

Notice of Audit & Risk Committee Meeting



MEMBERSHIP

Cr Irena Zagladov (*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 & RISK COMMITTEE MEETING will be held in the Civic Centre, 571 Montague Road, Modbury on WEDNESDAY 7 DECEMBER 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: 1 December 2022

CITY OF TEA TREE GULLY

AUDIT & RISK COMMITTEE MEETING

7 DECEMBER 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 & Risk Committee Meeting held on 28 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

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

6. Presentations

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

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

City Operations - Nil

Corporate Services - Nil

Community Services - Nil

12. Strategy & Finance

12.1 Draft Long Term Financial Plan 2024 - 2033..... 5

13. Motion(s) on Notice - Nil

14. Motion(s) without Notice

15.	Question(s) on Notice - Nil	
16.	Questions without Notice	
17.	Information Reports	
17.1	First Quarter Budget Review for Financial Year Ending 30 June 2023	28
17.2	Internal Audit Plan Status Update	51
17.3	Internal Audit Agreed Actions Update	54
17.4	Strategic Risk Register - December 2022 - Bi-annual Review	57
17.5	Audit & Risk Committee Works Program 2022-2023 Status Update - December 2022	69
18.	Status Report on Resolutions	
18.1	Status Report on Audit & Risk Committee Resolutions	80
19.	Other Business - Nil	
20.	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>	
21.	Date of Next Ordinary Meeting	
	22 March 2023	
22.	Closure	



REPORT FOR

AUDIT COMMITTEE MEETING

MEETING DATE

07 DECEMBER 2022

RECORD NO:

D22/190820

REPORT OF:

STRATEGY & FINANCE

TITLE:

DRAFT LONG TERM FINANCIAL PLAN 2024 - 2033

Item 12.1

PURPOSE

To provide the Audit Committee with an update of the Long-Term Financial Plan taking into account the financial results for the year ended 30 June 2022 and current forecast for year ending 30 June 2023.

RECOMMENDATION

That the Audit Committee recommends to Council:

That Council adopts the updated Long-Term Financial Plan for the Financial years from 2024-**2033 as detailed in Attachment 1 of the report entitled “Draft Long-Term Financial Plan FYE 2024-2033” and dated 7 December 2022.**

1. BACKGROUND

Section 122 (1a) of the *Local Government Act 1999* (the Act) requires councils to develop and adopt:

*“(a) a Long-Term Financial Plan for a period of at least 10 years; and
(b) an infrastructure and asset management plan, relating to the management and development of infrastructure and major assets by the council for a period of at least 10 years
(and these plans will also be taken to form part of the council’s strategic management plans).”*

Section 122 (4) of the Act requires that the Long-Term Financial Plan (LTFP) should be reviewed on an Annual Basis.

The purpose of a Council’s LTFP is to express, in financial terms, the activities that it proposes to undertake over the medium to longer term to achieve its stated objectives. It is similar to, but usually less detailed than, the annual budget. Just like the budget, it is a guide for future action although its preparation requires the Council to think about not just one year but the longer-term impact of revenue and expenditure proposals. The aggregation of future strategic plans and business initiatives and their intended outlays and anticipated revenues, enables the accumulating overall financial and economic implications to be readily identified and, if warranted, proposed future activities to be revised.

The LTFP should specify and take account of:

- Expected expenses and capital outlays for each year of the plan
- Expected revenues for each year and their source
- Any variations in net debt required as a result of expected cash flow needs
- **Performance measures to enable assessment of the Council’s financial sustainability over the period of the plan.**

The LTFP should include estimated:

- Income Statement
- Balance Sheet
- Cash Flow Statement
- Statement of Changes in Equity
- Key Financial Indicators

The most recent LTFP FYE 2023-2032 was adopted by Council on 14 December 2021.

2. DISCUSSION

The LTFP is underpinned by a set of ‘five guiding principles’ that were adopted by Council. These are:

1. Maintaining existing assets at existing service levels
2. Continuing to review assets with proceeds being reinvested into the city and community
3. Maintaining debt within the targeted range of 25%-35% over the life of the plan
4. Retaining tight constraints on operating expenditure
5. Ensuring that the capital works program retains a level of funding for new works and enhancements to community infrastructure

The five key principles will remain the mostly the same, as the previous LTFP for the FYE 2024-2033 LTFP. In addition, the financial estimates have been changed to reflect the financial position FYE 2022 and current forecast for FYE 2023.

There are market conditions affecting Council and resulting in higher than expected rate increases, as detailed below.

Labour market

The wage price index (WPI) is increasing higher than the RBA forecast due to accelerating growth in the labour market. Currently there is a tighter labour market with demand for skilled labour higher than supply, resulting in wage growth beyond forecast. This continued growth would indicate that interest rates may continue to rise to help curb the inflation increase.

Energy Prices

A significant increase in electricity is expected in the coming years. The energy market is increasing higher than forecast as the cost of producing energy continues to rise. Investment in renewable energy in South Australia is not mature enough to shield us from these cost pressures. The Australian Federal Budget highlights approximately a 56% increase in consumer energy bills in 2023.

Inflation

The Annual Consumer Price Index (CPI) continues to rise in Australia. Over the 12 months to October 2022 CPI rose 6.9%. This is considerably higher than the RBA target inflation rate, the LTFP has been based on in prior years, of 2 to 3% on average. This increase is predominately due to the supply market putting pressure on the cost of goods, for example the cost of fuel.

Interest Rates

The RBA rose rates by 0.25% to 2.85% in November. This was the seventh consecutive hike in a row, and the highest it has been since May 2013. In the accompanying **statement the RBA outlined that inflation remains 'too high' and that the 0.25% hike decision was done in the outlook of an uncertain environment, providing 'time to**

assess the effects of the increases to date and the evolving economic outlook'. The RBA expects that rates will increase further, and most major banks predict a peak in the cash rate of 3.60% by May 2023, significantly lower than the approximate 4% priced in by interest rate futures markets.

These factors have resulted in the FYE 24 draft rate increase to be 6.0% (excluding growth), which is in line with the October 2022 CPI of 6.9%. This is proposed to ensure **Council's financial sustainability is maintained.**

Other factors to note, is that the total income and expenditure for the Community Waste Water Management has been removed from the LTFP. This is due to the Labor **Government's election commitment that all CWMS customers were transitioned to SA Water** from 1st July 2022.

The capital works program includes the funding from the election commitments around the Strategic Building Program. This has resulted in new works funding of \$26.4m in FYE 24 and \$21.2m in FYE 25. This expenditure is offset with grant income received for these projects.

The Net Financial Liabilities is predicted to be at 22% in FYE 24 and 27% in FYE 25.

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>	Funds are made available in the LTFP to invest in infrastructure and deliver programs for the City and the community
Economy	
<i>Modbury Precinct is revitalised as the city's key activity centre</i>	Funds are made available in the LTFP to continue to invest the Modbury Precinct revitalisation.
Places	
<i>Streets, paths, open spaces and parks are appealing, safe and accessible</i>	Funds are made available in the LTFP to ensure that our community infrastructure is renewed and new assets are created to meet the evolving needs and changes of our community
<i>Opportunities exist to express and experience art and culture</i>	
<i>Neighbourhoods are easy to move around and are well connected with pedestrian</i>	

<i>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 LTFP provides the foundation for the long term financially sustainability of Council

Policies / Strategies

Financial Sustainability Policy – establishes the strategic financial sustainability principles used in developing the LTFP.

Asset Management Policy – **establishes guidelines for the management of Council’s assets** and provides consistency for the Asset Renewal expenditure forecasts that feed into the LTFP.

4. LEGAL

Section 122 (1a) of the *Local Government Act 1999* (the Act) requires councils to develop and adopt:

“(a) a Long-Term Financial Plan for a period of at least 10 years; and
 (b) an infrastructure and asset management plan, relating to the management and development of infrastructure and major assets by the council for a period of at least 10 years
 (and these plans will also be taken to form part of the council’s strategic management plans).”

Section 122 (4) of the Act requires that the Long-Term Financial Plan (LTFP) should be reviewed on an Annual Basis.

5. ASSETS

Council’s Asset Management Plans are used to determine funding requirements and assumptions contained in the LTFP.

Attachments

1. [Download](#) Draft Long Term Financial Plan 2024 -2033 11

Report Authorisers

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Justin Robbins	
General Manager Strategy & Finance	8397 7444



Naturally Better

Long Term Financial Plan FYE 2024–2033

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Long-term Financial Plan FYE 2024-2033 guiding principles

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Key expenditure assumptions

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1. Summary of Long Term Financial Plan
FYE 2024-2033
2. Long Term Financial Plan FYE 2024-2033
Financial Statements

Background

The *Local Government Act 1999* (the Act) Section 122 (1a) requires councils to develop and adopt:

- (a) *A long-term financial plan (LTFP or the Plan) for a period of at least 10 years*
- (b) *An infrastructure and asset management plan, relating to the management and development of infrastructure and major assets by the council for a period of at least 10 years*

(and these plans will also be taken to form part of the council's strategic management plans).

Section 122(4) requires that the LTFP should be reviewed on an annual basis.

The purpose of a council's LTFP is to express, in financial terms, the activities it proposes to undertake over the medium-to-longer term to achieve its stated objectives. It is similar to, but usually less detailed than, the annual budget. Just like the budget, it is a guide for future action, except that its preparation requires the council to consider the longer-term impact of revenue and expenditure proposals rather than for just a single year. The aggregation of future strategic plans and business initiatives, together with their intended outlays and anticipated reviews, enables the overall financial

and economic implications of the projects to be readily identified and, if warranted, proposed future activities to be revised.

The LTFP should specify and take account of:

- Expected expenses and capital outlays for each year of the Plan
- Expected revenues for each year and the source of their funding
- Any variations in net debt required as a result of expected cash flow needs
- Performance measures to enable assessment of the Council's financial sustainability over the period of the Plan.

The LTFP should include:

- Income statement
- Balance sheet
- Cash flow statement
- Statement of changes in equity.

This version of the LTFP is an update to the plan adopted by Council in December 2021.

Performance against the Long-Term Financial Plan FYE 2023 to 2032

Budget – FYE 2022

Council's previous version of the LTFP was adopted by Council in December 2021 and was underpinned by a set of guiding principles.

Council has made significant progress in FYE (financial year ending) 2022 towards achieving certain strategic targets, which include the following:

1. Maintaining existing assets at their existing service levels

Council continues to invest in the renewal of assets, with an asset sustainability ratio of 105% in FYE 2021 and 104% in FYE 2022.

2. Continue to review assets for possible sale, with any proceeds being reinvested, in keeping with Council's Disposal of Land and Assets and Acquisition of Land Policy adopted in February 2020

The LTFP does not make allowances for any future divestment of non-operational assets. An assessment of the impact on any future divestment will be incorporated into a review of the LTFP.

3. Maintaining debt within the targeted range of 25%-35% over the life of the plan

The Council has a Strategic Buildings program that is dedicated to the replacement of a number of community and sporting buildings. These projects will continue into 2024 and 2025 with expenditure being incurred over these years. This expenditure has been closely managed and as a result will not increase the net financial liabilities beyond the target range.

Following the March 2022 State Government Election, Council was the recipient of a number of financial grants to support Council's investment in the Strategic Buildings Program. The majority of these grants were paid in advance, reducing NFL.

Including the value of Council held land for resale, this ratio has reduced from 61% (\$43.5m) in FYE 2012 to 17.1% (\$17.5m) in FYE 2022.

Although this ratio is slightly under Council's target range of 25%-35%, after adjusting for those planned Capital Works Projects (\$15.3m) carried forward to FYE23, the underlying net financial liabilities ratio is 28%.

4. Retaining tight constraints on operating expenditure

The general rate increase for FYE 2022 was 2.7% (excluding growth). In formulating the increase many factors including our Strategic Plan, current economic climate, debt reduction strategy, the cost of maintaining existing services, increasing waste management expenses and the projected costs included in the various infrastructure asset management plans were taken into consideration.

The budget provided for a number of key known cost pressures for FYE 2022. These cost pressures have been able to be absorbed through adopting a tighter spending approach across all expenditure categories.

Key strategies deployed to retain tight constraints on operating expenditure include:

- Zero base budgeting approach to development of the Operating Budget
- Introduce technology that enables services and functions to be performed with greater efficiency.
- Reducing employee costs by managing vacancies and working within a capped number of FTEs
- We carried out service reviews to ensure that our services are delivered to the community promptly, sustainability and effectively and we continue to complete many other complementary continuous improvement activities
- We made procurement savings through collective buying arrangements.

5. Ensuring that the capital works program retains a level of funding for new works (e.g. new footpaths)

During 2021-22, a total of \$8.87m was invested in new assets. Included in the new assets work in progress is the continued expenditure on the Strategic Building Program.

Long Term Financial Plan FYE 2024-2033 guiding principles

Council's LTFP has been updated to incorporate Council's most recent financial information.

The LTFP will continue to be guided by a series of principles.

These include:

1. Maintain existing assets at the current service levels
2. Continue to review assets with proceeds being reinvested into the city and community
3. Maintaining debt within the targeted range of 25-35% over the term of the Long-Term Financial Plan
4. Retaining tight constraints on operating expenditure
5. Ensuring that the capital works program retains a level of funding for new works and enhancements to community infrastructure (e.g. new footpaths, community buildings and reserve upgrades)

Principle 1 – Maintain existing assets at the current service levels

The LTFP has been updated to include funding to meet the requirements of the asset management plans. Council will apply this principle by ensuring that funding for the renewal and maintenance of assets is in line with the adopted asset management plans.

The combined annual average spend identified in the asset management plans is \$16.5m. The LTFP provides for expenditure of \$17.4m in FYE 2024. This gap provides Council with the capacity to respond to any unforeseen deviations from the endorsed asset management plans.

A revaluation of assets during FYE 2023 will likely result in increased asset replacement values. This will increase the annual funding required to support the replacement of assets.

While the needs of the asset management plans will continue to guide the funding allocation for renewal and upgrade works for the annual budget, specific funding allocations for renewal works will also be informed by Council's precinct plans.

Principle 2 – Continue to review assets with proceeds being reinvested into the City and community

Council has a responsibility to continuously review its assets and identify any that are surplus to its needs.

The sale of surplus assets includes plant and fleet, buildings and land.

To guide this process, Council continuously reviews its plant and fleet holdings to identify under-utilised assets.

Funds received from land sale proceeds are to be reinvested, in line with our Disposal of Land and Assets and Acquisition of Land Policy, into community assets.

During FYE21 Council received a Building Optimisation Internal Audit Report. The purpose of the audit was to review Council's building portfolio to assess the utilisation, functionality and condition to inform future decisions relating to the renewal and enhancement of the asset portfolio.

Amongst a number of recommendations, the report concluded that many of Council's Community facilities are approaching the end of their serviceable life or no longer meet the needs of our community (such as inclusive access). The intention will be to rationalise and replace these buildings over the next decade. It is proposed that those buildings identified for renewal will not be replaced like for like.

Principle 3 – Maintaining debt within the targeted range of 25%-35% over the life of the plan

Council has had a target to maintain the net financial liabilities ratio to between 25% and 35% over the period of the Long-Term Financial Plan.

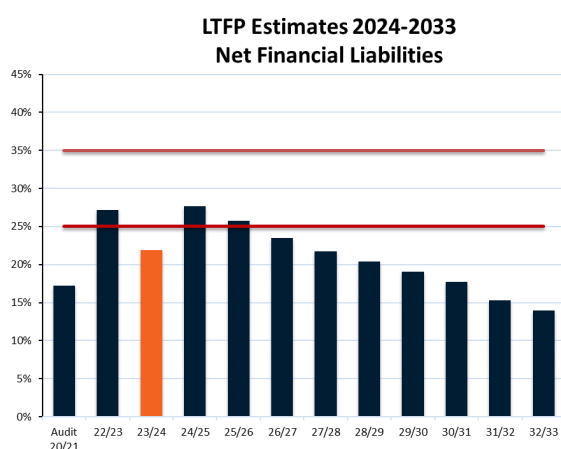
The funding of the Strategic Buildings program will continue into 2024 and 2025 with expenditure being incurred over these years. This expenditure will not increase the net financial liabilities to increase above the target range.

Council will continue to invest in the renewal and enhancement of infrastructure for the community. The LTFP will make provisions for these investments over the forward estimates while maintaining the net financial liabilities within the target range.

Assuming a rate increase (excluding growth) in line with CPI over the period of the LTFP, we believe this goal is achievable over the term of the plan with further investment in the out years of the plan.

In accordance with this principle, any decision to invest in additional infrastructure by borrowing above the considerations already included in the LTFP would be subject to a commitment to reinstate the net financial liabilities ratio to the targeted range within the next three- year period. In the event that Council seeks to achieve this goal earlier, without significantly impacting on services or service levels, a higher general rate increase would be required in the short term.

- Introduce technology that enables service and functions to be performed with greater efficiency.
- Undertaking continuous improvement initiatives, including service reviews, to ensure that services are delivered to the community promptly, sustainably and effectively.
- Quarterly reporting to Council on the continuous improvement initiatives completed
- Making procurement savings through collective buying arrangements.



Principle 4 – Retaining tight constraints on operating expenditure

There are several economic factors impacting Council's operating expenditure estimates within the LTFP including energy prices, the labour market and inflation.

Council will continue to review all services to ensure that it adheres to its projected expenditure and continues to deliver value for money services. To facilitate this, a sustainable framework for the review of all services and programs to ensure community value and alignment with Council's Vision and Strategic and Organisational Plans has been established.

The Council has the Community Value Program which is designed to review services for efficiencies and better alignment of services to the current and future needs of community.

Council will continue to implement the following key strategies to retain tight constraints on operating expenditure. These include:

- Reducing employee costs by managing vacancies.

Principle 5 – Ensuring that the capital works program retains a level of funding for new works and enhancements to community infrastructure (e.g. new footpaths, community buildings and reserve upgrades)

In assessing proposals for new capital works, Council will consider:

- Alignment with the Strategic Plan
- Precinct Plans, including Modbury and Tea Tree Gully
- Master Plan Implementation
- Main Roads and Gateways
- Current state of operating surplus or deficit
- Any additional costs for depreciation, maintenance or

interest on borrowings

- Impact on overall operating surplus or deficit
- Any need to increase Council rates to fund new work and the development of a works depot and associated costs
- The age, life expectancy, suitability and service potential of any asset to be replaced
- The discounted cash flow analysis, where appropriate.

To ensure Council is in a position to partner with the State Government to deliver on master plan objectives in the future, capacity has been incorporated in the revised LTFP in the later years. This capacity will be achieved through an annual uplift in planned expenditure on new assets.

Key considerations and assumptions

In addition to the guiding principles, Council has considered other factors in the updated LTFP. These include:

- The impact of current economic conditions such as CPI, utility costs and a tightening within labour market
- Price increase across the construction sector in the range of 25%, impacting the current and future capital works program
- Changing community expectations and trends
- Other legislative changes.

As the impact of these factors is unknown at this stage, the LTFP will be updated as information becomes available.

A material amendment to the LTFP is the total income and expenditure for the Community Waste Water Management has been removed from the LTFP. This is due to the Labor government's election commitment that all CWMS customers were transitioned to SA Water from 1st July 2022.

Key revenue assumptions

General Council rate income is forecast to increase by 6.0% (FYE 2023) in the first and reducing in the subsequent years. Growth is forecast to be 1.0% per annum for FYE 2023.

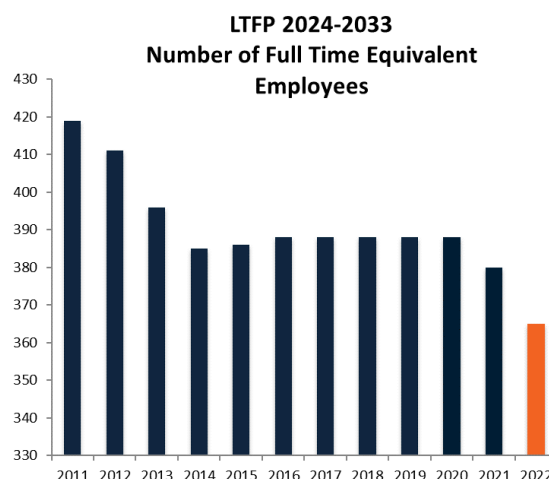
The rate rise is in line with the October 2022 CPI of 6.9%.

It is proposed that any additional rate revenue from growth or rates increases be directed towards the increases in expenditure due to current levels of inflation, increases in utilities and contracts.

Other revenues are forecast to fluctuate in line with cost base increases or decreases.

Key expenditure assumptions

Employee costs are forecast to increase in line with the enterprise agreement, with the FTE reducing due to business restructures.



Through the introduction of technology to promote efficiency, the growth in employee costs will be limited to genuine labour market increases. Initiatives will be progressed that focus on promoting efficiency in delivering value to community.

Labour market

The wage price index (WPI) is increasing higher than the RBA forecast due to accelerating growth in the labour market. Currently there is a tighter labour market with demand for skilled labour higher than supply, resulting in wage growth beyond forecast. This continued growth would indicate that interest rates may continue to rise to help curb the inflation increase.

Energy Prices

A significant increase in electricity is expected in the coming years. The energy market is increasing higher than forecast as the cost of producing energy continues to rise. Investment in renewable energy in South Australia is not mature enough to shield us from these cost pressures. The Australian Federal Budget highlights approximately a 56% increase in consumer energy bills in 2023.

Inflation

The Annual Consumer Price Index (CPI) continues to rise in Australia. Over the 12 months to October 2022 CPI

rose 6.9%. This is considerably higher than the RBA target inflation range which the LTFP has been based on in prior years at 2 to 3% on average. This increase is predominately due to the supply market putting pressure on the cost of goods, for example the cost of fuel.

Interest Rates

The RBA rose rates by 0.25% to 2.85% in November. This was the seventh consecutive hike in a row, and the highest it has been since May 2013. In the accompanying statement the RBA outlined that inflation remains 'too high' and that the 0.25% hike decision was done in the outlook of an uncertain environment, providing 'time to assess the effects of the increases to date and the evolving economic outlook'. The RBA expects that rates will increase further, and most major banks predict a peak in the cash rate of 3.60% by May 2023, significantly lower than the approximate 4% priced in by interest rate futures markets.

Other expenses are forecast to increase in line with the Consumer Price Index (CPI) and changed service delivery models. Unforeseen increases may be absorbed through our continuation of tight restraint on operating expenditure.

Financing expenses will remain consistent to the previous years in FYE 2024 based on the current borrowing expectations. They are then predicated to increase due to the rising interest rates. This will need to be monitored throughout the year depending on the interest rate increases. Currently an average interest rate over the medium term has been used for finance expense projections.

Depreciation is forecast to increase from \$17.4m to \$21.7m over the 10-year life of the plan and in line with Council's consumption-based depreciation (CBD) methodology in which less depreciation is calculated at the beginning and then increases over the life span of the asset.

Key Capital Works Program Expenditure

Renewal Expenditure

Council's Infrastructure Asset Management Plans inform the planned expenditure on the renewal of assets. The combined average annual renewal expenditure identified in the asset management plans is \$17.4m.

The table below outlines the renewal expenditure required over the next three years and is aligned to the asset management plans. Variations to the Asset Management Plans reflect updated asset condition audit information.

2024-26 LTFP Capital Works Program - Forward Estimates

Category Code	Category Description	FY2024 New Budget	FY2024 Renewal Budget	FY2024 Net Budget	FY2025 New Budget	FY2025 Renewal Budget	FY2025 Net Budget	FY2026 New Budget	FY2026 Renewal Budget	FY2026 Net Budget
PP001	Road Reconstruction / Renovation	-	2,100	2,100	-	2,100	2,100	-	2,100	2,100
PP002	Road Resealing	-	1,000	1,000	-	1,100	1,100	-	1,100	1,100
PP003	Roads to Recovery	-	700	700	-	700	700	-	700	700
PP004	Re-Sheeting Unsealed Roads	-	40	40	-	40	40	-	40	40
PP005	New Footpath and DDA Upgrades	1,030	-	1,030	1,030	-	1,030	1,030	-	1,030
PP007	Unsealed Footpaths	-	400	400	-	400	400	-	400	400
PP010	Lighting	500	-	500	350	-	350	500	-	500
PP011	Water and Drainage	-	1,250	1,250	-	1,250	1,250	-	1,250	1,250
PP014	Traffic Management and Signage	100	420	520	100	420	520	100	420	520
PP016	Open Space - Sporting, Park and Playground Upgrade:	500	1,150	1,650	-	1,650	1,650	-	1,150	1,150
PP018	City Beautification Works	1,104	2,500	3,604	-	2,000	2,000	-	3,000	3,000
PP019	Capital Buildings Renewal	-	1,165	1,165	-	1,165	1,165	-	1,165	1,165
PP020	Capital Buildings New/Upgrades	23,011	1,000	24,011	19,622	1,000	20,622	4,600	1,000	5,600
PP022	Environmental Projects	200	-	200	150	-	150	150	-	150
PP025	Information Technology	-	1,700	1,700	-	1,930	1,930	-	1,930	1,930
PP026	Other	-	4,000	4,000	-	4,000	4,000	-	4,000	4,000
Total Capital Works Program 2024-26		26,445	17,425	43,870	21,252	17,755	39,007	6,380	18,255	24,635

New Assets

Planned expenditure on new assets has been increased in line with the Strategic Building Program, detailed below, expected funding timelines. This expenditure is offset with grant and club contribution income to be received. This results in the total new asset allocation being \$26.4m in FYE 24 and \$21.2m in FYE 25.

Strategic Project Funding Strategy								
Project		FYE 21/22 Actual	FYE 22/23 Draft Budget	FYE 23/24 Forecast	FYE 24/25 Forecast	Total	% Funding Split	Control Total
		\$'000	\$'000	\$'000	\$'000	\$'000	%	\$'000
Harpers Field								
CTTG Contribution		165	2,054	3,781		6,000	50.0%	6,000
Grant Funding	State - LGIPP	-	2,310	3,690		6,000	50.0%	6,000
Club Contribution - TBA								
Total Project Cost		165	4,364	7,471	-	12,000		12,000
Tilley Recreation Park								
CTTG Contribution		13	295	1,800	1,142	3,250	34.0%	3,250
Grant Funding	State - Election		600	3,150	1,000	4,750	49.7%	4,750
Grant Funding	State - OSR		-	-	1,500	1,500	15.7%	1,500
Club Contribution					50	50	0.5%	50
Total Project Cost		13	895	4,950	3,692	9,550		9,550
Modbury Sporting Club - Clubroom Building								
CTTG Contribution		15	455	655		1,125	22.5%	1,125
Grant Funding	State - OSR	-	750	625		1,375	27.5%	1,375
Grant Funding	State - Election	-	95	2,405		2,500	50.0%	2,500
Club Contribution - Not Required				-		-	0.0%	-
Total Project Cost		15	1,300	3,685	-	5,000		5,000
Tea Tree Gully Gymsports								
CTTG Contribution			300	1,280	1,920	3,500	48.6%	3,500
Grant Funding	State - Election			1,400	2,100	3,500	48.6%	3,500
Club Contribution					200	200	2.8%	200
Total Project Cost		-	300	2,680	4,220	7,200		7,200
Tea Tree Gully Tennis Club								
CTTG Contribution			300	940	1,410	2,650	48.2%	2,650
Grant Funding	State - Election			1,100	1,650	2,750	50.0%	2,750
Club Contribution					100	100	1.8%	100
Total Project Cost		-	300	2,040	3,160	5,500		5,500
Banksia Park Sports Area Master Plan								
CTTG Contribution				-	-	-	0%	-
Grant Funding	State - Election		75	75	-	150	100%	150
Club Contribution						-	0%	-
Total Project Cost		-	75	75	-	150		150
Golden Grove Central Districts Baseball Club								
CTTG Contribution				180	-	180	50%	180
Grant Funding	State - Election			180	-	180	50%	180
Club Contribution						-	0%	-
Total Project Cost		-	-	360	-	360		360
Hope Valley Sporting Club								
CTTG Contribution				-	-	-	0%	-
Grant Funding	State - Election		1,200	-	-	1,200	100%	1,200
Club Contribution						-	0%	-
Total Project Cost		-	1,200	-	-	1,200		1,200
Sportsfield Lighting - SADNA & Golden Grove Tennis Club								
CTTG Contribution		-	375			375	50.0%	375
Grant Funding			375			375	50.0%	375
Club Contribution - TBA						-		-
Total Project Cost		-	750	-	-	750		750
Total Project Expenditure		193	9,184	21,262	11,073	41,710		41,710
Summary of funding contributions								
		FYE 21/22 Budget	FYE 22/23 Draft Budget	FYE 23/24 Forecast	FYE 24/25 Forecast	Total	% Funding Split	
		\$'000	\$'000	\$'000	\$'000	\$'000	%	
Total CTTG Contribution		193	3,779	8,636	4,472	17,080	40.9%	
Total Grant Funding		-	5,405	12,625	6,250	24,280	58.2%	
Total Club Contribution		-	-	-	350	350	0.8%	

Summary of Updated Draft Long Term Financial Plan for FYE 2023 to 2032

Date modified: 30 December 2022																									
Year Ended 30 June:			2022	2023		2024		2025		2026		2027		2028		2029		2030		2031		2032		2033	
			Actual	Revised		Plan		Plan		Plan		Plan		Plan		Plan		Plan		Plan		Plan		Plan	
			Audit	Budget		Year 1		Year 2		Year 3		Year 4		Year 5		Year 6		Year 7		Year 8		Year 9		Year 10	
			\$(’000)	\$(’000)		\$(’000)		\$(’000)		\$(’000)		\$(’000)		\$(’000)		\$(’000)		\$(’000)		\$(’000)		\$(’000)		\$(’000)	
INCOME																									
Rates	A		85,972	85,461	-0.6%	91,443	7.0%	95,833	4.8%	99,954	4.3%	103,752	3.8%	107,695	3.8%	110,387	2.5%	113,147	2.5%	115,976	2.5%	118,875	2.5%	121,847	2.5%
Statutory Charges	C		2,290	2,729	19.2%	2,865	5.0%	2,951	3.0%	3,049	3.3%	3,140	3.0%	3,234	3.0%	3,293	1.8%	3,352	1.8%	3,412	1.8%	3,474	1.8%	3,536	1.8%
User Charges	D		3,451	4,084	18.3%	4,288	5.0%	4,404	2.7%	4,523	2.7%	4,645	2.7%	4,770	2.7%	4,899	2.7%	5,032	2.7%	5,167	2.7%	5,307	2.7%	5,450	2.7%
Grants, subsidies, contributions	E		8,832	5,831	-34.0%	6,565	12.6%	6,638	1.1%	6,711	1.1%	6,785	1.1%	6,859	1.1%	6,935	1.1%	7,011	1.1%	7,088	1.1%	7,166	1.1%	7,245	1.1%
Investment Income	F		52	20	-61.5%	20	0.0%	20	0.0%	20	0.0%	20	0.0%	20	0.0%	20	0.0%	20	0.0%	20	0.0%	20	0.0%	20	0.0%
Reimbursements/other revenue	G		2,071	1,877	-9.4%	1,882	0.2%	1,932	2.7%	1,985	2.7%	2,038	2.7%	2,093	2.7%	2,150	2.7%	2,208	2.7%	2,267	2.7%	2,329	2.7%	2,391	2.7%
Total Revenues			102,668	100,002	-2.6%	107,064	7.1%	111,779	4.4%	116,241	4.0%	120,380	3.6%	124,672	3.6%	127,683	2.4%	130,769	2.4%	133,931	2.4%	137,170	2.4%	140,490	2.4%
EXPENSES																									
Employee costs	J		35,712	37,694	5.5%	39,390	4.5%	40,572	3.0%	41,789	3.0%	43,043	3.0%	44,334	3.0%	45,442	2.5%	46,578	2.5%	47,743	2.5%	48,936	2.5%	50,160	2.5%
Materials, contracts & other expenses	K		40,378	40,399	0.1%	43,728	8.2%	46,094	5.4%	48,564	5.4%	50,295	3.6%	53,093	5.6%	54,420	2.5%	55,781	2.5%	57,176	2.5%	58,605	2.5%	60,070	2.5%
Depreciation	L		17,221	16,991	-1.3%	17,416	2.5%	17,851	2.5%	18,297	2.5%	18,755	-100.0%	19,224	2.5%	19,704	2.5%	20,197	2.5%	20,702	2.5%	21,219	2.5%	21,750	2.5%
Finance Costs	M		372	550	47.8%	550	0.0%	1,050	-28.2%	1,000	-4.8%	950	-5.0%	950	0.0%	950	0.0%	850	-10.5%	800	-5.9%	700	-12.5%	600	-14.3%
Loss - Joint Ventures	N		0	-	0.0%	0		-		0		-		0		-		0		0		0		0	
Total Expenses			93,683	95,634	2.1%	101,084	5.7%	105,567	4.4%	109,651	3.9%	113,043	3.1%	117,601	4.0%	120,517	2.5%	123,406	2.4%	126,421	2.4%	129,461	2.4%	132,580	2.4%
OPERATING SURPLUS/(DEFICIT) BEFORE CAPITAL AMOUNTS			8,985	4,368		5,980		6,211		6,590		7,337		7,071		7,167		7,363		7,510		7,709		7,910	
Net gain/(loss) on disposal or revaluations	P		(4,393)	542		3,392		-		0		-		0		-		0		0		0		0	
Amounts specifically for new assets or upgraded assets	Q		4,411	13,697		19,996		6,600		0		-		0		-		0		0		0		0	
Physical resources free of charge	R		157	-		0		-		0		-		0		-		0		0		0		0	
NET SURPLUS/(DEFICIT)			9,160	18,607		29,368		12,811		6,590		7,337		7,071		7,167		7,363		7,510		7,709		7,910	
			2022	2023		2024		2025		2026		2027		2028		2029		2030		2031		2032		2033	
Opening Borrowings		P																							
Renewal Works	R		11,015	13,103		10,955		13,505		17,455		17,955		18,455		18,955		19,455		19,955		20,455		20,955	
New Works	S		8,868	18,361		26,445		21,252		6,380		6,540		6,670		6,804		6,940		7,079		5,756		7,399	
Total Capital works (Net)		T	19,883	31,464		37,400		34,757		23,835		24,495		25,125		25,759		26,395		27,034		26,211		28,354	
Less Depreciation		U	17,221	16,991		17,416		17,851		18,297		18,755		19,224		19,704		20,197		20,702		21,219		21,750	
Yearly Borrowings without Operating Surplus and Asset sales increase/(reduction)		V	2,662	14,473		19,984		16,906		5,538		5,740		5,902		6,054		6,198		6,332		4,991		6,605	
Net Asset Sales - Debt Reduction		W				-																			
Net Asset Sales - Capital Works (included in CMP program)		X	-	-		4,530		-		-		-		-		-									
Borrowings after proceeds from asset sales			2,662	14,473		15,454		16,906		5,538		5,740		5,902		6,054		6,198		6,332		4,991		6,605	
Operating Surplus		Y	8,985	4,368		5,980		6,211		6,590		7,337		7,071		7,167		7,363		7,510		7,709		7,910	
Fiscal Balance (Surplus Cash/Reduction in borrowings)/ Increase in borrowings		Z	(6,323)	10,105		9,474		10,694		(1,053)		(1,598)		(1,170)		(1,112)		(1,165)		(1,179)		(2,718)		(1,305)	
Capital works funding gap		A.1	(6,323)	10,105		9,474		10,694		(1,053)		(1,598)		(1,170)		(1,112)		(1,165)		(1,179)		(2,718)		(1,305)	
Assets sales plus operating surplus		A.2	8,985	4,368		10,510		6,211		6,590		7,337		7,071		7,167		7,363		7,510		7,709		7,910	
Closing Borrowings		A.1	-	2,083		11,557		22,252		21,199		19,601		18,431		17,319		16,154		14,975		12,257		10,952	
Net Financial Liabilities (including Land Sales)		A.2	17,654	27,133		23,419		30,964		29,911		28,313		27,143		26,031		24,866		23,687		20,969		19,664	
Net Financial Liabilities Ratio (Including Land Sales and inventory)		A.3	17.20%	27.13%		21.87%		27.70%		25.73%		23.52%		21.77%		20.39%		19.02%		17.69%		15.29%		14.00%	
Net Financial Liabilities (Excluding land Sales including inventory)		A.4	18,166	28,271		23,419		30,964		29,911		28,313		27,143		26,031		24,866		23,687		20,969		19,664	
Net Financial Liabilities Ratio (Excluding land Sales)		A.5	18%	28%		22%		28%		26%		24%		22%		20%		19%		18%		15%		14%	
Asset Sustainability Ratio		A.7	95%	161%		100%		99%		100%		100%		100%		100%		100%		100%		100%		100%	
Operating Surplus Ratio		A.8	10%	5%		6%		6%		6%		6%		6%		6%		6%		6%		6%		6%	
Fiscal Balance Ratio		A.9	7%	-11%		-9%		-10%		1%		1%		1%		1%		1%		1%		2%		1%	

City of Tea Tree Gully																							
ESTIMATED INCOME STATEMENT																							
Date modified: 30 December 2022																							
Year Ended 30 June:	2022 Actual Audit \$('000)	2023 Revised Budget \$('000)		2024 Plan Year 1 \$('000)		2025 Plan Year 2 \$('000)		2026 Plan Year 3 \$('000)		2027 Plan Year 4 \$('000)		2028 Plan Year 5 \$('000)		2029 Plan Year 6 \$('000)		2030 Plan Year 7 \$('000)		2031 Plan Year 8 \$('000)		2032 Plan Year 9 \$('000)		2033 Plan Year 10 \$('000)	
INCOME																							
Rates	85,972	85,461	-0.6%	91,443	7.0%	95,833	4.8%	99,954	4.3%	103,752	3.8%	107,695	3.8%	110,387	2.5%	113,147	2.5%	115,976	2.5%	118,875	2.5%	121,847	2.5%
Statutory Charges	2,290	2,729	19.2%	2,865	5.0%	2,951	3.0%	3,049	3.3%	3,140	3.0%	3,234	3.0%	3,293	3.0%	3,352	1.8%	3,412	1.8%	3,474	1.8%	3,536	1.8%
User Charges	3,451	4,084	18.3%	4,288	5.0%	4,404	2.7%	4,523	2.7%	4,645	2.7%	4,770	2.7%	4,899	2.7%	5,032	2.7%	5,167	2.7%	5,307	2.7%	5,450	2.7%
Grants, Subsidies and Contributions	8,832	5,831	-34.0%	6,565	12.6%	6,638	1.1%	6,711	1.1%	6,785	1.1%	6,859	1.1%	6,935	1.1%	7,011	1.1%	7,088	1.1%	7,166	1.1%	7,245	1.1%
Investment Income	52	20	-61.5%	20	0.0%	20	0.0%	20	0.0%	20	0.0%	20	0.0%	20	0.0%	20	0.0%	20	0.0%	20	0.0%	20	0.0%
Reimbursements/Other Revenue	2,071	1,877	-9.4%	1,882	0.2%	1,932	2.7%	1,985	2.7%	2,038	2.7%	2,093	2.7%	2,150	2.7%	2,208	2.7%	2,267	2.7%	2,329	2.7%	2,391	2.7%
Total Revenues	102,668	100,002	-2.6%	107,064	7.1%	111,779	4.4%	116,241	4.4%	120,380	4.0%	124,672	3.6%	127,683	3.6%	130,769	2.4%	133,931	2.4%	137,170	2.4%	140,490	2.4%
EXPENSES																							
Employee Costs	35,712	37,694	5.5%	39,390	4.5%	40,572	3.0%	41,789	3.0%	43,043	3.0%	44,334	3.0%	45,442	2.5%	46,578	2.5%	47,743	2.5%	48,936	2.5%	50,160	2.5%
Materials, Contracts & Other Expenses	40,378	40,399	0.1%	43,728	8.2%	46,094	5.4%	48,564	5.4%	50,295	3.6%	53,093	5.6%	54,420	2.5%	55,781	2.5%	57,176	2.5%	58,605	2.5%	60,070	2.5%
Depreciation, Amortisation & Impairment	17,221	16,991	-1.3%	17,416	2.5%	17,851	2.5%	18,297	2.5%	18,755	2.5%	19,224	2.5%	19,704	2.5%	20,197	2.5%	20,702	2.5%	21,219	2.5%	21,750	2.5%
Finance Costs	372	550	47.8%	550	0.0%	1,050	90.9%	1,000	-4.8%	950	-5.0%	950	0.0%	950	0.0%	850	-10.5%	800	-5.9%	700	-12.5%	600	-14.3%
Total Expenses	93,683	95,634	3.9%	101,084	5.7%	105,567	4.4%	109,651	4.4%	113,043	3.9%	117,601	3.1%	120,517	4.0%	123,406	2.5%	126,421	2.4%	129,461	2.4%	132,580	2.4%
OPERATING SURPLUS/(DEFICIT) BEFORE CAPITAL AMOUNTS	8,985	4,368		5,980		6,211		6,590		7,337		7,071		7,167		7,363		7,510		7,709		7,910	
Net Gain/(Loss) on Disposal or Revaluation of Assets	(4,393)	542		3,392		0		0		0		0		0		0		0		0		0	
Amounts specifically for New or Upgraded Assets	4,411	13,697		19,996		6,600		0		0		0		0		0		0		0		0	
Physical Resources Receive Free of Charge	157	0		0		0		0		0		0		0		0		0		0		0	
NET SURPLUS/(DEFICIT)	9,160	18,607	0	29,368	0	12,811	0	6,590		7,337		7,071		7,167		7,363		7,510		7,709		7,910	

City of Tea Tree Gully Date modified: 30 December 2022 ESTIMATED BALANCE SHEET												
Year Ended 30 June:	2022 Actual Audit \$('000)	2023 Revised Budget \$('000)	2024 Plan Year 1 \$('000)	2025 Plan Year 2 \$('000)	2026 Plan Year 3 \$('000)	2027 Plan Year 4 \$('000)	2028 Plan Year 5 \$('000)	2029 Plan Year 6 \$('000)	2030 Plan Year 7 \$('000)	2031 Plan Year 8 \$('000)	2032 Plan Year 9 \$('000)	2033 Plan Year 10 \$('000)
ASSETS												
Current Assets												
Cash & Equivalent Assets	8,432	410	535	663	796	932	1,073	1,217	1,366	1,520	1,678	1,841
Trade & Other Receivables	4,690	4,653	4,793	4,936	5,084	5,237	5,394	5,556	5,723	5,894	6,071	6,253
Investments & Other Financial Assets	0	0	0	0	0	0	0	0	0	0	0	0
Inventories	43	43	43	43	43	43	43	43	43	43	43	43
Sub-total	13,165	5,106	5,370	5,643	5,923	6,212	6,510	6,816	7,132	7,457	7,792	8,137
Non-current assets held for sale	512	1,138	0	0	0	0	0	0	0	0	0	0
Total Current Assets	13,677	6,244	5,370	5,643	5,923	6,212	6,510	6,816	7,132	7,457	7,792	8,137
Non-Current Assets												
Infrastructure, Property, Plant & Equipment	1,652,411	1,718,613	1,730,625	1,771,857	1,777,395	1,783,134	1,789,036	1,795,090	1,801,288	1,807,620	1,812,611	1,819,215
Financial Assets	0	0	0	0	0	0	0	0	0	0	0	0
Other Non-Current Assets (Work in Progress)	8,598	13,560	27,202	6,326	6,326	6,326	6,326	6,326	6,326	6,326	6,326	6,326
Total Non-Current Assets	1,661,009	1,732,173	1,757,827	1,778,183	1,783,721	1,789,460	1,795,362	1,801,416	1,807,614	1,813,946	1,818,937	1,825,541
Total Assets	1,674,686	1,738,417	1,763,198	1,783,826	1,789,644	1,795,672	1,801,871	1,808,232	1,814,746	1,821,403	1,826,729	1,833,678
LIABILITIES												
Current Liabilities												
Trade & Other Payables	26,326	8,813	9,077	9,350	9,630	9,919	10,217	10,523	10,839	11,164	11,499	11,844
Revenue Received in Advance		17,476	3,150									
Borrowings	0	0	0	0	0	0	0	0	0	0	0	0
Provisions	4,455	4,455	4,455	4,455	4,455	4,455	4,455	4,455	4,455	4,455	4,455	4,455
Sub-total	30,781	30,744	16,682	13,805	14,085	14,374	14,672	14,978	15,294	15,619	15,954	16,299
Liabilities Relating to Non-Current Assets held for sale	0	0	0	0	0	0	0	0	0	0	0	0
Total Current Liabilities	30,781	30,744	16,682	13,805	14,085	14,374	14,672	14,978	15,294	15,619	15,954	16,299
Non-Current Liabilities												
Borrowings	0	2,083	11,557	22,252	21,199	19,601	18,431	17,319	16,154	14,975	12,257	10,952
Provisions	507	507	507	507	507	507	507	507	507	507	507	507
Total Non-Current Liabilities	507	2,590	12,064	22,759	21,706	20,108	18,938	17,826	16,661	15,482	12,764	11,459
Total Liabilities	31,288	33,334	28,747	36,563	35,791	34,482	33,610	32,804	31,955	31,101	28,718	27,758
NET ASSETS	1,643,398	1,705,083	1,734,451	1,747,262	1,753,853	1,761,190	1,768,262	1,775,428	1,782,791	1,790,301	1,798,010	1,805,920
EQUITY												
Accumulated Surplus	414,151	432,758	462,126	474,937	481,528	488,865	495,937	503,103	510,466	517,976	525,685	533,595
Asset Revaluation Reserve	1,228,960	1,272,038	1,272,038	1,272,038	1,272,038	1,272,038	1,272,038	1,272,038	1,272,038	1,272,038	1,272,038	1,272,038
Other Reserves	287	287	287	287	287	287	287	287	287	287	287	287
TOTAL EQUITY	1,643,398	1,705,083	1,734,451	1,747,262	1,753,853	1,761,190	1,768,262	1,775,428	1,782,791	1,790,301	1,798,010	1,805,920

City of Tea Tree Gully												
Date modified: 30 December 2022												
ESTIMATED CASH FLOW STATEMENT												
Year Ended 30 June:	2022 Actual Audit \$('000)	2023 Revised Budget \$('000)	2024 Plan Year 1 \$('000)	2025 Plan Year 2 \$('000)	2026 Plan Year 3 \$('000)	2027 Plan Year 4 \$('000)	2028 Plan Year 5 \$('000)	2029 Plan Year 6 \$('000)	2030 Plan Year 7 \$('000)	2031 Plan Year 8 \$('000)	2032 Plan Year 10 \$('000)	2033 Plan Year 10 \$('000)
CASH FLOWS FROM OPERATING ACTIVITIES												
<u>Receipts</u>												
Operating and Investment Receipts	114,731	100,002	106,924	111,635	116,093	120,227	124,515	127,521	130,602	133,759	136,993	140,308
<u>Payments</u>												
Operating Payments to Suppliers and Employees	75,049	78,093	82,854	86,394	90,073	93,049	97,129	99,556	102,044	104,594	107,207	109,885
Finance Costs	372	550	550	1,050	1,000	950	950	950	850	800	700	600
Net Cash provided by (or used in) Operating Activities	39,310	21,359	23,521	24,191	25,020	26,229	26,436	27,016	27,709	28,366	29,087	29,823
CASH FLOWS FROM INVESTING ACTIVITIES												
<u>Receipts</u>												
Amounts Specifically for New/Upgraded Assets	4,411	13,697	5,670	3,450	0	0	0	0	0	0	0	0
Sale of Renewed/Replaced Assets	857	542	800	800	800	800	800	800	800	800	800	800
Sale of Surplus Assets	0	0	4,530	0	0	0	0	0	0	0	0	0
<u>Payments</u>												
Expenditure on Renewal/Replacement of Assets	(16,283)	(27,342)	(17,425)	(17,755)	(18,255)	(18,755)	(19,255)	(19,755)	(20,255)	(20,755)	(21,255)	(21,755)
Expenditure on New/Upgraded Assets	(8,868)	(18,361)	(26,445)	(21,252)	(6,380)	(6,540)	(6,670)	(6,804)	(6,940)	(7,079)	(5,756)	(7,399)
Net Cash Provided by (or used in) Investing Activities	(19,883)	(31,464)	(32,870)	(34,757)	(23,835)	(24,495)	(25,125)	(25,759)	(26,395)	(27,034)	(26,211)	(28,354)
CASH FLOWS FROM FINANCING ACTIVITIES												
<u>Receipts</u>												
Proceeds from Borrowings	0	2,083	9,474	10,694	0	0	0	0	0	0	0	0
Proceeds from Deposits	97											
<u>Payments</u>												
Repayments of Borrowings	(15,000)	0	0	0	(1,053)	(1,598)	(1,170)	(1,112)	(1,165)	(1,179)	(2,718)	(1,305)
Repayment of Finance Lease Liabilities	0	-	-	-	-	-	-	-	-	-	-	-
Net Cash provided by (or used in) Financing Activities	(14,903)	2,083	9,474	10,694	(1,053)	(1,598)	(1,170)	(1,112)	(1,165)	(1,179)	(2,718)	(1,305)
Net Increase/(Decrease) in cash held	4,524	(8,022)	125	129	132	136	140	145	149	153	158	163
Opening cash, cash equivalents or (bank overdraft)	3,908	8,432	410	535	663	796	932	1,073	1,217	1,366	1,520	1,678
Closing cash, cash equivalents or (bank overdraft)	8,432	410	535	663	796	932	1,073	1,217	1,366	1,520	1,678	1,841

City of Tea Tree Gully												
Date modified: 30 December 2022												
ESTIMATED STATEMENT OF CHANGES IN EQUITY												
Year Ended 30 June:	2022 Actual Audit \$('000)	2023 Revised Budget \$('000)	2024 Plan Year 1 \$('000)	2025 Plan Year 2 \$('000)	2026 Plan Year 3 \$('000)	2027 Plan Year 4 \$('000)	2028 Plan Year 5 \$('000)	2029 Plan Year 6 \$('000)	2030 Plan Year 7 \$('000)	2031 Plan Year 8 \$('000)	2032 Plan Year 9 \$('000)	2033 Plan Year 10 \$('000)
ACCUMULATED SURPLUS												
Balance at end of previous reporting period	403,419	414,151	432,758	462,126	474,937	481,528	488,865	495,937	503,103	510,466	517,976	525,685
Net Result for Year	9,160	18,607	29,368	12,811	6,590	7,337	7,071	7,167	7,363	7,510	7,709	7,910
Transfers from Other Reserves	1,572	0	0	0	0	0	0	0	0	0	0	0
Balance at end of period	414,151	432,758	462,126	474,937	481,528	488,865	495,937	503,103	510,466	517,976	525,685	533,595
ASSET REVALUATION RESERVE												
Balance at end of period	1,228,960	1,272,038	1,272,038	1,272,038	1,272,038	1,272,038	1,272,038	1,272,038	1,272,038	1,272,038	1,272,038	1,272,038
OTHER RESERVES												
Balance at end of previous reporting period	1,859	287	287	287	287	287	287	287	287	287	287	287
Transfers from Accumulated Surplus	0	0	0	0	0	0	0	0	0	0	0	0
Transfers to Accumulated Surplus	(1,572)	0	0	0	0	0	0	0	0	0	0	0
Balance at end of period	287	287	287	287	287	287	287	287	287	287	287	287
TOTAL EQUITY AT END OF REPORTING PERIOD	1,643,398	1,705,083	1,734,451	1,747,262	1,753,853	1,761,190	1,768,262	1,775,428	1,782,791	1,790,301	1,798,010	1,805,920

City of Tea Tree Gully Key Financial Indicators Date modified: 30 December 2022												
Year Ended 30 June:	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
	Actual	Revised	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan
	Audit	Budget	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)
Net Financial Liabilities including non current assets held for sale	17,654	27,133	23,419	30,964	29,911	28,313	27,143	26,031	24,866	23,687	20,969	19,664
Net Financial Liabilities excluding non current assets held for sale	18,166	28,271	23,419	30,964	29,911	28,313	27,143	26,031	24,866	23,687	20,969	19,664
Net Financial Liabilities Ratio including non current assets held for sale	17%	27%	22%	28%	26%	24%	22%	20%	19%	18%	15%	14%
Net Financial Liabilities Ratio excluding non current assets held for sale	18%	28%	22%	28%	26%	24%	22%	20%	19%	18%	15%	14%
Asset Sustainability Ratio	95%	161%	100%	99%	100%	100%	100%	100%	100%	100%	100%	100%
Operating Surplus Ratio	10%	5%	7%	6%	7%	7%	7%	6%	7%	6%	6%	6%
Fiscal Balance Ratio	7%	-11%	-9%	-10%	1%	1%	1%	1%	1%	1%	2%	1%
	Audit Dep'n 20/21	Budget 21/22	LTFP 22/23	LTFP 23/24	LTFP 24/25	LTFP 25/26	LTFP 26/27	LTFP 27/28	LTFP 28/29	LTFP 29/30	LTFP 30/31	LTFP 31/32
Renewal Works	17,221	16,991	17,416	17,851	18,297	18,755	19,224	19,704	20,197	20,702	21,219	21,750

INFORMATION REPORT
AUDIT COMMITTEE MEETING

07 December 2022

Strategy & Finance

First Quarter Budget Review for Financial Year Ending 30 June 2023
(D22/192792)

Council considered and endorsed the First Quarter Budget Review Report on 25 October 2022. This report is included as Attachment 1.

Council passed the following resolution on 25 October 2022:

12.4 Quarter One Budget Review for Financial Year Ending 30 June 2023
(D22/181774)

That Council adopts the Quarter One Budget Review for the period 1 July 2022 to 30 June 2023, as detailed in Attachment 1 of the report entitled “Quarter One Budget Review for Financial Year Ending 30 June 2023” and dated 25 October 2022 which reflects a revised forecast surplus of \$4.367m.

Attachments

1. [Quarter One Budget Review](#) 29

Report Authorisers

Rebecca Baines
Acting Manager Finance & Rating Operations 8397 7362

Justin Robbins
General Manager Strategy & Finance 8397 7444



REPORT FOR

COUNCIL MEETING

MEETING DATE

25 OCTOBER 2022

RECORD NO:

D22/181774

REPORT OF:

STRATEGY & FINANCE

TITLE:

**QUARTER ONE BUDGET REVIEW FOR FINANCIAL YEAR
ENDING 30 JUNE 2023****PURPOSE**

To consider Council's financial performance as at 30 September 2022 and to consider budget variations for the 2022-2023 financial year based on the most recent forecasts.

RECOMMENDATION

That Council adopts the Quarter One Budget Review for the period 1 July 2022 to 30 June 2023, as detailed in Attachment 1 of the report entitled "Quarter One Budget Review for Financial Year Ending 30 June 2023" and dated 25 October 2022 which reflects a revised forecast surplus of \$4.367m.

1. BACKGROUND

To comply with the requirements of the Local Government (Financial Management) Regulations 2011 under the Local Government Act 1999 (the 'Act') Regulation 9, the Budget Reviews, including the Quarter One Budget Review, have been scheduled to be undertaken as at 30 September (Quarter 1), 31 December (Quarter 2), 31 March (Quarter 3) and presented to the Council meetings scheduled in October 2022, March 2023 and May 2023.

Pursuant to section 123 (2)(b) of the Act, each budget review of Council prepared under the Act must, in order to ensure that a direct comparison can be made between the budget and actual outcomes, include the following documents:

- (a) a budgeted income statement, balance sheet, statement of changes of equity and statement of cash flow, presented in a manner consistent with the Model Financial Statements;
- (b) stating whether projected operating income is sufficient to meet projected operating expenses for the relevant financial year;
- (c) a summary of operating and capital investment activities presented in a manner consistent with the note in the Model Financial Statements entitled Uniform Presentation of Finances; and
- (d) estimating with respect to the Council's operating surplus ratio, asset sustainability ratio and net financial liabilities ratio. Presented in a manner consistent with the note in the Model Financial Statements entitled Financial Indicators.

Since the adoption of the 2022-2023 Annual Budget on the 5 July 2022, Council has resolved the following matters that have been included in the Quarter One Budget Review:

23 August 2022

12.2 2022-23 Blackspot Funding Deed for modifications to the roundabout at the intersection of Kelly Road and Wright Road, Modbury (D22/61363)

That Council enters into a funding agreement with the Commissioner of Highways, and the Mayor and Council's Chief Executive Officer be authorised to sign and affix Council's seal on the Funding Deed which is provided in Appendix 1 of the report titled "2022-23 Blackspot Funding Deed for modifications to the roundabout at the intersection of Kelly Road and Wright Road, Modbury" and dated 23 August 2022.

22.1. Playground and Reserve Upgrade Landscape Construction - Procurement

That having considered the report titled “Playground and Reserve Upgrade Landscape Construction – Procurement Status” and dated 23 August, 2022 that Council reallocates a total of \$208,413 to fund identified funding short falls at the Alicante, Verdant, Kaplan and Kingfisher Reserve projects and that the reallocation of funds include:

1. *Amending the Financial Year 2022-2023 Capital Works Program to allocate an additional \$208,414 to various playground related projects as follows:*
 - a. *\$17,970 to Alicante Reserve, Wynn Vale*
 - b. *\$67,186 to Verdant Reserve, Wynn Vale*
 - c. *\$70,196 to Kaplan Reserve, St Agnes*
 - d. *\$53,062 to Kingfisher Reserve, Modbury Heights*
2. *Amending the Financial Year 2022-2023 Capital Works Program to reallocate funding of \$208,414 from the contingency items described below to the nominated projects detailed in item 1:*
 - a. *\$120,000 from the line “Playgrounds – contingency funds”, and*
 - b. *\$88,414 from the line “Tree Screens – contingency funds”*

2. DISCUSSION

2.1 Analysis of financial performance as at 30 September 2023

2.1.1 Operating

As at 30 September 2022, the operating result is favourable by \$1.714m in comparison to the year to date budget. The year to date budget incorporates changes proposed for the Quarter One Budget Review. The favourable variance is represented by a year to date operating surplus of \$67.479m in comparison to the year to date budget of \$65.765m.

The following table provides a summary of the year to date key operating result in comparison to the year to date budget.

Table 1: YTD Statement of Comprehensive Income as at 30 September 2022

	FY2022 Actuals	YTD September Actuals	YTD September Budget	YTD September Variance Fav / (Unfav)
	\$'000	\$'000	\$'000	\$'000
INCOME				
Rates	85,972	85,441	85,332	109
Statutory Charges	2,290	604	682	(79)
User Charges	3,451	993	1,342	(349)
Grants & Subsidies	8,832	1,267	1,409	(142)
Investment Income	52	17	5	12
Reimbursements	93	12	18	(6)
Other Revenues	1,978	920	904	16
TOTAL INCOME	102,668	89,254	89,692	(438)
EXPENSES				
Employee Costs	35,712	9,395	9,723	328
Materials, Contracts & Other Expenses	40,378	8,260	10,019	1,759
Finance Charges	372	83	137	54
Depreciation	17,221	4,038	4,048	10
TOTAL EXPENSES	93,683	21,775	23,927	2,152
OPERATING SURPLUS / (DEFICIT)	8,985	67,479	65,765	1,714
Net Gain/(Loss) on Disposal or Revaluation of Assets	(4,393)	35	35	(0)
Capital Grants	4,277	1,885	1,885	0
Capital Contributions	134	1	0	1
Physical Resources Received Free of Charge	157	0	0	0
NET SURPLUS / (DEFICIT) RESULTING FROM OPERATIONS	9,160	69,400	67,685	1,715

2.1.2 Key Variances YTDSummary of Key Income Variances

- Rates income is favourable by \$109k due to a reduction in Discretionary Rebates
- Statutory Charges is unfavourable by \$79k due to a reduction in parking fines/expiations
- User Charges unfavourable by \$349k due to items listed below, but are mostly offset by reductions in Materials, Contracts and Other Expenses (MCO)
 - \$104k in Administration Fees due to occupancy not yet returned to pre-Covid levels
 - \$150k in Waterworld related due to the timing of the income budget.
- Grants & Subsidies income is unfavourable by \$142k due to timing in receipt of grant funding being received.

Summary of Key Expenditure Variances

- Employee Costs is favourable by \$328k due to vacant positions
- Materials, Contracts and Other expenditure is favourable by \$1.759m which is due to timing of contractor and materials payments, relating to; Verge Maintenance, Aquatic Programs & Recreation, Stormwater Management, and

Arboriculture. The timing of these budget lines has been adjusted to better reflect the anticipated expenditure.

- Finance Charges is favourable by \$54k due to reduced requirements on Borrowings.

2.2 Quarter One Budget Review

The First Quarter Budget Review has been developed to balance the budget and align with key financial principles, ensuring that any new operating or capital initiatives are funded, where possible, with no increase to Council's net financial liabilities.

The First Quarter Budget Review for the year ending 30 June 2023 forecasts a revised operating surplus of \$4.367m, which represents a decrease of \$81k compared to the Original Budget.

Table 2: Operational Surplus Movement Reconciliation

Net Operating Movements	\$'000s
Library Materials Expenditure (Carryover funds from 2021/22)	(52)
Minor Equipment Expenditure – Digital Hub (Grant received 2021/22)	(28)
Total Net Operating Movements	(81)

Table 3: First Quarter Proposed Budget Review in comparison to Original Budget

	FY2023 Original Budget	Proposed Budget	Variance to Original Budget
	\$'000	\$'000	\$'000
INCOME			
Rates	85,461	85,461	0
Statutory Charges	2,729	2,729	0
User Charges	4,040	4,084	44
Grants & Subsidies	5,803	5,831	27
Investment Income	20	20	0
Reimbursements	83	83	0
Other Revenues	1,709	1,794	85
TOTAL INCOME	99,846	100,002	156
EXPENSES			
Employee Costs	37,689	37,694	5
Materials, Contracts & Other Expenses	40,167	40,399	232
Finance Charges	550	550	0
Depreciation	16,991	16,991	0
TOTAL EXPENSES	95,398	95,635	237
OPERATING SURPLUS / (DEFICIT)	4,448	4,367	(81)
Net Gain/(Loss) on Disposal or Revaluation of Assets	504	542	38
Capital Grants	17,018	13,277	(3,741)
Capital Contributions	90	420	330
Physical Resources Received Free of Charge	0	0	0
NET SURPLUS / (DEFICIT) RESULTING FROM OPERATIONS	22,060	18,607	(3,454)

Summary of Key Income Adjustments**User Charges**

- An increase of \$44k due to funding for Education and Compliance Training, this is offset by a corresponding reduction in the Materials, Contracts & Other Expenses.

Grants & Subsidies

- An increase of \$27k due to grants being received, the increase in income has been offset by corresponding expenditure in Materials, Contracts and Other Expenses.

Other Revenues

- There has been an increase of \$85k due to the receipt of Income Protection Insurance which offset by corresponding expenditure in Materials, Contracts and Other Expenses.

Summary of Key Expenditure Adjustments**Materials, Contracts & Other Expenses**

- Verge maintenance expenditure has been increased by \$80k. This budget increase will allow 5 cuts rather than the budgeted 4.4 cuts per year. This is required following an unprecedented verge cutting season as a result of a wet winter and spring. This increase has been offset with a reduced water expenditure with the increase in rainfall for the quarter.
- An increase of \$44k due to expenditure relating to Education and Compliance training, this is offset by the corresponding increase in User Charges.
- An increase of \$27k due to the expenditure relating to grants received, this is offset by the corresponding increase in Grants & Subsidies.
- An increase of \$85k due to the Other – Insurance Recovery relating to Income Protection Insurance, this is offset by Other Revenues.
- An increase of \$52k relating to Library Materials Expenditure, this relates to carryover funding from 2021/22.
- An increase of \$28k relating to Minor Equipment for the Digital Hub, this expenditure was offset by grant funding that was received in 2021-22.

Summary of Statement of Financial Position Adjustments**Long Term Borrowings**

- Decrease of \$19.2m due to Grant funding received during 2021-22 that is not expected to be used for major projects until the financial year 2023-24, this is offset by an increase in Revenue Received in Advance which is included in Trade & Other Payables.

2021-22 Savings

In the 2021-2022 financial year savings of \$2.8m were achieved. These savings have not been included in the Quarter One budget review but will be incorporated into the revised Long-Term Financial Plan to support the delivery of the Strategic Building Projects which are experiencing cost estimates increases above the original forecasts.

2.3 Capital Works Program

The following table represents the proposed changes for the Quarter One Budget Review.

Table 4: Capital Works Program Summary of Changes

Capital Works Summary	Revenue \$'000s	Expenditure \$'000s	Net \$'000s
Original Budget	17,612	51,079	33,467
Adjustment from Operating	-	-	-
Carry Overs from 2021/22	2,457	3,532	1,075
Quarter One Budget Review Adjustments	(5,830)	(8,908)	(3,078)
Proposed Quarter One Budget Review	14,239	45,704	31,464

For a breakdown of the Quarter One Budget Review Adjustments see Table 5 below.

2.3.1 Capital Works Program Adjustments

It is proposed to decrease project expenditure by \$5.375m, from \$51.079m to \$45.704m.

This is as a result of:

- The inclusion of funding for 2021-22 Carry Forward Projects which were not completed in FYE 22 (**Attachment 2**).
- A decrease due to the transfer of funding for the Strategic Building Projects into future financial years. These strategic buildings projects impacted are Harpers Field Community Building and Sporting Clubroom, Modbury Sporting Clubroom and Changeroom and Tilley Recreational Park Clubroom and Changeroom.

During the Quarter One period, Council also passed one resolution reallocating funds from one project to others, the result of this is no change to the total program.

Table 5: Summary of Quarter One Budget Review Capital Program Adjustments

Quarter One Budget Review Adjustments	Revenue Proposed Q1 Budget Adjustment	Expenditure Proposed Q1 Budget Adjustment	Net
	\$'000	\$'000	\$'000
Asset Management Plan Renewals - Recreational Building	86	86	-
Banksia Park Sports Area Master Plan	75	75	-
Modbury Sporting Club Lighting Upgrade, Modbury	(25)	-	25
Harpers Field Community Building and Sporting Clubroom	(1,890)	(3,571)	(1,681)
Modbury Sporting Club - Clubroom and Changeroom	(1,655)	(2,310)	(655)
Tilley Recreation Park - Clubroom and Changeroom	(2,650)	(3,417)	(767)
Wright Road and Kelly Road Roundabout Improvements	229	229	-
Total Quarter One Budget Review Adjustments	(5,830)	(8,908)	(3,078)

Below is the table summarising the Capital Works Program adjustments by project category.

Table 6: Capital Works Program Adjustments and Carry Overs by Category

Project Category Description	Revenue				Expenditure				Net
	FY2023 Original Budget	FY2023 Carry Over/Carry Backs	Proposed Q1 Budget Adjust.	FY2023 Revised Budget	FY2023 Original Budget	FY2023 Carry Over/Carry Backs	Proposed Q1 Budget Adjust.	FY2023 Revised Budget	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Road Reconstruction / Renovation	-	36	-	36	1,974	145	-	2,118	2,083
Road Resealing	-	-	-	-	1,196	204	-	1,400	1,400
Roads to Recovery	-	-	-	-	1,362	53	-	1,415	1,415
Re-Sheeting Unsealed Roads	-	-	-	-	40	-	-	40	40
New Footpath and DDA Upgrades	-	-	-	-	1,026	517	-	1,543	1,543
Unsealed Footpaths	-	-	-	-	378	-	-	378	378
Bridge Renewal	-	326	-	326	-	60	-	60	(266)
Lighting	375	180	(25)	530	900	41	-	941	411
Water and Drainage	95	9	-	104	1,436	189	-	1,625	1,521
Traffic Management and Signage	-	232	229	461	763	8	229	1,000	540
Sporting, Park & Playground	1,250	21	-	1,271	4,704	114	64	4,882	3,610
City Beautification Works	3,723	373	-	4,096	7,292	75	(64)	7,303	3,206
Capital Buildings Renewal	-	280	86	366	1,483	118	86	1,687	1,321
Capital Buildings New/Upgrades	11,165	669	(6,120)	5,714	20,782	1,528	(9,223)	13,087	7,374
Environmental Projects	500	294	-	794	630	49	-	679	(115)
Information Technology	-	-	-	-	2,100	355	-	2,454	2,454
Other	504	38	-	542	5,015	77	-	5,092	4,550
Total Capital Works Program 2022-23	17,612	2,457	(5,830)	14,239	51,079	3,532	(8,908)	45,704	31,464

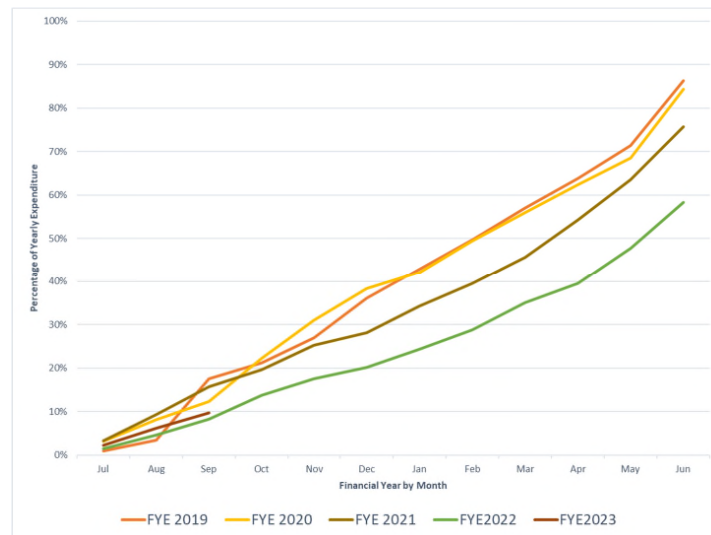
2.3.2 Capital Works Carried Over / Carried Back

It is proposed to incorporate a total of \$3.532m of expenditure and \$2.457m of income from projects not completed during 2021-22. These carry overs/carry backs also include several reductions in budgets where funds are essentially 'brought back' into the prior year.

Details of the proposed Capital Works Program Quarter One Budget Review Carried Forward projects can be found in **Attachment 2**.

Capital Spend Ratio to September 2022

The graph below compares the YTD capital spend ratio (capital expenditure/total year capital expenditure), with comparisons to previous years.



3. FINANCIAL

The Quarter One Budget Review forecasts an operating surplus of \$4.367m in comparison to the original budget adopted by Council on 5 July 2022 which forecast an operating surplus of \$4.448m.

Details of these variances and the forecast operating result for the Quarter One Budget Review are provided in the discussion section of this paper.

4. STRATEGIC OBJECTIVES

The Quarter One Budget Review supports the City of Tea Tree Gully's 2025 Strategic Plan.

5. LEGAL

The LGA recommended budget reporting framework consistent with the requirement in Regulation 9(1b) of the *Local Government (Financial Management) Regulations 2013* consists of budget performance information reporting consisting of three types of reports:

1. Budget Update (at least twice per FY);
2. Mid-year Budget Review (once per FY); and

3. Report on Financial Results (one report after completion and audit of annual financial statements for the previous FY).

6. RISK – IDENTIFICATION AND MITIGATION

The budget review considers risks in accordance with the Annual Business Plan (ABP), when projects/initiatives are assessed.

7. ACCESS AND INCLUSION

The budget review considers access and inclusion in accordance with the Annual Business Plan (ABP), when projects/initiatives are assessed.

8. SOCIAL AND COMMUNITY IMPACT

The budget review is one of a number of measures that allows the community to assess the performance delivery of services against the ABP.

9. ENVIRONMENTAL

The budget review considers the impact on the environment, in accordance with the ABP, when projects/initiatives are assessed.

10. ASSETS

The budget review considers the impact of assets in accordance with the ABP, when projects/initiatives are assessed.

11. PEOPLE AND WORK PLANS

The proposed budget revision includes the resources required for Council to achieve the level of service delivery outlined in the *ABP for 2021-2022*.

12. COMMUNITY AND STAKEHOLDER ENGAGEMENT

Not applicable for this report. Community Engagement was undertaken on the ABP and Budget for FYE 2023.

13. COMMUNICATIONS OF COUNCIL DECISION

Any significant impacts will be communicated through the Strategic Marketing and Communications Department using appropriate tools.

14. INTERNAL REPORT CONSULTATION

All Managers have been consulted to develop the Quarter One Budget Review.

Attachments

1. Q1BR 2022-23 Financial Statements
2. Quarter One Capital Works Program 2022-23

Report Authorisers

Stuart Simpson Acting Team Leader Financial Accounting	8397 7308
Rebecca Baines Acting Manager Finance & Rating Operations	8397 7362
Jonathan Crook Accountant	8397 7327
Rebecca Baines Acting Manager Finance & Rating Operations	8397 7362
Justin Robbins General Manager Strategy & Finance	8397 7444



City of Tea Tree Gully

First Quarter Budget Review for the financial year ending 30 June 2023

Statement of Comprehensive Income
Balance Sheet
Statement of Changes in Equity
Statement of Cash Flows
Uniform Presentation of Finances
Borrowings / Investments
Key Financial Performance Indicators

Statement of Comprehensive Income

CITY OF TEA TREE GULLY

FOR THE YEAR ENDING 30 JUNE 2023

	FY2022 Actuals	YTD September Actuals	YTD September Budget	YTD September Variance Fav / (Unfav)	FY2023 Original Budget	Proposed Budget	Variance to Original Budget
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
INCOME							
Rates	85,972	85,441	85,332	109	85,461	85,461	0
Statutory Charges	2,290	604	682	(79)	2,729	2,729	0
User Charges	3,451	993	1,342	(349)	4,040	4,084	44
Grants & Subsidies	8,832	1,267	1,409	(142)	5,803	5,831	27
Investment Income	52	17	5	12	20	20	0
Reimbursements	93	12	18	(6)	83	83	0
Other Revenues	1,978	920	904	16	1,709	1,794	85
TOTAL INCOME	102,668	89,254	89,692	(438)	99,846	100,002	156
EXPENSES							
Employee Costs	35,712	9,395	9,723	328	37,689	37,694	5
Materials, Contracts & Other Expenses	40,378	8,260	10,019	1,759	40,167	40,399	232
Finance Charges	372	83	137	54	550	550	0
Depreciation	17,221	4,038	4,048	10	16,991	16,991	0
TOTAL EXPENSES	93,683	21,775	23,927	2,152	95,398	95,635	237
OPERATING SURPLUS / (DEFICIT)	8,985	67,479	65,765	1,714	4,448	4,367	(81)
Net Gain/(Loss) on Disposal or Revaluation of Assets	(4,393)	35	35	(0)	504	542	38
Capital Grants	4,277	1,885	1,885	0	17,018	13,277	(3,741)
Capital Contributions	134	1	0	1	90	420	330
Physical Resources Received Free of Charge	157	0	0	0	0	0	0
NET SURPLUS / (DEFICIT) RESULTING FROM OPERATIONS	9,160	69,400	67,685	1,715	22,060	18,607	(3,454)

Balance Sheet

CITY OF TEA TREE GULLY

FOR THE YEAR ENDING 30 JUNE 2023

	FY2022 Actuals	YTD September Actuals	FY2023 Original Budget	Proposed Budget	Variance to Original Budget
	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS					
Current Assets					
Cash & Cash Equivalents	8,432	23,747	410	410	0
Trade & Other Receivables	4,690	61,504	4,476	4,653	177
Inventories	43	33	33	43	10
Non Current Assets Held For Sale	512	512	512	1,138	626
Total Current Assets	13,677	85,796	5,431	6,244	813
Non-Current Assets					
Other Non-Current Assets	8,598	12,823	2,986	13,560	10,574
Infrastructure, Property, Plant & Equipment	1,652,411	1,648,102	1,607,166	1,718,613	111,447
Total Non-Current Assets	1,661,009	1,660,926	1,610,152	1,732,173	122,021
TOTAL ASSETS	1,674,686	1,746,722	1,615,583	1,738,418	122,835
LIABILITIES					
Current Liabilities					
Trade & Other Payables	26,326	29,091	12,932	26,289	13,357
Short Term Provisions	4,456	4,311	4,420	4,456	36
Total Current Liabilities	30,781	33,402	17,352	30,745	13,393
Non-Current Liabilities					
Long Term Borrowings	0	0	21,253	2,083	(19,170)
Long Term Provisions	507	522	511	507	(4)
Total Non-Current Liabilities	507	522	21,764	2,590	(19,174)
TOTAL LIABILITIES	31,288	33,923	39,116	33,335	(5,782)
NET ASSETS	1,643,398	1,712,798	1,576,467	1,705,083	128,616
EQUITY					
Accumulated Surplus	404,991	414,151	414,896	414,151	(745)
Year To Date	9,160	69,400	22,060	18,607	(3,454)
Asset Revaluation Reserves	1,228,960	1,228,960	1,139,223	1,272,038	132,815
Other Reserves	287	287	287	287	(0)
TOTAL EQUITY	1,643,398	1,712,798	1,576,467	1,705,083	128,616

Statement of Changes in Equity

CITY OF TEA TREE GULLY

FOR THE YEAR ENDING 30 JUNE 2023

	FY2022 Actuals	YTD September Actuals	FY2023 Original Budget	Proposed Budget	Variance to Original Budget
NET SURPLUS/(DEFICIT) FOR YEAR	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at End of Previous Reporting Period	403,419	414,151	414,896	414,151	(745)
Transfers Between Reserves	1,572	-	-	-	-
Net Result for Year	9,160	69,400	22,060	18,607	(3,454)
Balance at End of Period	414,151	483,551	436,957	432,758	(4,199)
ASSET REVALUATION RESERVE					
Balance at End of Previous Reporting Period	1,137,327	1,228,960	1,096,145	1,228,960	132,815
Transfers Between Reserves	-	-	-	-	-
Gain on Revaluation of Non-Current Assets	91,633	-	43,078	43,078	-
Balance at End of Period	1,228,960	1,228,960	1,139,223	1,272,038	132,815
OTHER RESERVES					
Balance at End of Previous Reporting Period	1,859	287	287	287	-
Transfers Between Reserves	(1,572)	-	-	-	-
Net Result for Year	-	-	-	-	-
Balance at End of Period	287	287	287	287	-
TOTAL EQUITY	1,643,398	1,712,798	1,576,467	1,705,083	128,616

Statement of Cash Flows

CITY OF TEA TREE GULLY

FOR THE YEAR ENDING 30 JUNE 2023

	FY2022 Actuals	YTD September Actuals	FY2023 Original Budget	Proposed Budget	Variance to Original Budget
	\$'000	\$'000	\$'000	\$'000	\$'000
Operating Activities					
Receipts					
Operating Receipts	114,679	32,574	99,826	99,982	156
Investment Receipts	52	17	20	20	-
Payments					
Operating Payments to Suppliers & Employees	75,049	14,889	77,857	78,094	237
Finance Charges	372	83	550	550	-
Net Cash Provided by (or used in) Operating Activities	39,310	17,619	21,439	21,358	(81)
Cash Flows from Investing Activities					
Grants Specifically for New or Upgraded Assets	4,411	1,886	17,108	13,697	(3,411)
Sale of Replaced Assets	857	35	504	542	38
Payments					
Expenditure on Renewal/Replacement of Assets	16,283	1,841	18,209	27,342	9,133
Expenditure on New/Upgraded Assets	8,868	2,384	32,870	18,361	(14,509)
Net Cash Provided by (or used in) Investing Activities	(19,883)	(2,304)	(33,466)	(31,464)	2,003
Cash Flows from Financing Activities					
Receipts					
Proceeds from Borrowings/Deposits	97	-	11,529	2,083	(9,446)
Payments					
Repayment of Borrowings	15,000	-	-	-	-
Net Cash Provided by (or used in) Financing Activities	(14,903)	-	11,529	2,083	(9,446)
Net Increase (Decrease) in Cash Held	4,524	15,315	(498)	(8,022)	(7,524)
Cash & Cash Equivalents at Beginning of Reporting Period	3,908	8,432	908	8,432	7,524
Cash & Cash Equivalents at End of Reporting Period	8,432	23,747	410	410	(0)

Uniform Presentation of Finances

CITY OF TEA TREE GULLY

FOR THE YEAR ENDING 30 JUNE 2023

	FY2022 Actuals	YTD September Actuals	FY2023 Original Budget	Proposed Budget	Variance to Original Budget
	\$'000	\$'000	\$'000	\$'000	\$'000
Operating					
Operating Revenues	102,668	89,254	99,846	100,002	(156)
less Operating Expenses	(93,683)	(21,775)	(95,398)	(95,635)	237
Operating Surplus/(Deficit) Before Capital Amounts	8,985	67,479	4,448	4,367	81
less Net Outlays on Existing Assets					
Capital Expenditure on Renewal and Replacement of Existing Assets	16,283	1,841	18,209	27,342	(9,133)
less Depreciation, Amortisation and Impairment	(17,221)	(4,038)	(16,991)	(16,991)	0
less Proceeds from Sale of Replaced Assets	(857)	(35)	(504)	(542)	38
Net Outlays on Existing Assets	(1,795)	(2,232)	714	9,809	(9,095)
less Net Outlays on New and Upgraded Assets					
Capital Expenditure on New and Upgraded Assets	8,868	2,384	32,870	18,361	14,509
less Amounts Received Specifically for New and Upgraded Assets	(4,411)	0	(17,108)	(13,697)	(3,411)
Net Outlays on New and Upgraded Assets	4,457	2,384	15,762	4,664	11,098
Net Lending / (Borrowing) For Financial Year	6,324	67,326	(12,027)	(10,105)	(1,922)

Borrowings / Investments

CITY OF TEA TREE GULLY

FOR THE YEAR ENDING 30 JUNE 2023

Statement of Borrowings as at 30 September 2022

Borrowing Facility	Reference	Maturity/ Expiry Date	Amount Borrowed or CAD Limit	Interest Rate at 30/09/2022	Principal Outstanding as at 30/06/2022	Principal Outstanding as at 30/09/2022	Unutilised Loan Funds as at 30/09/2022
			\$'000	%	\$'000	\$'000	\$'000
CAD Facility	LGFA 196	5/01/2026	7,400	4.30	-	-	7,400
CAD Facility	LGFA 201	15/06/2025	6,000	4.30	-	-	6,000
CAD Facility	LGFA 200	15/06/2025	13,000	4.30	-	-	13,000
CAD Facility	LGFA CV19 196	15/07/2023	9,600	3.55	-	-	9,600
CAD Facility	LGFA 202	16/05/2027	-	4.30	-	-	-
CAD Facility	LGFA LGIPP 202	16/05/2025	6,000	3.55	-	-	6,000
Total			42,000		-	-	42,000

Cash and Cash Equivalents as at 30 September 2022

Council Deposits	Reference	Interest Rate at 30/09/2022	Deposit as at 30/06/2022	Deposit as at 30/09/2022
		%	\$'000	\$'000
TTG General LGFA	24HR	2.55	5,844	3,115
NAB	Corporate Cheque Accounts	2.80	2,579	20,623
Cash Float			9	9
Total Cash and Cash Equivalents			8,432	23,747

Key Performance Financial Indicators

CITY OF TEA TREE GULLY

FOR THE YEAR ENDING 30 JUNE 2023

RATIO	LGA SUGGESTED RANGE	COUNCIL TARGETS	FY2022 Actuals	FY2023 Original Budget	Proposed Budget	Variance to Original Budget
			\$'000	\$'000	\$'000	\$'000
Operating Surplus (operating income less operating expense)	Break even or better over 5 years	Maintain over a minimum of a 3 years	8,985	4,448	4,367	(81)
Operating Surplus Ratio (operating surplus as a percentage of general and other rates)	0 to 15%	2.5 to 10%	8.8%	5.2%	5.1%	(0.1%)
Asset Renewal Funding Ratio (Net asset renewals expenditure is defined as net capital expenditure on the renewal and replacement of existing assets, and excluded new capital expenditure on the acquisition of additional assets)	90 to 110% over a rolling 3 year period	90 to 110% over a rolling 3 year period	104.2%	104.2%	105.1%	0.9%
Fiscal Balance (net lending position or net borrowing requirement in the Uniform Presentation of Finances Table)			6,323	(12,028)	(10,105)	1,922
Net Financial Liabilities Ratio including non current assets held for sale (total liabilities less financial assets as a percentage of total operating revenue)	0 to 100%	25% - 35%	17.1%	34.2%	28.2%	(6.0%)
Net Financial Liabilities including non current assets held for sale (total liabilities less financial assets)			17,521	34,197	27,090	(7,107)
Net Financial Liabilities Ratio excluding non current assets held for sale (total liabilities less financial assets as a percentage of total operating revenue)			17.7%	34.8%	28.2%	(6.5%)
Net Financial Liabilities excluding non current assets held for sale (total liabilities less financial assets)			18,123	34,709	28,228	(6,481)
Interest Cover Ratio (total finance charges expressed as a percentage of rates revenue)			0.3%	0.6%	0.6%	(0.0%)

Quarter 1 Capital Works Program 2022-23

Project Number	Project Description	Revenue						Expenditures					
		YTD September Actuals	FY2023 Original Budget	FY2023 Carry Over/Carry Backs	Proposed Q1 Budget Adjustment	FY2023 Revised Budget	YTD September Variance	YTD September Actuals	FY2023 Original Budget	FY2023 Carry Over/Carry Backs	Proposed Q1 Budget Adjustment	FY2023 Revised Budget	YTD September Variance
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Project Category: Road Reconstruction / Renovation													
210008	Australian Avenue Parking and Road Realignment	-	-	36	-	36	36	-	-	-	-	-	-
220001	Chatswood Grove (Elysium Dve - End) Golden Grove	-	-	-	-	-	-	143	-	89	54	143	-
220003	Pinehurst St (Holly Pl - End) Golden Grove	-	-	-	-	-	-	41	-	8	41	41	-
220008	Green Valley Dve, Greenwirth - Design	-	-	-	-	-	-	-	-	2	-	2	-
220003	Karingal Road, Demanacourt	-	-	-	-	-	-	15	10	10	-	20	5
220204	Heysen Road, Modbury	-	-	-	-	-	-	-	8	8	-	16	16
220205	Paroola Avenue, Hope Valley	-	-	-	-	-	-	-	9	9	-	19	19
220206	Robert Arnold Avenue, Modbury	-	-	-	-	-	-	7	6	6	-	12	4
220207	Clifford Way, Valley View	-	-	-	-	-	-	8	6	6	-	12	4
220208	Canberra Crescent, Valley View	-	-	-	-	-	-	10	7	7	-	14	4
220209	Jacaranda Grove, Golden Grove	-	-	-	-	-	-	6	8	8	-	15	9
230109	Road Reconstruction Funding - to be allocated	-	-	-	-	-	-	76	1,900	-	(110)	1,790	1,714
230111	Road Design - Stevenston Drive, Banksia Park	-	-	-	-	-	-	1	20	-	-	20	19
230176	Jaycee Street, Modbury North	-	-	-	-	-	-	7	7	-	7	7	1
230180	Kimberley Ave, Modbury North	-	-	-	-	-	-	7	-	-	8	8	1
Total Road Reconstruction / Renovation		-	-	36	-	36	36	321	1,974	145	0	2,118	1,798
Project Category: Road Resealing													
220005	Watts Rd (Lawrence Ave - End) Demanacourt	-	-	-	-	-	-	13	-	10	3	13	-
220033	Bimba Court (Orlanga Rd - End) Modbury North	-	-	-	-	-	-	22	-	16	6	22	-
220040	Frontignac Court (Surrey Farm Dve - End) Wynn Vale	-	-	-	-	-	-	-	-	15	(15)	-	-
220048	Citronelle Pl (Grenadine Ave - End) Golden Grove	-	-	-	-	-	-	35	-	27	9	35	-
220051	Verdelho St (Palomino Parade - Cabernet Ave) Wynn Vale	-	-	-	-	-	-	20	-	26	-	26	6
220213	Reseal Preparations for 22-23	-	-	-	-	-	-	-	-	110	(2)	108	108
230006	Barns Avenue (Edmund Street to Rogers Street), Highbury	-	-	-	-	-	-	3	75	-	-	75	72
230008	Burman Avenue (Mary Avenue to End), Gilles Plains	-	-	-	-	-	-	1	23	-	-	23	22
230009	Colton Avenue (Lang Street to Valerie Avenue), Highbury	-	-	-	-	-	-	2	42	-	-	42	40
230010	Duncan Crescent (Mitchell Avenue to Backman Avenue),	-	-	-	-	-	-	2	47	-	-	47	45
230011	Ellistown Avenue (Lower North East Road to Edmund Avenue),	-	-	-	-	-	-	2	46	-	-	46	44
230014	Jacaranda Grove (Driveway Link to End), Golden Grove	-	-	-	-	-	-	2	43	-	-	43	41
230015	Kooline Crescent (Padbury Road to Morawa Avenue), Gilles	-	-	-	-	-	-	1	34	-	-	34	33
230016	Lang Street (Elston Avenue to End), Highbury	-	-	-	-	-	-	2	53	-	-	53	51
230018	Morawa Avenue (Newcombe Drive to Tasman Avenue),	-	-	-	-	-	-	3	81	-	-	81	78
230020	Petworth Parade (Lake Fortesque Avenue to Balford Avenue),	-	-	-	-	-	-	1	21	-	-	21	20
230023	Rex Avenue (Padbury Road to Morawa Avenue), Gilles Plains	-	-	-	-	-	-	2	46	-	-	46	44
230024	Stanley Way (Padbury Road to Newcombe Drive), Gilles Plains	-	-	-	-	-	-	2	43	-	-	43	41
230025	Tamala Crescent (Padbury Road to Morawa Avenue), Gilles	-	-	-	-	-	-	2	41	-	-	41	39
230027	Road Reseal - Contingency Funds	-	-	-	-	-	-	6	155	-	-	155	149
230028	Wrebo Street (Kooline Crescent to Tasman Avenue), Gilles	-	-	-	-	-	-	1	22	-	-	22	21
230029	Zara Court (Zealand Street to End), Surrey Downs	-	-	-	-	-	-	1	22	-	-	22	21
230040	Rega Avenue (Aries Avenue to Canopus Avenue),	-	-	-	-	-	-	1	20	-	-	20	19
230042	Canopus Avenue (Rega Avenue to Aries Avenue), Hope Valley	-	-	-	-	-	-	2	53	-	-	53	51
230044	Sirius Avenue (Tolly Road to Canopus Avenue), Hope Valley	-	-	-	-	-	-	1	37	-	-	37	36
230045	Aries Avenue (Sirius Avenue to End), Hope Valley	-	-	-	-	-	-	1	24	-	-	24	23
230046	Ilaid Grove (Fairleigh Avenue to End), Modbury North	-	-	-	-	-	-	1	30	-	-	30	29
230098	Fairleigh Avenue (Montague Road to End), Modbury North	-	-	-	-	-	-	2	44	-	-	44	42
230099	Alawa Avenue (Bellana Avenue to Fairleigh Avenue),	-	-	-	-	-	-	2	43	-	-	43	41
230101	Bellana Avenue (Fairleigh Avenue to End), Modbury North	-	-	-	-	-	-	3	71	-	-	71	68
230112	Ruse Court (Bernielong Court to End), Golden Grove	-	-	-	-	-	-	1	26	-	-	26	25
230114	Underwood Close (Reiby Place to End), Golden Grove	-	-	-	-	-	-	2	54	-	-	54	52
Total Road Resealing		-	-	-	-	-	-	138	1,196	204	-	1,400	1,262
Project Category: Roads to Recover													
220052	Golden Grove Rd (Rifle Range Rd - Tongariro Rd) Greenwirth	-	-	-	-	-	-	18	332	-	-	332	314
230041	Target Hill Road (Green Valley Drive to Halcyon Avenue),	-	-	-	-	-	-	-	340	-	-	340	340
230136	Golden Grove Road (Tongariro Road to Target Hill Road),	-	-	-	-	-	-	-	200	53	-	253	253
230137	Milne Road (Kelly Road to McIntyre Road), Modbury North	-	-	-	-	-	-	-	120	-	-	120	120
230138	Surrey Farm Drive (The Golden Way to school entrance),	-	-	-	-	-	-	-	370	-	-	370	370
Total Roads to Recover		-	-	-	-	-	-	18	1,362	53	-	1,415	1,387
Project Category: Re-Sheeting Unsealed Roads													
230043	Bright Lands Road (Milne Road Extension), Banksia Park	-	-	-	-	-	-	-	17	-	-	17	17
230139	Castress Rd, Upper Hermitage	-	-	-	-	-	-	-	23	-	-	23	23
Total Re-Sheeting Unsealed Roads		-	-	-	-	-	-	-	40	-	-	40	40
Project Category: New Footpath and DDA Upgrades													
210051	New-Wongabeena Drive Surrey Downs-number 10 Casuarina Ave	-	-	-	-	-	-	6	-	6	-	6	0
220067	Willson Rd, Gilles Plains	-	-	-	-	-	-	27	-	47	-	47	20
220070	Pauline Dve (Yatala Vale Rd - Amanda Dve) Surrey Downs	-	-	-	-	-	-	18	-	28	-	28	10
220072	Carribean St (Manooka St - Kelly Rd) Modbury Heights	-	-	-	-	-	-	-	11	-	-	11	11
220077	Hancock Rd (Palmer St - 345 Hancock Rd) Greenwirth	-	-	-	-	-	-	63	-	127	-	127	64
220079	Dundee Rd / Edinburgh Rd (Reserve, Modbury	-	-	-	-	-	-	-	80	-	-	80	80
220081	DDA Compliant Bus Stop Upgrades	-	-	-	-	-	-	3	-	47	75	122	119
220178	Wirrida Ave, Surrey Downs	-	-	-	-	-	-	52	-	90	-	90	38
220216	Golden Grove Road (Golden Way to Laburnum)	-	-	-	-	-	-	-	65	-	-	65	65
220220	Various Kerb ramp installation/replacement (city wide)	-	-	-	-	-	-	-	15	-	-	15	15
230048	Altair Avenue West (infront of No.10, No.9 to	-	-	-	-	-	-	1	37	-	-	37	36
230049	Baldwin Court, Wynn Vale	-	-	-	-	-	-	1	31	-	-	31	30
230050	Dillon Street (Gaylard Crescent to Gaylard Crescent),	-	-	-	-	-	-	3	74	-	-	74	71
230051	Gloucester Avenue (Stafford Street to Argyl Crescent),	-	-	-	-	-	-	2	59	-	-	59	57
230052	Hartly Court (Adjacent Reserve footpath connection),	-	-	-	-	-	-	1	15	-	-	15	14
230053	Reynolds Ave (Lyons Rd to Playton Avenue), Demanacourt	-	-	-	-	-	-	2	40	-	-	40	38
230054	Hobart Crescent (Grenfell Road to Denwert Crescent),	-	-	-	-	-	-	1	18	-	-	18	17
230055	Keeble Street, St Agnes	-	-	-	-	-	-	1	34	-	-	34	33
230056	Knightbridge Avenue (No.27 to No.2 Salisbury Avenue),	-	-	-	-	-	-	3	63	-	-	63	60
230057	Knightbridge Avenue (Wycombe Way to opposite No.	-	-	-	-	-	-	5	116	-	-	116	111
230058	O'leary Place (Fergusson Court to Council Boundary),	-	-	-	-	-	-	0	7	-	-	7	7
230059	O'leary Place (Midland Court to Fergusson Court), Wynn Vale	-	-	-	-	-	-	1	31	-	-	31	30
230063	Ronald Road, Redwood Park	-	-	-	-	-	-	4	88	-	-	88	84
230064	Observation Drive (Daryl Place to Gallery Road), Highbury	-	-	-	-	-	-	1	15	-	-	15	14
230065	Sassafras Drive (Rosewood Rd to Stairs at	-	-	-	-	-	-	1	33	-	-	33	32
230066	Silverlake Crescent (Lavinia Grove to Demanacourt	-	-	-	-	-	-	1	36	-	-	36	35
230067	Sue Street (Pringle Avenue to Baxter Avenue), Surrey Downs	-	-	-	-	-	-	1	16	-	-	16	15
230068	Washington Court, Golden Grove	-	-	-	-	-	-	1	21	-	-	21	20
230069	Whitford Drive (Elwood Avenue to Chapel Road), Modbury	-	-	-	-	-	-	2	39	-	-	39	37
230070	Whitford Drive (No.1 to No.7 Whitford), Modbury North	-	-	-	-	-	-	1	16	-	-	16	15
230071	Zara Court (Zealand Street to End), Surrey Downs	-	-	-	-	-	-	1	18	-	-	18	17
230072	DDA kerb ramp upgrades, all suburbs	-	-	-	-	-	-	-	75	-	(75)	-	-
230119	Otama Road, Fairview Park	-	-	-	-	-	-	1	26	-	-	26	25
230122	Reynolds Street (Reserve), Demanacourt	-	-	-	-	-	-	-	10	-	-	10	10
230140	Green Valley Drive (Leedham Drive to Harvey Crescent),	-	-	-	-	-	-	4	108	-	-	108	104
Total New Footpath and DDA Upgrades		-	-	-	-	-	-	207	1,026	517	-	1,543	1,336
Project Category: Unsealed Footpaths													
230144	Tuscan Reserve, Golden Grove	-	-	-	-	-	-	-	9	-	-	9	9
230145	Crouch Road, Golden Grove	-	-	-	-	-	-	25	22	-	4	25	-
230146	Hallett Reserve, Golden Grove	-	-	-	-	-	-	10	33	-	(3)	30	19
230147	Shannon Reserve, Banksia Park	-	-	-	-	-	-	-	7	-	-	7	7
230148	Capulet Reserve, Modbury	-	-	-	-	-	-	-	11	-	-	11	11
230149	Balmoral Reserve, Demanacourt	-	-	-	-	-	-	-	31	-	-	31	31
230150	Roadan Drive, Greenwirth	-	-	-	-	-	-	-	15	-	-	15	15
230151	Awoonga Avenue, Hope Valley	-	-	-	-	-	-	-	18	-	-	18	18
230152	Heysen Avenue, Hope Valley	-	-	-	-	-	-	-	7	-	-	7	7
230153	Morawa Reserve, Gilles Plains	-	-	-	-	-	-	-	19	-	-	19	19

Project Number	Project Description	Revenue						Expenditures					
		YTD September Actuals	FY2023 Original Budget	FY2023 Carry Over/Carry Backs	Proposed Q1 Budget Adjustment	FY2023 Revised Budget	YTD September Variance	YTD September Actuals	FY2023 Original Budget	FY2023 Carry Over/Carry Backs	Proposed Q1 Budget Adjustment	FY2023 Revised Budget	YTD September Variance
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
230154	Modbury sporting club, Ridgehaven	-	-	-	-	-	-	2	3	-	-	3	1
230155	Gundie Reserve, Banksia Park	-	-	-	-	-	-	1	10	-	-	10	10
230156	Lyons Reserve, Demanacourt	-	-	-	-	-	-	-	22	-	-	22	22
230157	Gifford Reserve, St Agnes	-	-	-	-	-	-	-	19	-	-	19	19
230158	St Agnes Reserve, St Agnes	-	-	-	-	-	-	-	87	-	(1)	86	86
230159	O-bath Linear Park, Highbury	-	-	-	-	-	-	-	51	-	-	51	51
230160	Michigan Reserve, Highbury	-	-	-	-	-	-	-	14	-	-	14	14
Total Unseal Footpaths		-	-	-	-	-	-	38	378	-	0	378	340
Project Category: Bridge Renewal													
210207	Mulkarra Street, Bridge Upgrade, Ridgehaven	249	-	326	-	326	77	56	-	60	-	60	3
Total Bridge Renewal		249	-	326	-	326	77	56	-	60	-	60	3
Project Category: Lighting													
210079	Tilley Sports Lighting Upgrade-Tilley Reserve	-	-	30	-	30	30	-	-	-	-	-	-
220180	Modbury Sporting Club Lighting Upgrade, Modbury	125	-	150	(25)	125	-	-	-	-	-	-	-
220210	SADNA and Golden Grove Tennis Club-Lighting Upgrade	-	375	-	-	375	375	-	750	-	-	750	750
230075	Sports Field Floodlighting - To Be Determined	-	-	-	-	-	-	-	-	41	0	41	41
230076	Greenwith Oval - Upgrade oval lighting to LED	-	-	-	-	-	-	7	150	-	-	150	143
Total Lighting		125	375	180	(25)	530	405	7	900	41	0	941	933
Project Category: Water and Drainage													
220103	Ladywood Reserve Irrigation and Drainage	-	-	-	-	-	-	2	40	(2)	-	38	37
220105	Irrigation Flow Sensor Installation	-	-	-	-	-	-	8	22	-	-	22	14
220107	Recycled Water Control Equipment	-	-	-	-	-	-	-	29	(10)	-	19	19
220108	Stormwater Infra Assessment of Dry Creek Catchment Stage 1	-	-	-	-	-	-	8	77	(3)	0	74	66
220224	Dry Creek - Expansion of Recycled Water Network	-	95	-	-	95	95	-	180	8	-	188	188
220239	WWTP tertiary pump auto filter	-	-	-	-	-	-	-	142	47	-	142	47
230047	Recycled Water Asset Renewal - WWTP Aerators, Tilley DM pump	-	-	-	-	-	-	9	120	-	-	120	111
230060	Irrigation Central Controller Stage 2 (Rainbird IQ Central C	-	-	-	-	-	-	4	100	-	-	100	96
230061	Irrigation Asset Renewal - Tilley & Greenwith ground water b	-	-	-	-	-	-	7	175	-	-	175	168
230073	Irrigation Controllers - (Rainbird IQ) changeover from 3G to	-	-	-	-	-	-	3	65	-	-	65	62
230079	Drainage Renewal Program - AMP	-	-	-	-	-	-	84	450	45	-	495	411
230108	Creek Rehabilitation	-	-	-	-	-	-	17	200	82	-	282	264
Total Water and Drainage		-	95	9	-	104	104	141	1,436	189	0	1,625	1,484
Project Category: Traffic Management and Signage													
210209	Traffic-Lyons Road/Tarton Road Roundabout, Holden Hill	60	-	75	-	75	15	-	-	-	-	-	-
210211	Traffic-Montague Road Junction deceleration lane, Modbury	134	-	157	-	157	23	-	-	-	-	-	-
220115	Greenwith community centre (entry and exit), Greenwith	-	-	-	-	-	-	-	43	(13)	-	30	30
230083	Signage - Community and various site replacements	-	-	-	-	-	-	6	100	-	2	102	96
230084	Traffic Management Treatments - General various improvements	-	-	-	-	-	-	10	250	21	-	271	261
230085	Replacement of advisory and regulatory signage	-	-	-	-	-	-	30	270	-	(2)	268	239
230121	The Heights School, Modbury Heights - Traffic study	-	-	-	-	-	-	4	100	-	-	100	96
230241	Wright Road and Kelly Road Roundabout Improvements	-	-	-	229	229	229	-	-	-	229	229	229
Total Traffic Management and Signage		184	-	232	229	461	267	49	763	8	229	1,000	951
Project Category: Open Space - Sporting, Park and Playground Upgrades													
200140	Replacement various shade structures	-	-	-	-	-	-	-	-	26	-	26	26
200364	Skate Bowl Bentley Reserve	-	-	-	-	-	-	-	35	58	-	93	93
200373	Balmoral playground resurfacing renew	-	-	-	-	-	-	5	147	(10)	-	137	132
210106	Playgrounds-Greenwith campus Greenwith (includes shade)	-	75	-	-	75	75	-	142	-	-	142	142
220116	Court Upgrades - Hard Court Audit	-	-	10	-	10	10	-	-	13	-	13	3
220118	Alicante Reserve Playground, Wynn Vale	-	-	-	-	-	-	-	142	16	18	176	176
220120	Verdant Reserve Playground (Bent Court), Wynn Vale	-	-	-	-	-	-	7	139	-	67	206	206
220121	Playgrounds - Various	-	-	-	-	-	-	12	-	15	-	15	3
220123	Fencing - Ridgehaven Reserve, Ridgehaven	-	-	-	-	-	-	-	24	(24)	-	-	-
220124	Fencing - Boronia Reserve Valley Rd, Hope Valley	-	-	-	-	-	-	9	-	9	-	9	0
220125	Fencing - Kathleen Mellor Kindergarten, Tea Tree Gully	-	-	-	-	-	-	-	7	-	-	7	-
220127	Wicks Reserve Headwall, Highbury	-	-	-	-	-	-	-	-	4	0	5	-
220129	Fencing - Memorial Dve Tennis Court, Tea Tree Gully	-	-	-	-	-	-	36	91	(25)	-	66	31
220131	Fencing - TTG Motorcross Club, Greenwith	-	-	-	-	-	-	34	38	(5)	(0)	34	-
220177	Outdoor Furniture	-	-	-	-	-	-	-	44	(1)	(44)	-	-
220179	Solandra Reserve Boardwalk	-	-	-	-	-	-	-	96	(43)	29	81	81
220181	Kaplan Reserve Playground, St Agnes	-	-	-	-	-	-	-	131	(5)	70	196	196
220183	Golden Fields Adventure Playspace	112	700	11	(0)	711	600	223	1,400	23	(0)	1,423	1,200
220225	John E Mlem Res Playground	-	-	-	-	-	-	-	-	45	-	45	45
220230	Golden Grove Tennis Club-Top 5 Cts	-	-	-	-	-	-	-	63	-	-	63	63
230082	Tango Netball Club - Heyesen Reserve Court Resurfacing	6	275	-	-	275	270	11	275	-	-	275	264
230086	Fairleigh Reserves Upgrade, Modbury North	-	-	-	-	-	-	3	70	-	-	70	67
230087	BMX Track Upgrade - Gundie Reserve, Banksia Park	-	-	-	-	-	-	5	120	-	-	120	115
230088	Fencing Projects - Various - to be determined	-	-	-	-	-	-	33	150	16	0	166	133
230089	Outdoor Furniture Projects - Various - to be determined	-	-	-	-	-	-	8	50	-	44	94	85
230115	Playgrounds - Contingency Funds	-	-	-	-	-	-	-	120	-	(120)	-	-
230120	Endurance Reserve, Vista - Concept plan	-	-	-	-	-	-	1	20	-	-	20	19
230125	Wynn Vale Dam Open Space Upgrades	-	200	-	-	200	200	-	200	-	-	200	200
230161	Doxiadis Reserve Playground, St Agnes	-	-	-	-	-	-	6	140	-	-	140	134
230162	Cobbler Creek West Reserve Playground, Golden Grove	-	-	-	-	-	-	6	140	-	-	140	134
230163	Palomino Reserve Playground, Wynn Vale - Design	-	-	-	-	-	-	1	20	-	-	20	19
230164	John Clarke Memorial Playground (Tolley Road), Hope Valley	-	-	-	-	-	-	2	50	-	-	50	48
230165	Lumsden Reserve Playground, Ridgehaven	-	-	-	-	-	-	2	50	-	-	50	48
230233	Golden Grove Hockey Pitch	-	-	-	-	-	-	1	800	-	-	800	799
Total Open Space - Sporting, Park and Playground Upgrades		117	1,250	21	(0)	1,271	1,154	411	4,704	114	64	4,882	4,471
Project Category: City Beautification Works													
200155	Main Roads Gateways-Montague Road design	-	245	(105)	-	140	140	-	510	(220)	-	291	291
210112	City Beautification-Golden Grove Road Streetscape works	-	-	-	-	-	-	-	257	(31)	84	311	311
210116	Beautification - Meadowvale Aged Friendly Precinct Modbury	15	-	59	(0)	59	44	30	-	119	-	119	89
210117	Open Space-Edinburgh Reserve, Modbury - includes play space	23	467	-	-	467	444	45	1,284	(117)	-	1,167	1,122
210124	Beautification-Golden Grove Road Landscaping Revegetation	-	-	9	-	9	9	-	-	7	-	7	7
210125	Beautification-The Golden Way-Marie Clark Drive to Carden Ct	-	-	-	-	-	-	4	-	4	-	4	0
210198	Open Space-Solandra Reserve, Modbury North	-	-	-	-	-	-	42	-	35	(29)	7	(36)
210210	Beautification streetscape-North East Road, Modbury	338	-	404	-	404	67	148	-	148	-	148	0
210213	Beautification-Lot 50 Golden Grove Road, Modbury Heights	99	455	(7)	(0)	448	349	63	455	(43)	53	465	402
220132	Upgrade Streetscape Montague Rd - Ladywood and NE Rd,	-	54	-	-	54	54	12	551	110	(84)	577	564
220133	Tree Screen - Grenfell Rd (1 Planica Crt - 18 Baraga Gr)	-	-	-	-	-	-	50	162	-	-	162	112
220134	Tree Screen - The Golden Way (20 Hillrise Crt - 11 Hillrise	-	-	-	-	-	-	-	221	-	-	221	221
220136	Tree Screen - Scarborough Plantation (Friendship Cres -	-	-	-	-	-	-	-	162	-	-	162	162
220137	Tree Screen - Linwood plantation (Wynn Vale Drive -	-	-	-	-	-	-	-	122	-	-	122	122
220221	Dawson Reserve, Modbury	3	950	13	-	963	959	6	950	13	-	963	956
220237	North East Road TTG Township Streetscape Upgrade PLEC	-	-	-	-	-	-	1	-	20	-	20	19
220238	Civic Park Stage 3	-	-	-	-	-	-	24	-	30	-	30	0
230090	Meadowvale East Restoration Work	21	653	-	-	653	631	36	900	-	-	900	864
230091	Golden Grove Road Stage 2 - Revegetation and Beautification	-	200	-	-	200	200	-	400	-	-	400	400
230092	Demanacourt Memorial	-	-	-	-	-	-	6	40	-	-	40	34
230113	Grand Junction Road Streetscape Upgrade, Hope Valley (betwee	10	500	-	-	500	490	20	500	-	-	500	480
230116	Tree Screens - Contingency Funds	-	-	-	-	-	-	-	178	-	(88)	90	90
230118	CWMS Transition Revegetation Project	-	200	-	-	200	200	-	400	-	-	400	400
230168	Tree Scree - The Golden Way (20 Neville Court to 4/3	-	-	-	-	-	-	4	105	-	-	105	101
230169	Tree Screen - Ladywood Road (8 Howes Court to 1	-	-	-	-	-	-	4	95	-	-	95	91
230170	Green Valley Drive (13 to 21 Bowmore Court),	-	-	-	-	-	-	-	-	-	-	-	-
Total City Beautification Works		508	3,723	373	(0)	4,096	3,585	496	7,292	75	(64)	7,303	6,866
Project Category: Capital Buildings Renewal													
210143	Waterworld-Pool Heater replacement	-	-	25	-	25	25	-	-	-	-	-	-
210144	Traffic - Road and Cycle Safety Centre upgrade	-	-	22	-	22	22	50	200	(21)	-	179	129
210208	Operational-Civic Centre air-conditioning replace(stage 2)	178	-	233	0	233	55	-	-	-	-	-	-

Project Number	Project Description	Revenue						Expenditures					
		YTD September Actuals	FY2022 Original Budget	FY2023 Carry Over/Carry Backs	Proposed Q1 Budget Adjustment	FY2022 Revised Budget	YTD September Variance	YTD September Actuals	FY2022 Original Budget	FY2023 Carry Over/Carry Backs	Proposed Q1 Budget Adjustment	FY2022 Revised Budget	YTD September Variance
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
210223	Sherry Crt (x2), Lemongum Reserve, Hyde Park-GAZ	-	-	-	-	-	-	-	-	61	-	61	61
220140	2022 - Asset Management Plan Renewals - Recreational	-	-	-	-	-	-	47	-	56	-	56	9
220142	2022 - Asset Management Plan Renewals - Operational	-	-	-	-	-	-	110	118	5	(0)	123	13
220222	Emergency and Exit Lighting Replacement	-	-	-	-	-	-	-	-	17	-	17	17
230093	Turrumura Rec Centre - Strength for Life Floor Replacement	-	-	-	-	-	-	0	10	-	-	10	10
230094	Asset Management Plan Renewals - Recreational Building	-	-	-	86	86	86	66	580	-	(134)	446	380
230095	Asset Management Plan Renewals - Sporting Buildings	-	-	-	-	-	-	7	220	-	(34)	186	179
230096	Asset Management Plan Renewals - Operational Buildings	-	-	-	-	-	-	8	60	-	153	213	205
230097	Asset Management Plan Renewals - Amenities Buildings	-	-	-	-	-	-	2	170	-	(125)	45	43
230171	Asset Management Plan Renewals - Communities Buildings	-	-	-	-	-	-	14	125	-	225	350	336
Total Capital Buildings Renewal		178	-	280	86	366	186	305	1,483	118	86	1,687	1,382
Project Category: Capital Buildings New/Upgrades													
210147	Building future project fund	-	-	-	-	-	-	-	1,480	-	-	1,480	1,480
220147	Immunisation Clinic - Uninterrupted Power Supply (Battery)	-	-	-	-	-	-	1	-	5	(4)	1	-
220148	Keyless Building Access System	-	-	-	-	-	-	-	20	(20)	-	-	-
220151	TTG CFS Building fire safety improvements	-	-	-	-	-	-	44	-	40	4	43	(1)
220153	Waterworld - Entrance Turnstile and foyer works	-	-	-	-	-	-	193	57	142	-	199	6
220175	Linear Park Toilet Block - Highbury	-	-	-	-	-	-	0	170	4	0	174	174
220176	Harpers Field Community Building and Sporting Clubroom	-	4,200	-	(1,890)	2,310	2,310	145	8,015	(80)	(3,571)	4,364	4,219
220186	Modbury Soccer Club, Modbury	222	-	438	-	438	215	674	50	941	72	1,063	389
220187	Modbury Bowling Club	131	-	231	-	231	100	309	-	438	(72)	366	57
220188	Linear Park Toilet Block - Lutana Grove	-	-	-	-	-	-	0	163	7	(0)	171	170
220211	Modbury Sporting Club - Clubroom and Changeroom	21	2,500	-	(1,655)	845	824	30	3,595	15	(2,310)	1,300	1,270
220212	Tilley Recreation Park - Clubroom and Changeroom	-	3,250	-	(2,650)	600	600	27	4,295	17	(3,417)	895	868
230030	GGRAC - Court 2 & 3 Stadium Seating replacement,	-	15	-	-	15	15	11	30	-	-	30	19
230031	DAIP Building Upgrades	-	-	-	-	-	-	10	150	-	-	150	140
230032	Keyless Building Access	-	-	-	-	-	-	4	100	19	-	119	114
230033	GGRAC - Emergency Lighting Upgrade, Golden Grove	-	-	-	-	-	-	1	32	-	-	32	31
230034	GGRAC - Building Management System, Golden Grove	-	-	-	-	-	-	46	50	-	-	50	4
230035	TTG Memorial Hall - Storage, Tea Tree Gully	-	-	-	-	-	-	1	30	-	-	30	29
230036	Library Shelf Replacement	-	-	-	-	-	-	10	260	-	-	260	250
230037	GGRAC - Theatre PA System and Audio Control System	-	-	-	-	-	-	6	140	-	-	140	134
230117	Cobbler Creek West Reserve Toilet	-	-	-	-	-	-	8	190	-	-	190	182
230123	Tea Tree Gully Gymsports	-	-	-	-	-	-	-	300	-	-	300	300
230124	Tea Tree Gully Tennis Club	-	-	-	-	-	-	-	300	-	-	300	300
230133	Accessible Adult Change Table Facility, Civic Park, Modbury	-	-	-	-	-	-	6	155	-	-	155	149
230134	Hope Valley Sporting Club - Amenities improvements	-	1,200	-	-	1,200	1,200	-	1,200	-	-	1,200	1,200
230239	Banksia Park Sports Area Master Plan	-	-	-	75	75	75	-	-	-	-	75	75
Total Capital Buildings New/Upgrades		374	11,165	669	(6,120)	5,714	5,340	1,527	20,782	1,528	(9,223)	13,087	11,560
Project Category: Environmental Projects													
200183	Solar Compacting Bins-var	-	-	-	-	-	-	-	-	-	-	-	-
210156	Green bins-compostable waste per audit findings	-	-	-	-	-	-	-	40	-	-	40	40
220156	Solar Energy program - Service Centre - Shed 2	-	-	49	-	49	49	-	90	-	-	90	90
230102	LED Street Lighting Changeover Stage 2	140	500	245	-	745	604	70	500	49	-	549	479
Total Environmental Projects		140	500	294	-	794	653	70	630	49	-	679	609
Project Category: Information Technology													
210160	Booking Systems - Phase 2	-	-	-	-	-	-	-	34	-	-	34	34
220167	ITS - ITAMP - Infrastructure	-	-	-	-	-	-	-	195	(195)	-	-	-
220160	Enterprise Content Management	-	-	-	-	-	-	43	76	19	-	95	53
220161	Identity & Access Management	-	-	-	-	-	-	-	96	-	-	96	96
220162	eServices Automation	-	-	-	-	-	-	55	215	(2)	-	213	158
220164	Internet of Things phase 2	-	-	-	-	-	-	1	42	-	-	42	42
220165	Immunisation Clinic - Booking System	-	-	-	-	-	-	-	23	-	-	23	23
230105	ERP System (Rating, Property, Salesforce integration,	-	-	-	-	-	-	50	876	110	-	986	936
230172	ITAMP - Hardware	-	-	-	-	-	-	11	285	-	-	285	274
230173	ITAMP - Desktop Software	-	-	-	-	-	-	2	54	-	-	54	52
230174	ITAMP - Enterprise Applications	-	-	-	-	-	-	30	160	-	-	160	130
230175	Other IT - Business Process Automation, Sustainable Cities,	-	-	-	-	-	-	49	281	-	-	281	232
230234	Firewall Replacement	-	-	-	-	-	-	173	-	(10)	195	185	12
Total Information Technology		-	-	-	-	-	-	414	2,100	355	-	2,454	2,040
Project Category: Other													
220191	Land Sales	1	-	-	-	-	(1)	24	-	-	-	-	(24)
230103	Projects to be Grant Funded (to be determined)	-	-	-	-	-	-	-	3,389	-	-	3,389	3,389
230106	Plant & Equipment Replacement Program	35	504	38	-	542	508	-	1,626	77	-	1,703	1,703
230107	Library Books	-	-	-	-	-	-	-	-	-	-	-	-
Total Other		36	504	38	-	542	506	24	5,015	77	-	5,092	5,068
Total Capital Works Program 2022-23		1,921	17,612	2,457	(5,830)	14,239	12,318	4,225	51,079	3,532	(8,908)	45,704	41,479

INFORMATION REPORT

AUDIT COMMITTEE MEETING

07 December 2022

Corporate Services

Internal Audit Plan Status Update (D22/190717)

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
Fraud and Corruption	Completed	Report provided to 9 February 2022 Audit & Risk Committee Meeting	KPMG
Bushfire Prevention and Preparedness	Completed	Report provided to 28 September 2022 Audit & Risk Committee Meeting	KPMG
Procurement (quotations)	In progress	Report to be provided to 22 March 2023 Audit & Risk Committee Meeting	Internal
Strategic Social Infrastructure Planning	In progress	Fieldwork in progress nearing completion	WSP Australia Pty Ltd
Strategic Asset Management	In progress	Fieldwork in progress nearing completion	Institute of Quality Asset Management
Precinct Planning	In progress	Procurement process in progress. Proposals due from consultants in January 2022 (noting the request for quote timeframe is extended for strategic internal	N/A

Audit Title	Status	Notes	Auditor
		audits due to the nature of the scope)	
Recycled Water	In progress	Scope is being finalised. The procurement process for this audit has been scheduled for February 2023. This is as a result of internal resourcing being allocated to other Council priorities (such as responding to stormwater and flooding impacts from the recent heavy rainfall events).	N/A
Strategic Environmental Management	Not commenced	Scope to be developed	N/A

Attachments

N/A

Report Authorisers

Marley Marks	
Governance & Risk Administration Officer	8397 7270
Anna Athanasiou	
Risk & Audit Advisor	8397 7253
Ilona Cooper	
Manager Governance & Policy	8397 7310
Shelley Blackwell	
General Manager Corporate Services	83977444

INFORMATION REPORT

AUDIT COMMITTEE MEETING

07 December 2022

Corporate Services

Internal Audit Agreed Actions Update (D22/193244)

Background

In line with the Audit Committee's Terms of Reference (clause 2.3), the Committee is responsible for monitoring recommendations for improvement from previous audits (commonly referred to as 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 28 September 2022 meeting, with a status update on all actions provided every 6 months.

'High' or 'Extreme' Agreed Actions

The Fraud Management Internal Audit report presented to the Audit Committee in February 2022 which highlighted eight key findings and one opportunity for improvement.

Two findings were rated as a 'high' risk, being:

1. 'Increased Fraud and Corruption Risk Factors' and;
2. 'Fraud Risk of Theft of Small Tools'.

An excerpt of the findings, which includes a number of part items and agreed actions, is provided below. All of these agreed actions have yet to reach the revised due date for completion.

Finding – Increased fraud and corruption risk factors	Agreed Actions and further comments
<ul style="list-style-type: none"> • The Assets & Environment business unit conduct a fraud specific risk assessment to identify areas where further controls are required to reduce instances of fraud; • Fraud risk and awareness training is completed by all staff within the Assets & Environment business unit, with clear 	<ul style="list-style-type: none"> • Fraud risk assessment process has commenced however this is a resource intensive exercise and will take longer than initially anticipated (Due 31/12/22) • Fraud awareness training has been completed within corporate leaders in City Operations (previously referred to as Assets & Environment)

Finding – Increased fraud and corruption risk factors	Agreed Actions and further comments
<p>communication of the consequences of fraudulent activities;</p> <ul style="list-style-type: none"> 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; and Incorporation of the effectiveness of fraud controls implemented be included within the Performance Management Procedure for senior management staff 	<ul style="list-style-type: none"> Fraud management reporting criteria has been developed with reporting to commence in December 2022 (for Q1&Q2 2022/23) (Due 31/12/22) Performance Management Procedure for senior management staff and/or position descriptions to be up-dated to incorporate this recommendation (Due 31/12/22)
Finding – Fraud risk related to theft of small tools	Agreed Actions and further comments
<ul style="list-style-type: none"> Assets & Environment business unit conduct a fraud specific risk assessment, as further outlined in Finding 1 and 4; Assets & Environment business unit undertake the audit over small tools as intended, to ensure the small tools register is up-to-date and accurate 	<ul style="list-style-type: none"> Completed. The small tools audit was conducted between May and June 2022, and included all of Council's locations, vehicles and storage areas. The tools asset register has been reviewed and updated accurately. Detailed findings of this audit were presented to the Audit Committee on 28 September 2022.

Attachments

N/A

Report Authorisers

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Anna Athanasiou Risk & Audit Advisor	8397 7253
Shelley Blackwell General Manager Corporate Services	83977444

INFORMATION REPORT

AUDIT COMMITTEE MEETING

07 December 2022

Corporate Services

Strategic Risk Register - December 2022 - Bi-annual Review (D22/181162)

1. Purpose

This report presents to the Audit Committee the status of strategic risks identified in the November 2022 bi-annual review, which are presented as two registers (strategic risks and organisational risks):

- Strategic risks have the ability to impact the achievement of strategic objectives or the city as a whole (refer Attachment 1)
- Organisational risks have the ability to impact the achievement of organisational objectives or operational service delivery (refer Attachment 2)

2. Background and Supporting Information

Clause 2.9 of the Committee's Terms of Reference provides for the Committee to review strategic risks on a regular basis. **In-line with Council's Risk Management Policy** and the Risk Management Framework, the Strategic Risk Register and Organisational Risk Register is the management tool used for identifying, assessing and managing these risks to an acceptable level.

To ensure structured reviews and regular reporting occurs, departments maintain individual risk registers and undertake biannual reviews in May and November each year to coincide with the Strategic Risk Register Review. Any new or amended strategic or organisational risks identified through the departmental risk review are transposed onto the Strategic Risk Register or Organisational Risk Register and presented for review and discussion to the Executive Management Team prior to presentation to the Audit Committee.

3. Risk Register Summary

The following provides a summary of strategic and organisational risks from the relevant registers contained in Attachments 1 and 2.

3.1 Strategic Risk Register

Ref	Risk Title	Consequence	Likelihood	Risk Rating
1	Major injuries/death to members of the public	Critical	Unlikely	High
2	Failure to deliver the strategic and organisational plan objectives	Major	Possible	High
3	Council owned or inherited assets and infrastructure	Major	Possible	High
4	Emergency management & business continuity	Critical	Unlikely	High
5	Future economic development opportunities not realised	Major	Unlikely	Medium
6	Changing environmental factors	Moderate	Possible	Medium
7	Unsustainable employment model	Moderate	Possible	Medium
8	Financial sustainability	Minor	Unlikely	Low
9	Diversification of industry and retail sectors	Moderate	Possible	Medium
10	Major strategic projects	Moderate	Possible	Medium
11	Employment market and skill diversity shortage	Moderate	Possible	Medium
12	Breach of information security	Major	Likely	High
13	Current level of the CPI for Adelaide is well above the RBAs target range of 2 to 3 percent	Moderate	Almost Certain	High

Consequence	Critical		1,4			
	Major		5	2,3	12	
	Moderate			6, 7, 9,10, 11		13
	Minor		8			
	Insignificant					
Risk Rating						
Low						
Medium						
High						
Extreme						
		Rare	Unlikely	Possible	Likely	Almost Certain
		Likelihood				

3.2 Organisational Risk Register

Ref	Risk Title	Consequence	Likelihood	Risk Rating
1	Major workplace injury or death of an employee	Critical	Unlikely	High
2	Compliance with government policy and legislation	Moderate	Possible	Medium
3	Fraudulent and/or corrupt activity	Moderate	Possible	Medium
4	Management of major hazards to Infrastructure	Major	Possible	High
5	Engagement with stakeholders including State, Federal and Local Governments	Moderate	Possible	Medium
6	Elected member activities	Moderate	Unlikely	Medium
7	Organisational culture	Moderate	Unlikely	Medium

Consequence	Critical		1			
	Major			4		
	Moderate		6,7	2,3,5		
	Minor					
	Insignificant					
Risk Rating						
Low						
Medium						
High						
Extreme						
		Rare	Unlikely	Possible	Likely	Almost Certain
		Likelihood				

4. Summary of changes since last review

The following provides an overview of the changes made to the Strategic and Organisational Risk Registers since the last review in May 2022. These changes are highlighted in red text within Attachments 1 and 2.

4.1 Strategic Risk Register

- Risk Ref 5 – Future economic development opportunities not realised – Removed Master City Plan 2011-2040 and Development Plan from controls and replaced with Planning and Design Code. Other controls have been included **(Council's Small Business Advisory Service and Small Business Program)**, with the likelihood rating amended from possible to unlikely.
- Risk Ref 7 – Unsustainable Employment model - Consequence rating amended from major to moderate.
- Risk Ref 8 – Financial Sustainability – Risk description updated to replace **'Failure' with 'Inability' to maintain financial sustainability.**
- Risk Ref 9 - Diversification of industry and retail Sectors - Removed Master City Plan 2011-2040 and Development Plan from controls and replaced with Planning and Design Code. Other controls have been included **(Council's Small Business Advisory Service and Small Business Program)**. Risk description updated to **replace 'Failure' with 'Inability' to facilitate diversification of industry and retail sectors within the city's economy.**
- Risk Ref 10 - Behaviour / conduct and leadership of Principal Member of Council – **Risk has been removed as it's no longer strategic in nature given that Council has a newly elected Principal Member.**
- Risk Ref 11 – Employment Market and Skill Diversity Shortage – Likelihood changed to possible, **reducing this to a 'medium' risk. Risk description updated to replace 'Failure' with 'Inability' to effectively attract and retain skilled and diverse staff.**
- Risk Ref 12 – Breach of information security – Risk has been transferred from an organisational risk to a strategic risk on the basis of recent data breaches across the state which have the potential to impact the community (rather than just the organisation). An additional causal factor/key driver has been included for phishing. New controls identified for mitigation (Business Continuity Plan, penetration testing, training and education, two factor authentication and regular mandated password updates). The likelihood has been increased from **possible to likely, moving this into a 'high' risk.**

- Transition of CWMS infrastructure to SA Water – Risk has been removed from the strategic risk register as the risk has been fully transferred to SA Water.
- Risk Ref 13 – Current level of the CPI for Adelaide is well above the RBAs target range of 2 to 3 percent – New strategic risk identified. CPI increase is at a **level that is greater than Council’s ability to increase revenue and/or reduce cost base.**

4.2 Organisational Risk Register

- Risk Ref 5 – Engagement with Stakeholders, including state, Federal and Local Governments – Two new casual factors identified to reflect community groups and their requirement to engage with the Council and State Government.
- Risk Ref 6 – Elected Member Activities – Risk reduced from possible to unlikely, due to election of the new Council. Causal factor 9 generalised to releasing confidential items as a whole, rather than specifically to the media.
- Risk Ref 7 – Organisational Culture – New control identified (pulse surveys introduced to allow staff to regularly comment on wellbeing) and risk reduced to unlikely.
- Digital and Social Media Transformation – Risk has been removed from organisational risk register and remains within the relevant departmental risk register.

Attachments

1. ↓	Strategic Risk Register - December 2022	63
2. ↓	Organisational Risk Register - December 2022	67

Report Authorisers

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Shelley Blackwell	
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City of Tea Tree Gully - Strategic Risk Register

Review Date: 3 May 2022

Risks documented in the Strategic Risk Register have been identified as having the potential to impede on Council realising its strategic objectives as outlined in the Strategic Plan 2025

	Rare	Unlikely	Possible	Likely	Almost Certain
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

Risk ID	Risk Name/Title	Risk Description	Causal Factors	Risk Owner	Strategic/ Organisational	Risk Impact	Existing/Current Controls	Control Effectiveness	Risk Evaluation Post Controls - Residual Risk Assessment			Risk Controls/Risk Treatment <i>ie Avoid, Transfer, Mitigate, Accept if applicable</i>	Description of Proposed Treatment/Risk Controls	Implement By	Treatment Owner
#		<i>What could go wrong?</i>	<i>*KD= current Key Driver</i>	<i>Position Title</i>	<i>Objective</i>	<i>What are the Impacts should Risk Eventuate?</i>	<i>What is currently in place to manage the risk?</i>		Consequence	Likelihood	Risk Rating		<i>What will we additional do to manage the risk?</i>	<i>Date</i>	<i>Title/Position</i>
1	Major Injuries/Death to Members of the Public	The potential for major injuries or death of members of the public resulting from poorly managed worksites, design of public realm, unsafe work practices, activities and inadequate maintenance of roads, footpaths, trees and park assets	(1) Tripping on footpaths (2) Lack of footpath and road maintenance (3) Substandard materials (*KD) (4) Poorly planned and managed works (*KD) (5) Ineffective traffic management processes (6) unclear instructions/training (7) Ineffective policies and procedures (8) Ineffective signage (9) Poorly maintained headwalls, entrance statements and signage (10) Poorly maintained lighting, headwalls and entrance (11) Climate change impacts - Severe weather events (12) Delayed removal of hazardous trees (13) Poor use and non maintenance of plant and equipment (14) Unsafe work practices (15) Lack of risk assessments (16) Lack of inspection and maintenance of playground equipment (17) Failure of significant and regulated trees (18) Roads, footpaths, trees & park assets coming to end of life (*KD) (19) Accessibility, design and security of public realm spaces (eg. public toilets)	Chief Executive Officer General Manager City Operations General Manager Strategy & Finance General Manager Community Services General Manager Corporate Services Manager Civil Assets Manager Civil & Water Operations Manager Parks	SP4 Places 4.6	Major injuries/death, Financial, litigation, Reputation/Image	(1) Signage displayed and work zone traffic management (PE) (2) Existing footpaths and roads maintained in good repair to minimise construction works (PE) (3) Pathway and works areas regularly cleaned of any debris to minimise tripping hazards (PE) (4) Hazards identified and bunted-off and repairs undertaken as a priority (PE) (5) Contractors required to address on site construction safety program as part of project specification (PE) (6) Requirement to have second person as observer when operating machinery (PE) (7) Installation of temporary fencing to construction site to limit access (E) (8) Black-spot programs and road safety Audits (PE) (9) Policies and procedures (PE) (10) Road, footpath, tree and playground inspection and maintenance programs (PE) (11) Risk Assessments (PE) (12) CRM system in place to log and escalate requests from the public (PE) (13) Public and Professional Indemnity Insurance (E) (14) 2019 Risk Evaluation identifying conformances and improvement strategies in compliance with the WorkCover Performance Standards (PE)	Partially Effective	(5) Critical	(4) Unlikely	High	Accept			
2	Failure to Deliver the Strategic and Organisational Plan objectives	Strategy and deliverables not aligned with the Strategic Plan objectives Failure to achieve the strategic and organisational Plan objectives resulting in loss in community confidence and opportunities not capitalised	(1) Unclear plans not identifying goals, objectives and targets (*KD) (2) Failure to identify the community's needs and expectations (*KD) (3) Failure to anticipate and react to the changing needs of the community and/or community demand shifts (4) Inadequate budget and financial position (*KD) (5) Setting of unrealistic and unachievable objectives (6) Not having the right people and tools to drive and deliver (*KD) (7) Strategic projects not aligned to Strategic Plan objectives (8) Stakeholder, political or competitive pressures(*KD) (9) Regulatory changes (*KD) (10) Shift in strategic focus (11) Losing sight of strategic plan objectives in the strategy planning process (12) Ineffective policies and procedures (13) Cost shifting, reduction and/or change in government funding (14) Councillors changes to strategic objectives, ie new councillors, personal interest (15) Market conditions (supply chain, inflation, availability of contractors and consultants)(*KD)	Chief Executive Officer General Manager City Operations General Manager Strategy & Finance General Manager Community Services General Manager Corporate Services	SP1 Community 1.4	Inability to meet strategic project outcomes and deliver on community expectations/image and reputation and loss of confidence	(1) Governance structure includes elected members (PE) (2) Engagement and Communication Plans to included Elected Members and MP's (PE) (3) Regular briefings with Elected Members at CEO Workshops (PE) (4) Sign-off from Council at key milestones (PE) (5) Regular review of project risk assessment (PE) (6) Budget bids and budget workshops to identify priorities for Council (E) (7) Council reporting (E) (8) External funding opportunities identified to supplement Council funding (PE) (9) Leadership team focussed on delivery of objectives which are directly linked to business plans (PE) (10) Corporate reporting on KPI's, eg quarterly through performance manager and annually CEO KPI's (PE) (12) Strategic, Organisational and Departmental risks identified all link to a strategic or organisational objective (PE)	Partially Effective	(4) Major	(3) Possible	High	Accept			

3	Council Owned or Inherited Assets and Infrastructure	Inability to supply and maintain infrastructure and assets that support population growth, cater for a diverse community and enhance people's health, happiness and wellbeing	(1) Ageing infrastructure - end of life (*KD) (2) Inherited infrastructure poorly structured (3) Degradation (*KD) (4) Lack of long-term asset management plans (5) Insufficient asset and infrastructure maintenance programs (*KD) (6) Inaccurate asset management data/records (7) Insufficient capital works planning and budget (8) Climate change adaption strategies not planned or considered in the event of and response to extreme weather and emergency events (9) Poor maintenance and inspection regimes/programs (*KD) (10) Failure to consider sustainable improvements as part of retrofit and maintenance (11) Increase in street parking (12) Insufficient Cemetery long-term planning - inability to meet population demographic for current and future capacity	General Manager City Operations Group Coordinator Civil and Building Projects Manager Civil Assets Manager Strategic Assets	OP4 Finance & Systems OP4.1.1	Social, economic and environmental issues	(1) Reactory/reactinary portfolio budget available to deal with potential short term claims (PE) (2) Asset Management Plans in place for a number of Council assets including: - Buildings - Footpaths - Roads - Stormwater - Waterworld (PE) (3) Long Terms Financial Plan in place that aligns to existing Asset Management Plans (5) Strategic Plan 2025 & Organisation Plans 2025 (PE) (6) Feature wall/entrance statements data captured in Assetic (PE) (7) Cemetary management policy (PE) (8) Notifaction process of potenial land sales alerts of surround peroperties for potential purchase (PE) (9) Cemetary management contract (PE) (10) Strategic Asset Management - Internal Audit	Partially Effective	(4) Major	(3) Possible	High	Mitigate	(1) Development of asset registers (for other asset classes) as part of valuation process (2) Condition Assessment of Entrance Statement Wall and develop Renewal Plan (3) Develop Asset Management Plans for other classes of assets:: - Bridges - Bus stops - Car Parks - Retaining Walls / Fences / Entrance statements - Open Space & Recreation (eg. Playgrounds) - Public Lighting - Stormwater (4) Implement findings from Internal Audit - Strategic Asset Management (5) Review policy and develop procedure to include licensed duration/expiry of plots (6) Developing a customer service charter with needs	Dec-22	Director Assets and Environment Group Coordinator Civil and Building Projects Strategic Assets Coordinator Manager Governance and Policy Group Coordinator Civil and Building Projects
4	Emergency Management & Business Continuity	Failure and/or inability to prevent, prepare, respond, sustain or recover operations or operations being suspended/modified in the event of a major disaster/ Pandemic/disruptive event impacting delivery of services to the community	(1) Ineffective planning and testing of emergency management and business continuity systems and processes resulting in Systems failure (2) Unclear policies and procedures (3) Failure to test or ineffective testing of plans (4) Unclear roles and responsibilities (5) Lack of capacity and capability of Council's Incident Management Team (*KD) (6) Redirection of resources managing competing priorities (7) Ineffective communication protocols in place for Council's Incident Management Team (8) Lack of community resilience development (9) Declared Emergency across State, Country, or World that continues for an extended period of time, ie COVID-19 (*KD) (10) Government or SAPOL Commissioner directive to suspend or modify services provided by Council (*KD) (11) Capacity and capability impacted ie, Absenteeism (*KD)	Chief Executive Officer General Manager City Operations General Manager Strategy & Finance General Manager Community Services General Manager Corporate Services CIMT Manager Governance & Policy	SP5 Leadership 5.1	Decreased service delivery levels, loss of confidence and increased risk to community safety, economic impact	(1) Incident Management Framework (PE) (2) Business Continuity Plan (PE) (3) IT Disaster Recovery Plan (PE) (4) Emergency Management Plan (PE) (5) Incident Management Operations Manual (6) Total Fire Ban Day Plan (PE) (7) Business Impact Assessments undertaken on all critical and non-critical functions (PE) (8) Council Incident Management Team structure with role redundancy built in to enable coverage across shifts, to coordinate the response to any emergency event or business interruption event (E) (8) LGAMLS (PE) (9) Representation on Zone Management Committee (PE) (10) Emergency Management Secure Website - Repository for all Emergency Management information - not based in SA (PE) (11) Service centre site (Implemented IIT intel hub facility) supplementary and primary service delivery alongside Civic Centre (E) (12) Periodic reviews of Business Continuity Plan/Emergency Management Plans and testing (PE) (13) Extensive knowledge and experience of Executive Leadership Team in relation to incident management (14) Internal audit undertaken on BCP in May 2019 (15) LGAMLS evaluation of emergency management systems and processes with associated action plan (E) (16) Periodic reporting to Audit Committee on incident management arrangements (PE) (17) Training to elected members on emergency management (PE) (18) Central local government coordination by Local	Partially Effective	(5) Critical	(4) Unlikely	High	Mitigate	(1) Follow up on outstanding actions arising from testing/review of plans (2) Review current practices/system post COVID and implement learnings/continuous improvement (3) Relevant risks identified through emergency risk asesments included in applicable Departmental registers and mitigation strategies and controls considered	On-going	Emergency Management Advisor Departmental Managers
5	Future Economic Development Opportunities not Realised	Future viable economic opportunities in the city compromised creating social, economic and environmental issues, or not being realised due to Development Plan not being aligned to Strategic Objectives	(1) Ineffective long-term planning (*KD) (2) failure to identify and respond to human and physical capital investment opportunities (3) Inability to influence new business to the City (*KD) (4) Insufficient residential housing/land (5) Failure to plan for local development (*KD) (6) Inability to use or influence 'buy local' initiatives (7) Insufficient employment opportunities (8) Inability to partner with Govt, business and the community to drive growth (*KD) (9) Unaffordable housing (10) Misalignment of political and development interests	Chief Executive Officer Director, Organisational Services & Excellence Director Assets and Environment Director, Community & Cultural Development	SP3 Economy 3.3	Social - limited employment opportunities, economic downturn and environmental issues, Industry indifference to investment, development, image and reputation	(1) Modbury Precinct revitalisation project – increasing investment and growth in our regional centre (PE) (2) Established an Economic Development Steering group to identify areas that Council can influence economic development and grow our local economy (PE) (3) Commenced an economic development review to consider how Council can best influence economic development and how advice is provided to small businesses (a) Strategic Plan 2025 (b) Building optimisation audit (c) Planning and Design Code (d) Council's Small Business Advisory Service (e) Supporting Small Business Program PE	Partially Effective	(4) Major	(4) Unlikely	Medium	Accept			

6	Changing Environmental Factors	Failure to adequately plan, prepare and respond to the impacts of population density, climate change frequent and severe weather disturbances and sea rises (including storm, heat and wind/ flooding/ bushfires/ environmental factors such as water linked diseases and land degradation)	(1) Climate change adaption strategies not planned and considered (*KD) (2) Ineffective climate change adaption strategies and plans (*KD) (3) Failure to consider sustainable improvements as part of retrofit and maintenance (4) Lack of understanding of the impact of climate change effects (*KD) (5) Insufficient budget to manage increased risks (collapse, declining health, subsidence, increased maintenance requirements) (*KD) (6) Unclear policies and procedures (7) Vulnerable and non-resilient assets and infrastructure	Chief Executive Officer General Manager City Operations General Manager Corporate Services Manager Building, Assets & Environment Manager Parks	SP5 Leadership 5.5	Societal collapse associated with regional changes in climate and major effects on the natural environment, shortfalls in water supply, food security, human health and infrastructure	(1) Resilient East Adaptation Plan and annual work plan (PE) (2) Open Space Strategy Plan (PE) (3) Climate Change Action Plan (E) (4) Biodiversity Strategy (PE) (5) Asset Management Plan (PE) (6) Strategic Plan objectives (PE) (7) Business Planning (PE) (8) Tree Management Strategy and Policy (PE) (9) Federal and State Government Climate Change Strategies and targets (PE) (10) Waste Management Policy (PE) (11) Climate adaptation consultancy (PE) (12) Stormwater management planning (PE)	Partially Effective	(4) Major	(3) Possible	High	Accept	Regular review and revision of the Climate Action Plan to reset the targets and actions Electricity Procurement - to participate in the Electricity Working Group with LGAP for the procurement of renewables as part of the contracts starting 1 Jan 2023	On-going Jun-23	Director Assets and Environment Environmental Sustainability Co-ordinator
7	Unsustainable Employment Model	Sustainability and agility of service delivery not planned and considered to meet the changing community expectations to operate in an environment of rapid change with current/traditional local government employment model, workforce mix and leadership	(1) Workforce structure and job design not planned to adapt to changing needs (*KD) (2) Changing community expectations (3) Artificial Intelligence / automation changing job roles (4) External market pressures (5) Digital literacy of community members and changing approach to interaction with Council (6) Skill and capability level of workforce and leadership (*KD) (7) Insufficient training for changing job requirements (*KD) (8) Leadership that is unable to adapt to and operate in an environment of rapid change, ie moving technology	Chief Executive Officer General Manager City Operations General Manager Strategy & Finance General Manager Community Services General Manager Corporate Services Manager Organisational Development	SP1 Community 1.4	Poor organisational outcomes - Quality of service delivery inconsistent and failure to meet customer expectations and community outcomes	(1) Organisational Development strategy- Leadership development Culture and engagement strategies Performance Management Learning and Development Wellbeing Strategic Workforce Planning and Change Management Work Health and Safety (PE) (2) Robust recruitment process is in place (PE) (3) IPP's conducted every six months (PE) (4) Qualifications are checked and sighted before commencement (PE) (5) Ongoing training and development programs are in place (PE) (6) Probationary periods are used to assess performance (PE) (7) Essential qualifications, skills and licenses are identified and checked as part of our health and safety processes (PE) (8) Fixed term contracts put in place for a number of roles (8) Flexible working arrangements (PE) (9) Opportunity and Service Review - Community Value Program (E)	Partially Effective	(3) Moderate	(3) Possible	Medium	Accept			
8	Financial Sustainability	Inability to maintain financial sustainability in delivering services, programs and initiatives, including the provision of new capital works and maintenance of Council assets and infrastructure to meet the community's needs and expectations	(1) Insufficient operational & capital budgets (2) Ineffective budget planning and monitoring (*KD) (4) Redirection of resources to deal with major event (5) Insufficient long-term strategy and asset planning (6) Non budgeted costs resulting from severe/extreme weather events (7) Third party property damage & Utilities damage resulting from council works (8) Reduced water availability (9) Impact of climate change to trees and landscape (10) Impacts from changes to Government Policy/Local Government review/changes to legislation (11) Federal and State funding cuts/loss of grants and funding (12) State Government policy directive, ie rate capping (13) Less reliance on discretionary income than some other Councils (14) Lack of understanding around inflationary impacts	Chief Executive Officer General Manager City Operations General Manager Strategy & Finance General Manager Community Services General Manager Corporate Services	SP5 Leadership 5.5	Exceed Council's operating budget causing financial strain/compromised service delivery/inadequate asset management, image and reputation	(1) Monthly variation reports by managers to ensure expenditure within budget (PE) (2) Quarterly budget reviews are undertaken to monitor expenditure (PE) (3) Contract policy and procedures in place to manage and monitor procurement and contracts and to ensure appropriate expenditure authorisation (PE) (4) Managers set KPI to meet budget (E) (5) Public liability and indemnity insurance (6) Business Plans/budget plans and action plans (PE) (7) Subscriptions to State Govt websites, initiatives and monitoring of grant funding through bulletin alerts and grant funding databases (PE) (8) Engagement and external partnering/partnerships programs and initiatives (PE) (9) Long term financial planning (PE) (10) Budget Plans/forecasts (PE) (11) Monitor debt /interest (PE) (12) Asset Management Plans (E) (13) Monitoring and analysing discretionary services for value add (PE) (14) Limited reliance on discretionary income (primarily grant funding or rate revenue)	Effective	(2) Minor	(4) Unlikely	Low	Accept	(1) Monitoring and reporting of expenditure	on-going	Manager Finance and Rating Operations
9	Diversification of Industry and Retail Sectors	Inability to facilitate diversification of industry and retail sectors within the city's economy Economic down turn, limited employment opportunities for key demographics groups and industry indifference to investment in the city leading to decline/ degenerated economy and unsustainable growth in the city	(1) Insufficient planning opportunities to identify types of industries and retail sectors to benefit in the city (2) Inability to forecast population growth rate and trends (3) Insufficient urban renewal (*KD) (4) Insufficient mix of tourism, arts, culture and hospitality (5) Loss of investor confidence (*KD) (6) Inability to partner with Govt, business and the community to drive growth (*KD)	Chief Executive Officer General Manager City Operations General Manager Strategy & Finance General Manager Community Services General Manager Corporate Services	SP3 Economy 3.3	Financial loss - decreased revenue and increased rates to sustain operations, industry indifference to growth and development, image and reputation	(1) Establishment of an Economic Development Steering group to identify areas that Council can influence economic development and grow our local economy (PE) (2) Commenced an economic development review to consider how Council can best influence economic development and how advice is provided to small businesses (a) Strategic Plan 2025 (b) Planning and Design Code (c) Small Business Advisory Service (d) Supporting Small Business Program (PE)	Partially Effective	(3) Moderate	(3) Possible	Medium	Accept			

D15/30072

Strategic Risk Register

10	Major Strategic Projects	Inability to deliver major strategic projects leading to financial loss, reduced sustainability and loss of confidence by staff and the community (ie grant funded projects, and various sporting club up-grades)	(1) Failure to meet project plan timeframes (*KD) (2) Community influence (3) Contractors/third party's inability to meet projected timeframes (*KD) (4) Failure to identify operational and project risks (5) Budget allocation over-run/spend (*KD) (6) Unrealistic project timeframes (7) Unforeseeable risks, ie tree root damage (8) Unidentified Scope (9) Ineffective monitoring and analysis (10) Inexperienced staff leading major projects (*KD) (11) Skilled Contractor shortages and availability resulting from the impacts of COVID and high demand (*KD) (12) Influx of projects leading to Project Managers being at/over workload capacity	General Manager Corporate Services General Manager Finance & Strategy Manager Finance & Rating Operations	SP4 Places 4.6	Service Delivery, reputation and image/loss of staff and community confidence, financial implications	(1) Project Management Plans (PE) (2) Budget Plans/forecasts (PE) (3) Strategic project risk assessments (PE) (4) Stakeholder engagement (PE) (5) Steering Committee (PE) (6) Specialist Consultants (E) (7) Project elements outsourced (E) (8) Qualified and experienced project management leaders (PE) (9) Contractor Management processes (E) (10) Project Management Framework (PE)	Partially Effective	(3) Moderate	(3) Possible	Medium	Accept	Approaching wider markets and extended timeframe considerations for engaging consultants and contractors	On-going	Departmental Managers
11	Employment Market and Skill Diversity Shortage	Inability to effectively attract and retain skilled and diverse staff in a tight employment market	(1) Pandemic resulting in low people movement (*KD) (2) Unclear Business needs (3) Uptake of Redundancy package offer (*KD) (4) Organisational restructuring and job role redesign (5) Lack of workforce succession planning (6) Labour market shortage of skilled candidates impacted by COVID (*KD) (7) Ageing workforce and loss through natural attrition (*KD) (8) Failure to build a strong employer brand, ie reputation of Council as an employer (9) Culture not consistent with values and beliefs of Council (10) Promotional opportunities not offered/realised (11) Increased to staff workloads, poor morale and wellbeing	Chief Executive Officer General Manager City Operations General Manager Strategy & Finance General Manager Community Services General Manager Corporate Services Manager Organisational Development	SP5 Leadership 5.1	Disruption to service delivery, failure to meet customer and community expectations, employee morale and wellbeing, reputation and image/Loss of Community confidence, financial implications	(1) Strategic workforce planning and change management (PE) (2) Culture and engagement strategies (PE) (3) Promoting an internal and external strong employer brand (PE) (4) Ensuring salary and conditions competitive with similar organisations through EB Negotiations (PE) (5) Strong values and beliefs culture (PE) (6) Offer of professional development opportunities (PE) (7) Outsourcing of projects/use of external consultants	Partially Effective	(3) Moderate	(3) Possible	Medium	Mitigate	Approaching wider markets and extended timeframe considerations for engaging consultants and contractors	Ongoing	Departmental Managers Procurement and Contract Management
12	Breach of information security	The loss of community confidence and allegiance through the threat by external sources breaching information security	(1) Old, unpatched security vulnerabilities (2) Human Error (*KD) (3) Malware (4) Unclear policies and procedures - staff misuse (4) Theft of a data-carrying device (5) Poor business process (6) Insecure access/password (7) Hacking/virus/Trojans/phishing (*KD)	General Manager Corporate Services Manager IT Solutions	SP4 Places 4.3	Damaged and lost IT infrastructure/financial/reputation	(1) Virus definitions up-dated regularly to detect new virus' and up-date the anti-virus software (PE) (2) Internet and email filtering to identify and block harmful content (PE) (3) Majority of users on Citrix which is software designed to facilitate secure access to applications and content (PE) (4) Information security policy and framework (PE) (5) Implementation of mobile device management strategy (PE) (6) Network monitoring tools implemented (PE) (7) External auditing to identify system improvements (PE) (8) Business Continuity Plan (9) Penetration testing (10) Training and Education (11) Two factor authentication and regular mandated password updates	Partially Effective	(4) Major	(2) Likely	High	Accept			
13	Current level of the CPI for Adelaide is well above the RBAs target range of 2 to 3 percent	The current level of CPI has resulted in an increase to the cost of goods and services consumed by Council. This may result in an increase to the cost base of Council which is greater than that ability of Council to increase revenue or reduce cost base.	(1) Cost of goods and services consumed increase in line with current CPI (2) Future increases to Rate Revenue and User Charges are not in line with CPI (3) Limited appetite to reduce services offered by Council to reduce costs base	General Manager Strategy & Finance Manager Strategy & Finance	SP5 Leadership 5.4	Long term financial sustainability of Council is compromised through reduced operating surpluses that are below the Financial Sustainability Policy Metrics. Reduction in operating surpluses reduces Council's ability to invest in new infrastructure for Community	(1) Education for Elected Members on budget implications if rates increase does not match CPI (2) Employee award increase is capped at 2.5% (3) Community Value program aims to review Council services and practices to ensure they are efficient and effective (4) Continuous managing of budget variances with budget owners (5) Identification of continuous improvement opportunities that deliver targeted efficiencies (6) Value management incorporated within procurement activities	Effective	(3) Moderate	(1) Almost Certain	High	Mitigate			



City of Tea Tree Gully - Organisational Risk Register

Review Date: December 2022

Risks documented in the Organisational Risk Register have been identified as having the potential to impede on Council realising its organisational objectives as outlined in the Organisational Plan 2025

	Rare	Unlikely	Possible	Likely	Almost Certain
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

Risk ID	Risk Name/Title	Risk Description	Causal Factors	Risk Owner	Hierarchy of Risk	Risk Status	Risk Category	Strategic/ Organisational	Risk Impact	Existing/Current Controls	Control Effectiveness	Risk Evaluation Post Controls - Residual Risk Assessment			Risk Controls/Risk Treatment	Description of Proposed Treatment/Risk Controls	Implement By	Treatment Owner
#		What could go wrong?		Position Title				Objective	What are the Impacts should Risk Eventuate?	What is currently in place to manage the risk?		Consequence	Likelihood	Risk Rating	ie Avoid, Transfer, Mitigate, Accept (If applicable)	What will we additional do to manage the risk?	Date	Title/Position
1	Major Workplace Injury or Death of an Employee	Major workplace incident resulting in serious injury or death of an employee	(1) Inappropriate or ineffective WHS policies, procedures, PPE and training (2) Non-compliance with legislation (3) Inattention or distraction (*KD) (4) Extreme Environmental Conditions (storms, heat waves, etc)	Chief Executive Officer General Manager City Operations General Manager Strategy & Finance General Manager Community Services General Manager Corporate Services Manager Organisational Development	Organisational	Active	Safety and Wellbeing	OP4 Sustainable Operations 4.2	Non-compliance with WHS legislation, injuries/death/ litigation, financial	(1) WHS Policies and Procedures (PE) (2) WHS Induction and Training (PE) (3) Council's Code of Conduct (PE) (4) Workplace Inspections (E) (5) Compliance Register (E) (6) LGAWCS Risk Evaluation Audits and associated action plans (E) (7) Strategic WHS Committee (PE) (8) Internal Audit Schedule (E) (9) WHS Plan 2017 -2020 (E) (10) Monthly WHS Plan 2017 - 2020 Program Progress Report (E) (11) Executive Sponsorship of each of the WHS Plan 2017 - 2020 programs (E) (12) Training needs analysis undertaken for high risk roles (PE) (13) Implementation of WHS Plan 2017 - 2020 including management of identified Principle WHS Risks (14) Evaluation of system effectiveness through internal Audit (15) Ongoing Participation in LGAWCS and RTWSA Reviews and Audits (16) Enhanced safety first culture to ensure safe workplaces and practices (17) Develop and deliver Safety leadership program to all Front Line Managers (18) Develop and deliver Safety Leadership Program to all staff	Partially Effective	(5) Critical	(4) Unlikely	High	Accept			
2	Compliance with government Policy and Legislation	Non-compliance with Legislative responsibilities and/or Government Policy as it applies to all facets of Local Government	(1) Ineffective planning and implementation strategies (*KD) (2) Ignorant to legislative changes (3) Insufficient budget and timelines - implement changes (4) Local Govt changes and reform not communicated (5) Insufficient training and information provided understanding/knowledge of legislation changes (6) Legislation not prescriptive and open to interpretation	Chief Executive Officer General Manager City Operations General Manager Strategy & Finance General Manager Community Services General Manager Corporate Services	Organisational	Active	Legal/Regulatory	OP4 Sustainable Operations 4.1	Financial or legal penalties or implications for non-compliance	(1) Responsibility is driven through staff, Managers and relevant Business Plans. Staff are kept informed of changes via: • Relevant professional networks • Legislative alert summary (prepared by lawyers) • Government Gazette notice summary (prepared by lawyers) • LGA Circulars • Business Plans • Internal risk assessments • CEO & Director one on ones • Audit Committee and Council reports and actions (PE)	Partially Effective	(3) Moderate	(3) Possible	Medium	Mitigate	(1) Aspects of legislative compliance to form part of every internal audit review (where relevant) undertaken in accordance with the Internal Audit Plan (2) Consideration to be given to allocating more internal audit reviews that cover high risk pieces of legislation	Jun-22	Manager Governance and Policy
3	Fraudulent and/or Corrupt Activity	Failure to prevent fraudulent and or corrupt activity leading to major financial loss, reputational loss, reduced sustainability or ability to achieve organisational objectives / projects	(1) Inappropriate or ineffective internal controls (both preventative and detective) (*KD) (2) Insufficient auditing of financial activity (3) Employees making decisions out of personal interest (4) Unclear policies and procedures (5) Conflict of interest (6) Leaking of confidential and sensitive information	Chief Executive Officer General Manager City Operations General Manager Strategy & Finance General Manager Community Services General Manger Corporate Services Manager Governance and Policy	Organisational	Active	Fraud and Corruption	SP1 Community 1.3	Financial loss and image and reputation	(1) Clear delegations and segregation of duties processes (E) (2) Procurement policies and procedures (PE) (3) Fraud and Corruption Control Policy (PE) (4) Internal financial controls (PE) (5) Internal and External Audits (PE) (6) Audit Committee (PE) (7) Criminal history checks for employees (PE) (8) Employee Conduct Policy (PE) (9) Gifts and Benefits Register Procedure	Partially Effective	(3) Moderate	(3) Possible	Medium	Accept			
4	Management of Major Hazards to Infrastructure	Inability to identify, manage and control major infrastructure hazards such as gas explosion, waterways contamination, sink holes, bore/dam collapse jeopardising community safety	(1) Ineffective asset management plans (2) Unclear policies and procedures (3) Lack of monitoring, testing and inspection programs (*KD) (4) Lack of maintenance and cleaning regimes (5) Financial constraints	General Manager City Operations Manager Civil Assets Manager Civil & Water Operations Manager Parks Manager, Buildings Assets & Environment	Organisational	Active	Safety and Wellbeing	SP4 Places 4.6	Major injuries and potential death/financial loss/loss of confidence and credibility	(1) Asset management plans (PE) (2) Investigations of network and capacity (PE) (3) Infrastructure and equipment to manage major leaks (PE) (4) Flaring of excess gas from Subterranean landfill avenues provided to Elected Members (PE) (5) Regular water quality testing of waterways (Wynn Vale Lake and Jubilee Lake) (E) (6) Reporting to Office of the Technical Regulator and self-disclosure via EPA (PE)	Partially Effective	(4) Major	(3) Possible	High	Accept			

5	Engagement with Stakeholders including State, Federal and Local Governments	Inability to effectively advocate on behalf of the community to lobby Government to influence political decision, making right decisions, achieve funding objectives or engage with stakeholders resulting in: <ul style="list-style-type: none">• reduced resource/funding availability• missed opportunity• reputational risks• misplaced criticism• unclear Council priorities• exclusions by sectors of community• undermined strategic/corporate achievements• lack of community engagement• lack of grant funding	(1) Ineffective or lack of policy, planning and strategy - inclusive of stakeholder engagement (2) Inability to sustain and build relationships (3) Lack of community and public consultation, including participation (4) Ineffective partnering/partnerships, lost opportunity (*KD) (5) Failure to identify key stakeholders that will aid in decision making and priority areas (7) Community groups not engaging with their lessor (Council) (*KD) (8) Maturity levels of community groups - governing structures not sufficient to align with the significant investment from state government and Council (*KD)	Chief Executive Officer General Manager City Operations General Manager Strategy & Finance General Manager Community Services General Manager Corporate Services Manager City Strategy	Organisational	Active	Service Delivery	OP3 Future Capability 3.2	Council reputation/missed opportunities/loss of confidence	(1) Council Solutions (E) (2) ERA - Eastern Region Alliance (E) (3) Community Engagement Consultation Policy (E) (4) Project Management Framework - requirement to engage with stakeholders (PE) (5) Regular Satisfaction Surveys (PE) (6) Modbury Precinct Revitalisation Activation Strategy (PE) (6) Media Policy (PE) (7) Community Grants Policy/External Grant Funding Policy (PE) (8) Local Government Association (LGA) (E) (9) Centre led coordination by City Strategy Department for grant opportunities with monthly reporting to Elected Members by CEO (E) (10) Existing allocation in Council budget for discretionary grant allocation (E) (11) Grants SA Website (PE) (12) Departmental participation and activity in relevant industry forums (E) (13) Relationship management with existing members and candidates of state and federal seats as well as other stakeholders, eg sporting clubs (PE)	Partially Effective	(3) Moderate	(3) Possible	Medium	Accept			
6	Elected Member activities	Elected member display of inappropriate behaviour, making of promises outside of Council decision and providing conflicting advice from staff leading to loss of confidence by constituents and the wider community	(1) Inappropriate behaviour (2) Breach of code of conduct (3) Incorrect Advice provided to constituents (4) Directing operational request to immediate staff (5) Insufficient induction, training and information provided on roles and responsibilities (*KD) (6) Unclear of legislative requirements (7) Non-declaration of conflict of interest issues (8) Conflicting operational advice and process provided to constituents (9) Disclosing confidential information (*KD)	Chief Executive Officer General Manager Corporate Services Manager Governance & Policy	Organisational	Active	Reputation	OP4 Sustainable Operations 4.1	Loss of confidence, reputation and image to Council/inaccurate information/Potential financial implications	(1) Elected Member Induction and intensive training program - both mandatory and ongoing annual program (PE) (2) Ongoing advice to address specific situations (PE) (3) Open and transparent communication avenues provided to Elected Members (PE) (4) Elected Member Code of Conduct and associated process for handling complaints (PE)	Partially Effective	(3) Moderate	(4) Unlikely	Medium	Accept			
7	Organisational Culture	Inability to identify and embed the corporate values leading to poor organisational culture, loss of productivity, high employee turnover and missed innovative business opportunities	(1) Inappropriate behaviour (*KD) (2) Breach of code of conduct (3) Fraud and Corruption (4) Failure to comply or respect Council's corporate values (5) Insufficient induction, training and information provided on roles and responsibilities (*KD) (6) Unclear legislative requirements (7) Failure to work towards Council's common business goals (*KD) (8) Low employee morale and employee disengagement (9) Lack of direction and leadership	Chief Executive Officer General Manager City Operations General Manager Strategy & Finance General Manager Community Services General Manager Corporate Services Manager Organisational Development	Organisational	New	People and Culture	OP4 Sustainable Operations 4.2	Loss of confidence, reputation and image to Council/inaccurate information/Potential financial implications/litigation	(1) Training and Induction (PE) (2) Internal Policies and Procedures (PE) (3) Individual performance Planning -IPP (PE) (4) Employee Code of Conduct (PE) (5) Work Health and Safety (6) Wellbeing programs and access to Employee assistance program (PE) (7) Learning and development opportunities (PE) (8) Commitment to workplace diversity and inclusion (PE) (10) Promoting Council's values and behaviours (11) Regular Pulse Surveys	Partially Effective	(3) Moderate	(4) Unlikely	Medium	Accept			

INFORMATION REPORT

AUDIT COMMITTEE MEETING

07 December 2022

Corporate Services

Audit & Risk Committee Works Program 2022-2023 Status Update - December 2022 (D22/181388)

Prior to each financial year, the Audit & Risk **Committee (the ‘Committee’) Work Program** is prepared and presented annually to the Committee. However, due to the election of a new **Council, consideration was required of Council’s Committee Structure.**

Council endorsed a revised Terms of Reference and meeting cycle for the Audit & Risk Committee at its meeting on [29 November 2022](#). The revised Terms of Reference is provided as Attachment 1, and it has been determined that the Committee will now meet quarterly rather than bimonthly, with special meetings as required.

The Committee Work Program is a document that is used by the Committee and Council employees as a guide to upcoming planned Committee activities for the financial year and to ensure the key activities are reviewed, actioned and reported in line with the target dates.

As part of the annual review of the Committee’s Work Program, an assessment of the program occurs with key organisational stakeholders to ensure the activities, responsibilities and dates align with legislative and organisational responsibilities as well **as the Committee’s Terms of Reference. New legislative requirements will be introduced for** Audit & Risk Committees in 2023 as part of the process of local government reform. These new legislative requirements have already been incorporated into the revised Terms of Reference for the Audit and Risk Committee, noting that they are similar functions to those listed in the previous terms of reference for the Committee .

The updated Committee’s Work Program (and relevant progress notes) for the 7 December 2022 meeting is highlighted in green (refer Attachment 2).

Attachments

1. ↓	Audit Committee - Terms of Reference - November 2022	71
2. ↓	Audit & Risk Committee Work Program 2022-23	77

Report Authorisers

Marley Marks Governance & Risk Administration Officer	8397 7270
Anna Athanasiou Risk & Audit Advisor	8397 7253
Shelley Blackwell General Manager Corporate Services	83977444

Audit & Risk Committee Terms of Reference

Record number	D22/39754
Committee Members	Elected Member(s): <i>Cr Irena Zagladov (Presiding Member)</i> <i>Cr Rob Unger</i> Independent Member(s): Mr Daniel Edgecombe Ms Deanne Bear Mr Ross Haslam
Last reviewed	29 November 2022
Adoption reference	Council
Resolution number	11
Previous review dates	

1. Purpose

The purpose of the Audit and Risk Committee is to oversee, provide independent assurance and advice to the Council and contribute to evaluating and improving the effectiveness of accounting, financial management, internal controls, risk management and corporate governance matters.

The Committee is established under sections 126 and 41 of the Local Government Act 1999 (the Act).

2. Roles and Functions

The Committee performs the following legislative functions:

1. Review annual financial statements to ensure they present fairly the state of affairs of the Council
2. Propose, and provide information relevant to, a review of the Council's strategic management plans and annual business plan.
3. Monitor the responsiveness of the Council to recommendations for improvement based on previous audits and risk assessments, including those raised by Council's auditor.
4. Propose and review the exercise of powers under section 130A.
5. Liaise with the Council's auditor in accordance with any requirements prescribed by the regulations.
6. Review the adequacy of the accounting, internal control, reporting and other financial management systems and practices of the Council on a regular basis.
7. Provide oversight of planning, scoping, delivery of the internal audit work plan.
8. Review and comment on reports provided by the internal audit function at least on a quarterly basis
9. Review and evaluate the effectiveness of policies, systems and procedures established and maintained for identification, assessment, monitoring, management and review of strategic, financial and operational risks on a regular basis.
10. Review any Prudential Report obtained by the Council under section 48(1).
11. Make recommendations to Council on the appointment of the auditor pursuant to section 128.
12. Consider or perform any other function which may be referred to it by the Council, another Council Committee, or prescribed by the regulations.

Other functions performed by the Committee:

13. Consider new and review existing policies within the scope of the Committee's purpose, functions and duties.

3. Meetings

- 3.1 The Committee will meet at least once every quarter, with meeting dates and times set by Council (*Refer to Delegations Register under the Act (section 87) regarding who can call, reschedule and cancel meetings*).
- 3.2 Meetings will be held at Council's Civic Centre, by electronic means or such other location as determined by the Committee or CEO. The CEO will maintain procedures for members that may attend by electronic means.
- 3.3 Meetings of the Committee will be held in accordance with:
1. Local Government Act 1999
 2. Local Government (Procedures at Meetings) Regulations 2013, specifically Part 2 for key Committees.
 3. Council's Code of Practice for Meeting Procedures
 4. Council's Code of Practice – Access to Council and Committee Meetings and Documents
- 3.4 The Committee will terminate at the end of the Council term unless terminated earlier by resolution of the Council.

4. Membership

- 4.1 The Committee will comprise of five (5) members appointed by the Council, being three (3) independent members and two (2) elected members, with one elected member being the presiding member of the Committee.
- 4.2 Independent members will be appointed for four (4) years with the term of office commencing midpoint of the Council term. In the event that there is a casual vacancy in the position of independent member, the period of appointment of a new independent member may be for a period less than four (4) years.
- 4.2.1 At the time of a vacancy of an independent member, a selection panel comprising the Presiding Member of the Committee and the CEO or his or her delegate, will undertake a selection process and recommend independent candidate(s) to the Council for appointment as independent member(s).
- 4.2.2 The Independent Member will have the necessary skills, knowledge and experience to ensure the effective discharge of the duties of the Committee. The following skill sets should include:
- Financial management
 - Information technology
 - Risk management

- Governance
- Internal audit
- External audit
- Strategic management
- Asset management
- Work health and safety management

4.2.3 Sitting fees will be paid to the independent members at \$500 per meeting.

4.2.4 To ensure that the independent members of the Committee are provided with appropriate and timely training (at a cost to Council under delegation and approval of the CEO), both in the form of induction and ongoing training, a training fee in addition to sitting fees will be paid as follows:

- a. All training attendance associated with sessions of less than two hours duration are to be absorbed as part of the existing negotiated sitting fee for each independent member
- b. All training attendance associated with sessions greater than two hours duration are to be paid at 20% rate of the existing negotiated sitting fee for each independent member.
- c. Any required attendance by a member of the Committee at a Council meeting or other similar meeting will be absorbed as part of the existing negotiated sitting fee for each independent member.

4.3 An elected member on the Committee will hold office only while they are a member of the Council.

4.3.1 Elected members of the Committee will hold office until the conclusion of the Local Government periodic election or their appointment is revoked by the Council.

4.4 The Committee may co-opt, or make use of the services of any other person for the purpose of investigating or deliberating on any specific matter or on any other temporary basis subject to available funds for such purposes and with the approval of the CEO. A person invited to assist the Committee is not a member and does not have a right to vote.

5. Quorum

- 5.1 A quorum for the Committee will be ascertained by dividing the total number of members of the Committee by two (2), ignoring any fraction resulting from the division and adding one (*in accordance with the Local Government (Procedures at Meetings) Regulations 2013, regulation 26(a)*).
- 5.2 The quorum will comprise of at least one elected member and one independent member as resolved by the Council on 29 November 2022 (resolution number 11 in accordance with the *Local Government (Procedures at Meetings) Regulations 2013, regulation 26(b)*).

6. Voting

- 6.1 Each member of the Committee at a meeting will have one vote.
- 6.2 In accordance with regulation 27 of the *Local Government (Procedures at Meetings) Regulations 2013*, the Presiding Member will have a deliberative vote but does not, in the event of an equality of votes, have a casting vote.
- 6.3 In the event of a tied vote the matter will be referred to the Council for deliberation.

7. Reporting

- 7.1 At least once every quarter, the Committee must provide a report to the Council after each meeting, summarising the work of the Committee during the period preceding the meeting and the outcomes of the meeting.
- 7.2 The Committee must provide an annual report to the Council on the work of the Committee during the period to which the report relates.
- 7.2 The Committee will evaluate its performance annually, which may occur as an informal discussion.

8. Delegations

- The Committee will have the delegated power to make decisions on matters relating to:
- Determine the date, times and places of its meetings pursuant to section 87(1) of the Act
 - Implement any delegated authority given to it by Council as set out in Council's Delegations Register.
 - The functions defined as Committee delegation in the table below, subject to relevant conditions / limitations.

TOR	Roles & Function	Delegation	Conditions / Limitations
1	Review annual financial statements to ensure that they present fairly the state of affairs of the Council	Recommendation to Council	N/A
2	Propose, and provide information relevant to, a review of the Council's strategic management plans and annual business plan	Recommendation to Council	N/A
3	Monitor the responsiveness of the Council to recommendations for improvement based on previous audits and risk assessments, including those raised by Council's auditor	Committee delegation	Within allocated budget or resources
4	Propose and review the exercise of powers under section 130A (other investigations)	Recommendation to Council	N/A
5	Liaise with the Council's auditor in accordance with any requirements prescribed by the regulations	Committee delegation	N/A
6	Review the adequacy of the accounting, internal control, reporting and other financial management systems and practices of the Council on a regular basis	Committee delegation	Within allocated budget or resources
7	Provide oversight of planning, scoping and delivery of the internal audit work plan	Committee delegation	Within allocated budget or resources
8	Review and comment on reports provided by the internal audit function at least on a quarterly basis	Committee delegation	Within allocated budget or resources
9	Review and evaluate the effectiveness of policies, systems and procedures established and maintained for identifications, assessment, monitoring, management and review of strategic, financial and operational risks on a regular basis	Committee delegation – with exception of major policy changes	Policy changes limited to minor amendments, with major policy changes to be recommended to Council
10	Review any Prudential Report obtained by the Council under section 48(1)	Recommendation to Council	N/A
11	Make recommendations to Council on the appointment of the auditor pursuant to section 128.	Recommendation to Council	N/A
12	Consider or perform any other function which may be referred to it by the Council, another Council Committee, or prescribed by the regulations	Committee delegation	Within allocated budget or resources
13	Consider new and review existing policies within the scope of the Committee's purpose, functions and duties	Committee delegation – with exception of major policy changes	Policy changes limited to minor amendments, with major policy changes to be recommended to Council

Audit Committee Work Program 2022 – 23 Financial Year

Meeting Date	Activity	Terms of Reference Function	Terms of Reference Number	Notes
December 2022	Progress update of internal audit work plan	Internal Audit	2.7, 2.8	Status report presented to December Committee meeting
	Completed internal audit reviews	Internal Audit	2.7, 2.8	N/A – no completed internal audits to be presented to this meeting
	Internal Audit agreed actions – High and extreme risks	Internal Audit	2.3	Status report presented to December Committee meeting
	Strategic risk register	Risk management	2.9	Report and risk register presented to December Committee meeting
	Quarterly budget review	Finance	2.6	Report presented to December Committee meeting
	Long Term Financial Plan	Finance	2.6	Report presented to December Committee meeting
	Review new / existing policies	Governance	2.9, 2.13	N/A – no policies to be presented to this meeting
	Audit Committee work program update	Governance	N/A	Report presented to December Committee meeting
	Discussion: emerging strategic risks	Risk management	2.9	Informal discussion to occur in ‘Other business’

Meeting Date	Activity	Terms of Reference Function	Terms of Reference	Notes
March 2023	Progress update of internal audit work plan	Internal Audit	2.7, 2.8	
	Completed internal audit reviews	Internal Audit	2.7, 2.8	
	Internal Audit agreed actions – all actions	Internal Audit	2.3	
	Review new and existing Policies <ul style="list-style-type: none"> Financial Sustainability Policy (due February 2023) Disposal of Land and Assets and Acquisition of Land Policy (Policy also reviewed by PSDC (due February 2023) Treasury Policy (due February 2023) Late Payment and Sale of Land for Non-Payment of Council Rates Policy (due April 2023) 	Governance	2.9, 2.13	
	Quarterly budget review	Finance	2.1, 2.6	
	Audit Committee work program update	Governance	N/A	
	Discussion: emerging strategic risks	Risk management	2.9	

Meeting Date	Activity	Terms of Reference Function	Terms of Reference Number	Activity Status / Comments
May 2023	Progress update of internal audit work plan	Internal Audit	2.7, 2.8	
	Completed internal audit reviews	Internal Audit	2.7, 2.8	
	Internal Audit agreed actions – High and extreme risks	Internal Audit	2.3	
	Adopt new Internal Audit Plan	Internal Audit	2.7	
	Strategic risk register	Risk management	2.9	
	Status report of Internal Controls – Control Track (Yearly Report)	Finance	2.6, 2.3	
	Quarterly budget review	Finance	2.1, 2.6	
	Annual External Audit Plan	Finance	2.5, 2.9	
	Draft Annual Business Plan and budget	Business Planning	2.2	
	Audit Committee work program update	Governance	N/A	
	Discussion: emerging strategic risks	Risk management	2.9	

Status Report on Audit & Risk Committee Resolutions 07 DECEMBER 2022



Note: This report is provided as information only. Actions relating to confidential minutes may not be included in the Status Report.

Note: This report will be presented on a monthly basis, to the first meeting each month.

Pending Actions

Nil

Completed Actions

Minute No.	Meeting Date	Officer	Subject	Completed
105	28/09/2022	Monteleone, Lauren	Internal Audit Report - Bushfire Prevention and Preparedness	4/10/2022
D22/177361				
04 Oct 2022 9:11am Monteleone, Lauren				
Audit agreed actions entered on register. No further action required.				

Minute No.	Meeting Date	Officer	Subject	Completed
106	28/09/2022	Taglierini, Deana	Draft Annual Report for the Financial Year ending 30 June 2022	12/10/2022
D22/177361				
12 Oct 2022 11:29am Taglierini, Deana				
Annual Report was endorsed by Council on 11 October 2022.				