

# Notice of Special Meeting of Audit & Risk Committee

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## 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 SPECIAL MEETING OF AUDIT & RISK COMMITTEE will be held in the Civic Centre, 571 Montague Road, Modbury on WEDNESDAY 19 JULY 2023 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: 14 July 2023

CITY OF TEA TREE GULLY  
SPECIAL MEETING OF AUDIT & RISK COMMITTEE  
19 JULY 2023

AGENDA

1. Opening and Welcome

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 17 May 2023 be confirmed as a true and accurate record of proceedings.

4. Public Forum

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

5. Deputations

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

6. Presentations

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

7. Petitions - Nil

8. Declarations of Conflicts of Interest

*Members are invited to declare any 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

11.1 Internal Audit Plan 2023-24 ..... 5

City Operations - Nil

Corporate Services - Nil

Community Services - Nil

12. Strategy & Finance - Nil

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	Annual External Audit Plan 2023.....	15
17.2	Third Quarter Budget Review for Financial Year 30 June 2023 .....	40
18.	Status Report on Resolutions - Nil	
19.	Other Business - Nil	
20.	Section 90(2) Local Government Act 1999 – Confidential Items	
	<i>A record must be kept on the grounds that this decision is made.</i>	
20.1	CONFIDENTIAL - Tilley Recreation Park Phase 1 Section 48 Prudential Report .....	67
20.2	CONFIDENTIAL - Modbury Sporting Clubroom Section 48 Prudential Report.....	69
21.	Date of Next Ordinary Meeting	
	6 September 2023	
22.	Closure	



REPORT FOR

SPECIAL MEETING OF AUDIT & RISK  
COMMITTEE

MEETING DATE

19 JULY 2023

RECORD NO:

D23/43229

REPORT OF:

OFFICE OF THE CHIEF EXECUTIVE OFFICER

TITLE:

INTERNAL AUDIT PLAN 2023-24

Item 11.1

## PURPOSE

To consider the proposed Internal Audit Plan for 2023-2024.

## RECOMMENDATION

That the proposed internal audit projects for the financial year 2023-24 be adopted as follows:

- (a) Corporate Performance Reporting
- (b) Cyber Security x 2 – internal scan and external scan
- (c) Building Code compliance
- (d) Dog Management

## 1. BACKGROUND

An internal audit function is intended to provide independent assurance to the Committee about the way the organisation is managing risks and controls as they **relate to the organisation's objectives. Council's internal audit (IA) plan includes the audit categories:**

- a. Strategic / Emerging – forward looking
- b. Compliance / Legislation
- c. Operational / Service Delivery / Projects
- d. Financial / Transactional
- e. Information and Communications Technology (ICT)

The previous five years of Internal Audits have been included for reference (to avoid possibility of repeating internal audits). Those highlighted in blue are still in progress. Four out of five internal audit projects are still underway for 2022-23, with delivery being significantly impacted by the complexity and strategic nature of the internal audits (through all stages, from appointment of auditor to finalising the audit report). This work is complemented by other audit type work undertaken across the organisation.

Audit Title	Audit Type	Year
Strategic Environmental Management	Strategic / Emerging	2022-23
Recycled Water	Strategic / Emerging	2022-23
Precinct Planning	Strategic / Emerging	2022-23
Strategic Asset Management	Strategic / Emerging	2022-23
Procurement practices - quotations	Financial / Transactional	2022-23
Strategic Social Infrastructure Planning	Strategic / Emerging	2021-22
Bushfire Prevention and Preparedness	Operational / Service Delivery	2021-22
Fraud and Corruption	Financial / Transactional	2021-22
Arts and Culture	Strategic / Emerging	2020-21*
Optimisation of Council owned buildings	Strategic / Emerging	2019-20
Waste and Recycling Management	Strategic / Emerging	2019-20
Complaints Handling	Compliance / Legislation	2019-20
Tree Management	Operational / Service Delivery	2019-20
Credit Card Payments Platform	Financial / Transactional	2019-20
Project Management	Projects	2019-20
Asset Management Standards (Road Transport Asset Management Plan)	Operational / Service Delivery	2018-19
Business Continuity Plan / Management	Strategic / Emerging	2018-19
CWMS Pricing Model	Strategic / Emerging	2018-19
Information Management / Authority System Review	ICT	2018-19
Project Management Post Implementation Review (Service Centre)	Projects	2018-19

Audit Title	Audit Type	Year
Disability Discrimination Act / Disability Inclusion	Compliance / Legislation	2018-19
Information Security – Review of Name and Address Register	ICT	2018-19

\* The IA plan for 2020-21 was heavily impacted by COVID due the reallocation of resources to support critical functions.

## 2. DISCUSSION

The approach for identifying potential projects for the Internal Audit Plan 2023-24 included:

- Reviewing Council's strategic and organisation risk profile which can impact delivery of objectives** – with a focus on high and extreme risks
- Identifying areas of importance/impact to Council, including high impact legislation
- Considering past internal audits and other audits/reviews undertaken that provide assurance (eg. service reviews)
- Industry trends
- Discussion with stakeholders

### 2.1 Proposed Internal Audit Plan 2023-2024

The following IA project options were considered for the Internal Audit Plan 2023-2024, with those recommended for the financial year highlighted in blue. Given the significant amount of internal audit work in the strategic/emerging category for 2022-23, it was proposed to balance the upcoming audit plan across a greater range of categories.

Audit Title	Audit Type	Recommendation and Reason
Corporate performance reporting	Strategic / Emerging	Recommended IA for 2023-24 <ul style="list-style-type: none"> <li>Addresses a high rated strategic risk of potential failure to deliver the strategic and organisational plan objectives</li> <li>Variety of different reporting mechanisms / systems in place across the Council, with limited consistency and no holistic approach</li> <li>High volume of objectives / service levels to report on (28 strategic objectives, 12 organisational objectives, many departmental/portfolio objectives)</li> <li>Timing is right</li> </ul>
Cyber Security (2 internal audit	ICT	Recommended IA for 2023-24 <ul style="list-style-type: none"> <li>Addresses a high rated strategic risk of cyber security.</li> </ul>

Audit Title	Audit Type	Recommendation and Reason
projects)- external scan and internal scan		<ul style="list-style-type: none"> <li>Combination of internal/external scans provides a comprehensive view of a councils security posture.</li> <li>Will identify any vulnerabilities, implement appropriate security controls, and reduce the risk exposure to cyber threats.</li> <li>Proactive approach enhances the Council's ability to detect and respond to potential attacks, safeguard critical assets, and maintain the trust of customers, community and all stakeholders</li> </ul>
Building Code Compliance	Compliance / Legislation	<p>Recommended IA for 2023-24</p> <ul style="list-style-type: none"> <li>Legislative compliance is a medium rated risk in <b>Council's risk profile</b></li> <li>High impact legislation for the community - addresses compliance with Planning, Development and Infrastructure Act 2016 and the Building Code</li> <li>Building code and regulatory requirements are continuously evolving and changing</li> <li>A number of staff changes</li> </ul>
Dog Management	Compliance / Legislation	<p>Recommended IA for 2023-24</p> <ul style="list-style-type: none"> <li>Legislative compliance is a medium rated risk in <b>Council's risk profile</b></li> <li>High impact legislation for the community – addresses compliance with Dog and Cat Management Act</li> <li>Low volume transactions, but potentially high consequence activities dealing with dog attacks etc</li> </ul>
Economic Development	Strategic / Emerging	<p>Not recommended</p> <ul style="list-style-type: none"> <li>Area of importance and key risk to community, however current economic climate would make it challenge to be able to leverage workable outcomes</li> <li>Better suited to future years following on from any federal or state government initiatives (to ensure no duplication of effort)</li> </ul>
Payroll	Financial / Transactional	<p>Not recommended</p> <ul style="list-style-type: none"> <li>Medium risk within Council's <b>risk profile</b></li> <li>Employee costs are substantial portion of budget, however management confidence in employee entitlements and internal controls tested through external audit function</li> </ul>



Audit Title	Audit Type	Recommendation and Reason
		<ul style="list-style-type: none"> <li>Detailed review of the Payroll system and Human Capital Management System underway</li> </ul>
Commercial / income generating opportunities	Strategic / Emerging	<p>Not recommended</p> <ul style="list-style-type: none"> <li><b>Medium risk within Council's risk profile</b></li> <li>Majority of Council income is generated by rates (85.6%)</li> <li>Consideration to be given to reducing reliance on rates, to identify alternative income generating activities or optimisation of existing approaches, and assess their feasibility</li> <li>Existing service reviews are identifying areas of efficiency, therefore its proposed to continue service review approach to address this risk</li> </ul>

It is noted that depending on availability of internal audit resources and organisational requirements, further internal audit projects might be added in order to address potential risk exposures as required throughout the year (particularly those of a transactional nature).

## 2.2 Risk Profile – Assurance approach

### 2.2.1 Strategic risk register

Risk Title	Risk Rating	Assurance / Audit Approach
1. Major injuries/death to members of the public	High	<ul style="list-style-type: none"> <li>WHS audits</li> </ul>
2. Failure to deliver the strategic and organisational plan objectives	High	<ul style="list-style-type: none"> <li>Potential IA for 2023-24 - Corporate performance reporting</li> </ul>
3. Council owned or inherited assets and infrastructure	High	<ul style="list-style-type: none"> <li>Strategic Asset Management IA currently underway</li> </ul>
4. Emergency management & business continuity	High	<ul style="list-style-type: none"> <li>Bushfire Prevention and Preparedness IA in 2022</li> <li>Business continuity management IA in 2019</li> </ul>
5. Future economic development opportunities not realised	Medium	<ul style="list-style-type: none"> <li>N/A - No projects identified</li> </ul>
6. Changing environmental factors	High	<ul style="list-style-type: none"> <li>Climate Change Adaptation Governance Assessment undertaken in June 2021</li> <li>Strategic Environmental Management IA currently underway</li> </ul>

Risk Title	Risk Rating	Assurance / Audit Approach
7. Unsustainable employment model	Medium	<ul style="list-style-type: none"> <li>City Operations restructure</li> <li>Community Services restructure</li> </ul>
8. Financial sustainability	Low	<ul style="list-style-type: none"> <li>N/A - No projects identified</li> </ul>
9. Diversification of industry and retail Sectors	Medium	<ul style="list-style-type: none"> <li>N/A - No projects identified</li> </ul>
10. Major strategic projects	Medium	<ul style="list-style-type: none"> <li>Potential IA project for post implementation reviews in future IA plan (rather than 2023-24) given the volume of strategic projects underway</li> </ul>
11. Employment market and skill diversity shortage	Medium	<ul style="list-style-type: none"> <li>N/A - No projects identified</li> </ul>
12. Cyber security	High	<ul style="list-style-type: none"> <li>Potential IA for 2023-24 – Cyber Security (internal and external)</li> </ul>
13. Current level of the CPI for Adelaide is well above the RBAs target range of 2 to 3 percent	High	<ul style="list-style-type: none"> <li>N/A - No projects identified</li> </ul>
14. Elected member activities	Medium	<ul style="list-style-type: none"> <li>N/A - No projects identified</li> </ul>

### 2.2.2 Organisational risk register

Risk Title	Risk Rating	Audit Approach
1. Major workplace injury or death of an employee	High	<ul style="list-style-type: none"> <li>WHS audits</li> </ul>
2. Compliance with government policy and legislation	Medium	<ul style="list-style-type: none"> <li><b>Potential IA's for 2023-24 – Building Code Compliance and Dog Management</b></li> </ul> <p>Highest risk legislation:</p> <ul style="list-style-type: none"> <li>Fire and Emergency Services Act (dealt with under previous IA)</li> <li>Dog and Cat Management Act – low likelihood but high impact/consequence</li> <li>Food Act and SA Public Health Act – Environmental Health IA in 2018</li> <li>Road Traffic Act and Private Parking Areas Act – high in volume (likelihood) but overall low community impact (consequence) in terms of outcomes.</li> </ul>

Risk Title	Risk Rating	Audit Approach
		<ul style="list-style-type: none"> <li>Local Government Act – recently impacted by local government reform</li> </ul>
3. Fraudulent and/or corrupt activity	Medium	<ul style="list-style-type: none"> <li>Fraud and Corruption IA undertaken in February 2022</li> </ul>
4. Management of major hazards to infrastructure	High	<ul style="list-style-type: none"> <li>Asset Management Plans being reviewed as a CEO KPI for 2023-24</li> </ul>
5. Engagement with Stakeholders including State, Federal and Local Governments	Medium	<ul style="list-style-type: none"> <li>N/A - No projects identified</li> </ul>
6. Organisational Culture	Medium	<ul style="list-style-type: none"> <li>Staff engagement monitored and reported on via CEO KPI for 2023-24</li> </ul>

### 2.3 Strategic and Organisational objectives

**Council's Strategic Plan 2025 recognises that we live in a global environmental with** unprecedented levels of economic, social and environmental change. Majority of the key challenges and opportunities are being addressed through other reviews as follows:

Challenge / opportunity	Approach
Ageing population	<ul style="list-style-type: none"> <li>Active Ageing Service Review</li> <li>Previous Strategic Social Infrastructure Planning IA in 2023</li> </ul>
Biodiversity	<ul style="list-style-type: none"> <li>Strategic Environmental Management IA in 2023</li> </ul>
Climate change / adaptation	<ul style="list-style-type: none"> <li>Waste and Resource Recovery Strategy</li> </ul>
Community expectations	<ul style="list-style-type: none"> <li>Community Safety Policy Service Review</li> <li>Private Parking Service Review</li> <li>Verge Maintenance Service Review</li> <li>Customer First Strategy</li> </ul>
Importance of place	<ul style="list-style-type: none"> <li>Precinct Planning IA in 2023</li> </ul>
Leadership	<ul style="list-style-type: none"> <li>Council Report Service Review</li> </ul>
Population diversity	<ul style="list-style-type: none"> <li>Strategic Social Infrastructure Planning IA in 2023</li> </ul>
Social isolation	<ul style="list-style-type: none"> <li>Strategic Social Infrastructure Planning IA in 2023</li> </ul>
Technology	<ul style="list-style-type: none"> <li>E-services Service Review</li> <li>Human Capital Management Service Review</li> </ul>
Design and transport	<ul style="list-style-type: none"> <li>Road Management Service Review in 2022</li> <li>Asset Management Plans being updated as CEO KPI in 2023-24</li> </ul>
Water	<ul style="list-style-type: none"> <li>Recycled Water IA in 2023</li> </ul>

### 3. FINANCIAL

The Internal Audit budget for 2023-2024 is \$140k, which is considered sufficient to deliver the proposed internal audit plan for FYE2024. Any additional audit projects included would require additional funding.

It is noted that there are four IA projects still in progress from the IA Plan 2022-23, most of which have had progress payments made in the FYE2023. Depending on the time of audits, these projects may need to be dealt with via a quarterly budget review or savings from within the Corporate Governance departmental budget.

### 4. STRATEGIC OBJECTIVES

Strategic Plan

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

Objective	Comments
Leadership	
<i>Planning considers current and future community needs</i>	Internal audit plans should balance the risk of meeting both strategic and operational objectives, while addressing current and future community needs and expectations.
<i>Decision making is informed, based on evidence and is consistent</i>	Internal audits are based on consideration of Strategic Plan challenges and opportunities, strategic risk and organisation risk profile, other audits undertaken as well as data available from various systems.

### 5. LEGAL

Section 125 of the *Local Government Act 1999* requires Council to have a system of internal controls. Internal audits form a vital part of satisfying this legislative requirement.

### 6. RISK – IDENTIFICATION AND MITIGATION

The internal audit plan provides independent assurance to the Committee about the way **the organisation is managing risks and controls as they relate to the Council's objectives.**

7. ACCESS AND INCLUSION

No specific access and inclusion impacts have been identified in relation to this report.

8. SOCIAL AND COMMUNITY IMPACT

The proposed internal audits have been identified as key areas that have the greatest social and community impact, and therefore offer the greatest community value for the internal audit resources available to be allocated.

9. ENVIRONMENTAL

N/A

10. ASSETS

N/A

11. PEOPLE AND WORK PLANS

Internal Audits are outsourced to external specialist providers, with the coordination and monitoring of internal audits undertaken within existing available resources.

12. COMMUNITY AND STAKEHOLDER ENGAGEMENT

There is no proposed community or stakeholder engagement as part of this report.

13. COMMUNICATIONS OF COUNCIL DECISION

There are no proposed communications as part of this report, with the exception of working with relevant departments in the delivery of the internal audit plan.

14. INTERNAL REPORT CONSULTATION

Relevant stakeholders were consulted in the preparation of the Internal Audit Plan for 2022-2023.

Attachments

N/A

## Report Authorisers

Ilona Cooper  
Manager Corporate Governance

8397 7310

Ryan McMahon  
Chief Executive Officer

8397 7297

# INFORMATION REPORT

## SPECIAL MEETING OF AUDIT & RISK COMMITTEE

19 July 2023

### Strategy & Finance

#### Annual External Audit Plan 2023 (D23/48914)

BDO Audit (SA) Pty Ltd were appointed as external auditors by Council for the Financial Year Ending (FYE) June 2019 through to FYE June 2021 and then extended to FYE June 2023. The FYE June 2023 will be the final year City of Tea Tree Gully will have BDO as auditors as per Section 128 (6) of the Local Government Act 1999 an auditor may only be appointed for a maximum of a 5-year term.

Attachment 1 of this report is the Annual External Audit Plan for the 30 June 2023 audit. This audit is scheduled for commencement the week beginning 7 August 2023.

An Audit & Risk Committee meeting will be held on Wednesday 6 September 2023 for the Audit & Risk Committee to review the 2023 Financial Statements.

#### Attachments

1. <a href="#">Annual Audit Plan - 2023</a> .....	16
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#### Report Authorisers

Rebecca Baines	
Manager Finance & Rating Services	8397 7362
Justin Robbins	
General Manager Strategy & Finance	8397 7444

# CITY OF TEA TREE GULLY

## Annual audit plan

30 June 2023

IDEAS | PEOPLE | TRUST







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2 City of Tea Tree Gully Annual audit plan

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Dear Audit Committee Members

Thank you for the opportunity to present our annual audit plan ('plan') for City of Tea Tree Gully for the year ending 30 June 2023.

Our plan has been developed with input from City of Tea Tree Gully management and continues to be based on our understanding of City of Tea Tree Gully's business and operating environment.

We acknowledge that throughout the year there may be business developments, circumstances may change and additional matters may arise. Our plan will be responsive to your needs and will maximise audit effectiveness so we can deliver the high-quality audit you expect.

This plan is intended solely for management and the Audit Committee and is not intended to be and should not be used by anyone other than these specified parties.

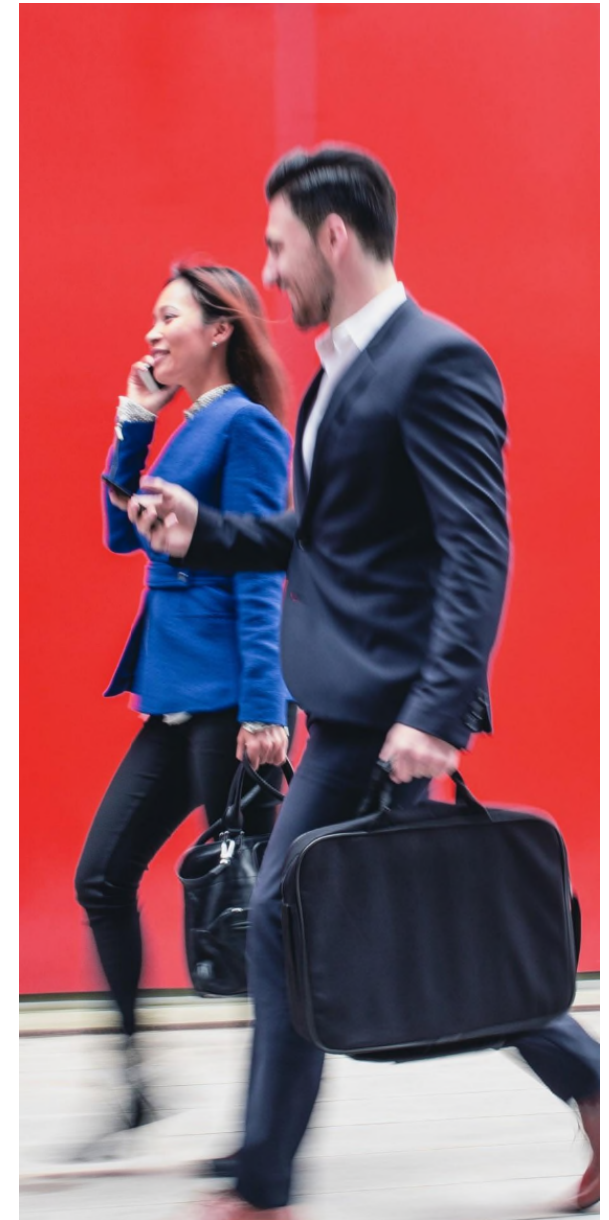
Please feel free to contact me on +61 8 7324 6082 if you have any questions or would like to discuss the content of this plan further.

Yours faithfully



**Andrew Tickle**  
Lead audit partner

Adelaide, 11 May 2023





## YOUR BDO TEAM

Your engagement team provides a combination of continuity and fresh ideas. This helps to ensure that we build on previous experience and make the audit process as smooth as possible.

### YOUR BDO TEAM

Our audit of City of Tea Tree Gully will be led by Andrew Tickle as Engagement Partner. Andrew will oversee the co-ordination of the audit and will have primary responsibility for working with Rebecca Baines and her team.

Supporting Andrew will be James Sibly as Senior Auditor.

James is responsible for the day-to-day direction of the audit work and is the key point of contact for Rebecca Baines.

The day-to-day audit team will be led by James Sibly.

### SPECIALISTS

When auditing key judgements, we are often required to engage specialists who have qualifications and expertise not possessed by the core audit team. Supporting the engagement team will be our IT Specialist, who will be dedicated to reviewing the Council's IT environment and any relevant IT general controls for the audit.



**ANDREW TICKLE**

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**JAMES SIBLY**

Senior Auditor

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## OUR OBJECTIVES AND APPROACH

### OBJECTIVES

- ▶ Our audit is performed with the objective of enabling us to express an opinion as to whether the financial report is prepared, in all material aspects, in accordance with the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011*, and
- ▶ Controls exercised by Council in relation to the receipt, expenditure and investment of money, acquisition and disposal of property and the incurring of liabilities are sufficient to provide reasonable assurance that the financial transactions of the Council have been conducted properly and in accordance with law based on criteria established in the Better Practice Model - Financial Internal Control for South Australia Councils issued by the Local Government Association of South Australia.

### APPROACH

Our audit is performed in accordance with the BDO Audit Approach, which is documented using our global audit tool, APT. It consists of four key phases:



### A RISK DRIVEN AUDIT

Our audit approach is driven by our assessment of risks of material misstatement, based on a robust understanding of your business from an internal and external point of view. Our approach is centred around:

- ▶ Obtaining an understanding of the business, its environment, and the applicable financial reporting framework
- ▶ Identifying and assessing risks of material misstatement
- ▶ Assessing the controls in place to address and prevent these risks
- ▶ Designing and executing appropriate procedures to obtain evidence, including the use of data analytics where appropriate
- ▶ Ensuring rigorous quality management over audit performance.

### INTERNAL CONTROL

We obtain an understanding of the system of internal control relevant to the audit to assist us with our risk assessment procedures. Our understanding covers:

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



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## OUR OBJECTIVES AND APPROACH *CONTINUED*

### COMMUNICATIONS

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

In addition, we communicate with management the significant deficiencies being reported to those charged with governance and any other deficiencies identified that in our judgement are of sufficient importance to merit management's attention. In doing so, we will provide recommendations to improve internal controls and business systems.

### FRAUD

During the course of our audit, we make enquiries of those charged with governance, management, and others to identify any known instances of fraud. We also make enquiries to understand where you consider the risks are in relation to fraud and if you have any knowledge of actual or suspected fraud. This also includes considering the risk of management override of controls.

It should be noted that our audit is not designed to detect fraud, however, should instances of fraud come to our attention, we will report them to you.

### GOING CONCERN

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

### LAWS AND REGULATIONS

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





Our System of Quality Management (SOQM) provides the foundation on which we build and maintain a culture of quality and it enables the behaviours and actions of our partners and staff to achieve quality on a consistent basis. Our SOQM sets out the key drivers of audit quality, including the specific attributes that are critical in enhancing and maintaining quality. For further information on the elements of our SOQM and how we consistently achieve quality outcomes, refer to our [Transparency Report](#).

#### **INDEPENDENCE AND OBJECTIVITY**

Our commitment to be independent, act objectively, with the necessary integrity, professional competence and due care are key defining qualities that contribute to exceptional client service. At BDO, we adhere to all relevant ethical standards and requirements both within and external to our network.

All engagement team members, including experts and specialists, are required to confirm and declare their independence from audit clients and any related entities prior to commencing work on the engagement.

Your BDO team is independent and will continue to work with objectivity in all aspects of the engagement.

#### **EXPERIENCE AND EXPERTISE**

The appropriate composition of engagement teams is fundamental to delivering a high-quality audit. We ensure partners and staff have the necessary experience, competencies, and technical skills to undertake their engagements. For complex engagements, we consider the need to appoint specialists or experts to assist with specific risk areas.

Your BDO team possesses the relevant experience and expertise necessary to perform an effective audit.

#### **PROFESSIONAL JUDGMENT AND SCEPTICISM**

Professional judgment is the systematic practice of making the best possible decision considering professional standards and the facts and circumstances of a situation. To exercise professional judgment requires professional scepticism. This means having a questioning mind, being alert to anything that may indicate misstatement and critically assessing audit evidence.

We will continue to question and challenge key assumptions and judgments made by management in preparing the 30 June 2023 financial report.

#### **ENGAGEMENT QUALITY REVIEW**

An Engagement Quality Reviewer (EQR) has been appointed for the upcoming audit engagement. Possessing an appropriate level of experience and expertise, an EQR provides an objective, timely review of evaluations of significant judgments and conclusions reached by the engagement team. This individual is not a member of the engagement team and is appointed as a firm level response to maintaining quality for your engagement.

## RISK ASSESSMENT AND AREAS OF FOCUS

In line with our audit approach and based on our understanding of City of Tea Tree Gully, we have identified the risks of material misstatement (RMM) at both the engagement and assertion level. In assessing the RMMs, we use a spectrum of risk based on the likelihood of a misstatement occurring and the magnitude of the misstatement in the context of our materiality. We use inherent risk factors (complexity, subjectivity, change, uncertainty or susceptibility to misstatement due to management bias or fraud) to drive risk identification and assessment.

#	AREAS OF FOCUS	OUR PERSPECTIVE	PLANNED RESPONSE
1	Management override of internal controls	Australian Auditing Standards require that we presume there is a risk that management has the ability to manipulate accounting records and override control that otherwise appear to be operating effectively.	Our response will include a review of key internal controls at the Council to mitigate the risk of management override. We will test the appropriateness of journal entries and other adjustments made in the preparation of the financial report. We will also review accounting estimates for bias, and evaluate the business rationale (or lack of) of any significant transactions that are outside of the normal course of business or that otherwise appear to be unusual.
2	Cut-off of grant funding and accuracy of any amounts deferred at 30 June 2023	There is a risk of error in the calculation of grant income recognised and deferred at the end of the year by reference to grant agreements and Australian Accounting Standards.	We will obtain the schedule of grant income recognised and deferred at year end. We will select a sample of grants and obtain the agreements to review in detail and test that they have been recognised in accordance with AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities.
3	Valuation of Fixed Assets	Council's infrastructure, property, plant and equipment are carried at valuation, largely based on information provided by independent valuers. There is a risk that these balances are misstated as a result of the application of inappropriate valuation methodologies, or incorrect underlying assumptions.	Our approach will look to obtain the valuation reports provided to council from the external valuer, we will then look to evaluate and understand the methodology of the external valuer, and assess the reasonableness of the adopted dollar values and useful lives for fixed assets.

8 City of Tea Tree Gully Annual audit plan



## RISK ASSESSMENT AND AREAS OF FOCUS *CONTINUED*

#	AREAS OF FOCUS	OUR PERSPECTIVE	PLANNED RESPONSE
4	Capital WIP	There is a risk that the accounting treatment of items captured within Capital WIP may not be in accordance with Australian Accounting Standards.	We will obtain the WIP schedule and review in detail a sample of projects outstanding at the end of the year to ensure they are likely to generate assets. We will also review a sample of assets transferred out of the Capital WIP to check that the categorisation and value allocated to the relevant fixed asset class is appropriate.



## MATERIALITY

CONTI

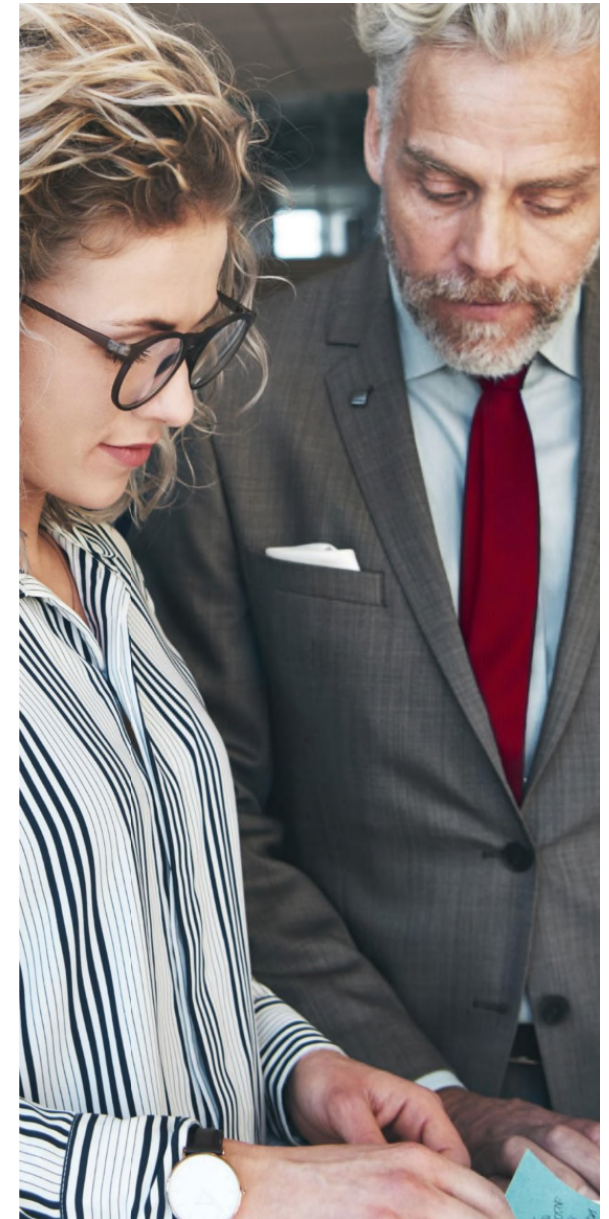
Materiality means, in the context of an audit, if financial information is omitted, misstated or not disclosed it has the potential to (adversely) affect the decisions of users of the financial report. Materiality is used by auditors in making judgements on the amount of work to be performed, which balances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

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

We determine materiality by considering a range of both qualitative and quantitative factors when applying our professional judgement.

Our materiality for the 30 June 2023 audit is based on 1.9% of forecasted Expenses of \$84m. Our estimated materiality levels are set out in the table below:

MATERIALITY	\$1,590,000
CLEARLY TRIVIAL THRESHOLD	\$79,500





## TIMELINE

### AUDIT MILESTONES

We recognise that regular, timely communication with management and the Audit Committee is critical to maintaining an effective and transparent relationship. Our audit process operates throughout the year so that we can respond to issues as they arise and maintain close communication, with management and the Audit Committee, as the audit cycle progresses.

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

MILESTONE	RESPONSIBILITY	DATE
Planning meeting with management and submission of annual audit plan	BDO & Management	May 2023
Interim audit visit - Internal controls and financial statements	BDO & Management	The week commencing 1 May 2023
IT general control work	BDO & Management	Between interim & year-end visits
Final audit visit commences	BDO & Management	The week commencing 7 August 2023
Close out meeting with management	BDO & Management	11 August 2023
Submission of audit completion report	BDO	1 September 2023
Financial statements presented at the Special Meeting of Audit Committee	BDO & Management & Audit Committee	6 September 2023
Chief Executive Officer and Principal Member of the Council to approve and sign off Regulation 14 Certification of Financial Statements, Certificate of Auditor Independence and management representation letter	Council	TBC - September 2023
Issue Independent Auditor's Report and Statement by Auditor in relation to Independence	BDO	TBC - September 2023

## FEES

### FEES

The estimated fee for all services provided for the year ending 30 June 2023 is \$30,800. All amounts are exclusive of GST.

AUDIT AND ASSURANCE SERVICES	FY23 PROPOSED	FY22 ACTUAL
Annual Financial Statements	\$16,300	\$15,100
Fee in relation to the internal control audit	\$12,200	\$11,200
Minor Audits	\$1,700	\$1,600
<b>Total fee</b>	<b>\$30,200</b>	<b>\$27,900</b>

### ASSUMPTIONS

Any reasonable out of pocket expense are charged to you as disbursements when incurred. Our estimate is based on our understanding of your current operations and the required scope of the audit. If these alter, the fee estimate will need to be revised.

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

### ASSISTANCE REQUIRED

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

- ▶ Ensure you have documented your policies and procedures surrounding your business processes, from initiation and processing through to recording and reporting, of transactions, account balances and disclosures. Including how your IT systems and applications are being used in this process
- ▶ With your approval, providing us access to extract data from your IT systems to enable us to use our data analytic tools in the BDO Advantage suite
- ▶ Preparing position papers for all key judgements and estimates, using your experts and specialists as required
- ▶ Management providing all deliverables in line with the agreed timetable
- ▶ Assistance from your staff with supporting documentation and explanations during the audit process
- ▶ Disclosure by your staff of all information relevant to the engagement in a timely manner

We will provide you with an audit preparation package through our Global Portal.

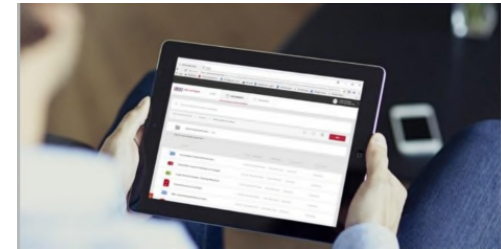
## BDO'S GLOBAL PORTAL

### BDO'S CLIENT PORTAL

To enhance our communication and to reduce any potential expectation gaps, we will continue to use the BDO Global Portal ('portal').

In addition to facilitating the secure exchange of information, the use of the portal assists with project management and provides a live view of progress to both BDO and City of Tea Tree Gully.

We will consult with you about how you would like us to communicate during the engagement, and the frequency of our status updates. In addition, whether it is to provide ad-hoc support, brainstorm ideas, or discuss any aspect of our services, the portal can assist. The key features of the portal are illustrated below:



### ONLINE CLIENT COLLABORATION

- ▶ Upload information and documentation in one secure place
- ▶ Track actions and milestones for BDO and client responsibilities.



### A FLEXIBLE, SECURE PLATFORM WITH LOCAL CUSTOMISATION

- ▶ Security - permission and access can be set at a project level for different users such as your staff or our BDO teams
- ▶ You can receive a daily or weekly digest, summarising all activity that has occurred on the portal
- ▶ View document audit trails, reducing the risk of email misdirection.



### DIGITISED PAPERWORK AND WORKFLOW

- ▶ Approve and sign documents all within the portal, allowing for better transparency and speedier project progress
- ▶ Set dates with calendar reminders for when BDO requires certain documentation or information to be uploaded or completed
- ▶ Assign tasks to specific users
- ▶ Portal supports multiple document types and views.



## BDO ADVANTAGE

### BDO ADVANTAGE: OUR INNOVATIVE AUDIT TECHNOLOGY PLATFORM

Today's business, regardless of industry or location, becomes increasingly digital-centric. Companies accumulate a great amount of data in their systems, but data becomes valuable only if we present and analyse them in such a way that they actually bring benefits. Today, we can do this effectively with **BDO Advantage**.

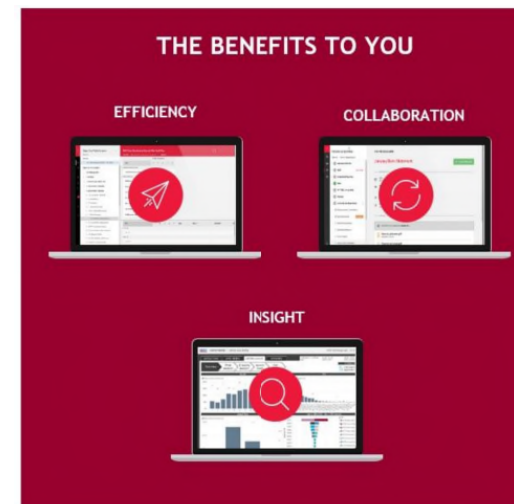
Our new suite of Data Analytics tools (BDO Advantage) enables us to enhance our audit approach through the extraction and analysis of data, to provide assurance for our audit and valuable insights for your business - allowing you to quickly address anomalies and make better decisions.

#### BENEFITS TO YOU

- ▶ **Audit quality** - Audit Data Analytics (ADAs) are engineered to identify risk areas requiring attention more rapidly. Conversely, areas requiring less attention are similarly identified using consistent visualisations derived from underlying data, providing a more effective audit and enhanced audit quality
- ▶ **Reduced reliance on sampling** - ADAs and the supporting methodology focuses our attention on notable items indicating higher risk of material misstatement within a population, allowing for targeted efforts to be directed to those items meriting the most attention. Entire populations do not ordinarily require significant amounts of traditional sampling. Rather, efforts are directed to tests of transactions indicative of higher risk, while simultaneously reducing efforts on those that do not indicate risk
- ▶ **More meaningful audits** - As we perform less sampling on entire populations and focus our efforts on outliers and unusual patterns within your datasets in consistent models, we will increasingly focus our energy on performing more meaningful and interesting work.

### THE FUTURE

BDO is committed to innovation. As a firm, we are increasingly investing in building and implementing digital tools as part of the BDO Digital Audit Suite, to make the audits we deliver more efficient and insightful for you. As the BDO Digital Audit Suite evolves, we will apply these tools as part of your audit, where we believe they will deliver benefits to you as our client.



## APPENDIX 1 NEW DEVELOPMENTS

### REVISIONS TO THE PROVISION OF NON-ASSURANCE SERVICES

The Accounting Professional and Ethical Standards (APES) Board has reviewed and revised the Non-Assurance Services (NAS) Provisions in APES 110 Code of Ethics for Professional Accountants (including independence standards) and issued an amending standard on 21 December 2022. The revisions strengthen the independence standards by addressing public interest concerns about independence when firms provide NAS to their audit clients.

Amongst the key changes proposed to the non-assurance services provisions are:

- ▶ Strengthened provisions regarding auditor communication. There is now a requirement for Those Charged with Governance (TCWG) at a public interest entity (PIE) audit client to concur with BDO's assessment of the threats associated with the non-assurance services prior to the non-assurance services commencing
- ▶ A new general prohibition in providing non-assurance services to a PIE audit client, if a self-review threat to auditor independence will be created
- ▶ Further tightening of the circumstances in which materiality may be considered in determining the permissibility of a non-assurance service. Materiality is no longer a consideration for PIE audit clients in assessing the self-review threat.

### EFFECTIVE DATE

The APES Board has advised that these amendments will take effect from 1 July 2023, with early adoption permitted.

### AMENDMENTS TO THE FEE-RELATED PROVISIONS OF APES 110 CODE OF ETHICS FOR PROFESSIONAL ACCOUNTANTS (INCLUDING INDEPENDENCE STANDARDS)

To enhance and strengthen the communication between the auditor and TCWG, and to enable TCWG to have effective oversight over the independence of the auditor, the revised provisions on fees contain new transparency requirements. The APES Board has issued an amending standard in relation to the amendments to the fee-related provisions within the APES 110 Code of Ethics for Professional Accountants (the Code). The key changes include:

- ▶ Communication to TCWG at a PIE audit client, the fees and assessment thereof for non-assurance services. The purpose of this communication is to provide the background and context for the client to concur that the fees and levels of fees does not impair BDO's independence
- ▶ Enhanced guidance on identifying, evaluating and addressing threats to independence in relation to other fee-related matters, including the proportion of fees for services other than audit to the audit fee
- ▶ Communication of information related to the audit fee to the client and to the public to assist them in forming a view that auditor independence is not compromised
- ▶ A prohibition on firms allowing the audit fee to be influenced by the provision of services other than audit to the audit client
- ▶ In the case of PIE audit clients, a requirement to cease to act as auditor if fee dependency on the audit client continues beyond a specified period.

These provisions will be effective for audits and reviews of financial statements for periods beginning on or after 1 January 2023.

## APPENDIX 1 NEW DEVELOPMENTS CONTINUED

### PRACTICAL APPLICATION FOR THOSE CHARGED WITH GOVERNANCE

To facilitate compliance with the above requirements, your BDO Audit Engagement Partner will discuss and agree on a process, including:

- ▶ Identifying all entities within a corporate structure to which the revised provisions would apply
- ▶ Establishing how TCWG have determined that authority for approving services is to be allocated
- ▶ Understanding the information that will be communicated to TCWG to assist them in concurring with the assessment of the services and fees.

### UPCOMING CHANGES IN FINANCIAL REPORTING

#### AASB 2020-1 AMENDMENTS TO AUSTRALIAN ACCOUNTING STANDARDS - CLASSIFICATION OF LIABILITIES AS CURRENT OR NON-CURRENT

Effective for annual reporting periods beginning on or after 1 January 2023, there are four main changes to the classification requirements within AASB 101 *Presentation of financial statements*:

1. The requirement for an 'unconditional' right has been deleted from paragraph 69(d) because covenants in banking agreements would rarely result in unconditional rights.
2. The right to defer settlement must exist at the end of the reporting period. If the right to defer settlement is dependent upon the entity complying with specified conditions (covenants), the right to defer only exists at reporting date if the entity complies with those conditions at reporting date.
3. Classification is based on the right to defer settlement, and not intention (paragraph 73), and

4. If a liability could be settled by an entity transferring its own equity instruments prior to maturity (e.g. a convertible bond), classification is determined without considering the possibility of earlier settlement by conversion to equity, but only if the conversion feature is classified as equity under IAS 32.

As these amendments only apply for the first time to the 30 June 2024 balance sheet (and 30 June 2023 comparative balance sheet), companies are not yet able to make an assessment of the impacts regarding the right to defer settlement, compliance with bank covenants, and intention to settle.

#### AASB 2020-2 AMENDMENTS TO AUSTRALIAN ACCOUNTING STANDARDS - REMOVAL OF SPECIAL PURPOSE FINANCIAL STATEMENTS FOR CERTAIN FOR-PROFIT PRIVATE SECTOR ENTITIES

This change removes the ability of the following types of for-profit private sector entities from being able to prepare special purpose financial statement (SPFS) for years ending on or after 30 June 2022:

- ▶ Those where legislation requires financial statements to be prepared in accordance with Australian Accounting Standards or 'accounting standards', and
- ▶ Those where constitutions or other documents (e.g. lending agreements) require financial statements to be prepared in accordance with Australian Accounting Standards, provided that document was created or amended on or after 1 July 2021.

These entities would either need to prepare full general purpose financial statements (Tier 1), or Tier 2 financial statements. The *Reduced Disclosures* will no longer be permitted for Tier 2 general purpose financial statements.

## APPENDIX 1 NEW DEVELOPMENTS CONTINUED

For stand-alone entities, there will be no impact on amounts recognised in the financial statements when these amendments are first adopted for the year ended 30 June 2022 because the entity currently prepares only separate financial statements and applies all the recognition and measurement requirements of Australian Accounting Standards. However, there will be an increase in the amount of disclosures required under the *Simplified Disclosures* framework, including for related party transactions.

### AASB 2021-2 AMENDMENTS TO AUSTRALIAN ACCOUNTING STANDARDS - DISCLOSURE OF ACCOUNTING POLICIES AND DEFINITION OF ACCOUNTING ESTIMATES

Effective for annual reporting periods beginning on or after 1 January 2023, this new amendment introduces a definition of 'accounting estimate', i.e. monetary amounts in financial statements that are subject to estimation uncertainty, such as estimating expected credit losses for receivables, or estimating the fair value of an item recognised in the financial statements at fair value.

Accounting estimates are developed using measurement techniques and inputs. Measurement techniques comprise estimation techniques (such as used to determine expected credit losses or value in use) and valuation techniques (such as the income approach to determine fair value).

The amendments clarify that a change in an estimate occurs when there is either a change in a measurement technique or a change in an input.

There will be no impact on the financial statements when these amendments are first adopted because they apply prospectively to changes in accounting estimates that occur on or after the beginning of the first annual reporting period to which these amendments apply, i.e. annual periods beginning on or after 1 July 2023.

For further guidance, refer to the 'Considerations for Management when determining accounting estimates and related disclosures' Briefing issued by

IAASB. This Briefing provides an overview of matters for management to consider in preparing for and responding to the significant revisions in, and the auditor's requests pertaining to ASA 540 Revised Auditing Accounting Estimates and Related Disclosures.

### AASB 2021-5 AMENDMENTS TO AUSTRALIAN ACCOUNTING STANDARDS - DEFERRED TAX RELATED TO ASSETS AND LIABILITIES ARISING FROM A SINGLE TRANSACTION

Effective for annual reporting periods beginning on or after 1 January 2023, this amendments clarify that the 'initial recognition exemption' does not apply to transactions where an entity recognises an asset and a liability which give rise to equal taxable and deductible temporary differences. This could occur, for example, where lessees recognise a right-of-use asset and lease liability for lease transactions, or where an entity recognises decommissioning, restoration and other similar obligations, which form part of a related asset.

When these amendments are first adopted for the year ended 30 June 2024, they apply prospectively to all transactions that occur on or after the beginning of the earliest comparative period, i.e. from 1 July 2022.

In addition, at the beginning of the earliest comparative period, i.e. 1 July 2022, deferred tax assets (to the extent it is probable that taxable profits will be available against which the deductible temporary differences can be utilised) and deferred tax liabilities will be recognised for all deductible and temporary differences associated with:

- ▶ Right-of-use assets and lease liabilities, and
- ▶ Decommissioning, restoration and other similar liabilities and the corresponding amounts recognised as part of the cost of the related asset.

The cumulative effect of initially applying these amendments will be recognised in opening balances of retained earnings on 1 July 2022.





## APPENDIX 1 NEW DEVELOPMENTS CONTINUED

### WHAT DO THE RECENT INTEREST RATE INCREASES MEAN FOR YOUR 31 DECEMBER 2022 FINANCIAL STATEMENTS?

The measurement of many assets and liabilities involves the use of fair values or other techniques that include determining the present value of future cash flows. Recent increases in interest rates in Australia are likely to have a direct impact on the measurement of many of these items because when interest rates increase, so do the discount rates used in present value calculations.

Present value calculations can be used for determining:

- ▶ Impairment of assets (IAS 36 *Impairment of Assets*)
- ▶ Fair value of financial assets and financial liabilities (IFRS 7 *Financial Instruments: Disclosures* and IFRS 9 *Financial Instruments*)
- ▶ Fair value of investment property (IAS 40 *Investment Property*)
- ▶ Fair value of biological assets (IAS 41 *Agriculture*)
- ▶ Leases (IFRS 16 *Leases*)
- ▶ Long service leave liability and defined benefit superannuation obligations (IAS 19 *Employee Benefits*)
- ▶ Fair value of options issued (IFRS 2 *Share-based Payment*)
- ▶ Appropriate measurement of provisions, including restoration provisions (IAS 16 *Property, Plant and Equipment* and IAS 137 *Provisions, Contingent Liabilities and Contingent Assets*).

Because interest rates have fluctuated significantly during the past six months, their impact must be considered by preparers of financial statements for 31 December 2022 financial statements. IAS 36 refers to increases in market interest rates as an external indicator of impairment and, as such, it is expected that auditors will require an automatic assessment of impairment for assets that do not usually require an annual impairment test, such as investment properties and property, plant and equipment.

Changing interest rates will further complicate the application of IFRS 9 when measuring financial instruments. They will also affect disclosures about fair values of financial instruments required by IFRS 7, as well as the detailed fair value disclosures required by IFRS 13 *Fair Value Measurement*.

### REMOVAL OF LODGMENT EXEMPTION

On 4 August 2022, the Senate introduced some unexpected amendments to the Treasury Laws Amendment (2022 Measures No. 1) Bill 2022, which will remove the lodgement exemption provided to large grandfathered proprietary companies.

## APPENDIX 1 NEW DEVELOPMENTS CONTINUED

A large grandfathered proprietary company is one that meets all of the following criteria:

- ▶ Met the 'exempt proprietary company' definition at all times since 30 June 1994
- ▶ Were large at the end of the first financial year ending after 9 December 1995
- ▶ Financial report was audited for the 1993 financial year, and all subsequent financial years
- ▶ Lodged notice within four months of the end of the first financial year ending after 9 December 1995 (i.e. opted to be a grandfathered large proprietary company).

### WHAT IS THE LARGE GRANDFATHERED PROPRIETARY COMPANY EXEMPTION?

Since 1995, large grandfathered proprietary companies could avoid lodging their financial statements with the Australian Securities and Investments Commission (ASIC). This is provided they were audited each year, within the four-month deadline applicable to non-exempt large proprietary companies, and met certain other criteria.

### WHAT ARE THE IMPACTS OF THESE AMENDMENTS?

Entities that have met the above criteria will be required to lodge their audited financial statements on the public record. Large grandfathered proprietary companies have always been required to prepare financial statements and have them audited within four months of year-end.

For 30 June 2022 year-ends onwards, these financial statements must be prepared as a minimum, applying the Tier 2 (Simplified Disclosures). Therefore, despite being unexpected, these amendments should not create an additional financial reporting burden for large grandfathered proprietary companies

### WILL THE AMENDMENTS AFFECT 31 DECEMBER 2022 YEAR-ENDS?

The Senate [amendments](#) were subsequently passed by the House of Representatives on 5 August 2022, and received Royal Assent on 9 August 2022. The [amendments](#) are effective from 10 August 2022, which means that large grandfathered proprietary companies with **financial years ending on or after 10 August 2022** will no longer be exempt from lodging their financial statements with ASIC.

Section 1693A of the [amendments](#) clarifies that lodgement relief continues to apply to large grandfathered proprietary companies, if their financial year ended on or before 9 August 2022.

If you have any questions or require more information regarding these changes, please contact our [IFRS & Corporate Reporting](#) team.



## APPENDIX 1 NEW DEVELOPMENTS CONTINUED

### ASIC GUIDANCE FOR DIRECTORS ON FEATURES OF AN AUDIT COMMITTEE THAT SUPPORT AUDIT QUALITY

ASIC recently updated Information Sheet 196 *Audit quality - The role of directors and audit committees* ([Info Sheet 196](#)) to include a new section, [What features of an audit committee support audit quality?](#), which is based on the [IOSCO report on good practices for audit committees in supporting audit quality](#) (issued January 2019). The key features of a supportive audit committee are summarised in the diagram below:





## APPENDIX 1 NEW DEVELOPMENTS *CONTINUED*

### ASIC GUIDANCE FOR DIRECTORS ON FEATURES OF AN AUDIT COMMITTEE THAT SUPPORT AUDIT QUALITY (*CONTINUED*)

Info Sheet 196 also includes sections explaining:

- ▶ Why audit quality is important
- ▶ The auditor's responsibilities
- ▶ The roles of directors and audit committees
- ▶ The directors' responsibilities for auditor independence
- ▶ Who should manage the appointment of auditors
- ▶ What matters should be considered when setting audit fees
- ▶ How directors and audit committees can promote audit quality
- ▶ Possible reporting considerations for directors.

### AUDIT COMMITTEE MEMBERS SHOULD HAVE GOOD FINANCIAL REPORTING KNOWLEDGE

Three of the seventeen features that an audit committee should have to support them with quality are related to financial reporting knowledge, i.e.:

- ▶ At least one member should have good financial reporting knowledge (preferably the Chair)
- ▶ Committee members as a whole should have an appropriate understanding of financial reporting and audit
- ▶ There should be introductory and ongoing training for audit committee members on financial reporting.

### HOW CAN BDO HELP?

BDO's [IFRS & Corporate Reporting team](#) has specialist expertise in financial reporting, including international financial reporting standards (IFRS) and other financial reporting regulatory matters, and we can help train or provide advice to your committee on a variety of topics. Please [contact us](#) for more information.



## APPENDIX 2 CLIMATE RISKS AND FINANCIAL REPORTING

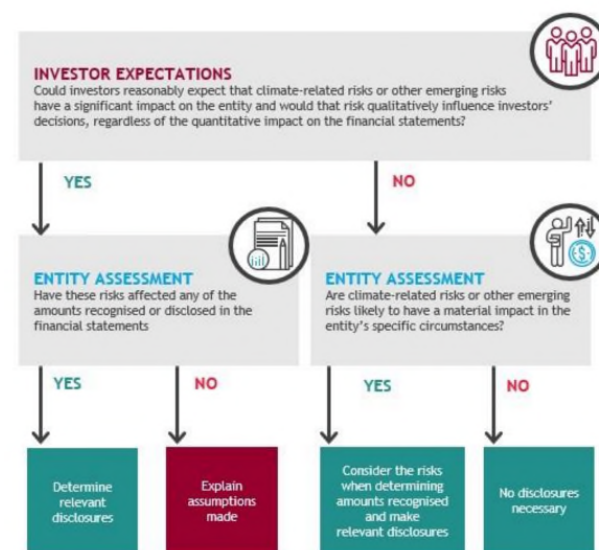
### CONSIDERING THE IMPACT OF CLIMATE RISKS IN THE FINANCIAL REPORT

Interest among investors in understanding climate-related risk from companies' management has increased in recent years. Despite this, climate-related risks are currently predominantly discussed outside the financial statements, if at all.

As set out in [AASB/IASB Practice Statement 2 Making Materiality Judgements](#) (APS/PS 2), qualitative external factors such as the industry in which the entity operates and investor expectations may make such risks 'material' and warrant disclosures when preparing financial statements, regardless of their numerical impact. Given investor statements on the importance of climate-related risks to their decision making, the impact of the materiality definition and APS/PS 2 is that entities can no longer treat climate-related risks as merely a matter of corporate social responsibility and may need to consider them also in the context of their financial statements.

Entities preparing financial statements in accordance with Australian Accounting Standards should consider:

- ▶ Whether investors could reasonably expect that emerging risks, including climate-related risks, could affect the amounts and disclosures reported in the financial statements and have indicated the importance of such information to their decision making; and
- ▶ What disclosures about the impact of climate-related risks and other emerging risks on the assumptions made in preparing the financial statements are material to the financial statements in light of the guidance in APS/PS 2, as summarised in the following decision tree from AASB & AUASB



This [AASB & AUASB Joint Bulletin on Climate Change](#) provides guidance on climate-related risk disclosures, key takeaways and recommendations and contains a non-exhaustive list of examples of how climate-related risks could affect the financial statements, as well as the accounting standards that may need to be considered. If you require any assistance in this area, please contact your audit engagement partner initially.



## APPENDIX 3 OTHER COMMUNICATION

### ETHICS AND INDEPENDENCE

In conducting our audit, we are required to comply with the independence requirements of the *Local Government Act 1999* and Part 4A of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

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

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

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

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


BDO has not provided any other services during the year to City of Tea Tree Gully.

### COMMUNICATIONS WITH THOSE CHARGED WITH GOVERNANCE

City of Tea Tree Gully has an Audit committee and it is common practice for the auditor to liaise directly with the Audit Committee. All our reporting will be to the Chairman of the Audit committee.

To enhance our communication and to reduce any potential expectation gaps with clients, BDO has adopted a structured reporting system. We will communicate with the Audit committee and management through various means. This includes but is not limited to:

- ▶ This audit plan
- ▶ Management letter after each audit visit
- ▶ The BDO Client Portal
- ▶ An audit completion report at the conclusion of the audit
- ▶ The audit report.



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

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# INFORMATION REPORT

## SPECIAL MEETING OF AUDIT & RISK COMMITTEE

19 July 2023

### Strategy & Finance

#### Third Quarter Budget Review for Financial Year 30 June 2023 (D23/49470)

Council considered the Third Quarter Budget Review on 23 May 2023. The primary change to the 2022-23 EOY forecast is to carry forward \$5.1m (net of income) of Capital Works funding to 2023-24.

As a result of the carrying forward of the \$5.1m net of capital projects there is a reduction of 2022-23 financial year Net Financial Liabilities Ratio (NFL) forecast by 5% to 20% and a reduction in the Asset Sustainability Ratio of 22% to 71%. When the Carry Forwards are added to the 2023-24 Draft Budget, NFLs are forecast to remain in line with the 34% contained with the 2023-24 Draft Budget and the Asset Sustainability Ratio will remain within the 90% to 110% over a rolling 3-year period.

Copies of the Council report is included in Attachment 1.

#### Attachments

1. [Quarter Three Budget Review for the Financial Year Ending 30 June 2023](#) ..... 41

#### Report Authorisers

Stuart Simpson	
Team Leader Financial Accounting	8397 7308
Rebecca Baines	
Manager Finance & Rating Services	8397 7362
Justin Robbins	
General Manager Strategy & Finance	8397 7444





REPORT FOR

**COUNCIL MEETING**

MEETING DATE

**23 MAY 2023**

RECORD NO:

**D23/33692**

REPORT OF:

**STRATEGY & FINANCE**

TITLE:

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

To consider Council's financial performance as at 31 March 2023 and to consider any required budget variations for the 2022-2023 financial year based on the most recent forecasts.

**RECOMMENDATION**

That Council adopts the Quarter Three Budget Review for the period 1 July 2022 to 30 June 2023, as detailed in Attachment 1 and 2 of the report titled "Quarter Three Budget Review for Financial Year ending 30 June 2023" and dated 23 May 2023, which reflects a revised forecast surplus of \$7.197m.

## 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 Three 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.

Council Recommendations actioned after Quarter Two budget review on 8 March 2023:

13 December 2022

### **Strategic Land Purchase (D22/195504)**

*That having considered the report titled "Strategic Land Purchase" dated 13 December 2022 that Council:*

*1. Approves the Chief Executive Officer to make an offer of up to \$900k (excluding stamp duty) for the purchase of 7 (Lot 10 – CT 6275-695) & 7A (Lot 11 – CT 6275-694) Leeds Avenue Hope Valley (the Land) with the total purchase cost to be funded through the 2022/23 Capital Works Project – Projects to be Grant Funded.*

*2. Resolves that the Land is excluded from classification as community land in accordance with Section 193 (1) (a) of the Local Government Act 1999 and retained as operational land until further resolution of Council.*

*3. That the Mayor and Chief Executive Officer be authorised to sign and seal all necessary documents to enact this decision.*

**Table 1: Council Resolutions Transactions**

Description	\$'000s
Strategic Land Purchase – Leeds Avenue Hope Valley	951
2022/23 Capital Works Projects to be Grant Funded	(951)
<b>Total</b>	-

## 2. DISCUSSION

### 2.1 Analysis of financial performance as at 31 March 2023

#### 2.1.1 Operating

As at 31 March 2023 the operating result is favourable by \$1.25m in comparison to the Year to Date (YTD) budget. The YTD budget incorporates changes proposed for the Third Quarter Budget Review. The favourable variance is represented by a YTD operating surplus of \$30.3m in comparison to the YTD budget of \$29.0m.

The following table provides a summary of the YTD key operating results in comparison to the YTD budget.

**Table 2: YTD Statement of Comprehensive Income as at 31 March 2023**

## Statement of Comprehensive Income

CITY OF TEA TREE GULLY

FOR THE YEAR ENDING 30 JUNE 2023

	FY2022 Actuals	YTD March Actuals	YTD March Budget	YTD March Variance Fav / (Unfav)
	\$'000	\$'000	\$'000	\$'000
<b>INCOME</b>				
Rates	85,972	85,547	85,450	97
Statutory Charges	2,290	1,727	2,176	(449)
User Charges	3,451	3,695	3,432	263
Grants & Subsidies	8,832	3,982	4,066	(84)
Investment Income	52	546	523	23
Reimbursements	93	90	76	14
Other Revenues	1,978	1,918	1,794	124
<b>TOTAL INCOME</b>	<b>102,668</b>	<b>97,505</b>	<b>97,517</b>	<b>(13)</b>
<b>EXPENSES</b>				
Employee Costs	35,712	27,159	27,224	65
Materials, Contracts & Other Expenses	40,378	27,681	28,325	644
Finance Charges	372	204	207	3
Depreciation	17,221	12,193	12,743	550
<b>TOTAL EXPENSES</b>	<b>93,683</b>	<b>67,238</b>	<b>68,500</b>	<b>1,262</b>
<b>OPERATING SURPLUS / (DEFICIT)</b>	<b>8,985</b>	<b>30,267</b>	<b>29,017</b>	<b>1,250</b>
Net Gain/(Loss) on Disposal or Revaluation of Assets	(4,393)	(41)	69	110
Capital Grants	4,277	3,484	3,484	(0)
Capital Contributions	134	58	52	(6)
Physical resources received free of charge	157	0	0	0
<b>NET SURPLUS / (DEFICIT)</b>	<b>9,160</b>	<b>33,768</b>	<b>32,622</b>	<b>1,145</b>

### 2.1.2 Key Variances YTD

#### Summary of Key Income Variances

- Statutory Charges is unfavourable by \$449k due to reduced private car parking and dog expiation fees
- User Charges income is favourable by \$263k predominately relating in Recreation and Leisure programs due to increased patronage. This variance is offset with an increase in Materials, Contracts and Other expenditure to deliver these programs.
- Grants & Subsidies income is unfavourable by \$94k due to the timing in grant funding being received.

#### Summary of Key Expenditure Variances

- Employee Costs are favourable by \$65k due to staffing vacancies
- Material, Contracts and Other Expenditure is favourable by \$644k due to the timing of contractors for property and fleet repairs and maintenance, as well as the timing of electricity expenditure.

- Depreciation is favourable by \$550k due to the carryover of capital projects into the FY2023-24 as well as the timing of capitalisation for number of capital projects in FY2022-23.

## 2.2 Third Quarter Budget Review

The Third 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 Third Quarter Budget Review for the year ending 30 June 2023 forecasts a revised operating surplus of \$7.197m, which represents an increase of \$1.730m compared to the Quarter Two Budget. The increase of \$1.730m is due to project funding that has been transferred between operating and capital budgets, as detailed below. It also incorporates identified Employee Cost savings arising from staff vacancies that have been allocated to the Building Future Projects Fund. There is a corresponding adjustment in the Capital Works Program.

**Table 3: Movement between operating and capital**

Capital Project Description	\$'000s
Unsealed Footpaths – St Agnes Reserve, St Agnes	(30)
Water and Drainage Works - Creek Rehabilitation	10
Road Resealing - Hancock Road, St Agnes design works	150
Building Future Project Fund	1,600
<b>Total</b>	<b>1,730</b>

**Table 4: Third Quarter Proposed Budget Review in comparison to Second Quarter Revised Budget****Statement of Comprehensive Income**

CITY OF TEA TREE GULLY

FOR THE YEAR ENDING 30 JUNE 2023

	FY2023 Original Budget	Q1 Revised Budget	Q2 Revised Budget	Proposed Budget	Variance to Q2 Revised Budget
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>INCOME</b>					
Rates	85,461	85,461	85,461	85,461	0
Statutory Charges	2,729	2,729	2,729	2,707	(22)
User Charges	4,040	4,084	4,148	4,458	310
Grants & Subsidies	5,803	5,831	5,926	5,875	(52)
Investment Income	20	20	600	660	60
Reimbursements	83	83	83	98	15
Other Revenues	1,709	1,794	2,070	2,238	168
<b>TOTAL INCOME</b>	<b>99,846</b>	<b>100,002</b>	<b>101,017</b>	<b>101,496</b>	<b>479</b>
<b>EXPENSES</b>					
Employee Costs	37,689	37,694	37,738	35,403	(2,336)
Materials, Contracts & Other Expenses	40,167	40,399	40,490	41,615	1,125
Finance Charges	550	550	330	290	(40)
Depreciation	16,991	16,991	16,991	16,991	0
<b>TOTAL EXPENSES</b>	<b>95,398</b>	<b>95,635</b>	<b>95,550</b>	<b>94,299</b>	<b>(1,251)</b>
<b>OPERATING SURPLUS / (DEFICIT)</b>	<b>4,448</b>	<b>4,367</b>	<b>5,468</b>	<b>7,197</b>	<b>1,730</b>
Net Gain/(Loss) on Disposal or Revaluation of Assets	504	542	188	87	(101)
Capital Grants	17,018	13,277	9,878	8,344	(1,534)
Capital Contributions	90	420	424	424	0
Physical resources received free of charge	0	0	0	0	0
<b>NET SURPLUS / (DEFICIT)</b>	<b>22,060</b>	<b>18,607</b>	<b>15,958</b>	<b>16,052</b>	<b>94</b>

Summary of Key Income Adjustments**User Charges**

- \$310k increase in Recreation and Leisure program's admission fees due to increased patronage. This increase is offset with an increase in Materials, Contracts and Other expenditure linked to program delivery.

**Grants & Subsidies**

- \$52k reduction in Roads to Recovery income. This is a timing change as the income will be received in future years based on the grant conditions.

**Investment Income**

- \$60k increase due to increased deposit balances and increased interest rates on deposits.

**Other Revenues**

- \$65k increase for insurance recoveries
- Various other credits and contributions received



### Summary of Key Expenditure Adjustments

#### **Employee Costs**

- \$2.336m decrease in Employee Costs due to staffing vacancies. The savings from the staff vacancies have been used to offset the increases in Materials, Contracts & Other Expenditure outlined below, and the remaining savings have been transferred to the Building Future Projects Fund.

#### **Materials, Contracts & Other Expenses**

There was a total \$1.125m increase in Material, Contracts and Other Expenditure, which is made up of:

- \$737k increase in Contract Wages, this is offset by a decrease in the Employee Costs due to staff vacancies.
- \$450k increase in Electricity Costs due to increased usage charge rates and an increase in the Infrastructure Tariff.
- \$190k increase in Recycling processing costs due to a reduction in the commodity prices relating to cardboard and paper.
- \$113k increase in recruitment costs, this is offset against the decrease in Employee costs due to staff vacancies.
- \$50k increase in Personal Protective Equipment
- \$185k reduction in Water usage based on actuals now received for the year
- \$110k reduction in Contractor – Professional services and other consultants
- \$100k reduction in Personal Accident Insurance
- \$20k reduction if various other expenditure savings identified

### 2.3 Capital Works Program

There are a number carry forward projects included in this budget review. It proposed to carry forward \$5.1m (net of income) of expenditure into the 2023-24 financial year.

**Table 5: Capital Works Program Summary of Changes**

Capital Works Summary	Revenue \$'000s	Expenditure \$'000s	Net \$'000s
Quarter Two Budget Review	10,491	39,794	29,303
Adjustment from Operating	-	1,730	1,730
Carry Forwards	(1,704)	(6,861)	(5,158)
Quarter Three Budget Review Adjustments	67	67	(0)
<b>Proposed Quarter Three Budget Review</b>	<b>8,855</b>	<b>34,730</b>	<b>25,876</b>

It is proposed to decrease capital project expenditure by \$5.064m, from \$39.8m to \$34.7m.

The majority of this decrease is due to the \$7.168m of projects which are proposed to be carried forward into the 2023-2024 financial year. There are various reasons for this amount being carried forward with the majority due to either new grant funding, multi-year projects (Strategic Building Program, Plant and Equipment program etc) and delays in the market for goods and contractors.

These delays are consistent with current market conditions for goods and services across all council and the state generally. Council is not immune the current inflationary environment the economy is in and how this will change procurement and construction processes. In simple terms there is an over demand and under supply of goods and services generally.

The proposed Carry Forward projects are outlined table below;

**Table 6: Capital Works 2022-23 – estimated Carried Forwards to 2023-24**

Project Number	Carried Forward Project	Revenue \$'000s	Expenditure \$'000s	Net \$'000s
<b>Grant Funding</b>				
220221	Dawson Reserve, Modbury	(663)	(580)	83
230090	Meadowvale East Restoration Work	(490)	(520)	(30)
220212	Tilley Recreation Park - Clubroom and Changeroom	(400)	(600)	(200)
230125	Wynn Vale Dam Open Space Upgrades	(49)	(100)	(51)
<b>Total Grant Funding;</b>		<b>(1,603)</b>	<b>(1,800)</b>	<b>(198)</b>
230106	Plant & Equipment Replacement Program	(101)	(249)	(148)
230239	Banksia Park Sports Area Master Plan, Banksia Park	-	75	75
230248	TTG BMX - Track Improvements - State titles	-	74	74
230065	Sassafras Drive (Rosewood Rd to Stairs at No.88 Sassafras Drive), Highbury	-	(39)	(39)
230094	Asset Management Plan Renewals - Recreational Building	-	(40)	(40)
230095	Asset Management Plan Renewals - Sporting Buildings	-	(40)	(40)
230069	Whitford Drive (Ellwood Avenue to Chapel Road), Modbury North	-	(46)	(46)
230053	Reynolds Ave (Lyons Rd to Payton Avenue), Dernancourt	-	(49)	(49)
220224	Dry Creek - Expansion of Recycled Water Network	-	(53)	(53)
210223	Sherry Crt (x2), Lemongum Reserve, Hyde Park-GAZ	-	(61)	(61)
230171	Asset Management Plan Renewals - Communities Buildings	-	(62)	(62)
230061	Irrigation Asset Renewal - Tilley & Greenwith ground water bores and Pertaringa irrigation pump	-	(70)	(70)
230056	Knightsbridge Avenue (No.27 to No.2 Salisbury Avenue), Valley View	-	(74)	(74)
230050	Dillon Street (Gaylard Crescent to Gaylard Crescent), Redwood Park	-	(87)	(87)
230117	Cobbler Creek West Reserve Toilet	-	(88)	(88)
230087	BMX Track Upgrade - Gunda Reserve, Banksia Park	-	(95)	(95)
230060	Irrigation Central Controller Stage 2 (Rainbird IQ Central Control System)	-	(96)	(96)
220211	Modbury Sporting Club - Clubroom and Changeroom	-	(100)	(100)
230027	Road Reseal - Contingency Funds	-	(100)	(100)
230108	Creek Rehabilitation	-	(100)	(100)
230162	Cobbler Creek West Reserve Playground, Golden Grove	-	(127)	(127)
230161	Doxiadis Reserve Playground, St Agnes	-	(128)	(128)
230057	Knightsbridge Avenue (Wycombe Way to opposite No.65 Salisbury Avenue), Valley View	-	(137)	(137)
230140	Green Valley Drive (Leedham Drive to Harvey Crescent), Greenwith	-	(141)	(141)
210106	Playgrounds-Greenwith campus Greenwith (includes shade)	-	(143)	(143)
230133	Accessible Adult Change Table Facility, Civic Park, Modbury	-	(149)	(149)
230084	Traffic Management Treatments - General various improvements	-	(150)	(150)
230251	Hancock road (yatla vale - GGR) design	-	(150)	(150)
230123	Tea Tree Gully Gymsports, Banksia Park	-	(250)	(250)
230124	Tea Tree Gully Tennis Club, Banksia Park	-	(250)	(250)
230091	Golden Grove Road Stage 2 - Revegetation and Beautification	-	(300)	(300)
230118	CWMS Transition Revegetation Project	-	(300)	(300)
220183	Golden Fields Adventure Playspace	-	(358)	(358)
230113	Grand Junction Road Streetscape Upgrade, Hope Valley (between Awoonga Road and Valley Road)	-	(400)	(400)
230105	ERP System (Rating, Property, Salesforce integration, Works and Assets, Compliance)	-	(750)	(750)
	Other Projects		(28)	(28)
<b>Proposed Quarter Three Budget Review Carried Forward</b>		<b>(1,704)</b>	<b>(6,861)</b>	<b>(5,158)</b>

The proposed Capital Works adjustments are outlined below;

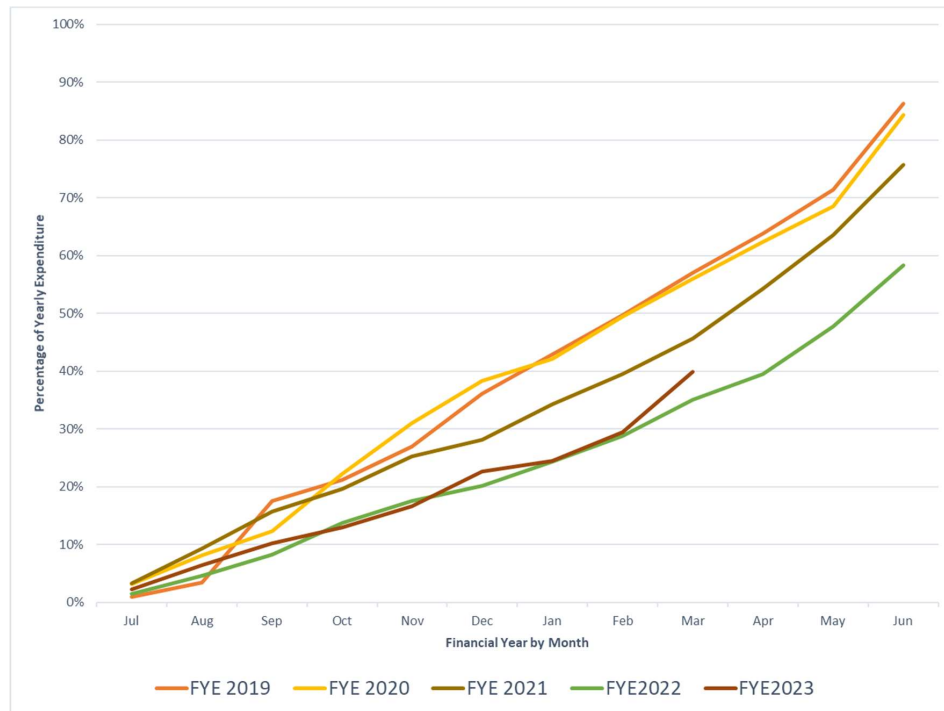
**Table 7: Capital Works Program Adjustments**

Project Number	Capital Works Program - Budget Review Adjustments	Revenue \$'000s	Expenditure \$'000s	Net \$'000s
<b>Council Resolutions</b>				
230249	Land Purchase -7-7A Leeds Avenue, Hope Valley	-	951	951
230103	Projects to be Grant Funded (to be determined)	-	(951)	(951)
<b>Total Council Resolutions adjustments;</b>		-	-	-
<b>Other Adjustments</b>				
200364	Skate Bowl Bentley Reserve	-	(55)	(55)
210117	Open Space-Edinburgh Reserve, Modbury - includes play space	150	150	-
210147	Building future project fund	-	1,600	1,600
220077	Hancock Rd (Palmer St - 345 Hancock Rd) Greenwith	-	(55)	(55)
230158	St Agnes Reserve, St Agnes	-	(58)	(58)
230241	Wright Road and Kelly Road Roundabout Improvements	67	67	-
230095	Asset Management Plan Renewals - Sporting Buildings	-	171	171
230027	Road Reseal - Contingency Funds	-	82	82
230251	Hancock road (yatla vale - GGR) design	-	150	150
220221	Dawson Reserve, Modbury	(150)	(150)	-
	Other Projects		(105)	(105)
<b>Total Other Adjustments;</b>		<b>67</b>	<b>1,797</b>	<b>1,730</b>
<b>Proposed Quarter Three Budget Review Adjustments</b>		<b>67</b>	<b>1,797</b>	<b>1,730</b>

Details of the proposed Capital Works Program Quarter Three Budget Review can be found in **Attachment 2**.

### Capital Spend Ratio to March 2023

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



### 2.4 Net Financial Liabilities

As a result of the carrying forward of the \$5.107m net of capital projects there is a reduction of the Net Financial Liabilities (NFL) forecast for the 2022-23 financial year. This has occurred as the funding for the proposed capital works carry forwards has been moved to the 2023-24 year.

As a result of the net \$5.107m of carry forwards and the timing change with the operating surplus, the NFL has reduced by 5.2% to 19.5% from the Q2 Budget forecast of 24.7%. When the Carry Forwards are added to the 2023-24 Draft Budget, NFLs are forecast to remain in line with the 34% contained with the Draft Budget.

### 3. FINANCIAL

The Quarter Three Budget Review forecasts an operating surplus of \$7.197m which represents an increase of \$1.730m compared to the Quarter Two Budget Review.

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

Details of Council services are detailed in the *ABP 2022-2023*. The potential exists for service provision and service levels to be impacted should the budget review not be approved by Council.

### 4. STRATEGIC OBJECTIVES

#### Strategic Plan

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

Objective	Comments
<b>Leadership</b>	
<i>Planning considers current and future community needs</i>	The Quarter Three Budget Review provides assurances of diligent financial management and ensures resources are available to meet the community's objectives as stated in Council's Strategic plan and reflected below in more detail.
<i>Delivery of services is sustainable and adaptable</i>	
<i>Decision making is informed, based on evidence and is consistent</i>	
<i>Major strategic decisions are made after considering the views of the community</i>	

#### Organisation Plan

Our Strategic Plan is supported by an Organisation Plan which focuses on five key themes of organisational excellence. The themes most relevant to this report are: Governance and Finance and Systems.

### 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 Quarter Three Budget Review includes budgets which enable the Council to support and enhance their commitment to provide inclusive and equitable access to infrastructure / facilities, services and programs to people living with disabilities, their families and carers.

**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 2022-2023*.

**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 budget managers have been consulted for the Quarter Three Budget Report.

**Attachments**

1. Q3BR 2022-23 Financial Statements
2. 2022-23 Capital Works Program

**Report Authorisers**

Stuart Simpson Team Leader Financial Accounting	8397 7308
Rebecca Baines Manager Finance & Rating Services	8397 7362
Justin Robbins General Manager Strategy & Finance	8397 7444
Ryan McMahon Chief Executive Officer	8397 7297



## City of Tea Tree Gully

### Third 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 March Actuals	YTD March Budget	YTD March Variance Fav / (Unfav)	FY2023 Original Budget	Q1 Revised Budget	Q2 Revised Budget	Proposed Budget	Variance to Q2 Revised Budget
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>INCOME</b>									
Rates	85,972	85,547	85,450	97	85,461	85,461	85,461	85,461	0
Statutory Charges	2,290	1,727	2,176	(449)	2,729	2,729	2,729	2,707	(22)
User Charges	3,451	3,695	3,432	263	4,040	4,084	4,148	4,458	310
Grants & Subsidies	8,832	3,982	4,066	(84)	5,803	5,831	5,926	5,875	(52)
Investment Income	52	546	523	23	20	20	600	660	60
Reimbursements	93	90	76	14	83	83	83	98	15
Other Revenues	1,978	1,918	1,794	124	1,709	1,794	2,070	2,238	168
<b>TOTAL INCOME</b>	<b>102,668</b>	<b>97,505</b>	<b>97,517</b>	<b>(13)</b>	<b>99,846</b>	<b>100,002</b>	<b>101,017</b>	<b>101,496</b>	<b>479</b>
<b>EXPENSES</b>									
Employee Costs	35,712	27,159	27,224	65	37,689	37,694	37,738	35,403	(2,336)
Materials, Contracts & Other Expenses	40,378	27,681	28,325	644	40,167	40,399	40,490	41,615	1,125
Finance Charges	372	204	207	3	550	550	330	290	(40)
Depreciation	17,221	12,193	12,743	550	16,991	16,991	16,991	16,991	0
<b>TOTAL EXPENSES</b>	<b>93,683</b>	<b>67,238</b>	<b>68,500</b>	<b>1,262</b>	<b>95,398</b>	<b>95,635</b>	<b>95,550</b>	<b>94,299</b>	<b>(1,251)</b>
<b>OPERATING SURPLUS / (DEFICIT)</b>	<b>8,985</b>	<b>30,267</b>	<b>29,017</b>	<b>1,250</b>	<b>4,448</b>	<b>4,367</b>	<b>5,468</b>	<b>7,197</b>	<b>1,730</b>
Net Gain/(Loss) on Disposal or Revaluation of Assets	(4,393)	(41)	69	110	504	542	188	87	(101)
Capital Grants	4,277	3,484	3,484	(0)	17,018	13,277	9,878	8,344	(1,534)
Capital Contributions	134	58	52	(6)	90	420	424	424	0
Physical resources received free of charge	157	0	0	0	0	0	0	0	0
<b>NET SURPLUS / (DEFICIT)</b>	<b>9,160</b>	<b>33,768</b>	<b>32,622</b>	<b>1,145</b>	<b>22,060</b>	<b>18,607</b>	<b>15,958</b>	<b>16,052</b>	<b>94</b>

**Balance Sheet**

CITY OF TEA TREE GULLY

FOR THE YEAR ENDING 30 JUNE 2023

	FY2022 Actuals	YTD March Actuals	FY2023 Original Budget	Q1 Revised Budget	Q2 Revised Budget	Proposed Budget	Variance to Q2 Revised Budget
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>							
Current Assets							
Cash & Cash Equivalents	8,432	20,962	410	410	1,587	6,745	5,158
Trade & Other Receivables	4,690	22,692	4,476	4,653	4,653	4,653	0
Inventories	43	23	33	43	43	43	0
Non Current Assets Held For Sale	512	512	512	1,138	1,138	1,138	(0)
Total Current Assets	13,677	44,189	5,431	6,244	7,421	12,579	5,158
Non-Current Assets							
Other Non-Current Assets	8,598	25,061	2,986	13,560	13,560	13,560	0
Infrastructure, Property, Plant & Equipment	1,652,411	1,640,116	1,607,166	1,718,613	1,712,704	1,707,640	(5,064)
Total Non-Current Assets	1,661,009	1,665,178	1,610,152	1,732,173	1,726,264	1,721,200	(5,064)
<b>TOTAL ASSETS</b>	<b>1,674,686</b>	<b>1,709,366</b>	<b>1,615,583</b>	<b>1,738,418</b>	<b>1,733,686</b>	<b>1,733,780</b>	<b>94</b>
<b>LIABILITIES</b>							
Current Liabilities							
Trade & Other Payables	26,326	27,622	12,932	26,289	26,289	26,289	0
Short Term Provisions	4,456	3,880	4,420	4,456	4,456	4,455	(0)
Total Current Liabilities	30,781	31,502	17,352	30,745	30,744	30,744	(0)
Non-Current Liabilities							
Long Term Borrowings	0	0	21,253	2,083	0	0	0
Long Term Provisions	507	698	511	507	507	507	0
Total Non-Current Liabilities	507	698	21,764	2,590	507	507	0
<b>TOTAL LIABILITIES</b>	<b>31,288</b>	<b>32,200</b>	<b>39,116</b>	<b>33,335</b>	<b>31,251</b>	<b>31,251</b>	<b>(0)</b>
<b>NET ASSETS</b>	<b>1,643,398</b>	<b>1,677,166</b>	<b>1,576,467</b>	<b>1,705,083</b>	<b>1,702,434</b>	<b>1,702,529</b>	<b>94</b>
<b>EQUITY</b>							
Accumulated Surplus	404,991	414,151	414,896	414,151	414,151	414,151	0
Year To Date	9,160	33,768	22,060	18,607	15,958	16,052	94
Asset Revaluation Reserves	1,228,960	1,228,960	1,139,223	1,272,038	1,272,038	1,272,038	0
Other Reserves	287	287	287	287	287	287	0
<b>TOTAL EQUITY</b>	<b>1,643,398</b>	<b>1,677,166</b>	<b>1,576,467</b>	<b>1,705,083</b>	<b>1,702,434</b>	<b>1,702,529</b>	<b>94</b>

## Statement of Changes in Equity

CITY OF TEA TREE GULLY

FOR THE YEAR ENDING 30 JUNE 2023

	FY2022 Actuals	YTD March Actuals	FY2023 Original Budget	Q1 Revised Budget	Q2 Revised Budget	Proposed Budget	Variance to Q2 Revised Budget
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>NET SURPLUS/(DEFICIT) FOR YEAR</b>							
Balance at End of Previous Reporting Period	403,419	414,151	414,896	414,151	414,151	414,151	-
Transfers Between Reserves	1,572	-	-	-	-	-	-
Net Result for Year	9,160	33,768	22,060	18,607	15,958	16,052	94
Balance at End of Period	414,151	447,919	436,957	432,758	430,109	430,204	94
<b>ASSET REVALUATION RESERVE</b>							
Balance at End of Previous Reporting Period	1,137,327	1,228,960	1,096,145	1,228,960	1,228,960	1,228,960	-
Transfers Between Reserves	-	-	-	-	-	-	-
Gain on Revaluation of Non-Current Assets	91,633	-	43,078	43,078	43,078	43,078	-
Balance at End of Period	1,228,960	1,228,960	1,139,223	1,272,038	1,272,038	1,272,038	-
<b>OTHER RESERVES</b>							
Balance at End of Previous Reporting Period	1,859	287	287	287	287	287	-
Transfers Between Reserves	(1,572)	-	-	-	-	-	-
Net Result for Year	-	-	-	-	-	-	-
Balance at End of Period	287	287	287	287	287	287	-
<b>TOTAL EQUITY</b>	<b>1,643,398</b>	<b>1,677,166</b>	<b>1,576,467</b>	<b>1,705,083</b>	<b>1,702,434</b>	<b>1,702,529</b>	<b>94</b>



## Statement of Cash Flows

CITY OF TEA TREE GULLY

FOR THE YEAR ENDING 30 JUNE 2023

	FY2022 Actuals	YTD March Actuals	FY2023 Original Budget	Q1 Revised Budget	Q2 Revised Budget	Proposed Budget	Variance to Q2 Revised Budget
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Operating Activities</b>							
<b>Receipts</b>							
Operating Receipts	114,679	78,802	99,826	99,982	100,417	100,836	419
Investment Receipts	52	546	20	20	600	660	60
<b>Payments</b>							
Operating Payments to Suppliers & Employees	75,049	53,543	77,857	78,094	78,229	77,018	(1,211)
Finance Charges	372	204	550	550	330	290	(40)
<b>Net Cash Provided by (or used in) Operating Activities</b>	<b>39,310</b>	<b>25,600</b>	<b>21,439</b>	<b>21,358</b>	<b>22,459</b>	<b>24,188</b>	<b>1,730</b>
<b>Cash Flows from Investing Activities</b>							
<b>Receipts</b>							
Grants Specifically for New or Upgraded Assets	4,411	3,542	17,108	13,697	10,302	8,767	(1,534)
Sale of Replaced Assets	857	(41)	504	542	188	87	(101)
<b>Payments</b>							
Expenditure on Renewal/Replacement of Assets	16,283	8,393	18,209	27,342	23,903	18,183	(5,720)
Expenditure on New/Upgraded Assets	8,868	8,178	32,870	18,361	15,891	16,547	656
<b>Net Cash Provided by (or used in) Investing Activities</b>	<b>(19,883)</b>	<b>(13,070)</b>	<b>(33,466)</b>	<b>(31,464)</b>	<b>(29,304)</b>	<b>(25,875)</b>	<b>3,428</b>
<b>Cash Flows from Financing Activities</b>							
<b>Receipts</b>							
Proceeds from Borrowings/Deposits	97	-	11,529	2,083	-	-	-
<b>Payments</b>							
Repayment of Borrowings	15,000	-	-	-	-	-	-
<b>Net Cash Provided by (or used in) Financing Activities</b>	<b>(14,903)</b>	<b>-</b>	<b>11,529</b>	<b>2,083</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Increase (Decrease) in Cash Held</b>	<b>4,524</b>	<b>12,530</b>	<b>(498)</b>	<b>(8,022)</b>	<b>(6,845)</b>	<b>(1,687)</b>	<b>5,158</b>
Cash & Cash Equivalents at Beginning of Reporting Period	3,908	8,432	908	8,432	8,432	8,432	-
<b>Cash &amp; Cash Equivalents at End of Reporting Period</b>	<b>8,432</b>	<b>20,962</b>	<b>410</b>	<b>410</b>	<b>1,587</b>	<b>6,745</b>	<b>5,158</b>

## Uniform Presentation of Finances

CITY OF TEA TREE GULLY

FOR THE YEAR ENDING 30 JUNE 2023

	FY2022 Actuals	YTD March Actuals	FY2023 Original Budget	Q1 Revised Budget	Q2 Revised Budget	Proposed Budget	Variance to Q2 Revised Budget
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Operating</b>							
Operating Revenues	102,668	97,505	99,846	100,002	101,017	101,496	479
less Operating Expenses	(93,683)	(67,238)	(95,398)	(95,635)	(95,550)	(94,299)	1,251
<b>Operating Surplus/(Deficit) Before Capital Amounts</b>	<b>8,985</b>	<b>30,267</b>	<b>4,448</b>	<b>4,367</b>	<b>5,468</b>	<b>7,197</b>	<b>1,730</b>
<b>less Net Outlays on Existing Assets</b>							
Capital Expenditure on Renewal and Replacement of Existing Assets	16,283	8,393	18,209	27,342	23,903	18,183	5,720
less Depreciation, Amortisation and Impairment	(17,221)	(12,193)	(16,991)	(16,991)	(16,991)	(16,991)	0
less Proceeds from Sale of Replaced Assets	(857)	41	(504)	(542)	(188)	(87)	(101)
<b>Net Outlays on Existing Assets</b>	<b>(1,795)</b>	<b>(3,759)</b>	<b>714</b>	<b>9,809</b>	<b>6,724</b>	<b>1,105</b>	<b>5,619</b>
<b>less Net Outlays on New and Upgraded Assets</b>							
Capital Expenditure on New and Upgraded Assets	8,868	8,178	32,870	18,361	15,891	16,547	(656)
less Amounts Received Specifically for New and Upgraded Assets	(4,411)	0	(17,108)	(13,697)	(10,302)	(8,767)	(1,534)
<b>Net Outlays on New and Upgraded Assets</b>	<b>4,457</b>	<b>8,178</b>	<b>15,762</b>	<b>4,664</b>	<b>5,589</b>	<b>7,780</b>	<b>(2,190)</b>
<b>Net Lending / (Borrowing) For Financial Year</b>	<b>6,324</b>	<b>25,848</b>	<b>(12,027)</b>	<b>(10,105)</b>	<b>(6,845)</b>	<b>(1,687)</b>	<b>(1,699)</b>

**Borrowings / Investments**

CITY OF TEA TREE GULLY

FOR THE YEAR ENDING 30 JUNE 2023

**Statement of Borrowings as at 31 March 2023**

Borrowing Facility	Reference	Maturity/ Expiry Date	Amount Borrowed or CAD Limit	Interest Rate at 31/03/2023	Principal Outstanding as at 30/06/2022	Principal Outstanding as at 31/03/2023	Unutilised Loan Funds as at 31/03/2023
			\$'000	%	\$'000	\$'000	\$'000
CAD Facility	LGFA 196	5/01/2026	7,400	5.55	-	-	7,400
CAD Facility	LGFA 201	15/06/2025	6,000	5.55	-	-	6,000
CAD Facility	LGFA 200	15/06/2025	13,000	5.55	-	-	13,000
CAD Facility	LGFA CV19 196	15/07/2023	9,600	4.80	-	-	9,600
CAD Facility	LGFA 202	16/05/2027	-	5.55	-	-	-
CAD Facility	LGFA LGIPP 202	16/05/2025	6,000	4.80	-	-	6,000
<b>Total</b>			<b>42,000</b>		<b>-</b>	<b>-</b>	<b>42,000</b>

**Cash and Cash Equivalents as at 31 March 2023**

Council Deposits	Reference	Interest Rate at 31/03/2023	Deposit as at 30/06/2022	Deposit as at 31/03/2023
		%	\$'000	\$'000
TTG General LGFA	24HR	3.80	5,844	3,645
NAB	Corporate Cheque Accounts	4.05	2,579	17,308
Cash Float			9	9
<b>Total Cash and Cash Equivalents</b>			<b>8,432</b>	<b>20,962</b>

## Key Financial Performance Indicators

CITY OF TEA TREE GULLY

FOR THE YEAR ENDING 30 JUNE 2023

RATIO	LGA SUGGESTED RANGE	COUNCIL TARGETS	FY2022 Actuals	FY2023 Original Budget	Q1 Revised Budget	Q2 Revised Budget	Proposed Budget	Variance to Q2 Revised Budget
			\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Operating Surplus</b> (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	5,468	7,197	1,730
<b>Operating Surplus Ratio</b> (operating surplus as a percentage of general and other rates)	0 to 15%	2.5 to 10%	8.8%	5.2%	5.1%	6.4%	8.4%	2.0%
<b>Asset Renewal Funding Ratio</b> (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%	93.0%	71.0%	(22.0%)
<b>Fiscal Balance</b> (net lending position or net borrowing requirement in the Uniform Presentation of Finances Table)			6,323	(12,028)	(10,105)	(6,845)	(1,687)	5,158
<b>Net Financial Liabilities Ratio including non current assets held for sale</b> (total liabilities less financial assets as a percentage of total operating revenue)	0 to 100%	25% - 35%	17.1%	34.2%	28.2%	24.7%	19.5%	(5.2%)
<b>Net Financial Liabilities including non current assets held for sale</b> (total liabilities less financial assets)			17,521	34,197	27,090	23,830	18,672	(5,158)
<b>Net Financial Liabilities Ratio excluding non current assets held for sale</b> (total liabilities less financial assets as a percentage of total operating revenue)			17.7%	34.8%	28.2%	24.7%	19.5%	(5.2%)
<b>Net Financial Liabilities excluding non current assets held for sale</b> (total liabilities less financial assets)			18,123	34,709	28,228	24,968	19,809	(5,158)
<b>Interest Cover Ratio</b> (total finance charges expressed as a percentage of rates revenue)			0.3%	0.6%	0.6%	0.4%	0.3%	(0.0%)

## 2022-23 Capital Works Program

Project Number	Project Description	Revenue					Expenditure				
		YTD March Actuals	FY2023 Q2 Revised Budget	Proposed Budget Adjustment	Carry Forward Adjustment	FY2023 Revised Budget	YTD March Actuals	FY2023 Q2 Revised Budget	Proposed Budget Adjustment	Carry Forward Adjustment	FY2023 Revised Budget
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Project Category: Road Reconstruction / Renovation</b>											
210008	Australian Avenue Parking and Road Realignment	-	36	-	-	36	-	-	-	-	-
220001	Chatswood Grove (Elysium Dve - End) Golden Grove	-	-	-	-	-	154	154	-	-	154
220003	Pinehurst St (Holly Pl - End) Golden Grove	-	-	-	-	-	41	41	-	-	41
220008	Green Valley Dve, Greenwith - Design	-	-	-	-	-	-	2	-	-	2
220203	Karingal Road, Dernancourt	-	-	-	-	-	21	21	-	-	21
220204	Heysen Road, Modbury	-	-	-	-	-	20	293	-	-	293
220205	Parcoola Avenue, Hope Valley	-	-	-	-	-	24	322	-	-	322
220206	Robert Arnold Avenue, Modbury	-	-	-	-	-	14	139	-	-	139
220207	Clifford Way, Valley View	-	-	-	-	-	17	193	-	-	193
220208	Canberra Crescent, Valley View	-	-	-	-	-	19	189	-	-	189
220209	Jacaranda Grove, Golden Grove	-	-	-	-	-	8	54	-	-	54
230109	Road Reconstruction Funding - to be allocated	-	-	-	-	-	29	108	(0)	-	108
230111	Road Design - Steventon Drive, Banksia Park	-	-	-	-	-	17	21	-	-	21
230176	Jaycee Street, Modbury North	-	-	-	-	-	7	7	-	-	7
230178	Kanganga Road, Dernancourt	-	-	-	-	-	13	14	-	-	14
230180	Kimberley Ave, Modbury North	-	-	-	-	-	7	8	-	-	8
230181	Maxlay road, Modbury Heights	-	-	-	-	-	3	20	-	-	20
230235	Angas Court - Dawson Crescent to end	-	-	-	-	-	4	11	-	-	11
230236	Coulls Road, Banksia Park - Stevenson Drive to Haines Road	-	-	-	-	-	6	23	-	-	23
230237	Vizma Court, Banksia Park	-	-	-	-	-	4	11	-	-	11
230238	Dawson Crescent, Modbury-Full extent	-	-	-	-	-	6	22	-	-	22
230247	Golden Fields Car Park	-	-	-	-	-	467	486	-	-	486
<b>Total Road Reconstruction / Renovation</b>		-	36	-	-	36	880	2,139	(0)	-	2,139
<b>Project Category: Road Resealing and Renovation</b>											
220005	Watts Rd (Lawrence Ave - End) Dernancourt	-	-	-	-	-	13	13	-	-	13
220033	Simba Court (Oratanga Rd - End) Modbury North	-	-	-	-	-	22	22	-	-	22
220048	Citronelle Pl (Grenadine Ave - End) Golden Grove	-	-	-	-	-	35	35	-	-	35
220051	Verdelho St (Palomino Parade - Cabernet Ave) Wynn Vale	-	-	-	-	-	20	26	(6)	-	20
220213	Reseal Preparations for 22-23	-	-	-	-	-	8	108	-	-	108
230006	Barns Avenue (Edmund Street to Rogers Street), Highbury	-	-	-	-	-	-	37	(37)	-	-
230008	Burman Avenue (Mary Avenue to End), Gilles Plains	-	-	-	-	-	1	23	-	-	23
230009	Colton Avenue (Lang Street to Valerie Avenue), Highbury	-	-	-	-	-	40	44	(4)	-	40
230011	Elliston Avenue (Lower North East Road to Edmund Avenue),	-	-	-	-	-	45	50	-	-	50
230014	Jacaranda Grove (Driveway Link to End), Golden Grove	-	-	-	-	-	30	43	(13)	-	30
230015	Kooline Crescent (Padbury Road to Morawa Avenue), Gilles	-	-	-	-	-	1	34	-	-	34
230016	Lang Street (Elliston Avenue to End), Highbury	-	-	-	-	-	44	53	(9)	-	44
230018	Morawa Avenue (Newcombe Drive to Tasman Avenue),	-	-	-	-	-	3	81	-	-	81
230020	Petworth Parade (Lake Fortesque Avenue to Balford Avenue),	-	-	-	-	-	1	21	-	-	21
230023	Rex Avenue (Padbury Road to Morawa Avenue), Gilles Plains	-	-	-	-	-	2	46	-	-	46
230024	Stanley Way (Padbury Road to Newcombe Drive), Gilles Plains	-	-	-	-	-	2	43	-	-	43
230025	Tamala Crescent (Padbury Road to Morawa Avenue), Gilles	-	-	-	-	-	2	41	-	-	41
230027	Road Reseal - Contingency Funds	-	-	-	-	-	6	155	81	(100)	136
230028	Wreebo Street (Kooline Crescent to Tasman Avenue), Gilles	-	-	-	-	-	1	22	-	-	22
230029	Zara Court (Zealand Street to End), Surrey Downs	-	-	-	-	-	1	22	-	-	22
230046	Ilaid Grove (Fairleigh Avenue to End), Modbury North	-	-	-	-	-	67	30	40	-	70
230098	Fairleigh Avenue (Montague Road to End), Modbury North	-	-	-	-	-	52	44	8	-	52
230099	Alawa Avenue (Beltana Avenue to Fairleigh Avenue),	-	-	-	-	-	39	43	(4)	-	39
230101	Beltana Avenue (Fairleigh Avenue to End), Modbury North	-	-	-	-	-	69	71	(2)	-	69
230177	Juniper Street, Golden Grove	-	-	-	-	-	13	18	(5)	-	13
230242	Teal Street, Highbury (Awoonga Rd to Edmund Street)	-	-	-	-	-	18	25	(7)	-	18
230243	Edmund Road, Highbury (Elliston Avenue to End)	-	-	-	-	-	86	111	(25)	-	86
230244	Barns Avenue, Highbury (Edmund Rd to Valley Rd)	-	-	-	-	-	105	116	(10)	-	105
230245	Awoonga Road, Highbury (Teal St to Awoonga Rd)	-	-	-	-	-	15	23	(8)	-	15
230251	Hancock road (yatta vale - GGR) design	-	-	-	-	-	-	-	150	(150)	-
<b>Total Road Resealing and Renovation</b>		-	-	-	-	-	745	1,400	150	(250)	1,300
<b>Project Category: Roads to Recovery</b>											
220052	Golden Grove Rd (Rifle Range Rd - Tongariro Rd) Greenwith	-	-	-	-	-	363	365	(2)	-	363
230041	Target Hill Road (Green Valley Drive to Halcyn Avenue),	-	-	-	-	-	648	640	8	-	648
230136	Golden Grove Road (Tongariro Road to Target Hill Road),	-	-	-	-	-	250	220	30	-	250
230138	Surrey Farm Drive (The Golden Way to school entrance),	-	-	-	-	-	-	-	(36)	36	-
<b>Total Roads to Recovery</b>		-	-	-	-	-	1,261	1,225	0	36	1,261
<b>Project Category: Re-Sheeting Unsealed Roads</b>											
230043	Bright Lands Road (Milne Road Extension), Banksia Park	-	-	-	-	-	-	17	-	-	17
230139	Castress Rd, Upper Hermitage	-	-	-	-	-	-	23	-	-	23
<b>Total Re-Sheeting Unsealed Roads</b>		-	-	-	-	-	-	40	-	-	40
<b>Project Category: New Footpath and DDA Upgrades</b>											
210051	New-Wongabeena Drive Surrey Downs-number 10 Casuarina Ave	-	-	-	-	-	6	6	-	-	6
220067	Willson Rd, Gilles Plains	-	-	-	-	-	27	47	(20)	-	27
220070	Pauline Dve (Yatala Vale Rd - Amanda Dve) Surrey Downs	-	-	-	-	-	18	28	(10)	-	18
220072	Cambean St (Manooka St - Kelly Rd) Modbury Heights	-	-	-	-	-	3	11	(8)	-	3
220077	Hancock Rd (Palmer St - 345 Hancock Rd) Greenwith	-	-	-	-	-	72	127	(55)	-	72
220079	Dundee Rd / Edinburgh Rd (Reserve, Modbury	-	-	-	-	-	46	80	(34)	-	46
220081	DDA Compliant Bus Stop Upgrades	-	-	-	-	-	89	122	-	-	122
220178	Wirilda Ave, Surrey Downs	-	-	-	-	-	57	90	(33)	-	57
220216	Golden Grove Road (Golden Way to Laburnum)	-	-	-	-	-	-	65	-	-	65
220220	Various Kerb ramp installation/replacement (city wide)	-	-	-	-	-	24	24	(0)	-	24
230048	Altair Avenue West (infront of No.10, No.9 to	-	-	-	-	-	26	32	(6)	-	26
230049	Baldwin Court, Wynn Vale	-	-	-	-	-	21	31	-	-	31
230050	Dillon Street (Gaylard Crescent to Gaylard Crescent),	-	-	-	-	-	3	74	16	(87)	3
230051	Gloucester Avenue (Stafford Street to Argyll Crescent),	-	-	-	-	-	2	59	13	-	72
230052	Hartly Court (Adjacent Reserve footpath connection),	-	-	-	-	-	8	15	(7)	-	8
230053	Reynolds Ave (Lyons Rd to Payton Avenue), Dernancourt	-	-	-	-	-	2	40	11	(49)	2
230054	Hobart Crescent (Grenfell Road to Derwent Crescent),	-	-	-	-	-	12	18	(6)	-	12
230055	Keeble Street, St Agnes	-	-	-	-	-	1	34	7	-	41
230056	Knightsbridge Avenue (No.27 to No.2 Salisbury Avenue),	-	-	-	-	-	3	63	14	(74)	3
230057	Knightsbridge Avenue (Wycombe Way to opposite No.	-	-	-	-	-	5	116	26	(137)	5
230058	O'leary Place (Fergusson Court to Council Boundary),	-	-	-	-	-	0	7	2	(8)	0
230059	O'leary Place (Maidment Court to Fergusson Court), Wynn Vale	-	-	-	-	-	1	31	7	(37)	1
230063	Ronald Road, Redwood Park	-	-	-	-	-	4	88	19	-	107
230064	Observation Drive (Daryl Place to Gallery Road), Highbury	-	-	-	-	-	10	15	(5)	-	10
230065	Sassafras Drive (Rosewood Rd to Stairs at	-	-	-	-	-	1	33	7	(39)	1
230066	Silverlake Crescent (Lavinia Grove to Dernancourt	-	-	-	-	-	1	36	8	-	44
230067	Sue Street (Pringle Avenue to Baxter Avenue), Surrey Downs	-	-	-	-	-	15	16	(1)	-	15
230068	Washington Court, Golden Grove	-	-	-	-	-	14	21	(7)	-	14
230069	Whitford Drive (Ellwood Avenue to Chapel Road), Modbury	-	-	-	-	-	2	39	9	(46)	2
230070	Whitford Drive (No.1 to No.7 Whitford), Modbury North	-	-	-	-	-	1	16	4	(19)	1
230071	Zara Court (Zealand Street to End), Surrey Downs	-	-	-	-	-	23	23	-	-	23
230072	DDA kerb ramp upgrades, all suburbs	-	-	-	-	-	0	-	12	-	12

## 2022-23 Capital Works Program

Project Number	Project Description	Revenue					Expenditure				
		YTD March Actuals	FY2023 Q2 Revised Budget	Proposed Budget Adjustment	Carry Forward Adjustment	FY2023 Revised Budget	YTD March Actuals	FY2023 Q2 Revised Budget	Proposed Budget Adjustment	Carry Forward Adjustment	FY2023 Revised Budget
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
230119	Olama Road, Fairview Park	-	-	-	-	-	15	26	(11)	-	15
230122	Reynolds Street (Reserve), Demancourt	-	-	-	-	-	-	10	2	-	12
230140	Green Valley Drive (Leedham Drive to Harvey Crescent),	-	-	-	-	-	5	108	41	(141)	8
<b>Total New Footpath and DDA Upgrades</b>		-	-	-	-	-	<b>517</b>	<b>1,552</b>	<b>(6)</b>	<b>(637)</b>	<b>908</b>
<b>Project Category: Unsealed Footpaths</b>											
230144	Tuscan Reserve, Golden Grove	-	-	-	-	-	-	9	-	-	9
230145	Crouch Road, Golden Grove	-	-	-	-	-	25	25	-	-	25
230146	Hallett Reserve, Golden Grove	-	-	-	-	-	10	10	-	-	10
230147	Shannon Reserve, Banksia Park	-	-	-	-	-	-	7	-	-	7
230148	Capulet Reserve, Modbury	-	-	-	-	-	-	11	-	-	11
230149	Balmoral Reserve, Demancourt	-	-	-	-	-	-	31	-	-	31
230150	Reodan Drive, Greenwith	-	-	-	-	-	3	15	-	-	15
230151	Awoonga Avenue, Hope Valley	-	-	-	-	-	-	18	-	-	18
230152	Heysen Avenue, Hope Valley	-	-	-	-	-	5	7	(2)	-	5
230153	Morawa Reserve, Gilles Plains	-	-	-	-	-	-	19	-	-	19
230154	Modbury sporting club, Ridgehaven	-	-	-	-	-	2	2	-	-	2
230155	Gunda Reserve, Banksia Park	-	-	-	-	-	10	10	1	-	11
230156	Lyons Reserve, Demancourt	-	-	-	-	-	1	22	4	-	25
230157	Gifford Reserve, St Agnes	-	-	-	-	-	8	19	-	-	19
230158	St Agnes Reserve, St Agnes	-	-	-	-	-	29	87	(58)	-	29
230159	O-bahn Linear Park, Highbury	-	-	-	-	-	-	51	-	-	51
230160	Michigan Reserve, Highbury	-	-	-	-	-	-	14	-	-	14
<b>Total Unsealed Footpaths</b>		-	-	-	-	-	<b>94</b>	<b>358</b>	<b>(56)</b>	-	<b>302</b>
<b>Project Category: Bridge Renewal</b>											
210207	Mulkarra Street, Bridge Upgrade, Ridgehaven	249	326	-	-	326	56	60	(3)	-	56
<b>Total Bridge Renewal</b>		<b>249</b>	<b>326</b>	-	-	<b>326</b>	<b>56</b>	<b>60</b>	<b>(3)</b>	-	<b>56</b>
<b>Project Category: Lighting</b>											
210079	Tilley Sports Lighting Upgrade-Tilley Reserve	-	30	-	-	30	-	-	-	-	-
220180	Modbury Sporting Club Lighting Upgrade, Modbury	125	125	-	-	125	-	-	-	-	-
220210	SADNA and Golden Grove Tennis Club-Lighting Upgrade	103	425	-	-	425	207	900	-	-	900
230075	Sports Field Floodlighting - To Be Determined	-	-	-	-	-	3	41	-	-	41
230076	Greenwith Oval - Upgrade oval lighting to LED	-	-	-	-	-	14	14	-	-	14
<b>Total Lighting</b>		<b>228</b>	<b>580</b>	-	-	<b>580</b>	<b>224</b>	<b>955</b>	-	-	<b>955</b>
<b>Project Category: Water and Drainage</b>											
210088	Irrigation-1670 Lyons Reserve on Lyons Road	-	9	-	-	9	-	-	-	-	-
220103	Ladywood Reserve Irrigation and Drainage	-	-	-	-	-	6	38	19	-	57
220105	Irrigation Flow Sensor Installation	-	-	-	-	-	20	20	-	-	20
220107	Recycled Water Control Equipment	-	-	-	-	-	-	19	(19)	-	-
220108	Stormwater Infra Assessment of Dry Creek Catchment Stage 1	-	-	-	-	-	60	74	-	-	74
220224	Dry Creek - Expansion of Recycled Water Network	20	95	-	-	95	22	188	46	(53)	181
220239	WWTP tertiary pump auto filter	-	-	-	-	-	2	47	-	-	47
230047	Recycled Water Asset Renewal - WWTP Aerators, Tilley DM pum	-	-	-	-	-	33	120	(28)	-	92
230060	Irrigation Central Controller Stage 2 (Rainbird IQ Central C	-	-	-	-	-	4	100	-	(96)	4
230061	Irrigation Asset Renewal - Tilley & Greenwith ground water b	-	-	-	-	-	7	175	-	(70)	105
230073	Irrigation Controllers - (Rainbird IQ) changeover from 3G to	-	-	-	-	-	47	65	(18)	-	47
230079	Drainage Renewal Program - AMP	-	-	-	-	-	171	495	3	-	499
230108	Creek Rehabilitation	-	-	-	-	-	56	285	35	(100)	221
<b>Total Water and Drainage</b>		<b>20</b>	<b>104</b>	-	-	<b>104</b>	<b>429</b>	<b>1,627</b>	<b>39</b>	<b>(319)</b>	<b>1,346</b>
<b>Project Category: Traffic Management and Signage</b>											
210209	Traffic-Lyons Road/Tarton Road Roundabout, Holden Hill	60	75	-	-	75	-	-	-	-	-
210211	Traffic-Montague Road Junction deceleration lane, Modbury	134	157	-	-	157	-	-	-	-	-
220115	Greenwith community centre (entry and exit), Greenwith	-	-	-	-	-	-	30	-	-	30
230083	Signage - Community and various site replacements	-	-	-	-	-	30	156	(13)	-	143
230084	Traffic Management Treatments - General various improvements	-	-	-	-	-	29	282	-	(150)	112
230085	Replacement of advisory and regulatory signage	-	-	-	-	-	181	214	13	-	227
230121	The Heights School, Modbury Heights - traffic study	-	-	-	-	-	61	66	-	-	66
230241	Wright Road and Kelly Road Roundabout Improvements	-	229	67	-	296	21	229	67	-	296
230246	Memorial Drive Storytelling project	-	-	-	-	-	4	50	2	-	52
230248	TTG BMX - Track Improvements - State titles	-	-	-	-	-	13	-	0	74	74
<b>Total Traffic Management and Signage</b>		<b>194</b>	<b>461</b>	<b>67</b>	-	<b>528</b>	<b>340</b>	<b>1,007</b>	<b>70</b>	<b>(76)</b>	<b>1,000</b>
<b>Project Category: Fencing and Park Furniture</b>											
<b>Total Fencing and Park Furniture</b>		-	-	-	-	-	-	-	-	-	-
<b>Project Category: Open Space - Sporting, Park and Playground Upgrades</b>											
200140	Replacement various shade structures	-	-	-	-	-	-	26	-	-	26
200364	Skate Bowl Bentley Reserve	-	-	-	-	-	37	93	(55)	-	37
200373	Balmoral playground resurfacing renew	-	-	-	-	-	121	137	-	-	137
210106	Playgrounds-Greenwith campus Greenwith (includes shade)	-	75	-	-	75	-	143	-	(143)	-
220116	Court Upgrades - Hard Court Audit	-	10	-	-	10	10	13	6	-	20
220118	Alicante Reserve Playground, Wynn Vale	-	-	-	-	-	138	176	-	-	176
220120	Verdant Reserve Playground (Bent Court), Wynn Vale	-	-	-	-	-	92	206	-	-	206
220121	Playgrounds - Various	-	-	-	-	-	12	12	-	-	12
220124	Fencing - Boronia Reserve Valley Rd, Hope Valley	-	-	-	-	-	9	9	(0)	-	9
220125	Fencing - Kathleen Mellor Kindergarten, Tea Tree Gully	-	-	-	-	-	-	7	-	-	7
220127	Wicks Reserve Headwall, Highbury	-	-	-	-	-	5	5	-	-	5
220129	Fencing - Memorial Dve Tennis Court, Tea Tree Gully	-	-	-	-	-	36	36	-	-	36
220131	Fencing - TTG Motocross Club, Greenwith	-	-	-	-	-	34	34	-	-	34
220179	Solandra Reserve Boardwalk	-	-	-	-	-	94	94	-	-	94
220181	Kaplan Reserve Playground, St Agnes	-	-	-	-	-	53	196	-	-	196
220183	Golden Fields Adventure Playspace	159	711	-	-	711	317	1,402	-	(358)	1,044
220225	John E Mem Res Playground	-	-	-	-	-	34	34	-	-	34
220230	Golden Grove Tennis Club-Top 5 Cts	-	-	-	-	-	60	63	(3)	-	60
230086	Fairleigh Reserves Upgrade, Modbury North	-	-	-	-	-	26	70	-	-	70
230087	BMX Track Upgrade - Gunda Reserve, Banksia Park	-	-	-	-	-	5	120	-	(95)	25
230088	Fencing Projects - Various - to be determined	4	4	-	-	4	89	201	0	-	201
230089	Outdoor Furniture Projects - Various - to be determined	-	-	-	-	-	10	94	-	-	94
230120	Endurance Reserve, Vista - Concept plan	-	-	-	-	-	17	20	-	-	20
230125	Wynn Vale Dam Open Space Upgrades	21	200	-	(49)	151	21	151	-	(100)	51
230161	Doxiadis Reserve Playground, St Agnes	-	-	-	-	-	12	140	-	(128)	12
230162	Cobbler Creek West Reserve Playground, Golden Grove	-	-	-	-	-	13	140	-	(127)	13
230163	Palomino Reserve Playground, Wynn Vale - Design	-	-	-	-	-	13	20	-	-	20
230164	John Clarke Memorial Playground (Tolley Road), Hope Valley	-	-	-	-	-	2	50	-	-	50
230165	Lumsden Reserve Playground, Ridgehaven	-	-	-	-	-	2	50	-	-	50
230233	Golden Grove Hockey Pitch	-	-	-	-	-	624	800	(25)	-	775
<b>Total Open Space - Sporting, Park and Playground Upgrades</b>		<b>184</b>	<b>1,001</b>	-	(49)	<b>952</b>	<b>1,884</b>	<b>4,541</b>	<b>(77)</b>	<b>(952)</b>	<b>3,513</b>
<b>Project Category: City Beautification Works</b>											
200155	Main Roads Gateways-Montague Road design	124	140	-	-	140	258	297	-	-	297
210112	City Beautification-Golden Grove Road-Streetscape works	-	-	-	-	-	304	304	-	-	304
210116	Beautification - Meadowvale Aged Friendly Precinct Modbury	59	59	-	-	59	109	119	(10)	-	109



## 2022-23 Capital Works Program

Project Number	Project Description	Revenue					Expenditure				
		YTD March Actuals	FY2023 Q2 Revised Budget	Proposed Budget Adjustment	Carry Forward Adjustment	FY2023 Revised Budget	YTD March Actuals	FY2023 Q2 Revised Budget	Proposed Budget Adjustment	Carry Forward Adjustment	FY2023 Revised Budget
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
210117	Open Space-Edinburgh Reserve, Modbury - includes play space	467	467	150	-	617	1,174	1,167	150	-	1,317
210124	Beautification-Golden Grove Road Landscaping Revegetation	-	9	-	-	9	-	7	-	-	7
210125	Beautification-The Golden Way-Marie Clark Drive to Carden Ct	-	-	-	-	-	4	4	-	-	4
210198	Open Space-Solandra Reserve, Modbury North	-	-	-	-	-	80	81	-	-	81
210210	Beautification streetscape-North East Road, Modbury	365	404	-	-	404	179	298	-	-	298
210213	Beautification-Lot 50 Golden Grove Road, Modbury Heights	360	448	-	-	448	354	465	-	-	465
220132	Upgrade Streetscape Montague Rd - Ladywood and NE Rd,	-	54	-	-	54	491	577	-	-	577
220133	Tree Screen - Grenfell Rd (1 Planica Crt - 18 Baraga Gr)	-	-	-	-	-	192	206	(0)	-	205
220134	Tree Screen - The Golden Way (20 Hillrise Crt - 11 Hillrise	-	-	-	-	-	33	177	(14)	-	164
220136	Tree Screen - Scarborough Plantation (Friendship Cres -	-	-	-	-	-	135	162	(19)	-	143
220137	Tree Screen - Linwood plantation (Wynn Vale Drive -	-	-	-	-	-	102	122	(15)	-	107
220221	Dawson Reserve, Modbury	12	963	(150)	(663)	150	12	880	(150)	(580)	150
220237	North East Road T/T Township Streetscape Upgrade PLEC	-	-	-	-	-	18	18	-	-	18
220238	Civic Park Stage 3	-	-	-	-	-	24	30	-	-	30
230090	Meadowdale East Restoration Work	27	653	-	(490)	162	55	650	58	(520)	188
230091	Golden Grove Road Stage 2 - Revegetation and Beautification	1	200	-	-	200	3	400	-	(300)	100
230092	Demancourt Memorial	-	-	-	-	-	40	40	-	-	40
230113	Grand Junction Road Streetscape Upgrade, Hope Valley (between	24	500	-	-	500	49	500	-	(400)	100
230116	Tree Screens - Contingency Funds	-	-	-	-	-	-	90	-	-	90
230118	CWMS Transition Revegetation Project	-	200	-	-	200	-	400	-	(300)	100
230168	Tree Screen - The Golden Way (20 Neuville Court to 4/3	-	-	-	-	-	4	105	-	-	105
230169	Tree Screen - Ladywood Road (6 Hovea Court to 1	-	-	-	-	-	4	95	-	-	95
<b>Total City Beautification Works</b>		<b>1,440</b>	<b>4,096</b>	<b>-</b>	<b>(1,153)</b>	<b>2,944</b>	<b>3,623</b>	<b>7,182</b>	<b>1</b>	<b>(2,100)</b>	<b>5,093</b>
<b>Project Category: Capital Buildings Renewal</b>											
210143	Waterworld-Pool Heater replacement	-	25	-	-	25	-	-	-	-	-
210144	Traffic - Road and Cycle Safety Centre upgrade	-	22	-	-	22	135	179	-	-	179
210208	Operational-Civic Centre air-conditioning replace(stage 2)	178	233	-	-	233	-	-	-	-	-
210223	Sherry Crt (x2), Lemongum Reserve, Hyde Park-GAZ	-	-	-	-	-	-	61	-	(61)	-
220140	2022 - Asset Management Plan Renewals - Recreational	-	-	-	-	-	55	55	-	-	55
220142	2022 - Asset Management Plan Renewals - Operational	-	-	-	-	-	113	123	-	-	123
220222	Emergency and Exit Lighting Replacement	-	-	-	-	-	19	19	-	-	19
230093	Turrumurra Rec Centre - Strength for Life Floor Replacement	-	-	-	-	-	10	10	(0)	-	10
230094	Asset Management Plan Renewals - Recreational Building	-	86	-	-	86	318	446	(3)	(40)	417
230095	Asset Management Plan Renewals - Sporting Buildings	(27)	-	-	-	-	52	186	171	(40)	317
230096	Asset Management Plan Renewals - Operational Buildings	(83)	-	-	-	-	28	213	(33)	-	180
230097	Asset Management Plan Renewals - Amenities Buildings	-	-	-	-	-	-	33	(33)	-	-
230171	Asset Management Plan Renewals - Communities Buildings	-	-	-	-	-	80	363	(50)	(62)	251
<b>Total Capital Buildings Renewal</b>		<b>67</b>	<b>366</b>	<b>-</b>	<b>-</b>	<b>366</b>	<b>808</b>	<b>1,688</b>	<b>52</b>	<b>(203)</b>	<b>1,537</b>
<b>Project Category: Capital Buildings New/Upgrades</b>											
210147	Building future project fund	-	-	-	-	-	-	1,480	1,600	-	3,080
220147	Immunisation Clinic - Uninterrupted Power Supply (Battery)	-	-	-	-	-	1	1	-	-	1
220151	TTG CFS Building fire safety improvements	-	-	-	-	-	44	44	-	-	44
220153	Waterworld - Entrance Turnstile and foyer works	-	-	-	-	-	198	198	-	-	198
220175	Linear Park Toilet Block - Highbury	-	-	-	-	-	63	174	-	-	174
220186	Modbury Soccer Club, Modbury	363	438	-	-	438	1,087	1,087	(0)	-	1,087
220187	Modbury Bowling Club	116	231	-	-	231	337	366	-	-	366
220188	Linear Park Toilet Block - Lutana Grove	-	-	-	-	-	60	171	-	-	171
230030	GGRAC - Court 2 & 3 Stadium Seating replacement,	-	15	-	-	15	19	30	-	-	30
230031	DAIP Building Upgrades	-	-	-	-	-	31	150	-	-	150
230032	Keyless Building Access	-	-	-	-	-	17	118	-	-	118
230033	GGRAC - Emergency Lighting Upgrade, Golden Grove	-	-	-	-	-	20	32	(12)	-	20
230034	GGARC - Building Management System, Golden Grove	-	-	-	-	-	46	46	-	-	46
230035	TTG Memorial Hall - Storage, Tea Tree Gully	-	-	-	-	-	1	30	-	-	30
230036	Library Shelf Replacement	-	-	-	-	-	121	260	-	-	260
230037	GGRAC - Theatre PA System and Audio Control System	-	-	-	-	-	6	183	-	-	183
230117	Cobbler Creek West Reserve Toilet	-	-	-	-	-	14	102	(0)	(88)	14
230133	Accessible Adult Change Table Facility, Civic Park, Modbury	-	-	-	-	-	6	155	20	(149)	27
<b>Total Capital Buildings New/Upgrades</b>		<b>479</b>	<b>684</b>	<b>-</b>	<b>-</b>	<b>684</b>	<b>2,070</b>	<b>4,627</b>	<b>1,608</b>	<b>(237)</b>	<b>5,998</b>
<b>Project Category: Strategic Building Projects</b>											
220176	Harpers Field Community Building and Sporting Clubroom	-	744	-	-	744	486	1,405	-	-	1,405
220211	Modbury Sporting Club - Clubroom and Changeroom	42	135	-	-	135	61	300	-	(100)	200
220212	Tilley Recreation Park - Clubroom and Changeroom	-	600	-	(400)	200	77	895	-	(600)	295
230123	Tea Tree Gully Gymsports, Banksia Park	-	-	-	-	-	-	300	-	(250)	50
230124	Tea Tree Gully Tennis Club, Banksia Park	-	-	-	-	-	-	300	-	(250)	50
230134	Hope Valley Sporting Club - Amenities improvements	15	26	-	-	26	15	26	-	-	26
230239	Banksia Park Sports Area Master Plan, Banksia Park	20	75	-	-	75	20	75	-	-	75
230240	Golden Grove Central Districts Baseball Club, Surrey Downs	-	-	-	-	-	3	-	20	-	20
<b>Total Strategic Building Projects</b>		<b>78</b>	<b>1,580</b>	<b>-</b>	<b>(400)</b>	<b>1,180</b>	<b>663</b>	<b>3,301</b>	<b>20</b>	<b>(1,125)</b>	<b>2,196</b>
<b>Project Category: Environmental Projects</b>											
210156	Green bins-compostable waste per audit findings	-	-	-	-	-	19	40	-	-	40
220156	Solar Energy program - Service Centre - Shed 2	47	49	-	-	49	67	90	-	-	90
230102	LED Street Lighting Changeover Stage 2	439	1,020	-	-	1,020	618	1,299	-	-	1,299
<b>Total Environmental Projects</b>		<b>486</b>	<b>1,069</b>	<b>-</b>	<b>-</b>	<b>1,069</b>	<b>704</b>	<b>1,429</b>	<b>-</b>	<b>-</b>	<b>1,429</b>
<b>Project Category: Information Technology</b>											
210160	Booking Systems - Phase 2	-	-	-	-	-	-	34	-	-	34
220160	Enterprise Content Management	-	-	-	-	-	95	95	-	-	95
220162	eServices Automation	-	-	-	-	-	149	213	-	-	213
220164	Internet of Things phase 2	-	-	-	-	-	34	42	-	-	42
220165	Immunisation Clinic - Booking System	-	-	-	-	-	-	23	-	-	23
230105	ERP System (Rating, Property, Salesforce integration,	-	-	-	-	-	159	986	-	(750)	236
230172	ITAMP - Hardware	-	-	-	-	-	123	303	0	-	303
230173	ITAMP - Desktop Software	-	-	-	-	-	58	54	-	-	54
230174	ITAMP - Enterprise Applications	-	-	-	-	-	66	160	-	-	160
230175	Other IT - Business Process Automation, Sustainable Cities,	-	-	-	-	-	181	281	-	-	281
230234	Firewall Replacement	-	-	-	-	-	173	185	-	-	185
<b>Total Information Technology</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,038</b>	<b>2,376</b>	<b>0</b>	<b>(750)</b>	<b>1,626</b>
<b>Project Category: Other</b>											
220191	Land Sales	6	-	-	-	-	45	-	-	-	-
230103	Projects to be Grant Funded (to be determined)	-	-	-	-	-	-	3,614	(951)	-	2,663
230106	Plant & Equipment Replacement Program	69	188	(0)	(101)	87	243	663	-	(249)	415
230249	Land Purchase -77A Leeds Avenue, Hope Valley	-	-	-	-	-	946	-	951	-	951
<b>Total Other</b>		<b>75</b>	<b>188</b>	<b>(0)</b>	<b>(101)</b>	<b>87</b>	<b>1,235</b>	<b>4,277</b>	<b>0</b>	<b>(249)</b>	<b>4,029</b>
<b>Total Capital Works Program 2022-23</b>		<b>3,501</b>	<b>10,490</b>	<b>67</b>	<b>(1,703)</b>	<b>8,855</b>	<b>16,571</b>	<b>39,794</b>	<b>1,797</b>	<b>(6,861)</b>	<b>34,730</b>



Confidential Subject: Tilley Recreation Park Phase 1 Section 48 Prudential Report (D23/49089)

It is the recommendation of the Chief Executive Officer that the Tilley Recreation Park Phase 1 Section 48 Prudential Report be received, discussed and considered in confidence. The Audit & Risk Committee should determine whether it is necessary and appropriate for the matter to be discussed in confidence as provided for by the provisions of Sections 90 and 91 of the *Local Government Act 1999* (with a recommendation provided as follows):

Recommendation for Moving into Camera

1. *That pursuant to Section 90(2) of the Local Government Act, 1999 the Audit & Risk Committee orders that the public (except staff on duty) be excluded from the meeting to enable discussion on the Tilley Recreation Park Phase 1 Section 48 Prudential Report.*
2. *That the Audit & Risk Committee is satisfied that pursuant to section 90(3) b (i) of the Local Government Act 1999, the information be received, discussed or considered in relation to this item is:*
  - *information the disclosure of which could reasonably be expected to confer a commercial advantage on a person with whom the council is conducting, or proposing to conduct, business, or to prejudice the commercial position of the council*
    - *on the basis that it would compromise a competitive tender process for the engagement of the building contractor.*
3. *In addition, the disclosure of this information would, on balance, be contrary to the public interest. The public interest in the public access to the meeting has been balanced against the public interest in the continued non-disclosure of the information. The benefit to the public at large resulting from withholding the information outweighs the benefit to it of disclosure of the information. The Council is satisfied that the principle that the meeting be conducted in a place open to the public has been outweighed in the circumstances on the basis that it would compromise a competitive tender process for the engagement of the building contractor.*

Note: The meeting should pause to allow members of the public to leave the meeting room and the doors should be closed behind as the last person leaves. Discussion on the matter can then proceed. The meeting automatically moves out of confidentiality at the end of consideration of the matter, and the public should then be invited to attend the meeting.

## City of Tea Tree Gully

## SPECIAL MEETING OF AUDIT &amp; RISK COMMITTEE

19 July 2023

Confidential Subject: Modbury Sporting Clubroom Section 48 Prudential Report (D23/49057)

It is the recommendation of the Chief Executive Officer that the Modbury Sporting Clubroom Section 48 Prudential Report be received, discussed and considered in confidence. The Audit & Risk Committee should determine whether it is necessary and appropriate for the matter to be discussed in confidence as provided for by the provisions of Sections 90 and 91 of the *Local Government Act 1999* (with a recommendation provided as follows):

Recommendation for Moving into Camera

1. *That pursuant to Section 90(2) of the Local Government Act, 1999 the Audit & Risk Committee orders that the public (except staff on duty) be excluded from the meeting to enable discussion on the Modbury Sporting Clubroom Section 48 Prudential Report .*
2. *That the Audit & Risk Committee is satisfied that pursuant to section 90(3) b (i) of the Local Government Act 1999, the information be received, discussed or considered in relation to this item is:*
  - *information the disclosure of which could reasonably be expected to confer a commercial advantage on a person with whom the council is conducting, or proposing to conduct, business, or to prejudice the commercial position of the council*
    - *on the basis that it would compromise a competitive tender process for the engagement of the building contractor.*
3. *In addition, the disclosure of this information would, on balance, be contrary to the public interest. The public interest in the public access to the meeting has been balanced against the public interest in the continued non-disclosure of the information. The benefit to the public at large resulting from withholding the information outweighs the benefit to it of disclosure of the information. The Council is satisfied that the principle that the meeting be conducted in a place open to the public has been outweighed in the circumstances on the basis that it would compromise a competitive tender process for the engagement of the building contractor.*

Note: The meeting should pause to allow members of the public to leave the meeting room and the doors should be closed behind as the last person leaves. Discussion on the matter can then proceed. The meeting automatically moves out of confidentiality at the end of consideration of the matter, and the public should then be invited to attend the meeting.