

Audit Committee Minutes

28 February 2022

Our Vision

*A City which values its heritage, cultural diversity,
sense of place and natural environment.*

*A progressive City which is prosperous, sustainable
and socially cohesive, with a strong community spirit.*

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City of
Norwood
Payneham
& St Peters

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VENUE Mayors Parlour, Norwood Town Hall

HOUR 7.00pm

PRESENT

Committee Members Cr John Minney (Presiding Member)
Mayor Robert Bria
Cr Mike Stock
Ms Brigid O'Neill (Independent Member)

Staff Mario Barone (Chief Executive Officer)
Sharon Perkins (General Manager, Corporate Services)
Andrew Alderson (Financial Services Manager)

APOLOGIES Ms Sandra Di Blasio (Independent Member)

ABSENT Nil

TERMS OF REFERENCE:

The Audit Committee is responsible to facilitate:

- *the enhancement of the credibility and objectivity of internal and external financial reporting;*
- *propose and provide information relevant to a review of the Council's Strategic Management Plans and Annual Business Plan;*
- *the review and reporting on any matter relating to financial management or the efficiency and economy with which the Council manages its resources;*
- *effective management of financial and other risks and the protection of the Council's assets;*
- *compliance with laws and regulations related to financial and risk management as well as use of best practice guidelines;*
- *the provision of an effective means of communication between the external auditor, management and the Council;*
- *proposing and reviewing the exercise of powers under Section 130A of the Local Government Act 1999;*
- *review Annual Financial Statements to ensure that they present fairly the state of affairs of the Council;*
- *liaising with the Council's Auditor; and*
- *reviewing the adequacy of accounting, internal control reporting and other financial management systems and practices of the Council on a regular basis.*

1. CONFIRMATION OF MINUTES OF THE AUDIT COMMITTEE MEETING HELD ON 25 OCTOBER 2021

Mayor Bria moved that the minutes of the Audit Committee meeting held on 25 October 2021 be taken as read and confirmed. Seconded by Cr Stock and carried unanimously.

2. PRESIDING MEMBER'S COMMUNICATION

Nil

3. QUESTIONS WITHOUT NOTICE

Nil

4. QUESTIONS WITH NOTICE

Nil

5. WRITTEN NOTICES OF MOTION

Nil

6. STAFF REPORTS

6.1 2021-2022 MID YEAR BUDGET REVIEW

REPORT AUTHOR: Financial Services Manager
GENERAL MANAGER: General Manager, Corporate Services
CONTACT NUMBER: 8366 4585
FILE REFERENCE: qA75186/A341
ATTACHMENTS: A

PURPOSE OF REPORT

The purpose of this report is to provide the Audit Committee with a summary of the forecast Budget position for the year ended 30 June 2022, following the Mid-Year Budget Review. The forecast is based on the year-to-date December 2021 results.

BACKGROUND

Pursuant to Section 123 (13) of the *Local Government Act 1999*, the Council must, as required by the Regulations, reconsider its Annual Business Plan or its Budget during the course of a financial year and, if necessary or appropriate, make any revisions.

The Budget Reporting Framework set out in Regulation 9 of the *Local Government (Financial Management) Regulations 2011* ("the Regulations") comprises two (2) types of reports, namely:

1. Budget Update; and
2. Mid-year Budget Review.

1. Budget Update

The Budget Update Report sets out a revised forecast of the Council's Operating and Capital investment activities compared with the estimates for those activities which are set out in the Adopted Budget. The Budget Update is required to be presented in a manner which is consistent with the note in the Model Financial Statements entitled *Uniform Presentation of Finances*.

The Budget Update Report must be considered by the Council at least twice per year between 30 September and 31 May (both dates inclusive) in the relevant financial year, with at least one (1) Budget Update Report being considered by the Council prior to consideration of the Mid-Year Budget Review Report.

The Regulations requires a Budget Update Report must include a revised forecast of the Council's Operating and Capital investment activities compared with estimates set out in the Adopted Budget, however the Local Government Association of SA has recommended that the Budget Update Report should also include, at a summary level:

- the year-to-date result;
- any variances sought to the Adopted Budget or the most recent Revised Budget for the financial year; and
- a revised end of year forecast for the financial year.

2. Mid-Year Review

The Mid-Year Budget Review must be considered by the Council between 30 November and 15 March (both dates inclusive) in the relevant financial year. The Mid-Year Budget Review Report sets out a revised forecast of each item shown in its Budgeted Financial Statements compared with estimates set out in the Adopted Budget presented in a manner consistent with the Model Financial Statements. The Mid-Year Budget Review Report must also include revised forecasts for the relevant financial year of the Council's Operating Surplus Ratio, Net Financial Liabilities Ratio and Asset Sustainability Ratio compared with estimates set out in the budget presented in a manner consistent with the note in the Model Financial Statements entitled *Financial Indicators*.

The Mid-year Budget Review is a comprehensive review of the Council's Budget and includes the four principal financial statements, as required by the Model Financial Statement, detailing:

- the year-to-date result;
- any variances sought to the Adopted Budget; and
- a revised full year forecast of each item in the budgeted financial statements compared with estimates set out in the Adopted budget.

The Mid-year Budget Review Report should also include information detailing the revised forecasts of financial indicators compared with targets established in the Adopted Budget and a summary report of operating and capital activities consistent with the note in the Model Financial Statements entitled *Uniform Presentation of Finances*.

RELEVANT STRATEGIC DIRECTIONS & POLICIES

The Council's Long Term Strategic directions are set out in *City Plan 2030 – Shaping our Future*. The Council's *Long Term Financial Plan (LTFP)*, is a key document in the Councils Planning Framework. It is the primary financial management tool which links the Council's Strategic Plan, *City Plan 2030 – Shaping our Future*, Whole-of-Life Assets Management Plans, the Annual Business Plan and Budget.

The *2021-2022 Annual Business Plan* and Budget, sets out the proposed services, programs and initiatives for the 2021-2022 Financial Year and explains how the Council intends to finance its continuing services, programs and initiatives which are to be undertaken during the financial year.

FINANCIAL AND BUDGET IMPLICATIONS

The Mid-Year Budget Review, provides the opportunity to reflect any changes in projections based on the actual year-to-date results to December 2021 and forecast the 2021-2022 Operating result.

Details of material movements in the forecast from the Adopted Budget are contained in the Discussion section of this Report.

EXTERNAL ECONOMIC IMPLICATIONS

This report provides information on the planned financial performance of the Council for the year ended 30 June 2022 and has no direct external economic impacts.

SOCIAL ISSUES

Nil

CULTURAL ISSUES

Nil

ENVIRONMENTAL ISSUES

Nil

RESOURCE ISSUES

There are no resource implications arising from this issue.

RISK MANAGEMENT

There are no risk management issues arising from this issue. All documents have been prepared in accordance with the statutory requirements.

COVID-19 IMPLICATIONS

Since the opening of the South Australian border on 23 November 2021 and the emergence of the Omicron variant of COVID-19, a number of businesses have been impacted by the increase in the number of COVID-19 cases and capacity restrictions introduced by State Government. To support the local businesses, a Financial Assistance Package was approved by the Council at its Meeting held on 17 January 2022.

The financial impact of the Financial Assistance Package are detailed in the Discussion section of this report.

CONSULTATION

- **Elected Members**
The Council will consider the Mid-year Review at the Council meeting scheduled for 7 March 2022.
- **Community**
Not Applicable.
- **Staff**
Responsible Officers and General Managers.
- **Other Agencies**
Not Applicable.

DISCUSSION

The 2021-2022 Adopted Operating Budget, projected an Operating Surplus of \$471,215. At the Council meeting held on 6 December 2021, the Council considered and endorsed the First Budget Update, which reported a forecast Operating Surplus of \$130,072.

Following the Mid-Year Budget Review, as presented in this report, the Council is forecasting an Operating Surplus of \$185,316.

The material movements in the components that make up the Operating Deficit following the Mid-Year Budget Review are detailed below.

A. Recurrent Operating Budget

For 2021-2022, the Recurrent Operating Budget forecast a Recurrent Operating Surplus of \$1.064 million, which was reduced to \$872,000 following the First Budget Update.

As a result of the Mid-Year Budget Review, the Recurrent Operating Surplus is forecast to be \$977,000, an increase of \$105,000 on the Adopted First Budget Update. The major reasons for the movement in Operating Surplus are detailed in Table 1.

TABLE 1: MAJOR VARIANCES IN RECURRENT OPERATING BUDGET - MID-YEAR BUDGET REVIEW

	Favourable/ (Unfavourable) \$
General movements	
Savings in employee expenses resulting from vacant positions that remain unfilled or not backfilled while undertaking the recruitment process.	345,000
The insurance rebate received from Workers Compensation Scheme, Mutual Liability Scheme and Asset Mutual Fund is higher than estimated.	45,000
The Council has successfully applied for and received funding from National Australia Day Council for the Council's Australia Day event	20,000
The interest income from Local Government Financial Authority (LGFA) is reduced by \$65,000 to reflect the actual interest income received and will be received for 2021-2022 Financial Year and there is an increase of \$35,000 to recognise the Bonus Payment received to reflect the value of deposits and loans which the Council held with the Authority.	(35,000)
The forecasted admission charges for Swimming Centres are reduced due to the cold weather conditions for the first half of the season	(20,589)
Funding requested for a traffic technical assistance to work 20 hours a week for 12 weeks	(20,000)
COVID-19 Restrictions and Impact	
Net Loss of income from the Norwood Concert Hall resulting from cancellation of events due to capacity restrictions imposed by the State Government from 26 December 2021.	(36,500)
Loss of income from swimming lessons due to the less enrolments and the availability of swimming instructors furlonged due to COVID-19.	(26,456)
COVID-19 Financial Support Package	
Waiving of Outdoor Dining Licenses Permit fees for the period 1 December 2021 to 30 June 2022 is waived.	(64,000)
Granting of a Discretionary Rebate of the Differential Rate (20%) provided to non-residential property owners impacted by the density restrictions introduced by the State Government following the borders opening on 23 November 2021 for the Third Quarter and Final Quarter of 2021-2022.	(51,000)
Rebate of the Parade Separate Rate for property owners and businesses impacted by the density restrictions introduced by the State Government following the borders opening on 23 November 2021 for the Third Quarter and Final Quarter of 2021-2022.	(23,000)
Waiving of fines and interest charged on the late payment of the 2021-2022 Third and Fourth Quarter Council Rate payments for non-residential property owners.	(20,000)

B. Operating Projects

The Adopted Budget includes an estimate of operating project expenditure for the year under review and:

- previously approved and carried forward projects from the prior budget years; less
- an allowance for current year approved projects projected to be carried forward to subsequent budget years.

Carried Forward estimates (from prior financial years) are reviewed upon finalisation of the Annual Financial Statements. Additional expenditure required for non-completed Operating Projects at the end of the Financial Year, is incorporated in the Budget as part of First Budget Update.

Taking into account the carried forward Operating Project expenditure and new projects which have been endorsed by the Council, the 2021-2022 Adopted Operating Projects Budget forecast a cost to the Council of \$955,272.

Carried Forward Operating Project expenditure was estimated as part of the Adopted Budget to be \$203,272. Following the First Budget Update, the value of carried forward expenditure is \$510,222. The increase in the Carried Forward Budget, is due to projects not progressing as anticipated or the commencement of some projects being deferred due to workload and other priorities.

The First Budget Update forecast the cost of Operating Projects to be \$1.164 million, the Mid-Year Budget Update is estimating a slight increase in this figure to \$1.170 million. The budget is requested to increase by \$6,000 to cover the Council's contribution to LiDAR Urban Mapping and analysis report for the project of Resilient East Program.

C. Capital Projects

The Council adopted a Capital Budget of \$26.972 million for 2021-2022, which comprised funding allocations for New Capital Projects involving new or the upgrading of existing assets (\$8.081 million), the renewal/replacement of existing assets (\$14.089 million) and Carried Forward Projects from 2020-2021 (\$4.801million).

The First Budget Update forecast the cost of Capital Projects to be \$30.594 million. The increase is predominately due to a number of projects which were initially anticipated to be completed by 30 June 2021 being delayed or still being in progress as at 30 June 2021. Following the Mid-Year Budget Review, the Capital Project expenditure is forecast to increase by \$289,952 to \$30.884 million. The budget variations identified in the Mid-Year Review are detailed in Table 4 below:

TABLE 4: MAJOR VARIANCES IN CAPITAL PROJECT BUDGET - MID-YEAR BUDGET REVIEW

Capital Project	Increase/ (Decrease) \$
As the Council Meeting held on 4 May 2020, \$115,000 was approved to design and construct the commemorative infrastructure recognising Nino Solari, pedestrian and cycling paths, furniture and landscaping withing the Osmond Terrace median, as well as verge landscaping at all four (4) intersection corners. Due to the timing of the funding approval, this funding was inadvertently omitted from the 2021-2022 Capital Budget.	115,000
The Council received a petition regarding traffic management issues associated with Langman Grove, Briar Road and Turner Street, Felixstow. To respond the petition, as per the recommendation from the Traffic Management Committee, the Council is undertaking the design and construction of the traffic management devices along Langman Grove.	155,000
The funding is requested to undertake the landscape improvements on Arabella Court, Orlando Court and Alexander Lane within Marden Connect & River Street Development. The project will include: <ul style="list-style-type: none"> • renewing existing tree planters and garden beds; • installing new plants in tree planters and garden beds and mulch; and • installing wheel stops for tree pits which are adjacent to on street parking spaces in order to preserve the new landscape planting from wheel damage. 	20,000

It is not expected that the increase in Capital Expenditure for the 2021-2022 Financial Year will result in any additional borrowings being required. However this will be monitored during the second half of the year.

A review of status of the Capital Projects will be undertaken as part of the Third Budget Update, which will be considered by the Council at the Council Meeting scheduled for May 2022.

Regulation 9 (1) (b) of the Regulations states the Council must consider:

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

Further Regulation 9 (2) of the Regulations states the Council must consider:

“revised forecasts for the relevant financial year of the council's operating surplus ratio, net financial liabilities ratio and asset sustainability ratio compared with estimates set out in the budget presented in a manner consistent with the note in the Model Financial Statements entitled Financial Indicators.”

The revised Budgeted Financial Statements and Financial Indicators as a result of the Mid-Year Budget Update are included in **Attachment A**.

OPTIONS

Not Applicable.

CONCLUSION

Nil

COMMENTS

Nil

RECOMMENDATION

1. That the Mid-Year Budget Update Report be received and noted.
 2. That the Committee recommends to the Council that pursuant to Regulation 9 (1) and (2) of the Local Government (Financial Management) Regulations 2011, the Budgeted Financial Statements and Financial Indicators as contained within **Attachment A**, be adopted.
-

Cr Stock moved:

1. *That the Mid-Year Budget Update Report be received and noted.*
2. *That the Committee recommends to the Council that pursuant to Regulation 9 (1) and (2) of the Local Government (Financial Management) Regulations 2011, the Budgeted Financial Statements and Financial Indicators as contained within Attachment A, be adopted.*

Seconded by Ms Brigid O'Neill and carried unanimously.

6.2 2022-2023 ANNUAL BUSINESS PLAN AND BUDGET

REPORT AUTHOR: General Manager, Corporate Services
GENERAL MANAGER: Chief Executive Officer
CONTACT NUMBER: 8366 4585
FILE REFERENCE: qA75186/A338657
ATTACHMENTS: A

PURPOSE OF REPORT

The purpose of this report is to advise the Audit Committee of the objectives and parameters which will apply in the development of the draft 2022-2023 Annual Business Plan and Annual Budget.

BACKGROUND

Legislative Requirements

Pursuant to Section 123 of the *Local Government Act 1999* (the Act), each financial year the Council is required to prepare an Annual Business Plan and Annual Budget. The Annual Business Plan and Annual Budget are to be adopted by the Council after 31 May for the ensuing financial year and except in a case involving extraordinary administrative difficulty, before 15 August for the financial year.

Pursuant to Section 123(2) of the Act and in Regulation 6 of the *Local Government (Financial Management) Regulations 2011* (the Regulations), each Annual Business Plan of a Council must—

- (a) include a summary of the Council's long-term objectives (as set out in its strategic management plans); and
- (b) include an outline of—
 - (i) the Council's objectives for the financial year; and
 - (ii) the activities that the Council intends to undertake to achieve those objectives; and
 - (iii) the measures (financial and non-financial) that the Council intends to use to assess the performance of the Council against its objectives over the financial year; and
- (c) assess the financial requirements of the Council for the financial year and, taking those requirements into account, set out a summary of its proposed operating expenditure, capital expenditure and sources of revenue; and
- (d) set out the rates structure and policies for the financial year; and
- (e) assess the impact of the rates structure and policies on the community based on modelling that has been undertaken or obtained by the Council; and
- (f) take into account the Council's long-term financial plan and relevant issues relating to the management and development of infrastructure and major assets by the Council; and
- (g) address or include any other matter prescribed by the Regulations.

Pursuant to Section 123 (3) of the Act, prior to the adoption of the Annual Business Plan, the Council must undertake public consultation for a minimum period of twenty-one (21) days. At the conclusion of the public consultation period, a public meeting is to be held where members of the community can ask questions and make submissions regarding the draft Annual Business Plan. During the public consultation period, the Council must make available copies of the draft Annual Business Plan at its principal place of business.

Pursuant to Section 123 (6a) of the Act, if, following consideration of the submissions received during the public consultation on the Annual Business Plan, the Council proposes to adopt the Annual Business Plan with amendments, the Annual Business Plan must include a statement that sets out any significant amendments from the draft Annual Business Plan and the reasons for the amendments.

RELEVANT STRATEGIC DIRECTIONS & POLICIES

The Council's Strategic Management Plan, *CityPlan 2030: Shaping Our Future*, the Long-term Financial Plan and Whole-of-Life Asset and Infrastructure Management Plans, provide the basis and framework upon which the Council's Annual Business Plan and Budget is based.

FINANCIAL AND BUDGET IMPLICATIONS

The Council's Long-Term Financial Plan (LTFP), sets out the Councils' financial goal as, "A City which delivers on our Strategic Outcomes by managing our financial resources in a sustainable and equitable manner", in short to be financially sustainable.

The Local Government Association of South Australia defines financial sustainability as;

- "A Council's long-term financial performance and position is sustainable where planned long-term service and infrastructure levels and standards are met without unplanned increases in rates or disruptive cuts to services."
- The key elements to the definition are
 - ensuring the maintenance of a Council's high priority expenditure programs, both operating and capital;
 - ensuring a reasonable degree of stability and predictability in the overall rate burden; and,
 - promoting a fair sharing in the distribution of Council resources and the attendant taxation between current and future ratepayers.

In simple terms, financial sustainability means positioning the Council so that it can continue to provide quality services, programs and facilities and maintain the Council's infrastructure to a defined service standard, with stable rate increases (removal of sudden increases) and ensuring inter-generational equity.

To ensure that the Council achieves its financial objectives, as set out in the Council's LTFP, the Council will need to ensure that its Annual Business Plan and Budget, contains objectives and financial parameters which will deliver a responsible budget and meet the reasonable needs of the community on an equitable and "value for money" basis.

EXTERNAL ECONOMIC IMPLICATIONS

The Annual Business Plan and Budget will have an economic impact on property owners and suppliers of goods and services to the Council, the level of which will be dependent on the final decisions taken in respect to the level of income and subsequently, the Rate increase required to meet proposed expenditure.

SOCIAL ISSUES

Nil.

CULTURAL ISSUES

Nil.

ENVIRONMENTAL ISSUES

Nil.

RESOURCE ISSUES

Nil.

RISK MANAGEMENT

Financial Management and Annual Business Plan preparation processes are governed by the *Local Government Act 1999* and Regulation 6 of the *Local Government (Financial Management) Regulations 2011*.

Pursuant to the *Statutes Amendment (Local Government Review) Act 2021*, a number provision of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* have been updated under the staged transition to the *Statutes Amendment (Local Government Review) Act 2021*.

The Annual Business Plan and Budget will need to be prepared in accordance with the relevant statutory requirements.

CONSULTATION

- **Elected Members**

The Council endorsed the Annual Business Plan and Budget process for the 2022-2023 financial year at its meeting held on 17 January 2022.

- **Community**

Not Applicable

- **Staff**

Not Applicable

- **Other Agencies**

Not applicable.

DISCUSSION

The 2022-2023 Annual Budget

The draft 2022-2023 Annual Budget is proposed to be developed with reference to and within the framework of the Councils LTFP. To ensure that the Council delivers its financial objectives, the draft 2021-2022 Annual Budget should be developed with reference to the assumptions set out in the LTFP.

For the 2022-2023 Financial year, the Council's LTFP projects an Operating Surplus of \$306,000, based on a Rate Revenue increase of 4.45%. The target Rate Revenue increase as set in the draft LTFP, is based on the following:

- rate revenue indexation of 2.45% which is equivalent to the ten (10) year average of the Local Government Price Index (as a 30 June 2019);
- 0.5% revenue increase derived from new assessments; and
- 1.5% to cover for the financial impacts of investment in new and upgraded infrastructure.

The Local Government Price Index for the year ended 30 June 2020, has been published with the ten (10) year average reducing to 2.05%. The ten (10) year average in revenue growth from new assessments is 0.9%. Adopting the principle of rate revenue increases comprising of the elements set out above, the base rate revenue increase for the 2021-2022 financial year, would be between 4.05% and 4.55%, depending on the extent of the financial impact of revenue growth from new development which is passed on to existing ratepayers. As such, based on a rate revenue increase of between 4.05% and 4.55%, the target Operating Surplus for the 2022-2023 Budget, should be set between \$120,000 and \$350,000.

It should be noted that the target Operating Surplus includes Grant Income of \$362,000, which is expected to be received in the 2022-2023 Financial Year under the Roads-to-Recovery Program and is included in the Capital Projects budget to be spent on a Capital Road Project(s).

To ensure that the Council delivers its financial objectives and in accordance with the Council's standard practice, the draft 2022-2023 Annual Budget should be developed with reference to and within the framework of the LTFP, which, based on the components of the rate revenue increase set out in the Budget and Financial Implications above, sets out a target Operating Surplus between \$120,000 and \$350,000.

To ensure the Councils financial targets are achieved, the Annual Budget must be set with reference to similar key influences and assumptions. The influences and assumptions relating to external economic conditions and internal policy decisions are set out below.

Key Influences

- maintenance and renewal program for existing infrastructure assets, including roads, footpaths, Council owned properties and open spaces, are consistent with the *Whole-of Life Infrastructure and Asset Management Plans*;
- commitment to major projects which span more than one (1) financial year;
- initiatives and major projects which are undertaken need to contribute to the Vision, strategic direction and the wellbeing of our City as set out in the *CityPlan 2030: Shaping Our Future*;
- previously recognised ongoing operational savings are to be maintained;
- to continue to implement the principles and practices of the Business Excellence Framework (i.e., Continuous Improvement of the organisations procedures and process to ensure the "best value" is achieved);
- prudent financial management to ensure ongoing financial sustainability; and
- decisions will be informed and based on the best available evidence and information at the time

Key Assumptions

As in previous years, the preparation of the Annual Budget will be broken down into two (2) stages. The first stage will be the preparation on the Recurrent Budget, which incorporates the revenues and expenditure required to provide the "Business as Usual" services. The second stage will focus on the Capital and Operating Project budget.

Rate Revenue Increases

As in previous years, for the initial review of the draft Recurrent Budget, no increase in rate revenue will be taken into account in the analysis. Notwithstanding this, it should be noted, that the financial projections set out in the Council's Long-Term Financial Plan, is based on a Rate Revenue increase of 4.45%, which comprises of:

- rate revenue indexation of 2.45% which is equivalent to the ten (10) year average of the Local Government Price Index (as a 30 June 2020);
- 0.5% revenue increase derived from new assessments; and
- 1.5% to cover for the financial impacts of investment in new and upgraded infrastructure.

New Operating and Capital Projects

New projects, both Operating and Capital, which are put forward for consideration, will be assessed based on the objectives contained in *CityPlan 2030: Shaping Our Future*, the Councils LTFP and the Infrastructure and Asset Management Plans.

All new Projects proposed are to be considered and approved within the constraints of the LTFP. New services and "one-off" operating projects are funded through Rate Revenue increases, grant funding or by expenditure savings. New Capital Projects will be funded via Grant Funding, borrowings or cash reserves, with an allowance being made in rate revenue increases to contribute to the ongoing lifecycle costs associated with the new asset.

At its meeting held on 17 January 2022, the Council adopted “in principle” the following budget parameters and assumptions be adopted in principle for the purpose of preparing the draft 2022-2023 Annual Business Plan and Budget:

- the Recurrent Operating Budget be prepared on a “business as usual” basis;
- the continuation of previously recognised ongoing operational savings;
- maximum Material, Contracts and Other Expenses cost escalation be set at 2.25%;
- wages and salaries increases be set in line with the Council’s Enterprise Bargaining Agreements;
- maximum combined increase in overall budget be based on salary increase and 2.25% non-salary increase;
- fees and charges not set by Legislation be increased by 2.0% at a minimum;
- new Capital Projects to be considered and approved within the context of the Annual Business Plan objectives contained in **Attachment A, CityPlan 2030: Shaping Our Future**, I& and the LTFFP;
- new services and one-off projects to be considered and approved within the context of the Annual Business Plan objectives contained in **Attachment A, CityPlan 2030: Shaping Our Future**, I& and the LTFFP and be funded through Rate Revenue increases or by expenditure savings; and
- new capital projects are funded via grant funding and or long-term borrowings.

Budget Timetable

Pursuant to Section 123 of the Act and in Regulation 6 of the Regulations, the Council is required to adopt the Annual Business Plan and Annual Budget after 31 May for the ensuing financial year and, except in a case involving extraordinary administrative difficulty, before 15 August for the financial year.

In line with the resolution which was endorsed by the Council at its meeting held on 5 July 2021, a Special Meeting of the Audit Committee has been scheduled for 28 March 2022 to allow for the Audit Committee to provide comment on the Draft Budget prior to it being considered by the Council.

As set out in Table 1 below, a proposed budget timetable has been developed to ensure that the Council is in a position to adopt the 2022-2023 Annual Business Plan and Annual Budget at the Council meeting to be held on 4 July 2022.

TABLE 1: KEY BUDGET PROCESS ACTIVITIES 2022-2023

<i>KEY STEPS</i>	<i>DATES</i>
Budget process, parameters and objectives adopted	Monday 17 January 2022 (Council Meeting)
Fees and charges adopted in principle by the Council	Monday 7 March 2022 (Council Meeting)
Budget Workshop with Elected Members	Wednesday 2 March 2022
Budget Workshop with Elected Members	Wednesday 16 March 2022
Special Audit Committee Meeting	Monday 28 March 2022
Budget Council Meeting <ul style="list-style-type: none"> • <i>Recurrent Budget considered</i> • <i>Operating and Capital Projects considered</i> 	Wednesday 13 April 2022 (Special Meeting)
Draft Annual Business Plan endorsed for Public Consultation	Monday 2 May 2022 (Council Meeting)
Draft Annual Business Plan available for viewing by the public	Monday 9 May 2022
Meeting to receive public submissions on the Annual Business Plan	Wednesday 1 June 2022
Consideration of public submissions	Wednesday 15 June 2022 (Special Council Meeting)
Adoption of Annual Business Plan and Budget	Monday 4 July 2022 (Council Meeting)

In respect to the community consultation on the Annual Business Plan, a Public Meeting is proposed to be held on Wednesday 1 June 2022 to allow members of the community to present their comments and feedback to the Council, on the content of the Annual Business Plan and Budget.

OPTIONS

Not Applicable.

CONCLUSION

The development of the 2022-2023 Annual Business Plan and Budget form the platform to position the Council to achieve future and ongoing Financial Sustainability. Financial Sustainability is not a number on the Income Statement, it is a strategy. Therefore, strategies need to be developed that integrate into the Councils planning and are supported by longer term planning, with any future decisions made being consistent with and supporting the strategy.

COMMENTS

If Committee Members have any questions or require clarification in relation to specific budget items, and/or any issues raised in this report, do not hesitate to contact the General Manager, Corporate Services, Sharon Perkins on 8366 4585 or email sperkins@npsp.sa.gov.au prior to the meeting.

RECOMMENDATION

That the report be received and noted.

Mayor Bria moved:

That the report be received and noted.

Seconded by Ms Brigid O'Neill and carried unanimously.

6.3 2021-2022 BUDGETED VACANT POSITIONS

REPORT AUTHOR: General Manager, Corporate Services
GENERAL MANAGER: Chief Executive Officer
CONTACT NUMBER: 8366 4585
FILE REFERENCE: qA8/ A315049
ATTACHMENTS: Nil

PURPOSE OF REPORT

The purpose of this report is to present information to the Audit Committee on staff positions included in the 2021-2022 Budget.

BACKGROUND

At the Council Meeting held on 5 October 2021, the Council considered the following Notice of Motion submitted by Councillor Patterson:

The Work Program for Council's Audit Committee be amended to include a review of unoccupied staff positions that:

- *are funded in the 2021-22 financial year;*
- *were also funded in the 2020-21 financial year; and*
- *have not been advertised for a period of 12 months or more,*

with respect to the continued relevance of unoccupied staff positions, the filling of such positions and related budgetary impacts.

The Audit Committee's Work Plan was updated at its meeting held on 28 October 2021.

RELEVANT STRATEGIC DIRECTIONS & POLICIES

Not Applicable

FINANCIAL AND BUDGET IMPLICATIONS

There are no immediate financial or budget implications however consideration of this report may result in a different approach, in the future, when budgeting Salaries & Wages.

The Council's Salaries & Wages Budget represents approximately 35% of total recurrent expenditure.

EXTERNAL ECONOMIC IMPLICATIONS

Nil

SOCIAL ISSUES

Nil

CULTURAL ISSUES

Nil

ENVIRONMENTAL ISSUES

Nil

RESOURCE ISSUES

Nil

RISK MANAGEMENT

The Salaries and Wages budget is currently developed on the assumption that all established positions are fully funded for twelve (12) months of the year. Due to retirements, resignations, unplanned or extended leave and delays in the recruitment process (which is expected to continue due to the tight labour market), vacancies occur, resulting in favourable budget variances. This occurs in most, if not all councils. The value of the variance varies from year-to-year, dependent on the circumstances or situation that arise in a given year.

The Council can, during the development of the Annual Salaries and Wages Budget, make an allowance for the scenario that there will be vacancies or unplanned absences to minimise the probability of the budget variances, however in making any such allowance the Council, may as a consequence, result in the Council being under-funded, as rating and other decisions are based on lower expenditure forecasts.

In short, this is an unnecessary risk.

COVID-19 IMPLICATIONS

Not Applicable.

CONSULTATION

- **Committee Members**
Nil
- **Community**
Not Applicable.
- **Staff**
Chief Executive Officer
General Manager, Governance & Community Affairs
General Manager, Urban Planning & Environment
Manager, Library Services
Manager, City Services
- **Other Agencies**
Not Applicable.

DISCUSSION

As part of the 2021-2022 Salaries and Wages Budget, fourteen (14) established positions were budgeted for which were unfilled as at 1 July 2021.

During the development of the Salaries and Wages Budget, all vacant positions are reviewed to determine if the position is still required in the long term and whether the position is to be funded for the current financial year. As a result reviews, all of the vacant positions were considered required for the 2021-2022 financial year.

Of the fourteen (14) vacancies, six (6) of those positions were also a budgeted vacancy as part of the 2020-2021 Salaries & Wages Budget. At the time of writing this report, two (2) positions remain vacant. These positions are:

Arts Officer

This position has been vacant since November 2015, following the resignation of the incumbent. As with all positions, following a resignation, the objectives of the position are reviewed to determine if the position is still required. The Arts Officer position encompasses the management and delivery of;

- public art;
- community art; and
- arts events that support artists within the City.

In 2015, the Council reviewed its Community Grants Program and adopted a Program that included the consolidation of Community Arts within the Community Grants Program, with part of the funding being allocated specifically for Community Art.

This aspect of the Arts Officer position has in the interim being managed by the General Manager, Governance & Community Affairs.

In respect to public art, the Program includes events such as SALA and *Art on The Parade*. Given the “event” nature of these programs, these events have been managed by the Council’s events staff in-conjunction with art consultants/specialists engaged to curate the exhibitions.

In respect to public art, the Council has adopted the approach that with the exception of the Quadrennial art installation, which is currently managed by the General Manager, Governance & Community Affairs and the Council’s Quadrennial Art Committee, public art installations are included as part of major upgrade projects, such as reserve and streetscape upgrades (i.e. Felixstow Reserve and The Parade Upgrade). Art expertise has been engaged on an as needs basis.

So, while the Council has not filled the Arts Officer position for a number of years, the funding allocated within the Salaries and Wages budget has been used to deliver the Council’s Arts Program, albeit not to the same extent as the employment cost of a person to undertake the Arts position. Having said that, the approach taken by the Council over the past few years has probably seen a reduction in activity in the Arts space and as the Council has been advised, will be addressed shortly.

To this end, the Council recently endorsed a review of the Council’s Arts Strategy. This review is being funded from unspent monies from the Salaries and Wages Budget for the Arts Officer position and is being undertaken by the Chief Executive Officer.

Subject to the outcome of this review, it is anticipated that the Council will engage resources to deliver its Arts Program.

Irrespective of the approach which was adopted by the Council, funding will still be required in some form within the Council’s Budget.

Customer & Information Co-ordinator

This is a part-time position (0.5FTE) which is based in Library Services. The Customer & Information Coordinator liaises with Public Library Services and Council staff, regarding the One Card Network standards and guidelines and the utilisation of the One Card Library system. In addition, the position is responsible for the development of processes and procedures across all three library sites, statistical reporting for Libraries board and Council purposes and the delivery of front-line customer services at the Library. The position became vacant in March 2018. During this period, the User Education Officer (0.5FTE) has backfilled the position through additional hours.

The Chief Executive Officer and the Manager, Library Services & Lifelong Learning have been conducting a review of all library functions. The review is anticipated to be finalised before the end of the financial year and an appointment to or restructure of the position will be made following the finalisation of the review.

Of the additional eight (8) budgeted vacancies included in the 2021-2022 Salaries and Wages Budget, four (4) positions remain vacant at the time of writing this report, however it should be noted that the recruitment has commenced for three (3) of these positions. The vacant positions are set out below:

Team Member – Civil Infrastructure

There are currently two (2) Team Member – Civil Infrastructure vacancies, however, it should be noted that these vacancies are not the same vacancies that existed when the 2021-2022 Salaries and Wages Budget was developed.

Recruitment for these positions have commenced and depending on the suitability of the applicant, it is anticipated that these positions will be filled in the near future. It should be noted that given the high level of infrastructure investment, the availability of staff with the pre-requisite skills is limited and due to the demand for Civil Infrastructure workers across all industries, the Council is experiencing unusually high levels of turn-over of staff in this area.

Digital Marketing Officer

This position became vacant in September 2020, with the recruitment for this position being put on hold until December 2020, as a result of the COVID-19 Pandemic.

The responsibilities of this position, which is primarily to manage the social media for the Council and the Business Precincts, is currently being undertaken by one of the Events staff, while the events program has contracted due to the COVID-19 Pandemic and the associated complexities with hosting large scale events.

Recruitment for this position was undertaken during late 2021, however no suitable candidate was found. The delivery of the Council's Digital Marketing activities is currently being re-assessed, with review planned to be completed shortly.

Planning Assistant

The part-time (0.4FTE) Planning Assistant position became vacant in October 2020, through a staff retirement. The recruitment of this position was initially put on hold due to the COVID-19 Pandemic in 2020.

Due to the new Planning system, which went live in March 2021, the position is being reviewed to determine the ongoing operational needs. In the interim, the Executive Assistant to the General Manager, Urban Planning & Environment, is assisting while the review is being undertaken.

While it is acknowledged that the Council has been reporting favourable variances with respect to Employee Expenses over the past few years, it should be noted that subject to other information being available, the Salaries and Wages Budget is developed on the assumption that all established positions are filled for the entirety of the financial year.

While the objective of the organisation is to have all established positions filled, a number of factors do impact on the delivery of this. Such factors include;

Staff Resignations

On average, a successful recruitment will take three (3) months from the time of resignation to the candidate commencing with the Council. On average, staff turnover is around 10% per annum. Based on an average FTE of 150 (excluding Swimming Centre staff), which based on a three (3) month recruitment process equates to 3.75 FTE vacancies per year. Based on an average employment cost of \$90,000, the impact of staff resignations equates to a budget variance of \$337,500. However, it should be noted that front line vacancies (i.e., customer service staff, childcare workers etc) are backfilled with temporary staff.

While an ideal recruitment timeframe is three (3) months, depending on the position that is being recruited, due to either the nature of the position or the time that the recruitment process commences, the availability of staff within the employment market often extends the recruitment timeframes beyond three (3) months timeframe, which in turn impacts on reported budget variances.

Apprentices

Each year, the organisation budgets for five (5) Apprentice positions. While the plan is to engage a full complement of apprentices each year, this is dependent upon the suitability and availability of the apprentices in any given year. In addition, due to the nature of the apprenticeship program, if an apprentice leaves during the year, they are not replaced. On average, over the last four financial years the budget variance for apprentice labour has been \$100,000.

Leave

In developing the Salaries and Wages Bdget, it is assumed that all staff will take the four (4) weeks Annual Leave entitlement. This entitlement is accrued to the Income Statement each financial year, with the payment of the leave taken costed to the annual leave provision on the Balance Sheet when taken. If staff take more than four (4) weeks annual leave, the additional leave paid is costed against the annual leave provision, resulting in less than 48 weeks (52 week less 4 weeks annual leave) salary being costed against the Salaries and Wages budget.

The Council's Enterprise Agreements allows for staff to purchase up to an additional four (4) weeks Annual Leave. By purchasing additional leave, staff are essentially sacrificing salary for the additional annual leave.

Given the variability of staff accessing purchase leave or accrued entitlements each year, it is difficult to budget for the additional leave taken each year.

In addition, each year the Council experiences unplanned absences, which can also impact favourably on the Salaries and Wages budget.

OPTIONS

Not Applicable.

CONCLUSION

In developing the annual Salaries and Wages Budget, it is assumed that all budgeted established positions will be filled however, for various reasons, as detailed in this report, there are instances during the year where vacancies will occur. Depending on the nature of the role, the timing or circumstance of the resignation or status of the employment market, the length of the vacancies is quite variable however the intent is to minimise the period that positions remain vacant. The scenario is not different to that which occurs across Local Government.

Despite the Council regularly reporting favourable budget variances, which may be interpreted as the Council having a number of long-term vacancies, over the past two (2) financial years there is only reporting one (1) long term vacancy. Given that the Council has in the order of 190 established positions (excluding Swimming Centres), this is considered a small percentage.

COMMENTS

It should be noted that while the Council may be reporting favourable variances against its Salaries and Wages Budget, as the Council must continue to provide its core service functions, while the recruitment is being undertaken, the Chief Executive Officer considers how the on-going service is to be delivered. This may be through the engagement of temporary staff, engagement of external services provider or consultants on either a short-term engagement or ad-hoc basis for specific task or activities. Depending on the outcome of those considerations, unfavourable budget variances may result in other areas of the Council's Budget.

RECOMMENDATION

That the report be received and noted.

Ms Brigid O'Neill moved:

That the report be received and noted.

Seconded by Cr Stock and carried unanimously.

6.4 LOCAL GOVERNMENT FINANCE AUTHORITY – CHANGE IN LENDING POLICY

REPORT AUTHOR: General Manager, Corporate Services
GENERAL MANAGER: Chief Executive Officer
CONTACT NUMBER: 8366 4585
FILE REFERENCE: qA75186/A338627
ATTACHMENTS: Nil

PURPOSE OF REPORT

The purpose of this report is to advise the Audit Committee of a change in Lending Policy from the Council's primary financier, the Local Government Finance Authority (LGFA).

BACKGROUND

Investment and Financing activities are presently carried out through the LGFA. The LGFA secures loans over the Council's general Rate revenue and as the Council is considered to have an unlimited life as an organisation; it will remain an 'on-going' entity, as such the Council is considered to have an advantage with regard to the access to debt, however the access to debt is not unfettered.

RELEVANT STRATEGIC DIRECTIONS & POLICIES

The Council's Treasury Management Policy, sets out the Council's Treasury Management Strategy and how it will use borrowings to finance its operations.

The Council's operating and capital expenditure decisions, and subsequent financing decisions are made on the basis of:

- identified community need and benefit relative to other expenditure options;
- cost effectiveness of the proposed means of service delivery;
- affordability of proposals having regard to the Council's long-term financial sustainability and the Council's Net Financial Liabilities and Interest Cover ratios;
- borrowing funds in accordance with the requirements set out in its annual budget and projections in its Long-Term Financial Plan (LTFP);
- invest any funds that are not immediately required to meet approved expenditure with the Local Government Finance Authority and/or the ANZ Bank, in accounts which will generate the best return for the time the funds are projected to be available; and
- where excess funds are expected to be available for a considerable period of time as identified in the LTFP, consideration is to be given to reduce the level of borrowings or to defer and/or reduce the level of new borrowings that would otherwise be required.

FINANCIAL AND BUDGET IMPLICATIONS

In determining the Annual Budget, given the change in the LGFA lending policy, as set out in this report, greater emphasis will need to be placed on the consideration of the future impact of its decisions on the Council's ability to deliver on the financial objectives and targets set out in its Long-term Financial Plan to ensure future access to borrowings.

EXTERNAL ECONOMIC IMPLICATIONS

Not Applicable.

SOCIAL ISSUES

Not Applicable.

CULTURAL ISSUES

Not Applicable.

ENVIRONMENTAL ISSUES

Not Applicable.

RESOURCE ISSUES

Not Applicable.

RISK MANAGEMENT

Not Applicable.

COVID-19 IMPLICATIONS

Not Applicable.

CONSULTATION

- **Elected Members**
Not Applicable.
- **Community**
Not Applicable.
- **Staff**
Manager, Finance.
- **Other Agencies**
Not Applicable.

DISCUSSION

In December 2021, the Council was advised that the LGFA has changed its lending policy. The review and changes to the lending policy arose from Bank Royal Commission, which highlighted that as part of the obligations of responsible lending, lenders need to ensure that their customers have the ability to repay loans over time.

While the LGFA is technically a South Australian State Government Authority, the business which the Authority conducts is banking in nature, therefore in undertaking this business, the LGFA, like other lenders, are required to ensure that they undertake an appropriate level of due diligence to assess the Council's financial position and our ability to borrow and service the borrowings.

Previously in applying for borrowings, the assessment was undertaken with reference to Rate Revenue, current debt levels and historic financial indicator ratios. Moving forward, the credit assessment process will not only look at current debt levels and the historical financial ratios but will also include an assessment of the long-term viability of the Council.

In making an assessment of the long-term viability, the LGFA will consider the Council's annual budget, asset management plans (AMP), long term financial plan (LTFP) and the integration of these plans, with particular focus on the forecast operating position of the Council.

If concerns exist with the LGFA's assessment of the long-term viability of the Council, the LGFA may seek further information to gain a better understanding of the Council's future financial position.

OPTIONS

Not Applicable.

CONCLUSION

While in the past, the Council has experienced relative ease at accessing borrowings to fund its investment in new and upgraded community assets, given the change in the LGFA's Lending Policy, greater consideration will need to be given to the impact the investment on the Council's future financial sustainability.

COMMENTS

If Committee Members have any questions or require clarification in relation to specific budget items, and/or any issues raised in this report, do not hesitate to contact the General Manager, Corporate Services, Sharon Perkins on 8366 4585 or email sperkins@npsp.sa.gov.au prior to the meeting.

RECOMMENDATION

That the report be received and noted.

Mayor Bria moved:

That the report be received and noted.

Seconded by Cr Stock and carried unanimously.

6.5 STATUTES AMENDMENT (LOCAL GOVERNMENT REVIEW) ACT 2021

REPORT AUTHOR: General Manager, Corporate Services
GENERAL MANAGER: Chief Executive Officer
CONTACT NUMBER: 8366 4585
FILE REFERENCE: qA75186/A339146
ATTACHMENTS: Nil

PURPOSE OF REPORT

The purpose of this report is to advise the Audit Committee of the second stage of the implementation process of the *Statutes Amendment (Local Government Review) Act 2021*

BACKGROUND

The *Statutes Amendment (Local Government Review) Bill 2020* (the Bill) was introduced into Parliament by the State Government on 17 June 2020. The reforms that are contained within the Bill are the result of the Local Government Reform Program that the State Government ran during 2019–2020. The reform program focused on the following areas:

- strong Council Member capacity and better conduct;
- efficient Local Government representation;
- cost savings and financial accountability; and
- simpler regulation

The Bill was passed by both Houses of Parliament on 10 June 2021 and following the Governor's assent on 17 June 2021, is now referred to as the *Statutes Amendment (Local Government Review) Act 2021 (the Review Act)*.

In September 2021 a number of sections of the Act came into effect as the first stage of implementing the reforms. These included;

- Functions and Principles of a Council;
- References to the SA Boundaries Commission;
- References to SACAT;
- Obtaining Legal Advice – Repealed Section;
- Removing References to Older Technology;
- Quorum;
- Meeting in Confidence – New Ground to consider Award Recipients;
- CEO Remuneration and Appointment, Performance Review and Termination;
- Conduct of Audit – Auditor General;
- Annual Reports;
- Sale of Land for Non-payment of Rates;
- Mobile Food Vendors; and
- other minor matters.

The second stage of the implementing the commenced in January 2022

RELEVANT STRATEGIC DIRECTIONS & POLICIES

Not Applicable.

FINANCIAL AND BUDGET IMPLICATIONS

The second stage of the reforms focus on the cost savings and financial accountability aspects of the Local Government Reform process. While the reforms do not have a direct financial impact, the Council will need to consider the enacted sections of the Review Act and the *Local Government (Financial Management) (Review) Variation Regulations 2021* that commenced in January 2022 when preparing the 2022-2023 Annual Business Plan and Budget.

EXTERNAL ECONOMIC IMPLICATIONS

Not Applicable.

SOCIAL ISSUES

Not Applicable.

CULTURAL ISSUES

Not Applicable.

ENVIRONMENTAL ISSUES

Not Applicable.

RESOURCE ISSUES

Not Applicable.

RISK MANAGEMENT

Not Applicable.

COVID-19 IMPLICATIONS

Not Applicable.

CONSULTATION

- **Committee Members**
Cr John Minney, Mayor Robert Bria and Cr Mike Stock have participated in Council Information Sessions which have detailed the changes to the provisions of the *Local Government Act 1999* and the relevant regulations.
- The Audit Committee considered a report at its meeting held on July 2020 which detailed the then proposed amendment and how they related to the operations and scope of the Audit Committees Terms of Reference.
- **Community**
Not Applicable.
- **Staff**
Not Applicable.
- **Other Agencies**
Not Applicable.

DISCUSSION

As part of the second stage of the implementation process, a number of Sections of the Review Act came into operation in January 2022, these Sections relate to the reforms associated with the following areas:

- Strategic Management Plans;
- Annual Business Plans and Budgets;
- Internal Control Policies;
- A Council's Auditor;
- Annual Reports;
- Declaration of the General Rate; and
- Payment of Rates;

In addition, the following Regulations also came into effect;

- *Local Government (Financial Management) (Review) Variation Regulations 2021*;
- *Local Government (General) (Annual Reports) Variation Regulations 2021*;
- *Local Government (Amendment of Schedule 4 of Act) Regulations 2021*; and
- *Local Government (Transitional Provisions) (Stage 2) Variation Regulations 2021*.

Strategic Management Plans

The enactment of Section 79(3) – 79(5) of the Review Act, has resulted in a number of amendments to Section 122 of the *Local Government Act 1999*. The amended clauses of Section 122 are set out in Table 1 below.

TABLE 1: SECTION 122 OF THE LOCAL GOVERNMENT ACT 1999 – AMENDED CLAUSES

Review Act	Nature of amendment	Impact of amendment	Comment
Section 79(3)	New clause S122 (3a) , <i>The regulations may prescribe additional requirements with respect to strategic management plans.</i>	Regulation 5 (2)(b) of the <i>Local Government (Financial Management) Regulations 2011 (the Regulations)</i> , which relates to Long-term Financial Plans, has been amended due to the commencement of the <i>Local Government (Financial Management) (Review) Variation Regulations 2021</i> and now requires Council's Long Term Financial Plans to include a statement which sets out the key assumptions, on which the Long-term Financial Plan has been prepared.	The Councils current and previous Long Term Financial Plans have set out the key assumptions underlying the financial estimates over the period of the Plan.

Review Act	Nature of amendment	Impact of amendment	Comment
Section 79 (4)	Amendment to the wording to S122 (4) (a) around when the Council reviews its LTFP	S122 (4)(a) – now requires the Council to review its Long-Term Financial Plan (LTFP) (and any other elements of its strategic management plans prescribed by the regulations) on an annual basis (as opposed to the previous provisions which required a review ‘as soon as practicable after adopting the Council’s annual business plan for a particular financial year’).	Council’s practice has been to update the financial forecasts included in the Long-term Plan, with the current years Adopted Budget and undertake a review of the underlying assumptions to determine if those assumptions are holding true.
Section 79 (5)	New Clause S122 (4) (b) <i>A report from a chief executive officer under subsection (4a) must— (a) address any matters required by the Minister; and (b) be published in a manner and form, and in accordance with any other requirements, determined by the Minister.</i>	Whilst this provision is new and introduces the ability for the Minister to specify matters to be included, and the manner and form of the report, the obligation for a Council to take into account a report from the Chief Executive Officer regarding the sustainability of the Council’s long-term financial performance is not new. To date, the Minister has not prescribed any particular matters and/or determined a particular manner and form.	

Annual Business Plans and Budgets

The enactment of Section 80(3) – 80(5) and Section 80(7) of the Review Act, has resulted in a number of amendments to Section 123 of the *Local Government Act 1999*. The amended clauses of Section 123 are set out in Table 2 below.

TABLE 2: SECTION 123 OF THE LOCAL GOVERNMENT ACT 1999 – AMENDED CLAUSES

Review Act	Nature of amendment	Impact of amendment	Comment
Section 80(3)	New clause S123 (6a), <i>However, if a council proposes to adopt an annual business plan with amendments, the council must include in the adopted business plan a statement— (a) setting out any significant amendments from the draft annual business plan; and (b) providing reasons for those amendments.</i>	Following consideration of the public submissions received, if the Council resolves to amend the Annual Business Plan (ABP), the adopted ABP must include a statement which outlines any significant amendments from the draft ABP and the reasons for the amendments.	
Section 80 (4)	New Clause S123 (7) (a) A budget of a council may authorise the entry into borrowings and other forms of financial accommodation for a financial year of up to an amount specified in the budget.	The Council can pass a resolution when adopting the budget which sets out the maximum amount of borrowings the Council can enter into for any given financial year. If a resolution is passed, the Council is not required to pass individual resolutions each time the Council enters into a loan agreement	The Council has adopted this approach for a number of years
Section 80 (5)	Amendment to S123 (8) Councils must now adopt their Annual Business Plan and Budget by 15 August (previously 31 August) each year.		The Council adopts its Annual Business Plan and Budget at the Ordinary Council Meeting held in July
Section 80 (7)	New Clause S123 (10)(a) Without limiting subsection (10), regulations under that subsection relating to an annual business plan may—	Section 10 relates to the form and content of the Annual Business Plan and Budget as prescribed by the regulations.	

Review Act	Nature of amendment	Impact of amendment	Comment
	(a) relate to the manner in which matters included in the plan are to be presented (such as, for example, by prescribing the location, style and level of emphasis that must be given to specified matters); and (b) prescribe requirements relating to the description or explanation of matters included in the plan.	123(10a) Inserts a regulation making power to prescribe additional requirements with respect to the manner in which matters are presented in Annual Business Plans (no regulations are currently anticipated however Section makes provision for regulations to be made in future).	

Regulation 6 of the *Local Government (Financial Management) Regulations 2011 (the Regulations)*, which relates to Annual Business Plans, has been amended due to the commencement of the *Local Government (Financial Management) (Review) Variation Regulations 2021 (the Review Regulations)*.

The Review Regulations have inserted new clauses to ensure consistent reporting of rating matters in Annual Business Plans.

The new provisions are set out below:

6 (1) (ea) a statement on the total expected revenue from general rates for the financial year compared to the total expected revenue from general rates for the previous financial year as set out in the annual business plan for that previous financial year (excluding rebates and remissions on rates that are not discretionary rebates or remissions);

6 (1) (eb) a statement on the percentage change in the total expected revenue from general rates for the financial year compared to the total expected revenue from general rates for the previous financial year as set out in the annual business plan for that previous financial year (excluding rebates and remissions on rates that are not discretionary rebates or remissions);

6 (1) (ec) if relevant, a statement on the average change in the expected rates for the financial year (expressed as a whole number of dollars) for each land use category declared as a permissible differentiating factor compared to the expected rates for each category for the previous financial year as set out in the annual business plan for that previous financial year;

6 (2) If an annual business plan sets out a growth component in relation to general rates, it may only relate to growth in the number of rateable properties (and must not relate to growth in the value of rateable properties).

The LGA is working with the South Australian Local Government Financial Management Group (SALGFMG), to develop a suggested template/format for information which should be included in the Annual Business Plan to comply with this requirement.

These new obligations, together with the provisions which provide reporting requirements to ESCOSA as set out in Section 122 of the Act, represents part of the negotiated alternative to rate capping.

The Council's Annual Business currently complies with the new requirements, albeit some modification as to how the information is presented in the Annual Business Plan may be required once the template/format has been developed.

Internal Control Policies

The enactment of Section 82 of the Review Act, inserts a new clause in S125 – Internal Control Policies in the *Local Government Act 1999*.

The new provision set out in Section 125 (2) sets out a regulation making power to prescribe a standard or document (such as a model relating to financial controls) with respect to internal financial control policies, practices and procedures.

The Review Regulations have been updated to include Regulation 10A – Internal Control Policies, which sets out that the policies, practices and procedures of internal financial control of the Council must be in accordance with the *Better Practice Model—Internal Financial Controls*

The *Better Practice Model – Internal Financial Controls* (BPM) was already an adopted standard in the *Local Government (Financial Management) Regulations 2011*; however, it will now be a document that Councils are **required** to comply with.

The Council currently assesses its Financial Internal Controls against the *Better Practice Model—Internal Financial Controls*

Auditor

The enactment of Section 87(3) of the Review Act, amending Section 128(6) of the *Local Government Act 1999* which relates to the appointment of an Auditor.

The amendment to Section 128(6) requires a Council to change their Auditor every five (5) years. In addition, it prevents a Council from re-appointing an Auditor for five (5) years since they were last appointed.

Previously this Section allowed a Council to retain an Audit **firm** for a period longer than five (5) years, providing the **person** who played a significant role in the audit process did not play a role for more than five (5) continuous years without a two (2) year break.

Transitional regulations have been proposed which will allow Councils to honour their existing contracts with their Auditor.

The contract with the Councils Auditor expires at the finalisation of the 2021-2022 financial year audit.

Annual Reports

The enactment of **section 90(1) of the Review Act, inserting Section 131(1a) in the *Local Government Act 1999***.

Section 131(1a) requires a Council to include the amount of legal costs incurred in the relevant financial year in their Annual Report.

This means that Councils will be required to report the total amount of legal costs in their 2021-2022 Annual Report.

The minimum requirement is to provide the total amount of legal costs however there is nothing preventing a Council from including other explanatory notes, as appropriate, to explain the costs incurred.

The LGA is updating their Annual Report Guidelines to reflect the new provisions.

It should be noted that Note 3 to the Financial Statements currently disclose the total amount of legal costs incurred.

Declaration of General Rate

The enactment of section 95 of the Review Act, amends section 153(5)(b) of the *Local Government Act 1999* to align with the amendment to Section 123(8) of the *Local Government Act 1999* which now requires a Council to adopt their Annual Business Plan and Budget by 15 August of each year.

Section 153(5) requires the Council to adopt its Annual Business Plan and Budget prior to declaring a general rate and unless extraordinary circumstances exist the general rate must be declared before 15 August of each year (previously 31 August).

Payment of Rates

The enactment of **Section 98 of the Review Act, amends Section 181(3) of the *Local Government Act 1999*** to align with the amendment to Section 153(5) where the date has changed from 31 August to 15 August.

Section 181(3) sets out that *"if a council declares a general rate for a particular financial year after 15 August in that financial year, the council may adjust the months in which instalments would otherwise be payable under subsection (1) (taking into account what is reasonable in the circumstances)."*

OPTIONS

Nil

CONCLUSION

Nil

COMMENTS

If Committee Members have any questions or require clarification in relation to specific budget items, and/or any issues raised in this report, do not hesitate to contact the General Manager, Corporate Services, Sharon Perkins on 8366 4585 or email sperkins@npsp.sa.gov.au prior to the meeting.

RECOMMENDATION

That the report be received and noted.

Cr Stock moved:

That the report be received and noted.

Seconded by Ms Brigid O'Neill and carried unanimously.

6.6 GOVERNANCE ARRANGEMENTS – REGIONAL SUBSIDIARIES

REPORT AUTHOR: General Manager, Corporate Services
GENERAL MANAGER: Chief Executive Officer
CONTACT NUMBER: 8366 4585
FILE REFERENCE: qA75186/A341505
ATTACHMENTS: A - C

PURPOSE OF REPORT

The purpose of this report is to provide the Audit Committee with a record of information which has been provided to the Council since the last meeting.

BACKGROUND

At the Audit Committee meeting held on 21 January 2010, it was resolved:

“That reports be prepared by the General Managers responsible for each Regional Subsidiary on any matters of concern within the Subsidiary, for consideration by the Audit Committee in lieu of the distribution of minutes etc.”

RELEVANT STRATEGIC DIRECTIONS & POLICIES

Pursuant to the *Local Government Act 1999* (the Act) and the *Local Government (Financial Management) Regulations 2011* (the Regulations), Regional Subsidiaries, like the Council, are required to review their budget at least three (3) times per year. In addition, pursuant to Clause 25 (3) of Schedule 2 of the Act, any proposed amendments to the budget must be forwarded to the Constituent Councils for approval.

Following consideration of some legal advice on the interpretation of Clause 25 (3) of Schedule 2 of the Act, in-particular the word “amendment”, which defined the word “amendment “ in the context of Clause 25 (3) of Schedule 2 , as a material change to the Adopted Budget during the course of the financial year, where the change is a result of something that was accounted for in the annual plan or budget, or is an extraordinary item over and above the revision process required by the Regulations, as such, where the respective Regional Subsidiaries Charter is silent with respect to Budget Reviews, the Regional Subsidiaries will only seek approval for Budget revisions from Constituent Councils where there has been a material change to their Adopted Budget.

FINANCIAL AND BUDGET IMPLICATIONS

The emphasis of this report is to provide the Audit Committee an overview of the 2021-2022 Budget Reviews of the Council’s Regional subsidiaries.

The Councils 2021-2022 Budget includes the respective cost of services which are delivered on behalf of the Council by the respective Regional Subsidiary and the Council’s share of the respective Regional Subsidiary operating result.

The Budget implications are discussed in the Discussion section of this report

EXTERNAL ECONOMIC IMPLICATIONS

Not Applicable.

SOCIAL ISSUES

Not Applicable.

CULTURAL ISSUES

Not Applicable.

ENVIRONMENTAL ISSUES

Not Applicable.

RESOURCE ISSUES

There are no resource issues arising from this report.

RISK MANAGEMENT

There are no risk management issues arising from this report.

CONSULTATION

- **Committee Members**
Cr Minney is a Board member of ERA Water and Highbury Landfill Authority. Cr Mike Stock is a Board member of East Waste. Ms Brigid O'Neill is a member of the Audit Committee of ERA Water. Ms Sandra DiBlasio is a member of the Audit Committee of East Waste.
- **Community**
Not applicable.
- **Staff**
Chief Executive Officer
General Manager, Urban Services.
General Manager, Urban Planning and Environment.
- **Other Agencies**
Not Applicable.

DISCUSSION

Eastern Health Authority (EHA)

The EHA Audit Committee considered the First Budget Review at its meeting held on 8 December 2021.

As part of the 2021-2022 Annual Budget, the Council forecasts a breakeven position from EHA's operations. While EHA is reporting an Operating Surplus of \$37,000 as at the end of September 2021, EHA is not proposing any amendments to the Adopted Budget following the First Budget Update.

A copy of the First Budget Update is contained in **Attachment A**.

East Waste

East Waste's Audit & Risk Management Committee considered its First Budget Review at its meeting held on 16 November 2021.

As part of the 2021-2022 Annual Budget, the Council forecasts a small Operating Surplus of \$2,300 from East Waste operations. As a result of the First Budget Update, East Waste is now forecasting an Operating Deficit of \$134,000. The Council's share of the deficit is \$19,162, which will be reflected in the Council's Budget forecasts as part of its Mid-year Budget Review.

The Operating Deficit is primarily due to the following factors:

- an increase in fuel prices. The first Budget Update assumes an average fuel price of \$1.40 p/litre for the remainder of the financial year. The budget impact is an increase in fuel expenses by \$124,000.
- an increase in Legal Fees in the order of \$70,000.

The expenditure increase has been offset in ownership and financing costs due to delays in the capitalisation of assets compared to Adopted Budget and the timing of new loans and favourable interest rates compared to the Adopted Budget.

A copy of the First Budget Update is contained in **Attachment B**.

ERA Water

As part of the 2021-2022 Annual Budget, the Council forecast a loss from the operations of ERA Water of \$200,087. As a result of the Mid-year Budget Review, ERA Water is now forecasting an operating loss of \$667,323. The Council's share of the loss is \$222,441, an increase of \$22,354, which will be reflected in the Council's Budget forecasts as part of its Mid-Year Budget Review.

The increase in the Operating loss is being driven by a reduction in the revenue target for external connections, which is now forecast to be \$60,000 (22% of the original budget). The reduction in the external sales budget is being driven by the following factors:

- inability to attract new customers in time for this irrigation season;
- constraints in the irrigation network in terms of the availability of water supply in the specific locations where additional sales opportunities exist;
- delays in the connection to new sites due to the inability to procure parts for construction of the water meters;
- operational issues associated with the Gaza Oval connection; and
- below budget water usage at Pembroke College.

The reduction in external water sales, has been offset by an increase in Constituent Council water sales budget, where it is anticipated, based on past and current water usage, that the City of Burnside will exceed its base level water allocation for this financial year. It should be noted that this is somewhat dependent on weather conditions for the remainder of the summer.

In response to the reduced income, ERA Water has reviewed its operating expenditure and has adjusted the expenditure forecast accordingly. Non-discretionary expenses have been reviewed and reduced to minimise the increase in the forecast Operating Loss.

The Council, at its meeting held on 7 February 2022 resolved to endorse the amendments to the ERA Water Budget as presented in the Mid-year Budget Review.

A copy of the ERA Water Mid-Year Budget Update is contained in **Attachment C**.

OPTIONS

Not Applicable.

CONCLUSION

Nil.

COMMENTS

Nil.

RECOMMENDATION

That the report be received and noted.

Mayor Bria moved:

That the report be received and noted.

Seconded by Ms Brigid O'Neill and carried unanimously.

6.7 FINANCE POLICIES

REPORT AUTHOR: Accountant
GENERAL MANAGER: General Manager, Corporate Services
CONTACT NUMBER: 8366 4585
FILE REFERENCE: qA75186/A340671
ATTACHMENTS: A - E

PURPOSE OF REPORT

The purpose of this report is to present to the Audit Committee finance policies which have been reviewed, for consideration and endorsement prior to being presented to the Council for adoption.

BACKGROUND

Pursuant to Section 125 of the *Local Government Act 1999*, the Council must ensure that appropriate policies, practices and procedures of internal control are implemented and maintained in order to assist the Council to;

- carry out its activities in an efficient and orderly manner to deliver on its objectives;
- ensure adherence to management policies;
- safeguard the Council's assets; and
- secure (as far as possible) the accuracy and reliability of the Council's records.

The Audit Committee Work Program requires the Audit Committee to review the appropriateness of the range and content of the Council's financial policies and practices.

RELEVANT STRATEGIC DIRECTIONS & POLICIES

Not Applicable.

FINANCIAL AND BUDGET IMPLICATIONS

Not Applicable.

EXTERNAL ECONOMIC IMPLICATIONS

Not Applicable.

SOCIAL ISSUES

Not Applicable.

CULTURAL ISSUES

Not Applicable.

ENVIRONMENTAL ISSUES

Not Applicable.

RESOURCE ISSUES

Not Applicable.

RISK MANAGEMENT

Documentation of policies relating to the Council's financial transactions improves transparency and ensures consistent treatment over subsequent reporting periods, subject to changes in Accounting Standards and or legislation.

CONSULTATION

- **Committee Members**
Not Applicable.
- **Community**
Not Applicable.
- **Staff**
Nil
- **Other Agencies**
Not Applicable.

DISCUSSION

In accordance with the Finance Policy Timetable, a review of finance policies, as contained in **Attachment A** to **E**, has been undertaken. Following the review, the proposed amendments to the policies, as detailed in Table 1 below, are presented to the Committee for consideration and recommendation to the Council for adoption, subject to any amendment which may be considered appropriate by the Audit Committee.

TABLE 1: PROPOSED POLICY AMMENDMENTS

Policy	Details of Proposed Amendment
Elected Members Communication Policy & Guidelines (Attachment A)	No changes are recommended.
Fees & Charges Policy (Attachment B)	No changes are recommended
Internal Control Policy (Attachment C)	Proposed amendments to the policy reflect the stage two implementation of the <i>Statutes Amendment (Local Government Review) Act 2021</i> and the subsequent changes to Section 125 of the <i>Local Government Act 1999</i> and the <i>Local Government (Financial Management) Regulations 2011</i> , which now stipulates those internal controls policies must be in accordance with the <i>Better Practice Model - Internal Financial Controls</i> .
Payments Policy (Attachment D)	Proposed amendments are minor administrative changes to position titles and the removal of the Team Leaders Customer & Regulatory Services as an authorised signatory for EFT Payments as the position no longer exists.
Treasury Management Policy (Attachment E)	Proposed amendment to reflect the change in the Local Government Finance Authority's Lending Policy, which now considers the Council's ratio forecasts as set out in the Council's Long Term Financial Plan.

OPTIONS

The Policies can be recommended to the Council for adoption with or without amendment.

CONCLUSION

To ensure compliance with Section 125 of the Act, the Council must have in place appropriate policies, practices and procedures, to assist the Council to carry out its activities in an efficient and orderly manner. It is important to ensure that the policies adopted by the Council are regularly reviewed to ensure that they reflect the current operating environment and continue to meet the Council's overall objectives.

COMMENTS

Nil

RECOMMENDATION

1. The Audit Committee notes that the following policies have been reviewed and notes that no amendments are recommended:
 - Elected Members Communication Policy & Guidelines (**Attachment A**)
 - Fees & Charges Policy (**Attachment B**).
 2. The Audit Committee notes that the Payments Policy (Attachment D) has been reviewed and notes that minor administrative amendments are recommended.
 3. The Audit Committee notes that the Internal Controls Policy (**Attachment C**) has been reviewed and notes that amendments to reflect the stage two implementation of the *Statutes Amendment (Local Government Review) Act 2021* and the subsequent changes to Section 125 of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* are recommended.
 4. The Audit Committee notes that the Treasury Management Policy (**Attachment E**) has been reviewed and notes that amendments to reflect the change in the Local Government Finance Authority's Lending Policy are recommended.
 5. The Audit Committee recommends to the Council that the following policies be adopted:
 - Elected Members Communication Policy & Guidelines (**Attachment A**)
 - Fees & Charges Policy (**Attachment B**)
 - Internal Control Policy (**Attachment C**)
 - Payments Policy (**Attachment D**)
 - Treasury Management Policy (**Attachment E**).
-

Cr Stock moved:

1. *The Audit Committee notes that the following policies have been reviewed and notes that no amendments are recommended:*
 - *Elected Members Communication Policy & Guidelines (**Attachment A**)*
 - *Fees & Charges Policy (**Attachment B**).*
2. *The Audit Committee notes that the Payments Policy (Attachment D) has been reviewed and notes that minor administrative amendments are recommended.*
3. *The Audit Committee notes that the Internal Controls Policy (**Attachment C**) has been reviewed and notes that amendments to reflect the stage two implementation of the Statutes Amendment (Local Government Review) Act 2021 and the subsequent changes to Section 125 of the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011 are recommended.*
4. *The Audit Committee notes that the Treasury Management Policy (**Attachment E**) has been reviewed and notes that amendments to reflect the change in the Local Government Finance Authority's Lending Policy are recommended.*
5. *The Audit Committee recommends to the Council that the following policies be adopted:*
 - *Elected Members Communication Policy & Guidelines (**Attachment A**)*
 - *Fees & Charges Policy (**Attachment B**)*
 - *Internal Control Policy (**Attachment C**)*
 - *Payments Policy (**Attachment D**)*
 - *Treasury Management Policy (**Attachment E**).*

Seconded by Ms Brigid O'Neill and carried unanimously.

7. CONFIDENTIAL REPORTS

7.1 2021 RISK EVALUATION REPORT

RECOMMENDATION 1

That pursuant to Section 90(2) and (3) of the *Local Government Act 1999* the Council orders that the public, with the exception of the Council staff present, be excluded from the meeting on the basis that the Council will receive, discuss and consider:

- (g) matters that must be considered in confidence in order to ensure that the Council does not breach any duty of confidence;

and the Council is satisfied that, the principle that the meeting should be conducted in a place open to the public, has been outweighed by the need to keep the receipt/discussion/consideration of the information confidential.

RECOMMENDATION 2

Under Section 91(7) and (9) of the *Local Government Act 1999* the Council orders that the report, discussion and minutes be kept confidential for a period not exceeding twelve (12) months, after which time the order will be reviewed.

Mayor Bria moved:

That pursuant to Section 90(2) and (3) of the Local Government Act 1999 the Council orders that the public, with the exception of the Council staff present [Chief Executive Officer, General Manager, Corporate Services and Financial Services Manager], be excluded from the meeting on the basis that the Council will receive, discuss and consider:

- (g) matters that must be considered in confidence in order to ensure that the Council does not breach any duty of confidence;*

and the Council is satisfied that, the principle that the meeting should be conducted in a place open to the public, has been outweighed by the need to keep the receipt/discussion/consideration of the information confidential.

Seconded by Cr Stock and carried unanimously.

Cr Stock moved:

Under Section 91(7) and (9) of the Local Government Act 1999 the Council orders that the report, discussion and minutes be kept confidential for a period not exceeding twelve (12) months, after which time the order will be reviewed.

Seconded by Mayor Bria and carried unanimously.

7.2 PLANNING, DEVELOPMENT & INFRASTRUCTURE ACT 2016 – TRANSITION AUDIT

RECOMMENDATION 1

That pursuant to Section 90(2) and (3) of the *Local Government Act 1999*, the Committee orders that the public, with the exception of the Council staff present, be excluded from the meeting on the basis that the Committee will receive, discuss and consider:

(h) legal advice

And the Committee is satisfied that, the principle that the meeting should be conducted in a place open to the public, has been outweighed by the need to keep the receipt/discussion/consideration of the information confidential.

RECOMMENDATION 2

Under Section 91(7) and (9) of the *Local Government Act 1999*, the Committee orders that the report, discussion and minutes be kept confidential for a period not exceeding 24 months, after which time the order will be reviewed.

Mayor Bria moved:

That pursuant to Section 90(2) and (3) of the Local Government Act 1999, the Committee orders that the public, with the exception of the Council staff present [Chief Executive Officer, General Manager, Corporate Services and Financial Services Manager], be excluded from the meeting on the basis that the Committee will receive, discuss and consider:

(h) legal advice

And the Committee is satisfied that, the principle that the meeting should be conducted in a place open to the public, has been outweighed by the need to keep the receipt/discussion/consideration of the information confidential.

Seconded by Cr Stock and carried unanimously.

Mayor Bria moved:

Under Section 91(7) and (9) of the Local Government Act 1999, the Committee orders that the report, discussion and minutes be kept confidential for a period not exceeding 24 months, after which time the order will be reviewed.

Seconded by Cr Stock and carried unanimously.

7.3 SELECTION OF INTERNAL AUDITOR

RECOMMENDATION 1

That pursuant to Section 90(2) and (3) of the *Local Government Act 1999* the Council orders that the public, with the exception of the Council staff present, be excluded from the meeting on the basis that the Council will receive, discuss and consider:

- (d) commercial information of a confidential nature (not being a trade secret) the disclosure of which –
 - (i) could reasonably be expected to prejudice the commercial position of the person who supplied the information; and
 - (ii) would, on balance, be contrary to the public interest;

and the Council is satisfied that, the principle that the meeting should be conducted in a place open to the public, has been outweighed by the need to keep the receipt/discussion/consideration of the information confidential.

RECOMMENDATION 2

Under Section 91(7) and (9) of the *Local Government Act 1999*, the Council orders that the report and discussion be kept confidential for a period not exceeding five (5) years and that this order be reviewed every twelve (12 months).

Under Section 91(7) and (9) of the *Local Government Act 1999* the Council orders that the minutes be kept confidential until the contract has been entered into by all parties to the contract.

Mayor Bria declared a conflict of interest in this matter and left the meeting at 8.30pm.

Cr Stock moved:

That pursuant to Section 90(2) and (3) of the Local Government Act 1999 the Council orders that the public, with the exception of the Council staff present [Chief Executive Officer, General Manager, Corporate Services and Financial Services Manager], be excluded from the meeting on the basis that the Council will receive, discuss and consider:

- (d) commercial information of a confidential nature (not being a trade secret) the disclosure of which –
 - (i) could reasonably be expected to prejudice the commercial position of the person who supplied the information; and*
 - (ii) would, on balance, be contrary to the public interest;**

and the Council is satisfied that, the principle that the meeting should be conducted in a place open to the public, has been outweighed by the need to keep the receipt/discussion/consideration of the information confidential.

Seconded by Ms Brigid O'Neill and carried unanimously.

Ms Brigid O'Neill moved:

Under Section 91(7) and (9) of the Local Government Act 1999, the Council orders that the report and discussion be kept confidential for a period not exceeding five (5) years and that this order be reviewed every twelve (12 months).

Under Section 91(7) and (9) of the Local Government Act 1999 the Council orders that the minutes be kept confidential until the contract has been entered into by all parties to the contract.

Seconded by Cr Stock and carried.

Mayor Bria returned to the meeting at 8.42pm.

8. OTHER BUSINESS

Nil

9. NEXT MEETING

Monday 28 March 2022 – Special Audit Committee Meeting

10. CLOSURE

There being no further business the Presiding Member declared the meeting closed at 8.43pm.

Cr John Minney
PRESIDING MEMBER

Minutes Confirmed on _____
(date)