matter	Section 90(2)	Section 90(3)	Section 91(7)	Confidentiality status
8 March 2022	Council	Funding Support for Cities of Mitcham and Unley litigation	1	(i)	1	Order remains
8 March 2022	Council	Sale of Land for Non-Payment of Council Rates	1	(a)	1	Order remains
8 February 2022	Council	Waterworld – Entrance Turnstiles and Foyer Works – Funding Approval	1	(k)	1	Released on 31 May 2022
8 February 2022	Council	Mayor Knight Facebook Live Interview	1	(a), (e) and (j)	1	Order remains
3 February 2022	Special Meeting of Council	Mayor Knight social media interview and related matters	1	(a), (e) and (j)	1	Order remains
18 January 2022	Council	Chief Executive Officer's Employment	1	(a) and (k)	1	Report and attachments released on 31 May 2022 Minutes released on 25 January 2022
18 January 2022	Council	Electricity Procurement	1	(d)	1	Order remains
18 January 2022	Council	Sale of land for Non-Payment of Council Rates	1	(a)	1	Order remains
18 January 2022	Council	Supplementary Election Corflutes	1	(h)	1	Order remains
14 December 2021	Council	Potential Property Acquisition – 70 Valley Road, Hope Valley	1	(b)	0	No retention
14 December 2021	Council	Joint Use Animal Pound with City of Salisbury	1	(d)	1	Released on 1 March 2022

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Date of meeting	Council / committee	Subject matter	Section 90(2)	Section 90(3)	Section 91(7)	Confidentiality status
14 December 2021	Council	13 Australia Avenue – Disposal of Land	1	(b) and (k)	1	Order remains
14 December 2021	Council	2022 City of Tea Tree Gully Australia Day Awards	1	(o)	1	Released on 3 February 2022
23 November 2021	Council	Modbury Jets Soccer Club – Funding Requirements	1	(k)	1	Released on 1 March 2022
23 November 2021	Council	Council Assessment Panel Membership	1	(a)	1	Order remains
16 November 2021	Special Meeting of Council	CWMS Prudential Report Update	1	(b)	0	No retention
16 November 2021	Special Meeting of Council	Community Wastewater Management System (CWMS) Prudential Report update and request to provide draft report to SA Water and Minister for Environment and Water	1	(b)	1	Released on 3 February 2022
11 November 2021	Audit Committee	CWMS Prudential Report Update	1	(b)	0	No retention
9 November 2021	Council	Update relating to matters regarding Mayor Kevin Knight	1	(j)	0	No retention
9 November 2021	Council	Sale of Land for Non-Payment of Council Rates	1	(a)	1	Order remains
28 September 2021	Council	Public Lighting	1	(i)	1	Order remains

Date of meeting	Council / committee	Subject matter	Section 90(2)	Section 90(3)	Section 91(7)	Confidentiality status
14 September 2021	Council	Draft CEO Performance and Remuneration Review Outcomes 2020–2021  Recommendations from the CEO Performance and Remuneration Review Committee held on 6 September 2021	1	(a)	1	Released on 9 November 2021
6 September 2021	CEO Performance and Remuneration Review Committee	Draft CEO Performance and Remuneration Review Outcomes 2020–2021	1	(a)	1	Released on 9 November 2021
24 August 2021	Council	Disposal of 13 Australia Avenue – shortlisted respondents for Stage 2 tender process	1	(k)	1	Order remains
<b>Total orders</b>			<b>38</b>		<b>34</b>	

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A total of 30 confidential retention orders expired, ceased to apply or were revoked (or partly revoked) during 2021–2022 (including 15 orders which were made in 2021–2022).

There were 36 confidential retention orders under section 91(7) that remained operative as at 30 June 2020 (made after 15 November 2010). Of these, 18 are listed in the above table, with the remaining 17 operative as at 30 June 2022 listed below.

Date of meeting	Council/committee	Subject matter	Section 90(3)
8 June 2021	Council	Notice of Motion – Apology to Edinburgh Reserve Petition Group	(i)
8 June 2021	Council	Sale of Land for Non-Payment of Council Rates and Bad Debt Write-Off	(a)
4 May 2021	Special Meeting of Council	Deputy Mayor Report – In relation to Council Resolution Number 780 from the Special Meeting of Council 17 March 2021	(j)
13 April 2021	Council Meeting	Disposal of 13 Australia Avenue – Tender Documentation	(b) and (k)
23 March 2021	Special Meeting of Council	Public Statement – Third Party Referral	(j)
17 March 2021	Special Meeting of Council	Deputy Mayor Report – Third Party Referral – Final Report – 2020/005321	(j)
17 March 2021	Special Meeting of Council	Chief Executive Officer Report – Third Party Referral – Final Report – 2020/005321	(j)
23 February 2021	Council	Third Party Referral – Final Report – 2020/003687	(a)
27 October 2020	Council	Deputy Mayor Report – Third Party Referral – Final Report – 2020/002486, 2020/003501, 2020/003535, 2020/003646, 2020/005321	(j)
27 October 2020	Council	Deputy Mayor Report – Third Party Referral – Final Report – 2020/002094	(a), (e) and (j)
25 August 2020	Council	Third Party Referral considerations	(j)
14 July 2020	Council	Third Party Referral	(j)

29 June 2020	Council	Complaint lodged by Mr Kevin Knight against Chief Executive Officer	(a), (h) and (j)
23 Jun 2020	Council	Options for Cost Recovery Associated with Acquisition of Strategic Land	(b)
25 February 2020	Council	Third Party Referral – 2020/002486	(j)
25 February 2020	Council	Third Party Referral – 2020/002094	(a), (e), (f), (g) and (j)
21 January 2020	Council	Sale of Land for Non-Payment of Council Rates	(a)
27 August 2019	Council	Sale of Land for Non-Payment of Council Rates	(a)

The following table identifies the grounds on which the Council considered the matters and determined to exclude the public from the discussion and the related documentation.

This differs from the total number of confidential orders as a number of confidential orders fell under more than one ground [subparagraph of section 90(3)(a)-(o)].

Section 90(3) subparagraph	Grounds on which the matter was considered	Total
90(3)(a)	information the disclosure of which would involve the unreasonable disclosure of information concerning the personal affairs of any person (living or dead)	12
90(3)(b)	information the disclosure of which— (i) could reasonably be expected to confer a commercial advantage on a person with whom the council is conducting, or proposing to conduct, business, or to prejudice the commercial position of the council; and (ii) would, on balance, be contrary to the public interest	10
90(3)(c)	information the disclosure of which would reveal a trade secret	0
90(3)(d)	commercial information of a confidential nature (not being a trade secret) the disclosure of which— (i) could reasonably be expected to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party; and (ii) would, on balance, be contrary to the public interest	3
90(3)(e)	matters affecting the security of the council, members or employees of the council, or council property, or the safety of any person	3
90(3)(f)	information the disclosure of which could reasonably be expected to prejudice the maintenance of law, including by affecting (or potentially affecting) the prevention, detection or investigation of a criminal offence, or the right to a fair trial	0
90(3)(g)	matters that must be considered in confidence in order to ensure that the council does not breach any law, order or direction of a court or tribunal constituted by law, any duty of confidence, or other legal obligation or duty	0
90(3)(h)	legal advice	5
90(3)(i)	information relating to actual litigation, or litigation that the council or council committee believes on reasonable grounds will take place, involving the council or an employee of the council	4
90(3)(j)	information the disclosure of which— (i) would divulge information provided on a confidential basis by or to a Minister of the Crown, or another public authority or official (not being an employee of the council, or a person engaged by the council); and (ii) would, on balance, be contrary to the public interest	6



Section 90(3) subparagraph	Grounds on which the matter was considered	Total
90(3)(k)	tenders for the supply of goods, the provision of services or the carrying out of works	7
90(3)(m)	information relating to a proposed amendment to a Development Plan under the <i>Development Act 1993</i> before a Development Plan Amendment proposal relating to the amendment is released for public consultation under that Act	1
90(3)(n)	information relevant to the review of a determination of council under the <i>Freedom of Information Act 1991</i>	0
90(3)(o)	information relating to a proposed award recipient before the presentation of the award	1
<b>Total instances of 90(3) subparagraphs used</b>		<b>52</b>

# Internal review of Council decisions

The *Local Government Act 1999* provides for any individual to ask for a review of a decision made by Council, its employees or other persons acting on behalf of the Council.

During the 2021–2022 period, Council received 3 applications for an internal review of a decision, as summarised in the table below.

The Internal Review of Council Decisions Policy is available on our website.

Subject matter	Number of applications	Decision outcome
Decision regarding the maintenance schedule increased on the traffic island opposite Sarnia Farm Road, St Agnes	1	Decision upheld
Decision to not repair piping caused by tree roots and remove trees at Texas Court, Wynn Vale	1	Decision upheld
Decision to not remove trees along Wheal Court, Golden Grove	1	Decision upheld
<b>Total number of applications</b>	<b>3</b>	



One of our horticultural team members, on the job in the River Torrens Linear Park.

# Our organisation

We're a high-performing, progressive and dynamic organisation committed to making a positive difference in people's lives through the provision of quality services and infrastructure.

Our people are our greatest asset and are critical to achieving our vision for our City and community. We provide a safe and secure working environment and seek to develop our people and build on our service-based culture. Diversity and inclusion are encouraged, as is open, transparent and accountable decision making.

# Organisational structure

Our organisational structure on page 39 enables us to deliver varied and responsive services to meet the diverse needs of our community.

Our organisation is structured into the following four portfolios, each led by an Executive Leadership Team member (Chief Executive Officer and three directors):

- Office of the Chief Executive Officer
- Assets and Environment
- Organisational Services and Excellence
- Community and Cultural Development.

Teams within each department perform specific functions, collaborate on projects and share their particular knowledge and expertise across the organisation.



**Organisational structure**

As at 30 June 2022



# Staff profile

## Executive remuneration

As at 30 June 2022, the Executive Leadership Team consisted of the Chief Executive Officer and three directors with remuneration packages in the range of \$247,302 to \$325,670, including legislated Superannuation Guarantee contributions. Some executive team members are allocated mobile telephones, and the Chief Executive Officer also receives a fuel allowance.

## Interstate and international travel

An employee attended an interstate conference in May 2022 for two days. Total cost of attendance was approximately \$1,500, including travel, accommodation and conference fees.

An employee attended an interstate conference in May 2022 for five days. Total cost of attendance was approximately \$3,200.

## Gifts received

A summary of gifts received above the value of \$50 is provided from page 41.

2021–2022 Annual Report

<b>Position</b>	<b>Date offered or received</b>	<b>Name of organisation providing the gift or benefit</b>	<b>Description of gift or benefit</b>	<b>Reason for acceptance</b>	<b>Estimated value</b>
Director	2/8/2021	Master Plumbers Assoc.	Bottle of wine, glasses and certificate of 25 years association	Gift seems to be in recognition of 25 years association with the MPA, the gift is likely to be given to an employee or team as a reward and recognition	\$50
Council Incident Management Team	18/08/2021	Clinpath	Cakes and cheeses etc.	Good working relationship	\$50
Events Officer and Events Coordinator	27/09/2021	Showmen Productions	3 complimentary tickets for Carols Creative team to go to Circus The Show at Her Majesty's Theatre	Performers will be part of our 2021 Civic Park Carols event and this will be an opportunity for the creative team to see the show live and work through the specifics of the set that will be performed at our event	\$150
CEO	6/10/2021	UDIA	Complimentary ticket for Forum with Leader of the Opposition as guest speaker	To gain further knowledge regarding the Opposition's views on development	\$150
Environmental Sustainability Coordinator	18/10/2021	Green Adelaide Board	Two books for placing in Library catalogue	Books given as acknowledgement for signing the National Parks City Charter	\$80

<b>Position</b>	<b>Date offered or received</b>	<b>Name of organisation providing the gift or benefit</b>	<b>Description of gift or benefit</b>	<b>Reason for acceptance</b>	<b>Estimated value</b>
Property searches	10/12/2021	Key Conveyancing	Gift basket	Acknowledgement of services provided over the last year; shared with team and Community Christmas Tree	\$100
Active Ageing Team	13/12/2021	13 CABS	Cooler bags	Good working relationship to support aged community members	\$50
Rates Team	13/12/2021	Credit Solutions	Gift basket – consumables	Good working relationship	\$100
Executive Assistant	22/12/2021	Frances Bedford MP	2 Christmas cakes	Thank you to all staff – one for Civic Centre and one for Service Centre	\$50
Recreation and Leisure Services Team	16/12/2021	Modbury Jets Amateur Football Club	Gift basket	Courier left at reception and club would not accept return	\$65

2021–2022 Annual Report

<b>Position</b>	<b>Date offered or received</b>	<b>Name of organisation providing the gift or benefit</b>	<b>Description of gift or benefit</b>	<b>Reason for acceptance</b>	<b>Estimated value</b>
City of Tea Tree Gully	22/12/2021	Tennis SA	10 tickets to Adelaide International 2022	Received as part of Council's Tennis SA Award for Most Outstanding Council at the May 2021 Tennis SA Awards; eight tickets offered amongst the four local tennis clubs and two staff tickets returned to Tennis SA	\$65 per ticket (\$650 total for 10 tickets)





Participants in our Busy Bees Brekky Playgroup at Holden Hill Community Centre.

# Our reporting

Transparent and accountable governance underpins our business and demonstrates that we're operating in the best interests of our community.

Council has a number of legislative obligations for corporate reporting. Our ethical, transparent and accountable reporting framework ensures future sustainability, effective use of resources, and that we meet our legal obligations.

# Policies, registers & codes

## Policies

All City of Tea Tree Gully policies, including those required by legislation, are available on our website.

## Registers

The *Local Government Act 1999* and the *Local Government (Elections) Act 1999* require Council to establish various registers.

The City of Tea Tree Gully has established the following registers in accordance with the provisions of the relevant legislation.

- Community Land Register
- Confidential and Released Documents for Council and Committee Meetings Register
- Delegations Register
- Elected Member Allowances and Benefits Register
- Elected Member Declaration of Interests Register for Council and Committee Meetings
- Elected Member Gifts Register
- Elected Member Information or Briefing Session Register
- Employee Gifts and Benefits Register
- Fees and Charges Register
- Register of Interests (Elected Members, Committee Members [where relevant], Staff [where relevant] and Council Assessment Panel members)
- Register of By-laws and Certified Copies. The City of Tea Tree Gully has the following by-laws:
  - Permits and penalties
  - Roads
  - Local government land
  - Dogs

- Moveable signs
- Waste management
- Register of Remuneration, Salaries and Benefits
- Road Register
- Voters roll

Note: Council does not have a Register of Building Upgrade Agreements as it has no such agreements in place.

## Codes

Codes of conduct or practice kept as required by the *Local Government (Elections) Act 1999* and the *Local Government Act 1999* include:

- Code of Conduct for Council Members
- Code of Practice – Access to Council and Committee Meetings and Documents
- Code of Practice for Meeting Procedures.

## Other public documents

A number of other Council documents (including Council's Annual Business Plan and Annual Report) are made available for public inspection at the Civic Centre, in accordance with section 132 and Schedule 5 of the *Local Government Act 1999*.

Many of these documents are available on our website.

# Freedom of information

The *Freedom of Information Act 1991* extends to every person the right to access information held by state and local government agencies.

To access information in accordance with the *Freedom of Information Act 1991*, a person must

submit an application clearly specifying the nature of the information required.

The City of Tea Tree Gully received 45 applications during the 2021–2022 financial year.

Applications received	2020–2021	2021–2022
Total applications received	53	45
Applications brought forward from the previous year	3	4
Applications determined	48	41
Applications transferred in full	0	0
Applications withdrawn	4	0
Lodgement by MP (no payment required)	12	14
Lodged by concession (fees waived)	9	6
Personal applications	15	16
Non-personal applications	38	25
<b>Determination outcomes</b>		
Full release	25	12
Partial release	15	16
Refused release	8	13
<b>Clauses and reasons for refusal referenced</b>		
Reason for restricted/refusal – exempt agencies	0	0
Reason for restricted/refusal – record does not exist/documents not held	3	6
Reason for restricted/refusal – personal affairs (clause 6)	13	11
Reason for restricted/refusal – business affairs (clause 7)	3	6
Reason for restricted/refusal – incomplete (section 15)	0	0
Reason for restricted/refusal – unreasonable diversion of resources (section 18(1))	0	2
Reason for restricted/refusal – abuse of rights/purpose (section 18(2))	0	1
Reason for restricted/refusal – fees not paid/no payment received (clause 18(3))	3	1
Reason for restricted/refusal – exempt (section 20(1))	14	18
Reason for restricted/refusal – documents otherwise accessible (section 20(1)(b))	1	1

<b>Applications received</b>	<b>2020-2021</b>	<b>2021-2022</b>
<b>Internal review</b>		
Applications for internal review	5	2
Internal review determined	5	2
Internal review transferred in full	0	0
Internal review withdrawn	0	0
Internal review decision confirmed	5	1
Internal review decision reversed	0	0
Internal review decision varied	0	1
<b>External review</b>		
Applications for external review	3	2
External review withdrawn	3	1
External review decision confirmed	0	1
External review decision reversed	0	0
External review decision varied	0	0



# Competitive tendering arrangements

In accordance with Australia's National Competition Policy (Clause 7) requirements, Council can report as follows:

1. While Council was engaged in many negotiations for the provision of goods and services to the public for the 2021–2022 financial year, some of which were of a business nature, it was concluded that none of these could be regarded as significant.
2. In relation to the complaints procedure, implemented in compliance with National Competition Policy, Council does not have any complaints pending. When complaints are received, they are dealt with according to Council's General Complaints Policy.

## Procurement Policy

For tendering and general procurement practices, Council has a Procurement Policy in place, which has been developed and adopted in accordance with section 49 of the *Local Government Act 1999*.

This policy is underpinned by the following key procurement principles:

- Value for money
- Open and fair competition
- Professional integrity and probity
- Client service provision
- Management of risk
- Accountability
- Simplicity
- Local industry sourcing.

Thirty-three contracts were competitively tendered (awarded) in accordance with Council's Procurement Policy during 2021–2022. These included contracts for plant, services, consultants, maintenance, horticulture, construction and roadworks, with some works/services bundled into one competitive tender process.

All tenders are evaluated fairly, equitably and transparently, using Council's adopted tender selection system to assess the quality of the tenderer and their ability to meet specification and performance requirements.

Where appropriate, and given an equal outcome of the evaluation process, preference is given to local companies over those based elsewhere in SA. In addition to our comprehensive tendering process, our Council's policy provides guidance on any requests for quotation for works/services valued at less than \$100,000. The works are typically quoted on a competitive basis, with assessment criteria aligned to our Procurement Policy.

Council participates in a number of regional procurement processes, including those of Procurement Australia and Local Government Association Procurement. These are governed by those organisations' independent procurement policies.

During the year Council did not terminate any business dealings bound by competitive neutrality provisions. Competitive neutrality provisions and full-cost attribution continue to be applied to all business reviews as part of Council's Continuous Improvement Program.

As at 30 June 2022, Council held a monopoly business undertaking in providing Community Wastewater Management System services to more than 4,600 residents. This business was regulated under the *Water Industry Act 2012*. As at 1 July 2022, the service was transitioned to SA Water.

## By-laws review

Council's by-laws were reviewed in 2021 and the review considered competitive neutrality provisions.

# Community land & Council facilities

Council has 607 reserves under its care classified as community land, including sporting hubs and community buildings, open space, playgrounds and reserve furniture, creek lines and drainage reserves, screening reserves and plantations.

The *Local Government Act 1999* requires Council to prepare and adopt community land management plans.

These plans provide clarity and certainty to the community about the development and management of community land.

Changes to community land management plans during 2021–2022 were as follows:

- Modbury Heights – Hargrave Reserve: cricket pitch has been added to the management proposal
- Greenwith – Little Para Reserve: the following notation has been included in the description, 'There is a free and unrestricted right of way over the access roadway in favour of the Minister for Public Infrastructure as well as an easement for the purpose of constructing and maintaining the access roadway.' This was identified during a property title search in September 2021
- Dernancourt/Highbury – River Torrens Linear Park: a future memorial structure has been added to the management proposal
- Surrey Downs – Tilley Recreation Park: addition of shipping container to the management proposal
- Hope Valley – Hope Valley Sports Area: approved lease to Telstra over portion of land to accommodate a telecommunications tower
- St Agnes – addition of local playground to Kaplan Reserve, St Agnes

- Fairview Park – Tarni Reserve: addition of play equipment and removal of reference to specific types of infrastructure
- Tea Tree Gully – community land parcel at 1335A North East Road named 'Gilmour Park' included in the Community Land Management Plan – Tea Tree Gully.

A comprehensive review of all community land management plans commenced in early 2021 and is anticipated to be completed during the 2022–2023 financial year.

Community land management plans are available on our website.

## Community Land Register

Section 207 of the *Local Government Act 1999* requires Council to keep a register of all community land within its boundaries. This register is available on our website.

In 2021–2022, capital improvement works were carried out on a number of our properties. These are listed in our Annual Business Plan which is available on our website.

Facilities available for hire range from clubrooms and community halls to reserves and recreation centres. Most may be hired under a seasonal permit, casual hire application, or lease or licence arrangement.

Council has endorsed the Leases and Licences to Sporting and Community Organisations Policy. Currently there are 48 endorsed leases or licences to community groups and sporting clubs within the Council area.

2021–2022 Annual Report

# Development applications

## Applications received in 2021–2022

<b>Total number of applications lodged</b>	1,867
Applications lodged include the following types:	
Planning, building rules only, staged, privately certified, combined, and land division	
<b>Total number of applications approved</b>	1,425
Number of applications refused	13
Number of applications outstanding (at 30 June 2022)	376

# Local nuisance & littering complaints

The table below shows the number of complaints received under the *Local Nuisance and Litter Control Act 2016* for the 2021–2022 financial year.

	Litter	Nuisance
<b>Regulation 5(a)</b>		
Complaints of local nuisance or littering received by Council	770	150
<b>Regulation 5(b)</b>		
(i) Offences under the Act that were expiated	19	1
(ii) Offences under the Act that were prosecuted	0	0
(iii) Nuisance abatement notices or litter abatement notices issued	1	4
(iv) Civil penalties negotiated under section 34 of the Act	0	0
(v) Applications by the Council to the Court for orders for civil penalties under section 34 of the Act	0	0
And the number of orders made by the Court for those applications	0	0
<b>Regulation 5(c)</b>		
Any other function performed by the Council under the Act	0	0



A section of the playground at Civic Park, Modbury.

# Our finances

We're committed to strong and sustainable financial management.

Achieving and maintaining financial sustainability is a key long-term objective. Financial sustainability enables the delivery of services and infrastructure to meet growing community needs. The financial statements included in this section provide information on the financial performance of Council.



# Financial overview

Council manages approximately \$1.6 billion in assets. These assets include land, community buildings, library resources, recreation facilities, equipment, roads, footpaths, bridges, traffic control devices and stormwater drains.

To maintain our City's valuable assets and ensure continuous delivery of our services, Council collects revenue from ratepayers and receives some funding grants from both the Australian Government and the State Government of South Australia.

In setting annual rates, Council is always mindful of the need to keep rates affordable for householders and businesses.

Council's annual budget is guided by the Financial Sustainability Policy and the Long-Term Financial Plan (LTFP) 2022–2031. Our LTFP is underpinned by five guiding principles. These are as follows:

- Maintain existing assets at existing service levels
- Continue to review assets, with proceeds of any sales reinvested into the community
- Build capacity to lower existing debt over the period of three to five years
- Retain tight constraints on operating expenditure
- Ensure the capital works program includes a level of funding for new or unexpected projects.

The following information summarises our performance over the last financial year regarding our Financial Sustainability Policy.

## Operating surplus

According to our Financial Sustainability Policy, we should aim for our budget to be in surplus. Council recorded an operating surplus of \$8.985 million before new capital revenues for the 2021–2022 financial year, compared to a surplus of

\$8.223 million in 2020–2021. Council has therefore met this financial goal.

## Funding asset renewal and depreciation

A key measure of whether or not a council is renewing or replacing its assets at the same rate that its overall stock of assets is wearing out is the asset sustainability ratio (ASR). This is calculated by measuring expenditure on renewal or replacement of assets relative to the recorded rate of asset depreciation for the same period.

Council aims to have capital outlay on renewing or replacing assets (net of proceeds from the sale of replaced assets) as greater than 90% but less than 110% of depreciation over a rolling three-year period. The ASR for the 2021–2022 financial year was 104.2%.

## Debt limitation

Council's LTFP includes a goal to reduce existing debt over a period of three to five years. The net financial liabilities ratio (NFLR) is the key measure to test whether Council is achieving this reduction.

Net financial liabilities (NFL) are defined as total liabilities less financial assets (excluding equity-accounted investments in Council businesses).

The NFL result of \$18.123 million (which gives an NFLR of 17.7%) for the end of financial year is below the Council's LTFP target for NFLR of 25–35%.

## Review of assets

Council has reviewed its assets actively and continuously, in line with planning objectives laid out in its Strategic Plan 2025, City Master Plan and infrastructure and asset management plans.

**Council rate increases**

In July 2012, Council adopted a differential rating system. This provides us with increased flexibility to moderate movements in valuations that occur periodically in the market and allows us to raise rates at different levels. It ensures that commercial and industrial sites continue to contribute appropriately to help fund Council services, regardless of property market fluctuations in those categories. Differential rates thus support economic development and capital growth.

In the 2021–2022 financial year, Council set a rate that covered the cost of existing service provision, both legislated and discretionary, and also costs projected in the LTFP and the adopted asset management plans.

Further information on our rating system is included in our Annual Business Plan.

**Financial statements**

A copy of the City of Tea Tree Gully's audited financial statements is provided with this Annual Report and is also published on our website.

**Auditor remuneration**

The remuneration payable to Council's auditor for the annual audit of the financial statements was \$28,700 (plus GST). No other remuneration was payable to the auditor for the 2021–2022 financial year.

# Annual Business Plan 2021–2022 performance

Council adopted the Annual Business Plan 2021–2022 on 29 June 2021. This plan outlines goals for the financial year, including projections for services, programs and projects, our budget and changes to rates.

The table on page 57 summarises our financial performance in 2021–2022 compared with our original budget projections.

## **Credit cards**

To streamline financial processes, Council utilises credit cards. A total of \$3.36 million (ex GST) in payments were made via credit card in 2021–2022. There are detailed credit card procedures and extensive internal control process in place around the reviewing and processing of credit card transactions.

2021–2022 Annual Report

Indicators	Formula	LGA suggested range	Council target	2021–2022	2020–2021	2019–2020
Operating surplus	Operating income less operating expenses	Break even or better over 5 years	Break even or better over 3 years	\$8,985m	\$8,087m	\$5.067m
Adjusted operating surplus ratio	Operating surplus as a percentage of total operating revenue	0% – 15%	2.5% – 10%	8.8%	8.2%	5.2%
Net financial liabilities ratio including land held for sale	Total liabilities less financial assets divided by operating revenue	0% – 100%	25% – 35%	17.7%	24.6%	29.2%
Net financial liabilities including land held for sale	Total liabilities less financial assets divided by operating revenue	–	–	\$17.5m	\$23.9m	\$28.3m
Net financial liabilities ratio excluding land held for sale	Total liabilities less financial assets	–	–	17.1%	24.3%	29.2%
Net financial liabilities excluding land held for sale	Total liabilities less financial assets	–	–	\$18.1m	\$24.5m	\$28.8m
Asset sustainability ratio	Expenditure on renewal and replacement of assets less disposal proceeds from replaced assets/ depreciation expenses	90% – 110% over a rolling 3-year period	90% – 110% over a rolling 3-year period	104.2%	104.5%	100.1%
Fiscal balance	Net lending position or net borrowing requirement in the uniform presentation of finances table	–	–	\$6.3m	\$4.3m	\$2.9m

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# Financial statements

General purpose financial statements  
for the year ended 30 June 2022.



## City of Tea Tree Gully

Financial Statements 2022

## General Purpose Financial Statements

for the year ended 30 June 2022

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## City of Tea Tree Gully

Financial Statements 2022

General Purpose Financial Statements  
for the year ended 30 June 2022

## Certification of Financial Statements

**We have been authorised by the Council to certify the financial statements in their final form.**

## In our opinion:

- the accompanying financial statements comply with the *Local Government Act 1999, Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards,
- the financial statements present a true and fair view of the Council's financial position at 30 June 2022 and the results of its operations and cash flows for the financial year,
- internal controls implemented by the Council provide a reasonable assurance that the Council's financial records are complete, accurate and reliable and were effective throughout the financial year,
- the financial statements accurately reflect the Council's accounting and other records.

\_\_\_\_\_  
[GeneralManager]  
Chief Executive Officer

dd MMMM yyyy

\_\_\_\_\_  
[Mayor]  
Mayor

dd MMMM yyyy

## City of Tea Tree Gully

Financial Statements 2022

Statement of Comprehensive Income  
for the year ended 30 June 2022

\$ '000	Notes	2022	Restated 2021
<b>Income</b>			
Rates	2a	85,972	82,900
Statutory Charges	2b	2,290	2,554
User Charges	2c	3,451	2,688
Grants, Subsidies and Contributions	2g	8,832	7,588
Investment Income	2d	52	57
Reimbursements	2e	93	68
Other income	2f	1,978	2,408
<b>Total Income</b>		<b>102,668</b>	<b>98,263</b>
<b>Expenses</b>			
Employee costs	3a	35,712	36,066
Materials, Contracts and Other Expenses	3b	40,378	37,099
Depreciation, Amortisation and Impairment	3c	17,221	16,380
Finance Costs	3d	372	495
<b>Total Expenses</b>		<b>93,683</b>	<b>90,040</b>
<b>Operating Surplus / (Deficit)</b>		<b>8,985</b>	<b>8,223</b>
Physical Resources Received Free of Charge	2h	157	181
Asset Disposal & Fair Value Adjustments	4	(4,393)	297
Amounts Received Specifically for New or Upgraded Assets	2g	4,411	2,605
<b>Net Surplus / (Deficit)</b>		<b>9,160</b>	<b>11,306</b>
<b>Other Comprehensive Income</b>			
<b>Amounts which will not be reclassified subsequently to operating result</b>			
Changes in Revaluation Surplus - I,PP&E	9a	91,633	19,675
<b>Total Amounts which will not be reclassified subsequently to operating result</b>		<b>91,633</b>	<b>19,675</b>
<b>Total Other Comprehensive Income</b>		<b>91,633</b>	<b>19,675</b>
<b>Total Comprehensive Income</b>		<b>100,793</b>	<b>30,981</b>

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

## City of Tea Tree Gully

Financial Statements 2022

## Statement of Financial Position

as at 30 June 2022

\$ '000	Notes	2022	Restated 2021
<b>ASSETS</b>			
<b>Current assets</b>			
Cash & Cash Equivalent Assets	5a	8,432	3,908
Trade & Other Receivables	5b	4,690	4,476
Inventories	5c	43	33
<u>Subtotal</u>		<u>13,165</u>	<u>8,417</u>
Non-Current Assets Held for Sale	19	512	512
<u>Subtotal</u>		<u>512</u>	<u>512</u>
<b>Total current assets</b>		<b>13,677</b>	<b>8,929</b>
<b>Non-current assets</b>			
Other Non-Current Assets	6	8,598	7,986
Infrastructure, Property, Plant & Equipment	7a(i)	1,652,411	1,558,553
<b>Total non-current assets</b>		<b>1,661,009</b>	<b>1,566,539</b>
<b>TOTAL ASSETS</b>		<b>1,674,686</b>	<b>1,575,468</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade & Other Payables	8a	26,326	12,932
Provisions	8c	4,455	4,420
<b>Total Current Liabilities</b>		<b>30,781</b>	<b>17,352</b>
<b>Non-Current Liabilities</b>			
Borrowings	8b	—	15,000
Provisions	8c	507	511
<b>Total Non-Current Liabilities</b>		<b>507</b>	<b>15,511</b>
<b>TOTAL LIABILITIES</b>		<b>31,288</b>	<b>32,863</b>
<b>Net Assets</b>		<b>1,643,398</b>	<b>1,542,605</b>
<b>EQUITY</b>			
Accumulated Surplus		414,151	403,419
Asset Revaluation Reserves	9a	1,228,960	1,137,327
Other Reserves	9b	287	1,859
<b>Total Council Equity</b>		<b>1,643,398</b>	<b>1,542,605</b>
<b>Total Equity</b>		<b>1,643,398</b>	<b>1,542,605</b>

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

## City of Tea Tree Gully

Financial Statements 2022

Statement of Changes in Equity  
for the year ended 30 June 2022

\$ '000	Notes	Accumulated surplus	Asset revaluation reserve	Other reserves	Total equity
<b>2022</b>					
Balance at the end of previous reporting period		403,419	1,137,327	1,859	1,542,605
Net Surplus / (Deficit) for Year		9,160	–	–	9,160
<b>Other Comprehensive Income</b>					
- Gain (Loss) on Revaluation of I,PP&E	7a	–	91,633	–	91,633
<b>Other comprehensive income</b>		–	91,633	–	91,633
<b>Total comprehensive income</b>		9,160	91,633	–	100,793
Transfers between Reserves		1,572	–	(1,572)	–
<b>Balance at the end of period</b>		414,151	1,228,960	287	1,643,398
<b>2021</b>					
Balance at the end of previous reporting period		392,163	1,118,346	2,031	1,512,540
Adjustments (due to voluntary changes in Accounting Policies)	23	(222)	(694)	–	(916)
Net Surplus / (Deficit) for Year		11,478	–	(172)	11,306
<b>Other Comprehensive Income</b>					
- Gain (Loss) on Revaluation of I,PP&E	7a	–	19,675	–	19,675
<b>Other comprehensive income</b>		–	19,675	–	19,675
<b>Total comprehensive income</b>		11,478	19,675	(172)	30,981
<b>Balance at the end of period</b>		403,419	1,137,327	1,859	1,542,605

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.



## City of Tea Tree Gully

Financial Statements 2022

## Statement of Cash Flows

for the year ended 30 June 2022

\$ '000	Notes	2022	Restated 2021
<b>Cash Flows from Operating Activities</b>			
<u>Receipts</u>			
Rates Receipts		85,754	82,855
Statutory Charges		2,290	2,923
User Charges		3,451	2,932
Grants, Subsidies and Contributions		8,832	7,680
Investment Receipts		52	57
Reimbursements		93	74
Other Receipts		14,259	9,274
<u>Payments</u>			
Payments to Employees		(35,555)	(36,876)
Payments for Materials, Contracts & Other Expenses		(39,494)	(42,926)
Finance Payments		(372)	(495)
<b>Net Cash Provided by (or Used In) Operating Activities</b>	11b	<b>39,310</b>	<b>25,498</b>
<b>Cash Flows from Investing Activities</b>			
<u>Receipts</u>			
Amounts Received Specifically for New/Upgraded Assets		4,411	2,605
Sale of Replaced Assets		857	447
<u>Payments</u>			
Expenditure on Renewal/Replacement of Assets		(16,283)	(16,771)
Expenditure on New/Upgraded Assets		(8,868)	(6,597)
<b>Net Cash Provided (or Used In) Investing Activities</b>		<b>(19,883)</b>	<b>(20,316)</b>
<b>Cash Flows from Financing Activities</b>			
<u>Receipts</u>			
Proceeds from Bonds & Deposits		97	53
<u>Payments</u>			
Repayments of Borrowings		(15,000)	(4,000)
<b>Net Cash Provided by (or Used In) Financing Activities</b>		<b>(14,903)</b>	<b>(3,947)</b>
<b>Net Increase (Decrease) in Cash Held</b>		<b>4,524</b>	<b>1,235</b>
plus: Cash & Cash Equivalents at Beginning of Period		3,908	2,673
<b>Cash and Cash Equivalents Held at End of Period</b>	11a	<b>8,432</b>	<b>3,908</b>

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

## City of Tea Tree Gully

Financial Statements 2022

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2022

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## City of Tea Tree Gully

Financial Statements 2022

### Notes to and forming part of the Financial Statements for the year ended 30 June 2022

#### Note 1. Summary of Significant Accounting Policies

The principal accounting policies adopted by Council in the preparation of these financial statements are set out below.

These policies have been consistently applied to all the years presented, unless otherwise stated.

#### (1) Basis of Preparation

##### 1.1 Compliance with Australian Accounting Standards

This general purpose financial report has been prepared on a going concern basis using the historical cost convention in accordance with Australian Accounting Standards as they apply to not-for-profit entities, other authoritative pronouncements of the Australian Accounting Standards Board, Interpretations and relevant South Australian legislation.

The financial report was authorised for issue by certificate under regulation 14 of the *Local Government (Financial Management) Regulations 2011* dated 7 September 2022.

##### 1.2 Critical Accounting Estimates

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates and requires management to exercise its judgement in applying Council's accounting policies.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are specifically referred to in the relevant sections of these Notes.

##### 1.3 Rounding

All amounts in the financial statements have been rounded to the nearest thousand dollars (\$'000).

##### 1.4 Estimates and assumptions

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates and requires management to exercise its judgement in applying Council's accounting policies.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are specifically referred to in the relevant sections of these Notes.

#### (2) The Local Government Reporting Entity

City of Tea Tree Gully is incorporated under the South Australian Local Government Act 1999 and has its principal place of business at 571 Montague Road, Modbury.

#### (3) Income Recognition

The Council recognises revenue under *AASB 1058 Income of Not-for-Profit Entities* (AASB 1058) or *AASB 15 Revenue from Contracts with Customers* (AASB 15) when appropriate.

In cases where there is an 'enforceable' contract with a customer with 'sufficiently specific' performance obligations, the transaction is accounted for under AASB 15 where income is recognised when (or as) the performance obligations are satisfied (i.e. when it transfers control of a product or service to a customer). Revenue is measured based on the consideration to which the Council expects to be entitled in a contract with a customer.

In other cases, AASB 1058 applies when a not-for-profit (NFP) entity enters into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives. The excess of the asset recognised (at fair value) over any 'related amounts' is recognised as income immediately, except in the case where a financial asset has been received to enable the council to acquire or construct a recognisable non-financial asset that is to be controlled by the council. In this case, the council recognises the excess as a liability that is recognised over time in profit and loss when (or as) the entity satisfies its obligations under the transfer.

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## City of Tea Tree Gully

Financial Statements 2022

### Notes to and forming part of the Financial Statements for the year ended 30 June 2022

#### Note 1. Summary of Significant Accounting Policies (continued)

In recent years the payment of untied grants (financial assistance grants / local roads / supplementary grants) has varied from the annual allocation as shown in the table below:

	Cash Payment Received	Annual Allocation	Difference
2019/20	\$3,305,009	\$4,382,691	- \$1,077,682
2020/21	\$3,865,290	\$3,847,133	- \$18,157
2021/22	\$5,068,633	\$4,016,655	\$1,051,968

Because these grants are untied, the Australian Accounting Standards require that payments be recognised upon receipt. Accordingly, the operating results of these periods have been distorted compared to those that would have been reported had the grants been paid in the year to which they were allocated.

The Operating Surplus Ratio disclosed in Note 15 has also been calculated after adjusting for the distortions resulting from the differences between the actual grants received and the grants entitlements allocated.

#### (4) Cash, Cash Equivalents and other Financial Instruments

Cash Assets include all amounts readily convertible to cash on hand at Council's option with an insignificant risk of changes in value with a maturity of three months or less from the date of acquisition.

Receivables for rates and annual charges are secured over the subject land, and bear interest at rates determined in accordance with the Local Government Act 1999. Other receivables are generally unsecured and do not bear interest.

All receivables are reviewed as at the reporting date and adequate allowance made for amounts the receipt of which is considered doubtful.

All financial instruments are recognised at fair value at the date of recognition, except for trade receivables from a contract with a customer, which are measured at the transaction price. A detailed statement of the accounting policies applied to financial instruments forms part of Note 13.

#### (5) Inventories

Inventories held in respect of stores have been valued by using the weighted average cost on a continual basis, after adjustment for loss of service potential. Inventories held in respect of business undertakings have been valued at the lower of cost and net realisable value.

##### 5.1 Real Estate Assets Developments

Properties not acquired for development, but which Council has decided to sell as surplus to requirements, are recognised at the carrying value at the time of that decision.

Certain properties, auctioned for non-payment of rates in accordance with the Local Government Act but which failed to meet the reserve set by Council and are available for sale by private treaty, are recorded at the lower of the unpaid rates and charges at the time of auction or the reserve set by Council. Holding costs in relation to these properties are recognised as an expense when incurred.

#### (6) Infrastructure, Property, Plant & Equipment

##### 6.1 Initial Recognition

All assets are initially recognised at cost. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition.

All non-current assets purchased or constructed are capitalised as the expenditure is incurred and depreciated as soon as the asset is held "ready for use". Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including architects' fees and engineering design fees and all other costs incurred. The cost of non-current assets constructed by the Council includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overhead.

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## City of Tea Tree Gully

Financial Statements 2022

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2022

## Note 1. Summary of Significant Accounting Policies (continued)

## 6.2 Materiality

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by Council for each type of asset. In determining (and in annually reviewing) such thresholds, regard is had to the nature of the asset and its estimated service life.

Examples of capitalisation thresholds applied during the year are given below. No capitalisation threshold is applied to the acquisition of land or interests in land.

Office Furniture & Equipment	\$3,000
Fleet & Plant	\$3,000
Buildings - new construction/extensions	\$5,000
Information Technology	\$3,000

## 6.3 Subsequent Recognition

All material asset classes are revalued on a regular basis such that the carrying values are not materially different from fair value. Significant uncertainties exist in the estimation of fair value of a number of asset classes including land, buildings and associated structures and infrastructure. Further detail of these uncertainties, and of existing valuations, methods and valuers are provided at Note 7.

## 6.4 Depreciation of Non-Current Assets

Other than land, all infrastructure, property, plant and equipment assets recognised are systematically depreciated over their useful lives on a straight-line basis which, in the opinion of Council, best reflects the consumption of the service potential embodied in those assets.

Depreciation methods, useful lives and residual values of classes of assets are reviewed annually.

Major depreciation periods for each class of asset are listed below. Depreciation periods for infrastructure assets have been estimated based on the best information available to Council, but appropriate records covering the entire life cycle of these assets are not available, and extreme care should be used in interpreting financial information based on these estimates.

*Plant, Furniture & Equipment*

Office Equipment	3 to 10 years
Office Furniture	4 to 20 years
Plant and Equipment	3 to 8 years
Technology	3 to 15 years

*Building & Other Structures*

Footings	60 to 150 years
Envelope	45 to 150 years
Fitout - Flooring	15 to 35 years
Fitout - Internal	30 to 100 years
Roof	10 to 100 years
Mechanical Services	15 to 40 years
Fire Services	40 years
Hydraulics	50 to 150 years
Electrical	50 to 150 years

*Infrastructure*

Road – Formation	Indefinite
Road – Pavement	40 to 250 years
Road – Seal	15 to 60 years
Kerb and Gutter	80 to 200 years
Footpaths	15 to 200 years
Bridges	30 to 250 years
Traffic Control	40 to 150 years

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## City of Tea Tree Gully

Financial Statements 2022

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

## Note 1. Summary of Significant Accounting Policies (continued)

Stormwater	50 to 200 years
CWMS	60 to 200 years
Signage	5 to 7 years

*Other Assets*

Wetlands	100 to 200 years
Irrigation Systems	25 to 40 years
Public Lighting	33 to 60 years
Playing Courts	10 to 200 years
Playgrounds	20 to 65 years

**6.5 Impairment**

Assets whose future economic benefits are not dependent on the ability to generate cash flows, and where the future economic benefits would be replaced if Council were deprived thereof, are not subject to impairment testing.

Other assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount (which is the higher of the present value of future cash inflows or value in use).

Where an asset that has been revalued is subsequently impaired, the impairment is first offset against such amount as stands to the credit of that class of assets in Asset Revaluation Reserve, any excess being recognised as an expense.

**6.6 Borrowing Costs**

Borrowing costs in relation to qualifying assets (net of offsetting investment revenue) have been capitalised in accordance with AASB 123 "Borrowing Costs". The amounts of borrowing costs recognised as an expense or as part of the carrying amount of qualifying assets are disclosed in Note 3, and the amount (if any) of interest revenue offset against borrowing costs in Note 2.

**(7) Investment property**

Investment property comprises land &/or buildings that are principally held for long-term rental yields, capital gains or both that is not occupied by Council.

Our Council does not presently hold any properties that it considers investment properties

**(8) Payables****8.1 Goods & Services**

Creditors are amounts due to external parties for the supply of goods and services and are recognised as liabilities when the goods and services are received. Creditors are normally paid 30 days after the month of invoice. No interest is payable on these amounts.

**8.2 Payments Received in Advance & Deposits**

Amounts other than grants received from external parties in advance of service delivery, and security deposits held against possible damage to Council assets, are recognised as liabilities until the service is delivered or damage reinstated, or the amount is refunded as the case may be.

**(9) Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred and are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are carried at their principal amounts which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period to which it relates, and is recorded as part of "Payables".

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## City of Tea Tree Gully

Financial Statements 2022

### Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

#### Note 1. Summary of Significant Accounting Policies (continued)

##### (10) Employee Benefits

###### 10.1 Salaries, Wages & Compensated Absences

Liabilities for employees' entitlements to salaries, wages and compensated absences expected to be paid or settled within 12 months of reporting date are accrued at nominal amounts (including payroll based oncosts) measured in accordance with AASB 119.

Liabilities for employee benefits not expected to be paid or settled within 12 months are measured as the present value of the estimated future cash outflows (including payroll based oncosts) to be made in respect of services provided by employees up to the reporting date. Present values are calculated using government guaranteed securities rates with similar maturity terms.

Weighted avg. discount rate 2.901% (2021, 3.813%)

No accrual is made for sick leave as Council experience indicates that, on average, sick leave taken in each reporting period is less than the entitlement accruing in that period, and this experience is expected to recur in future reporting periods. Council does not make payment for untaken sick leave.

###### 10.2 Superannuation

The Council makes employer superannuation contributions in respect of its employees to the Statewide Superannuation Scheme. The Scheme has two types of membership, each of which is funded differently. Details of the accounting policies applied and Council's involvement with the schemes are reported in Note 18.

##### (11) Provisions for Reinstatement, Restoration and Rehabilitation

Close down and restoration costs include the dismantling and demolition of infrastructure and the removal of residual materials and remediation and rehabilitation of disturbed areas. Estimated close down and restoration costs are provided for in the accounting period when the obligation arising from the related disturbance occurs and are carried at the net present value of estimated future costs.

Although estimated future costs are based on a closure plan, such plans are based on current environmental requirements which may change. Council's policy to maximise recycling is extending the operational life of these facilities, and significant uncertainty exists in the estimation of the future closure date.

##### (12) Leases

The Council assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

###### 12.1 Council as a lessee

The Council recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

###### Short-term leases and leases of low-value assets

The Council applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date). It also applies the low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

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## City of Tea Tree Gully

Financial Statements 2022

### Notes to and forming part of the Financial Statements for the year ended 30 June 2022

#### Note 1. Summary of Significant Accounting Policies (continued)

##### (13) GST Implications

In accordance with UIG Abstract 1031 "Accounting for the Goods & Services Tax"

- Receivables and Creditors include GST receivable and payable.
- Except in relation to input taxed activities, revenues and operating expenditures exclude GST receivable and payable.
- Non-current assets and capital expenditures include GST net of any recoupment.
- Amounts included in the Statement of Cash Flows are disclosed on a gross basis.

##### (14) New accounting standards and UIG interpretations

###### Standards issued by the AASB not yet effective

The AASB has issued Australian Accounting Standards and Interpretations which are not effective at 30 June 2022, these standards have not been adopted by Council and will be included in the financial statements on their effective date. Where the standard is expected to have a significant impact for Council then further information has been provided in this note.

The following list identifies all the new and amended Australian Accounting Standards, and Interpretation, that were issued but not yet effective at the time of compiling these illustrative statements that could be applicable to Councils.

###### Effective for NFP annual reporting periods beginning on or after 1 January 2022

- AASB 2020-3 Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments

###### Effective for NFP annual reporting periods beginning on or after 1 January 2023

- AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-Current and associated standards (amended by AASB 2020-6)
- AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies and Definition of Accounting Estimates (amended by AASB 2021-6)

###### Effective for NFP annual reporting periods beginning on or after 1 January 2025

- AASB 2014-10 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (amended by AASB 2015-10, AASB 2017-5 and AASB 2021-7)

##### (15) Comparative Figures

To ensure comparability with the current reporting period's figures, some comparative period line items and amounts may have been reclassified or individually reported for the first time within these financial statements and/or the notes.

##### (16) Significant Asset Disposal - Community Wastewater Management Systems

During the financial year ended 30 June 2022, the Council entered into an agreement in which the ownership of the Community Wastewater Management Systems (CWMS) assets would transfer from Council to SA Water. As per the State Labor Party election commitment, this arrangement will enable SA Water to charge existing City of Tea Tree Gully CWMS customers SA Water Sewer rates from 1 July 2022. As a result, the assets were disposed of on 30 June 2022 when the control of the assets were transferred to SA Water. The assets were revalued to its fair value immediately prior to the transfer to assets held for sale, and the value decrement to the extent of any credit balance existing in the asset revaluation reserve in respect of the asset, was recognised in other comprehensive income. The remaining decrement was recognised in surplus or deficit for the year.

##### (17) Disclaimer

Nothing contained within these statements may be taken to be an admission of any liability to any person under any circumstance.

## City of Tea Tree Gully

Financial Statements 2022

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2022

## Note 2. Income

\$ '000	2022	2021
<b>(a) Rates</b>		
<b>General Rates</b>		
General Rates	82,171	79,206
Less: Discretionary Rebates, Remissions & Write Offs	(1,496)	(1,508)
<b>Total General Rates</b>	<b>80,675</b>	<b>77,698</b>
<b>Other Rates (Including Service Charges)</b>		
Landscape Levy	1,831	1,815
Community Wastewater Management Systems	3,466	3,387
<b>Total Other Rates (Including Service Charges)</b>	<b>5,297</b>	<b>5,202</b>
<b>Total Rates</b>	<b>85,972</b>	<b>82,900</b>
<b>(b) Statutory Charges</b>		
Development Act Fees	979	1,138
Animal Registration Fees & Fines	602	603
Parking Fines / Expiation Fees	632	734
Other Licences, Fees & Fines	77	79
<b>Total Statutory Charges</b>	<b>2,290</b>	<b>2,554</b>
<b>(c) User Charges</b>		
Sundry	585	410
Admission Fees, Cemeteries and Rents	2,580	2,023
Canteen Income	284	253
Bus Charter Income	2	2
<b>Total User Charges</b>	<b>3,451</b>	<b>2,688</b>
<b>(d) Investment Income</b>		
Interest on Investments		
- Local Government Finance Authority	34	34
- Banks & Other	18	23
<b>Total Investment Income</b>	<b>52</b>	<b>57</b>

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## City of Tea Tree Gully

Financial Statements 2022

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2022

## Note 2. Income (continued)

\$ '000	2022	2021
<b>(e) Reimbursements</b>		
Other	93	68
<b>Total Reimbursements</b>	<b>93</b>	<b>68</b>
<b>(f) Other income</b>		
Insurance & Other Recoupments - Infrastructure, IPP&E	195	161
Rebates Received	988	1,494
Sundry	795	753
<b>Total Other income</b>	<b>1,978</b>	<b>2,408</b>
<b>(g) Grants, Subsidies, Contributions</b>		
Amounts Received Specifically for New or Upgraded Assets	4,411	2,605
<b>Total Amounts Received Specifically for New or Upgraded Assets</b>	<b>4,411</b>	<b>2,605</b>
Other Grants, Subsidies and Contributions	8,832	7,588
<b>Total Other Grants, Subsidies and Contributions</b>	<b>8,832</b>	<b>7,588</b>
<b>Total Grants, Subsidies, Contributions</b>	<b>13,243</b>	<b>10,193</b>
The functions to which these grants relate are shown in Note 12.		
<b>(i) Sources of grants</b>		
Commonwealth Government	9,537	7,082
State Government	2,661	2,376
Other	1,045	735
<b>Total</b>	<b>13,243</b>	<b>10,193</b>
<b>(h) Physical Resources Received Free of Charge</b>		
Library Materials	—	181
Other	157	—
<b>Total Physical Resources Received Free of Charge</b>	<b>157</b>	<b>181</b>

## City of Tea Tree Gully

Financial Statements 2022

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2022

## Note 3. Expenses

\$ '000	Notes	2022	2021
<b>(a) Employee costs</b>			
Salaries and Wages		28,846	28,972
Employee Leave Expense		3,584	3,658
Superannuation - Defined Contribution Plan Contributions	18	2,309	2,185
Superannuation - Defined Benefit Plan Contributions	18	681	772
Workers' Compensation Insurance		1,479	1,509
Less: Capitalised and Distributed Costs		(1,187)	(1,030)
<b>Total Operating Employee Costs</b>		<b>35,712</b>	<b>36,066</b>
Total Number of Employees (full time equivalent at end of reporting period)		346	342
<b>(b) Materials, Contracts and Other Expenses</b>			
<b>(i) Prescribed Expenses</b>			
Auditor's Remuneration			
- Auditing the Financial Reports		31	35
Bad and Doubtful Debts		32	(118)
Elected Members' Expenses		359	366
Election Expenses		75	33
<b>Subtotal - Prescribed Expenses</b>		<b>497</b>	<b>316</b>
<b>(ii) Other Materials, Contracts and Expenses</b>			
Contractors		16,074	14,468
Contractors - Waste		4,126	4,090
Contractors - Consultants Fees		833	817
Advertising		63	58
Energy		2,977	2,499
Fringe Benefits		41	17
Insurance		1,468	1,318
Licence Fees		1,575	1,077
Water Rates		1,616	1,833
Levies - Solid Waste Levy		2,974	2,700
Legal Expenses		382	337
Levies Paid to Government - NRM levy		1,816	1,342
Levies - Other		65	530
Parts, Accessories & Consumables		5,724	5,480
Sundry		147	217
<b>Subtotal - Other Material, Contracts &amp; Expenses</b>		<b>39,881</b>	<b>36,783</b>
<b>Total Materials, Contracts and Other Expenses</b>		<b>40,378</b>	<b>37,099</b>

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## City of Tea Tree Gully

Financial Statements 2022

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2022

## Note 3. Expenses (continued)

\$ '000	2022	2021
<b>(c) Depreciation, Amortisation and Impairment</b>		
<b>(i) Depreciation and Amortisation</b>		
Buildings & Other Structures	2,070	1,911
Infrastructure		
- Stormwater Drainage	1,935	1,920
- Roads	4,860	4,805
- Footpaths	1,226	1,197
- Bridges	64	64
- Traffic Control Devices	860	602
- Community Wastewater Management	457	452
- Lighting	212	176
Plant & Equipment	2,062	2,112
Furniture & Fittings	67	66
Technology	1,524	1,273
Playground Equipment	292	287
Irrigation Systems	434	385
Fencing and Other Landscaping	366	337
Sporting Courts, Facilities	420	424
Playing Field Formation	201	207
Carpark Facilities	171	162
<b>Subtotal</b>	<b>17,221</b>	<b>16,380</b>
<b>Total Depreciation, Amortisation and Impairment</b>	<b>17,221</b>	<b>16,380</b>
<b>(d) Finance Costs</b>		
Interest on Loans	138	272
Bank Fees & Other Finance Charges	234	223
<b>Total Finance Costs</b>	<b>372</b>	<b>495</b>



## City of Tea Tree Gully

Financial Statements 2022

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2022

## Note 4. Asset Disposal &amp; Fair Value Adjustments

\$ '000	2022	2021
<b>Infrastructure, Property, Plant &amp; Equipment</b>		
<b>(i) Assets Renewed or Directly Replaced</b>		
Proceeds from Disposal	857	447
Less: Carrying Amount of Assets Sold	(998)	(150)
<b>Gain (Loss) on Disposal</b>	<b>(141)</b>	<b>297</b>
<b>(ii) Assets Surplus to Requirements</b>		
Less: Carrying Amount of Assets Sold	(4,252)	—
<b>Gain (Loss) on Disposal</b>	<b>(4,252)</b>	<b>—</b>
<b>Net Gain (Loss) on Disposal or Revaluation of Assets</b>	<b>(4,393)</b>	<b>297</b>

## City of Tea Tree Gully

Financial Statements 2022

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2022

## Note 5. Current Assets

\$ '000	2022	2021
<b>(a) Cash &amp; Cash Equivalent Assets</b>		
Cash on Hand at Bank	8,432	3,908
<b>Total Cash &amp; Cash Equivalent Assets</b>	<b>8,432</b>	<b>3,908</b>

**(b) Trade & Other Receivables**

Rates - General & Other	2,134	1,916
Accrued Revenues	2	29
Debtors - General	1,666	1,899
GST Recoupment	796	691
Prepayments	204	32
<b>Subtotal</b>	<b>4,802</b>	<b>4,567</b>
Less: Allowance for Doubtful Debts	(112)	(91)
<b>Total Trade &amp; Other Receivables</b>	<b>4,690</b>	<b>4,476</b>

**(c) Inventories**

Stores & Materials	43	33
<b>Total Inventories</b>	<b>43</b>	<b>33</b>

## Note 6. Non-Current Assets

\$ '000	2022	2021
<b>Other Non-Current Assets</b>		
<b>Other</b>		
Capital Works-in-Progress	8,598	7,986
<b>Total Other</b>	<b>8,598</b>	<b>7,986</b>
<b>Total Other Non-Current Assets</b>	<b>8,598</b>	<b>7,986</b>

## Financial Statements 2022

## City of Tea Tree Gully

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2022

## Note 7. Infrastructure, Property, Plant &amp; Equipment

## (a(i)) Infrastructure, Property, Plant &amp; Equipment

\$'000	Fair Value Level	as at 30/06/21					Asset movements during the reporting period						as at 30/06/22		
		At Fair Value	At Cost	Accumulated Depreciation	Carrying amount		Asset Additions New / Upgrade	Asset Additions Renewals	WDV of Asset Disposals	Depreciation Expense (Note 3c)	WIP Transfers	Revaluation Increments to Equity (ARR) (Note 9)	At Fair Value	At Cost	Accumulated Depreciation
Land - Community	3	558,250	627	-	558,877	-	-	419	-	-	61	127,377	686,254	480	-
Land - Other	2	28,111	-	-	28,111	-	-	-	-	-	-	5,441	33,554	-	-
Buildings & Other Structures	3	93,365	27,863	(27,442)	93,786	2,508	1,380	-	-	(2,070)	2,756	-	93,364	34,944	(29,512)
Infrastructure															
- Stormwater Drainage	3	212,382	2,788	(24,169)	191,001	246	294	-	-	(1,935)	77	-	212,382	3,405	(26,104)
- Roads	3	535,710	6,764	(80,850)	461,624	792	2,415	-	-	(4,860)	1,348	-	535,709	11,319	(85,710)
- Footpaths	3	95,203	7,593	(21,262)	81,534	2,452	309	-	-	(1,226)	678	-	95,202	11,032	(22,487)
- Bridges	3	6,620	91	(1,161)	5,550	345	-	-	-	(64)	21	-	6,620	457	(1,226)
- Traffic Control Devices	3	25,745	3,103	(8,306)	20,543	238	212	-	-	(860)	237	-	25,745	3,790	(9,165)
- Community Wastewater Management	3	55,018	1,464	(11,000)	45,482	273	139	-	(4,252)	(457)	-	(41,185)	-	-	-
- Lighting	3	4,457	4,245	(1,787)	6,915	730	463	-	-	(212)	64	-	4,457	5,502	(2,000)
Plant & Equipment															
- Furniture & Fittings		-	20,654	(12,996)	7,658	-	1,863	-	(246)	(2,062)	-	-	-	21,150	(13,938)
- Technology		-	909	(415)	494	4	11	-	-	(67)	-	-	-	924	(482)
Playground Equipment	3	8,457	8,283	(3,976)	4,307	25	676	-	(735)	(1,524)	1,138	-	-	8,769	(4,881)
Irrigation Systems	3	12,618	1,104	(2,408)	7,153	40	93	-	(17)	(292)	2	-	8,457	1,214	(2,692)
Fencing and Other Landscaping	3	1,428	2,335	(4,150)	10,803	564	-	-	-	(434)	27	-	12,618	2,926	(4,583)
Sporting Courts, Facilities	3	15,780	6,363	(2,264)	5,527	587	61	-	-	(366)	302	-	1,428	7,312	(2,630)
Playing Field Formation	3	4,993	1,821	(4,707)	12,884	4	180	-	-	(420)	-	-	15,781	2,005	(5,127)
Carpark Facilities	3	10,368	3,580	(2,088)	6,465	3	-	-	-	(201)	-	-	4,993	3,563	(2,289)
<b>Total Infrastructure, Property, Plant &amp; Equipment</b>		<b>1,668,505</b>	<b>101,265</b>	<b>(211,217)</b>	<b>1,558,553</b>	<b>8,868</b>	<b>8,590</b>	<b>(5,250)</b>	<b>(17,221)</b>	<b>6,804</b>	<b>91,633</b>	<b>1,746,931</b>	<b>120,714</b>	<b>(215,234)</b>	<b>1,652,411</b>
Comparatives		1,647,688	92,757	(202,077)	1,538,368	6,871	9,650	(150)	(16,790)	1,709	19,861	1,688,505	101,265	(211,217)	1,558,553

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## City of Tea Tree Gully

Financial Statements 2022

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2022

## Note 7. Infrastructure, Property, Plant &amp; Equipment (continued)

## (b) Valuation of Infrastructure, Property, Plant &amp; Equipment &amp; Investment Property

## Valuation of Assets

The fair value of assets and liabilities must be estimated in accordance with various Accounting Standards for either recognition and measurement requirements or for disclosure purposes.

AASB 13 Fair Value Measurement requires all assets and liabilities measured at fair value to be assigned to a "level" in the fair value hierarchy as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Refer to Note 7a for the disclosure of the Fair Value Levels of Infrastructure, Property, Plant and Equipment Assets.

## Information on Valuations

Fair value hierarchy level 2 valuations - Certain land, and the buildings and structures thereon, are shown above as being based on fair value hierarchy level 2 valuation inputs. They are based on prices for similar assets in an active market, with directly or indirectly observable adjustments for specific advantages or disadvantages attaching to the particular asset.

Fair value hierarchy level 3 valuations of land - Valuations of Crown land, community land and land subject to other restrictions on use or disposal, shown above as being based on fair value hierarchy level 3 valuation inputs, are based on prices for similar assets in an active market, but include adjustments for specific advantages or disadvantages attaching to the particular asset that are not directly or indirectly observable in that market, or the number and / or amount of observable adjustments of which are so great that the valuation is more fairly described as being based on level 3 valuation inputs.

Fair value hierarchy level 3 valuations of buildings, infrastructure and other assets - There is no known market for buildings, infrastructure and other assets. These assets are valued at depreciated current replacement cost. This method involves:

- The determination of the cost to construct the asset (or its modern engineering equivalent) using current prices for materials and labour, the quantities of each being estimated based on recent experience of this or similar Councils, or on industry construction guides where these are more appropriate.
- The calculation of the depreciation that would have accumulated since original construction using current estimates of residual value and useful life under the prime cost depreciation method adopted by Council.

This method has significant inherent uncertainties, relying on estimates of quantities of materials and labour, residual values and useful lives, and the possibility of changes in prices for materials and labour, and the potential for development of more efficient construction techniques. Accordingly, formal sensitivity analysis does not provide useful information.

*Transfers between fair value hierarchy levels*

In the course of revaluing (name the asset classes), the nature of the inputs applied was reviewed in detail for each asset and where necessary, the asset reassigned to the appropriate fair value hierarchy level. Such transfers take effect as at the date of the revaluation.

## Other Information

At 1 July 2004 upon the transition to AIFRS, Council elected pursuant to AASB 1.D5 to retain a previously established deemed cost under GAAP as its deemed cost. With subsequent addition at cost, this remains as the basis of recognition of non-material asset classes.

Upon revaluation, the current new replacement cost and accumulated depreciation are re-stated such that the difference represents the fair value of the asset determined in accordance with AASB 13 Fair Value Measurement: accumulated depreciation is taken to be the difference between current new replacement cost and fair value. In the case of land, current replacement cost is taken to be the fair value.

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## City of Tea Tree Gully

Financial Statements 2022

### Notes to and forming part of the Financial Statements for the year ended 30 June 2022

#### Note 7. Infrastructure, Property, Plant & Equipment (continued)

##### Highest and best use

All of Council's non financial assets are considered as being utilised for their highest and best use.

##### Transition to AASB 13 - Fair Value Measurement

The requirements of AASB 13 Fair Value Measurement have been applied to all valuations undertaken since 1 July 2013 as shown by the valuation dates by individual asset classes below.

##### Land & Land Improvements

Council being of the opinion that it is not possible to attribute a value sufficiently reliably to qualify for recognition, land under roads has not been recognised in these reports.

Freehold land and land over which Council has control, but does not have title, is recognised on the cost basis.

No capitalisation threshold is applied to the acquisition of land or interests in land.

Estimated future costs of reinstatement of land, capitalised in accordance with AASB 116.16(c) are reviewed annually (see Note 1).

During the year, a desktop valuation has been completed based on market evidence of valuations provided by the Valuer General in 2021-22 as at 30 June 2022. The property valuation data provided from the Valuer General in 2021-22 resulted in an average 25% increase in property valuations.

##### Buildings & Other Structures

Buildings and other structures are generally recognised at fair value, based on current market values. However, special purpose buildings (such as public toilets) for which there is no market are valued at depreciated current replacement cost. Buildings that Council does not intend to replace at the end of their useful life are valued at the market value of the "highest and best" use. These assets were valued as at 30 June 2017 by APV Valuers and Asset Management. Assets will be depreciated by a consumption method.

- Basis of valuation: Fair Value
- Date of valuation: 30 June 2017
- Valuer: APV Valuers & Asset Management, 3/97 Pirie St, Adelaide SA 5000

During 2018/19 a valuation inspection was conducted by APV Valuers & Asset Management, a number of Park Shelters were identified and valued at market rates.

##### Infrastructure

Infrastructure assets were valued by APV Valuers and Asset Management as at 30 June 2019 to reflect their service potential.

Assets have been depreciated by a consumption based method from 1 July 2009. Valuations of Signs were based on an estimated quantity of signs and an estimated average cost per sign. Technology infrastructure which was acquired in the financial year has been included with these classes of assets.

##### *Stormwater Drainage and Community Wastewater Management*

- Basis of valuation: Fair Value
- Date of valuation: 30 June 2019
- Valuer: APV Valuers & Asset Management, 3/97 Pirie St, Adelaide SA 5000

During the financial year ended 30 June 2022, the Council entered into an agreement in which the ownership of the Community Wastewater Management Systems (CWMS) assets would transfer from Council to SA Water. As per the State Labor Party election commitment, this arrangement will enable SA Water to charge existing City of Tea Tree Gully CWMS customers SA Water Sewer rates from 1 July 2022. As a result, the assets were disposed of on 30 June 2022 when the control of the assets were transferred to SA Water. The assets were revalued to its fair value immediately prior to the transfer to assets held for sale, and the value decrement to the extent of any credit balance existing in the asset revaluation reserve in respect of the asset, was recognised in other comprehensive income. The remaining decrement was recognised in surplus or deficit for the year.

##### *Roads, Kerb and Gutter, Footpaths*

- Basis of valuation: Fair Value
- Date of valuation: 30 June 2019

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## City of Tea Tree Gully

Financial Statements 2022

### Notes to and forming part of the Financial Statements for the year ended 30 June 2022

#### Note 7. Infrastructure, Property, Plant & Equipment (continued)

- Valuer: APV Valuers & Asset Management, 3/97 Pirie Street, Adelaide SA 5000

##### *Structures, Bridges, Car Parks*

- Basis of valuation: Fair Value
- Date of valuation: 30 June 2019
- Valuer: APV Valuers & Asset Management, 3/97 Pirie Street, Adelaide SA 5000

A desktop valuation has been completed on our Car Park assets during 2019/20 resulting in improved componentisation.

##### *Traffic Control Devices*

- Basis of valuation: Fair Value
- Date of valuation: 30 June 2019
- Valuer: APV Valuers & Asset Management, 3/97 Pirie Street, Adelaide SA 5000

##### *Lighting*

- Basis of valuation: Fair Value
- Date of valuation: 30 June 2015
- Valuer: APV Valuers & Asset Management, 3/97 Pirie Street, Adelaide SA 5000

#### **Plant, Furniture & Equipment**

These assets are recognised on the cost basis.

#### **Library Assets**

Due to a voluntary change in Accounting Policy, Library Assets have been removed from Infrastructure, Property, Plant & Equipment during the financial year ended 30 June 2022. For more information, see Note 23. Retrospective Adjustment due to Changes in Accounting Policies.

#### **Playground Equipment**

Playground equipment was revalued by APV Valuers and Asset Management in 2019 to reflect service potential. Condition based assessment was undertaken as part of the valuation on 30 June 2019. Additions completed in late 2019 are included at cost.

- Basis of valuation: Fair Value
- Date of valuation: 30 June 2019
- Valuer: APV Valuers & Asset Management, 3/97 Pirie Street, Adelaide SA 5000

#### **Irrigation Systems**

Irrigation assets were revalued by APV Valuers and Asset Management in 2019 to reflect service potential. Condition based assessment was undertaken as part of the valuation on 30 June 2019. Additions completed in late 2019 are included at cost.

- Basis of valuation: Fair Value
- Date of valuation: 30 June 2019
- Valuer: APV Valuers & Asset Management, 3/97 Pirie Street, Adelaide SA 5000

#### **Fencing and Other Landscaping**

Fencing assets were revalued by APV Valuers and Asset Management in 2019 to reflect service potential. Condition based assessment was undertaken as part of the valuation on 30 June 2019. Additions completed in late 2019 are included at cost.

- Basis of valuation: Fair Value
- Date of valuation: 30 June 2019
- Valuer: APV Valuers & Asset Management, 3/97 Pirie Street, Adelaide SA 5000

#### **Sporting Courts and Facilities**

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**City of Tea Tree Gully**

Financial Statements 2022

**Notes to and forming part of the Financial Statements**  
for the year ended 30 June 2022**Note 7. Infrastructure, Property, Plant & Equipment (continued)**

Sporting Courts and Facilities were valued by APV Valuers to reflect their service potential as at 30 June 2019. Full condition based assessment was undertaken as part of the revaluation on 30 June 2019. Assets have been depreciated by a consumption based method from 1 July 2009.

- Basis of valuation: Fair Value
- Date of valuation: 30 June 2019
- Valuer: APV Valuers & Asset Management, 3/97 Pirie Street, Adelaide SA 5000

**Playing Field Formation**

Playing Field Formation were valued by APV Valuers and Asset Management in 2019 to reflect service potential.

- Basis of valuation: Fair Value
- Date of valuation: 30 June 2019
- Valuer: APV Valuers & Asset Management, 3/97 Pirie Street, Adelaide SA 5000

## City of Tea Tree Gully

Financial Statements 2022

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2022

## Note 8. Liabilities

\$ '000	2022 Current	2022 Non Current	2021 Current	2021 Non Current
<b>(a) Trade and Other Payables</b>				
Goods & Services	174	—	108	—
Payments Received in Advance	17,561	—	5,456	—
Accrued Expenses - Employee Entitlements	3,222	—	3,096	—
Accrued Expenses - Other	5,046	—	4,021	—
Deposits, Retentions & Bonds	243	—	146	—
Other	80	—	105	—
<b>Total Trade and Other Payables</b>	<b>26,326</b>	<b>—</b>	<b>12,932</b>	<b>—</b>

**(b) Borrowings**

Loans	—	—	—	15,000
<b>Total Borrowings</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>15,000</b>

All interest bearing liabilities are secured over the future revenues of the Council

**(c) Provisions**

Employee Entitlements (including oncosts)	4,455	507	4,420	511
<b>Total Provisions</b>	<b>4,455</b>	<b>507</b>	<b>4,420</b>	<b>511</b>

## City of Tea Tree Gully

Financial Statements 2022

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2022

## Note 9. Reserves

	as at 30/06/21				as at 30/06/22
\$ '000	Opening Balance	Increments (Decrements)	Transfers	Impairments	Closing Balance
<b>(a) Asset Revaluation Reserve</b>					
Land - Community	459,459	127,377	—	—	586,836
Land - Other	4,573	5,441	—	—	10,014
Buildings & Other Structures Infrastructure	31,457	—	—	—	31,457
- Stormwater Drainage	134,530	—	—	—	134,530
- Roads	363,554	—	—	—	363,554
- Footpaths	57,218	—	—	—	57,218
- Bridges	3,880	—	—	—	3,880
- Traffic Control Devices	11,490	—	—	—	11,490
- Community Wastewater Management	41,185	(41,185)	—	—	—
Plant & Equipment	75	—	—	—	75
Playground Equipment	1,358	—	—	—	1,358
Irrigation Systems	1,549	—	—	—	1,549
Fencing and Other Landscaping	494	—	—	—	494
Sporting Courts, Facilities	2,008	—	—	—	2,008
Carpark Facilities	1,961	—	—	—	1,961
Other Assets	22,536	—	—	—	22,536
<b>Total Asset Revaluation Reserve</b>	<b>1,137,327</b>	<b>91,633</b>	<b>—</b>	<b>—</b>	<b>1,228,960</b>

	as at 30/06/21				as at 30/06/22
\$ '000	Opening Balance	Tfrs to Reserve	Tfrs from Reserve	Other Movements	Closing Balance
<b>(b) Other Reserves</b>					
Community Waste Water Management	1,572	—	(1,572)	—	—
Developer Contribution Reserve	186	—	—	—	186
Pathways North East Reserve	101	—	—	—	101
<b>Total Other Reserves</b>	<b>1,859</b>	<b>—</b>	<b>(1,572)</b>	<b>—</b>	<b>287</b>

## Purposes of Reserves

## Asset Revaluation Reserves

The asset revaluation reserve is used to record increments and decrements arising from changes in fair value of non current assets (less any subsequent impairment losses, where applicable).

## Community Waste Water Management

The Community Waste Water Management (CWMS) Other Reserve is to fund maintenance and upgrade of Council's community wastewater pipe network. During the financial year ended 30 June 2022, the balance of the CWMS Other Reserve was transferred to Accumulated Surplus on disposal of the CWMS Assets.

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## City of Tea Tree Gully

Financial Statements 2022

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2022

## Note 9. Reserves (continued)

**Developer Contribution Reserve**

The Developer Contribution Reserve is a reserve where contributions are made to fund infrastructure projects in particular areas.

**Pathways North East Reserve**

The Pathways North East Reserve is a reserve to fund youth projects.

## Note 10. Assets Subject to Restrictions

Council does not hold any assets subject to restrictions.

## Note 11. Reconciliation to Statement of Cash Flows

\$ '000	Notes	2022	2021
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## (a) Reconciliation of Cash

Cash Assets comprise highly liquid investments with short periods to maturity subject to insignificant risk of changes of value. Cash at the end of the reporting period as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

Total Cash & Equivalent Assets	5	8,432	3,908
<b>Balances per Statement of Cash Flows</b>		<b>8,432</b>	<b>3,908</b>

## (b) Reconciliation of Change in Net Assets to Cash from Operating Activities

<b>Net Surplus/(Deficit)</b>	9,160	11,306
<b>Non-Cash Items in Income Statements</b>		
Depreciation, Amortisation & Impairment	17,221	16,380
Non-Cash Asset Acquisitions	(157)	(181)
Grants for capital acquisitions treated as Investing Activity	(4,411)	(2,605)
Net (Gain) Loss on Disposals	4,393	(297)
	<b>26,206</b>	<b>24,603</b>
<b>Add (Less): Changes in Net Current Assets</b>		
Net (Increase)/Decrease in Receivables	(235)	75
Change in Allowances for Under-Recovery of Receivables	(21)	119
Net (Increase)/Decrease in Inventories	(10)	83
Net (Increase)/Decrease in Other Assets	42	(238)
Net Increase/(Decrease) in Trade & Other Payables	13,297	667
Net Increase/(Decrease) in Unpaid Employee Benefits	31	189
<b>Net Cash provided by (or used in) operations</b>	<b>39,310</b>	<b>25,498</b>

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## City of Tea Tree Gully

Financial Statements 2022

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2022

## Note 11. Reconciliation to Statement of Cash Flows (continued)

\$ '000	Notes	2022	2021
<b>(c) Non-Cash Financing and Investing Activities</b>			
<b>Acquisition of assets by means of:</b>			
Physical Resources Received Free of Charge	2h	157	181
Amounts recognised in Income Statement		157	181
<b>Total Non-Cash Financing and Investing Activities</b>		<b>157</b>	<b>181</b>

**(d) Financing Arrangements****Unrestricted access was available at balance date to the following lines of credit:**

Bank Overdrafts	300	300
Corporate Credit Cards	900	800
LGFA Cash Advance Debenture Facility	42,000	44,000

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice.

Council has access to cash facilities of \$42 million and minimises interest expense by transferring funds between cash at bank and the debenture facility.

## City of Tea Tree Gully

Financial Statements 2022

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

## Note 12(a). Functions

Income, Expenses and Assets have been directly attributed to the following Functions / Activities.  
Details of these Functions/Activities are provided in Note 12(b).

\$ '000	INCOME		EXPENSES		OPERATING SURPLUS (DEFICIT)		GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
<b>Functions/Activities</b>										
Office of the CEO	47	55	1,468	2,891	(1,421)	(2,836)	—	—	—	—
Assets and Environment	1,995	2,513	56,599	56,280	(54,604)	(53,767)	1,179	1,673	1,661,631	1,567,071
Community and Cultural Development	7,539	7,206	14,702	14,224	(7,163)	(7,018)	2,057	2,118	1,586	1,853
Organisational Services & Excellence	92,731	88,665	20,709	17,290	72,022	71,375	5,596	3,797	11,469	6,544
<b>Total Functions/Activities</b>	<b>102,312</b>	<b>98,439</b>	<b>93,478</b>	<b>90,685</b>	<b>8,834</b>	<b>7,754</b>	<b>8,832</b>	<b>7,588</b>	<b>1,674,686</b>	<b>1,575,468</b>

Revenues and expenses exclude net gain (loss) on disposal or revaluation of assets, amounts received specifically for new or upgraded assets and physical resources received free of charge.



## City of Tea Tree Gully

Financial Statements 2022

### Notes to and forming part of the Financial Statements for the year ended 30 June 2022

#### Note 12(b). Components of Functions

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The activities relating to Council functions are as follows:

##### **OFFICE OF THE CEO**

Office of the Chief Executive Officer, Governance and Policy, City Strategy.

##### **ASSETS AND ENVIRONMENT**

Civil and Buildings Projects, Operations, Fleet and Property Services, Civil Assets, Civil Operations, Waste and Environment Operations, Parks, Strategic Assets.

##### **COMMUNITY AND CULTURAL DEVELOPMENT**

City Development, Community Development and Engagement, Community Safety, Library Services, Recreation and Leisure Services.

##### **ORGANISATIONAL SERVICES & EXCELLENCE**

Continuous Improvement, Customer and Communications, Finance and Rating Operations, Information Technology Solutions, Organisational Development, Procurement and Contract Management.

## City of Tea Tree Gully

Financial Statements 2022

### Notes to and forming part of the Financial Statements for the year ended 30 June 2022

#### Note 13. Financial Instruments

##### Recognised Financial Instruments

##### Bank, Deposits at Call, Short Term Deposits

###### Accounting Policy:

Initially recognised at fair value and subsequently measured at amortised cost; interest is recognised when earned.

###### Terms & Conditions:

Deposits are returning fixed interest rates between 0.3% and 0.6% (2021: 0.3% and 0.6%).

###### Carrying Amount:

Approximates fair value due to the short term to maturity.

##### Receivables - Rates & Associated Charges

###### Accounting Policy:

Initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method.

###### Terms & Conditions:

Secured over the subject land, arrears attract interest of 5.05% (2021: 5.05%). Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State.

###### Carrying Amount:

Approximates fair value (after deduction of any allowance).

##### Receivables - Fees & Other Charges

###### Accounting Policy:

Initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method.

###### Terms & Conditions:

Unsecured, and do not bear interest. Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries.

###### Carrying Amount:

Approximates fair value (after deduction of any allowance).

##### Receivables - Other Levels of Government

###### Accounting Policy:

Initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method.

###### Terms & Conditions:

Amounts due have been calculated in accordance with the terms and conditions of the respective programs following advice of approvals, and do not bear interest. All amounts are due by Departments and Agencies of State and Federal Governments.

###### Carrying Amount:

Approximates fair value.

##### Liabilities - Creditors and Accruals

###### Accounting Policy:

Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Council.

continued on next page ...

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## City of Tea Tree Gully

Financial Statements 2022

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2022

## Note 13. Financial Instruments (continued)

**Terms & Conditions:**

Liabilities are normally settled on 30 day terms.

**Carrying Amount:**

Approximates fair value.

**Liabilities - Interest Bearing Borrowings****Accounting Policy:**

Initially recognised at fair value and subsequently at amortised cost using the effective interest rate.

**Terms & Conditions:**

Secured over future revenues, borrowings are repayable (describe basis); interest is charged at variable rates between 1.3% and 6.72% (2021: 1.3% and 6.72%).

**Carrying Amount:**

Approximates fair value.

**Liabilities - Leases****Accounting Policy:**

Accounted for in accordance with AASB 16 as stated in Note 17.

\$ '000	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
<b>Financial Assets and Liabilities</b>					
<b>2022</b>					
<b>Financial Assets</b>					
Cash & Cash Equivalents	8,432	—	—	8,432	8,432
Receivables	2,352	—	—	2,352	2,352
<b>Total Financial Assets</b>	<b>10,784</b>	<b>—</b>	<b>—</b>	<b>10,784</b>	<b>10,784</b>
<b>Financial Liabilities</b>					
Payables	8,765	—	—	8,765	8,765
<b>Total Financial Liabilities</b>	<b>8,765</b>	<b>—</b>	<b>—</b>	<b>8,765</b>	<b>8,765</b>
<b>2021</b>					
<b>Financial Assets</b>					
Cash & Cash Equivalents	3,908	—	—	3,908	3,908
Receivables	2,528	—	—	2,528	2,528
<b>Total Financial Assets</b>	<b>6,436</b>	<b>—</b>	<b>—</b>	<b>6,436</b>	<b>6,436</b>
<b>Financial Liabilities</b>					
Payables	7,476	—	—	7,476	7,476
Non-Current Borrowings	15,000	—	—	15,000	15,000
<b>Total Financial Liabilities</b>	<b>22,476</b>	<b>—</b>	<b>—</b>	<b>22,476</b>	<b>22,476</b>

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## City of Tea Tree Gully

Financial Statements 2022

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2022

## Note 13. Financial Instruments (continued)

The following interest rates were applicable to Council's Borrowings at balance date:

\$ '000	2022		2021	
	Weighted Avg Interest Rate	Carrying Value	Weighted Avg Interest Rate	Carrying Value
Other Variable Rates	0.00%	—	1.57%	15,000
		—		15,000

**Net Fair Value**

All carrying values approximate fair value for all recognised financial instruments. There is no recognised market for the financial assets of the Council.

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## City of Tea Tree Gully

Financial Statements 2022

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2022

## Note 13. Financial Instruments (continued)

## Risk Exposures

**Credit Risk** represents the loss that would be recognised if counterparties fail to perform as contracted. The maximum credit risk on financial assets of the Council is the carrying amount, net of any impairment. All Council investments are made with the SA Local Government Finance Authority and are guaranteed by the SA Government. Except as detailed in Notes 5 & 6 in relation to individual classes of receivables, exposure is concentrated within the Council's boundaries, and there is no material exposure to any individual debtor.

**Market Risk** is the risk that fair values of financial assets will fluctuate as a result of changes in market prices. All of Council's financial assets are denominated in Australian dollars and are not traded on any market, and hence neither market risk nor **currency risk** apply.

**Liquidity Risk** is the risk that Council will encounter difficulty in meeting obligations with financial liabilities. In accordance with the model Treasury Management Policy (LGA Information Paper 15), liabilities have a range of maturity dates. Council also has available a range of bank overdraft and standby borrowing facilities that it can access.

**Interest Rate Risk** is the risk that future cash flows will fluctuate because of changes in market interest rates. Council has a balance of both fixed and variable interest rate borrowings and investments. Cash flow fluctuations are managed holistically in seeking to minimise interest costs over the longer term in a risk averse manner.

## Expected Credit Losses (ECL)

Council uses an allowance matrix to measure expected credit losses for receivables from individual customers, which comprise a large number of small balances. As rates and annual charges are secured over subject land no allowance for such receivables is made. The following table provides information about Council's ECLs from receivables (excluding secured rates and charges, GST and other amounts held in trust). Impairment analysis is performed each reporting date. ECLS are based on credit history adjusted for forward looking estimates and economic conditions.

Set out below is the movement in the allowance for expected credit losses:

## Note 14. Capital Expenditure Commitments

\$ '000	2022	2021
---------	------	------

## Capital Commitments

## Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:

Buildings	1,713	1,064
City Beautification	2,493	1,002
Sporting courts/pitch renewal/Open Space	450	431
Other projects	453	177
	<u>5,109</u>	<u>2,674</u>

## These expenditures are payable:

Not later than one year	5,109	2,674
	<u>5,109</u>	<u>2,674</u>

## City of Tea Tree Gully

Financial Statements 2022

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2022

## Note 15. Financial Indicators

	Amounts	Indicator	Prior Periods	
\$ '000	2022	2022	2021	2020

These Financial Indicators have been calculated in accordance with Information paper 9 - Local Government Financial Indicators prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia.

**Operating Surplus**

8,985 8,223 5,067

Is the Operating Surplus (Deficit) before capital amounts.

**Operating Surplus Ratio**

Operating Surplus	8,985			
Total Operating Income	102,668	8.8%	8.2%	5.2%

This ratio expresses the operating surplus as a percentage of total operating revenue.

**Net Financial Liabilities** (excluding Non-Current Assets Held for Sale)

18,123 24,479 28,849

Net Financial Liabilities are defined as total liabilities less financial assets (excluding equity accounted investments in Council businesses) and excluding non-current assets held for sale).

**Net Financial Liabilities Ratio** (excluding Non-Current Assets Held for Sale)

Net Financial Liabilities	18,123			
Total Operating Income	102,668	17.7%	24.9%	29.7%

Net Financial Liabilities are defined as total liabilities less financial assets (excluding equity accounted investments in Council businesses). These are expressed as a percentage of total operating revenue.

**Net Financial Liabilities** (including Non-Current Assets Held for Sale)

17,521 23,968 28,338

Net Financial Liabilities are defined as total liabilities less financial assets (excluding equity accounted investments in Council businesses) and including non-current assets held for sale.



## City of Tea Tree Gully

Financial Statements 2022

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2022

## Note 15. Financial Indicators (continued)

\$ '000	Amounts 2022	Indicator 2022	Prior Periods 20212020	
Net Financial Liabilities Ratio (including Non-Current Assets Held for Sale)				
Net Financial Liabilities	17,521	17.1%	24.3%	29.2%
Total Operating Income	102,668			
Net Financial Liabilities are defined as total liabilities less financial assets (excluding equity accounted investments in Council businesses). These are expressed as a percentage of total operating revenue.				
Adjustments to Ratios				
In recent years the Federal Government has made advance payments prior to 30th June from future year allocations of financial assistance grants, as explained in Note 1. These Adjusted Ratios correct for the resulting distortion in key ratios for each year and provide a more accurate basis for comparison.				
Adjusted Operating Surplus Ratio		7.8%	8.2%	5.2%
Adjusted Net Financial Liabilities Ratio		17.8%	24.9%	29.7%
Interest Cover Ratio				
Finance Costs Expense less Investment Income	320	0.3%	0.4%	1.1%
Total Operating Income	102,668			
Interest Cover is defined as finance costs expense (excluding unwinding of present value discounts and premiums) less Investment Income as a percentage of Total Operating Income (less Investment Income).				
Asset Renewal Funding Ratio				
Net Asset Renewals	16,283	104.2%	104.5%	100.1%
Infrastructure & Asset Management Plan required expenditure	15,628			
Net asset renewals expenditure is defined as net capital expenditure on the renewal and replacement of existing assets, and excludes new capital expenditure on the acquisition of additional assets.				
Fiscal Balance		6,323	4,287	2,927
Net lending position or net borrowing requirement in uniform presentation of finances				

## City of Tea Tree Gully

Financial Statements 2022

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2022

## Note 15. Financial Indicators - Graphs

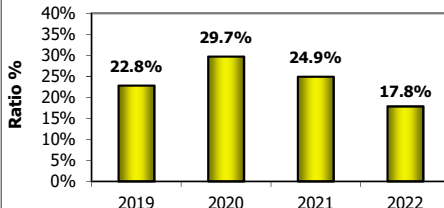
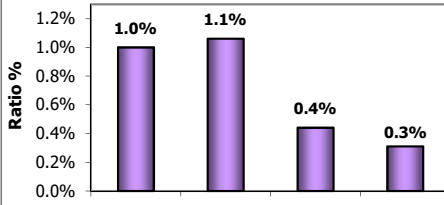
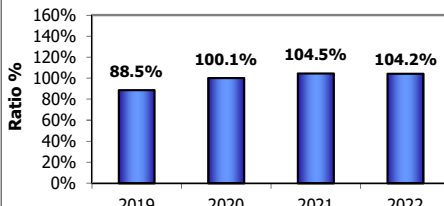
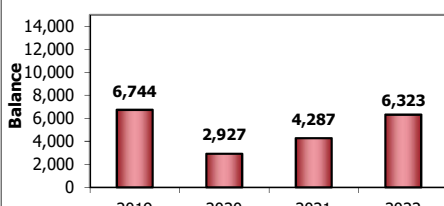
<p><b>Operating Surplus Ratio</b></p> <table><tr><th>Year</th><th>Ratio %</th></tr><tr><td>2019</td><td>8.5%</td></tr><tr><td>2020</td><td>5.2%</td></tr><tr><td>2021</td><td>8.2%</td></tr><tr><td>2022</td><td>8.8%</td></tr></table>	Year	Ratio %	2019	8.5%	2020	5.2%	2021	8.2%	2022	8.8%	<p><b>Purpose of Operating Surplus Ratio</b></p> <p>This indicator is to determine the percentage the operating revenue varies from operating expenditure</p>	<p><b>Commentary on 2021/22 Result</b></p> <p><b>2021/22 Ratio 8.8%</b></p> <p>Operating Surplus Ratio is the operating surplus (deficit) before capital. The Operating Surplus Ratio for 2021/22 is 8.8% which is within Council's target of 2.5% - 10%.</p>
Year	Ratio %											
2019	8.5%											
2020	5.2%											
2021	8.2%											
2022	8.8%											
<p><b>Adjusted Operating Surplus Ratio</b></p> <table><tr><th>Year</th><th>Ratio %</th></tr><tr><td>2019</td><td>8.2%</td></tr><tr><td>2020</td><td>5.2%</td></tr><tr><td>2021</td><td>8.2%</td></tr><tr><td>2022</td><td>7.8%</td></tr></table>	Year	Ratio %	2019	8.2%	2020	5.2%	2021	8.2%	2022	7.8%	<p><b>Purpose of Adjusted Operating Surplus Ratio</b></p> <p>This indicator is to determine the percentage the operating revenue (adjusted for timing differences in the Financial Assistance Grant) varies from operating expenditure</p>	<p><b>Commentary on 2021/22 Result</b></p> <p><b>2021/22 Ratio 7.8%</b></p> <p>The Adjusted Operating Surplus Ratio is the operating surplus (deficit) before capital adjusted for timing differences from the Financial Assistance Grants and Supplementary Road Funding payments. The Adjusted Operating Surplus Ratio for 2021/22 is 7.8% which is within Council's target of 2.5% - 10%.</p>
Year	Ratio %											
2019	8.2%											
2020	5.2%											
2021	8.2%											
2022	7.8%											
<p><b>Net Financial Liabilities Ratio (excluding Non-Current Assets Held for Sale)</b></p> <table><tr><th>Year</th><th>Ratio %</th></tr><tr><td>2019</td><td>23.2%</td></tr><tr><td>2020</td><td>29.7%</td></tr><tr><td>2021</td><td>24.9%</td></tr><tr><td>2022</td><td>17.7%</td></tr></table>	Year	Ratio %	2019	23.2%	2020	29.7%	2021	24.9%	2022	17.7%	<p><b>Purpose of Net Financial Liabilities Ratio</b></p> <p>This indicator shows the significance of the net amount owed to others, compared to operating revenue</p>	<p><b>Commentary on 2021/22 Result</b></p> <p><b>2021/22 Ratio 17.7%</b></p> <p>The Net Financial Liabilities Ratio (excluding Non-Current Assets Held for Sale) for 2021/22 is 17.7% which is slightly under Council's target of 25% - 35%.</p>
Year	Ratio %											
2019	23.2%											
2020	29.7%											
2021	24.9%											
2022	17.7%											
<p><b>Net Financial Liabilities Ratio (including Non-Current Assets Held for Sale)</b></p> <table><tr><th>Year</th><th>Ratio %</th></tr><tr><td>2019</td><td>20.2%</td></tr><tr><td>2020</td><td>29.2%</td></tr><tr><td>2021</td><td>24.4%</td></tr><tr><td>2022</td><td>17.1%</td></tr></table>	Year	Ratio %	2019	20.2%	2020	29.2%	2021	24.4%	2022	17.1%	<p><b>Purpose of Net Financial Liabilities Ratio</b></p> <p>This indicator shows the significance of the net amount owed to others, compared to operating revenue</p>	<p><b>Commentary on 2021/22 Result</b></p> <p><b>2021/22 Ratio 17.1%</b></p> <p>The Net Financial Liabilities Ratio (including Non-Current Assets Held for Sale) for 2021/22 is 17.1% which slightly under Council's target of 25% - 35%.</p>
Year	Ratio %											
2019	20.2%											
2020	29.2%											
2021	24.4%											
2022	17.1%											

## City of Tea Tree Gully

Financial Statements 2022

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2022

## Note 15. Financial Indicators - Graphs (continued)

<p><b>Adjusted Net Financial Liabilities Ratio</b></p>  <table><tr><th>Year</th><th>Ratio %</th></tr><tr><td>2019</td><td>22.8%</td></tr><tr><td>2020</td><td>29.7%</td></tr><tr><td>2021</td><td>24.9%</td></tr><tr><td>2022</td><td>17.8%</td></tr></table>	Year	Ratio %	2019	22.8%	2020	29.7%	2021	24.9%	2022	17.8%	<p><b>Purpose of Adjusted Net Financial Liabilities Ratio</b></p> <p>This indicator is to determine the percentage the operating revenue (adjusted for timing differences in the Financial Assistance Grant) varies from operating expenditure</p>	<p><b>Commentary on 2021/22 Result</b></p> <table><tr><td><b>2021/22 Ratio</b></td><td><b>17.8%</b></td></tr></table> <p>The Adjusted Net Financial Liabilities Ratio (excluding Non-Current Assets Held for Sale) for 2021/22 is 17.8% which is slightly under Council's target of 25% - 35%.</p>	<b>2021/22 Ratio</b>	<b>17.8%</b>
Year	Ratio %													
2019	22.8%													
2020	29.7%													
2021	24.9%													
2022	17.8%													
<b>2021/22 Ratio</b>	<b>17.8%</b>													
<p><b>Interest Cover Ratio</b></p>  <table><tr><th>Year</th><th>Ratio %</th></tr><tr><td>2019</td><td>1.0%</td></tr><tr><td>2020</td><td>1.1%</td></tr><tr><td>2021</td><td>0.4%</td></tr><tr><td>2022</td><td>0.3%</td></tr></table>	Year	Ratio %	2019	1.0%	2020	1.1%	2021	0.4%	2022	0.3%	<p><b>Purpose of Interest Cover Ratio</b></p> <p>This indicator measures the ability to pay interest on outstanding debt</p>	<p><b>Commentary on 2021/22 Result</b></p> <table><tr><td><b>2021/22 Ratio</b></td><td><b>0.3%</b></td></tr></table> <p>The percentage of revenue allocated to interest (investment income) for 2021/22 is 0.3%.</p>	<b>2021/22 Ratio</b>	<b>0.3%</b>
Year	Ratio %													
2019	1.0%													
2020	1.1%													
2021	0.4%													
2022	0.3%													
<b>2021/22 Ratio</b>	<b>0.3%</b>													
<p><b>Asset Renewal Funding Ratio</b></p>  <table><tr><th>Year</th><th>Ratio %</th></tr><tr><td>2019</td><td>88.5%</td></tr><tr><td>2020</td><td>100.1%</td></tr><tr><td>2021</td><td>104.5%</td></tr><tr><td>2022</td><td>104.2%</td></tr></table>	Year	Ratio %	2019	88.5%	2020	100.1%	2021	104.5%	2022	104.2%	<p><b>Purpose of Asset Renewal Funding Ratio</b></p> <p>This indicator aims to determine if assets are being renewed and replaced in an optimal way</p>	<p><b>Commentary on 2021/22 Result</b></p> <table><tr><td><b>2021/22 Ratio</b></td><td><b>104.2%</b></td></tr></table> <p>The Asset Sustainability Ratio for 2021/22 is 104.2% within the target ratio of 90% - 110% over a three year rolling period.</p>	<b>2021/22 Ratio</b>	<b>104.2%</b>
Year	Ratio %													
2019	88.5%													
2020	100.1%													
2021	104.5%													
2022	104.2%													
<b>2021/22 Ratio</b>	<b>104.2%</b>													
<p><b>Fiscal Balance</b></p>  <table><tr><th>Year</th><th>Balance</th></tr><tr><td>2019</td><td>6,744</td></tr><tr><td>2020</td><td>2,927</td></tr><tr><td>2021</td><td>4,287</td></tr><tr><td>2022</td><td>6,323</td></tr></table>	Year	Balance	2019	6,744	2020	2,927	2021	4,287	2022	6,323	<p><b>Purpose of Fiscal Balance</b></p> <p>Indicates the lending position or net borrowing requirement in uniform presentation of finances</p>	<p><b>Commentary on 2021/22 Result</b></p> <table><tr><td><b>2021/22 Ratio</b></td><td><b>6,323</b></td></tr></table> <p>The Fiscal Balance ensures that Council has the capacity to reduce debt. The Fiscal Balance position in 2021/22 was \$6,323.</p>	<b>2021/22 Ratio</b>	<b>6,323</b>
Year	Balance													
2019	6,744													
2020	2,927													
2021	4,287													
2022	6,323													
<b>2021/22 Ratio</b>	<b>6,323</b>													

## City of Tea Tree Gully

Financial Statements 2022

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2022

## Note 16. Uniform Presentation of Finances

\$ '000	2022	2021
<p>The following is a high level summary of both operating and capital investment activities of the Council prepared on a simplified Uniform Presentation Framework basis.</p> <p>All Councils in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis.</p> <p>The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances.</p>		
Income	102,668	98,263
less Expenses	(93,683)	(90,040)
<b>Operating Surplus / (Deficit)</b>	<b>8,985</b>	<b>8,223</b>
<b>Net Outlays on Existing Assets</b>		
Capital Expenditure on Renewal and Replacement of Existing Assets	(16,283)	(16,771)
add back Depreciation, Amortisation and Impairment	17,221	16,380
add back Proceeds from Sale of Replaced Assets	857	447
	<b>1,795</b>	<b>56</b>
<b>Net Outlays on New and Upgraded Assets</b>		
Capital Expenditure on New and Upgraded Assets	(8,868)	(6,597)
add back Amounts Received Specifically for New and Upgraded Assets	4,411	2,605
	<b>(4,457)</b>	<b>(3,992)</b>
<b>Net Lending / (Borrowing) for Financial Year</b>	<b>6,323</b>	<b>4,287</b>

## City of Tea Tree Gully

Financial Statements 2022

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2022

## Note 17. Leases

## (i) Council as a lessee

Council does not have any Leases.

## (ii) Council as a lessor

## Leases Providing Revenue to the Council

Council owns various buildings, plant and other facilities that are available for hire or lease (on a non-cancellable basis wherever practicable) in accordance with the published revenue policy. Rentals received from such leases are disclosed as rent and hire of non-investment property in Note 2.

## Investment Property

Rentals received, and outgoings reimbursed, in relation to Investment Property are also disclosed in Note 2. These lease agreements, all of which are classified as operating leases, are made on a non-cancellable basis wherever practicable.

\$ '000	2022	2021
---------	------	------

## Future minimum rentals receivable under non-cancellable operating leases as at 30 June, are as follows:

Not later than one year	181	196
Later than one year and not later than 5 years	592	659
Later than 5 years	683	810
	<u>1,456</u>	<u>1,665</u>

## City of Tea Tree Gully

Financial Statements 2022

### Notes to and forming part of the Financial Statements for the year ended 30 June 2022

#### Note 18. Superannuation

The Council makes employer superannuation contributions in respect of its employees to Hostplus (formerly Statewide Super and Local Government Superannuation Scheme). There are two types of membership, each of which is funded differently. Permanent and contract employees of the South Australian Local Government sector with Salarylink benefits prior to 24 November 2009 have the option to contribute to the Accumulation section and/or Salarylink. All other employees (including casuals) have all contributions allocated to the Accumulation section.

##### **Accumulation only Members**

Accumulation only members receive both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of ordinary time earnings in accordance with superannuation guarantee legislation (10.00% in 2021/22; 9.50% in 2020/21). No further liability accrues to the Council as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

##### **Salarylink (Defined Benefit Fund) Members**

Salarylink is a defined benefit scheme where the benefit payable is based on a formula determined by the member's contribution rate, number of years and level of contribution and final average salary. Council makes employer contributions to Salarylink as determined by the Fund's Trustee based on advice from the appointed Actuary. The rate is currently 6.3% (6.3% in 2020/21) of "superannuation" salary.

In addition, Council makes a separate contribution of 3% of ordinary time earnings for Salarylink members to their Accumulation account. Employees also make member contributions to the Salarylink section of the Fund. As such, assets accumulate in the Salarylink section of the Fund to meet the member's benefits, as defined in the Trust Deed, as they accrue.

The Salarylink section is a multi-employer sponsored plan. As the Salarylink section's assets and liabilities are pooled and are not allocated by each employer, and employees may transfer to another employer within the local government sector and retain membership of the Fund, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided by AASB 119.34(a), Council does not use defined benefit accounting for these contributions.

The most recent actuarial investigation was conducted by the Fund's actuary, Louise Campbell, FIAA, of Willis Towers Watson as at 30 June 2021. The Trustee has determined that the current funding arrangements are adequate for the expected Salarylink liabilities. However, future financial and economic circumstances may require changes to Council's contribution rates at some future time.

##### **Contributions to Other Superannuation Schemes**

Council also makes contributions to other superannuation schemes selected by employees under the "choice of fund" legislation. All such schemes are of the accumulation type, where the superannuation benefits accruing to the employee are represented by their share of the net assets of the scheme, and no further liability attaches to the Council.



## City of Tea Tree Gully

Financial Statements 2022

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2022

## Note 19. Non-Current Assets Held for Sale &amp; Discontinued Operations

\$ '000	2022	2021
---------	------	------

## Carrying Amounts of Assets and Liabilities

**Assets**

Land	512	512
------	-----	-----

<b>Total Assets</b>	<b>512</b>	<b>512</b>
---------------------	------------	------------

<b>Net Assets</b>	<b>512</b>	<b>512</b>
-------------------	------------	------------

Council has resolved to dispose of a portion of Australia Avenue Reserve.

As the consideration expected to be received exceeds the carrying amount, this asset has been recognised at the carrying amount. Part of the proceeds will be used to upgrade the remaining reserve.

## City of Tea Tree Gully

Financial Statements 2022

### Notes to and forming part of the Financial Statements for the year ended 30 June 2022

#### Note 20. Contingencies & Assets/Liabilities Not Recognised in the Balance Sheet

The following assets and liabilities do not qualify for recognition in the Statement of Financial Position, but knowledge is considered relevant to the users of the financial report in making and evaluating decisions about the allocation of scarce resources.

##### 1. Land under roads

As reported in the Financial Statements, Council is of the opinion that it is not possible to attribute a value sufficiently reliably for these assets to qualify for recognition, and accordingly land under roads has not been recognised in the reports. Land acquired for road purposes during the year is initially recognised at cost, but transferred to fair value at reporting date, effectively writing off the expenditure.

At reporting date, Council controlled **602 km** of road reserves of average width **15 metres**.

##### 2. Potential insurance losses

Council is a multi-purpose organisation providing a large range of building, parks infrastructure, playgrounds and other facilities accessible to the public. At any time, it is likely that claims will have been made against Council that remain unsettled.

Council insures against all known insurable risks using a range of insurance policies, each of which is subject to deductible "insurance excesses", the amount of which varies according to the class of insurance.

Council has recognised the potential losses arising from claims known at reporting date based on average historical net cost (including insurance excess) of similar types of claims. Other potential claims not reported to Council may have existed at reporting date.

##### 3. Bank guarantees

Council has guaranteed certain loans and other banking facilities advanced to community organisations and sporting bodies, amounting to **\$264,957** (2021: **\$281,118**) at reporting date.

Council does not expect to incur any loss arising from these guarantees.

##### 4. Legal expenses

Council is the planning consent authority for its area under the Planning, Development and Infrastructure Act 2016 (as amended). Pursuant to that Act, certain persons aggrieved by a planning decision of the Council may appeal. It is normal practice that parties bear their own legal costs. At the date of these reports, Council had notice of three appeals against planning decisions made prior to reporting date. All known costs have been recognised, but the amount of further costs cannot be known until the appeals are determined.

##### 5. Other events

Council has a comprehensive Safety First Strategy in place to ensure compliance with the Work, Health and Safety Legislation and the WorkCover Performance Standards for Self-Insured Employers. Our Council is also a member of the Local Government Workers Compensation Scheme.

## City of Tea Tree Gully

Financial Statements 2022

### Notes to and forming part of the Financial Statements for the year ended 30 June 2022

#### Note 21. Events after the Balance Sheet Date

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Events that occur after the reporting date of 30 June 2022, up to and including the date when the financial statements are "authorised for issue" have been taken into account in preparing these statements.

Council has adopted the date of receipt of the Auditors' Report as the appropriate "authorised for issue" date relating to these General Purpose Financial Statements.

Council is unaware of any material or significant "non adjusting events" that are required to be disclosed.

## City of Tea Tree Gully

Financial Statements 2022

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2022

## Note 22. Related Party Transactions

## Key Management Personnel

## Transactions with Key Management Personnel

The Key Management Personnel of the Council include the Mayor, Councillors, CEO and certain prescribed officers under section 112 of the Local Government Act 1999. In all, 37 persons were paid the following total compensation:

\$ '000	2022	2021
<b>The compensation paid to Key Management Personnel comprises:</b>		
Executive Staff (4 FTE)	992	981
Non-Executive Staff (20 FTE)	3,140	3,541
Elected Members (13)	359	366
<b>Total</b>	<b>4,491</b>	<b>4,888</b>

Amounts paid as direct reimbursement of expenses incurred on behalf of Council have not been included above.

## Receipts from Key Management Personnel comprise:

Other than amounts paid as ratepayers or residents (e.g. rates, swimming pool entry fees, etc.), Council received the following amounts in total:

Contributions for Fringe Benefits Tax purposes	8	17
<b>Total</b>	<b>8</b>	<b>17</b>

Council's Executive and Management staff have access to enter into a salary sacrificed arrangement for the private use of a motor vehicle. Any Fringe Benefits tax liability that arises for such use is calculated and deducted from their salary to fully offset the Fringe Benefits Tax payable.

Council contains some key management personnel that have relationships with parties that Council may transact with on a regular basis. Relationships include: Animal Welfare League, Ardtornish Primary School, Australian Labor Party, Australian Local Government Women's Association SA Branch, Australian Scholarship Group, Banksia Park International High School Governing Council, Change Management Institute of SA, City of Adelaide Lions Club, City of Campbelltown, Comedy Capers Gang Show, Community Centres SA, Computer Site Solutions, Dernancourt Community Garden Inc., Elizabeth and Districts Junior Soccer Association Inc., Every Life Matters Salisbury Suicide Prevention Network, Field Consulting Services, Golden Grove High School Governing Council, Golden Grove Homestead Children's Centre, Golden Grove Recreation and Arts Advisory Group, Greater Adelaide Region of Councils, Highbury Primary School, Hope Valley Football Club and Hope Valley Cricket Club, International Business Analysis Australia, Justice of Peace for State of SA, LGA Procurement, Liberal Party of Australia (Various Branches), Lions Club City of Adelaide Inc., Local Government Association of South Australia, Military Wives Choir, Modbury Bowls Club, Modbury High School, Modbury Meals on Wheels, Modbury Sporting Club, Modbury Vista Soccer Club, Murray Darling Association, Neighbourhood Watch (Various Branches), North East Zodiac Netball Club, Northside Baptist Church, Pedare Christian College, Percy Sovereign Chapter, Progressive Left Unions and Sub-Branched, Royal Agricultural & Horticultural Society of SA, Royal Association of Justices, Salisbury Rotary Club, Sferas Park Suites and Convention Centre, Soul Origin, South Australian Districts Netball Association, South Australian Labor Party, St Francis Xavier Catholic School, Tea Tree Gully City Soccer Club, Tea Tree Gully Community Services Forum, Tea Tree Gully Gymsports Inc., Tea Tree Gully RSL, Tea Tree Gully Urban Trees Fund, The Executive Connection, Wynn Vale Community House Kindergarten, Wynn Vale Primary School.

The nature of these organisation's activities with Council typically include the provision of services to Council, and lease property from Council; they may also be the recipient of grants from Council. Transactions with these organisations are immaterial in amount and nature, with the exception of:

Local Government Association: \$154,027 (Funds Paid)  
 Local Government Association: \$42,990 (Funds Received)  
 Local Government Association Mutual Liability Scheme: \$637,437 (Funds Paid)  
 Local Government Workers Compensation Scheme: \$1,890,296 (Funds Paid)  
 South Australian District Netball Association: \$47,263 (Funds Received)

continued on next page ...

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## City of Tea Tree Gully

Financial Statements 2022

### Notes to and forming part of the Financial Statements for the year ended 30 June 2022

#### Note 22. Related Party Transactions (continued)

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Sfera's Parks Suites and Convention Centre: \$35,798 (Funds Paid)  
Sfera's Parks Suites and Convention Centre: \$25,057 (Funds Received)

Key management personnel and their close family members may either have an employment relationship or committee role with these organisations and/or access their services. All matters when addressed by Council staff are covered by Council's conflict-of-interest procedures.

## City of Tea Tree Gully

Financial Statements 2022

**Notes to and forming part of the Financial Statements**  
for the year ended 30 June 2022**Note 23. Retrospective Adjustment due to Change in Accounting Policy**

During the financial year ended 30 June 2022, Council voluntarily changed its accounting policy for Library Books. Previously, Council had capitalised library books and performed an annual revaluation of the library books. The Council now account for the purchase of library books via expensing these costs through the Statement of Comprehensive Income. The Council judges that this policy provides reliable and more relevant information due to the nature of this expenditure.

The change in accounting policy has been accounted for retrospectively, and the comparative information for the financial year ended 30 June 2021 has been restated. The effect of the change is an increase of \$135,000 in the Net Surplus / (Deficit) and a reduction of \$51,000 in Total Comprehensive Income for the financial year ended 30 June 2021. Furthermore, the opening Accumulated Surplus for the financial year ended 30 June 2021, has been reduced by \$221,000, which is the amount of the adjustment relating to periods before the financial year ended 30 June 2021.



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## INDEPENDENT AUDITOR'S REPORT TO THE PRINCIPAL MEMBER OF CITY OF TEA TREE GULLY

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of City of Tea Tree Gully (the Council), which comprises the statement of financial position as at 30 June 2022, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the certification of the financial statements.

In our opinion the accompanying financial report presents fairly, in all material respects, the Council's financial position as at 30 June 2022, and its financial performance and its cash flows for the year ended in accordance with Australian Accounting Standards, the *Local Government Act 1999*, and the *Local Government (Financial Management) Regulations 2011*.

#### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Council in accordance with the Local Government Act 1999 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Local Government Act 1999*, which has been given to the Council, would be in the same terms if given to the Council as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Council's Responsibility for the Financial Report

The Council's officers are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* and for such internal control as the Council's officers determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Council's officers are responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Council's officers either intend to liquidate the Council or to cease operations, or has no realistic alternative but to do so.

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**Auditor's responsibilities for the audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at: [http://www.auasb.gov.au/auditors\\_files/ar4.pdf](http://www.auasb.gov.au/auditors_files/ar4.pdf).

This description forms part of our auditor's report.

A handwritten signature in blue ink, appearing to read 'Andrew Tickle', is written over the BDO logo.

**BDO Audit Pty Ltd**

A handwritten signature in blue ink, appearing to read 'Andrew Tickle', is written over the BDO Audit Pty Ltd text.

Andrew Tickle  
Director

Adelaide, 16 September 2022



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## INDEPENDENT ASSURANCE REPORT ON THE INTERNAL CONTROLS OF THE CITY OF TEA TREE GULLY

### Opinion

We have undertaken a reasonable assurance engagement on the design and the operating effectiveness of controls established by City of Tea Tree Gully ('the Council') in relation to financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities, throughout the period 1 July 2021 to 30 June 2022 relevant to ensuring such transactions have been conducted properly and in accordance with law.

In our opinion, in all material respects:

- (a) The controls established by Council in relation to financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities were suitably designed to ensure such transactions have been conducted properly and in accordance with law; and
- (b) The controls operated effectively as designed throughout the period from 1 July 2021 to 30 June 2022.

### Basis for opinion

We conducted our engagement in accordance with Standard on Assurance Engagements ASAE 3150 *Assurance Engagements on Controls* issued by the Auditing and Assurance Standards Board.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### The Council's responsibilities for the internal controls

The Council is responsible for:

- a) The receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities;
- b) Identifying the control objectives
- c) Identifying the risks that threaten achievement of the control objectives
- d) Designing controls to mitigate those risks, so that those risks will not prevent achievement of the identified control objectives; and
- e) Operating effectively the controls as designed throughout the period.

### Our independence and quality control

We have complied with the independence and other relevant ethical requirements relating to assurance engagements, and apply Auditing Standard ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements* in undertaking this assurance engagement.

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**Assurance practitioner's responsibilities**

Our responsibility is to express an opinion, in all material respects, on the suitability of the design to achieve the control objectives and the operating effectiveness of controls established by Council in relation to financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities. ASAE 3150 requires that we plan and perform our procedures to obtain reasonable assurance about whether, in all material respects, the controls are suitably designed to achieve the control objectives and the controls operated effectively throughout the period.

An assurance engagement to report on the design and operating effectiveness of controls involves performing procedures to obtain evidence about the suitability of the design of controls to achieve the control objectives and the operating effectiveness of controls throughout the period. The procedures selected depend on our judgement, including the assessment of the risks that the controls are not suitably designed or the controls did not operate effectively. Our procedures included testing the operating effectiveness of those controls that we consider necessary to achieve the control objectives identified. An assurance engagement of this type also includes evaluating the suitability of the control objectives.

**Limitations of controls**

Because of the inherent limitations of an assurance engagement, together with any internal control structure it is possible that, even if the controls are suitably designed and operating effectively, the control objectives may not be achieved and so fraud, error, or non-compliance with laws and regulations may occur and not be detected.

An assurance engagement on operating effectiveness of controls is not designed to detect all instances of controls operating ineffectively as it is not performed continuously throughout the period and the tests performed are on a sample basis. Any projection of the outcome of the evaluation of controls to future periods is subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

A handwritten signature in blue ink, appearing to read 'Andrew Tickle', is written over the BDO logo.

**BDO Audit Pty Ltd**

A handwritten signature in blue ink, appearing to read 'Andrew Tickle', is written over the BDO logo.

Andrew Tickle  
Director

Adelaide, 16 September 2022

## City of Tea Tree Gully

Financial Statements 2022

### General Purpose Financial Statements for the year ended 30 June 2022

#### Certification of Auditor Independence

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of City of Tea Tree Gully for the year ended 30 June 2022, the Council's Auditor, BDO Audit Pty Ltd has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22(3) *Local Government (Financial Management) Regulations 2011*.

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Ryan McMahon  
Chief Executive Officer

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Peter Field  
Presiding Member Audit Committee

Date: dd MMMM yyyy



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## CERTIFICATION OF AUDITOR INDEPENDENCE

I confirm that, for the audit of the financial statements of City of Tea Tree Gully for the year ended 30 June 2022, I have maintained my independence in accordance with the requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code), Part 4A, published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22 (5) *Local Government (Financial Management) Regulations 2011*.

A handwritten signature in blue ink, appearing to read 'Andrew Tickle', is written over a light blue horizontal line.

Andrew Tickle  
Director

**BDO Audit Pty Ltd**

Adelaide, 16 September 2022

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CITY OF  
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# INFORMATION REPORT

## AUDIT COMMITTEE MEETING

28 September 2022

### Organisational Services & Excellence

#### Council Insurance Policy and Premiums Analysis 2022-2023 (D22/27131)

##### Purpose

Council purchases insurance through to cover various aspects of its business. The insurance policies are provided through a number of self-insurance schemes and funds (where Council is a member) or through Local Government Risk Services (under the banner of JLT Public Sector) and are reviewed prior to their renewal at the beginning of each financial year.

**The purpose of this report is to provide the Audit Committee with assurance that Council's insurable risks are appropriately mitigated by obtaining insurance to effectively manage these types of risks to an acceptable level. The following provides a general overview of Council's insurance policies, as well as the insurance premium costs for 2022-2023 financial year.**

##### Insurance Coverage

##### *Civil Liability (Public Liability and Professional Indemnity) – LGA Mutual Liability Scheme (LGAMLS)*

Council contributes to a self-insurance scheme, managed by the Local Government Association Mutual Liability Scheme (LGAMLS). Council is covered (unlimited cover) for civil action taken against Council by a third party in the event of personal injury, third party property damage or professional advice (errors and omissions).

##### *Workers Compensation – LGA Workers Compensation Scheme (LGAWCS)*

Workers Compensation is a major insurance cost to Council. Local Government holds **“exempt employer status”, which allows councils to self-insure Workers Compensation risks rather than contribute to the State's WorkCover Scheme. Contributions to the LGA Workers Compensation Scheme are based upon a council's total ‘budgeted’ wages/salaries.** An annual rebate or penalty is applicable dependent on the level of claims experienced by the



council. At year-end, the premium is adjusted for 'actual' total wages/salaries and the level of claims for that year.

The LGAWCS is the overall administrator of the claims and return to work management process. It holds the overall responsibility for the self-insurance license and maintaining appropriate claims and return to work management facilities and expertise.

*Assets – LGA Asset Mutual Fund (LGAAMF)*

The LGA Asset Mutual Fund is a self-insurance fund that covers Council for buildings and contents, motor vehicles, mobile plant, machinery breakdown, computer/electronic equipment, library book stock, data protection as well as fidelity guarantee. This fund covers fire and defined extraneous perils and all risks of physical loss or damage to properties owned by Council. The insured value is based on replacement value, i.e. the cost to replace the existing building with a new structure. Regular asset revaluations are undertaken to ensure all assets are adequately covered but not over insured. This policy also covers breakage of glass, loss of money, loss of revenue, burglary and theft.

In cases where the property is leased by a sporting or community club, the building **structure is covered under Council's insurance and all other contents, fixtures and fittings** are covered by the lessee/tenant.

General infrastructure (e.g. roads, footpaths etc.) are not covered under insurance.

*Cyber Protection LGA Asset Mutual Fund - (LGAAMF) – New Policy*

Cyber protection was previously included under Council asset insurance coverage as 'Cyber Security and Data Protection' and fully funded by the LGAAMF. Cyber Protection covers Council for financial loss and expenses that Council may suffer as a result of a cyber event, including cyber-attacks, incident response, business interruption data system recovery and cyber extortion.

For 2022-2023 the LGAAMF resolved that this will become a new policy and all Councils will be required to co-contribute 50 percent of the overall costs which is calculated based on the size of each Council.

*Fidelity and Crime – LGA Asset Mutual Fund (LGAAMF) – New Policy*

Fidelity/crime protection was previously covered at a premium under Council asset **insurance coverage as 'Fidelity Guarantee'. Fidelity/Crime protection covers Council for money and securities losses that result from burglary, robbery theft, disappearance and destruction which also covers employee dishonesty losses.**

For 2022-2023 the LGAAMF resolved that this will become a new policy and would attract an increase to premiums from the previous year.

### *Income Protection – LG Income Protection Fund*

The Local Government Income Protection Fund provides cover to specified groups of employees in the form of income protection as per the relevant Enterprise Bargaining Agreements. Cover is in the form of a weekly benefit (with a specified exclusion period). There are some exclusions to this policy based on illness/injury type.

### *Journey Injury - LG Risk Services*

This policy covers all employees for bodily injury whilst engaged in a journey to and from their residence and place of work; and between work or their residence and a location of training for work. Cover is also extended to include all private journeys, which is subject to the definition statement.

### *Personal Accident and Corporate Travel – Elected Members, Committee Members and Volunteers - LG Risk Services*

Section 80 of the Local Government Act 1999 requires councils to take out a policy of insurance that covers every member of the elected council, and their spouse, domestic partner or another person who may be accompanying a member of the council, against risks associated with the performance or discharge of official functions or duties by members. This policy is form of civil liability insurance cover which is further extended to include personal accident and corporate travel insurance for Employees, Elected Members, Committee Members and Volunteers.

### *Public and Product Liability – Umpires, Tutors/Users of Specific Facilities and Ad Hoc Hirers (LG Risk Services)*

Council purchases different Public and Products Liability insurance coverage for umpires at Recreation Centres, tutors/users, and ad hoc hirers at Community Centres who use these facilities on behalf of the City of Tea Tree Gully and in the course of their duties and/or for personal occasional hire of Council controlled venues.

Umpires – This insurance policy covers where an umpire may be legally liable to a third party by reason of death or personal injury, or loss or damage to property.

Tutors/Users – This insurance policy covers tutors and users (engaged by Council to deliver programs) at Community Centres, the Library Learning Centre and Gallery 1855.

Hirers of Council controlled facilities (Ad hoc Hirers) – Whilst Council requires all regular hirers of Council controlled facilities to obtain their own public liability insurance, Council does obtain public and products liability insurance on behalf of all uninsured *ad hoc* or occasional hirers of Council owned or controlled facilities. This ensures appropriate insurance coverage of those users of Council facilities that

ordinarily wouldn't have obtained their own insurance policies for one-off type events/instances.

#### Insurance costs

Attachment 1 provides an overview on the types of insurance policies Council holds **and includes the last two financial year's insurance cost information that provides a** comparable between the current and previous financial year costs. An explanation and analysis of any potential increase or decrease to the annual insurance premium is also included, along with details on the relevant excess/deductible applicable to each policy.

It can be seen in Attachment 1 that there has been an overall decrease in the overall insurance premiums of 2.1% on average from the previous financial year 2021/2022. Reasons for relevant increases or decreases to insurance premiums for different policies are also provided in Attachment 1.

#### Attachments

1. <a href="#">1</a>	2022-2023 LGRS Insurance Premiums .....	153
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#### Report Authorisers

Marley Marks	
Governance & Risk Administration Officer	8397 7270
Ilona Cooper	
Manager Governance and Policy	8397 7310
Wayne Richards	
Acting General Manager Corporate Services	8397 7444

**Comparison of CTTG Insurance (Policy) Premiums  
2020-2021, 2021-2022 and 2022-2023**

Policies	Total (GST excluded, Fee/FSL/Levy Inc) 2020-2021	Total (GST excluded, Fee/FSL/Levy Inc) 2021-2022	Total (GST excluded, Fee/FSL/Levy Inc) 2022-2023	Comparison (+) or (-)	Overall % (+) or (-)	Analysis - Rationale for (+) or (-)
Workers Compensation Scheme	\$995,393	\$974,507	\$853,716	-\$120,791	-12.4%	Decrease in premium attributed to estimated wages decrease due to lower staff numbers (388 in 2021/22 to 348 in 2022/23).
LGA Mutual Liability Scheme - Civil Liability	\$317,419	\$333,290	\$349,955	\$16,665	5.0%	Attributed to planned 5% increase from 2021/22 (as advised by insurer)
Cyber Protection	\$0	\$0	\$10,553	\$10,553	N/A	New insurance policy, previously included under LGA Asset Mutual Fund - Assets insurance policy represents 50% co-contribution by the LGA Asset Mutual Fund
Fidelity/Crime Cover	\$5,722	\$5,722	\$5,722	\$0	0.0%	New insurance policy, previously included as a premium under LGA Asset Mutual Fund - Assets insurance policy. No increase in premium from previous years.
LGA Asset Mutual Fund - Assets	\$327,961	\$349,464	\$414,526	\$65,062	18.6%	Increase due to higher replacement values, and includes asset value increase of \$12M (Synthetic lawn surfaces and playground equipment).
LG Income Protection - Australian Services and Workers Union (ASU & AWU)	\$620,858	\$615,917	\$593,721	-\$22,196	-3.6%	Decrease in premium attributed to reduction in wages due to lower staff numbers (388 in 2021/22 to 348 in 2022/23), offset somewhat by annual wage increase.
LG Risk Services - Journey Injury	\$25,479	\$23,887	\$21,656	-\$2,231	-9.3%	Decrease in premium attributed to reduction in wages due to lower staff numbers (388 in 2021/22 to 348 in 2022/23), offset somewhat by annual wage increase.
LG Risk Services - Public and Product Liability - User Groups & Tutors	\$3,030	\$2,046	\$1,888	-\$158	-7.7%	Attributed to a reduction in the number of providers engaged by Council that don't hold their own insurance. 25 tutors and users declared in financial year 2022/23
LGRS - Personal Accident & Corporate Travel	\$1,926	\$1,926	\$2,013	\$0	0.0%	Nil increase
LGRS - Public and Product Liability - Hirers	\$1,830	\$2,396	\$5,680	\$3,284	137.1%	Attributed to increase in average number of hirers of 150 for financial year 2021/22 (impacted by COVID) to 388 in 2022/23

LGRS - Public and Product Liability - Umpires	\$4,682	\$5,254	\$5,506	\$252	4.8%	Attributed to an increase of 12 cents per hour per umpire
Total	\$2,304,300	\$2,314,409	\$2,264,937	-\$49,560	-2.1%	

# INFORMATION REPORT

## AUDIT COMMITTEE MEETING

28 September 2022

### Organisational Services & Excellence

#### Internal Audit Agreed Actions Update (D22/27729)

##### Background

In line with the Audit Committee's Terms of Reference (clause 4.3.4), the Committee is required to maintain oversight of Council's Internal Audit function. This includes the review of findings, recommendations and agreed actions of any internal audit undertaken as well as monitoring the implementation of agreed actions.

At every Committee meeting a status update is provided on outstanding 'high' or 'extreme' risk rated actions. Reporting on the progress of all outstanding actions was provided to the Committee at its 30 March 2022 meeting, with a status update on all actions provided every 6 months.

##### Outstanding Agreed Actions

The Audit Committee Work Program for September 2022 identifies that the Committee will monitor all outstanding actions from previous Internal Audit reviews.

Table 1 provides an overview of the current status of Internal Audit agreed actions for all those that were outstanding when last reported in March 2022, and includes any additional agreed actions from subsequent internal audit reviews undertaken.

Attachment 1 provides further details of the outstanding actions for each of these internal audit reviews, along with a status, progress notes and revised due date for each action item if relevant. All completed actions since last reported have been highlighted in blue.

Table 1 – Overview of Outstanding Agreed Actions from Internal Audit reviews

Audit Title	Committee Report Date	No. actions open March 2021	No. of actions completed	No. actions open September 2022	Comments
Rating Practices	26/9/18	1	0	1	Partially completed. Technology One has been implemented as the replacement for Authority and Council's core Financial Management System with the rates and property system being reviewed inline with the business plan financial year 2022/2023.
Disability Discrimination Act Compliance	31/7/19	4	0	4	Partially completed. The majority of actions identified have been included in the Disability Access and Inclusion Plan (DAIP). The DAIP 2020-2024 was endorsed by Council on 25 August 2020. Actions are being implemented as per the endorsed plan. Actions with budget requirements, are included as part of the budget process.
Asset Management Standards - Road Transport Asset Management Plan	25/9/19	4	1	3	Strategic Asset Management function is currently subject to a new internal which is underway. New findings and actions may supersede this current finding. This will be assessed once the internal audit report for this review has been finalised.
Waste and Recycling Management - Review of Waste Management Services	22/4/20	2	0	2	Partially completed. A number of waste and recycle management agreed actions have been <b>completed as part of Council's annual business plan</b> .
Credit Card Payments Platform	29/7/20	2	0	2	Working through the implementation of TechOne. Partially completed. Currently working on a project that will bring the Credit Card Transaction into TechOne at a transaction level. This will then enable analytical tools to be developed to interrogate this data.
Tree Management	29/7/20	25	18	7	Any outstanding actions relating to Policy approval have now been completed.



Audit Title	Committee Report Date	No. actions open March 2021	No. of actions completed	No. actions open September 2022	Comments
Complaints Handling	30/9/20	1	0	1	Partially completed. This will be further progressed once recruitment for Manager Customer & Communications has been finalised.
Optimisation of Council owned Buildings	22/5/21	18	1	17	A long-term Strategy / Plan has been developed to progress the agreed actions. This is still in progress.
Arts and Culture Review	29/9/21	21	4	17	The audit identified 14 findings and included 21 Recommendations. 4 of these findings/actions are complete. A number of the remaining actions require further strategic work to be undertaken.
Fraud Management	09/02/22	N/A	1	8	The audit identified 9 findings. Progress has commenced in a number of these areas. Fraud awareness training and risk assessments across the whole organisation will take some time to complete. The best approach to undertake this is being considered.

## Attachments

1. [Summary of Outstanding Internal Audit Agreed Actions - as at September 2022..158](#)

## Report Authorisers

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SUMMARY OF OUTSTANDING INTERNAL AUDIT AGREED ACTIONS - AS AT SEPTEMBER 2022												
Audit Project	AC Meeting Date	Ref	Subject / Finding Title	Recommendation	Risk Rating	Agreed Action	Action Owner	Date due	Status	Action Progress	Comments	Revised Date
Rating Practices	26-Sep-18	PIO-3	Opportunity to improve the efficiency of the rating process	Internal Audit recommends that CTTG personnel investigate the full system capacity of the current rating software. Specifically, this could include investigating the automation of items such as setting up flags and reminders within the system to track changes to the property which may impact on the rates (ie, lease expiry dates, rebate expiry dates etc.).	Not rated	Continue to regularly review our rating system and processes for further efficiencies.	Manager Finance & Rating Operations	Ongoing	Open	On Track	Partially completed. Technology One has been implemented as the replacement for Authority and Council's core Financial Management System with the rates and property system being reviewed inline with the business plan financial year 2022/2023	30-Jun-23
Disability Discrimination Act Compliance	31-Jul-19	2a	Management of DDA buildings upgrades	Adopt a strategic long-term planning approach for DDA buildings upgrades within the integrated organisational framework	Medium	This will require a review of all buildings in accordance with current standards, with high level scope and budget estimate for DDA building upgrades. This can be used to develop a strategic long term planning approach for DDA building upgrades. Additional resources would be required given this requires an accredited DDA professional/consultant to undertake this work. Plans need to include scope of works, budget estimates, timeframes and prioritising.  This action will require a review of all buildings in accordance with current standards, with high level scope and budget estimate for DDA building upgrades. This can be used to develop a strategic long term planning approach for DDA building upgrades. Additional resources would be required given this requires an accredited DDA professional/consultant to undertake this work. Plans need to include scope of works, budget estimates, timeframes and prioritising.	Group Coordinator Civil and Buildings Projects	30-Jun-21	Open	On Track	Partially completed.  Council has undertaken a Building Optimisation Internal Audit which provides a longer term consideration of the future utilisation of council buildings.  Audit was carried out at Council Primary sites and Community Centres. Risk and priority rated. Cost estimate to provide strategic approach still required. Access and Inclusion audits completed on 4 Council facilities and 11 leased buildings. Actions from the 2 x audits (Council primary sites and Community Centres) are prioritised based on risk rating and have been and continuing to be delivered utilising annual allocated DAIP funding in 2021/22 and 2022/23.  This information is being overlayed with the DAIP and specific DDA building audits to inform annual capital program budget allocations to make DDA related improvements where appropriate.  Council now has a strategic guiding document, audit process and annual budget allocation process in place as these tools will continue to be used to optimise DDA outcomes for council buildings into the future. Future allocations continuing to deliver actions out of Audit. Audits and tracking in CM 20/1130	30-Jun-23
Disability Discrimination Act Compliance	31-Jul-19	2c	Management of DDA buildings upgrades	Prioritise resources to review and update the Disability Discrimination Building Action Plan, including scope of works, budget estimate, timeframes and prioritising  This action will require a review of all buildings in accordance with current standards, with high level scope and budget estimate for DDA building upgrades. This can be used to develop a strategic long term planning approach for DDA building upgrades. Additional resources would be required given this requires an accredited DDA professional/consultant to undertake this work. Plans need to include scope of works, budget estimates, timeframes and prioritising.	Medium	Budgets for DDA building works are approved annually. As above, updates are provided internally on completed and planned DDA works over a 3 year period. Examples of Update reports for previous 3 years were completed 12-15 months apart. Updates provide a 3 year picture of what works had been completed the previous year, proposed upgrades for the current year and future upgrades.  This action will require a review of all buildings in accordance with current standards, with high level scope and budget estimate for DDA building upgrades. This can be used to develop a strategic long term planning approach for DDA building upgrades. Additional resources would be required given this requires an accredited DDA professional/consultant to undertake this work. Plans need to include scope of works, budget estimates, timeframes and prioritising.	Group Coordinator Civil and Buildings Projects	30-Jun-21	Open	On Track	Dedicated funding each year is provided through the Annual Business Plan.The DAIP report provides projects completed each financial year. Actions from the 2 x audits (Council primary sites and Community Centres) are prioritised based on risk rating and have been and continuing to be delivered utilising annual allocated DAIP funding in 2021/22 and 2022/23. Future allocations continuing to deliver actions out of Audit. Audits and tracking in CM 20/1130.	01-Nov-23
Disability Discrimination Act Compliance	31-Jul-19	2d	Management of DDA buildings upgrades	Improve Council's Project Management Framework including performing quality check to ensure buildings upgrades are designed and completed to compliant with DDA during the project and at final completion inspection of work	Medium	Project Management staff already undertake regular inspections of work and at final completion to ensure that the builder has delivered in accordance with the development approval and approved plans.  Further consideration to be given to the most appropriate method to ensure this occurs. This could include consideration of the Project Management Framework for this purpose. Other options including provision in the consultant brief (and potential contract templates) which are used for building design and upgrades, and could potentially be amended to include provision for DDA requirements within the Building Code.	Group Coordinator Civil and Buildings Projects	30-Jun-20	Open	On Track	Partially Completed. DDA building improvement projects will need to certified by Council accredited staff or consultant on completion of the work.  Team Leader Building and Compliance has agreed to certify council projects, which includes reviewing design prior to procurement and certifying completed works. This arrangement to be in place until other building assets staff have completed appropriate accredited course  Council's Project Plan templates will need to modified to identify any projects that are DDA related.  The current document 'Building Design Guidelines for Consultants' is to be reviewed and updated  Project close out form is being reviewed by Strategic Projects Manager  Project Checklist can be created to identify DDA improvements and initiatives. Building tenders and RFQ's contain DDA initiatives and requirements. Stakeholder identification required as part of PMF to nominate Access and inclusion committee and or our Team leader building and compliance to assess universal design. PC to include relevant stakeholders to sign off on Building standards and DDA specification requirements.	30-Jun-23
Disability Discrimination Act Compliance	31-Jul-19	2e	Management of DDA buildings upgrades	Retain audit trail in Project Plan and other relevant documentation	Medium	Decision Notification Forms issued by Council are not required to refer to Access Code/Standards. Private certifiers approve Building Rules. Builder is required to submit builder's written statement that the building is built in accordance with the development approval.  The project close out form could be amended to include provision for Building Code and Disability Access standards, which is completed at the end of any infrastructure project.	Manager Finance & Rating Operations.	30-Jun-20	Open	On Track	Project Close out forms need to be amended to include reference to DDA accredited access staff or consultant to sign off on DDA projects. Project tracking in the Civil and Buildings projects team includes completed DDA initiatives.  Project close out form is being reviewed by Strategic Projects Manager as part of a broader review of project management.	30-Jun-23
Asset Management Standards - Road Transport Asset Management Plan	25-Sep-19	5	Monitoring, evaluation and reporting	• Regularly report progress and performance against plans and strategies to an asset management steering group; and • Produce an annual report to Council on asset management and outcomes	Medium	A clearly defined monitoring, reporting and evaluation system on asset management and outcomes will be developed with relevant stakeholders. Appropriate stakeholder reporting will be established as part of this process	Strategic Assets Coordinator	30-May-20	Open	On Track	A register referencing improvement plan tasks from the 5 Infrastructure Asset Management Plans has been developed, enabling reporting on our progress of these improvement tasks.  Recent migration of Asset Management Systems (Assetic to TechOne) has limited the ability (time) to report on Asset Management Plan performance, in consideration that the information required to measure performance is stored in the Asset Management System.  Most likely to provide a report on the progression of the plans during the budgeting process for 2023-24FY that occurs in November/December 2022	30-May-23
Asset Management Standards - Road Transport Asset Management Plan	25-Sep-19	6	Steering Committee arrangement	Ensure the MACK steering group is formalised as an asset management steering committee to give unified strategic direction and carry out specific responsibilities for promoting and monitoring the implementation of the asset management strategy and plans	Low	A steering group will be formalised with relevant stakeholders that will have responsibilities for monitoring the implementation of the asset management strategy and plans. This will include the development of a Terms of Reference	Strategic Assets Coordinator	31-Dec-19	Open	On Track	Strategic Asset Management function is currently subject to a new internal which is underway. New findings and actions may supersede this current finding. This will be assessed once the internal audit report for this review is being finalised.	30-Jun-23
Asset Management Standards - Road Transport Asset Management Plan	25-Sep-19	7	Policy requirements of review frequency	Update the policy to provide appropriate guide for the review frequency of RTAMP	Low	The Asset Management Policy will be updated to reflect the legislative requirement timeframe for review of asset management plans	Manager Finance & Rating Operations	30-Nov-20	Closed	Completed	Review of Asset Management Policy was undertaken in April 2022.	31-Dec-22
Asset Management Standards - Road Transport Asset Management Plan	25-Sep-19	IO-3	Risk management principles applied	Developing a central governance function for AMPs Recommendation in Finding 4 will enable asset risks to be reviewed with the whole Council in mind	N/A	The steering group being formalised with relevant stakeholders will have responsibilities for monitoring the implementation of the asset management strategy and plans, as well as the consideration of risks	Strategic Assets Coordinator	31-Dec-19	Open	On Track	Strategic Asset Management function is currently subject to a new internal which is underway. New findings and actions may supersede this current finding. This will be assessed once the internal audit report for this review is being finalised.	30-Jun-23

Waste and Recycling Management - Review of Waste Management Services	22-Apr-20	2	Cleaner Waste Streams - reduce contamination in waste streams and more suitable use of resources	<ul style="list-style-type: none"><li>The issues of China Sword and the response of government in the form of the National Waste Action Plan have highlighted the need to reduce contamination in the waste stream so that recycled material can be more readily and more cost effectively re-used. Improved source separation is fundamental to this.</li><li>This will foster the development of the circular economy, consistent with the 2018 National Waste Policy, but it requires an environment where resources are valued, used efficiently and only discarded when their component materials have no further use. There needs to be a shift in thinking to place the emphasis on repair, reuse and recycling of products and the development of closed loop systems where products can be broken up at the end of their life cycle for reuse in new products, reducing the need to extract new virgin resources.</li><li>here are a number of actions the CTTG can take to contribute to this, including:<ul style="list-style-type: none"><li>Investigate the business use for the introduction of a fourth bin for the collection of high value recyclables, which would assist to lower current contamination levels potentially reducing overall collection and disposal costs.</li><li>From July 2020 ban single use plastics in council facilities and work with local shopping centres to encourage them to ban single use plastics.</li><li>Encourage and promote the sharing economy to improve sustainability and a sense of community by providing support for community groups, social enterprises and charities that recover waste.</li><li>Introduce multiple bins systems in public places and at all public events to focus on encouraging waste separation and diversion.</li><li>Ensure green bins have instructions on the lid about FOGO and other acceptable materials.</li><li>From FY2020 set sustainable targets for its own procurement activities, incorporating a year on year increase through to FY2025.</li></ul></li><li>(a) To create demand for sustainable products the CTTG, like all tiers of government, should seek to purchase goods with recycled content and actively participate in the "Buying it Back" LGA Circular Procurement Pilot Project.</li><li>(b) There are nine councils participating in the "Buying it Back" Pilot Project, these councils are using their combined buying-power to significantly increase demand for recyclable materials. The project aims to improve the sustainability of waste management practices, ensure the ongoing viability of the recycling system and, over time, reduce councils' waste management costs.</li><li>(c) The project is a significant step towards developing local markets and on-shore processing for recyclable materials and establishing a truly circular economy e.g. Office stationary/paper; Fixtures (e.g. street furniture, drinking fountains, bollards, fencing, decking, garden edging, planter boxes, fitness equipment, wheel stops, speed humps, bins, pipes, signage); Construction materials (recycled-content includes recycled asphalt, glass fines, plastic, rubber, toner); and Compost.</li></ul>	N/A	Recommendations adopted for the purposes of developing Council's Annual Business Plan for 2020-21 and Council's next review of its Long Term Financial Plan	Director Assets and Environment  Group Coord Water, Waste & Environment	N/A	Open	On Track	Partially Completed. Completed initiatives include: <ul style="list-style-type: none"><li>Recycling Contract with NAWMA which will enable opportunities for circular economy participation</li><li>A Pizza box educational program</li><li>Ongoing Education Campaign with targeted messages and strategies</li><li>Three-bin systems with compostable bags at all council facilities</li><li>Compostable dog waste bags at dog parks</li><li>Three-bin systems (solar bins) trialled in Civic Park and Golden Fields</li><li>Recreation Centres and Water World - single use plastics no longer in use</li><li>Compostable dog bags only in use at all dog waste bag dispensers</li><li>Reusable nappies and Sanitary Subsidy Program - Trial in January 2022</li></ul>	01-Nov-23
Waste and Recycling Management - Review of Waste Management Services	22-Apr-20	5	Funding the roll-out of green waste bins	Council's draft Annual Business Plan 2020-21 should incorporate funding to roll out additional green waste bins, approximately 8,000, to residents that do not currently have a suitable bin.	N/A	Planning the roll-out of green bins to households without a current green bin	Director Assets and Environment  Group Coord Water, Waste & Environment	31-Dec-20	Open	On Track	Partially completed. The Annual Business Plan for 2021/2022 included budget to continue 140L or 240lt wheelle bins to residents that currently do not have access to green waste disposal services, or who need a replacement of their existing bin. To date 4,300 green bins have been rolled out across the city. The remainder will be continue to be distributed upon request for new and additional bins.  Council is further investing in the distribution of kitchen caddies and compostable bags to divert food organics from landfill. This project is also being rolled out with the green bins. Co-funded with: <ul style="list-style-type: none"><li>Green Industries SA (GISA). This funding contributed to the kitchen caddy rollout began in 2020/2021 in continues into 2021/2022.</li><li>Solo Resource Recovery, funding of \$48k per year as per the contract extension</li></ul>	01-Nov-23
Credit Card Payments Platform	29-Jul-20	1	Improvements required to monthly controls over transactions	<p>Each month, an audit is undertaken by three Finance staff for a random sample of transactions. This audit is comprised of a selection of approximately 30 transactions for the month, which are investigated to ensure that:</p> <ul style="list-style-type: none"><li>Transactions have been appropriately approved and coded correctly</li><li>Appropriate supporting documentation is attached, including copies of relevant receipts, with the receipt matching the expense description and amount</li><li>Spend is appropriate and aligned to CTTG policy.</li></ul> <p>Although it was observed that a routine monthly audit process is in place, which has provided an additional layer of internal controls over credit cards, our review highlighted the following gaps against better practice regarding the current process:</p> <ul style="list-style-type: none"><li>Guidance is not in place for the selection of transactions for sample testing, including gaps in guidance as to what the audit process should include.</li><li>Summary reporting to CTTG Management is not in place to highlight the number of non-conformances against policy (i.e. number of transactions with incorrect receipt, spend on restricted items, etc.) identified during these audits. This is noted as an important step for identifying repeat offenders and common areas of non-compliance where further training and awareness to staff would be beneficial.</li><li>There is no assurance provided that Finance and Accounting staff transactions are reviewed independently (i.e. not self-reviewed), considering they are conducting the audits. It is noted that currently only two members of the Finance team have a credit card, however, this may increase as more cards are rolled out amongst staff.</li><li>A review of temporary delegation limit increases is not conducted or reported to Management. Temporary limit increases are assigned to credit card holders where there is a requirement to purchase a good or service that is valued higher than their regular delegation.</li></ul> <p>Going forward, it is also noted that consideration of cyclical increased audits may be beneficial. As an example, increased auditing post-Christmas is a process that other councils have put in place where increased levels of incorrect/inappropriate expenditure is more likely to occur.</p> <p>Our review also observed that data analytics is not utilised to support the monthly audit process or conduct financial analysis. As a result, there are opportunities to increase the coverage of review over the Council's credit card expenditure through the implementation of on-going data analytics. Specifically, it was identified that:</p> <ul style="list-style-type: none"><li>There is no targeted analysis performed over high risk transactions, such as flagged transactions, anomalies, high value items, etc.</li><li>There is no analysis conducted over circular approvals, changes in temporary or permanent delegation limits, or number of card issuances/cancellations.</li><li>There is no management reporting of detailed spend analysis. This would support management to identify areas of frequent purchase, and opportunities to implement contracts to save money.</li></ul> <p>It is acknowledged that CTTG has been investigating data analytics capabilities and plans to implement TechOne. As the organisation plans to issue the majority of staff with a credit card, effectively tripling the current number of active credit cards, it is noted that the use of data analytics will become increasingly important for effectively and efficiently implementing robust internal controls over the CTTG's credit card expenditure.</p> <p><b>Risk(s)</b></p> <ul style="list-style-type: none"><li>Lack of Management oversight, including the identification of financial or operational issues relating to credit cards</li><li>Inability to effectively spot check and audit temporary delegation increases</li><li>Issues and non-conformances not raised to Management</li><li>Inconsistent and inefficient audit and review processes.</li></ul>	Medium	It is recommended that the CTTG: 1. Continue working to implement TechOne and configuring a data analytics capability. 2. Update and formalise monthly audit and data analytics procedures, which should include reference to: <ul style="list-style-type: none"><li>a. Sampling methodologies to be used for auditing and conducting data analysis. This may include a set sample size percentage (relative to the population of transactions) and increased sample sizes periods of increased usage such as post-Christmas.</li><li>b. Requirements for re-testing and reviewing previous non-compliance areas to ensure issues are non-recurring.</li><li>c. Management reporting to be completed, submitted and reviewed by Management each month as an additional control mechanism. As an example, this could be completed through dashboard reporting, including review of temporary delegation limit increases, transaction non-conformances, etc.</li></ul>	Manager Finance & Rating Operations  Systems Accountant	1. & 2c. - 30/06/2023  2a. & 2.b - Complete 30/9/2020	Open	On Track	Partially completed. Currently working on a project that will bring the Credit Card Transaction into TechOne at a transaction level. This will then enable analytical tools to be developed to interrogate this data.	30-Jun-23
Credit Card Payments Platform	29-Jul-20	3	Limited oversight of credit card expenditure linked to open contracts	<p>Currently, a consolidated view or direct link between credit card transactions to open contracts is not in place. Typically, a transaction that is related to a contract will be linked, and is able to be tracked through financial systems as part of regular financial processes to ensure budgets can be met, the appropriateness of expenditure can be reviewed and is in accordance with relevant approved contracts.</p> <p>Currently, the CTTG's finance system does not allow for a link between transactions and contract numbers due to the current system configurations and abilities. As a result, expenditure cannot be linked to a contract number, and may not be accounted for in performance reporting and/or budget management.</p> <p>It is acknowledged the Procurement Policy states transactions under \$1,000 are not required to be linked to a contract. However, as the CTTG continues to decentralise the Accounts Payable Function and distribute more credit cards, expenditure will increase and there will be a greater need for visibility and linkage between spend and contracts.</p>	Low	1. Configure the FlexiPurchase system, or TechOne (when it is implemented) to enable linkage between transactions and contract numbers. 2. Upon implementation of Recommendation 1, update the Credit Card Policy to include a requirement for correctly coding transactions against a contract number where applicable.	Manager Finance & Rating Operations  Systems Accountant	30-Jun-23	Open	On Track	Currently working on a project that will bring the Credit Card Transaction into TechOne at a transaction level. This will then enable analytical tools to be developed to interrogate this data. It is intended that the transaction information will be linked to suppliers, which enable better analysis at supplier level.	01-Nov-23

Tree Management	29-Jul-20	3.2.1.a	<b>Governance Framework</b> Policy is currently very wordy and somewhat confusing to read	The Policy would benefit from a review to refine the content whilst retaining the same messaging. Examples of recommended reviews include : <ul style="list-style-type: none"><li>• aim to be more visionary and intergenerational in its messaging;</li><li>• outline reasons under which Council will undertake action, rather than under which they will not. For example: 'We will prune trees for the health and welfare of the tree in alignment with Australian standards'. This type of wording allows any request to prune a tree that goes against this statement to be denied, without the need to list all of these potential scenarios (e.g. leaf fall, shading of solar panels).</li></ul>	Priority Rating 1	1. Complete draft revision of the Policy to refine and clarify messaging (see also Action 3). 2. Implement Policy amendments in 2022 (next due date for Policy review).	City Arborist	31-Dec-20	Closed	Completed	Revise Policy to refine and clarify messaging as per recommendations  Policy has been re-written to include all recommendations with the draft policy adopted in August 2021.	N/A
Tree Management	29-Jul-20	3.2.1.b	<b>Governance Framework</b> Street tree pruning is currently occurring on a regular cycle rather than based on outcomes from a regular inspection	<b>Street Trees Generally</b> (page 3) This section states that "A regular inspection / maintenance programme will be followed to ensure that all street trees are inspected and maintained on a regular cycle. The frequency of this programme will not be less than one inspection per every five years." Personnel interviews noted that street trees are currently pruned on a regular rotation of at least once every 5 years (currently about once every 4 years). The Policy though outlines the current best practice, that is for inspections only to be undertaken on a regular cycle (typically 4-5 years), with the inspections identifying the need for pruning / maintenance works; rather than undertaking pruning/maintenance because "the time is due". This is a more targeted and proactive approach, and is more cost effective, noting that different trees may require more or less frequent pruning.	Priority Rating 2	1. Implement an Asset Management System to capture inspection and assessment process.	Supervisor Arboriculture and Biodiversity	30-Sep-21	Closed	Completed	Developed an asset management system to capture the inspections and assessment process. The new draft policy has been re written to include inspection and work requirements documented rather than the undertaking of pruning if not required	N/A
Tree Management	29-Jul-20	3.2.1.c	<b>Governance Framework</b> Policy lacks specific requirement for all tree-related customer requests and resolutions to be recorded in the approved CFS system	Council's newly adopted CFS (Customer First Solution) system is designed to streamline and record of all customer requests relating to trees, and the associated actions and resolution response. It will be important that this system is used to capture all customer requests, including those ad hoc requests directed personally to Council officers undertaking tree inspections/works on site.	Priority Rating 3	1. Revise Policy (e.g. pages 6, 7, 8) to include reference to the specific reporting processes for all customer requests relating to trees.	Manager Parks  Manager Customer & Communications	31-Dec-20	Open	On Track	Revise the Request for Services Policy to improve the tree management request process. Including <i>Adhoc</i> requests  Reinforcements of instructions to EM's and other requests to be redirected through the CFS system for data capture, transparency and close out requirements documented  Will form part of the Service Reviews	31-Dec-22
Tree Management	29-Jul-20	3.2.1.d	<b>Governance Framework</b> Strengthen specific (contextual) references to AS4373 and AS4970 as relevant in the Policy	<b>Policy</b> (page 3) This section includes a statement that "...relevant documents will be maintained as reference documents for council employees and contractors..." and that "These documents will be consistent with Australian Standards...". However, there are inconsistencies in reference throughout the Policy to which specific Australian Standards apply in which situations. For example, specific reference is made to AS4970 (Protection of Trees on Development Sites) on page 11, though this Standard should also be specifically referred to in the 'Works Adjacent to Trees on Council Property' section on page 8. Further, the 'Tree Removal' section (page 9) refers to "...the Australian Standard – Pruning of amenity trees..." rather than using its code AS4373. Specific reference to AS4373 should also be included where any maintenance works will result in tree crown pruning (e.g. page 3 – 'Street Trees Generally', page 6 – 'Council Trees Encroaching onto Private Land', 'Tree Growing on Council Reserves or Operational Land', page 9 – 'Trees and Powerlines', page 13 – 'Tree Screening Management').	Priority Rating 1	1. Revise Policy to include specific references to AS4970 on page 8, and AS4373 for any tree crown pruning / maintenance works (e.g. pages 3, 6, 9, 13).	City Arborist	31-Dec-20	Closed	Completed	Revise policy to include reference to standards  New Draft Policy includes reference to AS4373 and AS4970	N/A
Tree Management	29-Jul-20	3.2.1.e	<b>Governance Framework</b> Policy does not clarify how risk is determined	<b>Council Trees Encroaching on Private Land</b> (page 6) This section states that pruning over private property will only occur when there is a "...significant risk to the safety of persons or property". How a 'significant risk' is defined is not clear in the Policy. A current industry accepted tree risk assessment method, such as Quantified Tree Risk Assessment (QTRA) or The International Society of Arboriculture Tree Risk Assessment Qualification (TRAQ) should be referred to. Reference should also be made to the Local Government Act section 254 'Power to make orders' and the Council's 'Order Making Policy – 2019'. <b>Tree removal</b> (page 9) This section outlines under what criteria tree removals on council land should occur. However, also lacks reference to a risk assessment.	Priority Rating 1	1. Revise Council Trees Encroaching on Private Land (page 6) and Tree Removal (page 9) section to include clarification about how risk is defined. This should include reference to an industry accepted tree risk assessment method.	City Arborist  Risk and Audit Advisor	31-Dec-20	Closed	Completed	Develop a 'tree risk assessment' framework and implementation plan  Policy outlines how risk will be determined along with the development of a technical guideline to support the risk assessment process	N/A
Tree Management	29-Jul-20	3.2.1.f	<b>Governance Framework</b> 'Developments' section lacks reference to Development Act and Development Plan.	<b>Developments</b> (page 10) This section should reference the Development Act and Development Plan for Tea Tree Gully Council regarding where development should occur to ensure minimal impact on regulated/significant trees. Also should include how new tree plantings, available space and street scapes are defined.	Priority Rating 3	1. Revise and clarify definitions for new tree plantings, available space, and street scapes. Developments section (page 10) to include reference to the Development Act and Development Plan for Tea Tree Gully Council.	City Arborist	28-Feb-21	Closed	Completed	Review to emphasise how new tree plantings are defined/available space/street scapes  References to the new Planning, Development and Infrastructure Act 2016 have been included in the new policy. Further references will be included in the technical guidelines - tree planting and tree removal	N/A
Tree Management	29-Jul-20	3.2.1.g	<b>Governance Framework</b> Approach applied for estimating value of trees is outdated.	<b>Unauthorised Works / Poisoned Trees</b> (page 10) This section specifies the Revised Burnley method for valuing trees be applied in relevant scenarios. This method is outdated as it relies primarily on a subjective assessment of tree amenity. Leading best practice for tree valuations recognises the value of trees is greater than its amenity alone. Rather, Valuations should include assessment of the tree's amenity together with its location in the landscape, provision of ecosystem services, biodiversity value, and replacement value. For example, the City of Melbourne Tree Valuation Calculator is now being increasingly adopted by local Councils as a more realistic tree valuation method.	Priority Rating 3	1. Adopt or adapt the City of Melbourne's Tree Valuation Calculator as the preferred approach for valuing trees, and update that Policy to reflect this (page 10).	City Arborist	28-Feb-21	Closed	Completed	Method for valuing trees has been included in the policy and a reference to the use of the Urban Amenity Valuation Formula made	N/A
Tree Management	29-Jul-20	3.2.1.h	<b>Governance Framework</b> Tree benefits listed lacks specific reference to biodiversity and landscape connectivity, and human mental and physical health and well-being.	<b>Tree Planting</b> (page 11) This section lists a number of benefits provided by trees. However there is no reference to biodiversity benefits (particularly habitat, resource, and landscape connectivity benefits), or human physical and mental health and well-being benefits. This section should be strengthened to specifically include these benefits, as well as note benefits to local economic prosperity from tree-lined retail/commercial precincts. Other councils provide an expanded range of benefits, reinforcing the importance of trees.	Priority Rating 1	1. Revise Tree Planting section (page 11) to reinforce Council's position in maintaining such benefits.	City Arborist	28-Feb-21	Closed	Completed	Revise to include high level statement in policy and set KPI for meeting Council's strategic objectives (increasing tree canopy)  The policy has been reviewed to include biodiversity benefits (particularly habitat, resource, and landscape connectivity benefits), or human physical and mental health and well-being benefits. Further benefits have been included and referenced around the local economic prosperity from tree-lined retail/commercial precincts.  The benefits will be further referenced in the technical guidelines	N/A
Tree Management	29-Jul-20	3.2.1.i	<b>Governance Framework</b> Lacks measurable targets for the spread, location and composition of the urban tree canopy.	<b>Canopy Management, Monitoring and Evaluation</b> (page 3) This section notes that "Council will develop a program that determines the spread, location and composition of its urban tree canopy on both private and public land. Systems will be established to monitor and evaluate the changes within the urban tree canopy and research and implement programs that support, sustain and improve the overall percentage covering over the City." This is a general statement though and lacks quantifiable targets, timeframes for completion, responsibilities, and reference to a Strategy for achieving these outcomes. The State's 30-Year Plan requires metropolitan Councils to meet specified canopy cover targets based on each Council's current canopy cover amount. Councils are increasingly quantifying their current cover, target cover goals, and approach for achieving goals, including defining the composition of the canopy cover with species diversity and age diversity targets."	Priority Rating 1	1. Revise Canopy Management, Monitoring and Evaluation (page 3) section to include reference to approved quantified canopy cover targets, timeframes, and responsibilities for developing the program, including reference to a dedicated Strategy (see also Actions 21 and 22).	City Arborist  Environmental Sustainable Coordinator	31-Dec-20	Closed	Completed	<b>Action 1:</b> Revise policy to include approved quantified canopy cover targets, timeframes, and responsibilities for developing the program, including reference to a dedicated Strategy  References have been included under 'plan' section of the Policy with further information provided in the technical guidelines	N/A
Tree Management	29-Jul-20	3.2.1.i	<b>Governance Framework</b> Water Sensitive Urban Design (WSUD) details and guidance needs to be strengthened.	<b>WSUD</b> (page 11) This section contains a simple statement on how WSUD shall be considered. There is a considerable lack of detail and guidance and this section should at least reference the requirements under the State's 30-year Plan, specifically policies P49, P86, P106, P115, and P117. Consideration should also be given to the development of a stand-alone WSUD policy or strategy which will specify opportunities for integrating WSUD in new developments and retrofitting existing developments. Such document development should be undertaken in consultation with Council's Civil teams and should reference DEWNR's Water Sensitive Urban Design publication as well as the State's WSUD policy and Technical Manual for water-sensitive urban design in Greater Adelaide. Examples are emerging that demonstrate other local Councils are developing specific WSUD policies and guidelines that are underpinned by global best practice. For example, <ul style="list-style-type: none"><li>• City of Yarra (VIC) adopted in 2016 their Water Sensitive Urban Design (WSUD) Policy for Council Infrastructure Assets, which is supported by Water Sensitive Urban Design (WSUD) Guidelines for City of Yarra Works</li><li>• Bayside City Council (VIC) has Clause 22.10 –Water Sensitive Urban Design (Stormwater Management) Policy which is a new Local Planning Policy in the Bayside Planning Scheme. It is supported by the Water Sensitive Urban Design Compliance Guidelines for New Development document.</li></ul>	Priority Rating 1	1. Revise Canopy Management, Monitoring and Evaluation (page 3) section to include reference to approved quantified canopy cover targets, timeframes, and responsibilities for developing the program, including reference to a dedicated Strategy (see also Actions 21 and 22).	Supervisor Arboriculture and Biodiversity	30-Sep-21	Closed	Completed	<b>Action 2:</b> Develop a tree asset management system for ongoing monitoring and evaluation  System Implemented	N/A

Tree Management	29-Jul-20	3.2.1.j	<b>Governance Framework</b> Required clearances for Council trees encroaching on private land are very minimal.	<b>Council Trees Encroaching onto Private Land (page 6)</b> The clearance guidelines outlined in this Section specify minimum clearances over private boundary fences and dwellings. Whilst clearance requirements vary from Council to Council, the requirements outlined by the City of Tea Tree Gully are considered minimal (500 mm over fence and 1 m over roof). If trees are inspected every 4-5 years (as per page 3 of the Policy), it is unlikely these minimum clearances can be maintained. This may lead to customer complaints.	Priority Rating 3	1. Revise Council Trees Encroaching onto Private Land section (page 6) to either increase clearance requirements over private boundary fences and dwellings or increase the inspection time frame (see also Action 4).	City Arborist	31-Dec-20	Closed	Completed	Review policy wording with an emphasis when and why pruning is undertaken and remove reference to specific measurements in policy  The references to when, why and how pruning will be undertaken has been included in the policy as well as a reference to appropriate standards and risk assessments, including specifics in technical guidelines	N/A
Tree Management	29-Jul-20	3.2.1.k	<b>Governance Framework</b> Lacks clarification on where development may be occurring (public/private land) and who is responsible for assessing and managing the tree.	<b>Construction Activities/events (page 11)</b> This section notes that trees will be protected from construction works with reference to AS 4970 Protection of Trees on Development Sites. The Policy though should also clarify that this applies to development that is occurring on public and private land. Further, where this is occurring on public land, Council should seek appropriate advice on protecting the trees, using internal arboriculture staff or external arborists. However, where this is occurring on private land, Council should define who is responsible for the tree impact assessment report. This will vary from a regulated tree (council responsibility) to a significant tree (land owner responsibility). The tree protection plan should then form part of the conditions of consent for the development to proceed.	Priority Rating 3	1. Revise Construction Activities/events section (page 11) to clarify who is responsible for assessment of trees on public land and significant/regulated trees on private land.	City Arborist	31-Dec-20	Closed	Completed	Revise construction activities/events but for public trees only  The policy has been revised to included who is responsible and has the delegation to approve the removal of trees and protect trees where reasonable alternative re development are available. Further information will be included in the technical guidelines	N/A
Tree Management	29-Jul-20	3.2.1m	<b>Governance Framework</b> Lacks reference to the SA Power Networks' 2018 guidelines, "Powerline Friendly Trees"	<b>Trees and powerlines (page 9)</b> This section identifies the need to maintain an agreement with SAPN regarding tree clearances under powerlines. Council's species selection palette for plantings under powerlines should reference and ensure alignment with SAPN's 2018 publication "Powerline Friendly Trees". Particularly noting that Tea Tree Gully is identified as a Council that shares an ecotone with an additional climate zone and so some "new" species may do well in this area under altered climates."	Priority Rating 3	1. Revise Trees and Powerlines section(page 9) to specifically reference SAPN "Powerline Friendly Trees" guidelines.	City Arborist	31-Dec-20	Closed	Completed	Review policy to include reference to SAPN Powerline guideline A reference SAPN will be included in the appropriate technical guidelines, vegetation clearance and tree planting  The reference to SA Power Network - Powerline Friendly Trees - Guideline 2018 has been included under 'Other References' external documents with further inclusion in the appropriate technical guidelines	N/A
Tree Management	29-Jul-20	3.2.1n	<b>Governance Framework</b> 'Storm Events-Tree Damage' section lacks reference to Section 54A of the State's Development Act with regard to Storm events - tree damage.	<b>Storm Events - Tree Damage (page 8)</b> This section outlines how Council will respond to storm damaged trees on public and private land and assist in the clean-up process. It defines how Council will "...respond to any tree creating a safety hazard..." However, there is no reference to the Development Act - Section 54A Urgent Works, in relation to works undertaken on regulated and significant trees. As such storm clean-up works may involve pruning which may constitute a tree damaging activity and so represent a breach of the Development Act. In such cases, a development application is typically required after the event. Council should outline how they will deal with this situation.	Priority Rating 1	1. Revise Storm Events - Tree Damage section (page 8) to include specific reference to Section 54A of the Development Act when undertaking urgent works on regulated/significant trees.	City Arborist	31-Dec-20	Closed	Completed	The reference to the PDI Act 2016 has been included in the new revised policy with additional information on 'storm event' tree damage to be included in the relevant Technical guidelines	N/A
Tree Management	29-Jul-20	3.2.1o	<b>Governance Framework</b> 'Legislative Framework - Local Government Act' section lacks reference to Section 254 - Power to Make Orders.	<b>Legislative Framework - Local Government Act (page 15)</b> This section is generally consistent with other Councils but has omitted reference to Section 254 - Power to make orders. Though we note Council's Order Making Policy does make reference to Section 254 of the Act, it should still also be referenced in the Tree Management Policy - or make it clear that the Council's Order Making Policy should be considered with regard to orders made (e.g. page 6, Private trees encroaching onto Council maintained land)"	Priority Rating 1	1. Revise Legislative Framework-Local Government Act section (page 15) to include reference to the Local Government Act Section 254 -Power to make orders.  2. Specifically reference Council's Order Making Policy on page 6 with regard to how to issue an order.	City Arborist	31-Dec-20	Closed	Completed	Revise policy to include reference to LGA Section 254 - Power to Make Orders  Reference to LGA and Order Making Policy included in external and internal 'Other References'  Further reference will be included in the appropriate technical guidelines	N/A
Tree Management	29-Jul-20	3.2.2a	<b>Operational Systems</b> - 'Street tree pruning is currently occurring on a regular cycle rather than based on outcomes from a regular inspection.	<b>Street Trees Generally (page 3)</b> This section states that "A regular inspection / maintenance programme will be followed to ensure that all street trees are inspected and maintained on a regular cycle. The frequency of this programme will not be less than one inspection per every five years." Personnel interview/notes noted that street trees are currently pruned on a regular rotation of at least once every 5 years (currently about once every 4 years). The Policy though outlines the current best practice, that is for inspections only to be undertaken on a regular cycle (typically 4-5 years), with the inspections identifying the need for pruning / maintenance works; rather than undertaking pruning/maintenance because "the time is due". This is a more targeted and proactive approach, and is more cost effective, noting that different trees may require more or less frequent pruning.	Priority Rating 1	1. Implement an Asset Management System to guide and report on inspection cycles, findings, and maintenance timeframes.	Supervisor Arboriculture and Biodiversity	30-Sep-21	Closed	Completed	Develop and implement a Tree Asset Management System to guide and report on inspection cycles, findings, and maintenance timeframes  System implemented	N/A
Tree Management	29-Jul-20	3.2.3a	<b>Communication and Messaging</b> - Lack of consistent education, knowledge, messaging within and outside Council regarding the benefits provided by trees and their priority as an urban asset.	It is considered that Council could do better as an organisation in helping customers and internal Council personnel and elected members understand the importance of trees with regard to ecological services, biodiversity, and landscape connection and amenity. Cultivating a culture of tree appreciation within the Council organisation and communicated externally to residents, businesses, and visitors will be an important step in achieving tree-related outcomes. A marketing campaign to saturate multi-media (online, paper, radio, buses etc) combined with a commitment to celebrating trees and positive tree stories will facilitate a positive cultural shift regarding trees.	Priority Rating 2	1. Revise the Policy to include a "Communication and Messaging" section which will state Council's position on educating the community and providing elected members with education regarding trees and environmental benefits. (see also Action 31).  2. Include in the "Communication and Messaging" section (see Action 19) the development and implementation of an on-going marketing campaign regarding tree benefits and importance, and a regular process for celebrating trees with the community (see also Action 19).	City Arborist	31-Dec-20	Closed	Completed	Revise policy to include a communication and messaging section  An additional heading in the policy has been included called Engagement and Promote	N/A
Tree Management	29-Jul-20	3.2.3b	<b>Communication and Messaging</b> -Consistent messaging and terminology relating to trees is not currently applied within and outside of Council.	'Consistent messaging and use of terminology is important for minimising confusion. For example, Council is the "custodian" of trees, not the "owner", yet during this auditing process, these terms were used interchangeably, though more often tree ownership was applied. The Policy also refers to Council as the "legal owner of the tree" (page 15). Terminology should be confirmed and applied consistently across Council documents, messaging, and within internal communications.	Priority Rating 1	1. Provide clarification in the "Communication and Messaging" section (see Action19) about correct terminology (e.g. tree custodian vs. tree owner) and the importance of using correct terms.	City Arborist	31-Dec-20	Closed	Completed	Revise policy for consistent use of terminology  The reference to custodian and/or owner has been removed from the Policy  As part of writing the technical guidelines consistency will be applied	N/A
Tree Management	29-Jul-20	3.3.1a	<b>Governance Framework</b> Not all recommendations have been actioned from the 'Independent Inquiry into the Management of Trees on Public Land'.	Council's 'Tree Management Policy' already addresses some of the Inquiry's recommendations. However, like some other local Councils, a number of recommendations have not yet been adopted. Council should refer to this reference when updating their 'Tree Management Policy'. Our audit considers that not all recommendations can be reasonably implemented and may not be required by Law. However, some worth considering are: • Tree management policy: Recommendation 1 • Proactive management of tree risks: Recommendations 4 and 5; • Measures to prevent the development defects in new plantings: Recommendation 11; • Supervision of developments: Recommendations 13 and 14; We also consider Recommendation 2 under Tree management policy is adopted. However, we consider such recommended consultation and community engagement may be better aligned with development of an Urban Tree Strategy than the Tree Management Policy.	Priority Rating 2	1. Adopt recommendations from the 'Independent Inquiry in the Management of Trees on Public Land'.	City Arborist	31-Dec-20	Closed	Completed	Revise policy to include recommendations as determined  Reference has been included in the Policy in 'other references relating to the Independent Inquiry'  Further recommendations will be included in the appropriate technical guidelines	N/A
Tree Management	29-Jul-20	3.3.1c	<b>Governance Framework</b> No clear targets, prioritisation or strategic plan for tree management, protection and growth.	Target 5 of the State's '30-Year Plan for Greater Adelaide' identifies high level 2040 canopy cover targets for Council areas based on the current (benchmark) canopy cover amount. Further, Objective 2.6 of Council's 'Strategic Plan 2025' states "Our tree canopy cover is increasing" Despite the State establishing local Council canopy cover targets and timeframes, the City of Tea Tree Gully lacks any local quantifiable targets or a strategic framework to detail how to achieve objectives. Further, the 23.5% canopy cover amount identified as a benchmark in Council's Strategic Plan 2025 is outdated, being based on an assessment of 2013 aerial imagery. The canopy cover benchmark therefore requires updating to best underpin strategic target setting. Development of an Urban Forest / Urban Greening / Urban Cooling Strategy and measurable Action Plan (including role clarity for up to 12 months) is required to effectively protect, maintain, grow, and monitor the urban forest in alignment with the State's 2040 targets and Council's strategic objectives. Development of such strategic documents is increasingly occurring in local Councils across Australia and internationally. For example: • Melbourne's Urban Forest Strategy; • City of Burnside Urban Tree Strategy; • Town of Walkerville Urban Forest Strategy; • City of Sydney Urban Forest Strategy; • City of Canada Bay Urban Tree Canopy Strategy; • City of Perth Urban Forest Plan; • City of London Urban Forest Strategy; • City of Seattle Urban Forestry Management Plan	Priority Rating 1	1. Develop and adopt an Urban Greening or Urban Cooling Strategy and Action Plan for protecting, managing, growing, and monitoring the urban forest.  2. The Urban Greening or Urban Cooling Strategy will include quantifiable targets for canopy cover across the Council area (see also Action 11).	Manager Parks  City Arborist  Manager City Strategy	30/06/2021  30/06/2022  30/06/2022	Open	On Track	<b>Action 1:</b> Adopt recommendation – Urban Forest Strategy <b>Action 2:</b> Develop action and strategy plan  <b>Action 3:</b> Budget bid/allocation <b>Action 4:</b> Develop and implement strategy  Implement quantifiable targets for canopy cover using Walkerville Urban Forest Strategy	31-Dec-22



Tree Management	29-Jul-20	3.3.2a	<b>Operational Systems -</b> Within the CFS system, comments recorded on case actions are inconsistent or missing.	Ensuring consistent and detailed comments are entered for each case in the CFS system will be essential in supporting Council should there be liability claims made in the future. Three specific areas have been identified that are likely contributing to the inconsistency in case commentary in the CFS system: 1. The additional comments field in the CFS system is currently an optional field, which allows cases to be closed out with entering any additional comments. 2. There are no guidelines regarding the specific details important to capture in comments; 3. The system currently allows comments and notes to be added in two different locations (comments box or chat function). This makes it difficult to readily access and track the flow of comments for a case.	Priority Rating 1	1. Develop commentary guidelines which will require personnel to enter comments, in a consistent level of detail, and in a consistent location in the system prior to closing a case.	Manager Parks  Manager Customer and Communications	31-Dec-20	Open	On Track	Revise Council strategies and plans to ensure trees and consistent messaging about trees, are adequately reflected in CFS  Amended CEO response letters to MP's Set up meetings to format template for response letters (required by operational staff) System improvements will include mandatory close-out commentary both at a case and order level  Mandatory field developed in CFS for entering completion comments when closing out Cases and Work Orders - 16 April 2021	31-Dec-22
Tree Management	29-Jul-20	3.3.2b	<b>Operational Systems -</b> System is not intuitive or user-friendly without training/support.	Personnel who don't use the system regularly, are not IT-savvy, or are new to the system (e.g. temporary secondment) report that the system is confusing to use. This could lead to inaccurate records or case management.	Priority Rating 1	1. Provide consistent training for all new users of the system (including temporary positions). 2. Provide a dedicated administrative support officer who will undertake internal quality assurance checks of cases and assist with case lodgement for staff who use the system.	Supervisor Arboriculture and Biodiversity  Digital Coordinator	30-Jun-21	Open	On Track	Develop CFS checklist/procedure, Determine training needs based on CFS system gaps in conjunction with Customer Relations and organise regular meetings to discuss system irregularities	31-Dec-22
Tree Management	29-Jul-20	3.3.2c	<b>Operational Systems -</b> Council's urban forest structure, condition, and function is not clearly understood and is not being assessed.	An in-depth understanding of the urban forest is needed to support a number of Council actions (e.g. developing Urban forest strategy, species selection for plantings, priority planting locations). To facilitate strategic decision-making regarding tree planting objectives and actions Council should take steps to better understanding their current, and potential future urban forest. This may include the development of a centralised mapping and data management system to capture and information relating to the structure, diversity, and condition of Councils public trees, as well as the location and status of vacant sites. Local Councils across Australia are increasingly taking steps to gain a comprehensive understanding of their current and future urban forest.	Priority Rating 1	1. Develop and implement a system for strategically assessing, mapping and monitoring the urban forest, including species diversity, age and condition, vacant planting sites, and planting survival rates.	Manager Parks	30-Jun-22	Open	On Track	Development as part of the Urban Forest strategy  Will form part of the Asset Management System - inclusion  1/3/2022 - Nursery RFQ specifications completed as part of the process	31-Dec-22
Tree Management	29-Jul-20	3.3.2d	<b>Operational Systems -</b> No standardised guideline for assessing tree stock from nurseries.	The arboriculture team has developed over time a process to assess the quality of tree stock from nurseries. However, this information is not captured in a formalised Council adopted guideline or a centrally accessible location. Doing so will be important for the longevity of knowledge and the accessibility to Council staff and ensuring consistency in selecting stock. Arboriculture team should be consulted in this process.	Priority Rating 2	1. Develop formal Council guidelines for selecting quality tree stock, and which will form part of the contract specification for the purchasing of plants/trees.	Supervisor Arboriculture and Biodiversity  Team Leader Street Tree Development	30-Jun-22	Open	On Track	Develop procedure as per recommendations for tree stock selection  These requirements will be included in the Technical Guideline 'Tree Planting'  New guidelines developed and forms part of the specification for stringent requirement for tree plant purchasing through the standard offer contract	31-Dec-22
Tree Management	29-Jul-20	3.3.3a	<b>Communication and Messaging -</b> Clarity and information about forward tree works (e.g. pruning) is not currently transparent and readily accessible within Council and by customers.	Communication and education with customers (and Council members) could be improved by providing an accessible and interactive online platform containing information about Council's trees and their strategic growth, management, and protection of trees. The City of Melbourne's Urban Forest Visual's Street Tree Planting Schedule map is an example of such a platform.	Priority Rating 2	1. Develop and implement an online interactive platform to showcase the urban forest, its benefits, and the schedule of tree works (e.g. planting and maintenance).	Manager Parks	31-Dec-21	Open	On Track	Work with Communications to develop a communication strategy/similarly to theme used for waste management  Meetings with marketing team to develop marketing strategy	31-Dec-22
Complaints Handling	30-Sep-20	4	<b>Absence of customer experience and complaints training outside the Customer &amp; Communications team</b>	There is an absence of customer experience and complaints handling training for staff outside the Customer & Communications team, including on-boarding and refresher training. As a result, staff interviewed noted there may be inconsistencies in the capability of staff across the CTTG when interacting with customers and engaging in difficult conversations. Outside of the Customer & Communications team, there is a reliance on a 'buddy system' during on-boarding, which entails partnering a new starter with an experienced employee to guide interactions (including complaints) with customers. It is also expected that staff read the CTTG's key policies, including the General Complaints Policy, during the on-boarding process. Accompanying the implementation of CFS in early 2019, the Customer & Communications team, in addition to Managers, Supervisors and some Team Leaders attended a special combined CFS and complaints handling training hosted by the Manager Customer & Communications. From our review, the following observations regarding the training and ability of staff related to managing customer complaints and enquiries were noted: • Customer facing staff below Supervisor and Team Leader level (with the exception of staff transitioned to the Customer Relations team in response to COVID-19)(refer to Background) have not received any formal training, although required to interact with customers. It was also noted that beyond the CFS and complaints handling training in 2019, stakeholders consulted recalled no formal customer training since a 'Dealing with Challenging Customers' training in 2015. • While stakeholders consulted felt equipped to interact with customers, it is understood that some front line staff within their teams would feel uncomfortable to speak with customers on their own, especially in a difficult conversation. Particularly within regulatory areas of the CTTG, it is acknowledged that for some staff, using customer-centric language to explain complex regulatory issues can be a challenge. It is understood the CTTG has recently introduced a new online Learning Management System (LMS), which includes a suite of learnings related to customer experience and complaints handling that can be rolled out across the CTTG to all staff. However, this is currently on hold awaiting the Manager Customer & Communications to select appropriate trainings.	Low	1. Conduct an internal survey of CTTG staff to gauge the current comfort in interacting with customers. Results of this survey could help to inform areas for further training and awareness. 2. Introduce formal customer experience training during on-boarding for staff in customer-facing roles. Where possible, this training should be based on current customer pain points and expectations. This training should be provided in addition to the complaints management training, which is provided to specified staff. 3. Implement mandatory customer experience and formal complaints handling refresher training for Team Leaders, Supervisors and Managers. It is recommended that this also be made mandatory for all staff in customer-facing positions (i.e. Responsible Officers) and made available to other staff to complete in LMS if they wish or if identified through performance management as a skills gap. 4. Develop Quick Reference Cards or similar outlining the CTTG's key messages/ goals for the delivery of customer experience. This could include examples of helpful wording for staff that do not feel as comfortable dealing with customers. 5. Implement a technology-based induction training for all new and existing staff where required. This should cover basic computer skills and systems training to assist new starters in having a minimum standard of technological skill, and could be delivered through PeopleStreme (the CTTG's Human Resources system). Staff in customer-facing roles should have this tailored to customer scenarios.	Director Organisational Services and Excellence	31/3/2021  31/3/2021 31/3/2021  30/6/2021	Open	On Track	Partially Completed. 1. Conduct an internal survey of CTTG staff to gauge the current comfort in interacting with customers. Results of this survey could help to inform areas for further training and awareness. (Due 31/3/2022)  a. Business SA conducted and internal audit on 18 – 22 November 2021 (D21/108028) and interviewed (surveyed) a number of staff from across CTTG. The results of these interviews have been used to identify further training and awareness – Completed b. Business SA has provided a quotation consistent with the report recommendations for the provision of conflict management training (E22/123815) c. All report recommendations have been capture in ICARE as actions for completion  2. Introduce formal customer experience training during on-boarding for staff in customer-facing roles. Where possible, this training should be based on current customer pain points and expectations. This training should be provided in addition to the complaints management training, which is provided to specified staff.  a. Business SA has provided a quotation consistent with the recommendations for the provision of conflict management training (E22/123815)  3. Implement mandatory customer experience and formal complaints handling refresher training for Team Leaders, Supervisors and Managers. It is recommended that this also be made mandatory for all staff in customer-facing positions (i.e. Responsible Officers) and made available to other staff to complete in LMS if they wish or if identified through performance management as a skills gap.  a. Business SA has provided a quotation consistent with the recommendations for the provision of conflict management training (E22/123815)	31-Dec-22
Optimisation of Council owned Buildings	22-Mar-21	SP1	<b>Strategy and Policy - Policy to drive Council's role in addressing demand</b>	We found a policy gap in relation to the various roles that the Council could play in addressing community demand for spaces to allow particular activities to take place. The lack of clear policy direction potentially raises the prospect of the Council being seen as the provider of buildings to meet any aspect of community demand, even when then there may be adequate supply provided by others.  <b>Recommendation 1</b> Develop and adopt a policy regarding the Council's roles in addressing demand for building spaces and when each potential role is likely to be appropriate.	Medium	Develop and adopt a policy regarding the Council's roles in addressing demand for building spaces and when each potential role is likely to be appropriate	Manager Finance and Rating Operations	30-Jun-23	Open	On Track	Recommendations adopted for the purposes of developing a long term Strategy. Plan to progress agreed actions	30-Jun-23
Optimisation of Council owned Buildings	22-Mar-21	SP2	<b>Strategy and Policy - Strategy to drive supply</b>	There is no overarching strategy for the provision and/or retention of Council buildings and no direct policy that sets out the circumstances when and where the Council will provide buildings for community or organisational purposes. It appears that, to a large extent, buildings have been provided for purposes and in locations that are more related to historic reasons than strategies or policies.  <b>Recommendation 2</b> Develop a strategy (and any required supporting policies) relating to the circumstances when the Council will provide buildings for community or organisational purposes in the short, medium, and longer terms. Include the potential use of buildings owned by others as a first option rather than defaulting to Council ownership and consider the buildings owned by others as potentially complementary to the Council's portfolio of buildings rather than competitors.	Medium	Develop a strategy (and any required supporting policies) relating to the circumstances when the Council will provide buildings for community or organisational purposes in the short, medium, and longer terms. Include the potential use of buildings owned by others as a first option rather than defaulting to Council ownership and consider the buildings owned by others as potentially complementary to the Council's portfolio of buildings rather than competitors.	Manager Finance and Rating Operations	30-Jun-23	Open	On Track	Recommendations adopted for the purposes of developing a long term Strategy. Plan to progress agreed actions	30-Jun-23

Optimisation of Council owned Buildings	22-Mar-21	SP2	Strategy and Policy - Strategy to drive supply	<p>There is no overarching strategy for the provision and/or retention of Council buildings and no direct policy that sets out the circumstances when and where the Council will provide buildings for community or organisational purposes.</p> <p>It appears that, to a large extent, buildings have been provided for purposes and in locations that are more related to historic reasons than strategies or policies.</p> <p><b>Recommendation 3</b> Consider investing in a smaller number of better quality, more flexible and accessible buildings. A hub and spoke model where community centres act as the hub with other buildings available for associated uses or hire being the spokes could be considered.</p>	Medium	<p>Consider investing in a smaller number of better quality, more flexible and accessible buildings. A hub and spoke model where community centres act as the hub with other buildings available for associated uses or hire being the spokes could be considered.</p>	Manager Finance and Rating Operations	30-Jun-23	Open	On Track	Recommendations adopted for the purposes of developing a long term Strategy Plan to progress agreed actions	30-Jun-23
Optimisation of Council owned Buildings	22-Mar-21	SP2	Strategy and Policy - Strategy to drive supply	<p>There is no overarching strategy for the provision and/or retention of Council buildings and no direct policy that sets out the circumstances when and where the Council will provide buildings for community or organisational purposes.</p> <p>It appears that, to a large extent, buildings have been provided for purposes and in locations that are more related to historic reasons than strategies or policies.</p> <p><b>Recommendation 4</b> Avoid the dangers of 'an asset in search of a purpose' whereby existing buildings are retained at significant cost beyond their true asset lives and usefulness to the community.</p>	Medium	<p>Avoid the dangers of 'an asset in search of a purpose' whereby existing buildings are retained at significant cost beyond their true asset lives and usefulness to the community.</p>	Manager Finance and Rating Operations	30-Jun-23	Open	On Track	Recommendations adopted for the purposes of developing a long term Strategy Plan to progress agreed actions	30-Jun-23
Optimisation of Council owned Buildings	22-Mar-21	SP3	Strategy and Policy - Consider other providers	<p>The audit identified a large number of buildings owned by other organisations that could potentially meet the needs of some users. Subject to further research and negotiation, the Council could potentially reduce the need to physically provide some buildings itself by partnering with those owners to set up a win/win scenario or refer booking queries to them.</p> <p>A further consideration is that in providing buildings for bookings the Council may be in competition with other providers, whether they be community based or commercial organisations.</p> <p>Formalisation of the consideration of other providers could be enshrined in Council policy and in planning to meet community demand for building space.</p> <p><b>Recommendation 5</b> Ensure that buildings and/or services provided by other organisations within the Council area or near the border in adjoining Council areas are considered in addressing community or organisational demand.</p>	Medium	<p>Ensure that buildings and/or services provided by other organisations within the Council area or near the border in adjoining Council areas are considered in addressing community or organisational demand.</p>	Manager Finance and Rating Operations	30-Jun-23	Open	On Track	Recommendations adopted for the purposes of developing a long term Strategy Plan to progress agreed actions	30-Jun-23
Optimisation of Council owned Buildings	22-Mar-21	SP4	Strategy and Policy - Single-purpose vs multi-purpose buildings	<p>Historically, the large majority of community, recreation, sporting, and arts facilities across the Council area have been designed for single-purpose. Due to their location, size, siting or design, many buildings cannot be easily used by multiple groups or purposes and as such many are not used to their full capacity.</p> <p>The current strategic direction for the provision of buildings for community use seems to be to provide for multiple uses where possible. However, there is no adopted strategy or policy about this.</p> <p><b>Recommendation 6</b> Provide strategic and policy clarity about when single or multi-use buildings are considered appropriate.</p>	Medium	<p>Provide strategic and policy clarity about when single or multi-use buildings are considered appropriate.</p>	Manager Finance and Rating Operations	30-Jun-23	Open	On Track	Recommendations adopted for the purposes of developing a long term Strategy Plan to progress agreed actions	30-Jun-23
Optimisation of Council owned Buildings	22-Mar-21	SP5	Strategy and Policy - Differential charging for community and commercial users	<p>The use of Council buildings may provide public benefits, such as greater social cohesion, or private benefits, such as an income stream for commercial hirers. There is currently no pricing differential for public or private benefit (or a hybrid of the two).</p> <p><b>Recommendation 7</b> Develop a pricing policy for the use of Council buildings that provides for differential user pricing for private and public benefit and hybrid situations where there is a combination of private and public benefit.</p>	Low	<p>Develop a pricing policy for the use of Council buildings that provides for differential user pricing for private and public benefit and hybrid situations where there is a combination of private and public benefit.</p>	Manager Finance and Rating Operations	31-Dec-22	Closed	Completed	Leases and licences policy has been updated to facilitate differential pricing.	30-Jun-23
Optimisation of Council owned Buildings	22-Mar-21	D1	Demand Considerations - Documented standards to reflect demand	<p>We found no documented standards (such as numbers of buildings for the City's population; geographic distribution) for the supply of the various types of buildings, which led to nominal standards being developed to audit against. We recognise that the Council area is already well developed and that standards have changed over time which provides challenges in providing the right numbers of the various types of buildings in the right locations. However, establishing, adopting, and documenting standards provides a base to work from.</p> <p><b>Recommendation 8</b> Consider developing, documenting, and implementing standards for the provision of the various types of buildings. In doing so, consider the relevance of standards identified during this audit and the nominal standards applied.</p>	Medium	<p>Consider developing, documenting, and implementing standards for the provision of the various types of buildings. In doing so, consider the relevance of standards identified during this audit and the nominal standards applied.</p>	Manager Finance and Rating Operations	30-Jun-23	Open	On Track	Recommendations adopted for the purposes of developing a long term Strategy Plan to progress agreed actions	30-Jun-23
Optimisation of Council owned Buildings	22-Mar-21	S1	Supply Considerations - Suitability of buildings	<p>The analysis undertaken for the audit identified that, for a number of reasons (combinations of the suitability factors - facilities provided, floor area, usage, building condition, fit for purpose – now and/or future, disability access, car parking, land or planning restrictions) many of the Council's buildings in the Community, Recreation and Sport, and Arts category are unsuitable for their current use.</p> <p>For some buildings there is potential to resolve the shortcomings while for others that is unlikely to be the case. Information for some aspects of the suitability analysis for some of the buildings is incomplete (and outside the project brief) which limits the ability to determine the best course of action for them.</p> <p><b>Recommendation 9</b> Resolve the information gaps identified in the buildings suitability analysis.</p>	Medium	<p>Resolve the information gaps identified in the buildings suitability analysis.</p>	Manager Finance and Rating Operations	30-Jun-23	Open	On Track	Recommendations adopted for the purposes of developing a long term Strategy Plan to progress agreed actions	30-Jun-23
Optimisation of Council owned Buildings	22-Mar-21	S1	Supply Considerations - Suitability of buildings	<p>The analysis undertaken for the audit identified that, for a number of reasons (combinations of the suitability factors - facilities provided, floor area, usage, building condition, fit for purpose – now and/or future, disability access, car parking, land or planning restrictions) many of the Council's buildings in the Community, Recreation and Sport, and Arts category are unsuitable for their current use.</p> <p>For some buildings there is potential to resolve the shortcomings while for others that is unlikely to be the case. Information for some aspects of the suitability analysis for some of the buildings is incomplete (and outside the project brief) which limits the ability to determine the best course of action for them.</p> <p><b>Recommendation 10</b> Formally agree on suitability factors for the current and future supply of Council buildings, considering the factors used for this audit as part of that exercise. Clarify the priority given to each of the suitability factors, especially disability access.</p> <p>Having taken those steps, revisit the suitability analysis to determine the best course of action for the buildings.</p>	Medium	<p>Formally agree on suitability factors for the current and future supply of Council buildings, considering the factors used for this audit as part of that exercise. Clarify the priority given to each of the suitability factors, especially disability access.</p> <p>Having taken those steps, revisit the suitability analysis to determine the best course of action for the buildings.</p>	Manager Finance and Rating Operations	30-Jun-23	Open	On Track	Recommendations adopted for the purposes of developing a long term Strategy Plan to progress agreed actions	30-Jun-23
Optimisation of Council owned Buildings	22-Mar-21	S2	Supply Considerations - Usage rates	<p>The target usage standard of 75% included in the Buildings Asset Management Plan 2020 does not reflect the nuances associated with the different types of buildings and their types of use.</p> <p>Although data analysis was limited by not being able to identify all uses of buildings during the project, and that COVID19 has impacted on building use, the level of use seems to be relatively low for many buildings. The new bookings system being implemented is expected to improve the availability of usage data.</p> <p><b>Recommendation 11</b> Set and report against performance targets for usage rates for sub-categories of Community, Recreation and Sport, and Arts buildings.</p>	Medium	<p>Set and report against performance targets for usage rates for sub-categories of Community, Recreation and Sport, and Arts buildings.</p>	Manager Finance and Rating Operations	30-Jun-23	Open	On Track	Recommendations adopted for the purposes of developing a long term Strategy Plan to progress agreed actions	30-Jun-23
Optimisation of Council owned Buildings	22-Mar-21	S3	Supply Considerations - Oversupply of certain types of buildings	<p>There is an oversupply of smaller, older, single purpose buildings which is an inefficient use of resources. Many are currently unsuitable for their intended purpose as identified in the suitability analysis.</p> <p><b>Recommendation 12</b> Identify the best mix of larger and smaller Council buildings for inclusion in a strategy for addressing demand for building spaces.</p>	Medium	<p>Identify the best mix of larger and smaller Council buildings for inclusion in a strategy for addressing demand for building spaces.</p>	Manager Finance and Rating Operations	30-Jun-23	Open	On Track	Recommendations adopted for the purposes of developing a long term Strategy Plan to progress agreed actions	30-Jun-23



Optimisation of Council owned Buildings	22-Mar-21	S4	Supply Considerations - Aging buildings	The age profile of the community, recreation, sporting, and arts facilities is such that a significant proportion of them appear to be nearing the end of their asset lives. The Council's asset register asset register supports this view, rating the majority of buildings as 3/5  <b>Recommendation 13</b> Consider the age profile of the Council's portfolio of buildings and their condition in a strategy for addressing demand for building spaces.	Medium	Consider the age profile of the Council's portfolio of buildings and their condition in a strategy for addressing demand for building spaces.	Manager Finance and Rating Operations	30-Jun-23	Open	On Track	Recommendations adopted for the purposes of developing a long term Strategy Plan to progress agreed actions	30-Jun-23
Optimisation of Council owned Buildings	22-Mar-21	S5	Supply Considerations - Contribution to place making	The age profile of the community, recreation, sporting, and arts facilities is such that a significant proportion of them While we found no formal documented policy, it is reasonable to expect that consideration should be given to the part that Council buildings play in place making. That is, they should be compatible with, and contribute positively to, the place in which they are located.  <b>Recommendation 14</b> Provide policy clarity about expectations of Council buildings in contributing to place making.	Medium	Provide policy clarity about expectations of Council buildings in contributing to place making.	Manager Finance and Rating Operations	30-Jun-23	Open	On Track	Recommendations adopted for the purposes of developing a long term Strategy Plan to progress agreed actions	30-Jun-23
Optimisation of Council owned Buildings	22-Mar-21	A1	Administrative Arrangements - Consistency of terminology and information	We found inconsistencies in terminology used in different parts of the organisation to describe particular buildings which can be confusing for communities and possibly within the organisation.  <b>Recommendation 15</b> Develop and reinforce a common naming convention for Council buildings across the whole organisation.	Low	Develop and reinforce a common naming convention for Council buildings across the whole organisation.	Manager Finance and Rating Operations	30-Jun-23	Open	On Track	Recommendations adopted for the purposes of developing a long term Strategy Plan to progress agreed actions	30-Jun-23
Optimisation of Council owned Buildings	22-Mar-21	A2	Administrative Arrangements - Clarity about demand and supply responsibilities	Staff responsibilities for identifying demand (or need) for Council buildings, and for actions to meet demand through supply (of a Council owned building or one owned by another body), are not completely clear. The separation of supply of building spaces of various types from the demand for them has been a useful concept for the project and could be considered in how staff roles are allocated within the organisation. Identifying community needs (part of demand) and identifying supply options require different skills. The risk of a hybrid model of determining demand and supply together is that staff may not have the skills required for an optimum outcome.  <b>Recommendation 16</b> Clarify staff roles in identifying demand for building spaces and in addressing the demand. In doing so, consider the separation of the two roles while ensuring adequate communication and collaboration between staff involved in those roles.	Medium	Clarify staff roles in identifying demand for building spaces and in addressing the demand. In doing so, consider the separation of the two roles while ensuring adequate communication and collaboration between staff involved in those roles.	Manager Finance and Rating Operations	30-Jun-23	Open	On Track	Recommendations adopted for the purposes of developing a long term Strategy Plan to progress agreed actions	30-Jun-23
Optimisation of Council owned Buildings	22-Mar-21	A2	Administrative Arrangements - Clarity about demand and supply responsibilities	Staff responsibilities for identifying demand (or need) for Council buildings, and for actions to meet demand through supply (of a Council owned building or one owned by another body), are not completely clear. The separation of supply of building spaces of various types from the demand for them has been a useful concept for the project and could be considered in how staff roles are allocated within the organisation. Identifying community needs (part of demand) and identifying supply options require different skills. The risk of a hybrid model of determining demand and supply together is that staff may not have the skills required for an optimum outcome.  <b>Recommendation 17</b> Ensure that any significant changes in Council policies and strategies arising from this audit are clearly communicated to staff and that staff development opportunities are provided to ensure the policies and strategies are implemented as intended.	Medium	Ensure that any significant changes in Council policies and strategies arising from this audit are clearly communicated to staff and that staff development opportunities are provided to ensure the policies and strategies are implemented as intended.	Manager Finance and Rating Operations	30-Jun-23	Open	On Track	Recommendations adopted for the purposes of developing a long term Strategy Plan to progress agreed actions	30-Jun-23
Optimisation of Council owned Buildings	22-Mar-21	A3	Administrative Arrangements - Improving internal coordination and collaboration	Staff interviews showed gaps in relation to internal collaboration in strategies for providing or retaining buildings and in the renovation or maintenance of them. It also showed a strong desire for that situation to improve.  <b>Recommendation 18</b> Implement a structured approach (such as an ongoing staff working group with clear Terms of Reference and reporting requirements) to ensure input from all relevant staff into strategy and policy development and the identification of demand and supply for significant building decisions. This becomes even more important if there is a communication and understanding gap between the 'demand' staff and the 'supply' staff under the concept in Recommendation 16.	Medium	Implement a structured approach (such as an ongoing staff working group with clear Terms of Reference and reporting requirements) to ensure input from all relevant staff into strategy and policy development and the identification of demand and supply for significant building decisions. This becomes even more important if there is a communication and understanding gap between the 'demand' staff and the 'supply' staff under the concept in Recommendation 16	Manager Finance and Rating Operations	30-Jun-23	Open	On Track	Recommendations adopted for the purposes of developing a long term Strategy Plan to progress agreed actions	30-Jun-23
Arts and Culture Review	29-Sep-21	1	Strategic or Policy documents	Lack of Strategic or Policy documents to guide Council's commitment and investment in Arts and Culture in CTTG  <b>Recommendation 1</b> Develop a strategy or policy documents to guide Council's commitment and investment in Arts and Culture in CTTG	Low	Develop a strategy or policy documents to guide Council's commitment and investment in Arts and Culture in CTTG	Manager Community Wellbeing	30-Dec-22	Open	On Track	External consultant has been engaged to write draft strategy. CE with key stakeholders completed in July/August 2022.	30-Dec-22
Arts and Culture Review	29-Sep-21	2	Arts and culture offerings on weekends and weekdays outside office hours	Gap in arts and culture offerings on weekends and weekdays outside office hours  <b>Risk</b> Reputational- lack of out of hours Arts and Culture programming may lead to dissatisfaction & unmet expectations by the community about Council's role/s and investment in delivering arts and culture activities  <b>Recommendation 2</b> Council to work in partnership with local contractors and providers to deliver and promote wider range of activities out of hours.	Low	Council to work in partnership with local contractors and providers to deliver and promote wider range of activities out of hours.	Manager Community Wellbeing	30-Jun-22	Closed	Completed	Review of community centre programs has occurred and an increase in weekend/after hours offerings has occurred in 2022.	N/A
Arts and Culture Review	29-Sep-21	3	A co-ordinated approach to Council's Arts and Culture offerings, design and planning	Lack of co-ordinated approach to Council's Arts and Culture offerings, design and planning occurs across 3 separate Council Departments. Evaluation and data collections approaches vary from programs to program.  <b>Recommendation 3</b> Revisit and update the costing and investment analysis for CTTG Arts and Culture offerings  <b>Recommendation 4</b> Develop a standard costing methodology to provide a consistent and robust approach to reviewing and evaluating program investment  <b>Recommendation 5</b> Develop a co-ordinated approach to offerings across all relevant staff is recommended to ensure that there is not duplication or competition of offerings. Develop a consistency of approach to evaluation of all Arts and Culture programs	Medium	<b>Agreed Action 1</b> Revisit and update the costing and investment analysis for CTTG Arts and Culture offerings  <b>Agreed Action 2</b> Develop a standard costing methodology to provide a consistent and robust approach to reviewing and evaluating program investment  <b>Agreed Action 3</b> Develop a co-ordinated approach to offerings across all relevant staff is recommended to ensure that there is not duplication or competition of offerings. Develop a consistency of approach to evaluation of all Arts and Culture programs	Manager Community Wellbeing	30-Jun-22	Open	On Track	Art and Culture strategy will assist in the decision making. Formal process of implementation to be advised.	30-Dec-22
Arts and Culture Review	29-Sep-21	4	Programs targeted and Culturally and Linguistically Diverse Groups and Intergenerational opportunities	Limited number of programs that are targeted and Culturally and Linguistically Diverse Groups and Intergenerational opportunities  <b>Recommendation 6</b> Explore opportunities and partnerships for creative cross- cultural, intercultural and intergenerational projects using community arts and cultural development practices and principles	Low	Explore opportunities and partnerships for creative cross- cultural, intercultural and intergenerational projects using community arts and cultural development practices and principles	Manager Community Wellbeing	30-Jun-22	Open	On Track	Community engagement with key stakeholders completed in July/August 2022 indicated further areas to develop in regards to CALD offerings. This will be progressed further once strategy document is finalised.	30-Dec-22
Arts and Culture Review	29-Sep-21	5	Facility based marketing approaches	Marketing approaches are facility based  <b>Recommendation 7</b> Develop a consistent approach to marketing across all of Council's arts and culture offerings	Low	Develop a consistent approach to marketing across all of Council's arts and culture offerings	Manager Customer and Communications	30-Jun-22	Open	On Track	A marketing approach for Arts and Culture will be finalised in consultation with key staff following endorsement of the Arts and Culture Strategy.	30-Dec-22
Arts and Culture Review	29-Sep-21	6	Program information on Council Website	Programming information on Council's website is by facility rather than areas of interest or via a calendar of events. It is not intuitive to the seeker of information  <b>Recommendation 8</b> As part of the update of Council's website investigate a more 'user friendly' and centralised approach to arts and culture offering on the website	Low	As part of the update of Council's website investigate a more 'user friendly' and centralised approach to arts and culture offering on the website	Manager Community Wellbeing	30-Jun-22	Open	On Track	This item has been added for further discussion at the intrenal communications actions group. Team Leader Community development is progressing discussion with communication team on a monthly basis.	30-Dec-22

Arts and Culture Review	29-Sep-21	7	Opportunities for local artists to exhibit/sell their work at the Gallery	Lack of opportunities for local artists to exhibit or sell their work at the Gallery. Trial of community activation model at Gallery 1855 was disrupted by COVID Pandemic. Early evaluation data indicated that it was successful in increasing usage and visitors  <b>Recommendation 9</b> Revisit the community activation model and collaborate with local schools, makers and artists to increase occupancy and usage of the facility  <b>Recommendation 10</b> Review, cost and evaluate the community activation model after 12 full months of delivery	Low	<b>Agreed Action 1</b> Revisit the community activation model and collaborate with local schools, makers and artists to increase occupancy and usage of the facility  <b>Agreed Action 2</b> Review, cost and evaluate the community activation model after 12 full months of delivery	Manager Community Wellbeing	30-Jun-22	Closed	Completed	Information report 22 March 2022 Update on Gallery 1855 activities and events (D22/14382) details review undertaken, evaluation outcomes and next steps in relation to this action.	N/A
Arts and Culture Review	29-Sep-21	8	Approach and connections with local schools	Lack of targeted approach and limited connections with local schools (Primary and High), for the provisions of arts and culture programs and services for people living with disability, CALD and ATSI residents and groups  <b>Recommendation 11</b> Ensure that there are specific and targeted approach to the meet the creative needs of children; young people; older people; and people with a disability, ATSI and CALD communities	Low	Ensure that there are specific and targeted approach to the meet the creative needs of children; young people; older people; and people with a disability, ATSI and CALD communities	Manager Community Wellbeing	30-Jun-22	Closed	Completed	Late last year the Gallery also hosted a successful school exhibition in conjunction with Valley View secondary school. It is planned that a youth/school exhibition involving more schools will be held towards the end of 2022.	N/A
Arts and Culture Review	29-Sep-21	9	Floor plan and size of Gallery	Limited floor plan and size of Gallery 1855 requires staff and volunteers to supervise exhibitions  <b>Recommendation 12</b> Consider providing a dedicated art space in future upgrades to the Civic Centre or other centralised location that can capitalise on foot traffic, proximity to other services and amenities such as transport, adequate parking and other attractions	Medium	Considerations for providing a dedicated art space in future upgrades to the Civic Centre or other centralised location that can capitalise on foot traffic, proximity to other services and amenities such as transport, adequate parking and other attractions	Manager Community Wellbeing	30-Jun-22	Open	On Track	Public Arts Officer has commenced in role and is already looking at exhibition space in other community buildings such as library foyer, Tilley and GGRAC.	30-Dec-22
Arts and Culture Review	29-Sep-21	10	Promote and support local businesses	TTG events opportunity to support and promote local businesses, musicians and performers  <b>Recommendation 13</b> Continue to support local small businesses, artists, musicians and performers as part of the event calendar	Low	Continue to support local small businesses, artists, musicians and performers as part of the event calendar	Manager Community Wellbeing	30-Jun-22	Closed	Completed	Local business community is researched prior to going out to RFQ for event suppliers. An EOI for event traders interested in being part of our events is called each year. Priority is given to food trucks from the local area when working with Fork on the Road on Summer Garden Festival and Carols. An audition process will be conducted shortly for the Carol's community choir and pre-show acts (pre-show acts may be auditioned through a live event at Westfield). Event sponsorship is provided to attract events to CTTG – the economic benefit to local business is part of the consideration, as is involving local business in the conduct of these events. Event partnership opportunities are offered to local businesses (sponsoring of Council run events).	N/A
Arts and Culture Review	29-Sep-21	11	Promoting other Council services and events	Absence of promotion of other Council services and programs at TTG events  <b>Recommendation 14</b> Explore ways to leverage the popularity of these events to help promote Council's other arts and culture services, programs and activities where possible and value add to community outcomes	Low	Explore ways to leverage the popularity of these events to help promote Council's other arts and culture services, programs and activities where possible and value add to community outcomes	Manager Community Wellbeing	30-Jun-22	Open	On Track	Discussions have progressed in regards to cross promotion of Council Services at events.	30-Dec-22
Arts and Culture Review	29-Sep-21	12	Promoting public art sites in the City	Limited promotion of Public art sites in CTTG  <b>Recommendation 15</b> Explore the option of providing public art tours and signage to showcase the offerings	Low	Explore the option of providing public art tours and signage to showcase the offerings	Manager Community Wellbeing	30-Dec-22	Open	On Track	Public Arts Officer position has commenced and is working with various staff across the organisation to progress this action.	30-Dec-22
Arts and Culture Review	29-Sep-21	13	Integrating public art and place activation in capital works	Lack of focus on integrating public art and place activation in Capital work projects  <b>Recommendation 16</b> Promote the integration of public art and place activation into Council's capital works projects such as playgrounds and reserves	Low	Promote the integration of public art and place activation into Council's capital works projects such as playgrounds and reserves	Manager Community Wellbeing	30-Dec-22	Open	On Track	Public Arts Officer position has commenced and is working with various staff across the organisation to progress this action.	30-Dec-22
Arts and Culture Review	29-Sep-21	14	Strategic approach to Council's art collection	Lack of strategic approach to Council's art collection  <b>Recommendation 17</b> Create an asset register of all artworks currently owned by City of Tea Tree Gully  <b>Recommendation 18</b> Engage an appropriately qualified external auditor to provide a valuation of the collection  <b>Recommendation 19</b> Provide recommendations to Council on which items are to remain as part of the collection and implement an appropriate schedule for conservation and storage of these artworks  <b>Recommendation 20</b> Items not kept as part of Council's collection returned to artists via expression of interest  <b>Recommendation 21</b> Develop an arts asset acquisitions and disposal policy	Medium	<b>Agreed Action 1</b> Create an asset register of all artworks currently owned by City of Tea Tree Gully  <b>Agreed Action 2</b> Engage an appropriately qualified external auditor to provide a valuation of the collection  <b>Agreed Action 3</b> Provide recommendations to Council on which items are to remain as part of the collection and implement an appropriate schedule for conservation and storage of these artworks  <b>Agreed Action 4</b> Items not kept as part of Council's collection returned to artists via expression of interest  <b>Agreed Action 5</b> Develop an arts asset acquisitions and disposal policy	Manager Community Wellbeing	30-Jun-23	Open	On Track	Public Arts Officer position has commenced and is working with various staff across the organisation to progress this action. External contractor will be engaged to value all arts pieces by 30 October 2022.	30-Jun-23
Fraud Management	10-Feb-22	F1	Increased fraud and corruption risk factors identified	Internal Audit recommends the following: 1. The Assets & Environment business unit conduct a fraud specific risk assessment, as further outlined in Finding 5, to identify areas where further controls are required to reduce instances of fraud. 2. Fraud risk and awareness training is completed by all staff within the Assets & Environment business unit, with clear communication of the consequences of fraudulent activities. 3. Quarterly reporting be provided to the Executive Team on the status of outstanding recommendations from Fraud Investigations, which also includes critical areas such as training. 4. Incorporation of the effectiveness of fraud controls implemented be included within the Performance Management Procedure for senior management staff.	High	<b>Agreed Management Actions</b> <b>Item 1</b> It is agreed that specific fraud risk assessment must be conducted for the Assets & Environment portfolio as a priority.  <b>Item 2</b> It is agreed that specific fraud training must be conducted for the Assets & Environment business unit as a priority.  <b>Item 3</b> A quarterly report will be prepared for the Executive.  <b>Item 4</b> Performance Management Procedure for senior management staff and/or the position description will be updated to incorporate this recommendation.	Director Assets and Environment in consultation with Manager Governance and Policy  Manager Governance and Policy in consultation with Manager Organisational Development	June 2022  June 2022  April 2022  August 2022	Open	On Track	Partially completed. Item 1 - Fraud risk assessment process for A&E has commenced, however this is a resource intensive exercise and will take longer than initially anticipated Item 2 - Fraud awareness training has been completed for A&E corporate leaders. Item 3 - Fraud management reporting criteria has been developed with reporting to commence in October 2022 (for Q1 2022/23) Item 4 - Performance management procedure to be updated. Fraud risk identification and control has been included as a responsibility for corporate leaders as part of the revised Fraud and Corruption Policy which was updated in July 2022.	31-Dec-22
Fraud Management	10-Feb-22	F2	Fraud risk related to theft of small tools	1. The Assets & Environment business unit conduct a fraud specific risk assessment, as further outlined in Finding 1 and Finding 4. 2. The Assets & Environment business unit undertake the audit over small tools as intended, to ensure the small tools register is up-to-date and accurate.	High	<b>Item 1</b> It is agreed that a specific fraud risk assessment must be conducted for the Assets & Environment portfolio as a priority. .  <b>Item 2</b> An audit will be scheduled for the financial year ending 30 June 2022	Group Coordinator Operations, Fleet and Property Services, Director Assets & Environment in Consultation with Manager Finance & Ratings Operations	August 2022	Closed	Completed	Item 1 - as per F2  The small tools audit was conducted between May and June 2022, and included all of Council's locations, vehicles and storage areas. The findings from the audit has resulted in the small tools asset register being updated and is now accurate. It was agreed to present to the Audit committee on the process and detailed findings from the audit, at an upcoming meeting, 28 September 2022.	N/A

Fraud Management	10-Feb-22	F3	Fraud Control Strategy	<div>1. Develop an overarching Fraud Control Strategy that adequately documents the Council-wide process for the prevention, detection and response to fraud and suspected fraud. The strategy should include: Prevention<ul style="list-style-type: none"><li>• References to existing policies and procedures relating to integrity and fraud control e.g. Code of Conduct and related HR policies.</li><li>• Details of fraud awareness training to be delivered to Council Staff (refer to Finding 4)</li><li>• Details of any specific fraud risk assessment processes undertaken (refer to Finding 5).</li></ul>Detection<ul style="list-style-type: none"><li>• Details of Fraud Detection programs (refer to PIO 1).</li><li>• Fraud reporting channels and the investigation process (refer to Finding 7).</li></ul>Response<ul style="list-style-type: none"><li>• Details of investigation procedures and resources.</li><li>• References to internal and external reporting mechanisms.</li><li>• Details of internal control reviews to be performed.</li><li>• Reference to maintenance of insurance.</li></ul>2. Develop a formal plan and timetable to implement the Fraud Control Strategy and monitor compliance with the plan through reporting to the committee responsible for fraud control and a plan to rectify any shortcomings developed.<li>3. Clearly define roles and responsibilities to staff with regards to fraud control.</li><li>4. Assign ownership for management of the end to end fraud prevention process.</li></div>	Medium	Agreed to implement proposed recommendations in full	Manager Governance and Policy	December 2022	Open	On Track	Draft Fraud Control Strategy has commenced development. Responsibilities have been incorporated into the revised Fraud and Corruption Policy updated in July 2022.	31-Dec-22
Fraud Management	10-Feb-22	F4	Fraud training, awareness and communication	<div>1. The CTTG implement an organisation wide fraud awareness training program which is refreshed and delivered on a regular basis. The CTTG should consider the most appropriate method of delivering the fraud awareness training program, which may be through internal delivery or engaging with an external fraud awareness training provider.<li>2. Record and track completed fraud training including a record of staff's regular declarations on their compliance with the CTTG's ethical framework.</li></div>	Medium	1 & 2. It is agreed that specific fraud training must be conducted and imbedded into the CTTG systems. A Leadership team session in the coming months will also focus on this training specifically for our leaders.	Manager Governance and Policy in consultation with Manager Organisational Development	June 2023	Open	On Track	Fraud awareness training completed for A&E portfolio corporate leaders. To be rolled out across the organisation	30-Jun-23
Fraud Management	10-Feb-22	F5	Fraud Risk Assessment	<div>1. Internal Audit recommends the CTTG develop a fraud risk assessment process that includes the development of a fraud risk register which is updated every 2-3 years at a minimum. This should cover all business units, functions, locations and processes to identify risks of fraud and be supported by a fraud risk treatment program that seeks to continuously improve processes and controls for managing fraud risk.<li>2. As noted previously, the CTTG's existing Control Framework could provide a good starting point onto which to build the fraud risk assessment process given a number of fraud related internal controls have already been identified.</li><li>3. To ensure appropriate oversight, there should be regular reporting pertaining to fraud and the fraud risk register to the Audit Committee.</li></div>	Medium	Agreed to implement proposed recommendations in full	Manager Governance and Policy	June 2023	Open	Not Commenced	To be commenced	31-Dec-22
Fraud Management	10-Feb-22	F6	Gap in declarations of conflicts of interest	<div>1. Increase awareness of the requirement to declare COI and the mechanism to declare these through Fraud training program (see Finding 4).<li>2. Request declaration of potential COIs or a statement of no potential COIs, as part of:<ul style="list-style-type: none"><li>• The onboarding process.</li><li>• Annual Performance Management Procedure.</li></ul></li></div>	Medium	Agreed to implement proposed recommendations in full	Manager Governance and Policy in consultation with Manager Organisational	December 2022	Open	Not Commenced	To be commenced	31-Dec-22
Fraud Management	10-Feb-22	F7	Fraud reporting channels and the investigation process	<div>1. Consider introducing further anonymous fraud reporting mechanisms for staff including phone and web channels, such as Whistle Blower Hotlines.<li>2. Formally document and communicate these fraud reporting mechanisms to staff.</li></div>	Low	Agreed to implement proposed recommendations in full.. The new reporting system will also likely include the ability to report other items including bullying and harassment.	Manager Organisational Development	June 2023	Open	On Track	Planning for this is underway	30-Jun-23
Fraud Management	10-Feb-22	F8	Opportunity to improve controls and reporting relating to employee timesheets	<div>1. Automated dashboard reporting be prepared to highlight to Management any "red flags" where staff are consistently or appear to be over claiming overtime hours.<li>2. Removal of the "approve all" button from the time sheeting process or implement the use of overtime approval forms consistently across the CTTG.</li></div>	Low	Agreed to implement proposed recommendations in full. Noting that this item was raised by CTTG staff.	Manager Finance and Rating Operations	31-Dec-22	Open	On Track	A review is currently underway in the suitability of the Affinity system as the development of alerts and other 'red flags' will not be possible without significant customisation of the Affinity application.  The removal of the 'selected all' approval method has been investigated with Affinity and we have been advised that it is not possible to remove this from the software.	31-Dec-22
Fraud Management	10-Feb-22	PIO-1	Data analytics in fraud detection programs	<div>Internal Audit recommends the CTTG consider implementing data mining/analytics fraud detection programs. The program and types of transactions reviewed should be informed by the results of the fraud risk assessment process outlined in Finding 5.</div>	PIO	This is being considered as part of the next stage of the new financial management system and a business case will be prepared for December 2022.	Manager Finance and Rating Operations	30-Dec-22	Open	On Track	Planning for this is underway	31-Dec-22
Bushfire Prevention and Preparedness	28-Sep-22	F1	Inconsistent approach to documenting and reporting of bushfire related information	<div>1. Develop a formal procedure to capture consistent recording and reporting of bushfire mitigation treatments and status<li>2. It is also recommended that the filing procedure, documentation naming conventions and centralised location are subsequently communicated to staff. This procedure should also be made readily available to staff, e.g. on the intranet.</li><li>3. Consider whether existing systems such as ESRI, TechnologyOne or Content Manager may be suitable for this purpose.</li></div>	Medium	1. A Framework will be developed to provided a consistent approach to recording and reporting bushfire mitigation treatments, including allocation of responsibilities and recording the status of treatment actions. This will provide a clearly defined monitoring, reporting and evaluation system for bushfire management activities. <li>2. The framework will be communicated to relevant staff and made available on Council's intranet.</li> <li>3. The use of technology to assist this process will explored upon the release of BMAP 2.0 to ensure alignment between systems.</li>	Manager Community Safety Group Coordinator, Civil & Buildings Projects Emergency Management Advisor	30-Nov-22	Open	On Track	Target date for initial Framework. To be further explored and refined in 2023.	
Bushfire Prevention and Preparedness	28-Sep-22	F2	Gaps in the prioritisation of bushfire mitigation treatment processes	<div>1. Undertake a workshop (if required) to develop a prioritisation procedure, which may include:<ul style="list-style-type: none"><li>* A decision tree for the assessment of bushfire mitigation treatments</li><li>* A risk matrix to provide support in decisions made</li></ul><li>2. Formalise the consideration of climate change impacts on bushfire mitigation treatments and prioritisation by performing regular reviews of policies and procedures, including assessment of climate change risks and responses.</li></div>	Medium	1. A risk-based prioritisation tool will be developed to assist the decision-making process and resource allocation for bushfire mitigation treatments. This tool will form part of the new Framework to be developed <li>2. The tool will ensure a flexible and adaptable bushfire treatment action plan with consideration of climate change impacts, changes to Council's risks profile, and reviews of relevant policies and procedures.</li>	Manager Community Safety Group Coordinator, Civil & Buildings Projects Emergency Management Advisor	30-Nov-22	Open	Not Commenced		
Bushfire Prevention and Preparedness	28-Sep-22	F3	Lack of formal bushfire reporting and communication to Senior Management / Council / Elected Members / Audit Committee	<div>1. Develop a form of periodic status reporting to inform Senior Management / Council / Elected Members / Audit Committee on the status of bushfire prevention management. This may include:<ul style="list-style-type: none"><li>* Status of bushfire mitigation treatments</li><li>* Data analytics of tasks performed</li><li>* 'Pre Fire Danger Season' and 'Post Fire Danger Season' analysis and assessment</li><li>* Seasonable factor impact on the risk profile assessment</li><li>* Traffic light report to indicate status and risk rating</li><li>* Liaison with other agencies</li><li>* Utilisation of geospatial technology, e.g. ESRI or TechnologyOne.</li></ul><li>2. Consider aligning reporting responsibilities to staff on external committees.</li><li>3. Consider the escalation process of reporting to the Audit Committee.</li></div>	Medium	1. As part of the new Framework, internal and external reporting requirements will be established for the status of bushfire management activities undertaken by Council. <li>2. Reporting requirements will identify Council's collaboration with, and support provided to, other agencies with responsibilities for bushfire management.</li>	Manager Community Safety Group Coordinator, Civil & Buildings Projects Emergency Management Advisor	30-Nov-22	Open	Not Commenced		
Bushfire Prevention and Preparedness	28-Sep-22	F4	Gaps identified in the governance and effective maintenance of fire access tracks	<div>1. Consult with the CFS periodically to:<ul style="list-style-type: none"><li>(a) Improve track identification and record keeping, including the rationale for upkeep and maintenance</li><li>(b) Determine which fire access tracks are required to be maintained</li></ul><li>2. Capture additional data to quantify the fire access track maintenance to provide transparency</li><li>3. Consider whether existing systems such as ESRI or TechnologyOne are suitable to record fire access track documentation.</li></div>	Low	1. In consultation with the CFS, a review of Council's existing fire access track network will undertaken to determine the status, classification, and maintenance requirements of fire access tracks. <li>2. A suitable process will be established for the maintenance of fire access tracks and for the assessment and approval of applications for new fire access tracks</li> <li>3. Existing data maintained on ESRI will be reviewed to ensure accuracy and to provide consistent identification of fire access tracks and their classification (e.g. number and/or name)</li> <li>4. Outcomes of this process will incorporated into the new Framework and the treatment prioritisation tool</li>	Manager Community Safety Group Coordinator, Civil & Buildings Projects Emergency Management Advisor	31-Aug-23	Open	Not Commenced		

Bushfire Prevention and Preparedness	28-Sep-22	PIO1	Opportunity to increase the level of information provided to the community	<p>1. Consult with the CFS to:</p> <p>(a) Determine whether there are gaps in high-risk areas of Council which are not receiving bushfire information from the CFS</p> <p>(b) Consider whether additional communications are required for residents in these areas, and consult with the CFS to implement cost-effective approaches. These may include:</p> <ul style="list-style-type: none"><li>* Signage leading up to, and during, the fire danger season</li><li>* Mail drops</li><li>* Bin stickers within high-risk bushfire areas</li></ul> <p>2. Ensure all information provided to the community addresses diversity and inclusion. For example, providing information in languages other than English and ensuring information accessibility by diverse members of the community</p> <p>3. Consider partnerships to deliver community information and support activities</p>		<p>1. Council's current communications plan for emergencies will be reviewed and updated with any additional CFS public information that needs to be supported (e.g. Australian Fire Danger Rating System). Existing communications provided by the CFS to the community will be identified to ensure coordination of activities with Council's communication plan, with a focus on high-risk areas. Any additional communication methods will be considered based on this review and in consultation with the CFS.</p> <p>2. Any communications provided as part of Council's communication plan will address diversity and inclusion</p> <p>3. Opportunities to deliver community information in partnership with other agencies will be explored.</p>	<p>Manager Community Safety</p> <p>Group Coordinator, Civil &amp; Buildings Projects</p> <p>Emergency Management Advisor</p> <p>Manager Customer and Communications</p>	30-Nov-22	Open	Not Commenced		
Bushfire Prevention and Preparedness	28-Sep-22	PIO2	Succession planning and loss of key information and relationships	<p><b>Recommendation</b></p> <p>1. Document relationships with agencies and distribute to relevant staff</p> <p>2. For relevant staff role position descriptions, include the requirement to maintain relationships with individuals and specific external agencies.</p> <p>3. Report progress to Senior Management / Council / Elected Members / Audit Committee on activities undertaken.</p>		<p>1. The new Framework will document Council's relationships with other agencies that have responsibilities for bushfire management</p> <p>2. Position Descriptions for relevant staff will be reviewed to include the requirement to maintain relationships with individuals and specific external agencies. This may include reference to specific roles as nominated representatives on external committees / groups.</p>	<p>Manager Community Safety</p> <p>Group Coordinator, Civil &amp; Buildings Projects</p> <p>Emergency Management Advisor</p> <p>Director Assets and Environment</p> <p>Director Community and Cultural Development</p>	30-Nov-22	Open	Not Commenced		
Bushfire Prevention and Preparedness	28-Sep-22	PIO3	Opportunity to further reduce hazards and fuel loads in the Council area	<p>1. Assess other potential hazard reduction strategies that are aligned with the risk appetite of Council and inclusion into the Bushfire Treatment Action Plan if appropriate</p> <p>2. Confirm and periodically document the bushfire mitigation activities performed by responsible agencies on land with the Council area.</p>		<p>1. The need for current and other hazard reduction strategies will be assessed using a risk management approach, taking into consideration climate change impacts and other influencing factors. This assessment will inform and align with the new treatment prioritisation tool.</p> <p>2. Bushfire mitigation activities undertaken by other agencies on land within the Council area will be identified and confirmed to provide assurance and awareness. This information will be included in the new Framework.</p> <p>It is important to note that a new reporting structure between the Bushfire Management Committee and the State Bushfire Coordination Committee has recently been established, with the provision of reports to the Minister. This will provide more transparency about bushfire management activities from all responsible agencies. Any reports will be provided to relevant staff for awareness.</p>	<p>Manager Community Safety</p> <p>Fire Prevention Officer</p> <p>Emergency Management Advisor</p>	<p>31 August 2023</p> <p>30 November 2022</p>	Open	Not Commenced		

INFORMATION REPORT

AUDIT COMMITTEE MEETING

28 September 2022

Organisational Services & Excellence

Audit Committee Works Program 2022-2023 Status Update - September 2022 (D22/137911)

The Audit Committee Work Program is a document used to guide the Committee’s planned activities throughout the financial year and is presented at every ordinary meeting. This supports the timely reporting, reviewing and actioning of key activities in line with target dates as well as the ability to address any items that need to be rescheduled and provide reasoning behind the change.

The updated Committee’s Work Program (and relevant progress notes) for the 28 September 2022 meeting is highlighted in green (refer Attachment 1).

Attachments

1. <a href="#">Works Program - Status Update September 2022</a> .....	169
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Report Authorisers

Diane Kunze	
Executive Assistant	8397 7398
Ilona Cooper	
Manager Governance and Policy	8397 7310

### Audit Committee Work Program 2022 – 23 Financial Year

Report Meeting Date	Activity	Terms of Reference Function	Terms of Reference Number	Activity Status / Comments
July 2022	Monitor status/progress update of Internal Audit reviews undertaken	Internal Audit	4.2.1, 4.3.1 & 4.3.4	Report presented to July 2022 Meeting
	Review any completed Internal Audit Reports and associated agreed actions	Internal Audit	4.3.4	N/A – no Internal Audit reports finalised
	Monitor outstanding Internal Audit Agreed Actions (associated with high & extreme risk rated findings)	Internal Audit	4.3.5	Report presented to July 2022 Meeting
	Adopt new Internal Audit Plan	Internal Audit	4.3.1, 4.3.2 & 4.3.3	Report presented to July 2022 meeting
	Review of New/Existing Policies <ul style="list-style-type: none"> <li>Fraud, Corruption, Misconduct and Maladministration Prevention Policy (due December 2021)</li> </ul>	Internal Controls and Risk Management System	4.2.2	Revised policy presented to July 2022 Meeting
	Review Interim Management Letters from External Auditor	External Financial Audit	4.4.4 & 4.4.5	If the need arises
	Audit Committee – Summary of Committee Activities  Presiding Member is to provide a verbal update to a Council meeting summarising the Committees activities since the last report – this is likely to occur via Information Report to Audit Committee which will then be presented on by the Presiding Member at the next Council meeting	Reporting	9.2	Report presented to July 2022 Meeting
	Monitor Audit Committee Work Program activities for that meeting	Reporting	9.1	Report presented to July 2022 Meeting
	Discussion: <ul style="list-style-type: none"> <li>Emerging strategic risks; and</li> <li>Committee Performance (Self-Evaluation) – verbal only</li> </ul>	Internal Controls and Risk Management System	4.2.3	To be discussed at July 2022 Meeting

### Audit Committee Work Program 2022 – 23 Financial Year

Report Meeting Date	Activity	Terms of Reference Function	Terms of Reference Number	Activity Status / Comments
September 2022	Monitor status/progress update of Internal Audit reviews undertaken	Internal Audit	4.2.1, 4.3.1 & 4.3.4	Status update report presented to September 2022 Meeting
	Review any completed Internal Audit Reports and associated agreed actions	Internal Audit	4.3.4	Internal Audit Report on Bushfire Prevention and Preparedness presented to September 2022 meeting
	Monitor outstanding Internal Audit Agreed Actions	Internal Audit	4.3.5	Report presented to September 2022 Meeting
	Review of New/Existing Policies	Internal Controls and Risk Management System	4.2.2	Nil for this meeting
	Review Draft Annual Report	Financial and Business Reporting	4.1.1	Report presented to September 2022 Meeting
	Review Annual Financial Statements	Financial and Business Reporting	4.1.1 & 4.1.2	This was presented to the special meeting on 7 September 2022
	Meet with Council's External Auditor: <ul style="list-style-type: none"> <li>External Auditor Report (on Council's end of year financial statements)</li> <li>External Audit Program</li> <li>Audit Matters</li> </ul>	External Financial Audit	4.4.1, 4.4.2, 4.4.3, 4.4.7 & 4.4.8	This was presented to the special meeting on 7 September 2022
	Overview of Insurance Renewal Program for 2022-23	Internal Controls and Risk Management Systems	4.2.4	Report presented to September 2022 Meeting



### Audit Committee Work Program 2022 – 23 Financial Year

	Monitor Audit Committee Work Program activities for that meeting	Reporting	9.1	Report presenting to September 2022 Meeting
	Review any Outstanding Actions from External Auditor Management Letters	External Financial Audit	4.4.4 & 4.4.5	Nothing from Finance
	Discussion: Emerging strategic risks	Internal Controls and Risk Management System	4.2.3	To be discussed at September 2022 meeting

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### Audit Committee Work Program 2022 – 23 Financial Year

Meeting Date	Activity	Terms of Reference Function	Terms of Reference Number	Activity Status / Comments
November 2022	Monitor status/progress update of Internal Audit reviews undertaken	Internal Audit	4.2.1, 4.3.1 & 4.3.4	
	Review any completed Internal Audit Reports and associated agreed actions	Internal Audit	4.3.4	
	Monitor outstanding Internal Audit Agreed Actions (associated with high & extreme risk rated findings)	Internal Audit	4.3.5	
	Review new and existing Policies (if relevant)	Internal Controls and Risk Management System	4.2.2	
	Bi-annual review of Council's Strategic Risk Register (Annual reporting)	Internal Controls and Risk Management System	4.2.1 & 4.2.3	
	Monitor Audit Committee Work Program activities for that meeting	Reporting	9.1	
	Review proposed Long Term Financial Plan (The Long Term Financial Plan will be reviewed in November after the Quarter One budget review has been completed)	Financial and Business Reporting	4.1.2.3 & 4.1.3	
	Review Council's Financial Budget Review and Process (First Quarter Budget Review for Financial Year Ending 30 June 2023)	Financial and Business Reporting	4.1.2.3 & 4.1.3	

### Audit Committee Work Program 2022 – 23 Financial Year

Meeting Date	Activity	Terms of Reference Function	Terms of Reference Number	Activity Status / Comments
	Discussion: Emerging strategic risks	Internal Controls and Risk Management System	4.2.3	

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### Audit Committee Work Program 2022 – 23 Financial Year

Meeting Date	Activity	Terms of Reference Function	Terms of Reference Number	Activity Status / Comments
January 2023	Monitor status/progress update of Internal Audit reviews undertaken	Internal Audit	4.2.1, 4.3.1 & 4.3.4	
	Review any completed Internal Audit Reports and associated agreed actions	Internal Audit	4.3.4	
	Monitor outstanding Internal Audit Agreed Actions (associated with high & extreme risk rated findings)	Internal Audit	4.3.5	
	Review new and existing Policies <ul style="list-style-type: none"> <li>Financial Sustainability Policy (due February 2023)</li> <li>Disposal of Land and Assets and Acquisition of Land Policy (Policy also reviewed by PSDC (due February 2023) – See Ilona</li> <li>Treasury Policy (due February 2023)</li> </ul>	Internal Controls and Risk Management System	4.2.2	
	Review of Infrastructure and Asset Management Plans	Financial and Business Reporting	4.1.3	
	Monitor Audit Committee Work Program activities for that meeting	Reporting	9.1	
	Discussion: Emerging strategic risks	Internal Controls and Risk Management System	4.2.3	

### Audit Committee Work Program 2022 – 23 Financial Year

Meeting Date	Activity	Terms of Reference Function	Terms of Reference Number	Activity Status / Comments
	<p>Informed of Risk and Finance related Policies (as per Policy review timeframes)</p> <ul style="list-style-type: none"> <li>• Asset Capitalisation Policy (due February 2025)</li> <li>• Asset Management Policy (due March 2025)</li> <li>• Asset Revaluation Policy (due February 2025)</li> <li>• Debt Recovery Policy (due December 2023)</li> <li>• Financial Sustainability Policy (due February 2023)</li> <li>• Fraud, Corruption, Misconduct and Maladministration Prevention Policy (due December 2022)</li> <li>• Disposal of Land and Assets and Acquisition of Land Policy (Policy also reviewed by PSDC) (due February 2023)</li> <li>• Late Payment and Sale of Land for Non-Payment of Council Rates Policy (due April 2023)</li> <li>• Procurement Policy (due August 2025)</li> <li>• Unsolicited Proposals Policy (August 2024)</li> <li>• Prudential Management Policy (due December 2023)</li> <li>• Public Interest Disclosure Policy (Policy also reviewed by PSDC) (due August 2022)</li> <li>• Risk Management Policy (due October 2023)</li> <li>• Treasury Policy (due February 2023)</li> </ul>	Internal Controls and Risk Management System	4.2.2	

### Audit Committee Work Program 2022 – 23 Financial Year

Meeting Date	Activity	Terms of Reference Function	Terms of Reference Number	Activity Status / Comments
March 2023	Monitor status/progress update of Internal Audit reviews undertaken	Internal Audit	4.2.1, 4.3.1 & 4.3.4	
	Review any completed Internal Audit Reports and associated agreed actions	Internal Audit	4.3.4	
	Monitor outstanding Internal Audit Agreed Actions	Internal Audit	4.3.5	
	Review any Outstanding Actions from External Auditor Management Letters	External Financial Audit	4.4.4 & 4.4.5	
	Review new and existing Policies <ul style="list-style-type: none"> <li>Late Payment and Sale of Land for Non-Payment of Council Rates Policy (due April 2023)</li> </ul>	Internal Controls and Risk Management System	4.2.2	
	Review Council's Financial Budget Review and Process (Second Quarter Budget Review for Financial Year Ending 30 June 2023)	Financial and Business Reporting	4.1.2.3 & 4.1.3	
	Monitor Audit Committee Work Program activities for that meeting	Reporting	9.1	
	Discussion: Emerging strategic risks	Internal Controls and Risk Management System	4.2.3	

### Audit Committee Work Program 2022 – 23 Financial Year

Meeting Date	Activity	Terms of Reference Function	Terms of Reference Number	Activity Status / Comments
May 2023	Monitor status/progress update of Internal Audit reviews undertaken	Internal Audit	4.2.1, 4.3.1 & 4.3.4	
	Review any completed Internal Audit Reports and associated agreed actions	Internal Audit	4.3.4	
	Monitor outstanding Internal Audit Agreed Actions from previous Internal Audit reviews (high and extreme risk ratings)	Internal Audit	4.3.5	
	Adopt new Internal Audit Plan	Internal Audit	4.3.1, 4.3.2 & 4.3.3	
	Bi-annual review of Council's Strategic Risk Register (Reporting only if risks change)	Internal Controls and Risk Management System	4.2.1 & 4.2.3	
	Review status report of Internal Controls – Control Track (Yearly Report)	Internal Controls and Risk Management System	4.2.1	
	Review any Outstanding Actions from External Auditor Management Letters	External Financial Audit	4.4.4 & 4.4.5	
	Review and provide comment in relation to Council's draft Annual Business Plan	Financial and Business Reporting	4.1.2.3 & 4.1.3	
	Review Audit Committee Work Program for the forthcoming financial year (Annual Review)	Reporting	9.1	
	Monitor Audit Committee Work Program activities for that meeting	Reporting	9.1	
	Discussion: Emerging strategic risks	Internal Controls and Risk Management System	4.2.3	
	External Auditors Annual Audit Plan			



**Audit Committee Work Program 2022 – 23 Financial Year**

Meeting Date	Activity	Terms of Reference Function	Terms of Reference Number	Activity Status / Comments
	Review Council's Financial Budget Review and Process (Third Quarter Budget Review for Financial Year Ending 30 June 2023)	Financial and Business Reporting	4.1.2.3 & 4.1.3	

## Audit Committee Work Program 2022 – 23 Financial Year

<b>Additional Scheduled Activities to be undertaken by the Audit Committee</b> <b>Note: These activities to be inserted into the respective monthly Audit Committee Work Program as required or as they become available</b>	<b>Audit Committee Terms of Reference Function</b>	<b>Audit Committee Terms of Reference Number</b>
<p>In accordance with S122 (4)(b) Local Government Act 1999 Infrastructure and Asset Management Plans, ‘...undertake a comprehensive review of its strategic management plans within 2 years after each general election of the council.’-</p> <p>Strategic Management Plans - Due November 2022</p> <ul style="list-style-type: none"> <li>• Infrastructure and Asset Management Plans                             <ul style="list-style-type: none"> <li>○ Transport</li> <li>○ Open Space</li> <li>○ Building</li> <li>○ Stormwater</li> <li>○ IT</li> </ul> </li> <li>• Development Plan</li> <li>• Strategic Plan</li> <li>• Long Term Financial Plan</li> </ul>	Financial and Business Reporting	4.1.3
<p>Propose ‘other investigations’ in accordance with section 130A Local Government Act 1999 – N/A for timeframe</p>	Financial and Business Reporting	4.1.4
<p>Informed of Risk and Finance related Policies (as per Policy review timeframes)</p> <ul style="list-style-type: none"> <li>• Asset Capitalisation Policy (due February 2025)</li> <li>• Asset Management Policy (due March 2025)</li> <li>• Asset Revaluation Policy (due February 2025)</li> <li>• Debt Recovery Policy (due December 2023)</li> <li>• Financial Sustainability Policy (due February 2023)</li> </ul>	Internal Controls and Risk Management System	4.2.2

### Audit Committee Work Program 2022 – 23 Financial Year

<b>Additional Scheduled Activities to be undertaken by the Audit Committee</b> <b>Note: These activities to be inserted into the respective monthly Audit Committee Work Program as required or as they become available</b>	<b>Audit Committee Terms of Reference Function</b>	<b>Audit Committee Terms of Reference Number</b>
<ul style="list-style-type: none"> <li>• Fraud, Corruption, Misconduct and Maladministration Prevention Policy (due December 2022)</li> <li>• Disposal of Land and Assets and Acquisition of Land Policy (Policy also reviewed by PSDC) (due February 2023)</li> <li>• Late Payment and Sale of Land for Non-Payment of Council Rates Policy (due April 2023)</li> <li>• Procurement Policy (due August 2025)</li> <li>• Unsolicited Proposals Policy (August 2023)</li> <li>• Prudential Management Policy (due December 2023)</li> <li>• Public Interest Disclosure Policy (Policy also reviewed by PSDC) (due August 2022)</li> <li>• Risk Management Policy (due October 2023)</li> <li>• Treasury Policy (due February 2023)</li> </ul>		
Compliance with Regulation 22(1) of Local Government (Financial Management) Regulations 2011 – N/A	External Financial Audit	4.4.7.2

# INFORMATION REPORT

## AUDIT COMMITTEE MEETING

28 September 2022

### Organisational Services & Excellence

#### Internal Audit Plan Status Update (D22/173589)

An Internal Audit Plan is established each financial year to provide the Committee with assurance that risks and internal controls across Council are appropriately managed. An Internal Audit Plan for 2022-2023 was endorsed by the Audit Committee at its meetings on 27 July 2022 and 28 September 2022.

#### Status of Internal Audit Plan

A status update on the delivery of the Internal Audit Plan is provided at each Committee meeting.

Audit Title	Status	Notes	Auditor
Strategic Social Infrastructure Planning	In Progress	Fieldwork in progress	WSP Australia Pty Ltd
Strategic Asset Management	In Progress	Fieldwork in progress	Institute of Quality Asset Management
Bushfire Prevention and Preparedness	Completed	Report provided to 28 September Audit Committee Meeting	KPMG
Fraud and Corruption	Completed	Report provided to 9 February 2022 Audit Committee Meeting	KPMG
Precinct Planning	Not commenced	Scope to be developed	N/A
Recycled Water	Not commenced	Scope to be developed	N/A
Strategic Environmental Management	Not commenced	Scope to be developed	N/A
Procurement (quotations)	Not commenced	Scope to be developed	N/A

Attachments

N/A

Report Authorisers

Marley Marks

Governance & Risk Administration Officer

8397 7270

Ilona Cooper

Manager Governance and Policy

8397 7310

Wayne Richards

Acting General Manager Corporate Services

8397 7444

## Status Report on Audit Committee Resolutions 28 SEPTEMBER 2022

*Note: This report is provided as information only. Actions relating to confidential minutes may not be included in the Status Report. This report will be presented at every Audit Committee Meeting.*

### Pending Actions

Nil

### Completed Actions

Minute No.	Meeting Date	Officer	Subject	Completed
102 D22/17252 6 12 Sep 2022 9:21am Baines, Rebecca Financials recommended to the Council Meeting 13 September 2022.	7/09/2022	Baines, Rebecca	Audited Financial Statements 2021-2022	12/09/2022

Minute No.	Meeting Date	Officer	Subject	Completed
D22/56105 18 Aug 2022 11:41am Cooper, Ilona Further internal audit project options for 2022-23 to be presented to the Audit Committee at its special meeting on 7 September in accordance with the resolution from July 2022.	27/07/2022	Cooper, Ilona	Internal Audit Plan 2022- 23	18/08/2022

Minute No.	Meeting Date	Officer	Subject	Completed
D22/56105 18 Aug 2022 11:43am Cooper, Ilona Fraud and Corruption Policy recommended by the Committee was adopted by Council at its meeting on 9 August 2022.	27/07/2022	Cooper, Ilona	Fraud and Corruption Policy	18/08/2022

Minute No.	Meeting Date	Officer	Subject	Completed
101	7/09/2022	Cooper, Ilona	Updated Internal Audit Plan 2022-23	19/09/2022

D22/17252

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19 Sep 2022 10:28am Cooper, Ilona

Additional Internal Audit projects have been added to the Internal Audit Plan for 2022-23.

Scoping process will now commence.