

Notice of the Meeting of the Audit Committee

NOTICE IS HEREBY GIVEN in accordance with Section 87 of the *Local Government Act* 1999, that a meeting of the

AUDIT COMMITTEE

of the

CITY OF BURNSIDE

will be held in the Linden Room at the Civic Centre 1st Floor
401 Greenhill Road, Tusmore

on

**Monday
3 April 2017
at 6.00 pm.**

Light refreshments will be available in the Linden Room from 5.30 pm.

A handwritten signature in black ink, appearing to be 'M. Jones'.

Audit Committee Agenda

**Monday 3 April 2017 at 6.00 pm
Linden Room, 401 Greenhill Road, Tusmore**

Members: Mr David Powell- Chair
Mayor, David Parkin
Councillor Davis
Mr Roberto Bria
Mr Sean Tu

1. Apologies

2. Leave of Absence

3. Confirmation of the Minutes

That the attached Minutes of the meeting of the Audit Committee held on 20 February 2017 be taken as read and confirmed. **p5**

4 Action List p10

5. Reports

5.1 Draft 2017/18 Annual Business Plan and Budget for Public Consultation (Operational) p21

Attachment A (provided under separate cover)

5.2 Regional Subsidiary 2016/17 Periodical Financial Results (Operational) p29

Attachment A p33

Attachment B p48

Attachment C p119

5.3 Internal Financial Controls Self Assessment 2016/17 (Operational) p131

Attachment A p135

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| 5.4 | Sale or Disposal of Assets Policy (Operational) | p161 |
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| 5.5 | WHS Management System KPI Audit and 2017 WHS and Return to Work Plan (Strategic) | p168 |
| | Attachment A | p170 |
| 6. | Confidential Items | |
| | Nil | |
| 7. | Other Business | |
| | Forward Agenda | p173 |
| 8. | Date of Next Meeting | |
| 9. | Closure | |

Audit Committee Minutes

**Monday 20 February 2017 at 6.04 pm
Linden Room, 401 Greenhill Road, Tusmore**

Members Present: David Powell, Chair
Mayor, David Parkin
Councillor Davis (from 6.10 pm)
Roberto Bria
Sean Tu

Staff Present: Paul Deb, Chief Executive Officer
Martin Cooper, General Manager, Corporate Services

Councillor Davis was not present at the beginning of the meeting.

Apologies

Nil

Leave of Absence

Nil

Appointment of External Auditor (6.1)

Conflict of Interest

David Powell declared a Perceived conflict of interest in relation to item 6.1 'Appointment of External Auditor' on the basis that he had been a Partner in one of the companies that tendered and had also worked with a number of the other companies that tendered. Mr Powell declared that he had no Material or Actual conflict of interest. He stated that he would leave the meeting and requested that an acting Presiding Member be appointed.

Acting Presiding Member

David Powell moved:

A4058 That Roberto Bria be appointed Acting Presiding Member.

Mr Powell left the meeting at 6.08 pm.

Seconded by Mayor Parkin
Councillor Davis entered the meeting at 6.10 pm.

CARRIED

Mayor Parkin moved:

- A4059 Pursuant to section 90(2) of the *Local Government Act 1999*, the Committee orders that the public be excluded, with the exception of the Audit Committee Members, Elected Members of the City of Burnside, the Chief Executive Officer, General Manager, Corporate Services, Group Manager Finance and Strategy, Team Leader Financial Management, WHS and Risk Management Coordinator and Executive Assistant, Mayor and GM Corporate Services on the basis that it will receive, discuss and consider the Item 6.1 External Audit Appointment (Operational).

The Committee is satisfied that the principle that the meeting should be conducted in a place open to the public has been outweighed in relation to the matter because pursuant to section 90(3)(d) and (k) of the Act, on the basis that it contains commercial information of a confidential nature (not being a trade secret) the disclosure of which could reasonably be expected to prejudice the commercial position of the person which supplied the information or confer a commercial advantage on a third party and would be contrary to the public interest, and that it is information concerning tenders for the supply of services to the Council.

The tenderers have supplied confidential commercial information such as their financial rates and work practices as part of the tender process. Release of that sensitive information could reasonably be expected to prejudice the position of the tenderers as it may provide third party competitors in the market place with the ability to obtain an advantage on the tenderer. The information also relates to a tender process for the provision of auditor services to the Council, which process has not yet been finalised.

In addition, the disclosure of this information would, on balance, be contrary to the public interest. The public interest in 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 at this stage outweighs the benefit to it of disclosure of the information. Were such information to be released, it would discourage tenderers from participating frankly in tender processes in the future, thereby reducing the selection options for Council and potentially increasing the spend of public funds. The disclosure would have the potential to impact adversely on each of the tenderers as competitive commercial information would be disclosed. Therefore, Committee is satisfied that the principle that the meeting be conducted in a place open to the public has been outweighed in the circumstances.

Seconded by Sean Tu

CARRIED

A short presentation was given by each of the shortlisted tenderers.

Mayor Parkin moved:

- A4060 1. Confidential Resolution.
2. Confidential Resolution.

Seconded by Sean Tu

CARRIED

Officer's Confidentiality Recommendation

Mayor Parkin moved:

- A4061 1. That having considered Agenda Item 6.1 'External Audit Appointment' in confidence under section 90(3)(d) and section 90(3)(k) of the *Local Government Act 1999*, the Council, pursuant to section 91(7) of that Act orders that:
- 1.1. The briefing, report, attachments and minutes relating to Agenda Item 6.1 'External Audit Appointment' remain confidential pursuant to section 90(3)(d) of the *Local Government Act 1999* as the information is commercial information of a confidential nature (not being a trade secret) the disclosure of which could reasonably be expected to prejudice the commercial position of the person who supplied the information or confer a commercial advantage on a third party and section 90(3)(k) as the information relates to tenders for the provision of services to the Council.
 - 1.2. The public interest in disclosing to the public the full details of the evaluation at this stage would on balance be outweighed by the public interest, in section 90(3)(d) of the *Local Government Act 1999*, in the Committee being able to discuss sensitive information for consideration in confidence without fear of prejudicing the commercial position of the tenderers who supplied the information or conferring a commercial advantage to market competitors of the tenderers supplying the information.
 - 1.3. The principle that the meeting be conducted in a place open to the public has been outweighed in these circumstances because the disclosure of this information could reasonably be expected be used by market competitors to achieve an advantage over the tenderers supplying the information and because it relates to a tender for services to the Council, which tender has not yet been awarded.
 - 1.4. The briefing, report, attachments and minutes will not be available for public inspection for a period of twelve months at which time this order will be revoked / reviewed by the Chief Executive Officer (CEO); and
 - 1.5. The order will be reviewed at least once every twelve months by the CEO.
2. That for the item named in clause 1 and associated sub clauses, unless:
- 2.1. the period in respect of any order made under section 91(7) of the *Local Government Act 1999* lapses; or
 - 2.2. Council resolves to revoke an order made under section 91(7) of the *Local Government Act 1999*; or
 - 2.3. the CEO determines, pursuant to the delegated authority which this resolution provides, that the order be revoked;

any discussion of the Audit Committee on the matter and any recording made of those discussions are to be treated as confidential.

3. This order is subject to section 91(8)(b) of the Act which provides that details of the identity of the successful tenderer must be released once Council has made a selection. In addition, section 91(8)(ba) of the Act requires details of the amount(s) payable by the Council under a contract for the provision of external audit services must be released once the contract has been entered into by all concerned parties.

Seconded by Councillor Davis

CARRIED

Mr Powell returned to the meeting at 7.11 pm.

Mr Tu left the meeting at 7.12 pm and returned at 7.14 pm.

Confirmation of the Minutes

Roberto Bria moved:

- A4062 That the attached Minutes of the meeting of the Audit Committee held on 17 October 2016 be taken as read and confirmed.

Seconded by Mayor Parkin

CARRIED

Annual Review of the Internal Audit Plan (Operational) (5.4) Presentation by Tim Muhlhausler, Galpins

Roberto Bria moved:

- A4063
1. That the Report be received.
 2. That the Internal Audit Plan 2016-18 be endorsed by the Audit Committee.
 3. That the Internal Audit Plan 2016-18 be recommended for adoption by Council.

Seconded by Mayor Parkin

CARRIED

Action List

Policy Protocol Tracking Table

Reports noted.

Review of Audit Committee Activities 2016 (Operational) (5.1)

Mayor Parkin moved:

- A4064
1. That the Report be received.
 2. That the Review of Audit Committee Activities 2016 Report be presented to the next meeting of Council.

Seconded by Roberto Bria

CARRIED

Application for an Additional Loan Facility (Operational) (5.2)

Councillor Davis moved:

- A4065
1. That the Report be received.
 2. That the Audit Committee considers and endorses that Council obtain an additional loan facility of \$3 million for a period of 15 years at a fixed interest rate of 4.75 per cent with the Local Government Finance Authority of South Australia.

Seconded by Mayor Parkin

CARRIED

WHS Management System KPI Audit and 2017 WHS and Return to Work Plan (Strategic) (5.3)

Mayor Parkin moved:

- A4066
1. That the Report be received.
 2. That the committee notes the plan and request regular progress reports to be presented to the Audit Committee as a standard item.

Seconded by Councillor Davis

CARRIED

Other Business**Forward Agenda**

Noted

Date of Next Meeting

Next meeting of the Audit Committee will be held on 3 April 2017.

Closure

The meeting closed at 8.22 pm.

AUDIT COMMITTEE MEETING FEBRUARY 2017 – ACTIONS

	MTG	RESOLUTION//REQUEST	WHO	DUE	RES NO.	COMMENT
1.	6/10/2009	Regional Subsidiary Quarterly Financial Reports That the Audit Committee requests that each regional subsidiary provide a report on its financial status at quarterly intervals.	GMFS	Ongoing	A0117	<ul style="list-style-type: none"> Report quarterly
2.	7/2/2012	Risk Management Policy and Risk Management Framework (5.3) 5. That the Administration report all new and emerging strategic and operational risks that are rated as High or Extreme to the Audit Committee on an ongoing basis.	GMCS	Ongoing	A0225	<ul style="list-style-type: none"> Ongoing to be reported on an annual basis and when High and Extreme risks identified
3.	3/4/2012 15/2/2016	Internal Policy & Procedure Framework (5.5) 3. That the Council Policy Review Tracking is provided to the Audit Committee as a standing agenda item until all Policies and Procedures are up to date. That the Council Policy and Protocols Tracking Table is provided to the Audit Committee once per financial year (as opposed to every Audit Committee Meeting).	GMCS	Ongoing	A0251	<ul style="list-style-type: none"> Standing Item Reported Feb 2017

AUDIT COMMITTEE – KEY DATES EXCEPTIONS / URGENT

DATE (each year)/ FREQUENCY	COMMENTARY	ACT REFERENCE * All references are to <i>Local Government Act</i> 1999 unless stated otherwise	COMMENTS/LAST COMPLETED	NEXT REVIEW/DUE DATE	RESPONSIBLE OFFICER
	None				

AUDIT COMMITTEE – UPCOMING KEY DATES SNAPSHOT (PRIOR TO NEXT AUDIT COMMITTEE MEETING)

DATE (each year)/ FREQUENCY	COMMENTARY	ACT REFERENCE * All references are to <i>Local Government Act 1999</i> unless stated otherwise	COMMENTS/LAST COMPLETED	NEXT REVIEW/DUE DATE	RESPONSIBLE OFFICER
Within two (2) years after each general election	Council to review strategic management plans (including long term financial and infrastructure/asset management plans) Audit committee to propose and provide information relevant to review of Council's strategic management plans	Section 122(4)(b) Section 126(4)(ab)	2016/17 LTFP adopted in October 2016 2017/18 LTFP currently under review	Asset Management Plans were adopted in November 2016 Strategic Community Plan adopted in November 2016	GMCS GMFS
Annually	Review of Business Plans of subsidiaries – in conjunction with Council or Constituent Councils.	Clauses 8(4) and 24(4) of Schedule 2	- Eastern Health Authority (Nov 2016) - East Waste (Nov 2016) - Highbury Landfill (Nov 2016) - ERA Water (Nov 2016)	The financial results were tabled in Council's Annual Report. The Budget reviews are being tabled at the April 2017	GMCS GMFS

DATE (each year)/ FREQUENCY	COMMENTARY	ACT REFERENCE * All references are to <i>Local Government Act 1999</i> unless stated otherwise	COMMENTS/LAST COMPLETED	NEXT REVIEW/DUE DATE	RESPONSIBLE OFFICER
				Audit Committee meeting.	
30 September – 31 May (Inclusive)	Period in which a Council, single Council subsidiary or regional subsidiary must consider at least twice a report (where at least one report is considered before the consideration of the report under Regulation 9(1)(b) showing a revised forecast of its operating and capital investment activities for the relevant financial year compared with the estimates for those activities set out in the budget presented in a manner consistent with the note in the Model Financial Statements entitled <i>Uniform Presentation of Finances</i> . Regional subsidiaries: Eastern Health Authority Eastern Waste Management Authority Highbury Landfill Authority ERA Water	Regulation 9(1)(a) of the <i>Local Government (Financial Management) Regulations 2011</i>	Budget Review 1 adopted on 25 October 2016. Budget Review 2 adopted on 14 February 2017.	Budget Review 3 - May 2017 The Subsidiary Budget Reviews are being tabled at the April 2017 Audit Committee meeting.	GMCS GMFS
30 November – 15 March (inclusive)	Period in which a council, council subsidiary or regional subsidiary must consider a report showing a revised forecast of each item shown in its budgeted financial statements for the relevant financial year compared with the estimates set out in the budget presented in a manner consistent with the Model Financial Statements. The 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	Regulation 9(1)(b) & (2) of the <i>Local Government (Financial Management) Regulations 2011</i>	Budget Review 1 adopted on 25 October 2016. Budget Review 2 adopted on 14 February 2017.	Budget Review 3 - May 2017	GMCS GMFS

DATE (each year)/ FREQUENCY	COMMENTARY	ACT REFERENCE * All references are to <i>Local Government Act</i> 1999 unless stated otherwise	COMMENTS/LAST COMPLETED	NEXT REVIEW/DUE DATE	RESPONSIBLE OFFICER
	ratio compared with estimates set out in the budget presented in a manner consistent with the note in the Model Financial Statements entitled <i>Financial Indicators</i>				
Annually	<p>Capital Expenditure Forecast and Plan</p> <p>That Council supports the spending of budgeted on renewal and replacement of existing assets across the entire budget year and discourages the practice of large outlays of capital spending in the last quarter.</p> <p>That an annual plan be presented to Council each July, showing the anticipated timing of capital projects-both Renewal and Replacement of Existing assets and New and Upgraded assets - and an accurate forecast of capital spend across the year.</p> <p>That a Quarterly report be presented to Council in conjunction with the quarterly budget update, detailing progress against the Annual plan and identifying any major impediments to that progress.</p>	N/A	<p>June 2016 – Annual Budget</p> <p>Budget Review 1 adopted on 25 October 2016.</p> <p>Budget Review 2 adopted on 14 February 2017.</p>	Budget Review 3 - May 2017	GMCS GMFS
Annually as part of budget process - January (see Part A of this document for specific dates)	<p>Commence preparation of draft annual business plan to meet public consultation obligations under sections 123(3) and (4) and adoption requirements of section 123(8) for business plan and budget. See Part A of this document for specific dates</p> <p>Meet the adoption requirements of Section 123(8); an</p>	Section 123(3)	2016/2017 Budget adopted at the 28 June 2016 Council meeting	Being tabled at the April 2017 Audit Committee meeting.	GMCS GMFS

DATE (each year)/ FREQUENCY	COMMENTARY	ACT REFERENCE * All references are to <i>Local Government Act 1999</i> unless stated otherwise	COMMENTS/LAST COMPLETED	NEXT REVIEW/DUE DATE	RESPONSIBLE OFFICER
	annual business plan and budget must be adopted after 31 March but before 31 August of the financial year				
1 June	Earliest date for single Council subsidiaries and regional subsidiaries to adopt budget for the ensuing financial year.	Clauses 9 and 25 of Schedule 2	28 June 2016. All regional subsidiary budgets for 2016/17 have been adopted.	June 2017	GMCS GMFS
1 June	Earliest date for a Council to adopt an annual business plan and a budget which must be adopted for the ensuing financial year. Note: -except in a case involving extraordinary administrative difficulty must be adopted before 31 August for the financial year. -annual business plan must be adopted before budget – section 123(7)(b) -Council must review its long-term financial plan and any other elements of its strategic management plans prescribed by regulation as soon as practicable after adopting the council's annual business plan for a particular financial year.	Section 123(8), s123(7)(b), and s122(4)(a)	28 June 2016 – adoption of Annual Business Plan and Budget. 2016/17 LTFP adopted in October 2016	June 2017	GMCS GMFS

DATE (each year)/ FREQUENCY	COMMENTARY	ACT REFERENCE * All references are to <i>Local Government Act</i> 1999 unless stated otherwise	COMMENTS/LAST COMPLETED	NEXT REVIEW/DUE DATE	RESPONSIBLE OFFICER
30 August	<p>Last date for adoption of annual business plan and budget for that financial year (unless a case of extraordinary administrative difficulty).</p> <p>Note: (1) annual business plan must be adopted before budget –section 123(7)(b)</p> <p>(2) Council must review its long-term financial plan and any other elements of its strategic management plans prescribed by regulation as soon as practicable after adopting the council's annual business plan for a particular financial year under section 122(4)(a)</p>	Section 123(8), s123(7)(b), and s122(4)(a)	<p>28 June 2016 – adoption of Annual Business Plan and Budget.</p> <p>2016/17 LTFP adopted in October 2016</p>	June 2017	GMCS GMFS
Yearly	Annual Community Survey		November 2016	November 2017	GMCDs
Annually	Council to determine whether to fix maximum increases in general rates on principal place of residence	Section 153(3)	13 June 2016	In line with 2017/18 Annual Business Plan and Budget timings.	GMCS GMFS

DATE (each year)/ FREQUENCY	COMMENTARY	ACT REFERENCE * All references are to <i>Local Government Act</i> <i>1999</i> unless stated otherwise	COMMENTS/LAST COMPLETED	NEXT REVIEW/DUE DATE	RESPONSIBLE OFFICER
1 June	Earliest date for declaration of a general rate – provided it is after adoption of the annual business plan and budget. Note: -except in a case involving extraordinary administrative difficulty a Council must not declare a general rate after 31 August in that financial year.	Section 153(5)(a), (b)	28 June 2016	June 2017	GMCS GMFS
1 June	Earliest date upon which a separate rate may be declared (unless it has previously been declared for more than one year) for the ensuing financial year.	Section 154(6)	28 June 2016	June 2017	GMCS GMFS
29 August 2016	Last date for submission of ordinary return by all Council Members.	Section 66	August 2016	August 2017	CEO GMCS
29 August 2016	Last date for submission of ordinary return by the CEO (to the principal member of the Council) and by prescribed officers to the CEO.	Section 114	August 2016	August 2017	CEO GMCS
31 August	Last date for declaring a general rate (except in a case involving extraordinary administrative difficulty) for that financial year.	Section 153(5)(b)	28 June 2016	June 2017	GMCS GMFS

DATE (each year)/ FREQUENCY	COMMENTARY	ACT REFERENCE * All references are to <i>Local Government Act</i> 1999 unless stated otherwise	COMMENTS/LAST COMPLETED	NEXT REVIEW/DUE DATE	RESPONSIBLE OFFICER
Annually	Council to determine rate payment dates in September, December, March and June	Section 181(1)	The below rate payment dates were determined on 28 June 2016 1 September 2016 1 December 2016 1 March 2017 1 June 2017	June 2017	GMCS GMFS
Whenever a fee or charge is fixed or varied	Council must update list of fees and charges imposed under section 188 and bring to notice of persons who may be affected.	Section 188(6) and (7)	28 June 2016 – As part of Budget 2016/2017	June 2017	GMCS GMFS
Within twenty one (21) days after the date of adoption of valuations and/or declaration of a Council rate (or service charge)	Council must cause a notice of the adoption of valuations/declaration of rate (or service charge) to be published in the Government Gazette and in a newspaper circulating the area.	Sections 167(6) and 17	Government Gazette notice 14 July 2016 Eastern Courier July 2016	July 2017	GMCS GMFS

DATE (each year)/ FREQUENCY	COMMENTARY	ACT REFERENCE * All references are to <i>Local Government Act</i> 1999 unless stated otherwise	COMMENTS/LAST COMPLETED	NEXT REVIEW/DUE DATE	RESPONSIBLE OFFICER
Within 12 months of periodic election	Review Code of Practice relating to the principles, policies, procedures and practices applied in respect of public access to Council and committee meetings including minutes (and other documents)	Section 92(2)	28 July 2015, C10287 12 April 2016, C10602	April 2017	GMCS
Annually	Council report in relation to number, type and outcome of applications for internal review under section 270 policy	Section 270(8)	9 August 2016, C10763	August 2017	GMCS
Annually	Council must cause an up-to-date information statement to be published in a manner prescribed by the Freedom of Information Regulations.	Section 9 of the <i>Freedom of Information Act</i> 1992	July 2016	July 2017	GMCS

Item No: 5.1
To: Audit Committee
Date: 3 April 2017
Author: Karishma Reynolds – Group Manager, Finance and Strategy
General Manager and Division: Martin Cooper – General Manager, Corporate Services
Contact: 8366 4202
Subject: DRAFT 2017/18 ANNUAL BUSINESS PLAN AND BUDGET FOR PUBLIC CONSULTATION (OPERATIONAL)
Attachments: A. Draft 2017/18 Annual Business Plan
 (provided under separate cover)
Prev. Resolution: N/A

Officer's Recommendation

1. That the Report be received.
 2. That the Audit Committee endorses the draft 2017/18 Annual Business Plan and Budget.
 3. That the draft 2017/18 Annual Business Plan and Budget be presented to the 11 April 2017 meeting of Council for consideration.
-

Purpose

1. To provide Audit Committee Members with the draft 2017/18 Annual Business Plan for consideration and endorsement for the purpose of public consultation.

Strategic Plan

2. The following Strategic Plan provisions are relevant:

"A financially sound Council that is accountable, responsible and sustainable"

"Our community is actively engaged and involved in shaping the City's future"

Communications/Consultation

3. The following communication / consultation has been undertaken:
 - 3.1. Two Elected Member Budget workshops were conducted on 14 March and 28 March 2017 in the development of the draft 2017/18 Annual Business Plan and Budget.
 - 3.2. The Annual Community Survey was undertaken in November 2016 using a statistically valid random telephone survey of over 800 City of Burnside residents. The purpose of the Annual Community Survey was to provide a measure of the level of community satisfaction and performance with the delivery of services provided by the City of Burnside to its residents. The trends and results that came from these questions were used to measure the Council's performance in delivering and achieving the Strategic Plan's desired outcomes. It was also intended to gather information from the community to help develop the

future of the City, by collecting ideas, opinions and priorities to guide the planning and budget allocation processes.

4. It is proposed that the following public consultation activities be undertaken for the draft 2017/18 Annual Business Plan and Budget:
 - 4.1. Notification of the public consultation process in the Messenger Column by separate advertisement.
 - 4.2. Notice in the Messenger and social media prior to the public consultation meetings.
 - 4.3. The City of Burnside public consultation period will commence on 24 April 2017 until 19 May 2017 and will include two public consultation meetings on:
 - 4.3.1. Wednesday 10 May 2017 at 6.30 pm at the Civic Centre (central);
 - 4.3.2. Saturday 13 May at 1.00 pm at Glenunga Hub (South).

These meetings will be an opportunity for the community to suggest ideas for inclusion in the draft Annual Business Plan. All ideas, along with responding comments from Council, will be displayed on the Council website.

 - 4.4. The draft 2017/18 Annual Business Plan and Budget will be available for viewing at the Civic Centre, Library, Glenunga Hub and on the Burnside Council website.
 - 4.5. The public will be invited to submit comments either by post, email, telephone or via the Burnside Council website.
 - 4.6. The 'engage.burnside' online consultation tool will also be used to survey residents.
 - 4.7. A double-sided information sheet and questionnaire will be distributed to all residents within the City and all ratepayers that live externally to the City.
5. An additional Council Budget Workshop will be held for Elected Members on 23 May 2017 to review the results of the consultation process prior to the submission of the final Annual Business Plan and Budget for adoption at the 13 June 2017 meeting of Council.

Statutory

6. The following legislation is relevant in this instance:

Section 123(2)(a)-(g) of the *Local Government Act, 1999* provides that a Council's Annual Business Plan 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 modeling 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.*
 - (g) *Address or include any other matter prescribed by the regulations.*
- 7. In addition, Regulation 6 of the *Local Government (Financial Management) Regulations, 2011* requires the Annual Business Plan to include:
 - (a) *the reason why the council has adopted its valuation method for rating purposes;*
 - (b) *if differential rates are used, the reasons and justifications for the differentiation, and the expected level of revenue to be raised by each differential rate;*
 - (c) *if applicable, the use and level of a fixed charge component of a general rate;*
 - (d) *the use and level of any separate charge, service rate or service charge, including the reasons for the rate or charge;*
 - (e) *the council's policy on discretionary rebates and remissions, with particular reference to the rebates that will apply for more than one financial year and including information on how a rebate is designed to meet the purpose behind the rebate;*
 - (f) *issues concerning equity within the community and the impact of rates across the area;*
 - (g) *the application or operation of a minimum amount payable by way of rates (if applicable).*
- 8. In respect of the public consultation process, Section 123 (4) of the Act provides that:
 - (4) *For the purposes of subsection (3)(b), a public consultation policy must at least provide for the following:*
 - (a) *the publication in a newspaper circulating within the area of the council of a notice informing the public of the preparation of the draft annual business plan and inviting interested persons -*
 - (i) *to attend:*
 - (A) *a public meeting in relation to the matter to be held on a date (which must be at least 21 days after the publication of the notice) stated in the notice; or*

- (B) *a meeting of the council to be held on a date stated in the notice at which members of the public may ask questions, and make submissions, in relation to the matter for a period of at least 1 hour, (on the basis that the council determines which kind of meeting is to be held under this subparagraph); or*
 - (ii) *to make written submissions in relation to the matter within the period (which must be at least 21 days) stated in the notice; and*
- (b) *the council to make arrangements for a meeting contemplated by paragraph (a)(i) and the consideration by the council of any submissions made at that meeting or in response to the invitation under paragraph (a)(ii).*

9. In addition, Section 123(5) of the Act provides that:

The council must ensure that copies of the draft annual business plan are available at the meeting under subsection (4)(a)(i), and for inspection (without charge) and purchase (on payment of a fee fixed by the council) at the principal office of the council at least 21 days before the date of that meeting.

Policy

10. The relevant policy is the Rating Policy which was adopted by Council in July 2016.

Risk Assessment

11. The following risks have been identified:

- 11.1. Material misstatement of forecast financial data and/or a significant change in economic conditions; and
- 11.2. Not achieving the financial ratios and targets recommended by the Local Government Association – Financial Sustainability Information paper No.1.

Finance

12. The draft 2017/18 Annual Business Plan and Budget is provided as Attachment A. Refer to details on financial implications below.

Discussion

- 13. The draft 2017/18 Annual Business Plan and Budget has been developed for the purpose of community consultation and will form part of a consolidated 2017/18 Annual Business Plan and Budget (with any further amendments arising from the public consultation or other process) to be adopted at the 13 June 2017 meeting of Council.
- 14. The draft 2017/18 Annual Business Plan and Budget has been prepared prior to receipt of the final property valuation figures provided by the Valuer General. Therefore, calculated figures, that require this information, will be updated and included in the draft 2017/18 Annual Business Plan and Budget at the 13 June 2017 meeting of Council for final adoption.

15. The Annual Business Plan and Budget include a series of statutory financial statements and an analysis of each of those statements. These financial statements comprise the Statement of Comprehensive Income, Balance Sheet, Cash Flow Statement, Statement of Changes in Equity and Uniform Presentation of Finances. These statements will form part of the Council budget adoption papers in June 2017.
16. The development of the draft 2017/18 Annual Business Plan and Budget is based on the Long Term Financial Plan and is closely aligned to the Strategic Community Plan – *Be the Future of Burnside 2026* and incorporates the results of the Annual Community Survey. The end result sets out to achieve the best possible mix of services, infrastructure and facilities for the community.

Cost of business:

17. Historically Council has indexed its operating expenditure by the Local Government Price Index (LGPI). The LGPI for Dec 2016 was 1.60% whilst the comparative Adelaide Consumer Price Index (CPI) for the Dec quarter was 1.3%.
18. It is important to note that whilst the LGPI increased by 1.60%, not all Council expenses have increased by a comparative amount. For 2017/18, a number of additional cost pressures will be faced by Council and as such, Administration has estimated that the true increased cost of business for Council in the next financial year is 2.88%. This comprises of the following:

Cost of Council business – 2017/18	
LGPI for expenses (existing services)	1.60%
Additional <i>known significant</i> cost pressures :	
- Solid waste levy	0.23%
- Contribution towards Planning portal*	0.10%
- Increase in electricity prices	0.53%
- Freeze on the Financial Assistance Grants beyond 2016/17*	0.06%
- Cost increases above LGPI of 1.60%	0.36%
Increased Cost of Business	2.88%

* These cost pressures are yet to be confirmed and are dependent on Ministerial approval and the Federal budget.

Rates increase:

19. Even though the increased cost of Council business has been estimated as being 2.88%, Administration is recommending a 2.30% average rate increase due to its commitment to achieving financial savings and maintaining financial discipline.
20. As part of the 2015/16 Long Term Financial Plan, Council committed to setting a financial savings target for three years based on 1.50% of its rates revenue. In line with this commitment, Council has included a target of \$564k for the 2017/18 financial year, thus enabling a lower rate increase. However, Council is yet to ascertain how exactly this saving will be achieved and what areas need to be targeted.

21. A comparison of Councils rate increases over the past six years has been included below:

Financial Year	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Average Increase*	4.4%	3.9%	3.9%	2.9%	0.9%	2.30%

* Plus a steady historical rate of natural growth at 0.50% pa

Financial Performance:

22. The draft 2017/18 Annual Business Plan and Budget has been prepared to maintain financial sustainability principles and maintain and enhance the level of services that are provided to the community.
23. The key financial information in the draft 2017/18 Annual Budget, together with a comparison to the Forecast (as at Quarter 2 budget review) for the current financial year 2016/17 has been included below:

Item	Q2 Forecast 2016/17 \$('000)	Proposed Budget 2017/18 \$('000)
New Operating Projects/ New and Enhanced Services	768	312
Operating Surplus / (Deficit) excluding subsidiaries	1,054	1,007
Net Operating Surplus / (Deficit) excluding subsidiaries	1,478	1,387
Total Capital Expenditure		
- New Capital Projects	2,783	3,972
- Renewal and Replacement Projects	9,778	9,774

24. The proposed 2017/18 budget will also meet all of the major target ratios as determined by the Local Government Association (LGA).

Ratio description	Target amount (LGA Recommended Target)	Q2 Forecast 2016/17 \$('000)	Proposed Budget 2017/18 \$('000)
Operating Surplus/(Deficit) (excluding subsidiaries)	Operating Surplus position	1,054	1,007
Operating Surplus/(Deficit) Ratio	0 – 10%	2.40%	2.24%
Net Financial Liabilities	Less than Total Annual Operating Revenue	17,607	20,278
Net Financial Liabilities Ratio	Between 0 - 100%	40%	45%
Asset Sustainability Ratio	Greater than 90% but less than 110%	110%	110%

Debt to Income Ratio	No LGA target Audit Committee recommendation 0-50%	28%	32%
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25. The Net Gain/Loss from Council subsidiaries has not been included at this stage as the budgets for all the subsidiaries have not been compiled yet. It is however expected that Council will be able to update its share of contribution and equity in all its Regional Subsidiaries prior to the adoption of the 2017/18 Annual Business Plan and Budget.
26. Elected Members will be able to make adjustments to the proposed operating and capital projects and/or operating income/expenditure or expenditure saving targets either by motions on notice at the meeting of 11 April 2017, at the time of adoption for community consultation or following community consultation prior to the final adoption of the budget on 13 June 2017.
27. Any typographical / grammatical errors in the draft 2017/18 Annual Business Plan and Budget will be corrected under the 'Slip Rule' prior to the document being released for public consultation.

Conclusion

28. Prior to adoption of the 2017/18 Annual Business Plan and Budget, Council will consider the results of the community consultation and any amendments can be incorporated into the adopted Annual Business Plan and Budget.
29. It is recommended that Audit Committee considers and endorses the draft 2017/18 Annual Business Plan and Budget and that it is presented to the 11 April 2017 meeting of Council for consideration.

Item No: 5.2
To: Audit Committee
Date: 3 April 2017
Author: Karishma Reynolds – Group Manager, Finance and Strategy
General Manager and Division Martin Cooper – General Manager, Corporate Services
Contact: 8366 4202
Subject: REGIONAL SUBSIDIARY 2016/17 PERIODICAL FINANCIAL RESULTS (OPERATIONAL)
Attachments: A. EHA Second Budget Review for 2016/2017
B. East Waste Second Budget Review for 2016/2017
C. HLA Budget review for 2016/2017
Prev. Resolution: N/A

Officer's Recommendation

1. That the Report be received.
 2. That the Audit Committee notes the inclusion of the financial reports and updates on the four regional subsidiaries of the City of Burnside – Eastern Health Authority (EHA), Eastern Waste Management Authority Incorporated (East Waste), Highbury Landfill Authority (HLA) and Eastern Regional Alliance Water (ERA Water).
-

Purpose

1. To provide the Audit Committee Members with an updated position on the year to date operating performance for the four regional subsidiaries.

Strategic Plan

2. The following Strategic Plan provision is relevant:

"A financially sound Council that is accountable, responsible and sustainable"

Communications/Consultation

3. The following communication / consultation has been undertaken:
 - 3.1 Communication received from each of the Regional Subsidiaries

Statutory

4. The following legislation is relevant in this instance:

Local Government Act 1999

Policy

5. There are no policy implications or requirements associated with this recommendation.

Risk Assessment

6. Council has four regional subsidiary entities whose financial results can have a significant impact on the financial performance of the City of Burnside. Furthermore, Council is contractually liable for any debts incurred by these entities. Accordingly, it is in Council's best interest to monitor the actual and forecast financial performances for these entities throughout the year. Failure to do so may adversely impact the financial sustainability of the City of Burnside.

Finance

7. Consistent equity accounting treatments have been adopted for each regional subsidiary in accordance with Australian Accounting Standards. Details are provided for each regional subsidiary in this Report.

Discussion

8. Under Section 43 of the *Local Government Act 1999*, the City of Burnside recognises four regional subsidiary entities, these being:
 - 8.1 Eastern Health Authority;
 - 8.2 Eastern Waste Management Authority Incorporated;
 - 8.3 Highbury Landfill Authority; and
 - 8.4 Eastern Region Alliance Water.
9. In accordance with regulation 9 of the *Local Government (Financial Management) Regulations 2011*, a Council, Council subsidiary or regional subsidiary must prepare and consider reports which show a forecast of its operating and capital investment activities for the relevant financial year compared with the estimates for those activities set out in the budget.
10. Accordingly, the purpose of this Report is to provide an update on the year to date operating results and forecast for each entity.
11. Australian Accounting Standard AASB 128, '*Investments in Associates and Joint Ventures*' requires that, under the equity method, Council recognises the investment in a Joint Venture at cost and then increases or decreases the carrying value based on the subsidiaries profit and loss.
12. In line with AASB 128, Council recognises any movements in the subsidiary's budgeted profit / loss through its Budget Review process.
13. Based on the financial updates received from Council's subsidiaries (refer Attachments A-C), the following table notes Council's share of the annual Net Surplus / (Deficit) for the 2016/2017 financial year:

Entity	Source	Per City of Burnside Adopted 2016/17 Budget	Subsidiary's Updated Forecast Surplus / (Deficit) for 2016/17	City of Burnside Share %	City of Burnside Share \$	Variation
EHA	2016/17 Second Budget Review (Page 11 of ATT A)	\$0	\$18,000	25.0%	\$4,500	\$4,500
East Waste	2016/17 Second Budget Review (Page 44 of ATT A)	\$11,359	\$0	17.0%	\$0	(\$11,359)
HLA	2016/17 First Budget Review (Page 7 of ATT C)	(\$19,065)	(\$10,560)	50.0%	(\$5,280)	\$13,785
Total		(\$7,706)			(\$780)	\$6,926

14. The following commentary provides an update on the financial performance of the regional subsidiaries.

Eastern Health Authority (EHA)

15. EHA has reported a variation to its Forecast position, from a break even position to a revised Net Surplus of \$18,000. As a result, the impact on Council's Forecast has been a favourable movement of \$4,500.
16. EHA's Budget Review forecasts a Net Surplus for 2016/17 of \$18,000. This \$18,000 variation relates to an increase in income of \$180k and an increase in expenditure of \$152k. The main driver for the variations in the inclusion of the income and expenditure for a Meningococcal B Herd Immunity Vaccine Study to be conducted in 2017 and 2018.
17. The City of Burnside's proportional share of this revised surplus equates to \$4,500, which is a positive variation of \$4,500 compared to Council's Adopted Budget position. An adjustment to this effect will be included in the Quarter 3 Budget Review which will be presented to Council in May 2017.
18. Administration is awaiting EHA's 2017/18 Draft Budget which will inform the City of Burnside's Budget to be adopted on 13 June 2017.

Eastern Waste Management Authority Incorporated (East Waste)

19. East Waste has reported a break even position for 2016/17. As a result, the impact on Council's Forecast has been an unfavourable movement of \$11,359.
20. An adjustment to this effect will be included in the Quarter 3 Budget Review which will be presented to Council in May 2017.
21. East Waste's Budget for 2017/18 is proposing a Net Surplus of \$514,845 which equates to a share of \$87,524 for the City of Burnside. This will inform the City of Burnside's Budget to be adopted on 13 June 2017.

Highbury Landfill Authority

22. HLA has also reported a variation to its Forecast Position from a Net Deficit of \$38,129 to a revised Net Deficit of \$10,560. As a result, the impact on Council's Forecast has been a favourable movement of \$13,785.

23. This increase in Net Surplus relates to an adjustment to reflect the 2015/16 actuals and higher than budgeted Council contributions.
24. Administration is awaiting HLA's 2017/18 Draft Budget which will inform the City of Burnside's Budget to be adopted on 13 June 2017.

Eastern Region Alliance Water

25. At the ERA Water Board Meeting held on 29 March 2017, the first Budget Review for 2016/17 and Draft 2017/18 Annual Business Plan and Budget were considered and approved.
26. However, Administration has sought some clarifications and once confirmed, the adjustment will be included in Council's Quarter 3 Budget Review which will be presented to Council in May 2017.

Conclusion

27. The variations noted above with regards to the 2016/17 Net Surplus positions for the subsidiaries will be included in Council's Quarter 3 Budget Review which will be presented to Council in May 2017.
23. The adjustments required to Council's 2017/18 Budget to reflect the subsidiaries respective Forecasts will be incorporated into the final Budget to be adopted at the 13 June 2017 Council meeting.

Our Ref: AF16/13

3 March 2017

Mr Paul Deb
Chief Executive Officer
City of Burnside
401 Greenhill Road
TUSMORE SA 5065

SCANNED

07 MAR 2017



Dear Paul

RE: Eastern Health Authority (EHA) Second Budget Review for 2016/2017

In accordance with regulation 9 of the Local Government (Financial Management) Regulations 2011, a regional subsidiary of a council must prepare and consider at least three separate budget review reports annually. The reports are required to comply with sub regulation 1 (a) and (b) in terms of content and timing.

In the event that its budget requires amendment, EHA must seek approval from the Constituent Councils pursuant to clause 25 (3) of Schedule 2 of the Local Government Act. A written request for the approval of the amendments must be sent to all Constituent Councils which must be accompanied by the proposed amendments. If the Constituent Councils grant approval then EHA may officially resolve to amend the budget and upon making that resolution, the amended budget will be effective.

At EHA's Board of Management meeting held on 22 February 2017, a Budget Review report was presented to members. The report requested a number of variations to the revised budget. The operating budget variations requested in relation to the above table see an increase in income of \$180K and an increase in expenditure of \$152K. The main driver for the variations is the inclusion of the income and expenditure for a Meningococcal B Herd Immunity Vaccine Study to be conducted in 2017 and 2018. The net result of the variations is a 18K improvement in the estimated budget result. The revised budget result is a surplus of 18K.

Please find enclosed a copy of the report and subsequent resolutions which detail the proposed variations.

The Board of Management resolved at the meeting that I correspond with the Constituent Councils requesting that the amended budget resulting from these variations be approved. If approval is received from all Constituent Councils a report to the Board of Management will be made requesting the official adoption of the amended budget.

It would be appreciated if the budget review is considered by your council and a response provided to EHA prior to 19 April 2017 so that EHA is in a position to consider its final budget review for the financial year.

If you need any more information or would like to discuss this further, please contact me on telephone 8132 3611.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Michael Livori', with a stylized, cursive script.

Michael Livori
Chief Executive Officer

6.3 FINANCE REPORT AND SECOND (DECEMBER 2016) BUDGET REVIEW FOR 2016/2017

Author: Michael Livori

Ref: AF16/13

Summary

So that members can ensure that Eastern Health Authority (EHA) is operating according to its adopted budget, financial performance is regularly monitored and statutory budget reviews are considered.

In accordance with regulation 9 of the *Local Government (Financial Management) Regulations 2011*,

- (1) *A council, council subsidiary or regional subsidiary must prepare and consider the following reports:*
 - (a) *at least twice, between 30 September and 31 May (both dates inclusive) in the relevant financial year (where at least 1 report must be considered before the consideration of the report under sub regulation (1)(b), and at least 1 report must be considered after consideration of the report under sub regulation (1)(b))—a report showing a revised forecast of its operating and capital investment activities for the relevant financial year compared with the estimates for those activities set out in the budget presented in a manner consistent with the note in the Model Financial Statements entitled Uniform Presentation of Finances;*
 - (b) *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.*

This report provides the second of the budget reviews required in accordance with regulation 9 (1) and relates to the financial performance of EHA between 1 July 2016 and 31 December 2016. It provides the opportunity to amend the adopted budget in line with revised projections of income and expenditure for the 2016/2017 financial year.

Report

The report below gives a simple analysis of year to date income, expenditure and operating result.

Eastern Health Authority - Financial Statement (Level 3)				
1 July 2016 to 31 December 2016				
	Actual	Budgeted	\$ Variation	%Variation
Total Income	\$ 1,057,472	\$ 1,107,444	\$ (49,973)	-5%
Total Expenditure	\$ 1,085,669	\$ 1,127,977	\$ (42,308)	-4%
Operating Result	\$ (28,198)	\$ (20,533)	\$ (7,665)	37%

The report shows that for the reporting period income was \$49,973 (-5.0%) less than budgeted and expenditure was \$42,308 (1%) less than budgeted.

The net result is a variation of (\$7,665) on the budgeted year to date comparative operating result.

A more detailed report is provided as attachment 1. The report provides detail on year to date performance of individual budget lines. Any YTD variation greater than \$5,000 is detailed in the table below with explanatory comments. A number of variations to the current budget are requested and detailed in the table below.

Summary Table of Funding Statement Variations				
Favourable variances are shown in black and unfavourable variances are shown in red.				
Description	YTD Budget	YTD Actual	Variation	Comment
Income				
Fines and Expiations	\$45,000	\$17,257	(\$27,743)	Decrease in YTD expiations issued. No variation requested at this point in time.
Immunisation Clinic Vaccines	\$27,500	\$14,640	(\$12,860)	Decrease in vaccines purchased at clinics. Offset by decrease in vaccine expenditure. -10K variation requested.
Meningococcal B Vaccine Herd Immunity Study	\$0	\$0	N/A	180K variation requested. Minimum funding guaranteed for 70% of all enrolments.
Expenditure				
Salaries	\$676,500	\$660,132	(\$16,368)	105K variation requested due to additional staff required for Men B Study.
Maintenance	\$18,500	\$15,224	(\$3,275)	20K variation requested for Equipment Associated with Men B Study.
Vehicles	\$30,000	\$29,963	(\$37)	8K variation requested for vehicle costs associated with Men B Study.
Immunisation Consumables	\$5,200	\$5,465	\$266	4K variation requested for consumable costs associated with Men B Study.
Immunisation Clinic Vaccines	\$19,000	\$8,573	(\$10,427)	Decrease in vaccines purchased at clinics. Offset by decrease in vaccine income. -10K variation requested.

Expenditure (cont.)				
Website Upgrade	\$0	\$9,305	\$9,305	Website project funded in 20015/2016 budget and not completed. 15K variation requested.
Business Continuity Plan	\$0	\$0	\$10,000	10K variation requested to develop updated Business Continuity Plan. Current plan has been reviewed by LGRS. Significant updating required. Total cost for work is 20k however 10K has been agreed as a subsidy from the LGA Asset Mutual Fund.

The operating budget variations requested in relation to the above table see an increase in income of \$180K and an increase in expenditure of \$152K. The net result of the variations is a 18K improvement in the estimated budget result. The revised budget result is a surplus of 18K.

It is requested that the variations resulting from the changes to operating budget lines are incorporated into a revised budget for 2016/2017. A summary of the variations requested within the budget are provided in the following table.

Revised Statement of Comprehensive Income				
	Current Budget	Variation	Revised Budget	Comment
Income				
User Charges	341,000	(10,000)	331,000	Reduced clinic vaccine income
Grants	124,500	180,000	304,500	Men B Herd Immunity Study
Total Income	2,329,555	170,000	2,499,555	
Expenses				
Employee Costs	1,543,000	105,000	1,648,000	Men B Herd Immunity Study
Material, contracts and other expenses	738,200	47,000	785,200	Men B Herd Immunity Study
Total Expenses	2,329,555	152,000	2,481,555	
Operating Surplus/(Deficit)	0	18,000	18,000	

Revised Statement of Cash Flows				
	Current Budget	Variation	Revised Budget	Comment
Cash Flows from Operating Activities				
Net Cash Provide/(Used) by Operating Activities	28,371	18,000	46,371	Men B Herd Immunity Study
Net Increase (Decrease) in Cash Held	(30,252)	18,000	(12,252)	
Cash and Equivalents at End of Reporting Period	550,903	18,000	568,903	
Revised Statement of Financial Position				
	Current Budget	Variation	Revised Budget	Comment
Current Assets				
Cash and cash Equivalents	550,903	18,000	568,903	
Total Assets	1,102,278	18,000	1,120,278	
Net Assets	337,633	18,000	355,633	
Equity				
	Current Budget	Variation	Revised Budget	Comment
Accumulated Surplus/(Deficit)	337,633	18,000	355,633	
Total Equity	337,633	18,000	355,633	
Revised Statement of Change in Equity				
	Current Budget	Variation	Revised Budget	Comment
Accumulated Surplus				
Net Surplus/(Deficit)	0	18,000	18,000	
Balance at End of Period	337,633	18,000	355,633	
Total Equity	337,633	18,000	355,633	

Included as Attachment 2 is a copy of the revised 2016/2017 Budget. which include the:

- Revised Statement of Comprehensive Income
- Revised Statement of Cash flows
- Revised Statement of Financial Position
- Revised Statement of Changes in Equity

A Bank Reconciliation and Available Funds report for the period ending 31 December 2016 is provided as attachment 3. It shows that at 31 December 2016 available funds were \$229,933 in comparison with \$674,557 on 30 September 2016.

Pursuant to clause 25 (3) of Schedule 2 of the Local Government Act, EHA must seek approval from its Constituent Councils before amending its budget. A written request for the approval of the amendments must be sent to all Constituent Councils which must be accompanied by the proposed amendments.

If the Constituent Councils grant approval then EHA may officially resolve to amend the budget and upon making that resolution, the amended budget will be effective.

RECOMMENDATION

That:

1. The Finance Report and Second (December 2016) Budget Review Report for 2016/2017 be received.
2. Correspondence is forwarded to EHA's Constituent Councils requesting that the amendments to the 2016/2017 Budget as detailed in attachment 2 are approved.

Eastern Health Authority - Financial Statement (Level 3) 1 July 2016 to 31 December 2016				
Income	Actual	Budgeted	\$ Variation	% Variation
Constituent Council Income				
City of Burnside	\$209,564	\$209,564	\$0	0%
City of Campbelltown	\$189,513	\$189,513	\$0	0%
City of NPS	\$257,661	\$257,661	\$0	0%
City of Prospect	\$110,476	\$110,476	\$0	0%
Town of Walkerville	\$53,314	\$53,314	\$0	0%
Total Constituent Council Contributions	\$ 820,528	\$ 820,528	\$ -	0%
Statutory Charges				
Food Inspection fees	\$34,290	\$39,000	(\$4,710)	-12%
Legionella registration and Inspection	\$9,082	\$9,500	(\$418)	-4%
SRF Licenses	\$350	\$0	\$350	0%
Fines	\$17,257	\$45,000	(\$27,743)	-62%
Total Statutory Charges	\$ 60,979	\$ 93,500	\$ (32,521)	-35%
User Charges				
Immunisation - non funded vaccines	\$14,640	\$27,500	(\$12,860)	-47%
Immunisation - Worksites	\$271	\$0	\$271	0%
Food Auditing	\$34,809.90	\$29,000.02	\$5,810	20%
City of Unley	\$52,478.00	\$53,000.00	(\$522)	-1%
Food Safety Training	\$0.00	\$1,000.00	(\$1,000)	0%
Total User Charges	\$ 102,199	\$ 110,500	\$ (8,301)	-8%
Grants, Subsidies, Contributions				
School Based immunisation Program	\$42,024.53	\$42,250.00	(\$225)	0%
Child Immunisation register	\$24,393.27	\$26,666.72	(\$2,273)	-9%
Total Grants, Subsidies, Contributions	\$ 66,418	\$ 68,917	\$ (2,499)	-4%
Investment Income				
Interest on investments	\$4,174.86	\$8,999.98	(\$4,825)	-54%
Total Investment Income	\$ 4,175	\$ 9,000	\$ (4,825)	-41%
Other Income				
Motor Vehicle re-imbursements	\$2,183.57	\$2,000.02	\$184	9%
Sundry Income	\$989.87	\$3,000.00	(\$2,010)	-67%
Total Other Income	\$ 3,173	\$ 5,000	\$ (1,827)	-37%
Total of non Constituent Council Income	\$ 236,944	\$ 286,917	\$ (49,973)	-17%
Total Income	\$ 1,057,472	\$ 1,107,444	\$ (49,973)	-5%

Eastern Health Authority - Financial Statement (Level 3) 1 July 2016 to 31 December 2016				
Expenditure	Actual	Budgeted	\$ Variation	% Variation
Employee Costs				
Salaries & Wages	\$660,131.99	\$676,500.00	\$ (16,368)	-2%
Superannuation	\$57,360.70	\$57,999.98	\$ (639)	-1%
Workers Compensation	\$15,430.00	\$14,000.00	\$ 1,430	10%
Total Employee Costs	\$ 732,923	\$ 748,500	\$ (15,577)	-2%
Prescribed Expenses				
Auditing and Accounting	\$13,000.00	\$17,000.00	\$ (4,000)	-24%
Insurance	\$26,674.52	\$27,000.00	\$ (325)	-1%
Maintenance	\$15,224.90	\$18,500.00	\$ (3,275)	-18%
Vehicle Leasing/maintenance	\$29,963.31	\$30,000.00	\$ (37)	0%
Total Prescribed Expenses	\$ 84,863	\$ 92,500	\$ (7,637)	-43%
Rent and Plant Leasing				
Electricity	\$3,858.06	\$5,000.02	\$ (1,142)	-23%
Plant Leasing Photocopier	\$1,742.40	\$1,599.98	\$ 142	9%
Rent	\$50,274.72	\$51,000.00	\$ (725)	-1%
Water	\$128.19	\$0.00	\$ 128	0%
Gas/Emergency Services Levy	\$1,688	\$0	\$ 1,688	0%
Total Rent and Plant Leasing	\$ 57,691	\$ 57,600	\$ 91	0%
IT Licensing and Support				
IT Licences	\$24,538.68	\$27,999.98	\$ (3,461)	-12%
IT Support	\$41,264.61	\$45,000.00	\$ (3,735)	-8%
Internet	\$4,532.61	\$6,000.00	\$ (1,467)	-24%
IT Other	\$3,310.83	\$999.98	\$ 2,311	231%
Total IT Licensing and Support	\$ 73,647	\$ 80,000	\$ (6,353)	-8%
Administration				
Administration Sundry	\$1,771.57	\$3,500.02	\$ (1,728)	-49%
Accreditation Fees	\$3,401.05	\$4,000.00	\$ (599)	-15%
Board of Management	\$11,222.86	\$8,000.02	\$ 3,223	40%
Bank Charges	\$1,906.36	\$1,500.00	\$ 406	27%
Public Health Sundry	\$2,014.06	\$2,499.98	\$ (486)	-19%
Fringe Benefits Tax	\$9,844.00	\$7,500.00	\$ 2,344	31%
Health promotion	\$464.93	\$2,499.98	\$ (2,035)	-81%
Legal	\$3,061.95	\$6,000.00	\$ (2,938)	-49%
Printing & Stationery & Postage	\$9,100.12	\$14,000.00	\$ (4,900)	-35%
Telephone	\$7,921.32	\$7,500.00	\$ 421	6%
Work Health Safety & Injury Management	\$111.91	\$3,000.00	\$ (2,888)	0%
Rodenticide	\$97.86	\$1,000.04	\$ (902)	-90%
Staff Amenities	\$1,844.17	\$3,500.02	\$ (1,656)	-47%
Staff Training	\$11,404.40	\$11,000.02	\$ 404	4%
Human Resource Sundry	\$2,042.00	\$6,000.00	\$ (3,958)	-66%
Doubtful Debts Expense	\$0	\$0	\$ -	0%
Total Administration	\$ 66,209	\$ 81,500	\$ (15,292)	-19%

Eastern Health Authority - Financial Statement (Level 3 cont.) 1 July 2016 to 31 December 2016				
Expenditure	Actual	Budgeted	\$ Variation	% Variation
Immunisation				
Immunisation SBP Consumables	\$5,465.59	\$5,200.00	\$ 266	5%
Immunisation clinic vaccines	\$8,573.35	\$18,999.98	\$ (10,427)	-55%
Immunisation worksite vaccines	\$0	\$0	\$ -	0%
Total Immunisation	\$ 14,039	\$ 24,200	\$ (10,161)	-42%
Uniforms/Income protection				
Income Protection	\$18,997.42	\$15,000.00	\$ 3,997	27%
Total Uniforms/Income protection	\$ 18,997	\$ 15,000	\$ 3,997	27%
Sampling				
Legionella Testing	\$3,474.60	\$3,999.98	\$ (525)	-13%
Food Sampling	\$0.00	\$500.00	\$ (500)	0%
Total Sampling	\$ 3,475	\$ 4,500	\$ (1,025)	-23%
New Initiatives				
Website Upgrade	\$9,305.00	\$0.00	\$ 9,305	0%
Total New Initiatives	\$ 9,305	\$ -	\$ 9,305	0%
Total Materials, contracts and other expenses	\$ 328,225	\$ 355,300	\$ (27,075)	-8%
Depreciation	\$ 14,186	\$ 14,186	\$ -	0%
Finance Costs	\$ 10,336	\$ 9,992	\$ 344	3%
Total Operating Expenditure	\$ 1,085,669	\$ 1,127,977	\$ (42,308)	-4%
Total Operating Income	\$ 1,057,472	\$ 1,107,444	\$ (49,973)	-5%
Operating Result	\$ (28,198)	\$ (20,533)	\$ (7,665)	37%

EASTERN HEALTH AUTHORITY STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDING 30 JUNE 2017					
ACTUAL 2015/2016		ADOPTED BUDGET 2016/2017	SEPTEMBER REVIEW	DECEMBER REVIEW	REVISED BUDGET 2016/2017
\$	INCOME	\$	\$	\$	\$
1,609,306	Council Contributions	1,641,055	-	-	1,641,055
114,802	Statutory Charges	193,000	-	-	193,000
342,110	User Charges	341,000	-	(10,000)	331,000
121,815	Grants, subsidies and contributions	124,500	-	180,000	304,500
15,304	Investment Income	20,000	-	-	20,000
11,439	Other Income	10,000	-	-	10,000
2,214,776	TOTAL INCOME	2,329,555	-	170,000	2,499,555
	EXPENSES				
1,483,167	Employee Costs	1,543,000	-	105,000	1,648,000
643,081	Materials, contracts and other expenses	738,200	-	47,000	785,200
45,098	Depreciation	28,371	-	-	28,371
21,463	Finance Charges	19,984	-	-	19,984
2,192,809	TOTAL EXPENSES	2,329,555	-	152,000	2,481,555
21,967	Operating Surplus/(Deficit)	-	-	18,000	18,000
-	Net gain (loss) on disposal of assets	-	-	-	-
21,967	Net Surplus/(Deficit)	-	-	18,000	18,000

EASTERN HEALTH AUTHORITY STATEMENT OF CASH FLOWS FOR THE YEAR ENDING 30 JUNE 2016						
ACTUAL 2015/2016		ADOPTED BUDGET 2016/2017	SEPTEMBER REVIEW	DECEMBER REVIEW	REVISED BUDGET 2016/2017	
\$	CASHFLOWS FROM OPERATING ACTIVITIES	\$	\$	\$	\$	\$
	<u>Receipts</u>					
1,770,237	Council Contributions	1,805,161	-	-	1,805,161	
240,932	Fees & other Charges	212,300	-	-	212,300	
377,146	User Charges	371,690	-	(10,000)	360,790	
15,304	Investment Receipts	20,000	-	-	20,000	
121,815	Grants utilised for operating purposes	124,500	-	180,000	304,500	
12,583	Other	11,000	-	-	11,000	
	<u>Payments</u>					
(1,458,250)	Employee Costs	(1,543,000)	-	(105,000)	(1,648,000)	
(984,254)	Material, contracts and other expenses	(953,296)	-	(47,000)	(999,396)	
(22,672)	Finance (Interest) Expense	(19,984)	-	-	(19,984)	
72,841	Net Cash Provided/(Used) by Operating Activities	28,371	-	18,000	46,371	
	CASH FLOWS FROM INVESTING ACTIVITIES					
	<u>Receipts</u>					
-	Sale of Replaced Assets	-	-	-	(15,000)	
	<u>Payments</u>					
(25,723)	Expenditure on renewal / replacements of assets	-	-	-	-	
-	Expenditure on new / upgraded assets	-	-	-	-	
(200,000)	Distributions paid to constituent Councils	-	-	-	-	
(225,723)	Net Cash Provided/(Used) by Investing Activities	-	-	-	-	
	CASH FLOWS FROM FINANCING ACTIVITIES					
-	Loans Received	-	-	-	-	
(55,934)	Loan Repayments	(58,623)	-	-	(58,623)	
(55,934)	Net Cash Provided/(Used) by Financing Activities	(58,623)	-	-	(58,623)	
(120,816)	NET INCREASE (DECREASE) IN CASH HELD	(30,252)	-	18,000	(12,252)	
789,971	CASH AND CASH EQUIVALENTS AT BEGINNING OF REPORTING PERIOD	589,971	(8,816)		581,155	
581,155	CASH AND CASH EQUIVALENTS AT END OF REPORTING PERIOD	559,719	(8,816)	18,000	568,903	

EASTERN HEALTH AUTHORITY STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDING 30 JUNE 2016						
ACTUAL 2015/2016		ADOPTED BUDGET 2016/2017	SEPTEMBER REVIEW	DECEMBER REVIEW	REVISED BUDGET 2016/2017	
	ASSETS					
	CURRENT ASSETS					
\$		\$	\$	\$	\$	\$
581,155	Cash and Cash Equivalents	559,719	(8,816)	18,000	568,903	
158,026	Trade & Other Receivables	162,272	(4,246)		158,026	
-	Other	-			-	
739,181	TOTAL CURRENT ASSETS	721,991	(13,062)	18,000	726,929	
	NON-CURRENT ASSETS					
421,720	Equipment	331,873	61,476		393,349	
-	Other	-	-		-	
421,720	TOTAL NON-CURRENT ASSETS	331,873	61,476	-	393,349	
1,160,901	TOTAL ASSETS	1,053,864	48,414	18,000	1,120,278	
	LIABILITIES					
	CURRENT LIABILITIES					
95,855	Trade & Other Payables	108,708	(12,853)		95,855	
58,623	Borrowings	58,623			58,623	
259,008	Provisions	236,220	22,788		259,008	
-	Other	-	-		-	
413,486	TOTAL CURRENT LIABILITIES	403,551	9,935	-	413,486	
	NON-CURRENT LIABILITIES					
376,575	Borrowings	317,952			317,952	
33,207	Provisions	41,662	(8,455)		33,207	
409,782	TOTAL NON-CURRENT LIABILITIES	359,614	(8,455)	-	351,159	
823,268	TOTAL LIABILITIES	763,165	1,480	-	764,645	
337,633	NET ASSETS	290,699	46,934	18,000	355,633	
	EQUITY					
337,633	Accumulated Surplus/(Deficit)	290,699	46,934	18,000	355,633	
337,633	TOTAL EQUITY	290,699	46,934	18,000	355,633	

EASTERN HEALTH AUTHORITY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDING 30 JUNE 2016					
ACTUAL 2015/2016	ACCUMULATED SURPLUS	ADOPTED BUDGET 2016/2017	SEPTEMBER REVIEW	DECEMBER REVIEW	REVISED BUDGET 2016/2017
515,666	Balance at beginning of period	\$	\$	\$	\$
21,967	Net Surplus/(Deficit)	290,699	46,934	18,000	337,633
(200,000)	Distribution to Constituent Councils	-	-	-	18,000
337,633	Balance at end of period	290,699	46,934	18,000	355,633
337,633	TOTAL EQUITY	290,699	46,934	18,000	355,633

Eastern Health Authority			
Bank Reconciliation as at 31 December 2016			
Bank SA Account No. 141/0532306840			
Balance as per Bank Statement 31 December 2016			\$150,819.04
Plus Outstanding cheques	\$	82.00	
Add Outstanding deposits	\$	-	
BALANCE PER General Ledger			\$150,737.04
GST October - December 2016			
GST Collected		\$10,552.77	
GST Paid		\$15,349.00	
Net GST Claimable (Payable)		-\$4,796.23	
Funds Available September 2016			
Account	31-Dec-16	30-Sep-16	Variance
Bank SA Cheque Account	\$ 150,737	\$ 58,219	\$92,518
Local Government Finance Authority	\$ 388,102	\$ 955,472	(\$567,370)
Net GST Claimable (Payable)	(\$4,796)	(\$68,673)	\$63,877
Long Service Leave Provision	(\$160,957)	(\$160,957)	\$ -
Annual Leave Provision	(\$143,152)	(\$109,504)	\$ 33,648
TOTAL FUNDS	\$ 229,933	\$ 674,557	(\$444,624)



**EASTERN WASTE MANAGEMENT
AUTHORITY**

AGENDA

ORDINARY MEETING OF THE BOARD OF MANAGEMENT

**Meeting to be held on Thursday 23 February 2017 commencing at 5:30pm,
at the City of Norwood, Payneham & St Peters, 175 The Parade, Norwood**

1. PRESENT

2. APOLOGIES

3. CONFIRMATION OF THE MINUTES

RECOMMENDED: That the Minutes of the Eastern Waste Management Authority Special Board Meeting held on Thursday 8 December 2016 via teleconference, be received, confirmed and adopted

That the Minutes of the Eastern Waste Management Authority Audit and Risk Management Committee held on Tuesday 21 February 2017, be noted

4. MATTERS ARISING FROM THE MINUTES

Overloading of Vehicles

5. QUESTIONS WITHOUT NOTICE

6. GENERAL MANAGERS REPORT

Reports requiring Decisions

- 6.1 Draft 2017-2018 Annual Plan and Budget
- 6.2 Financial Statements December 2016 Quarter
- 6.3 Budget Review Two (BR2)
- 6.4 Procurement of External Auditing Services
- 6.5 Visa Card Line Limit

Reports for Information

- 6.6 Zero Waste SA Recycling Infrastructure Grant
- 6.7 WH&S Annual Audit
- 6.8 Minutes of the Operations Assistance Committee

7. OTHER BUSINESS

8. NEXT MEETING OF THE BOARD

The next Board Meeting to be held on Thursday 13 April 2017 at the City of Norwood Payneham & St Peters at 5.30pm

9. CLOSURE OF MEETING

- Adelaide Hills Council ● City of Burnside ● Campbelltown City Council
- City of Mitcham ● City of Norwood, Payneham & St. Peters ● Corporation of the Town of Walkerville

MINUTES OF THE SPECIAL BOARD MEETING OF THE EASTERN WASTE MANAGEMENT AUTHORITY

Meeting held pursuant to Clause 35.10.1 of the East Waste Charter involving the linking together by telephone (08 8347 5111) of Directors on Thursday 8 December 2016 commencing at 10.31am

1. PRESENT

Directors:

Mr B Cunningham	Independent Chairperson
Cr Linda Green	Adelaide Hills Council
Mr P Deb	City of Burnside
Mr P Di Iulio	Campbelltown City Council
Cr Karen Hockley	City of Mitcham
Cr G Busato	Corporation of the Town of Walkerville

In Attendance:

Mr Adam Faulkner	General Manager
Miss Amy Quintrell	Office Administrator

2. APOLOGIES

Mr Mario Barone	City of Norwood, Payneham & St Peters
Mr C Buzzetti	City of Norwood, Payneham & St Peters (Proxy)

3. CONFIRMATION OF THE MINUTES

Moved Cr Hockley that the minutes of the Eastern Waste Management Authority Ordinary Board Meeting held on Thursday 24 November 2016, be received, confirmed and adopted
Seconded Mr Deb **Carried**

4. GENERAL MANAGERS REPORT

REPORTS REQUIRING DECISIONS

The time being 10.34am Mr Di Iulio attended the meeting

4.1 METROPOLITAN COUNCIL BUSINESS CASE

Moved Cr Hockley that pursuant to Section 90 (2) and (3) of the Local Government Act 1999, an order be made by the East Waste Board that the public be excluded from attendance at the meeting to the extent (and only to the extent) that the Board considers it necessary and appropriate to act in a meeting closed to the public in order to receive, discuss and consider in confidence:

- (k) tenders for the supply of goods, the provision of services or the carrying out of works; and

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

That an order be made under the provisions of Section 91 (7) of the Local Government Act 1999, that the report and minutes of the subject matter, having been dealt with on a confidential basis under Section 90 (3) of the Act, should be kept confidential on the grounds that disclosure of information could confer commercial information of a confidential nature (not being a trade secret) the disclosure of which could reasonably be expected to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party as contained in Section 90 (3) (b)(i) until the matter is finalised

Seconded Mr Deb

Carried

4.2 ACCOUNTANCY RFQ

Moved Cr Green that pursuant to Section 90 (2) and (3) of the Local Government Act 1999, an order be made by the East Waste Board that the public be excluded from attendance at the meeting to the extent (and only to the extent) that the Board considers it necessary and appropriate to act in a meeting closed to the public in order to receive, discuss and consider in confidence:

- (k) tenders for the supply of goods, the provision of services or the carrying out of works; and

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

That an order be made under the provisions of Section 91 (7) of the Local Government Act 1999, that the report and minutes of the subject matter, having been dealt with on a confidential basis under Section 90 (3) of the Act, should be kept confidential on the grounds that disclosure of information could confer commercial information of a confidential nature (not being a trade secret) the disclosure of which could reasonably be expected to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party as contained in Section 90 (3) (b)(i) until the matter is finalised

Seconded Cr Hockley

Carried

4.3 REPORT ON FINANCIAL RESULTS 2015/2016

Moved Cr Green that the Report be received and noted

Seconded Mr Deb

Carried

4.4 FIRST REVIEW OF BUDGETS REPORT

Moved Cr Hockley that the Report be received and noted
Seconded Mr Deb

Carried

5. OTHER BUSINESS

Nil

6. NEXT MEETING OF THE BOARD

The next Board Meeting to be held on Thursday 9 February 2017 at 5.30pm at City of Norwood, Payneham & St Peters Council Chambers, Norwood

7. CLOSURE OF MEETING

There being no further business the meeting closed at 10.56am

Confirmed

DATE:_____

CHAIRMAN:_____

Agenda Item 4

REPORT SUBJECT:	Overloading of Vehicles
REPORT AUTHOR:	General Manager
MEETING DATE:	Thursday 23 February 2017
ATTACHMENTS:	NIL

Purpose of the Report

To provide the Board with an update regarding the inaccurate load weighing systems fitted to East Waste vehicles which has resulted in vehicles being overloaded.

Report

East Waste reported a late item to the 24 November 2016 Board Meeting, which provided details of three (3) incidence of East Waste vehicles presenting to waste receival facilities over the prescribed weight restrictions.

A risk assessment was conducted on the potential impact. The outcome of the risk assessment resulted in a rating of Catastrophic. The risk assessment was conducted on a safety and property/person damage only, and it is clear that there would also be financial and reputational impost caused by any realisation of the potential risk.

East Waste has continued instructing drivers to collect a (conservative) mandated maximum number of waste and green organics bins to ensure that loads will always be presented below prescribed weight limits, as well as enacting the previous reported corrective actions.

Concurrently East Waste developed a pathway to test the weighing system fitted to the vehicles in order to assess the technology's performance and capabilities around recording accurate load weights.

A technician completed a full audit in the week commencing 30 January 2017 on the 19 vehicles currently fitted with this weighing system and reported back to East Waste. It was found that some of the weighing equipment was not fitted correctly and this was the reason for the weights being inaccurate. It has also been reported that the weighing system is unable to provide progressive weights on some waste streams due to the lightness of the bins collected, however once the vehicle begins to reach its maximum weight carrying limit the system will become accurate allowing the operator to remain under the maximum weight limits.

East Waste has 19 vehicles fitted with this equipment, one vehicle is working correctly and another has been repaired and calibrated on 2 February 2017, which will be monitored for accuracy and reported back to the provider.

The proposed timeline and/or actions completed are as follows:

- Drivers instructed to collect a (conservative) mandated maximum number of waste and green organics bins – immediate and business as usual
- Unit #75 completed and working correctly - completed
- Unit #77 completed 03/02/2017, audit weight accuracy for 2 weeks and report to technology provider
- Calibrate remaining vehicles - proposed Saturday 25/02/2017
- Recalibrate all trucks with maximum weights - completed progressively, but with haste
- All vehicles calibrated and compliant - end of March 2017

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- All future truck purchases fitted with full proof load weigh cells – 2017 and onwards
- Monitoring, feedback and continual improvement – April onwards

East Waste is focused on achieving full compliance across the fleet by the end of March 2017. By achieving this target further capital investment and retro fitting will not be required.

East Waste will continue to manage the load weighing system technology provider to achieve this target with 100% compliance. Should this target not be achieved then East Waste will consider all options, which may include the consideration of legal advice, and retrofitting load weigh cells.

RECOMMENDATION

That the Report be received and noted.

Agenda Item 6.1

REPORT SUBJECT:	Draft 2017/2018 Annual Plan and Budget
REPORT AUTHOR:	General Manager
MEETING DATE:	Thursday 23 February 2017
ATTACHMENTS:	Draft 2017/2018 Annual Plan Draft 2017/2018 Budget (profit and loss, common fleet) Treasury Management Review - Funding Purchase of Replacement Trucks

Purpose of the Report

To provide the Board with the opportunity to review the Draft 2017/2018 Annual Plan and the Draft 2017/2018 Budget (in profit and loss, common fleet format).

Background

Clause 51 of the Charter mandates that East Waste must have an Annual Plan which supports and informs the Budget.

The Draft 2017/2018 Annual Plan and Draft Budget will be distributed to Member Councils for their review prior to the mandated 31 May timeframe.

The Draft 2017/2018 Budget has been developed using a series of assumptions, which are detailed for the Board below.

Report

Draft Annual Plan

The Draft Annual Plan identifies 23 programs and activities that will be undertaken throughout the year, in addition to the day to day operation of the Subsidiary. It is anticipated that the implementation of these programs will further position East Waste to provide responsive, high quality, low cost core services for Member Councils.

The Draft Annual Plan details programs across five (5) disciplines, being;

- Governance
- Operations
- WH&S
- Communications, and
- Finance

Performance against each Annual Plan implementation is reported to each Board Meeting.

As defined in the Charter, Member Councils must consider and endorse the Draft Annual Plan by 31 May 2017. Subject to the Board endorsing the Draft Annual Plan, East Waste will distribute the Draft Annual Plan and indicative fees to Member Councils in Feb/March 2017. The General Manager then makes himself available to attend each Member Council to discuss the Draft Annual Plan at a Council, Executive, or Officer level.

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Draft 2017/2018 Budget

The Budget has been set under a surplus scenario in order to demarcate a reserve for future truck procurement. The common fleet costing (Member Council Collection Fees) has been displayed in the surplus scenario, and also a balanced budget (nil surplus) scenario. The implications of both scenarios are discussed below.

East Wastes first Treasury Management Review is also stepped out below for Directors review.

The Board are referred to the appended Draft 2017/2018 Budget in both an income and expense format, and two (2) scenarios of common fleet costing modelling. The following assumptions were used to inform the Draft 2017/2018 Budget;

- *Draft 2017/2018 Annual Plan*
- *2015 – 2025 Business Plan*
- *2015 – 2025 Long Term Financial Plan*
- *\$514,845 modelled surplus to be demarcated for future truck replacement reserve*
- *2% wages growth for drivers, with a 1% performance based increase if prescribed KPI's are achieved, as defined in the 2015 East Waste Collective Workplace Agreement*
- *Restructure of the permanent staffing arrangements to reduce from four (4) line managers to two (2)*
- *Reduction in casual wages due to increased workforce participation of permanent employees*
- *Modest 1.5% increase in fuel expenditure on 2016/2017 budgeted expenditure, due to a likely continuation of the depressed diesel fuel price*
- *Proper treatment of Fuel Tax Credits*
- *Continued stringent monitoring of driver overtime*
- *CPI/local Government Price Index (LGPI)*
- *Increase in communications expenditure to facilitate waste management and recycling education and promotion activities*
- *Rebate for recyclables (income) at the top tier (\$35.50/tonne)*
- *Hard Waste expenditure (and corresponding income) including new participating Member Council, Adelaide Hills Council*
- *Purchase of four (4) new collection vehicles under the three-year supply agreement*

Surplus Scenario; \$514k Budget Common Fleet Costing modelling

The Draft 2016/2017 Budget has been proposed with a \$514,845 operating surplus. The resultant collection fees for Member Councils would increase by an average of 3.26% or \$329,899, which is slightly above CPI and LGPI. This surplus would be quarantined in a reserve for truck replacements, as per the (Draft) preliminary Treasury Management Review (refer below). In drafting East Wastes first Treasury Management Policy, the General Manager will be seeking instruction from the Board on whether to commence a long term strategy of financing vehicle asset replacements with cash reserves, rather than through financing. The modelled surplus of \$514,845 is in line with this strategy, in order to bolster cash reserves for future truck purchases. The (Draft) Treasury Management Policy is modelling vehicle replacement as per the Asset Management Plan versus cash on hand, in order to reset the Long Term Financial Plan. Both pieces of work will be brought forward to a subsequent Board and Board Meeting prior to the new financial year.

Balanced Budget Scenario; Nil Surplus Common Fleet Costing modelling

However, the Board may take a view that truck replacements will continue to be financed through borrowings, or that East Wastes current cash position is satisfactory to commence procuring vehicles with reserves. Therefore, for the Board's consideration, a balanced budget (nil surplus) has been modelled in terms of common fleet costing. Should the Board wish to present a balanced budget, this would reduce all Member Councils fees by an average of -1.96% or \$191,748 across all six (6) Member Councils.

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Preliminary Treasury Management Review

The Board is also referred to the preliminary Treasury Management Review undertaken in conjunction with East Wastes incoming accountancy firm, Dean Newberry & Partners. This review was undertaken to identify the potential savings on interest should East Waste use its cash reserves to purchase the four (4) new collection vehicles (value at approximately \$1.5M), rather than relying on finance as historically has been the case. The preliminary analysis indicates that over the life of the loan, East Waste could stand to gain \$115,984 in interest payments deferred (minus interest revenue lost).

This is clearly a move away from historical practices of 100% borrowings for fleet asset purchases. However, during the drafting of East Wastes Treasury Management Policy and updating the Long Term Financial Plan it is clear that following the missing out on securing the Ottoway (leased) depot site, East Waste does not currently have a documented strategic purpose for holding the current cash reserves. While moving to a full or partial cash funding of vehicle purchase would reduce East Wastes access to \$1.5M in cash, it would provide for savings in interest payments, and place a strategic and operational intent on current cash held.

This information is presented to the Board in order to provide an alternative funding strategy for the 2017/2018 (and ongoing) vehicle asset replacement program. Alternatively, the Board may wish to keep the existing loan borrowings model and reduce, or remove, the current budgeted surplus.

RECOMMENDATION

That the Board endorse the Draft 2017/2018 Annual Plan and authorise the General Manager to distribute to Member Councils along with Draft indicative fees; and

That the Board instruct the General Manager on the Draft 2017/2018 Budget scenario modelling

Draft Annual Plan 2017/2018

1. Introduction:

The Annual Plan, as prescribed in Clause 51 of the Charter, is to include an outline of East Waste's objectives, that activities intended to be pursued, and the measurement tools defined to assess performance. It must also assess and summarise the financial requirements of East Waste, and set out the proposals to recover overheads and costs from the Member Councils.

The Draft 2017/2018 Annual Plan documents the objectives, activities, financial requirements and metrics for East Waste to undertake the collection and management of waste, organics, and recycling for Member Councils in a sustainable, efficient, and competitive manner. The Annual Plan is to be read in conjunction with the broader strategic planning framework including the 10 Year Business Plan, Asset Management Plan and Long Term Financial Plan, and Risk Management Planning Framework.

2. Objectives

- 2.1. To provide a **governance framework** that allows a participatory approach to management of the Subsidiary by Member Councils, the Board and East Waste Management Team
- 2.2. To actively seek **operational efficiencies** that improves East Waste's competitive advantage
- 2.3. To incorporate **Workplace Health and Safety** into every decision making process
- 2.4. To **communicate** with Member Councils, staff and the Board in a manner that promotes collaboration
- 2.5. To provide a high-quality low-cost collection service to Member Councils where **financial performance** is underpinned by timely and accurate monitoring and reporting on the budget.

Table 2.1: Current Service Levels by Member Council

Council	Services														
	Weekly collection of waste	Fortnightly collection of recyclables	Fortnightly collection of organics	Hard Waste	Litter Collection	Customer Service	Bin Repairs/Maintenance/Replacements	GPS tracking	RFID tracking	TPI disposal	IWS disposal	Brinkley disposal	Recyclables Contract	Organics Contract	Education and Promotion
Adelaide Hills Council	x	x	x	x	x	x	x	x				x	x	x	x
City of Burnside	x	x	x	x		x		x	x		x		x	x	x
City of Campbelltown	x	x	x	x		x	x	x			x		x	x	x
City of Mitcham		x	x	x		x	x	x					x	x	x
City of Norwood Payneham & SP	x	x	x	Partial	x	x	x	x		x			x	x	x
Corp Town of Walkerville	x	x	x	x	x	x	x	x			x		x	x	x

3. Activities

3.1. Governance Framework

3.1.1. **Consultative Committee:** East Waste is determined to continue a workplace culture of inclusiveness and consultation in order to provide a “one team” approach to the benefit of Member Councils. To this effect, it is proposed that East Waste establish its first Consultative Committee. The aim of the Committee is for Management to genuinely and regularly seek the views of staff on policy and procedures, prior to decisions being made. Nominations will be called for three (3) committee positions, with one committee member representing;

- Administration (Customer Service, Finance/Payroll, Quality/Risk)
- Operations (Supervisors, Workshop, Bin Repair, Yard)
- Drivers (Kerbside Collections, Hard Waste, Litter)

Where more than one (1) nomination is received per work unit, an election will be held. Membership shall be for two (2) years, and a terms of reference will be developed. Management will be represented by East Waste’s Business Improvement Manager (Corporate) who will Chair the committee. It is anticipated that the Committee will meet quarterly, unless a matter arises requiring the Committee to form out of frequency. Matters to be brought to the Committee’s attention include;

- New services being offered (ie hard waste)
- Training
- Organisational restructure
- Timing and frequency of Staff/Customer Satisfaction Surveys
- Non safety related matters
- Non Collective Workplace Agreement matters

The Committee will not replace the current Workplace Health and Safety Committee or Collective Workplace Agreement Single Bargaining Unit, but more so work across the organisation in an effort of continuous improvement in workplace communication.

3.1.2. **Risk Management Software Platform (Skytrust):** Local Government Risk Services (LGRS), which is the entity established to self-manage local government insurance, have partnered with local software developers **Skytrust** to provide a sector wide injury, incident and hazard management solution. Following an initial rollout to 12 SA Councils, Skytrust is now available to the remaining local government authorities and subsidiaries.

An initial meeting between Skytrust representatives and East Waste was very promising, and it was immediately clear that East Waste could move away from a time consuming internal system, to a cloud based software solution for all of our incidents, accidents and claims. Not only will the integration of Skytrust save time and coordinate our records, it will also assist in annual reporting to the Scheme through a purpose built reporting function built into the software.

- 3.1.3. **Payroll Software Integration (Kronos):** Continuing with the improvement towards a modern workplace in order to provide repeatable quality to our Member Councils, East Waste will introduce an automated time and attendance labour tracking software solution. Following a procurement process, Kronos has been identified as the technology partner, and East Waste will roll out the solution and go live from 1 July 2017. The systems is simple, and will allow employees to monitor entitlements, and book leave, however importantly it will provide management with an additional tool to control labour costs, minimise compliance risk and monitor productivity.
- 3.1.4. **Business Continuity ITC:** In line with East Wastes Business Continuity Plan, a significant control to minimise disruption is moving East Wastes information technology and communication (ITC) systems to a single provider with significant back up, responsiveness, and cloud based capabilities. On several occasions in the past, East Waste has lost some of its ITC capabilities which limit its effectiveness in providing core services to Member Councils.
- 3.1.5. **Service Level Agreements:** A template Service Level Agreement (SLA) has been developed to document the minimum levels of acceptable customer service, and any bespoke operational requirements between East Waste and each Member Council (ie early start streets). Adelaide Hills Council and City of Burnside have a current Service Level Agreement in place with East Waste. East Waste is to establish Service Level Agreements with Member Councils that request to have one.

Table 3.1: Summary of activities to deliver on the Governance Framework objective

Activity number	Activity	10 Year Business Plan Linkage	Metric
3.1.1	Consultative Committee	Section 2.3.2	Consultative Committee established and quarterly meetings commenced
3.1.2	Risk Management Software (Skytrust)	Section 2.3.3	Skytrust implemented and integrated into business as usual
3.1.3	Payroll Software Integration	NA	Kronos system installed and integrated as business as usual
3.1.4	Business Continuity ITC	Section 2.3.3	Integration of East Wastes Information Technology and Communication to a single provider. Reduced number of network outages. Time taken to return network capabilities
3.1.5	Service Level Agreements	Section 2.4.2	Number of Service Level Agreements executed

3.2. Operational Efficiencies

3.2.1. **Detailed Investigation into Gas Fleet:** With the introduction into Australia of hydraulic High Density Compressed Natural Gas (HDCNG) waste collection vehicles, East Waste procured a high level preliminary diligence exercise into the HDCNG fuelled collection vehicles. While there are obvious barriers to entry, the high level exercise elicited encouraging results, most notably around reduced running costs, so East Waste is proposing to procure an independent detailed analysis around the following metrics;

- Capital cost of the establishment of HDCNG fleet, and estimated payback period;
- Capital costs associated with the purchase and installation of HDCNG refuelling infrastructure;
- Capital costs associated with the modification of maintenance and servicing depots;
- Operational costs associated with retraining in-house maintenance staff;
- Operational costs/savings associated with maintenance and servicing;
- Operational costs/savings associated with bulk natural gas purchase through potential long term contracts;
- Operational costs/savings associated with fuel consumption;
- Benefits of improved safety systems;
- Benefits associated with reduced noise emissions; and
- Benefits associated with reduced GHG and noxious atmospheric emissions.

It is envisaged that the works would be procured early in 17/18, with the detailed report being brought forward to the Board in late 2017 or early 2018. The draft Budget has incorporated costs for an independent consultancy to conduct the detailed investigations.

3.2.2. **Purchase of RACV:** Industry standards inform that the organisation replaces Robotic Arm Collection Vehicles (RACV) after 7 continuous years of service. Based on the current Asset Register, four (4) RACV will be due for replacement during the 2017/2018 financial year. In order to keep a fleet capable of providing services to Member Councils with minimal maintenance and downtime, it is recommended that four (4) new RACV be purchased.

Guided by the 10 Year Business Plan (Section 2.4.7), late in 2015 the General Manager led a procurement process, which resulted in East Waste entering into an agreement for the supply and contract maintenance of RACV for a period of three (3) years.

For budgeting purposes it has been assumed that the vehicles will be operational in July/August 2017, be financed through Local Government Finance Authority, be fitted with GPS, RFID and bin weighing technology and capability, and will follow the standard practice straight line depreciation over seven (7) years. The sale of the old RACV will be conducted by public auction as detailed in the *Sale and Disposal of Land and Other Assets Policy*. The vehicles will be fully maintained by the Contractor under a contract maintenance model at a fixed \$/hour rate. This contract maintenance program will allow the General Manager to ascertain the most competitive model of maintaining the collection fleet;

being the current model of internalising maintenance, or outsourcing under a contract maintenance model (or a combination of both).

- 3.2.3. **Recyclables Contract (Auditing):** Member Councils have been enjoying the financial and environmental benefit under the long term recyclables processing contract which commenced 1 July 2015. In order to continue to receive the top tier rebate, Member Councils must achieve a maximum contamination level of 10% as determined by an independent audit. Failure to achieve this contamination rate results in a reduction in the rebate of \$5.00/tonne.

An allowance has been made in the budget to provide for two independent audits in 2017/2018.

- 3.2.4. **Hard Waste:** East Waste currently provides an at-call hard waste collection service to City of Mitcham and Campbelltown City Council, City of Burnside, Town of Walkerville, and Adelaide Hills Council.

City of Norwood Payneham & St Peters are currently reviewing their hard waste service delivery model.

This service has grown from one (1) Member Council in 2014, to now five (5) Member Councils taking up the service offering through East Waste. The East Waste Board resolved to purchase a second hand rear loader collection vehicle to accommodate the additional demand.

The Annual Plan 4.1 requests capital approval for the purchase of a new rear loader compaction vehicle should utilisation justify the purchase. The truck purchase has been incorporated into the three (3) year truck supply procurement process (refer 3.2.2 of the Annual Plan) as an optional item, and will be enacted if demand outweighs current capacity of East Waste's rear loader fleet.

Subject to a cost benefit analysis, East Waste would either then sell the second hand unit, or keep it as a backup unit for the two front line rear loader collection vehicles.

- 3.2.5. **Multi-Unit Dwelling/Council Building Servicing:** East Waste has the capability to service larger bins (360L, 660L and 1100L) with its rear loader fleet. Larger bins, and less truck movements are appealing to Member Councils in order to reduce bin storage requirements, minimise bin presentation on the kerb, and improve visual amenity.

East Waste intends to keep developing its service delivery capabilities in this area. As urban density increases, this service offering may become a higher priority for Member Councils.

- 3.2.6. **Generator (back-up power supply):** The interrupted power supply issues in South Australia impacted East Wastes ability to provide seamless core services to Member Councils. East Waste intends to move its ITC to a single provider with offline/cloud based capability, however as a direct business continuity measure East Waste will also purchase a generator or uninterrupted power supply

(UPS). It is envisaged that East Waste will call on the back-up power supply in times of power outages to run our front line communications systems and baseline information technology software.

- 3.2.7. **Bin Sensor Technology (public place bins):** East Waste has been trialling the use of remotely monitored public place bin sensors in street, park and litter bins. 50 bin sensors have been leased for the Adelaide Hills Council area. The sensors advise when the “fullness” of each bin, and when each public place bin requires emptying. The sensors are monitored by operations staff, so that a service run can be established based on bin fullness, rather than a standard set collection frequency. It is common for a public place bin to be serviced before it reaches capacity, while at times East Waste is servicing bins that are over-full. The aim of the trial is to develop a more mature public place bin collection run sheet based on actual usage rather than a mandated collection frequency.

More work needs to be done to understand all of the capabilities of the bin sensors, however preliminary data from the trial indicates significant savings from moving towards a more intervention style service delivery model for public place bins. The draft budget includes capital to lease an additional 100 sensors to roll out across high usage public place bins for Member Council that use East Waste as their litter bin collection contractor (refer 3.2.8).

- 3.2.8. **Litter Collection:** An at-cost public place/street/park litter bin collection service is being provided to Adelaide Hills Council, City of Norwood, Payneham & St Peters, and Town of Walkerville. The service is being provide without difficulty, and the bespoke collection vehicles are being used to service difficult access streets and larger bins (refer 3.2.5 of the Annual Plan) when not required for the litter collections. The difficult to access streets are defined in consultation with operational staff from Member Councils. The litter bin collection service could be expanded and replicated to other willing Member Councils, and could also include public place recycling bins subject to the interest from Member Councils.

The Annual Plan 4.1 requests capital approval for the purchase of an additional rear loader compaction vehicle should utilisation justify the purchase.

- 3.2.9. **Weekly Organics Collection Analysis:** East Waste has been approached by several Member Councils about trialling the weekly collection of household organics bins in order to maximise the amount of food and garden organic material recycled. Currently all East Waste Member Councils provide a fortnightly household organics collection service. However due to increasing waste levy costs, there is a rising emphasis on diverting more material out of the landfill bin, and into the organics and recycling bins.

East Waste intends to procure an independent firm to conduct a desktop analysis of the costs and benefits of moving to a weekly collection frequency of kerbside organics. Subject to the analysis, East Waste may partner with one or more Member Councils to conduct a trial of the weekly collection frequency to measure the increase in landfill diversion and document the direct costs.

Table 3.2: Summary of activities to deliver on the Operational Efficiency objective

Activity number	Activity	10 Year Business Plan Linkage	Metric
3.2.1	Detailed Investigation into Gas Fleet	Section 2.4.7.1	Production of a preliminary investigation report
3.2.2	Purchase of 4 Robotic Arm Collection Vehicles (RACV)	Section 2.4.7	Purchase of 5 RACV in accordance with Policy
3.2.3	Receipt of Recyclables Contract (Auditing)	Section 2.4.5	SKM Contract audit conducted Kerbside comparative audit conducted
3.2.4	Hard waste services	Section 2.4.1	Provision of service to willing Councils at cost. Purchase of new rear loader collection vehicle if utilisation is justified
3.2.5	Multi-Unit Dwellings/Council Buildings	Section 2.4.1	NA
3.2.6	Generator (back-up power supply)	Section 2.3.3	Uninterrupted power supply installed and tested
3.2.7	Bin Sensor Technology (public place bins)	Section 2.4.1	Rollout of an additional 100 public place bin sensors. Movement to an intervention service delivery model
3.2.8	Litter collection services	Section 2.4.1	Provision of litter collection service at cost. Purchase of new rear loader collection vehicle if utilisation is justified
3.2.9	Weekly Organics Collection Analysis	Section 2.4.1	Desktop analysis conducted Field trial completed if justified by desktop

3.3. Workplace Health & Safety

3.3.1. **Risk Management Software Platform (Skytrust):** Refer 3.1.2

3.3.2. **Quarterly WH&S Meetings:** The General Manager and Incident and Quality Control Officer will continue to facilitate a WH&S Committee at least six (6) times a year. The Committee is not governed by the Charter, but is an important internal control. Minutes of the meetings are distributed to all staff, and key messages communicated through toolbox and staff meetings.

3.3.3. **Independent Fleet Audit:** As part of East Wastes continual improvement process, an independent suitably qualified contractor is engaged each year to undertake a mechanical audit process of the entire collection vehicle fleet. Each vehicle is subjected to a series of mechanical tests, and any identifies rectification works are undertaken prior to the vehicle being released for duty.

The annual independent fleet audit is an important part of providing a safe workplace, but has also improved our vehicle utilisation by identifying preventative maintenance works and reducing downtime.

3.3.4. **Certificate IV Training and Assessment:** The Draft Budget includes a provision for 1-2 East Waste staff to undertake the Certificate IV in Training and Assessment. This will enable the internal rollout of critical safety and performance related training such as *Working near Powerlines, Manual Handling, and Driver Performance*. It is anticipated that this will reduce expenditure on external training, while also increase the ability to deliver the training in-house more often, and to smaller groups of drivers.

Table 3.3: Summary of activities to deliver on the Workplace Health & Safety objective

Activity number	Activity	10 Year Business Plan Linkage	Metric
3.3.1	Risk Management Software (Skytrust)	Section 2.6.1	Skytrust implemented and integrated into business as usual
3.3.2	WH&S Committee meetings	Section 2.3.5	Facilitation of a minimum of six (6) meetings
3.3.3	Independent Fleet Audit	Section 2.6.2	Number of fleet audited during the reporting year >33
3.3.4	Certificate IV in Training and Assessment	Section 2.6.1	1-2 staff completing the Cert IV Number of internal training courses delivered

3.4. Communications

- 3.4.1. **Why Waste It? Phase Two Rollout:** In conjunction with the Operations Assistance Committee (refer 3.4.2) East Waste has developed a bespoke waste minimisation and education campaign with the tagline **Why Waste It?** The aim of the program is to encourage residents to change their behaviour and place more food and organics into the green organics bin, and more recyclables and less contamination in the recycling bin.

The East Waste Board resolved on 24 November 2016 to resource the program in the 16/17 Budget Review One (BR1) for the initial rollout. This included traditional print media, posters and flyers, street banners and bus shelter adshells, in conjunction with the development of a dedicated stand-alone microsite.

Phase Two of the rollout has been included in the Draft 17/18 Budget and will include measuring and evaluating household behaviour, intervening where possible to continue to support sustained behaviour change, and development of congratulatory messaging to reward communities who have improved their recycling patterns. East Waste is also in discussions with the Local Government Association (LGA) about using their MyLocal mobile phone application to push out recycling messages to Member Council residents who have downloaded the App. The discussions to date are at a preliminary point, however it is looking promising that East Waste can use this existing platform rather than develop another App.

- 3.4.2. **Operations Assistance Committee:** The East Waste Operations Assistance Committee has been operating since early 2016, and has encouraged knowledge sharing and promoted a common approach to waste management initiatives. The Committee was also responsible for assisting in the development and rollout out of the **Why Waste It?** waste minimisation and recycling education platform. The Committee is represented by each Council at Officer Level, and it is proposed that the Committee will continue in 2017/2018 and meet quarterly. The minutes are presented to the East Waste Board for noting.

- 3.4.3. **Staff Satisfaction Survey (full):** The East Waste Board have requested that the staff satisfaction survey process be repeated every second year, with an abbreviated pulse survey to be conducted in the alternate "off" year. A pulse survey will be completed in 2016/2017.

An allowance has been made in the Draft Budget for the full Survey to be conducted in 2017/2018.

- 3.4.4. **Customer Satisfaction Survey (full):** The East Waste Board have requested that a council/customer satisfaction survey process be repeated every second year, with an abbreviated pulse survey to be conducted in the alternate "off" year. A pulse survey will be completed in 2016/2017.

An allowance has been made in the Draft Budget for the full Survey to be conducted in 2017/2018.

3.4.5. **10 Year Business Plan Consultation:** The East Waste Business Plan 2014 – 2024 was developed with a 1 year Annual Plan, 4 year Delivery Plan and 10 Year Strategic Intent. 2017/2018 will form the final year of the Delivery Plan phase, so it is timely that East Waste coordinate a round of consultations with Member Councils and additional identified stakeholders. It is envisaged that consultation will take the following shape;

- Consultation with Officers at each respective Member Council
- Consultation with identified external stakeholders (auditors, industry, government, commercial, suppliers)
- Consultation with East Waste staff
- Consultation with East Waste Board, and Audit & Risk Management Committee
- Combined Round Table with Member Councils/Board

The findings of the consultation rounds will help update the East Waste Business Plan, with an updated Business Plan document being presented to the East Waste Board in 2018.

Table 3.4: Summary of activities to deliver on the Communications objective

Activity number	Activity	10 Year Business Plan Linkage	Metric
3.4.1	<i>Why Waste It?</i> Phase Two Rollout	Section 2.5.2	Phase I rollout Phase II rollout Increased recycling Decreased contamination
3.4.2	Operation Assistance Committee	Section 4.4	Quarterly meetings of the Committee
3.4.3	Staff satisfaction survey (Full)	Action 9	Development of abbreviated staff satisfaction survey Report to the Board on results of staff satisfaction survey results
3.4.4	Customer satisfaction survey (Full)	Action 13	Development of abbreviated customer satisfaction survey Report to the Board on results of customer satisfaction survey results
3.4.5	10 Year Business Plan Consultation	10 Year BP	Consultation completed Final Draft (updated) Business plan presented to Board

Table 3.5: Summary of Annual Plan activities

	2017_2018 Annual Plan	
Activities	Reference	Comments
Consultative Committee	3.1.1	
Risk Management Software (Skytrust)	3.1.2	
Payroll Software Integration	3.1.3	
Business Continuity ITC	3.1.4	
Service Level Agreements	3.1.5	
Detailed Investigation into Gas Fleet	3.2.1	
Purchase of 4 Robotic Arm Collection Vehicles (RACV)	3.2.2	
Receipt of Recyclables Contract (Auditing)	3.2.3	
Hard waste services	3.2.4	
Multi-Unit Dwellings/Council Buildings	3.2.5	
Generator (back-up power supply)	3.2.6	
Bin Sensor Technology (public place bins)	3.2.7	
Litter collection services	3.2.8	
Weekly Organics Collection Analysis	3.2.9	
Risk Management Software (Skytrust)	3.3.1	
WH&S Committee meetings	3.3.2	
Independent Fleet Audit	3.3.3	
Certificate IV in Training and Assessment	3.3.4	
Why Waste It? Phase Two Rollout	3.4.1	
Operation Assistance Committee	3.4.2	
Staff satisfaction survey (Full)	3.4.3	
Customer satisfaction survey (Full)	3.4.4	
10 Year Business Plan Consultation	3.4.5	

4. Financial Requirements

4.1. Capital Requirements

4.1.1. The capital requirements to undertake services associated with this Annual Plan are detailed in Table 4.1. The capital is proposed to be financed with a mix of borrowings and use of existing equity finance from cash reserves. The full Draft Budget can be found in Appendix A including the capital listed here.

Table 4.1: Capital requirements

Capital item	Approximate cost	Finance mechanism	Comment
4 x RACV	\$1,587,181	LGFA	As per Item 3.2.2 Depreciation and interest included in Budget
1 x rear compactor (hard waste)	\$410,785	LGFA	Only to be purchased if utilisation is justified. Not included in Budget
1 x rear compactor (litter)	\$270,428	LGFA	Only to be purchased if utilisation is justified. Not included in Budget

4.2. Proposed Member Councils fees for 2017/2018

4.2.1. The proposed East Waste fees are outlined in the appended **Table 4.2**. The fees are based on the Draft Budget which is appended in full to the Annual Plan.

4.3. Proposed collection fees

4.3.1. The draft collection fees are presented in **Table 4.3** as determined by common fleet. The draft collection fees are presented against the adopted FY16 common fleet fees, with a variance column (\$) and a variance by percentage. The overall average collection fee increase is 2.05%.

4.4. Treasury Management Policy

4.4.1. East Waste has developed a Draft Treasury Management Policy which will be presented to the June 2017 Board Meeting. It is envisaged that the Policy will be adopted in its final form in 2017/2018, and become business as usual in 2018.

The Draft Treasury Management Policy includes parameters around;

- Member Council Billing Cycles
- Distribution of Surpluses
- Borrowings
- Investments
- Reserves (for truck replacement, entitlements)
- Reporting, and
- Review and Evaluation

5. The Draft 2017/2018 Budget (**Appendix A**) has been constructed in tandem with the development of the Draft Annual Plan and contains;

- Profit and Loss Statement
- Common Fleet Costing
- Treasury Management Review

The following financial papers will be appended to the Final Draft Annual Plan and Budget;

- *Statutory Financial Statements as required by the Regulations*
- *Statement of Changes in Equity*
- *Cash Flow Statement*
- *Statement of Comprehensive Income*
- *Statement of Financial Position*

Appendix A Draft Budget 2017/2018

- Profit and Loss
- Common Fleet Costing Modelling
- Treasury Management Review

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EAST WASTE

DETAILED PROJECTED PROFIT & LOSS REPORT (BUDGET) for the Financial Year Ending 30 June 2018

	FY 2017	FY 2018	ESTIMATED	ESTIMATED
	ADOPTED BUDGET	PROPOSED BUDGET	MOVEMENT	MOVEMENT
	\$	\$	\$	%
WASTE COLLECTION ACTIVITIES				
Waste Collection Income				
3Logix Reporting Fee	-	2,000	2,000	100.00%
Administration	215,800	215,800	-	0.00%
Bin maintenance/Replacement Bins	204,069	155,000	(49,069)	-31.66%
Bin Supply - AHC	64,578	64,578	-	0.00%
Burnside 2nd Bins	60,000	90,000	30,000	33.33%
G/O Disposal Income	1,025,950	1,232,705	206,755	16.77%
Green Organics	2,549,179	2,686,579	137,400	5.11%
Hard Refuse	362,368	434,157	71,789	16.54%
Hard Refuse Disposal Income	154,844	285,156	130,312	45.70%
Household Refuse	4,266,425	4,336,204	69,778	1.61%
Litter	300,051	309,868	9,817	3.17%
Recyclables	3,256,221	3,303,068	46,846	1.42%
Recyclables Rebate	732,000	807,978	75,978	9.40%
Waste Disposal Income	795,000	880,000	85,000	9.66%
Workers Compensation Rebates	-	-	-	0.00%
Total Income	13,986,486	14,803,093	816,607	5.52%
Cost of Operations				
Depreciation	1,861,453	1,842,220	(19,233)	-1.04%
Disposal Fees - G/O	1,025,950	1,232,705	206,755	16.77%
Disposal Fees - Hard	154,844	285,156	130,312	45.70%
Disposal Fees - Waste	795,000	880,000	85,000	9.66%
Dumping Fees - Audits/Contamination	50,000	40,000	(10,000)	-25.00%
Fuel Tax Credits	-	(240,000)	(240,000)	100.00%
Fuel; Gas & Oil	1,006,762	975,065	(31,697)	-3.25%
Interest Expense	363,066	340,490	(22,576)	-6.63%
Maintenance - Trucks	1,113,693	1,130,917	17,224	1.52%
Maintenance - Bins	204,069	219,186	15,117	6.90%
Registration & Insurance - Trucks	279,943	229,973	(49,970)	-21.73%
Superannuation	361,306	313,146	(48,160)	-15.38%
Wages & Salaries	3,803,224	3,947,227	144,003	3.65%
Wages: Casual Agency	550,000	587,632	37,632	6.40%
Workers' Compensation	161,637	150,000	(11,637)	-7.76%
Total Cost of Operations	11,730,947	11,933,717	202,770	1.70%
Waste Collection Operations Surplus / (Deficit)	2,255,539	2,869,376	613,837	21.39%
ADMINISTRATIVE & CORPORATE OVERHEAD ACTIVITIES				
Other Income				
Sundry Income	10,330	10,485	155	1.48%
Profit from Sale of Fixed Assets	25,000	20,000	(5,000)	-25.00%
Interest Income	47,841	32,000	(15,841)	-49.50%
Total Other Income	83,171	62,485	(20,686)	-33.11%
Other Administration & Overhead Expenses				
Account Fees	1,000	5,000	4,000	80.00%
Accounting & Audit	36,155	29,000	(7,155)	-24.67%
Bank Charges	2,066	2,100	34	1.62%
Board Fees	25,500	25,500	0	0.00%
Burnside 2nd Bin Reimbursement	60,000	90,000	30,000	33.33%
Communications	115,850	150,000	34,150	22.77%
Conference	16,000	16,000	-	0.00%
Consulting	85,475	85,000	(475)	-0.56%
Depreciation	7,000	7,780	780	10.03%
Education & Training	25,495	30,000	4,505	15.02%
Equipment Hire	81,000	50,000	(31,000)	-62.00%
Fire / Security Service	19,000	15,000	(4,000)	-26.67%
GPS Monthly Tracking	45,803	65,000	19,197	29.53%

Insurance	25,825	22,000	(3,825)	-17.39%
Kerbside Audits (comparative)	15,330	15,000	(330)	-2.20%
Lease: Two-way Radio	5,028	8,000	2,972	37.15%
Legal Fees	30,608	35,000	4,392	12.55%
Licence Fees	2,417	2,500	83	3.32%
Maintenance - Motor Vehicles	30,990	32,000	1,010	3.16%
Maintenance - Truck Contract	208,000	210,000	2,000	0.95%
Other Items - Ottoway	52,476	43,554	(8,922)	-20.49%
Outgoings Ottoway Depot	46,485	43,027	(3,458)	-8.04%
Power	45,000	49,500	4,500	9.09%
Printing, Stationary, Postage & Courier	43,000	41,406	(1,594)	-3.85%
Promotion & Advertising	51,403	51,971	568	1.09%
Protective Clothing	25,825	17,784	(8,041)	-45.22%
Provisions	70,820	81,940	11,120	13.57%
Recyclables Rebate	732,000	807,978	75,978	9.40%
Rent - Ottoway	186,576	200,659	14,083	7.02%
Risk Assessment Expenses	10,330	10,000	(330)	-3.30%
Staff Amenities	46,381	56,851	10,470	18.42%
Staff Medical	1,033	1,000	(33)	-3.30%
Subscriptions	6,508	2,144	(4,364)	-203.59%
Sundry Items	16,354	7,111	(9,243)	-129.98%
Telephone	44,160	44,822	662	1.48%
Tools, Minor Equipment	55,000	62,390	7,390	11.84%
Total Administration & Corporate Overhead Expenses	2,271,893	2,417,016	145,123	6.00%
Surplus / (Deficit) Administration & Corporate Overhead Activities	(2,188,722)	(2,354,531)	(165,809)	7.04%
Net Surplus / (Deficit)	66,817	514,845	448,028	87.02%

EAST WASTE
COMMON FLEET COSTING WORKSHEET (BUDGET)
for the Financial Year Ending 30 June 2018

	2017 \$	2018 \$
	ADOPTED BUDGET	PROPOSED BUDGET
Total Waste Collection Costs	11,730,947	11,933,717
Total Administrative & Corporate Overhead Costs	2,271,893	2,417,016
Total Expenses Per Profit & Loss	14,002,840	14,350,734

Less: Member Council Non-Collection Costs

Disposal Fees-Waste	795,000	880,000
Disposal Fees-G/O	1,025,950	1,232,705
Bin Maintenance	279,943	219,186
Sundry	16,354	7,111
	2,117,247	2,339,003

Less: Member Council Non-Collection Income

Burnside Second Bins	60,000	90,000
Bin Supply AHC	64,578	64,578
Fixed Admin (Revenue)	215,800	215,800
Hardwaste	517,212	719,313
Litter	300,051	309,868
Recycling Rebate	732,000	807,978
	1,889,641	2,207,537

Total Recoverable Collection Costs - Member Councils

9,995,952	9,804,194
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Balanced Budget (\$nil Surplus) Common Fleet Costing Modelling

Member Council	C&T %	Estimated Costs to be Allocated	FY 2017 Budget Estimate	Variance
Adelaide Hills Council	24.45%	2,397,125	2,444,010	(46,885)
City of Burnside	19.12%	1,874,562	1,911,226	(36,664)
Campbelltown City Council	20.76%	2,035,351	2,075,160	(39,809)
City of Mitcham	15.71%	1,540,239	1,570,364	(30,125)
City of Norwood Payneham & St Peters	16.51%	1,618,672	1,650,332	(31,659)
Corporation Town of Walkerville	3.45%	338,245	344,860	(6,616)
Total		9,804,194	9,995,952	(191,758)

Budget \$514,845 Surplus Common Fleet Costing Modelling

Budget Description	\$
Green Organics	2,686,579
Household Refuse	4,336,204
Recyclables	3,303,068
	10,325,851

Member Council	C&T %	Estimated Costs to be Allocated	FY 2017 Budget Estimate	Variance
Adelaide Hills Council	24.45%	2,524,671	2,444,010	80,660
City of Burnside	19.12%	1,974,303	1,911,226	63,077
Campbelltown City Council	20.76%	2,143,647	2,075,160	68,487
City of Mitcham	15.71%	1,622,191	1,570,364	51,827
City of Norwood Payneham & St Peters	16.51%	1,704,798	1,650,332	54,466
Corporation Town of Walkerville	3.45%	356,242	344,860	11,382
Total		10,325,851	9,995,952	329,899

EAST WASTE**PROJECTED STATEMENT OF COMPREHENSIVE INCOME (BUDGET)**
for the Financial Year Ending 30 June 2018

FY 2016		FY 2017	FY 2018
AUDITED ACTUALS		ADOPTED BUDGET	PROPOSED BUDGET
\$		\$	\$
	INCOME		
12,573,410	User Charges	13,657,839	14,493,515
36,129	Investment income	47,841	32,000
381,540	Other	338,977	320,063
12,991,079	TOTAL INCOME	14,044,657	14,845,578
	EXPENSES		
4,803,231	Employee Costs	4,326,167	4,410,373
6,267,459	Materials, contracts & other expenses	7,445,154	7,749,871
1,595,423	Depreciation, amortisation & impairment	1,868,453	1,850,000
334,865	Finance costs	363,066	340,490
13,000,978	TOTAL EXPENSES	14,002,840	14,350,734
(9,899)	OPERATING SURPLUS / (DEFICIT)	41,817	494,845
37,882	Asset disposals & fair value adjustments	25,000	20,000
27,983	NET SURPLUS / (DEFICIT)	66,817	514,845
-	Other Comprehensive Income	-	-
27,983	TOTAL COMPREHENSIVE INCOME	66,817	514,845

EAST WASTE

Treasury Management Review - Funding Purchase of Replacement Trucks

Financial Analysis on Funding Options for Replacement of East Waste Trucks - internal versus external funding.

Key Assumptions:

- 1 Loans are fixed interest, principal and interest loan repayments with the Local Government Finance Authority (LGFA). Payments on 6 monthly repayment basis.
- 2 Loan term = 7 years (represents the expected life of the truck).
- 3 Cash Deposits are held with the LGFA.
- 4 Interest on Borrowings = 4.75%
- 5 Rate of Return on LGFA Deposit = 1.5% (interest paid annually).
- 6 Interest on LGFA Cash reserve account does not change over the life of the analysis.
- 7 Loan Borrowings = \$1,500,000

Loan Repayment Schedule

Year	Beginning Balance	Principal Repayment	Interest Cost	Closing Balance
1	1,500,000	185,318	69,075	1,314,682
2	1,314,682	194,225	60,168	1,120,457
3	1,120,457	203,560	50,833	916,897
4	916,897	213,344	41,049	703,553
5	703,553	223,598	30,795	479,954
6	479,954	234,345	20,048	245,609
7	245,609	245,609	8,784	0
Total Interest			280,751	

Return on Investment Schedule

1.5%

Year	Beginning Balance	Interest Revenue	Closing Balance	Annual Difference - Interest Expense versus Interest Revenue
1	1,500,000	22,500	1,522,500	- 46,575
2	1,522,500	22,838	1,545,338	- 37,331
3	1,545,338	23,180	1,568,518	- 27,653
4	1,568,518	23,528	1,592,045	- 17,521
5	1,592,045	23,881	1,615,926	- 6,914
6	1,615,926	24,239	1,640,165	4,191
7	1,640,165	24,602	1,664,767	15,818
Total Interest			164,767	- 115,984

Conclusion of Analysis:

The analysis projects that East Waste would save a total of \$115,984 over the life of the loan if it funded the purchase of the replacement trucks with its own cash reserves.

Savings in future years will be compounded by continued reduction on reliance on external loan facilities to fund truck purchases (on the provision that East Waste has sufficient cash reserves available to invest in replacement of trucks). East Waste annually replaces trucks within its fleet with new external loan borrowings.

Key Risks & Sensitivities:

- 1 If the rate of return on deposits increases over the 8 year period, the variance between total interest expense and interest revenue diminishes given deposits are on variable rate facilities versus loans at fixed rate arrangements.
- 2 East Waste will not have access to the \$1.5 million cash to fund other expenses or projects that may be arise during the course of the loan period.



Member Councils • Adelaide Hills Council • City of Burnside • City of Norwood, Payneham & St Peters
• City of Campbelltown • Corporation of The Town of Walkerville • City of Mitcham

Agenda Item 6.2

REPORT SUBJECT:	Financial Statements – December Quarter 2016
REPORT AUTHOR:	General Manager
MEETING DATE:	Thursday 23 February 2017
ATTACHMENTS:	Financial Report December Quarter 2017, Year to Date, Extrapolated

Purpose of the Report

To provide the Board with the financial statements for the December Quarter 2016, with Income Statement and Common Fleet Costing year to date and extrapolated for entire year.

Report

The Subsidiary performed strongly in the December Quarter 2016, achieving an operating surplus of \$213,963. This equates to a current operating surplus of \$518,863 year to date. However East Waste reduced its Quarter 3 member Council collection fee invoices by \$232,948 as per Budget Review 1, so the predicted operating surplus for the year when extrapolated is anticipated to remain steady at \$549,890.

All Member Councils tracked a positive variance in December Quarter 2016 Common Fleet Costing, and this is mirrored in the year to date Common Fleet Costing with, again, all Member Councils tracking a positive variance.

In relation to the remainder of the December Quarter 2016 Financial Statements, the following commentary is offered for the Board;

Statement of Financial Position

- Cash & Equivalents – Significant decrease due to purchase of new trucks and payment of accrued rebate to Member Councils
- Infrastructure, Plant & Equipment – Significant increase due to purchase of new trucks
- Other current liabilities – Significant decrease due to payment of accrued rebate to Member Councils
- Trade Payable - Significant decrease

Statement of Changes in Equity

- Opening balance for Quarter 1 at \$150,000 as per retained operating surplus from 2016/2017

Cash Flow

- Large negative cash flow from change in Other Current Liabilities due to the payment of accrued rebate to Member Councils
- Large negative cash flow from change in Infrastructure, Plant & Equipment due to purchase of new trucks

December Qtr. Income & Expense Budget Analysis

- Negative variance vs budget from all Disposal fees are offset with positive variance from corresponding income accounts
- No actual amount for Audit/Contamination against budget figure of \$12,500 as Audits are scheduled for March 2017
- Positive variance for Fuel: GAS & Oil

EAST WASTE

**Member Councils •Adelaide Hills Council •City of Burnside •City of Norwood, Payneham & St Peters
•City of Campbelltown • Corporation of The Town of Walkerville •City of Mitcham**

- Significant variances with Wages & Salary, Wages: Casual and Superannuation due to less permanent staff and more casual hired during the period during restructure
- Significant negative variance for annual leave accrued in comparison to budget due to upfront accrual at beginning of financial year
- Education & Training over budget due to Chain of Responsibility training for all staff
- Maintenance: Motor Vehicle slightly over budget due to four new vehicle registrations and fees
- Promotion and Advertising over budget due to Member Councils waste calendars and first phase partial rollout of Why Waste It? campaign
- Recycling rebate to councils lower than budget, however three rebates for the quarter have been processed
- Positive variance vs budget for Sundry Income due to LGRS rebates (self-insurance distributions)

RECOMMENDATION

That the December Quarter 2016 Financial Statements are endorsed

Statement of Financial Position

December 2016 Quarter	Q2 2016/2017	Q1 2016/2017	Variance %
Assets			
Cash & Equivalents	\$1,843,483	\$4,443,931	-58.5%
Trade Receivable	\$589,003	\$407,069	44.7%
Other Current Assets	\$207,967	\$295,125	-29.5%
Total Current Assets	\$2,640,453	\$5,146,125	-48.7%
Infrastructure, Plant & Equipment	\$6,758,454	\$5,705,914	18.4%
Total Non-Current Assets	\$6,758,454	\$5,705,914	18.4%
Total Assets	\$9,398,907	\$10,852,039	-13.4%
Liabilities			
Short Term Borrowings	\$380,638	\$502,749	-24.3%
Trade Payable	\$807,440	\$1,176,779	-31.4%
GST Liability	-\$96,458	-\$128,877	25.2%
Other Current Liabilities	\$2,313,697	\$3,404,721	-32.0%
Total Current Liabilities	\$3,405,317	\$4,955,372	-31.3%
Long Term Borrowings	\$4,695,665	\$4,812,705	-2.4%
Other Non-Current Liabilities	\$507,044	\$507,044	0%
Total Non-Current Liabilities	\$5,202,709	\$5,319,749	-2.2%
Total Liabilities	\$8,608,026	\$10,275,121	-16.2%
Equity			
Retained Earnings	\$304,746	\$304,746	0%
Current Earnings	\$518,863	\$304,900	70.2%
Other Equity	-\$32,728	-\$32,728	0%
Total Equity	\$790,881	\$576,918	37.1%
Total Liabilities & Equity	\$9,398,907	\$10,852,039	-13.4%

Statement of Changes in Equity

December 2016 Quarter	Q2 2016/2017	Q1 2016/2017	Variance
Balance at End of Previous Reporting Period	\$583,860	\$150,000	\$433,860
Adjustments Due to Compliance	\$0	\$0	\$0
Other Adjustments	(\$6,942)	\$0	(\$6,942)
Restated Opening Balance	\$576,918	\$150,000	\$426,918
Net Surplus / (Deficit)	\$213,963	\$311,842	(\$97,879)
Gain on Revaluation of Property, Plant & Equipment	\$0	\$0	\$0
Transfers Between Reserves	\$0	\$0	\$0
Capital Contributed by Members	\$0	\$122,018	(\$122,018)
Distributions to Members	\$0	\$0	\$0
Balance at End of Current Reporting Period	\$790,881	\$583,860	\$207,021

Cash Flow Summary

Operating Cash Flow

-\$846,377

Operating cash flow is simply the cash generated by the operating activities of the business. Operating activities include the production, sales and delivery of the company's product and/or services as well as collecting payment from its customers and making payments to suppliers.

Free Cash Flow

-\$2,341,210

Free cash flow is the cash generated by the business, after paying its expenses and investing for future growth. It is the cash left after subtracting capital expenditure from operating cash flow. The term "free cash flow" is used because this cash is free to be paid back to the suppliers of capital.

Net Cash Flow

-\$2,361,297

Net cash flow is the cash left after subtracting expenditures from financing activities from the free cash flow. This includes the cash impact from financing activities. Financing activities include the inflow of cash from investors such as banks or shareholders, as well as the outflow of cash to shareholders as dividends.

December 2016 Quarter	Q2 2016/2017	Q1 2016/2017	Variance
Operating Cash Flow			
Total Income	\$3,669,365	\$3,619,275	\$50,090
Total Cost Of Operations	(\$2,538,658)	(\$2,380,333)	(\$158,324)
Total Expenses Less Depreciation	(\$470,071)	(\$523,660)	\$53,589
Total Other Income	\$24,316	\$21,137	\$3,179
Cash Tax Paid	\$23,810	(\$13,170)	\$36,980
Change In Trade Payable	(\$369,339)	\$541,439	(\$910,778)
Change In Other Current Liabilities	(\$1,091,024)	\$1,879,886	(\$2,970,910)
Change In Trade Receivable	(\$181,935)	(\$49,476)	(\$132,459)
Change In Other Current Assets	\$87,158	(\$294,135)	\$381,293
Operating Cash Flow Total	(\$846,377)	\$2,800,963	(\$3,647,340)
Free Cash Flow			
Change In Infrastructure, Plant & Equipment Less Depreciation	(\$1,494,833)	(\$793,826)	(\$701,007)
Change in Other Non-Current Assets	\$0	\$0	\$0
Free Cash Flow Total	(\$2,341,210)	\$2,007,137	(\$4,348,347)
Net Cash Flow			
Net Interest (after Tax)	(\$20,087)	(\$7,803)	(\$12,284)
Change in Other Non-Current Liabilities	\$0	\$0	\$0
Change in Retained Earnings & Other Equity	\$0	\$122,018	(\$122,018)
Adjustments	\$0	\$0	\$0
Net Cash Flow Total	(\$2,361,297)	\$2,121,352	(\$4,482,649)
Net Cash Flow Resulting From			
Change In Cash On Hand	(\$2,600,448)	\$1,646,361	(\$4,246,809)
Change In Short Term Debt	\$122,111	\$64,222	\$57,889
Change In Long Term Debt	\$117,040	\$410,769	(\$293,730)
Net Cash Flow Total	(\$2,361,297)	\$2,121,352	(\$4,482,649)

Income & Expense Budget Analysis

December 2016 Quarter	Q2 2016/2017	Budget	Variance
Income			
Collection Fees	\$3,669,365	\$3,548,063	\$121,303
Total Income	\$3,669,365	\$3,548,063	\$121,303
Cost of Operations			
Disposal Fees - G/O	\$288,132	\$256,487	(\$31,645)
Disposal Fees - HARD	\$77,449	\$53,711	(\$23,738)
Disposal Fees - Waste	\$237,869	\$198,750	(\$39,119)
Audit/Contamination	\$0	\$12,500	\$12,500
Fuel: Gas & Oil	\$246,617	\$315,132	\$68,515
Maintenance: Bins	\$61,919	\$51,017	(\$10,901)
Maintenance: Trucks	\$271,249	\$278,423	\$7,175
Regist'n & Insurance: Trucks	\$58,918	\$69,986	\$11,067
Superannuation	\$72,624	\$94,672	\$22,048
Wages & Salaries	\$940,225	\$996,544	\$56,319
Wages: Casual Agency	\$241,156	\$136,557	(\$104,599)
Workers Compensation	\$42,500	\$39,235	(\$3,265)
Total Cost of Operations	\$2,538,658	\$2,503,015	(\$35,642)
Operating Surplus (Deficit)	\$1,130,708	\$1,045,048	\$85,660
Expenses			
Account Fees	\$1,792	\$250	(\$1,542)
Accounting & Audit	\$6,900	\$9,039	\$2,139
Annual Leave Accrued	(\$67,971)	\$7,375	\$75,346
Bank Charges	\$336	\$517	\$180
Board Fees	\$6,100	\$6,375	\$275
Burnside 2nd Bin Reimbursement	\$6,867	\$3,000	(\$3,867)
Communications	\$26,546	\$28,963	\$2,416
Conference	\$3,902	\$4,000	\$98
Consulting	\$11,269	\$21,369	\$10,100
Depreciation	\$442,293	\$467,113	\$24,820
Education & Training	\$12,739	\$6,374	(\$6,365)
Equipment Hire	\$11,434	\$20,250	\$8,816
Fire / Security Service	\$3,326	\$4,750	\$1,424
GPS Monthly Tracking	\$16,011	\$11,451	(\$4,560)
Insurance	\$5,371	\$6,456	\$1,085
Kerbside Audits	\$0	\$3,833	\$3,833
Lease: Two-way Radio	\$0	\$1,257	\$1,257
Legal Fees	\$10,044	\$7,652	(\$2,392)
Licence Fees	\$0	\$604	\$604
Maintenance: Motor Vehicle	\$10,104	\$7,748	(\$2,356)
Maintenance: Trucks Contract	\$47,100	\$52,000	\$4,900
Other Items - Ottoway	\$8,836	\$13,119	\$4,283
Outgoings Ottoway Depot	\$9,436	\$11,621	\$2,185
Power	\$6,861	\$11,250	\$4,389
Print/Stationery/Post/Courier	\$11,494	\$10,750	(\$744)
Promotion & Advertising	\$25,601	\$12,851	(\$12,751)
Protective Clothing	\$6,443	\$9,051	\$2,607
Recycling Rebate to Councils	\$200,598	\$183,000	(\$17,598)
Rent - Ottoway	\$48,672	\$46,644	(\$2,028)

Income & Expense Budget Analysis

Risk Management Expenses	\$0	\$2,582	\$2,582
Staff Amenities	\$14,597	\$11,595	(\$3,002)
Staff Medical	\$0	\$258	\$258
Sub Depot - Adelaide Hills	(\$599)	\$0	\$599
Subscriptions	\$511	\$1,627	\$1,116
Sundry Items	\$1,258	\$4,088	\$2,830
Telephone	\$9,067	\$11,040	\$1,973
Tools, Minor Equipment	\$15,425	\$13,750	(\$1,675)
Total Expenses	\$912,364	\$1,013,601	\$101,236
Surplus (Deficit) After Overheads	\$218,343	\$31,447	\$186,897
Other Income			
Sundry Income	\$24,316	\$2,582	\$21,734
Profit / Loss on Sale of Asset	\$0	\$6,250	(\$6,250)
Total Other Income	\$24,316	\$8,832	\$15,484
Net Surplus (Deficit) Before Interest	\$242,659	\$40,279	\$202,380
Interest Income			
Interest	\$2,962	\$11,960	(\$8,998)
Total Interest Income	\$2,962	\$11,960	(\$8,998)
Interest Expenses			
Interest Expense	\$17,250	\$37,315	\$20,065
Interest - Equity Loan	\$14,409	\$0	(\$14,409)
Total Interest Expenses	\$31,658	\$37,315	\$5,657
Total Comprehensive Income	\$213,963	\$14,925	\$199,039

Income & Expense Budget Analysis

2017 Financial Year To Date	2015/2016 FYTD	Budget	Variance
Income			
Collection Fees	\$7,288,640	\$7,144,125	\$144,515
Total Income	\$7,288,640	\$7,144,125	\$144,515
Cost of Operations			
Disposal Fees - G/O	\$553,752	\$512,975	(\$40,777)
Disposal Fees - HARD	\$129,179	\$92,422	(\$36,757)
Disposal Fees - Waste	\$439,877	\$397,500	(\$42,377)
Audit/Contamination	\$0	\$25,000	\$25,000
Fuel: Gas & Oil	\$479,160	\$630,264	\$151,104
Maintenance: Bins	\$107,974	\$102,035	(\$5,939)
Maintenance: Trucks	\$553,712	\$556,847	\$3,134
Regist'n & Insurance: Trucks	\$113,287	\$139,972	\$26,685
Superannuation	\$149,040	\$179,346	\$30,306
Wages & Salaries	\$1,889,427	\$1,887,852	(\$1,575)
Wages: Casual Agency	\$418,584	\$254,106	(\$164,477)
Workers Compensation	\$85,000	\$81,403	(\$3,597)
Total Cost of Operations	\$4,918,991	\$4,859,721	(\$59,269)
Operating Surplus (Deficit)	\$2,369,650	\$2,284,404	\$85,246
Expenses			
Account Fees	\$2,431	\$500	(\$1,931)
Accounting & Audit	\$14,300	\$18,077	\$3,777
Annual Leave Accrued	(\$13,926)	\$14,750	\$28,676
Bank Charges	\$899	\$1,033	\$134
Board Fees	\$12,200	\$12,750	\$550
Burnside 2nd Bin Reimbursement	\$83,053	\$54,000	(\$29,053)
Communications	\$35,525	\$57,925	\$22,400
Conference	\$9,890	\$8,000	(\$1,890)
Consulting	\$52,850	\$42,737	(\$10,113)
Depreciation	\$862,665	\$934,226	\$71,562
Education & Training	\$17,336	\$12,747	(\$4,589)
Equipment Hire	\$18,026	\$40,500	\$22,474
Fire / Security Service	\$6,604	\$9,500	\$2,896
GPS Monthly Tracking	\$31,517	\$22,902	(\$8,615)
Insurance	\$10,742	\$12,913	\$2,170
Kerbside Audits	\$633	\$7,665	\$7,033
Lease: Two-way Radio	\$2,505	\$2,514	\$9
Legal Fees	\$24,567	\$15,304	(\$9,263)
Licence Fees	\$0	\$1,208	\$1,208
LSL Accrued	\$0	\$41,320	\$41,320
Maintenance: Motor Vehicle	\$15,650	\$15,495	(\$155)
Maintenance: Trucks Contract	\$47,100	\$52,000	\$4,900
Other Items - Ottoway	\$21,455	\$26,238	\$4,783
Outgoings Ottoway Depot	\$21,196	\$23,243	\$2,047
Power	\$12,262	\$22,500	\$10,238
Print/Stationery/Post/Courier	\$20,397	\$21,500	\$1,103
Promotion & Advertising	\$25,601	\$25,701	\$100
Protective Clothing	\$8,761	\$10,551	\$1,790
Recycling Rebate to Councils	\$336,103	\$366,000	\$29,897

Income & Expense Budget Analysis

Rent - Ottoway	\$96,470	\$93,288	(\$3,182)
Risk Management Expenses	\$0	\$5,165	\$5,165
Staff Amenities	\$28,006	\$23,190	(\$4,815)
Staff Medical	\$0	\$516	\$516
Subscriptions	\$1,056	\$3,254	\$2,198
Sundry Items	\$3,503	\$8,177	\$4,674
Telephone	\$16,284	\$22,080	\$5,796
Tools, Minor Equipment	\$30,734	\$27,500	(\$3,234)
Total Expenses	\$1,856,396	\$2,056,971	\$200,575
Surplus (Deficit) After Overheads	\$513,253	\$227,433	\$285,820
Other Income			
Sundry Income	\$25,048	\$5,165	\$19,883
Profit / Loss on Sale of Asset	\$20,405	\$12,500	\$7,905
Total Other Income	\$45,453	\$17,665	\$27,789
Net Surplus (Deficit) Before Interest	\$558,707	\$245,098	\$313,609
Interest Income			
Interest	\$13,213	\$23,921	(\$10,707)
Total Interest Income	\$13,213	\$23,921	(\$10,707)
Interest Expenses			
Interest Expense	\$49,502	\$171,761	\$122,259
Interest - AHC Bins	(\$404)	\$0	\$404
Interest - Equity Loan	\$3,958	\$0	(\$3,958)
Total Interest Expenses	\$53,056	\$171,761	\$118,704
Total Comprehensive Income	\$518,863	\$97,258	\$421,605

Income & Expense Budget Analysis

Extrapolated 2017 Financial Year	Extrapolated 16/17	Budget	Variance
Income			
Collection Fees	\$14,383,004	\$14,007,304	\$375,700
Total Income	\$14,383,004	\$14,007,304	\$375,700
Cost of Operations			
Disposal Fees - G/O	\$1,107,504	\$1,025,950	(\$81,554)
Disposal Fees - HARD	\$258,358	\$199,844	(\$58,514)
Disposal Fees - Waste	\$879,754	\$795,000	(\$84,754)
Audit/Contamination	\$40,000	\$50,000	\$10,000
Fuel: Gas & Oil	\$958,319	\$1,260,528	\$302,209
Maintenance: Bins	\$215,947	\$204,069	(\$11,878)
Maintenance: Trucks	\$1,107,425	\$1,113,693	\$6,268
Regist'n & Insurance: Trucks	\$226,574	\$279,943	\$53,369
Superannuation	\$307,579	\$361,306	\$53,727
Wages & Salaries	\$3,856,931	\$3,803,224	(\$53,707)
Wages: Casual Agency	\$567,167	\$550,000	(\$17,167)
Workers Compensation	\$170,000	\$161,637	(\$8,363)
Total Cost of Operations	\$9,695,559	\$9,805,194	\$109,636
Operating Surplus (Deficit)	\$4,687,446	\$4,202,110	\$485,336
Expenses			
Account Fees	\$4,863	\$1,000	(\$3,863)
Accounting & Audit	\$28,600	\$36,155	\$7,555
Annual Leave Accrued	(\$27,851)	\$29,500	\$57,351
Bank Charges	\$1,798	\$2,066	\$268
Board Fees	\$25,500	\$25,500	\$0
Burnside 2nd Bin Reimbursement	\$87,079	\$60,000	(\$27,079)
Communications	\$115,850	\$115,850	\$0
Conference	\$16,000	\$16,000	\$0
Consulting	\$85,475	\$85,475	\$0
Depreciation	\$1,767,615	\$1,868,453	\$100,838
Education & Training	\$34,673	\$25,495	(\$9,178)
Equipment Hire	\$36,053	\$81,000	\$44,947
Fire / Security Service	\$13,208	\$19,000	\$5,792
GPS Monthly Tracking	\$63,033	\$45,803	(\$17,230)
Insurance	\$21,485	\$25,825	\$4,340
Kerbside Audits	\$15,330	\$15,330	\$0
Lease: Two-way Radio	\$5,028	\$5,028	\$0
Legal Fees	\$30,608	\$30,608	\$0
Licence Fees	\$0	\$2,417	\$2,417
LSL Accrued	\$40,000	\$41,320	\$1,320
Maintenance: Motor Vehicle	\$31,300	\$30,990	(\$310)
Maintenance: Trucks Contract	\$156,000	\$156,000	\$0
Other Items - Ottoway	\$42,910	\$52,476	\$9,566
Outgoings Ottoway Depot	\$42,391	\$46,485	\$4,094
Power	\$45,000	\$45,000	\$0
Print/Stationery/Post/Courier	\$40,794	\$43,000	\$2,206
Promotion & Advertising	\$51,203	\$51,403	\$200
Protective Clothing	\$17,521	\$25,825	\$8,304
Recycling Rebate to Councils	\$732,000	\$732,000	\$0

Income & Expense Budget Analysis

Rent - Ottoway	\$192,941	\$186,576	(\$6,365)
Risk Management Expenses	\$0	\$10,330	\$10,330
Staff Amenities	\$56,011	\$46,381	(\$9,630)
Staff Medical	\$0	\$1,033	\$1,033
Subscriptions	\$2,112	\$6,508	\$4,396
Sundry Items	\$7,007	\$16,354	\$9,347
Telephone	\$44,160	\$44,160	\$0
Tools, Minor Equipment	\$61,468	\$55,000	(\$6,468)
Total Expenses	\$3,887,164	\$4,081,346	\$194,182
Surplus (Deficit) After Overheads	\$800,282	\$120,764	\$679,518
Other Income			
Sundry Income	\$10,330	\$10,330	\$0
Profit / Loss on Sale of Asset	\$25,000	\$25,000	\$0
Total Other Income	\$35,330	\$35,330	\$0
Net Surplus (Deficit) Before Interest	\$835,612	\$156,094	\$679,518
Interest Income			
Interest	\$26,426	\$47,841	(\$21,415)
Total Interest Income	\$26,426	\$47,841	(\$21,415)
Interest Expenses			
Interest Expense	\$285,735	\$363,066	\$77,331
Interest - AHC Bins	(\$808)	\$0	\$808
Interest - Equity Loan	\$27,221	\$0	(\$27,221)
Total Interest Expenses	\$312,149	\$363,066	\$50,917
Total Comprehensive Income	\$549,890	(\$159,131)	\$709,021

Common Fleet Costing

December 2016 Quarter	Q2 2016/2017	Budget Q2 16/17
Total Expenses	\$3,482,680	\$3,553,931
Less:		
Disposal Fees - Waste	\$237,869	\$198,750
Disposal Fees - G/O	\$288,132	\$256,487
Interest - Equity Loan	\$14,409	\$0
Maintenance: Bins	\$61,919	\$51,017
Sundry Items	\$1,258	\$4,088
Burnside 2nd Bins	\$7,273	\$3,000
Recycling Rebate	\$200,598	\$183,000
Rebate to Member Councils	\$0	\$0
Fixed Admin (Revenue)	\$127,788	\$74,743
Hard Waste Expenses	\$177,556	\$129,303
Litter Expenses	\$68,544	\$75,013
Bins Expenses	\$9,548	\$16,145
Total Member Council Non-Collection Costs	\$1,194,893	\$991,546
Total Collection Costs	\$2,287,787	\$2,562,385

Overhead Allocation		Total Costs	Budget	Variance
Adelaide Hills	24.89%	\$569,430	\$637,778	\$68,347
Burnside	18.73%	\$428,502	\$479,935	\$51,432
Campbelltown	20.61%	\$471,513	\$528,107	\$56,595
Mitcham	15.89%	\$363,529	\$407,163	\$43,634
Norwood	16.47%	\$376,798	\$422,025	\$45,226
Walkerville	3.41%	\$78,014	\$87,377	\$9,364
Total	100%	\$2,287,787	\$2,562,385	\$274,598

Common Fleet Costing

2017 Financial Year To Date	2016/2017 FY	Budget 16/17 FY
Total Expenses	\$6,828,443	\$7,088,453
Less:		
Disposal Fees - Waste	\$439,877	\$397,500
Disposal Fees - G/O	\$553,752	\$512,975
Interest - Equity Loan	\$3,958	\$0
Maintenance: Bins	\$107,974	\$102,035
Sundry Items	\$3,503	\$8,177
Burnside 2nd Bins	\$81,079	\$54,000
Recycling Rebate	\$336,103	\$366,000
Rebate to Member Councils	\$0	\$0
Fixed Admin (Revenue)	\$161,596	\$149,485
Hard Waste Expenses	\$295,203	\$258,606
Litter Expenses	\$127,126	\$150,026
Bins Expenses	\$19,096	\$32,289
Total Member Council Non-Collection Costs	\$2,129,268	\$2,031,092
Total Collection Costs	\$4,699,175	\$5,057,360

Overhead Allocation		Total Costs	Budget	Variance
Adelaide Hills	24.89%	\$1,169,625	\$1,258,777	\$89,152
Burnside	18.73%	\$880,156	\$947,244	\$67,088
Campbelltown	20.61%	\$968,500	\$1,042,322	\$73,822
Mitcham	15.89%	\$746,699	\$803,615	\$56,916
Norwood	16.47%	\$773,954	\$832,947	\$58,993
Walkerville	3.41%	\$160,242	\$172,456	\$12,214
Total	100%	\$4,699,175	\$5,057,360	\$358,185

Agenda Item 6.3

REPORT SUBJECT:	Second Review of Budgets; Budget Review Two (BR2)
REPORT AUTHOR:	General Manager
MEETING DATE:	Thursday 23 February 2017
ATTACHMENTS:	Second Review of Budget Report

Purpose of the Report

To provide the Board with a report on Budget Review Two (BR2) as prescribed by the Regulations.

Background

As per the Local Government (Financial Management) Regulations 2011;

9—Review of budgets

(1) A council, council subsidiary or regional subsidiary must prepare and consider the following reports:

(a) at least twice, between 30 September and 31 May (both dates inclusive) in the relevant financial year (where at least 1 report must be considered before the consideration of the report under subregulation (1)(b), and at least 1 report must be considered after consideration of the report under subregulation (1)(b))—a report showing a revised forecast of its operating and capital investment activities for the relevant financial year compared with the estimates for those activities set out in the budget presented in a manner consistent with the note in the Model Financial Statements entitled Uniform Presentation of Finances;

(b) 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.

Report

As reported to the 24 November 2016 East Waste Board Meeting, East Waste was successfully appointed as the at-call hard waste collection contractor for Member Council, Adelaide Hills Council. While East Waste was responding to a tender process, Adelaide Hills Council procured the service as a Member Council, and therefore as per the Charter, East Waste simply charges Member Councils the actual cost of providing the service.

Irrespective of the operating result being financially neutral, the Regulations require a Subsidiary to review the operating and investment activity within the Budget and make any material changes to the Budget in the form of a Budget Review. This report serves to function as the second review of budgets, commonly referred to as BR2.

The at-call hard waste service for Adelaide Hills Council represents a prospective additional operating income of approximately \$66,000 for the remainder of 2016/2017. This income is offset by expected costs across fuel, labour, depreciation, and other running costs to provide the service (at cost).

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Given the new service came online in November 2016, East Waste is requesting the Board vary the budget in BR2 to reflect the additional income and expenditure attributable to the service over the remaining financial year.

East Wastes external accountancy firm Hood Sweeny have prepared the Second Review of Budgets report in the prescribed format which details the varied budget papers. The Board are referred to the attached Report.

RECOMMENDATION

That the Second Review of Budgets Report is accepted and endorsed

Second Review of Budgets For the year ended 30 June 2017

In accordance with regulation 9 of the *Local Government (Financial Management) Regulations 2011*:

1. *A council, council subsidiary or regional subsidiary must prepare and consider the following reports:*
 - a. *at least twice, between 30 September and 31 May (both dates inclusive) in the relevant financial year (where at least 1 report must be considered before the consideration of the report under sub regulation (1)(b), and at least 1 report must be considered after consideration of the report under sub regulation (1)(b))—a report showing a revised forecast of its operating and capital investment activities for the relevant financial year compared with the estimates for those activities set out in the budget presented in a manner consistent with the note in the Model Financial Statements entitled Uniform Presentation of Finances;*
 - b. *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.*

The following statements have been prepared in accordance to the above stated regulations.

EAST WASTE MANAGEMENT AUTHORITY INC

STATEMENT OF OPERATING & CAPITAL INVESTMENT ACTIVITIES FOR THE YEAR ENDING 30 JUNE 2017

	ADOPTED BUDGET 2016/17 \$	FIRST BUDGET REVIEW \$	SECOND BUDGET REVIEW \$	REVISED BUDGET 2016/17 \$
Total Income	13,566,422	(486,714)	364,771	13,444,479
Less Expenses	13,591,422	(486,714)	364,771	13,469,479
Operating Surplus/(Deficit)	(25,000)	-	-	(25,000)
Net Outlay on Assets				
Capital expenditure on renewal & replacement of existing assets	1,926,100	603,900	-	2,530,000
Depreciation, amortisation & impairment	(1,868,453)	-	(6,240)	(1,874,693)
Proceeds from sale of replaced assets	(27,500)	-	-	(27,500)
Less Net Outlay on Assets	30,147	603,900	(6,240)	627,807
Net Lending/(Borrowing) for Financial Year	(55,147)	(603,900)	6,240	(652,807)

EAST WASTE MANAGEMENT AUTHORITY INC
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDING 30 JUNE 2017

AUDITED ACTUAL 2015/16 \$		ADOPTED BUDGET 2016/17 \$	FIRST BUDGET REVIEW \$	SECOND BUDGET REVIEW \$	REVISED BUDGET 2016/17 \$
INCOME					
12,573,410	Collection Charges	12,925,838	(232,948)	110,410	12,803,300
36,129	Investment income	47,841	-	-	47,841
381,540	Other income	592,743	(253,766)	254,361	593,338
12,991,079	TOTAL INCOME	13,566,422	(486,714)	364,771	13,444,479
EXPENSES					
4,803,231	Employee costs	4,946,987	-	22,764	4,969,751
6,267,459	Materials, contracts & other expenses	6,412,916	(486,714)	335,767	6,261,969
1,595,423	Depreciation, amortisation & impairment	1,868,453	-	6,240	1,874,693
334,865	Finance costs	363,066	-	-	363,066
13,000,978	TOTAL EXPENSES	13,591,422	(486,714)	364,771	13,469,479
(9,899)	OPERATING SURPLUS/(DEFICIT)	(25,000)	-	-	(25,000)
37,882	Net gain (loss) on disposal of assets	25,000	-	-	25,000
27,984	NET SURPLUS	-	-	-	-
-	Other Comprehensive Income	-	-	-	-
27,984	Total Comprehensive Income	-	-	-	-

EAST WASTE MANAGEMENT AUTHORITY INC
STATEMENT OF CASH FLOWS FOR THE YEAR ENDING 30 JUNE 2017

AUDITED ACTUAL 2015/16 \$		ADOPTED BUDGET 2016/17 \$	FIRST BUDGET REVIEW \$	SECOND BUDGET REVIEW \$	REVISED BUDGET 2016/17 \$
CASH FLOWS FROM OPERATING ACTIVITIES					
	<u>Receipts</u>				
13,720,757	Operating Receipts	15,588,280	(475,501)	419,952	15,532,731
36,129	Investment Receipts	47,841	-	-	47,841
	<u>Payments</u>				
(10,937,720)	Operating Payments to Suppliers & Employees	(13,139,730)	502,053	(323,145)	(12,960,822)
(390,947)	Finance Payments	(363,066)	-	-	(363,066)
(62,503)	Other Payments	-	-	-	-
(276,764)	Distribution to Member Councils	(779,064)	(339,585)	-	(1,118,649)
2,088,953	Net Cash Provided/(Used) by Operating Activities	1,354,261	(313,033)	96,807	1,138,035
CASH FLOWS FROM FINANCING ACTIVITIES					
-	Loans Received	1,751,000	779,000	-	2,530,000
(1,412,598)	Loan Repayments	(1,515,045)	663,315	-	(851,730)
(1,412,598)	Net Cash Provided/(Used) by Financing Activities	235,955	1,442,315	-	1,678,270
CASH FLOWS FROM INVESTING ACTIVITIES					
	<u>Receipts</u>				
105,490	Sale of Replaced Assets	27,500	-	-	27,500
122,018	Capital Contributed by Members	122,018	-	-	122,018
	<u>Payments</u>				
(202,487)	Expenditure on renewal / replacements of assets	(1,926,100)	(603,900)	-	(2,530,000)
	Expenditure on new / upgraded assets	-	-	-	-
25,021	Net Cash Provided/(Used) by Investing Activities	(1,776,582)	(603,900)	-	(2,380,482)
701,376	NET INCREASE (DECREASE) IN CASH HELD	(186,366)	525,382	96,807	435,823
2,096,194	CASH AND CASH EQUIVALENTS AT BEGINNING OF REPORTING PERIOD	2,861,782	(64,212)	-	2,797,570
2,797,570	CASH AND CASH EQUIVALENTS AT END OF REPORTING PERIOD	2,675,415	461,170	96,807	3,233,393

EAST WASTE MANAGEMENT AUTHORITY INC
STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDING 30 JUNE 2017

AUDITED ACTUAL 2015/16 \$		ADOPTED BUDGET 2016/17 \$	FIRST BUDGET REVIEW \$	SECOND BUDGET REVIEW \$	REVISED BUDGET 2016/17 \$
CURRENT ASSETS					
2,797,570	Cash and Cash Equivalents	2,675,415	461,170	96,807	3,233,393
358,583	Trade & Other Receivables	114,594	269,172	(44,449)	339,316
3,156,153	TOTAL CURRENT ASSETS	2,790,009	730,342	52,358	3,572,709
CURRENT LIABILITIES					
1,869,862	Trade & Other Payables	883,391	(3,271)	46,118	926,238
608,909	Provisions	172,661	380,128	-	552,789
1,416,593	Borrowings	1,622,419	(120,935)	-	1,501,484
3,895,364	TOTAL CURRENT LIABILITIES	2,678,470	255,922	46,118	2,980,511
(739,211)	NET CURRENT ASSETS/(CURRENT LIABILITIES)	111,539	474,420	6,240	592,199
NON-CURRENT ASSETS					
5,332,461	Equipment	6,741,522	(977,514)	(6,240)	5,757,768
5,332,461	TOTAL NON-CURRENT ASSETS	6,741,522	(977,514)	(6,240)	5,757,768
NON-CURRENT LIABILITIES					
69,398	Provisions	536,237	(425,519)	-	110,718
4,373,852	Borrowings	5,796,025	171,206	-	5,967,231
4,443,250	TOTAL NON-CURRENT LIABILITIES	6,332,262	(254,313)	-	6,077,949
150,000	NET ASSETS	520,799	(248,781)	-	272,018
EQUITY					
150,000	Accumulated Surplus/(Deficit)	520,799	(248,781)	-	272,018
150,000	TOTAL EQUITY	520,799	(248,781)	-	272,018

EAST WASTE MANAGEMENT AUTHORITY INC
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDING 30 JUNE 2017

AUDITED ACTUAL 2015/16 \$		ADOPTED BUDGET 2016/17 \$	FIRST BUDGET REVIEW \$	SECOND BUDGET REVIEW \$	REVISED BUDGET 2016/17 \$
ACCUMULATED SURPLUS					
276,763	Balance at beginning of period	398,781	(248,781)	-	150,000
27,984	Net Surplus/(Deficit)	-	-	-	-
-	Transfers from Reserves	-	-	-	-
122,018	Contributed Equity	122,018	-	-	122,018
(276,765)	Distribution to Constituent Councils	-	-	-	-
150,000	Balance at end of period	520,799	(248,781)	-	272,018
150,000	TOTAL EQUITY	520,799	(248,781)	-	272,018

Agenda Item 6.4

REPORT SUBJECT: Engagement of External Auditor

REPORT AUTHOR: General Manager

MEETING DATE: Thursday 23 February 2017

ATTACHMENTS: Confidential Evaluation Report

Purpose of the Report

To provide the Board with a report on the procurement process to engage an external auditor to provide external audit services to East Waste.

Background

Consistent with the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011 East Waste must have an auditor.

In November 2016 East Waste undertook a Request for Quotation (RFQ) process for the provision of accountancy services to East Waste. The outcome resulted in East Waste's (then current) external auditor, Dean Newbery & partners being awarded the contract to provide accountancy services. Upon being awarded the accountancy services contract, Dean Newbery & Partners resigned, effective immediately, from their appointment as external auditor to East Waste.

As a result a RFQ process was commenced seeking quotations from suitably qualified auditor's to provide external audit services to the management, Board and Committees of East Waste. The term was three (3) years, with a two (2) year extension option taking the engagement to the five (5) year maximum allowable per the *Regulations*.

The attached Evaluation Report contains commercially sensitive information and has been treated as confidential in this Report pursuant to Section 90 (2) and (3) of the Local Government Act 1999.

Report

The RFQ process was chaired by the General Manager and followed a developed Probity and Evaluation Plan. An Evaluation Report has been produced which documents the RFQ Evaluation Group, the RFQ evaluation process, and resultant recommendations (refer confidential attachment).

The RFQ Evaluation Group determined that the quotation received that demonstrated the closest fit with the RFQ requirements and scored highest when rated on relevant experience, capability and price was Bentleys.

The RFQ Evaluation Group was able to identify Bentleys as the preferred candidate based on the following:

- Local Government experience;
- Bentleys proposed audit team consists of a previous auditor who has had previous audit exposure to East Waste, so brings a baseline understanding of the Subsidiary model and the costing methodology; and

EAST WASTE

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- The quoted price from Bentleys is the most competitive received and indicates only a CPI increase for years 2 & 3 of the contract.

Based on experience, capability, and value for money the evaluation group unanimously identified Bentleys as the preferred candidate.

RECOMMENDATION

In regards to the CONFIDENTIAL attachment;

That pursuant to Section 90 (2) and (3) of the Local Government Act 1999, an order be made by the East Waste Board that the public be excluded from attendance at the meeting to the extent (and only to the extent) that the Board considers it necessary and appropriate to act in a meeting closed to the public in order to receive, discuss and consider in confidence:

(k) tenders for the supply of goods, the provision of services or the carrying out of works; and

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

And,

That the General Manager advise Bentleys of their successful submission, and award as per the scope of works and in accordance with the proposed contract terms.



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•City of Campbelltown • Corporation of The Town of Walkerville •City of Mitcham

Agenda Item 6.5

REPORT SUBJECT: Visa Business Card Line Limit Increase

REPORT AUTHOR: General Manager

MEETING DATE: Thursday 23 February 2017

ATTACHMENTS: NIL

Purpose of the Report

To seek Board approval to increase East Waste's Visa Business Card Line Limit and provide the Board with a report on East Waste's Visa Business Card Line Limit with our banking institution, Bank SA.

Report

At Monday 20 February 2017, East Waste has a Visa Business Card Line of \$13,000. Three (3) Visa Business Cards are held within the organisation, to the above limit. The cards are currently allocated internally as follows:

General Manager	\$5,000
Operations Manager	\$5,000
Office Administrator	\$3,000

In accordance with Bank SA's terms and conditions, it is necessary to have any limit increase for an 'incorporated' company approved by the Board. East Waste is seeking to increase the Visa Business Card Line Limit from \$13,000 to \$25,000. If approved, the cards will be allocated internally as follows:

General Manager	\$9,000 (increase)
Operations Manager	\$3,000 (decrease)
Office Administrator	\$3,000
<i>Business Improvement Manager (Operations)</i>	<i>\$5,000 (new card)</i>
<i>Business Improvement Manager (Corporate)</i>	<i>\$5,000 (new card)</i>

All of East Wastes procurement and purchasing is conducted strictly in accordance with the *Purchase of Goods and Services Policy* and internal control settings. However, the uplift in credit line limit will increase the flexibility in engaging with our supply chain and also reflects the new structure of the Subsidiary.

RECOMMENDATION

That the Board approve the Visa Business Card Line Limit increase of \$12,000, from \$13,000 to \$25,000.

Agenda Item 6.6

REPORT SUBJECT:	Zero Waste SA Recycling Infrastructure Grant (successful)
REPORT AUTHOR:	General Manager
MEETING DATE:	Thursday 23 February 2017
ATTACHMENTS:	Correspondence from Zero Waste SA

Purpose of the Report

To seek Board with the outcome of a recent grant funding application to the State Government Department Zero Waste SA (now transitioned to Office of Green Industries).

Background

East Waste reported to the 24 November 2016 Board Meeting about its intention to apply to a grant funding round issued by Zero Waste SA. The funding sought was \$58,500 to install industrial scales on three (3) collection vehicles in order to collect real time weigh information of household bins.

Report

The General Manager is pleased to report that East Wastes grant funding application of \$58,500 for its *Kerbside Collection Vehicle Bin Weighing System* was approved by the Zero Waste SA Board.

East Waste will now install the industrial bin scales to commence collecting baseline household bin weight data. East Waste will then initiate an education and promotion program and measure the resultant shift in recyclable material from the residual waste bin, into the recyclables bin and green organics bin.

This grant funding provides access for Member Councils to the Solid Waste to Resources Fund (Levy fund), and also aims to drive waste costs down by direct intervention and measurement of household waste and recycling behaviour.

RECOMMENDATION

That the Report is received and noted



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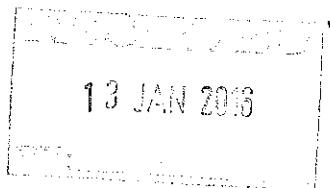
Level 4
81-95 Waymouth Street
Adelaide SA 5001

GPO Box 1047
Adelaide SA 5001

DX138

Tel +61 8 8204 2051
Fax +61 8 204 1911

www.greenindustries.sa.gov.au



Mr Adam Faulkner
General Manager
East Waste
P O Box 26
MANSFIELD PARK SA 5012

Dear Mr Faulkner

Infrastructure Grant 2016-17

Thank you for your application for funding under the Office of Green Industries SA (GISA) Infrastructure Grants Program. I am pleased to advise that the Zero Waste SA Board has approved a \$58,500 (GST exclusive) grant for East Waste to implement the project titled; *'Kerbside collection vehicle bin weighing system'*.

As indicated in the guideline for the program, all grant funding is subject to

- Signing a funding agreement,
- Providing evidence that all necessary environmental and planning approvals are in place and current for the duration of the project,
- Meeting any conditions placed upon the grant funding,
- Providing evidence (copy of invoice) of purchase of infrastructure and recycling equipment, and
- Providing a satisfactory performance report.

Please find enclosed two copies of the funding agreement; please sign and return them, so I can then counter-sign them and return one copy for your records.

I would like to congratulate you on obtaining a grant under the scheme and wish you well with the success of your project. I look forward to updates on your progress from GISA staff working with you to promote the benefits of your project.

If you would like to discuss any aspect of your grant agreement with the Office of Green Industries SA or any other matter please feel free to contact Mr Justin Lang, Program Manager on (08) 8204 2634.

Yours sincerely

Ian Harvey
Acting Chief Executive
Office of Green Industries SA

Date: 5 January 2017

Agenda Item 6.7

REPORT SUBJECT:	WHS Annual Audit
REPORT AUTHOR:	General Manager
MEETING DATE:	Thursday 23 February 2017
ATTACHMENTS:	2016 KPI Audit Report

Purpose of the Report

To provide the Board with the results of the WHS Key Performance Indicator Audit undertaken in accordance with the standards determined for self-insured employers.

Report

East Waste holds membership with the Local Government Association Worker's Compensation Scheme (LGAWCS) under the classification of self-insured employer. This class of membership requires an annual Key Performance Indicator (KPI) audit to be undertaken by a suitably qualified and appointed person against an agreed set of performance criteria.

The 2016 KPI Audit was undertaken in early December 2016 and the following performance standards were assessed, as referred to in the Audit Report (attached):

- 1.2.1 Supporting policies and procedures are in place
 - 2.1.1 Legislative compliance is addressed as part of the system
- 3.2.1 A relevant training program is in place and being implemented
- 3.3.2 Accountability mechanisms are being used where relevant
- 3.7.1 The organisation must ensure contingency plans are periodically tested and/or evaluated to ensure an adequate response, if required
- 3.8.1 Hazard management systems including identification, evaluation and control are in place
- 3.8.6 Contractor and volunteer managements systems are in place to meet the organisations duty of care to all persons
- 3.8.7 Work related injury/illness and accidents/incidents are investigated and action taken where relevant
- 3.11.1 Appropriate reporting, records and documentation to support system programs and legislative compliance
- 4.1.1 The organisation must ensure planned objectives, targets and performance indicators for key elements of program(s) are maintained, monitored and reported
- 5.3.1 The organisation must ensure the system is reviewed and revised, if required, in line with current legislation, the workplace and work practices.

East Waste demonstrated compliance in all performance standards assessed, thus demonstrating East Waste's on-going commitment to WHS requirements and the established "safety first" culture.

RECOMMENDATION

That the Report be received and noted.

2016
Local Government Association Workers Compensation Scheme
KPI Audit Summary Report EastWaste

CLIENT: LGAWCS

AUDITEE: EASTWASTE

AUDIT OBJECTIVE/S:

To complete an annual audit of LGAWCS membership and test conformance against the ReturnToWorkSA (RTWSA) Code of Conduct for Self Insured Employers and specifically nominated elements within the Performance Standards for Self Insurers.

Also, to provide recommendations to the audited organisation with regard to closing out identified non-conformances, with the aim of assisting those organisations to continuously improve their WHS management systems and any required IM processes.

AUDIT SCOPE:

The audit scope was agreed to cover the following locations/departments:

- Administration Buildings
- Work Shop and Yard

The audit was completed over the following agreed time period:

1st and 2nd December

NAME OF AUDITOR/S: Vicky Smith

Report Provided By: Vicky Smith

RRC/WHSC Name: Vicky Smith
Position Title: WHS Consultant
Region: Metropolitan

On: 22/12/2016

2016

Local Government Association Workers Compensation Scheme KPI Audit Summary Report EastWaste

1. INTRODUCTION

Vicky Smith WHS Consultant on behalf of the Local Government Association Workers Compensation Scheme (LGAWCS) conducted an audit of EastWaste WHS Management and IM System on 1st and 2nd December.

The objective of the annual KPI Audit is:

- To complete an annual audit of LGAWCS Organisations and test conformance against the ReturnToWorkSA Code of Conduct for Self Insured Employers and specifically nominated elements within the Performance Standards for Self Insurers.
- Also, to provide recommendations to the audited Organisations with regard to closing out identified non-conformances, with the aim of assisting those Organisations to continuously improve their WHS management systems and any required IM processes.

The scope of the 2016 audit involved (11) sub-elements of the PSSI.

A timeframe of 9am to 430pm was allocated for the audit completion which included discussions with employees and work site visit.

The following sub-elements of the PSSI were allocated by LGAWCS for completion:

1.2.1	Supporting policies and procedures are in place
2.1.1	Legislative compliance is addressed as part of the system
3.2.1	A relevant Training program is in place and being implemented (relating to the TNA and subsequent plan and effective delivery thereof)
3.3.2	Accountability mechanisms are being used where relevant
3.7.1	The organisation must ensure contingency plans are periodically tested and/or evaluated to ensure an adequate response, if required.
3.8.1	Hazard management systems including identification, evaluation and control are in place
3.8.6	Contractor and volunteer management systems are in place to meet the organisations duty of care to all persons
3.8.7	Work related injury/illness and accidents/Incidents are investigated and action taken where relevant
3.11.1	Appropriate reporting, records and documentation to support system programs and legislative compliance (this includes notifiable incidents)
4.1.1	The organisation must ensure planned objectives, targets and performance indicators for key elements of program(s) are maintained, and monitored and reported.

Review Date September 2017

5.3.1	The organisation must ensure the system is reviewed and revised, if required, in line with current legislation, the workplace and work practices.
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1.2.1	Documented job descriptions for injury management personnel and where relevant management, supervisors and employees
1.2.2	Ensuring injury management personnel are competent to administer their role in a reasonable manner.
1.2.3	Ensuring the allocation of resources is appropriate for the organisations type, volume and complexity of the case load
1.2.4	Suitability of facilities and accommodation to ensure restricted access to information, including maintaining confidentiality during interaction with injured workers and service providers.
1.2.5	A Scheme Member is required to appoint a return to work coordinator and ensure the person appointed to this role has successfully completed relevant LGAWCS training. Where this role becomes vacant, the Scheme Member is required to re-appoint an employee within 3 months and ensure the employee(s) appointed have received relevant LGAWCS training within 3 months of the appointment being made.
1.6.1	How to report a work related injury
1.6.2	The process for lodging a claim for compensation
1.6.3	Location of claim forms
1.6.6	Overview of the early intervention and return to work process
1.6.7	Injured worker rights and responsibilities
1.6.8	Rights and responsibilities of the employer
1.6.9	Complaints management processes
2.8.5	Where a worker has not returned to pre-injury employment within 6 months from date of first incapacity and is not working to their full capacity, new or other employment options are considered for the worker by the Scheme Member in conjunction with the LGAWCS.
2.8.6	Where a Scheme Member does not provide suitable employment to a former work injured employee the Scheme Member notifies and consults with LGAWCS.

2016

Local Government Association Workers Compensation Scheme KPI Audit Summary Report EastWaste

2. METHODOLOGY

The audit of the specified components of EastWaste WHS Management System and IM processes included a review of existing documentation and meeting with employees. Comments and recommendations, including action items will provide management with some suggested ways to improve their WHS and Injury Management systems. It may be appropriate to implement an alternative action and this is at the discretion of each individual organisation and their management team.

Employee's involved in the audit process included:

- Catherine Thiele WHS Manger
- Shane Raymond Business Improvement Manager
- James Stewart Work Shop Mechanic

Documentation Review

The review included reviewing policies, procedures and supporting documentation within the EastWaste WHS & IM Management System and IM system.

It should be recognised that the findings of this report should be used for:

- Planning and continuous improvement by EastWaste of their Work Health, Safety, and Injury Management Systems
- Conformance with the RTWSA Performance Standards for Self Insurers

2016

Local Government Association Workers Compensation Scheme KPI Audit Summary Report EastWaste

3. AUDIT FINDINGS

STANDARD ELEMENT	Finding
1.2.1	C
2.1.1	C
3.2.1	C
3.3.2	C
3.7.1	C
3.8.1	C
3.8.6	C
3.8.7	C
3.11.1	C
4.1.1	C
5.3.1	C

EastWaste demonstrated compliance in all sub-elements audited which included the following system areas – e.g. policies and procedures in place, Training plans and accountability systems these areas were all sufficiently developed to merit a conforming evaluation.

The final result sees EastWaste achieve 11 conformances on the WHS question set and full compliance on the IM question set this is a great result well done to all involved.

2016

Local Government Association Workers Compensation Scheme

KPI Audit Summary Report EastWaste

4. COMMENTS and RECOMMENDATIONS

During the audit it was apparent that EastWaste WHS Manger is committed to the safety and wellbeing of the staff and to ensuring that the Injury Management processes in place are effective.

EastWaste needs to continue to maintain the WHS System and IM processes in order to ensure its Employees remain safe whilst at work.

The Mechanics Work Shop is undergoing a revamp and this should continue.

The WHS Manger in consultation with myself (Vicky Smith) have developed the KPI action Plan for 2017.

5. CONCLUSION

I would like to thank all those involved in the EastWaste KPI Audit. It has been a positive experience with all staff and management involved keen to put forward what they are doing in relation to the organisation's WHS management systems.

As part of the audit scope, I conducted a desktop review of evidence provided against the KPI audit checklist, followed by some testing of implementation via staff and management interviews, a Work Shop and Yard walk through. The timeframe provided for on-site and document review was 2 days and hence this can only be a sampling process. I did extend the document review timeframe by another day to review the evidence provided, prior to my audit visit.

Please note that KPI action plans need to be submitted for review by the end of January 2017.

N.B THE ABOVE ARE RECOMMENDATIONS ONLY. THE RESPONSIBILITY SITS WITH EASTWASTE TO IDENTIFY SYSTEMIC CORRECTIVE ACTIONS THAT ADDRESS THE NON-CONFORMANCE AND MEET THEIR BUSINESS NEEDS



Member Councils •Adelaide Hills Council •City of Burnside •City of Norwood, Payneham & St Peters
•City of Campbelltown • Corporation of The Town of Walkerville •City of Mitcham

Agenda Item 6.8

REPORT SUBJECT: Operations Assistance Committee

REPORT AUTHOR: General Manager

MEETING DATE: Thursday 23 February 2017

ATTACHMENTS: Agenda and Minutes

Purpose of the Report

To provide the Board with a report on the meeting of the East Waste Operations Assistance Committee.

Report

East Waste convened a meeting of the Operations Assistance Committee, held at Adelaide Hills Council on 10 February 2017.

Discussions and outcomes were again positive and worthwhile. A number of items continue to progress, together with new initiatives being put forward, which speaks to the commitment of all Committee Members to knowledge sharing and innovation in waste management.

Directors are referred to the attached agenda and minutes for information.

RECOMMENDATION

That the Report be received and noted.



**EASTERN WASTE MANAGEMENT
AUTHORITY**

AGENDA

ORDINARY MEETING OF THE OPERATIONS ASSISTANCE COMMITTEE

**Meeting to be held on Friday 10 February 2017 at Stirling Council Chambers of
Adelaide Hills Council, 9:30am**

1. PRESENT

2. APOLOGIES

3. CONFIRMATION OF THE MINUTES

RECOMMENDED: That the Minutes of the 7 November 2016 East Waste Operations Assistance Committee are received and noted

4. MATTERS ARISING FROM THE MINUTES Update on GISA Recycling Infrastructure Funding Round

5. QUESTIONS WITHOUT NOTICE

6. GENERAL MANAGER'S REPORT

David Bland, Group Team Leader Adelaide City Council will be delivering a PowerPoint presentation on assessing waste management plans in high density dwellings at 9:30am (approx. 15mins)

- 6.1 Introduce Brian Krombholz, East Waste Business Improvement Manager - Operations
- 6.2 10 Year Business Plan Consultation Rounds
- 6.3 Why Waste It? Rollout update (including microsite demonstration)
- 6.4 GISA FOGO Funding Round Application
- 6.5 Illegal/illegitimate second bin audit City of NP&SP
- 6.6 RFID retrofit Town of Walkerville
- 6.7 At-call Hard Waste service update – potential social enterprise
- 6.8 Solar Compactor Bin Trial City of Burnside
- 6.9 Remote sensor litter bin rollout trial Adelaide Hills Council
- 6.10 Use of Council Transfer Station trial to bulk up green waste, City of Mitcham

7. OTHER BUSINESS

8. NEXT MEETING OF THE BOARD

The next Operations Assistance Committee Meeting date and location to be advised

9. CLOSURE OF MEETING

MINUTES OF THE OPERATIONS ASSISTANCE COMMITTEE MEETING HELD FRIDAY 10 FEBRUARY 2017
AT ADELAIDE HILLS COUNCIL, MT BARKER ROAD STIRLING

1. **PRESENT**

Mr A Faulkner	General Manager East Waste
Mr J McArthur	Adelaide Hills Council
Ms A Fuller	Adelaide Hills Council
Mr J Draper	City of Burnside
Mr J Bowen	Corporation of the Town of Walkerville
Mr A Wiguna	Campbelltown City Council
Mr D Deer	City of Mitcham
Ms G Chambers	City of Mitcham
Ms M Siebert	City of Norwood, Payneham & St Peters
Mr R Gregory	City of Norwood, Payneham & St Peters
Ms M Bekesi	East Waste
Mr S Raymond	East Waste
Mr B Krombholz	East Waste
Mr D Bland	Guest Presenter – Adelaide City Council
2. **APOLOGIES** Nil
3. **CONFIRMATION OF MINUTES** meeting held 7 November 2016 – CONFIRMED
4. **MATTERS ARISING FROM MINUTES** – Update of GISA Recycling Infrastructure Funding Round
 - Adam F provided update. Advised grant application was successful and East Waste has received funding from Green Industries SA to support the install of bin weighing technology on selected East Waste Collection Vehicles. Updates will be provided to the Committee as data and results are collected and collated.
5. **QUESTIONS WITHOUT NOTICE** – Nil
6. **GENERAL MANAGER'S REPORT**

David Bland, Group Team Leader Adelaide City Council delivered a presentation on assessing waste management plans in high density dwellings. Handout provided to attendee's.

Questions/Items of note arising from presentation:

 - Engagement with Council Waste Management professionals at time of planning is critical to ensure appropriate planning design for waste collection services
 - Establish good relationship with Department of Planning, Transport and Infrastructure
 - Traffic and waste planning need to be in unison
 - Time of day servicing is of importance
 - Individual MUD Servicing Agreements can be in place
 - Adam F will circulate David Bland's email address to Committee members and will provide Adelaide City Councils recently established MUD (Waste Servicing) Guidelines.

6.3. Why Waste It? rollout update – item brought forward in the Agenda

- Update provided by Megan Bekesi. Update included demonstration on the use and capabilities of the Microsite
- M Bekesi provided timelines for roll-out of identified communication mediums
 - 20 Adshel sites for commencing recycling message 6 – 19 March 2017
 - AHC will utilise corflute's instead of Adshels as Adshels are not a viable option for AHC
 - 20 Adshel sites for commencing composting message 12 – 25 June 2017
 - Street banner roll-out March – April 2017
- M Bekesi made available to all Member Council's posters, flyers and use of banners relating to the campaign
- Adam F reiterated the Board's strong support for the campaign and continuing education and encouraged Member Council's to utilise East Waste's services and education resources. The ultimate goal is to get more food into the G/O organics bin and continue the reduction of contamination in the recycling bin.

6.1. Introduction of East Waste's Business Improvement Manager – Operations, Brian Krombholz

6.2. 10 Year Business Plan Consultation Rounds

- Adam F indicated to the Committee that he will shortly be undertaking consultation rounds with Member Councils at Officer level.

6.4. GISA FOGO Funding Round Application

- Adam F advised the Committee that East Waste had partnered with KESAB and recently submitted an application in response to GISA's FOGO funding release. Committee will be updated as to the progress of the application.

6.5. Illegal/Illegitimate second bin audit City of NP&SP

- Adam F advised that East Waste was currently undertaking an audit of illegal/illegitimate bin presentations for the City of NP&SP. Results will be provided to NP&SP by the end of February 2017.
- Andrian W enquired as to how RFID can assist with illegal services. Adam F advised that RFID technology provides for tracking and monitoring of each individual bin, thus providing the ability to monitor exceptions and/or illegal presentations. RFID is the cleanest option to manage the number and location of bin collections services, and the best time for install RFID is at the time of a new bin roll-out.
- Illegal/illegitimate bin audits are available to all Member Councils, however as an interim East Waste will share the findings from NP&SP audit to provide an indication as to the magnitude of the issue
- John M – question to Adam F: What's the trigger to identify an illegal bin presentation? Response: Some are obvious but there can be some difficulties with identification, particularly G/O bins. Reliant on drivers to identify, who have good knowledge in this area.

6.6. RFID retrofit Town of Walkerville

- Adam F indicated that East Waste was working with Town of Walkerville in an attempt to undertake a retrofit of ToWs waste and recycling bins. Went to market seeking quotations to undertake the retrofit and costs came back very high in relation to the actual retrofit. RFID chips pricing as anticipated. East Waste is looking at undertaking retrofit in-house, but still in the early enquiry stages at this time. Josh B provided some background as to how this project had come about

- Andrian W – question to Adam F: With GPS you can compare bin lifts against tenements. Is East Waste able to share this data with Member Councils? Response: Yes, East Waste will provide this data to Member Councils.
- Andrian W – question to Adam F: What happens with mattresses that are currently collected? Response: East Waste understands that Campbelltown's current contractor is advising that he may not continue. For others, depends on the Member Council and the contract that they have in place i.e. mattresses will be disposed of at Suez ResourceCo or Cleanaway, but recycling rate is low. A new contractor has presented itself in the City of Onkaparinga, so will update Member Councils once further information is to hand.

6.7. At-call Hard Waste service update – potential social enterprise

- Adam F indicated to the Committee that East Waste was continuing to look into social enterprise models to support the hard waste service. Whilst discussions were on-going, as an interim measure, East Waste has arranged to include a Finding Workable (FWS) Flyer with its correspondence to residents regarding their hard waste collection. The flyer provides an option to residents to consider reusable items to be collected by FWS prior to the hard waste collection occurring.
- John M – question to Adam F: Can we obtain a copy of that flyer? Response: Yes, will provide to Member Councils.

6.8. Solar Compactor Bin Trial City of Burnside

- Adam F provided update regarding a trial that was undertaken at the Burnside Pool. It works well, with the collection frequency dropping by 50-70%. This was a trial only, however for a purchase arrangement the upfront capital cost is high, but savings over time will be realised. There is also a lease option which is less capital intensive. East Waste has all the details if any Member Council is interested.
- David B advised that a trial of weekly green organics collections had been undertaken in North Adelaide and the contact person for results is Sarah Wigley.

6.9. Remote sensor litter bin rollout trial Adelaide Hills Council

- Adam F advised that East Waste is currently undertaking a trial of 50 sensors in AHC public litter bins. The sensors provide for content levels within the bins to be tracked and early data is very positive. This technology allows for service levels to be adapted based on content level, therefore there is no over or under servicing. The technology is quite affordable, and payback period will be minimal.

6.10. Use of Council Transfer Station to bulk up green waste, City of Mitcham

- Adam F provided an update regarding the use of the Lynton Transfer Station for six (6) months in 2016 to dispose of G/O. Results of the trial were positive and would be good to see the future use of sites of this nature. Discussions with City of Mitcham are on-going.

7. OTHER BUSINESS

- John D – question to Adam F: Street sweeping; what will East Waste need from Member Council's to do this? Response: As indicated, Adam F is soon to commence consultation rounds with Member Councils and each Council can put this on the Agenda if it is something they want East Waste to consider. Any outcomes can then be tabled before the Board. East Waste is always open to suggestions and considerations put forward by Member Councils, so please bring forward anything you would like East Waste to consider.

8. The next meeting of the Operations Assistance Committee Meeting to be advised.

Meeting closed at 10.58am.

HIGHBURY LANDFILL AUTHORITY

Member Councils: • City of Burnside • City of Norwood, Payneham & St Peters • Corporation of the Town of Walkerville

REPORT FROM THE EXECUTIVE OFFICER FOR THE PERIOD ENDING 10th AUGUST 2016

1. Post-Closure Management of the Highbury Landfill

1.1 Environment Protection Authority

The EPA has cancelled the environmental licence for the Highbury site and a meeting is scheduled early March 2017 to discuss the minimum monitoring requirements that the EPA require. This will also provide the opportunity to discuss a new business plan for HLA in accordance with the Charter.

Groundwater Monitoring

There has not been any groundwater monitoring for the landfill this financial year and will be discussed with the EPA in March.

Landfill Gas Monitoring

Landfill gas monitoring will continue as normal until at least March 2017 when HLA will discuss the frequency of landfill gas monitoring to satisfy both the EPA and HLA that an acceptable risk profile is being maintained for the site.

HLA has also requested a quote from McMahons for ongoing monitoring of those wells that are currently being monitored by Golders. This option will be assessed against the cost differential between Golders and McMahons and the advantage of having independent monitoring from a consultant that is not responsible for landfill gas management on the site.

The landfill gas monitoring results continue to show an acceptable risk profile for the site utilising the new flare.

Pursuant to the agreement with Suez the Executive Officer met with the State Manager and the National Technical Manager regarding the joint gas management of the two sites. Suez are very happy with the performance of McMahons and expressed an interest in the potential establishment of a solar farm on our site and possibly their site.

2. Ministerial DPA Rezoning of Adjacent Land Highbury

There has been no further progress regarding the Ministerial DPA to rezone adjacent land.

3. Financial Reporting and Administration

Appendix 1 contains the budget review to the end of December 2016. The budget review is based on Member Councils contributing a further \$60,000 payable in March 2017 to cover the following unplanned items:

- \$39,553.96 unplanned extras in the McMahon's contract as set out in appendix 2 highlighted in yellow
- a further \$15,000 estimated for the upgrade of existing pipework and valves on the gas field
- \$10,000 to totally enclose the environmental flare to avoid vandalism
- \$5000 as the first loan repayment of the loan taken out with the LGFA

Member Council contributions payable in March 2017 would be:

- Burnside \$30,243.60
- Norwood Payneham and St Peters \$24,214.20
- Walkerville \$5542.20

3. Compliance Audit and Business Plan

The Executive Officer has requested a checklist for compliance of the Highbury Landfill Authority with all its statutory obligations. The following extract is from the advice received from Kelledy Jones lawyers.

The Authority is a regional subsidiary established under section 43 of the Local Government Act 1999 ("the LG Act"). The role of the Authority is now limited to facilitating the closure and post-closure of the Highbury Landfill site and to manage the joint interests and liability of the Constituent Councils in relation to that closure. The Constituent Councils are the City of Burnside, the City of Norwood, Payneham & St Peters and the Town of Walkerville.

However, to ensure the ongoing regulatory compliance of the Authority during this period, you have requested a "checklist" of the procedural matters that the Authority is required to have in place.

Firstly, I expect that the 'trading name' of the Authority ('Highbury landfill Authority') is a registered business name under the Business Names (Commonwealth Powers) Act 2012 and that this registration has been and will be maintained during the existence of the Authority. Secondly, I expect that in the circumstances of the limited functions and activities of the Authority, there is no requirement to consider National Competition Policy issues (in particular, principles of competitive neutrality) under the Government Business Enterprises (Competition) Act 1996. If I am incorrect in either of these two considerations, please let me know.

Otherwise, as you are aware, Part 2 of Schedule 2 of the LG Act is relevant.

*Clause 19 at Part 2 of Schedule 2 to the LG Act provides that the Constituent Councils must prepare a Charter for the Authority. Subclause 14(4) provides that the Charter “may” be reviewed by the Constituent Councils at any time, but **must** be reviewed at least once in every four (4) years. The last review appears to have been undertaken towards the end of 2013 and the amended Charter Gazetted on 25 September 2014 (copy **attached**).*

A brief summary of the amendments to the Charter in September 2014 confirm that:

- *the powers and functions of the Board of Management (“the Board”) of the Authority were amended to reflect the limited role of managing the post closure of the landfill;*
- *the formation of the Board was changed to include one (1) Board Member nominated by each Constituent Council, no Independent Member and the Chair was to be elected from within the Board;*
- *the quorum required for meetings of the Authority is two (2);*
- *the usual obligations of a Board Member and Board Meetings were maintained with the frequency of Board Meetings to be a minimum of six (6) monthly;*
- *the Authority must appoint a Manager who has the relevant skills and expertise in environmental management and financial management and audit functions;*
- *the Business Plan must link to the Environmental Management Plan for the landfill and requires consultation with the EPA when reviewing the Business Plan;*
- *the Annual Budget must be referred to the Constituent Councils for comment prior to the adoption of the budget by the Board*
- *the Authority is required to report on the performance at Board meetings and these reports must be referred to the Constituent Councils; and*
- *an Annual Report must be provided to the Constituent Councils by 30 September in each year.*

Taking the above into account, considering the relevant legislative obligations and the Authority's Charter, the following considerations are relevant:

- *clause 21 of Part 2 of Schedule 2 to the LG Act 21 - the Board must cause accurate minutes to be kept of its proceedings. Clauses 2.5.2 and 2.5.15 of the Charter states that there must be a Board meeting every six (6) months and minutes are required to be kept;*
- *clause 24 of Part 2 of Schedule 2 (and clause 4.3 of the Charter) - the Authority, in consultation with the Constituent Councils, is to prepare and adopt a business plan that is required to be reviewed on an annual basis in consultation with the Constituent Councils;*
- *clause 25 of Part 2 of Schedule 2 (and clause 4.4 of the Charter) - the Authority is to have a budget for each financial year that is adopted after 31 May for the ensuing financial year (but before 30 September each year, as fixed by the Constituent Councils). The remainder of the clause sets out what the budget must contain. Pursuant to subclause 25(2)(e) and regulation 8 of the Local Government (Financial Management) Regulations 2011, a copy of the budget adopted by the Authority must be provided to the CEO of each Constituent Council within five (5) business days after its adoption;*

- *clause 28 of Part 2 of Schedule 2 (and clause 4.5 of the Charter) - the Authority is to furnish an annual report to the Constituent Councils regarding the work and operations of the Authority for the preceding financial year; incorporating the audited financial statements of the Authority for the relevant financial year as well as any other information or report required by the Constituent Councils;*
- *with respect to the Authority's financial statements, pursuant to regulations 20 and 21 of the Local Government (Financial Management) Regulations 2011 the Authority must have an auditor and the financial statements must be audited by the Authority's auditor each financial year;*
- *clause 4.1.3 of the Charter requires the Executive Officer (the Manager) to provide quarterly financial and corporate records to the Board and, if requested, to the Constituent Councils;*
- *clause 30 of Part 2 of Schedule 2, clause 4.2.5 of the Charter and regulation 17(3) of the Local Government (Financial Management) Regulations 2011, together require that the Authority must establish an audit committee comprised of persons determined or approved by the Constituent Councils which must review the annual financial statements to ensure they provide a timely and fair view of the state of affairs of the Authority; liaise with external auditors; and review the adequacy of the accounting, internal auditing, reporting and other financial management systems and practices of the Authority on a regular basis. This requirement to establish an audit committee can, of course, be overcome by exemption by regulation. I have not been able to locate any such regulation for the Authority but, given its limited role and restricted functions in terms of post-closure activities only, this may be an option that warrants consideration;*
- *as the Authority has the power to delegate a power or function vested under the LG Act (or another Act) pursuant to clause 36 of Part 2 of Schedule 2, and clause 1.7 of the Charter provides for the delegation by resolution of the Authority to the Manager, the Authority must cause a separate record to be kept of all delegations. It is good practice to review all delegations on a regular basis;*
- *the Authority is required under clause 5.3 of the Charter to register with the Local Government Mutual Liability Scheme and advise Local Government Risk Management Services of its insurance requirements;*
- *clause 5.6 of the Charter requires that the Authority will have a common seal. The Manager must maintain a register which records the resolutions of the Board giving authority to affix the common seal, the details of the documents to which the common seal has been affixed and the particulars of persons who witnessed the fixing of the seal and the date that the seal was affixed; and*
- *clause 3.3 of the Charter provides that the Executive Officer (the Manager) is subject to the same legislative responsibilities and duties as a CEO of a council, including but not limited to those matters set out at Parts 1 and 3 of Chapter 7 under the Act. However, there is nothing procedurally that is required to put in place to give effect to these provisions.*

Section 48(7) of the LG Act applies the prudential requirements extend to subsidiaries. Accordingly, the Authority will be required to develop and maintain prudential management policies, practices and procedures for the assessment of projects (albeit no such projects are anticipated) pursuant to section 48(aa1) of the LG Act – this is a matter that I recommend we discuss further given the current and future role of the Authority and the potential waste of resources in seeking to ensure full compliance with these requirements.

In addition to its responsibilities under the LG Act, the Local Government (Financial Management) Regulations 2011 and the Charter, given that there is an Environmental Management Plan in place, the Authority will also have associated legislative requirements under the Environment Protection Act 1993. If you require advice in relation to the procedural requirements under that legislation, please send me a copy of the Plan, together with the Authority's EPA authorisation (in the form of its licence), at your earliest convenience.

While there is some tidying up to do from reading the checklist the Authority would appear to conform to its legislative requirements except for a business plan that has been produced in consultation with the EPA and approved by Member Councils. The Authority does have a Risk Management Plan for the landfill and a 20 year financial plan.

The Executive Officer will prepare a draft business plan prior to the meeting with the SA EPA and present this draft plan and the draft budget to the board by the end of March 2017. Once the board has approved the draft budget and the business plan it can be sent to the Member Councils for their consideration.

Trevor Hockley
EXECUTIVE OFFICER

UNIFORM PRESENTATION OF FINANCE FY2017

	July -December 2016	Projected June 2017	Budget 2017	Variance	Comments
OPERATING ACTIVITIES:	\$	\$	\$	\$	
Operating Income	23,652	43,936	500	43,436	
less Operating Expenses	135,307	54,496	38,629	15,867	
Operating Surplus / (Deficit)	- 111,655	- 10,560	- 38,129		
CAPITAL ACTIVITIES:					
Net Outlay on Exisiting Assets					
Capital Expenditure on renewal & replacement of Exsisting Assets			-		
less Depreciation, Amortisation & Impairment	7,901	24,207	31,870	7,663	
less Proceeds from Sale of Replaced Assets					
Net Outlay on Exisiting Assets	7,901	24,207	31,870		
Net Outlay on New & Upgraded Assets					
Capital Expenditure on New & Upgraded Assets	277,399	277,399	267,000	10,399	
less Amounts received specifically for New & Upgraded Assets	267,000	267,000	267,000	-	
less Proceeds from Sale of Surplus Assets	-	-	-		
Net Outlay on New & Upgraded Assets	10,399	10,399	-		
Net Lending / (Borrowing)	- 129,955	- 45,166	- 69,999		

Please note the following re the Budget review:

1. The Movement in the provision for July to December consists of the expenditure for that period
2. The opening provision balance has been adjusted to the actual balance as at 30 June 2016
3. The projected provision for 30 June 2017 has been adjusted in accordance with the projected expenditure and the loan taken out with the LGFA
4. Council contributions are \$60000 over the original budget

INCOME STATEMENT BUDGET REVIEW FY2017

	July - December 2016	Projected June 2017	Budget 2017	Variance	Comments
INCOME	\$	\$	\$	\$	
Sundry Income	23,436	43,436	-	43,436	
LGFA Bonus Received			-	-	
Interest Received	216	500	500	-	
Total Revenues	23,652	43,936	500		
EXPENSES					
Depreciation	7,901	24,207	31,870	(7,663)	
Movement in Provision*	127,407	30,289	6,759	23,530	
Total Expenses	135,307	54,496	38,629		
NET SURPLUS/(DEFICIT)	(111,655)	(10,560)	(38,129)		

BALANCE SHEET BUDGET REVIEW FY2017

	July - December 2016	Projected June 2016	Budget 2017	Variance	Comments
ASSETS	\$	\$	\$	\$	
Current Assets					
Cash and Cash Equivalents	57,655	34,121	10,002	24,119	
Trade and Other Receivables	31,409	4,000		4,000	
Total Current Assets	89,063	38,121	10,002		
Non-Current Assets					
Monitoring Stations & Flare	253,475	237,168	244,325	(7,157)	
Total Non-Current Assets	253,475	237,168	244,325		
Total Assets	342,538	275,289	254,327		
LIABILITIES					
Current Liabilities					
Trade and other payables	240	20,000	15,000	(5,000)	
LGFA Loan	11,126	11,345			
Provision for Closure Costs	225,430	219,020	485,100	(266,080)	
Total Current Liabilities	236,796	250,365	500,100		
Non-Current Liabilities					
LGFA Loan	255,874	232,991			
Provision for Closure Costs	4,339,140	4,120,110	3,236,854	883,256	
Total Non-Current Liabilities	4,595,014	4,353,101	3,236,854		
Total Liabilities	4,831,810	4,603,466	3,736,954		
NET ASSETS	(4,489,272)	(4,328,177)	(3,482,627)		
EQUITY					
Accumulated surplus	(4,489,272)	(4,328,177)	(3,482,627)		
Total Equity	(4,489,272)	(4,328,177)	(3,482,627)		

STATEMENT OF CHANGES IN EQUITY BUDGET REVIEW FY2017

	Projected June 2017	Budget 2017	Variance	Comments
<u>ACCUMULATED SURPLUS</u>	\$	\$	\$	
Balance at beginning of the year	(4,560,617)	(3,894,498)	(666,119)	
Change in financial position resulting from operations	(10,560)	(38,129)	27,569	
Funds from Member Councils	243,000	450,000	(207,000)	
TOTAL EQUITY	(4,328,177)	(3,482,627)	(845,550)	

STATEMENT OF CASH FLOWS BUDGET REVIEW FY2017

	July -December 2016	Projected June 2017	Budget 2017	Variance	Comments
CASH FLOWS FROM OPERATING ACTIVITIES	\$	\$	\$	\$	
<u>Receipts</u>					
Bank Interest & Sundry	216	500	500		ATO reimbursements including GST on Flare
Other Revenue	38,563	48,563	52,533		
<u>Payments</u>					
Finance payments		(11,126)			
Net Cash provided by (or used in) Operating Activities	38,779	37,937	53,033	(15,096)	
CASH FLOWS FROM INVESTING ACTIVITIES					
Flare	(277,399)	(277,399)			
Payments from Provision	(173,026)	(255,896)	(533,610)		
Net Cash paid for Investing Activities	(450,425)	(533,294)	(533,610)	316	
CASH FLOWS FROM FINANCING ACTIVITIES					
LGFA Loan	267,000	267,000			
Funds paid by Member Councils	183,000	243,000	450,000		
Net Cash provided by (or used in) Financing Activities	450,000	510,000	450,000	60,000	
Net Increase (Decrease) in cash held	38,354	14,643	(30,577)		
Cash and cash equivalents at beginning of period	19,478	19,478	40,579	(21,101)	
Cash and cash equivalents at end of period	57,832	34,121	10,002		
Total Cash and cash equivalents at end of period	57,832	34,121	10,002	24,119	

McMAHON SERVICES AUSTRALIA PTY LTD.
ABN: 75 097 072 565

26 Duncan Road, Dry Creek, S.A. 5094
P.O. Box 542, Enfield Plaza, S.A. 5085

Tel: (08) 82605800
Fax: (08) 82605210

TAX INVOICE

TO: Highbury Landfill Authority
C/- TJH Management Services
21 Rundle Street
Kent Town SA 5067

DATE: 25/01/2017
PROJECT: 5500815
CLAIM NO: 8
TAX INV NO: 63888

Attention: Trevor Hockley

RE PROJECT: Highbury Landfill LFG

Order No : Contract

ORIGINAL CONTRACT WORK

Ref	DESCRIPTION	Contract Value	CLAIM DETAILS					
			PREVIOUS CLAIMS		THIS PERIOD		CLAIMS TO DATE	
			QTY	AMOUNT (A\$)	QTY	AMOUNT (A\$)	QTY	AMOUNT (A\$)
	Temporary Flare Installation	\$ 6,980.00	100.0%	\$ 6,980.00		\$ -	100.0%	\$ 6,980.00
	Temporary Flare Hire	\$ 3,400.00	100.0%	\$ 3,400.00		\$ -	100.0%	\$ 3,400.00
	Site Condition Report	\$ 8,225.00	100.0%	\$ 8,225.00		\$ -	100.0%	\$ 8,225.00
	Monitoring and Maintenance (Monthly)	\$ 3,500.00	6	\$ 21,000.00	2	\$ 7,000.00	8	\$ 28,000.00
	Additional Temporary Flare Hire (Daily)	\$ 95.00	151	\$ 14,345.00		\$ -	151	\$ 14,345.00
	Permanent Lo-Cal Flare Installation	\$ 9,390.00	100.0%	\$ 9,390.00		\$ -	100.0%	\$ 9,390.00
				\$ -		\$ -		\$ -
				\$ -		\$ -		\$ -
	Contract Amount	\$ 31,590.00		\$ 63,340.00		\$ 7,000.00		\$ 70,340.00

APPROVED VARIATIONS

Ref	DESCRIPTION	Approved Variation Value	CLAIM DETAILS					
			PREVIOUS CLAIMS		THIS PERIOD		CLAIMS TO DATE	
			QTY	AMOUNT (A\$)	QTY	AMOUNT (A\$)	QTY	AMOUNT (A\$)
	Tree removal	\$ 660.00	100.0%	\$ 660.00		\$ -	100.0%	\$ 660.00
	Generator, fuel cell and fuel - 19th May to 24th June	\$ 5,395.52	100.0%	\$ 5,395.52		\$ -	100.0%	\$ 5,395.52
	Condensate pump installation	\$ 5,858.30	100.0%	\$ 5,858.30		\$ -	100.0%	\$ 5,858.30
	Sampling ports and tubes	\$ 1,594.64	100.0%	\$ 1,594.64		\$ -	100.0%	\$ 1,594.64
	Plumbing - water supply	\$ 1,440.00	100.0%	\$ 1,440.00		\$ -	100.0%	\$ 1,440.00
	Electricity supply - additional work	\$ 1,715.00	100.0%	\$ 1,715.00		\$ -	100.0%	\$ 1,715.00
	Control room roof	\$ 3,636.50	100.0%	\$ 3,636.50		\$ -	100.0%	\$ 3,636.50
	Field leachate pump repair	\$ 845.00	100.0%	\$ 845.00		\$ -	100.0%	\$ 845.00
	Compressor replacement	\$ 4,064.00	100.0%	\$ 4,064.00		\$ -	100.0%	\$ 4,064.00
	Variation Amounts	\$ 25,208.96		\$ 25,208.96		\$ -		\$ 25,208.96

SUMMARY

ORIGINAL CONTRACT VALUE \$ 31,590.00
APPROVED VARIATIONS \$ 25,208.96
ADJUSTED CONTRACT VALUE \$ 56,798.96

FINAL FORECAST COSTS \$ 56,798.96

VALUE OF WORK TO DATE \$ 95,548.96
- PREVIOUS CLAIMS \$ 88,548.96
= CLAIMS THIS PERIOD \$ 7,000.00
+ GST \$ 700.00

TOTAL INVOICE INCL GST \$ 7,700.00

Item No: 5.3
To: Audit Committee
Date: 3 April 2017
Author: Karishma Reynolds – Group Manager, Finance and Strategy
General Manager and Division Martin Cooper – General Manager, Corporate Services
Contact: 8366 4202
Subject: INTERNAL FINANCIAL CONTROLS SELF ASSESSMENT 2016/17 (OPERATIONAL)
Attachments: A. Financial Internal Controls Report
B. Financial Internal Controls Report – Detail
Prev. Resolution: Nil

Officer's Recommendation

That the Report be received.

Purpose

1. To provide the Audit Committee with the results of the first Internal Controls self-assessment undertaken for the 2016 / 2017 financial year.

Strategic Plan

2. The following Strategic Plan provision is relevant:

"A financially sound Council that is accountable, responsible and sustainable"

Communications/Consultation

3. The following communication / consultation has been undertaken:
 - 3.1. Discussions with the General Manager Corporate Services and key internal stakeholders.

Statutory

4. The following legislation is relevant in this instance:

Section 125 of The Local Government Act 1999 (the Act) requires that 'a council must ensure that appropriate policies, practices and procedures of internal control are implemented and maintained in order to assist the council to carry out its activities in an efficient and orderly manner to achieve its objectives'

Section 126 of the Act requires that the Audit Committee 'review the adequacy of the accounting, internal control, reporting and other financial management systems and practices of the council on a regular basis'

In addition, *Section 129(3)(b)* of the Act requires that in forming an opinion, the external auditor must assess the internal controls of the Council based on the criteria in the Better Practice Model – Internal Financial Controls.

Policy

5. This self-assessment has been undertaken in line with Council's *'Internal Financial Control Framework'* Policy.
6. The Council's financial internal control framework is based on the Better Practice Model – Financial Internal Controls for South Australian Councils.

Risk Assessment

7. The controls self-assessment tool 'Control Track' is utilised by Council to assess the effectiveness of its financial internal controls and to ensure that the risks related to these controls are being addressed and mitigated.

Finance

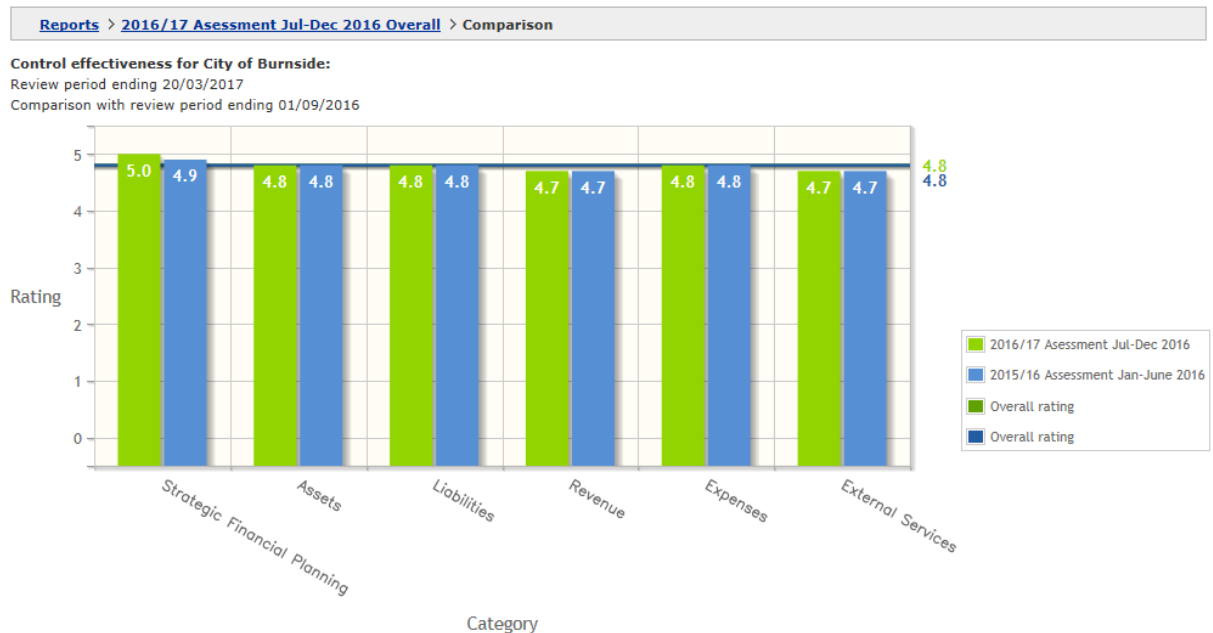
8. There is no direct impact on Council's financial resources.

Discussion

9. In 2015, Council undertook a comprehensive review of the operation of internal financial controls, the effectiveness of those controls and the policies and procedures underpinning those controls.
10. The review included:
 - 10.1. Improving council's understanding and visibility over its risk profile in relation to financial management risks as defined in the Better Practice Model;
 - 10.2. The identification of the most important controls (key controls) to the council; and
 - 10.3. Ensuring that suitable guidance and instruction on the 'key controls' was provided to staff to enable a more accurate and evidenced based control assessment to be undertaken.
11. As a result of this comprehensive review, Council implemented a best practice Internal Financial Control Framework whereby a full risk assessment was undertaken to identify the most significant financial management risks and the key controls in place.
12. Council has used the Control Track software as a mechanism for undertaking risk and control assessments and documenting supporting evidence to substantiate the effectiveness of these controls.
13. The assessment and subsequent reporting of its internal controls assists to inform the Council and the auditors about the effectiveness of its overall financial control environment.
14. In addition, the self-assessment process assists to identify where action plans and improvements are required over deficient or ineffective controls.
15. Attachments A and B contain the summarised and detailed results of the internal control self-assessment performed for the first half of the 2016/2017 financial year.
16. The control ratings in 'Control Track' range from 1 to 5 where 1 is ineffective and 5 is effective.

17. Overall, a highly effective internal control score of 4.8 out of a maximum of 5.0 was achieved with individual category scores of between 4.7 and 5.0.
18. As illustrated in the chart below, this is consistent with the score received for the January – June 2016 assessment.

Overall Report for City of Burnside



19. Where individual controls have been rated '3' or below, actions plans and recommendations are required to be recorded by the control reviewers. These action plans and recommendations are subsequently updated and monitored according to progress achieved throughout the year.
20. As part of this first assessment for the 2016/17 financial year , the following Action Plans were identified:

Control	Rating	Action plan	Assessment comments	Status
Council has a fixed asset policy which details thresholds for recognition of fixed assets which is monitored to ensure adherence.	3	Fixed Asset Policy and protocol to be reviewed and updated.	Council has a Fixed Asset Financial Reporting Policy which was adopted by Council on 11 August 2015, although it does not include the thresholds. We have been using the financial statements as our guide as it contains the thresholds for recognition of fixed assets which is monitored to ensure adherence. As an improvement we are going to include the thresholds into the Fixed Assets Financial Reporting policy.	In Progress. Asset Disposal Policy being tabled at 3 April 2017 Audit Committee meeting. Fixed Asset Financial Reporting Policy to be updated when due for review in August 2017.

Control	Rating	Action plan	Assessment comments	Status
All fixed asset acquisitions and disposals are approved in accordance with Delegation of Authority and relevant Procurement and Fixed Asset Policies.	3	A disposal form is to be created to ensure an authorised council officer has signed off on the disposal of an asset prior to disposition.	<p>All acquisitions are approved via a PO approval process. Disposals are listed per the disposal schedule on the intranet.</p> <p>A disposal form is to be created to ensure an authorised council officer has signed off on the disposal of an asset prior to disposition - this disposal form is in its final stages and we are also including an online approval process.</p> <p>We aim to have this completed by 31 March 2017.</p> <p>We had an internal audit in June 2016 and the disposals form was a part of the recommendations that we are working towards.</p>	<p>In Progress</p> <p>Due date: 31/03/2017</p> <p>Priority: Low</p>
Electronic Purchase Orders are generated for all applicable purchases as required by Council's Procurement Policy.	3	Develop reports which determine PO's raised after the invoice date Provide refresher training to staff on raising PO's	<p>There are instances where Purchase orders are raised after the invoice is received. At the recent AP Workflow automation training session, Finance staff reiterated the importance of raising PO's before the invoice. To further strengthen this, Finance staff are developing training materials and reports to help educate staff on raising PO's before the event.</p>	<p>In Progress</p> <p>Due date: 01/04/2017</p> <p>Priority: Low</p>

21. Administration will monitor this Action Plan and provide an update to the Audit Committee at the next update of the 2016/2017 internal control self-assessment.

Internal Audit Plan

22. The internal control assessment has also been included in Council's Internal Audit plan along with a number of other audits in various disciplines across Council which will further strengthen Council's Internal Control environment.

Conclusion

23. The 2016 / 2017 assessment of the financial internal controls has been completed with 82 Key controls being assessed as part of this process and three actions being identified.
24. Overall, this assessment demonstrates that Council has an effective internal control environment.



**City of Burnside
Financial Internal Controls
Report**

**Financial Year 2016/17
(July to December 2016)**

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	4.1 Expenses	Error! Bookmark not defined.

1 Control Self-Assessment Program

1.1 Background

As part of the internal controls opinion provided by external auditors, the City of Burnside has undertaken a self-assessment of its financial internal controls across the council. The assessment and subsequent reporting of its internal controls will assist to inform the council and the auditors about the effectiveness of its overall control environment. In addition, the self-assessment process assists to identify where action plans and improvements are required over deficient or ineffective controls.

This report provides an illustrative summary of the results from the internal controls self-assessment process and provides further detailed information on action plans required to improve deficient controls.

1.2 Internal Controls Assessment

The City of Burnside's financial internal control framework is based on the Better Practice Model – Financial Internal Control for South Australian Councils. The control self-assessment program focussed on the 'core' controls identified in the Better Practice Model and was undertaken to determine the relative effectiveness of internal financial controls exercised across the Council.

In addition to this, the council is using the ControlTrack system as the mechanism for documenting the controls in place and for undertaking its risk and control assessments. The financial internal control environment at the council is broken into 6 main 'risk and control categories' and are listed below:

- Strategic Financial Planning
- Assets
- Liabilities
- Revenue
- Expenses
- External Services

Each category listed above is broken down into relevant processes. These are then further broken down into a detailed suite of internal control activities. Each individual control is assigned to a control assessor (assessors) and an independent control reviewer (reviewers) as part of the control self-assessment process. The controls are rated on an effectiveness scale of 1 – 5 (see table below).

Rating	Description
0 – Unrated	The control has not yet been rated.
1 – Ineffective	During the period, the control has not been implemented as described. Urgent management action is required to implement the described control processes.
2 – Requires Significant Improvement	During the period, the control has been implemented as described, but with significant deficiencies in the consistency or effectiveness of implementation. Significant management action required to implement processes to improve the effectiveness of the control.
3 – Partially Effective	During the period, the control has been implemented as described, but with some deficiencies in the consistency and/or effectiveness in which it has been applied.
4 – Majority Effective	During the period, the control has been implemented as described and in the majority of cases has been consistently and/or effectively applied. There is potential to enhance the effectiveness of the control, but only with minor adjustments.
5 – Effective	During the period, the control as described has been fully implemented and has in all cases has been consistently and/or effectively applied.

Where individual activities have been rated ‘3’ or below, actions plans and recommendations are required to be recorded by the control reviewers. These action plans and recommendations are subsequently updated and monitored according to progress achieved throughout the year.

This document summarises the relative effectiveness of control activities exercised across Council and displays this in graphical format. The effectiveness of internal controls is displayed graphically for the Council as a whole, the 6 main ‘control categories’ and respective processes.

This document also contains an action plan summary report, presented in tabular format. The outcomes and reports of the internal control self-assessment process will inform both the Council and the auditors of the internal control effectiveness operating throughout the Council as well as where opportunities for improvement exist.

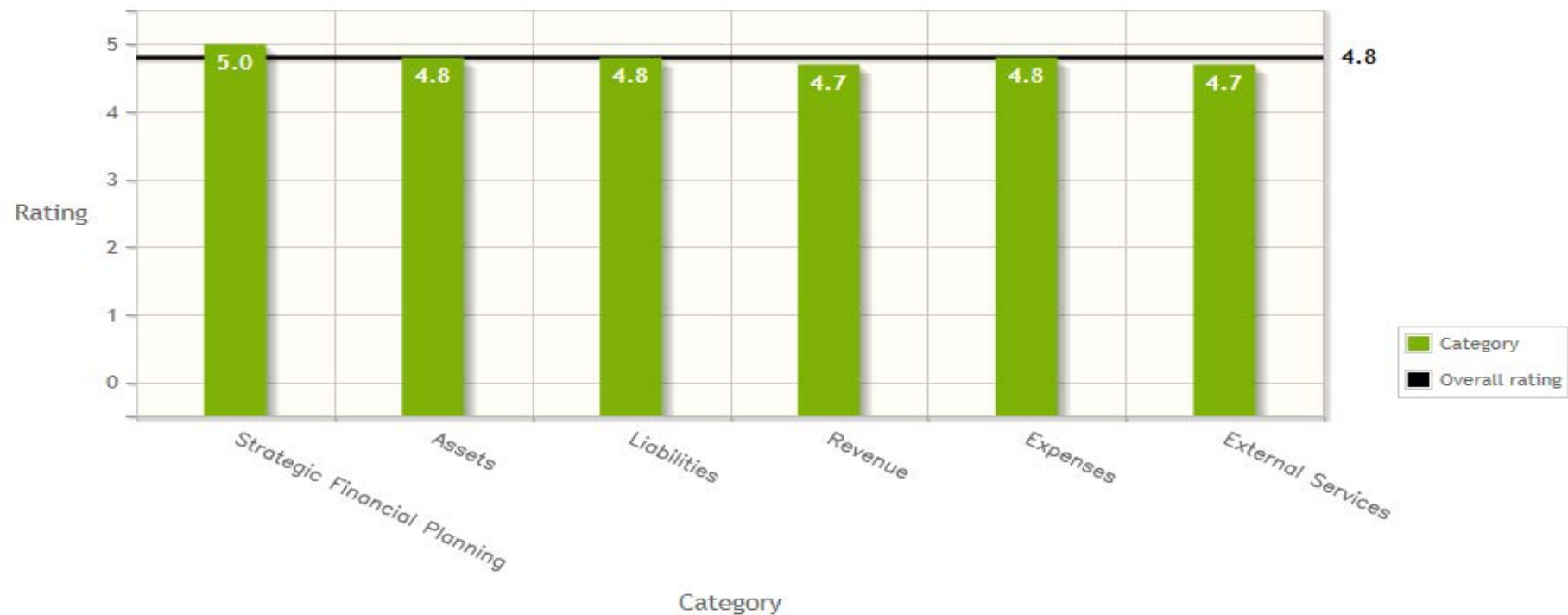
2 Overall Control Effectiveness for the City of Burnside

2.1 Overall Report – By Category

The graph below provides an illustrative summary for the overall effectiveness of internal controls exercised within the City of Burnside. Included in the graph are the overall ratings for the each of the 6 major risk and control categories and the overall rating for the Council.

Control effectiveness for City of Burnside:

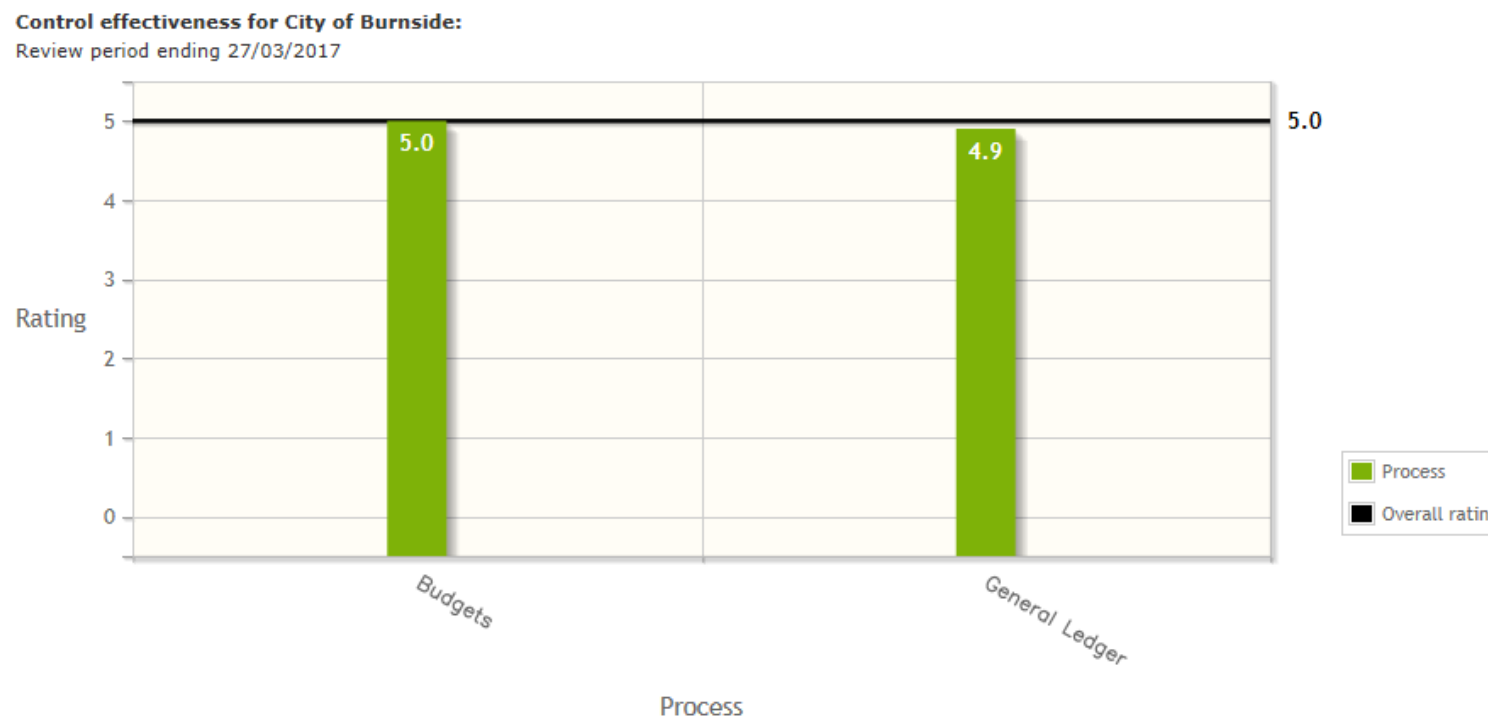
Review period ending 27/03/2017



3 Category and process ratings

3.1 Strategic Financial Planning

The graph below provides an illustrative summary for the overall effectiveness of internal controls exercised within the Strategic Financial Planning category. Included in the graph are the overall ratings for the each of the major processes and the overall rating for Strategic Financial Planning.

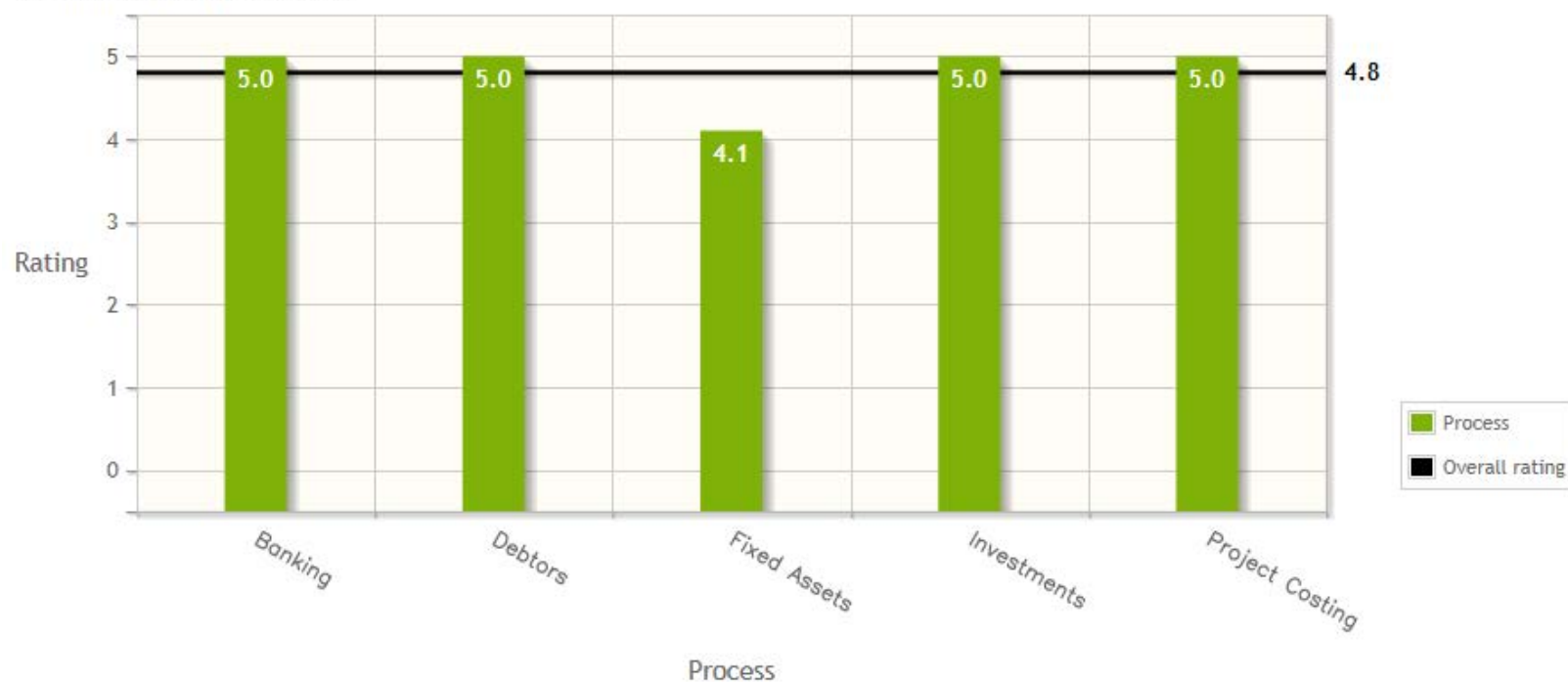


3.2 Assets

The graph below provides an illustrative summary for the overall effectiveness of internal controls exercised within the Assets category. Included in the graph are the overall ratings for the each of the major processes and the overall rating for Assets.

Control effectiveness for City of Burnside:

Review period ending 27/03/2017



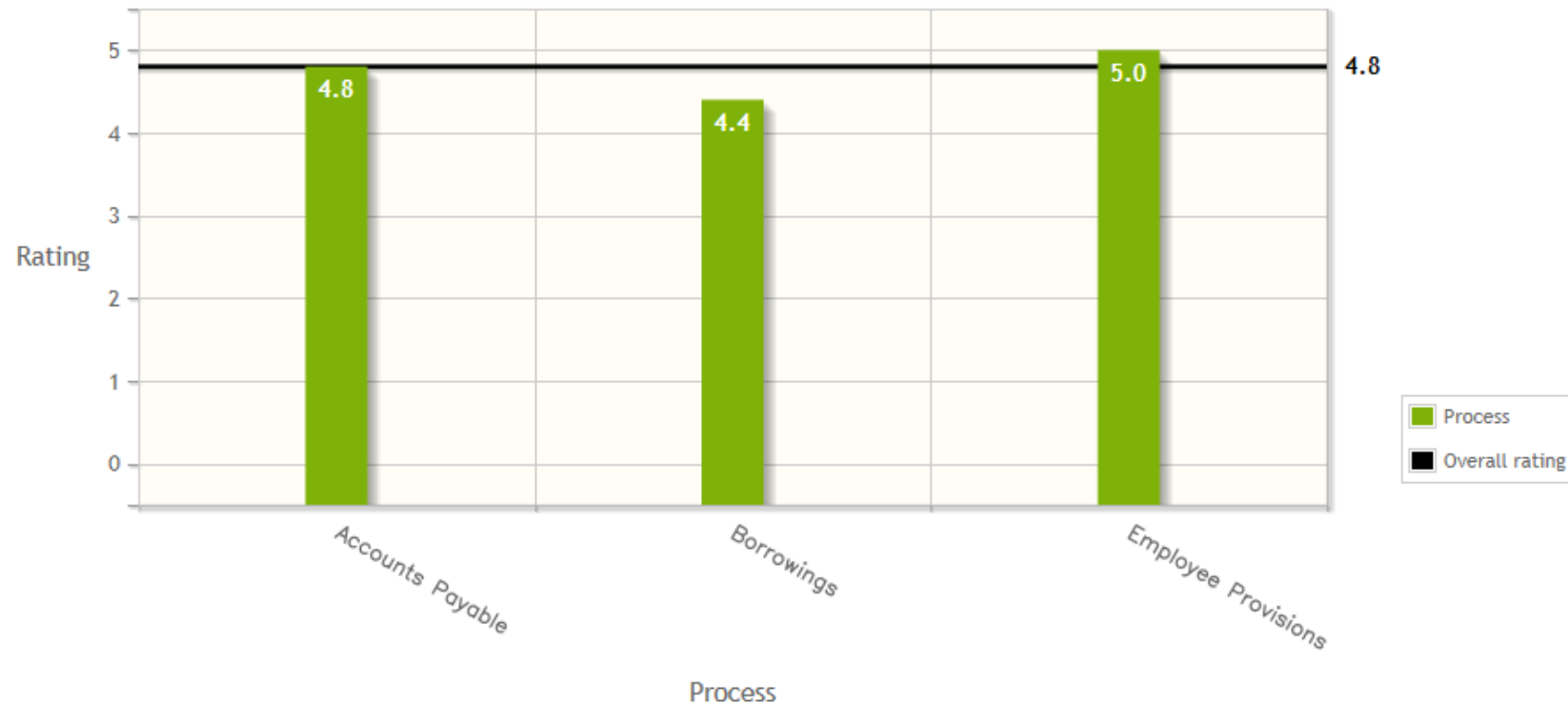
Notes:

3.3 Liabilities

The graph below provides an illustrative summary for the overall effectiveness of internal controls exercised within the Liabilities category. Included in the graph are the overall ratings for the each of the major processes and the overall rating for Liabilities.

Control effectiveness for City of Burnside:

Review period ending 27/03/2017

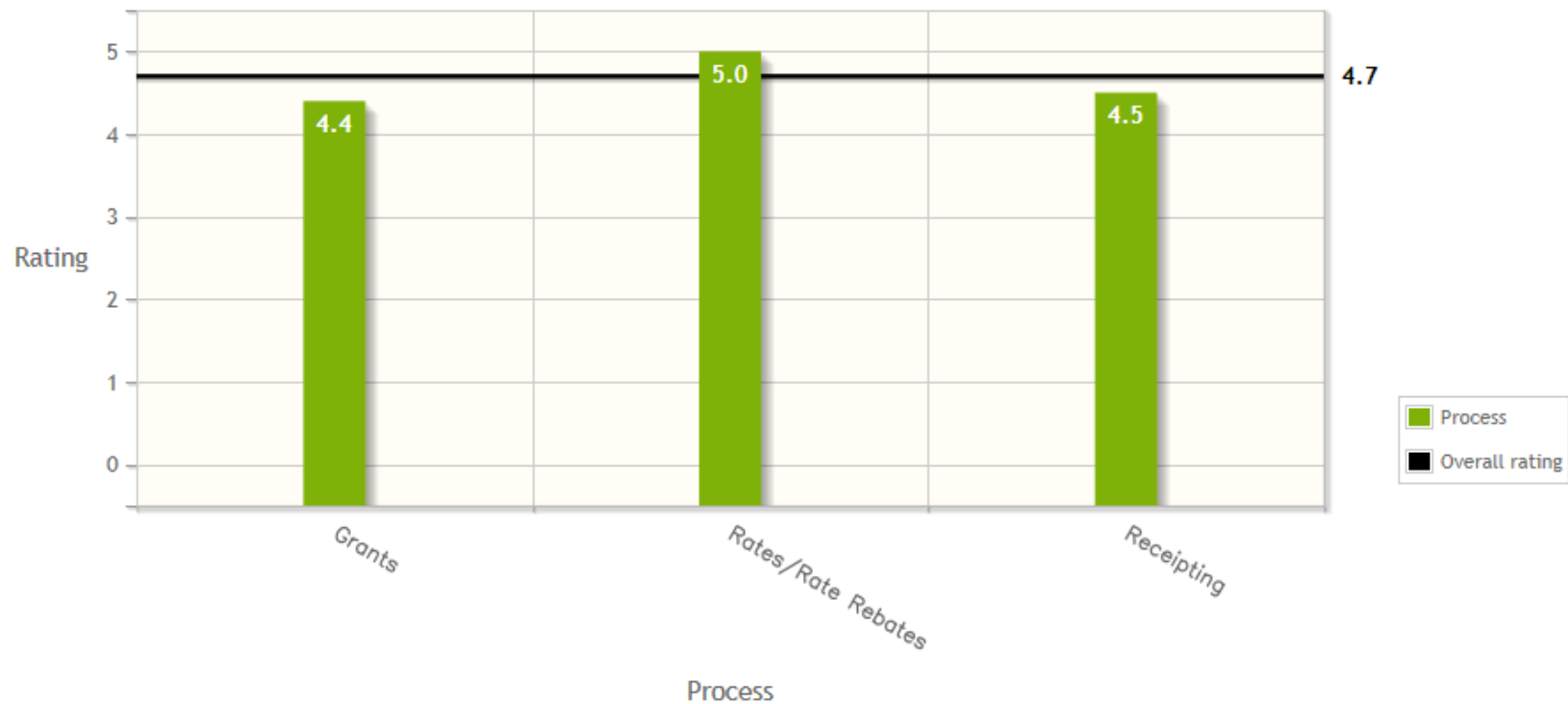


3.4 Revenue

The graph below provides an illustrative summary for the overall effectiveness of internal controls exercised within the Revenue category. Included in the graph are the overall ratings for the each of the major processes and the overall rating for Revenue.

Control effectiveness for City of Burnside:

Review period ending 27/03/2017

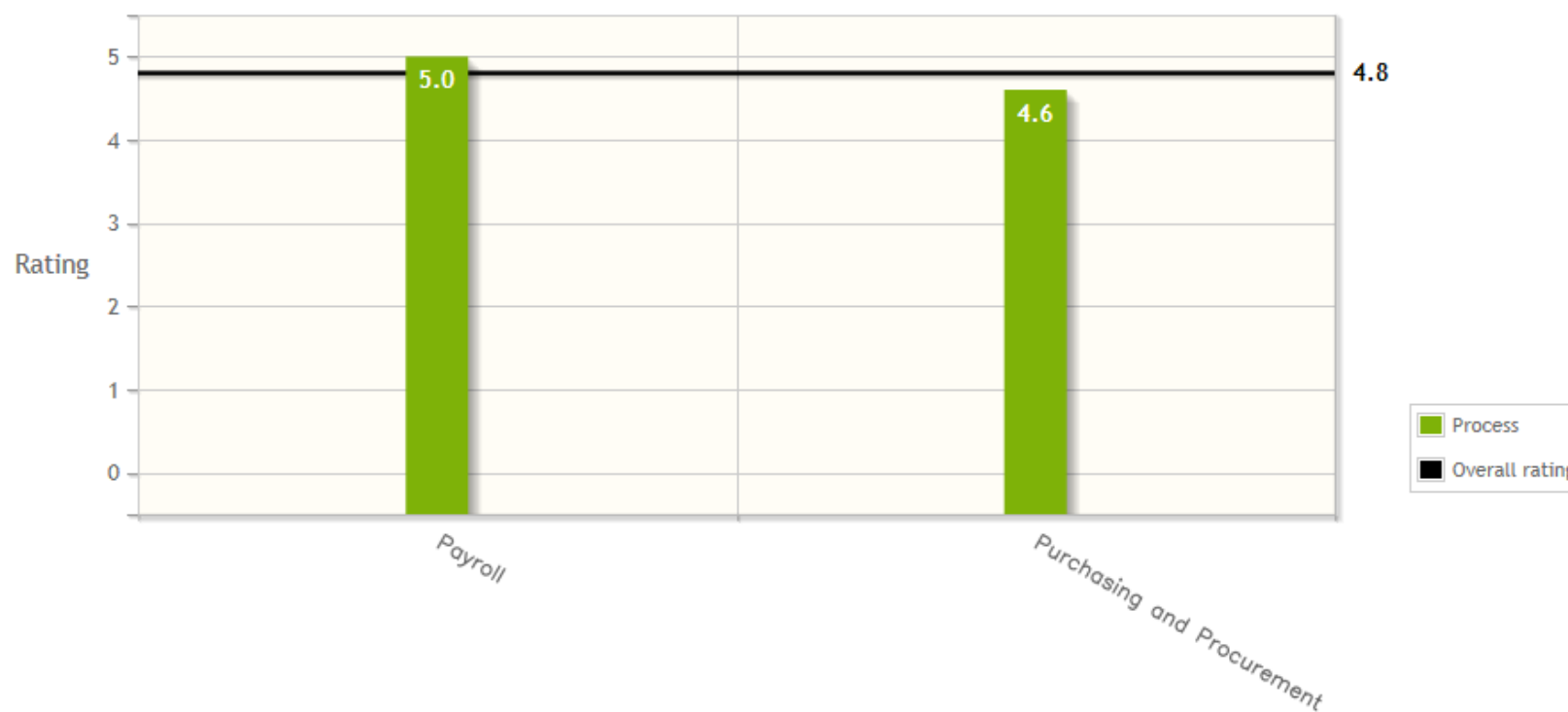


3.5 Expenses

The graph below provides an illustrative summary for the overall effectiveness of internal controls exercised within the Expenses category. Included in the graph are the overall ratings for the each of the major processes and the overall rating for Expenses.

Control effectiveness for City of Burnside:

Review period ending 27/03/2017

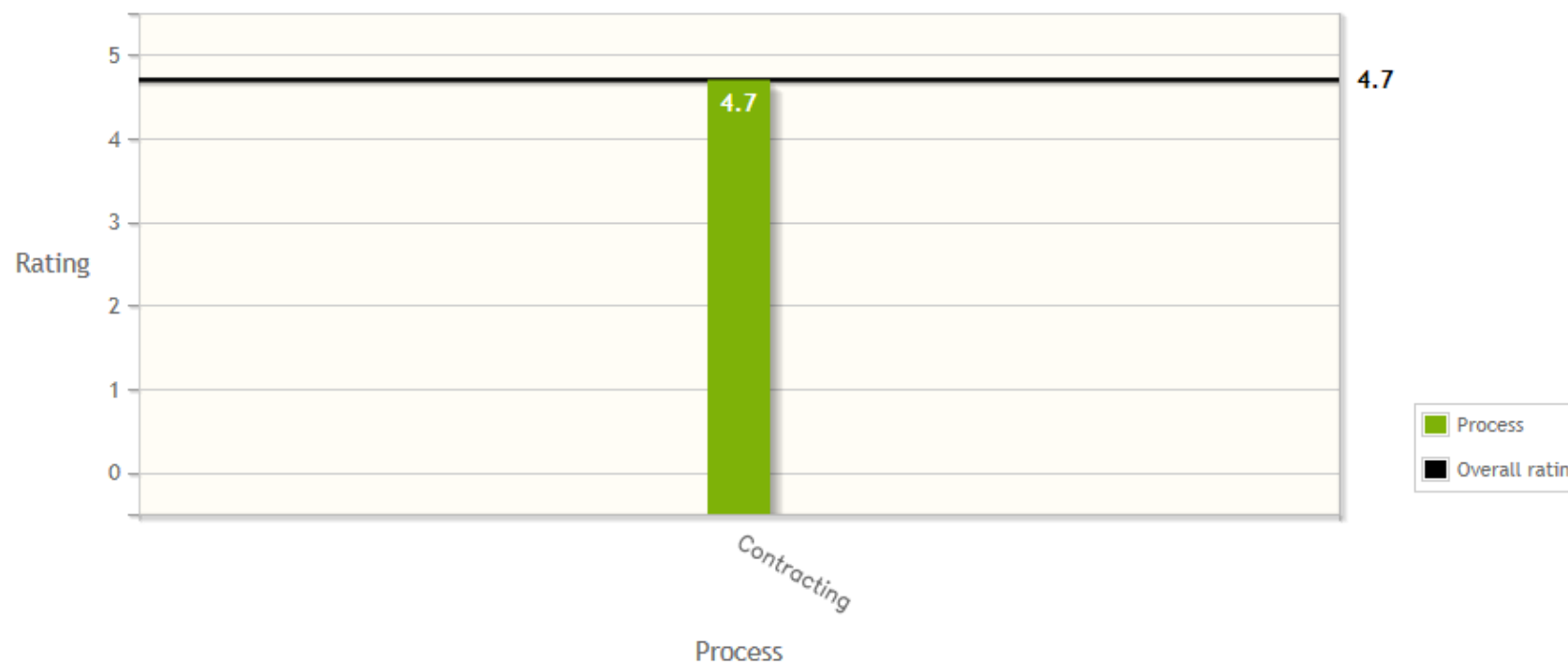


3.6 External Services

The graph below provides an illustrative summary for the overall effectiveness of internal controls exercised within the External Services category. Included in the graph are the overall ratings for the each of the major processes and the overall rating for External Services.

Control effectiveness for City of Burnside:

Review period ending 27/03/2017



4 Action Plans Summary

The tables below provide a detailed summary of the controls with action plans defined to correct any deficiencies in relation to their operating effectiveness. This section is broken down into the relevant financial control categories and the relevant financial processes within.

Control	Assessment comments	Rating	Action plan	Status
Council has a fixed asset policy which details thresholds for recognition of fixed assets which is monitored to ensure adherence.	<p>Council has a Fixed Asset Financial Reporting Policy which was adopted by Council on 11 August 2015, although it does not include the thresholds. We have been using the financial statements as our guide as it contains the thresholds for recognition of fixed assets which is monitored to ensure adherence.</p> <p>As an improvement we are going to include the thresholds into the Fixed Assets Financial Reporting policy.</p>	3	Fixed Asset Policy and protocol to be reviewed and updated.	<p>In Progress.</p> <p>Asset Disposal Policy being tabled at 3 April 2017 Audit Committee meeting.</p> <p>Fixed Asset Financial Reporting Policy to be updated when due for review in August 2017.</p>
All fixed asset acquisitions and disposals are approved in accordance with Delegation of Authority and relevant Procurement and Fixed Asset Policies.	<p>All acquisitions are approved via a PO approval process. Disposals are listed per the disposal schedule on the intranet.</p> <p>A disposal form is to be created to ensure an authorised council officer has signed off on the disposal of an asset prior to disposition - this disposal form is in its final stages and we are also including an online approval process.</p> <p>We aim to have this completed by 31 March 2017.</p> <p>We had an internal audit in June 2016 and the disposals form was a part of the recommendations that we are working towards.</p>	3	A disposal form is to be created to ensure an authorised council officer has signed off on the disposal of an asset prior to disposition.	<p>In Progress</p> <p>Due date: 31/03/2017</p> <p>Priority: Low</p>

Control	Assessment comments	Rating	Action plan	Status
Electronic Purchase Orders are generated for all applicable purchases as required by Council's Procurement Policy.	There are instances where Purchase orders are raised after the invoice is received. At the recent AP Workflow automation training session, Finance staff reiterated the importance of raising PO's before the invoice. To further strengthen this, Finance staff are developing training materials and reports to help educate staff on raising PO's before the event.	3	Develop reports which determine PO's raised after the invoice date Provide refresher training to staff on raising PO's	In Progress Due date: 01/04/2017 Priority: Low

CITY OF BURNSIDE - CONTROL TRACK ASSESSMENTS JULY-DEC 2016

Strategic Financial Planning								
Budgets	Code	Assessor	Reviewer	AssessorRating	AssessorComments	ReviewerRating	ReviewerComments	Risks
There is a process in place to establish the annual budget and ensure that it is aligned with the Annual Business Plan and Strategic Management Plans, including the Long Term Financial Plan. BPM Control Type: Core	STR-BUD-0001	Karishma Dutta	Martin Cooper	5	The annual business plan & budget (ABP&B) is undertaken each year in accordance with the LG Act and regulations. The process to establish the annual budget includes input from all departments, workshops and various budget iteration discussions with Elected Members. It also includes feedback from the Community through a consultation process. Once established, the budget goes through Executive, Audit Committee and the Council for approval. Refer to attachment for the 2016/2017 Annual Business Plan Process and Timeline.	5		1. Budgets do not reflect strategic objectives.
There is a process in place for the on-going review by management of actual performance against budget to ensure consistency of the budget in relation to initiatives/objectives of the Annual Business Plan and Strategic Management Plans. BPM Control Type: Core	STR-BUD-0002	Raffaella Brown	Karishma Dutta	5	1. At month end we review actual vs budget to prepare the month end reporting. This is reviewed by department, natural account and cost centre to explain any variances. Example of December 16 Report provided. 2. On a quarterly basis we review the full year forecast. This is reviewed by department, natural account and cost centre to explain any deviations to the original budget. The new forecast is approved by council and adopted after approval is given to amend the forecast. example of Q1 Report provided. 3. We regularly have face to face meetings with all managers to discuss the performance of their department. We discuss Actual vs Budget variances, progression of operating and capital Projects. Sample of a departments analysis for December 2016 YTD done in January 17. These three elements allow us to ensure consistency of the budget in relation to initiatives/objectives of the annual business plan and strategic management plans.	5		1. Budgets do not reflect strategic objectives.
Budget managers are accountable for changes to for their budgets and responsible for completing budget reviews that are aligned with strategic plans. BPM Control Type: Core	STR-BUD-0004	Raffaella Brown	Karishma Dutta	5	1. We regularly have face to face meetings with all managers to discuss the performance of their department. We discuss Actual vs Budget variances, progression of operating and capital Projects. 2. Amendments to budget phasing due to timing issues is requested by the managers. This normally is requested in the Managers meetings with the Finance Business Partner, when the actual vs budget performance is analysed. The above two points are supported by the October Dept reviews file. 3. Quarterly full year forecasts are completed by the managers, reviewed by the General Managers and submitted to council for approval. This is supported by the 2016-17 Q1 Budget Update file. 4. Annual Business Plans are completed by the managers, reviewed and submitted to council for approval. This is supported by the Budget Summary Sheet - Final.xls file which includes comments from department managers regarding their submission of their budget bids. As a process improvement we would like to set up documentation to support these processes.	5		1. Budgets do not reflect strategic objectives.

The original budget and any budget amendments must be made in accordance with the LG Act and Regulations. BPM Control Type: Additional	STR-BUD-0010	Karishma Dutta	Martin Cooper	5	<p>The original budget is used as the foundation document and per the LG Act and Regulations and each quarter a review is undertaken by Finance to look at the actual vs. budget variances, this complies with the LGA Act and Regs of having 3 budget reviews per annum. At this time consultation is made between Finance and other departmental managers and suggested changes are agreed. These are then reviewed and endorsed by the Executive before being adopted by Council. Section 9 (1) states frequency of budget reviews. LG Regulations 2011 attached.</p> <p>The first Budget Review for 2016/2017 was adopted by Council on 25 October.</p> <p>The second Budget Review for 2016/17 was adopted by Council on 14 Feb 2017.</p> <p>Link to Council agendas and minutes provided below: https://www.burnside.sa.gov.au/About-Council/Council-Committees/Agendas-Minutes-Workshops/Council</p>	5		1. Unrealistic Budgets.
Actual budget compared to original budget on a quarterly basis and approved by Council. BPM Control Type: Core	STR-BUD-0011	Raffaella Brown	Karishma Dutta	5	<p>On a monthly basis we review Year to Date actual vs budget to prepare the month end reporting. This is reviewed by department, natural account and cost centre to explain any variances. This is supported by the Oct Dept Review file.</p> <p>On a quarterly basis we review the full year forecast. Department managers review their YTD performance and suggest amendments that are then reviewed by Finance staff, Manager Finance and Procurement, General Managers and the CEO. This is then submitted to Council for adoption. Example of the Q1 full year forecast provided.</p>	5	<p>Q2 Budget review was adopted by Council on 14 Feb 2017. Refer to link below for the Council report and minutes. https://www.burnside.sa.gov.au/About-Council/Council-Committees/Agendas-Minutes-Workshops/Council</p>	1. Unrealistic Budgets.
General Ledger	Code	Assessor	Reviewer	AssessorRating	AssessorComments	ReviewerRating	ReviewerComments	Risks
General Ledger policies and procedures are appropriately created, updated and communicated to relevant staff. BPM Control Type: Core	STR-GEN-0002	Karishma Dutta	Martin Cooper	5	<p>The General Ledger Policy (adopted in Aug 2015) has been amended and enhanced to align to the Internal Financial Control Framework. Next review date is August 2017.</p> <p>Refer attached.</p>	5		1. General Ledger does not contain accurate financial information. 2. Data contained within the General Ledger is permanently lost.
General Ledger reconciliations are prepared by relevant staff and independently reviewed according to a reconciliations schedule and applicable protocols. BPM Control Type: Core	STR-GEN-0005	Raffaella Brown	Karishma Dutta	4	<p>General Ledger reconciliations are performed regularly per our Reconciliation Matrix (attached) which is outlined in the General Ledger Financial Information Policy</p> <p>These reconciliations are prepared and independently reviewed per the Reconciliation Matrix.</p>	4	<p>The Reconciliations Matrix is used to determine the compiler, reviewer and frequency of reconciliations and informs the progress of reconciliations.</p> <p>It is specifically identified in the General ledger Integrity Protocol.</p> <p>Refer attached.</p>	1. General Ledger does not contain accurate financial information.
Manual journal entries recorded in the system are electronically authorised by the officer and an independent reviewer. BPM Control Type: Core	STR-GEN-0007	Raffaella Brown	Karishma Dutta	5	<p>We have segregation of duties between the creator and approval/post process. A person who creates a journal will forward the journal to the approver for approval and posting.</p> <p>A hardcopy of the journal with supportive documentation, if required, is provided to the approver and signed. Then returned to the creator for filing.</p> <p>We have added an additional level of control in the system to Technology one that does not allow the user who created a document file (Journal) to accept or post.</p> <p>See attached screenshot of the Authorisation code - Standard. Which shows the box is ticked.</p>	5	<p>All journals created are authorised by a more senior finance person by way of process. These authorisations are captured in our Enterprise System.</p>	1. General Ledger does not contain accurate financial information.
Access to General Ledger maintenance is restricted to authorised personnel. BPM Control Type: Core	STR-GEN-0010	Raffaella Brown	Karishma Dutta	5	<p>GL account maintenance is restricted to System administrators only. Attached is the list of system profiles and we only have 2 system administrators Accountant 76.</p>	5	<p>GL account maintenance is restricted to System administrators only. Attached is the list of system profiles and we only have 2 system administrators</p>	1. General Ledger does not contain accurate financial information. 2. Data contained within the General Ledger is permanently lost.

A formal disaster recovery plan is in place. BPM Control Type: Core	STR-GEN-0011	Karishma Dutta	Martin Cooper	5	A detailed Disaster Recovery Plan exists within Council which is very detailed and robust. Areas include; Backups at a File Level, Fully Redundant Main and Backup Server Environments, Tape Backup Threat Protection etc. Disaster Recovery Plan is attached	5		1. Data contained within the General Ledger is permanently lost.
All major updates and changes to General Ledger system are authorised, tested and documented. BPM Control Type: Core	STR-GEN-0013	Raffaella Brown	Karishma Dutta	5	Any major upgrades or projects are correctly tested and documented. This is done as a collaboration between IT and Finance. We perform and document User Accepted Testing (UAT). This also assists us the next time we have to do an upgrade to ensure we test every aspect of the system before transferring the upgrade into live production. General changes to the GL are all authorised through a request from a department manager/team leader i.e. via an email, finance request or at the Department Managers monthly meeting with the Finance Business Partner. This is reviewed and approved by an independent person. See attached copy of the emails and review and approvals. Examples of general changes might be Cost centre name changes, additional cost centres, structural changes, moving a cost centre to be under a different department. New accounts are also generated as a part of the Annual Business Plan.	5	Agree with Assessor comments.	1. General Ledger does not contain accurate financial information. 2. Data contained within the General Ledger is permanently lost.
Assets								
Banking	Code	Assessor	Reviewer	AssessorRating	AssessorComments	ReviewerRating	ReviewerComments	Risks
Access to EFT Banking system restricted to appropriately designated personnel. BPM Control Type: Core	ASS-BAN-0006	Di Manthorpe	Janice van der Pennen	5	Only Accounts payable personal have access to the supplier master file where EFT bank accounts are held. Supporting documentation is saved on the master file. Prior to a payment run an exception report of new creditors and a report on changes to bank accounts since previous payment run are printed and approved by two authorised approvers. Two authorised approvers can then authorise payment in Commbiz.	5	Only Accounts payable personal have access to the supplier master file where EFT bank accounts are held. An exception report is printed and approved by an authorised officer if changes are made and supporting documentation is saved on the master file.	1. Banking transactions are either inaccurately recorded or not recorded at all. 2. Fraud
Bank reconciliations are performed on a regular basis and reviewed by authorised staff. Outstanding items are investigated. BPM Control Type: Core	ASS-BAN-0007	Loretta Harper	Raffaella Brown	5	Bank Reconciliations are performed on a daily basis. Banking journals, rates, infringements banking downloads are reconciled with deposits received on bank statement. Any outstanding items are investigated. Reconciliation is balanced with Cash at Bank ledger daily. Monthly reconciliations are carried out, signed off and approved by Group Manager Finance and Strategy.	5	All transactions are recorded accurately this is checked by performing monthly Bank reconciliations per the General Ledger Financial Policy and in accordance with the Finance departments Reconciliations Matrix. Only authorised personnel have access to the bank reconciliations and thus mitigate the risk of fraud. Please note the Group Manager Finance and Strategy doesn't actually sign off the monthly reconciliations the Team Leader Financial Management approves this reconciliation with the Group Manager reviewing year end balances.	1. Banking transactions are either inaccurately recorded or not recorded at all. 2. Fraud
Cash transfers between bank accounts and investment bodies are undertaken and approved by authorised staff. BPM Control Type: Core	ASS-BAN-0009	Loretta Harper	Raffaella Brown	5	Cash transfers between bank accounts and investment bodies are undertaken by email with an attached authority with two authorised officers signatures. CAD loan transfers are signed by two authorised signatories with bank authority.	5	By having two authorised officers approve the bank transfer authority it mitigates the risk of fraud.	1. Fraud
There is a process in place to ensure all cash collected, counted and verified by independent staff and is adequately recorded and banked regularly. BPM Control Type: Core	ASS-BAN-0010	Vena Folino	Mary McDade	5	The team have a Customer Service Procedures document containing a Banking Procedure to ensure we as a team adhere to these processes. The procedure can be viewed in Supporting Documents for Jan - Jun 2017.	5	Processes reviewed six monthly.	1. Fraud
Investments	Code	Assessor	Reviewer	AssessorRating	AssessorComments	ReviewerRating	ReviewerComments	Risks
Delegations are in place for approving and making investment decisions. BPM Control Type: Core	ASS-INS-0007	Karishma Dutta	Martin Cooper	5	Delegations are in place for approving and making investment decisions. Refer to the following link for the 2017 delegations register: http://www.burnside.sa.gov.au/files/assets/public/council/public_registers/delegations_record_2015.pdf The delegations register is reviewed and updated on an annual basis (last updated 24 Jan 2017).	5		1. Council makes poor investment decisions.

Debtors	Code	Assessor	Reviewer	AssessorRating	AssessorComments	ReviewerRating	ReviewerComments	Risks
Management reviews debtors ageing profile on a regular basis (in accordance with applicable Protocol) and investigates any outstanding items. BPM Control Type: Core	ASS-DEB-0008	Robin Loechel	Janice van der Pennen	5	The end of month process is to review the aged debtors, (both sundry and rates), report and investigate the outstanding long term balances. This includes 60 and 90 days for sundry debtors. Rates debtors report lists all outstanding properties in arrears.	5	Both Sundry and Rates debtor outstanding reports reviewed as part of end of month process.	1. An appropriate provision for doubtful debts is not recorded. 2. Debtors are either not collected on a timely basis or not collected at all.
Management and/or Council review and approve all rebates, credit notes, bad debt write-offs in accordance with delegations of authority and Local Government Act. BPM Control Type: Core	ASS-DEB-0010	Robin Loechel	Janice van der Pennen	4	Credit notes are required to be filled out by requesting officer and attached to Finance Request with any supporting documents for approval. Credit note to be signed by Team Leader Financial Management. Write offs need to be approved in accordance with Delegation authority. Rebates are not applicable for Sundry Debtors.	5	New process for credit notes, these are all approved by Team Leader Financial Management before processed.	1. Rebates and credit notes to debtors are either inaccurately recorded or not recorded at all. 2. An appropriate provision for doubtful debts is not recorded. 3. Debtors are either not collected on a timely basis or not collected at all.
Debtor's reconciliation performed on a regular basis (in accordance with applicable Protocol) to the General Ledger and reviewed by an independent person. BPM Control Type: Core	ASS-DEB-0011	Robin Loechel	Janice van der Pennen	5	Debtors reconciliation is performed in accordance with the reconciliation schedule and is part of our end of month process. Approval is done by relevant superior officer via internal reconciliation workflow via the intranet.	5	Monthly reconciliations performed as part of month end process.	1. Debtors are either inaccurately recorded or not recorded at all. 2. Debtors are either not collected on a timely basis or not collected at all.
Recorded changes to debtor's master file are supported by an authorised source document. BPM Control Type: Core	ASS-DEB-0012	Robin Loechel	Janice van der Pennen	5	Sundry Debtors All requests are made through a Finance Request with supporting documentation and saved as an attachment on the master file. Attached file shows a request to change, screen shot of debtor showing that the request is saved on the master file and debtor information has been updated. Rates Unofficial advice from conveyancer or ratepayer in writing and formal advice from Land Services	5	Changes requested in writing via email and email saved on debtors master file. Any changes to Rate debtors names and/or address are saved on the property via ecm and all changes are requested in writing via email, report, letter or online address form via our website.	1. The Debtors master file data does not remain pertinent.
Access to the debtors master file is restricted to appropriately designated staff and is reviewed by management for accuracy and on-going pertinence. BPM Control Type: Core	ASS-DEB-0013	Robin Loechel	Janice van der Pennen	5	Finance staff have access to maintenance whereas other staff have access to enquirers only.	5	Only Accounts receivable personal have access to the debtors master file.	1. The Debtors master file data does not remain pertinent.
Council maintains a Debt Collection Policy for rates. BPM Control Type: Core	ASS-DEB-0017	Robin Loechel	Janice van der Pennen	5	Rates is included in the Rating Policy (section 6.3.3) and is used for the recovery of outstanding amounts.	5	Debt collection protocol available.	1. Debtors are either inaccurately recorded or not recorded at all.
Fixed Assets	Code	Assessor	Reviewer	AssessorRating	AssessorComments	ReviewerRating	ReviewerComments	Risks
Depreciation charges are calculated in accordance with the relevant fixed assets policy, including the useful life, depreciation method and calculation formulas. BPM Control Type: Core	ASS-FIX-0003	Raffaella Brown	Karishma Dutta	4	Depreciation charges are calculated in accordance with the Fixed Assets Policy and the thresholds stated in Note 1 of the financial statements. See attached We have also conducted a desktop review for consistency of rates between classes. This has also been attached and a asset category added for additional evidence to support the control is being monitored.	4	Depreciation charges are in line with the Policy.	1. Depreciation charges are either invalid, not recorded at all or are inaccurately recorded.
Asset revaluations and depreciation reviews are performed in accordance with Australian Accounting Standards. BPM Control Type: Core	ASS-FIX-0006	Raffaella Brown	Karishma Dutta	5	We are complying the Australian Accounting Standards. The LGA South Australia Model Financial Statements 2015 report specifically states compliance with the following: 1. AASB 116 Property, Plant and Equipment and AASB 123 Borrowing Costs. 2. AASB 13 Fair Value Measurement for Asset Revaluations for Infrastructure, Property and Plant & Equipment. Attached is a copy of Maloney Field Services who performed the revaluations stating that they comply with AASB 116 and AASB 13. I have also attached the desktop review checking that the existing assets comply with the revaluation reports.	5	Asset revaluations and depreciation reviews are performed in accordance with Australian Accounting Standards.	1. Fixed Assets are not valued correctly.
Reconciliation of fixed assets to the General Ledger is performed regularly (in accordance with Protocol). BPM Control Type: Core	ASS-FIX-0007	Raffaella Brown	Karishma Dutta	5	Regular reconciliations of Fixed Assets are completed per the reconciliations matrix following the General Ledger Financial Information Policy. These are completed and reviewed with an independent preparer and approver. Please find the reconciliation matrix updated	5	Asset reconciliations done in line with the reconciliations matrix and reviewed independently.	1. Fixed asset acquisitions, disposals and write-offs are fictitious, inaccurately recorded or not recorded at all. Fixed asset register does not remain pertinent.

Asset Management Plans exist for all major asset classes and all changes to the asset management plan must be approved by Council. BPM Control Type: Core	ASS-FIX-0008	Karishma Dutta	Martin Cooper	4	<p>The City of Burnside has Asset Management Plans for the following classes of infrastructure.</p> <ul style="list-style-type: none"> - Transport (e.g. roads, kerbs, footpaths) - Stormwater (e.g. side entry pits, underground drains, detention dams) - Buildings (e.g. community buildings, operational buildings) - Open Space (e.g. playgrounds, park improvements) <p>Refer to link below: https://www.burnside.sa.gov.au/About-Council/Documentation-Reports/Asset-Management-Plans</p> <p>Have scored it a 4 instead of a 5 because we are yet to completely align the LTTP and AMP. In addition, we are aware of some changes that need to be made. The revised AMP's are scheduled to be presented to the Council along with the 2017/18 LTTP.</p>	4	1. Fixed Asset maintenance and/or renewals are inadequately planned.
Verification of fixed assets are conducted as part of the revaluation process. BPM Control Type: Core	ASS-FIX-0014	Raffaella Brown	Karishma Dutta	5	<p>As a part of the Revaluation process an independant revaluation firm verify the existence of the asset classes they have been given to revalue.</p> <p>All capitalisations, disposals are supported by documentation from suppliers to evidence the existence of the asset and to ensure accuracy of data.</p> <p>I was unable to Attach the Maloney revaluation report as the file was too large but I have saved the document below:</p> <p>\\montreal\Share\Financial Management\Internal Controls\Supporting documents for 2016-17 Control Track Assessment - file name ASS-FIX-0014 2015 Burnside Various Asset Classes Fin Rep Pref.pdf</p>	4	1. Fixed asset acquisitions, disposals and write-offs are fictitious, inaccurately recorded or not recorded at all. Fixed asset register does not remain pertinent.
All fixed asset acquisitions and disposals are approved in accordance with Delegation of Authority and relevant Procurement and Fixed Asset Policies. BPM Control Type: Core	ASS-FIX-0016	Raffaella Brown	Karishma Dutta	3	<p>All acquisitions are approved via a PO approval process.</p> <p>Disposals are listed per the disposal schedule on the intranet an example is attached.</p> <p>A disposal form is to be created to ensure authorised council officer have signed off on the disposal of an asset prior to disposition - this disposal form is in its final stages and we are also including an online approval process. we aim to have this complete by the end of March 31. Attached is some emails indicating the project is in progress.</p> <p>We had an internal audit in June 2016 and the disposals form was apart of the recommendations that we are working towards.</p>	3	1. Fixed asset acquisitions, disposals and write-offs are fictitious, inaccurately recorded or not recorded at all. Fixed asset register does not remain pertinent.
Council maintains a revaluation schedule for all major classes of assets. Qualified external valuers are engaged as required, and management reviews methodology and useful lives determined by the valuer, to ensure valuation is appropriate and in accordance with reporting requirements. BPM Control Type: Core	ASS-FIX-0019	Raffaella Brown	Karishma Dutta	N/A	<p>Per an Internal Control Review conducted by Galpins August 2016 - it was suggested that the Control Code ASS-FIX-0019 was a duplication of ASS-FIX-006 so I will disregard this question and answer ASS-FIX-006 only.</p> <p>Previous Comments Below: The scheduling of asset class revaluations is performed based on Note 1 - 6.3 of the City of Burnside Financial Statements.</p> <p>Revaluation is between 3 and 5 years. A rolling revaluation schedule is based on the latest revaluation date plus 2 years of desktop valuations.</p> <p>Please find attached the revaluation schedule.</p>	N/A	1. Fixed Assets are not valued correctly.

Management reviews depreciation rates and methodology (at least annually) to ensure that methods used to value fixed assets are still appropriate. BPM Control Type: Core	ASS-FIX-0020	Raffaella Brown	Karishma Dutta	5	<p>Assessments are made in conjunction with the analysis and preparation of the Financial Statements and reviewed at each Budget Review (budgets v actual for Depreciation expense) and tested for consistency between like assets.</p> <p>A Desktop review was performed for the June 2016 asset listing, please find attached a class review (Infrastructure - Other) and I have also attached the email showing the location of all the review files.</p> <p>This covered consistency of depreciation rates for similar or homogenous assets. Comments made where applicable.</p> <p>A recommendation has been provided by Galpins as at July 2016 to reword this control to the following:</p> <p>"Management reviews depreciation rates and methodology (at least annually) to ensure that methods used to value fixed assets are still appropriate and consistent for similar assets."</p> <p>Suggested Assessment guidance is</p> <p>Perform a desktop review to confirm that depreciation rates and methodologies are reasonable. The reviewer to consider:</p> <ul style="list-style-type: none"> •Consistency of useful lives for similar or homogenous assets •Consistency of useful lives with the asset Management Plans •Consistency of useful lives with external valuation reports. <p>Document any spot checking performed as evidence as part of the assessment of the control</p>	5	A Desktop review was performed for the June 2016 asset listing.	1. Fixed Assets are not valued correctly.
Council has a fixed asset policy which details thresholds for recognition of fixed assets which is monitored to ensure adherence. BPM Control Type: Core	ASS-FIX-0029	Raffaella Brown	Karishma Dutta	3	<p>Council has a Fixed Asset Financial Reporting Policy which was adopted by Council on 11 August 2015. Although it does not include the thresholds.</p> <p>We have been using the financial statements as our guide as it contains the thresholds for recognition of fixed assets which is monitored to ensure adherence.</p> <p>See attached Financial Statements for 2015/16 Page 11.</p> <p>As an improvement we are going to include the thresholds into the Fixed Assets Financial Reporting policy.</p>	3	<p>The Fixed Asset Reporting Policy was adopted by Council on 11th August 2015 detailing the recognition and treatment of Council assets.</p> <p>However, based on audit recommendation, we will be including capitalisation thresholds within this Policy.</p>	1. Fixed asset acquisitions, disposals and write-offs are fictitious, inaccurately recorded or not recorded at all. Fixed asset register does not remain pertinent.
Access and on-going maintenance of the fixed asset register is performed by authorised officers only. BPM Control Type: Core	ASS-FIX-0030	Raffaella Brown	Karishma Dutta	4	<p>There is limited access to the Assets module, this is limited to key users only. This is system driven.</p> <p>Continuous process improvements are made to system access and this area is no different.</p> <p>The list attached is from profile group standard 06 which has access to assets</p> <p>Each new employee is reviewed and specific access is granted per their job position and access requirements this is approved by management. Attached is an example of a new starter although these forms are also used to amend existing staff if they change roles.</p>	4		1. Fixed asset acquisitions, disposals and write-offs are fictitious, inaccurately recorded or not recorded at all. Fixed asset register does not remain pertinent.
Project Costing	Code	Assessor	Reviewer	AssessorRating	AssessorComments	ReviewerRating	ReviewerComments	Risks
Actual project costs are regularly compared to budgets; significant variances are investigated by management. BPM Control Type: Core	ASS-PRO-0002	Raffaella Brown	Karishma Dutta	5	<p>1. We regularly have face to face meetings with all managers to discuss the performance of their department. We discuss Actual vs Budget variances, progression of operating and capital Projects.</p> <p>2. Amendments to budget phasing due to timing issues is requested by the managers. This normally is requested in the Managers meetings with the Finance Business Partner, when the actual vs budget performance is analysed. see attached Month End report with the Operating Project analysis.</p> <p>3. Quarterly full year forecasts are completed by the managers, reviewed by the General Managers and submitted to council for approval.</p> <p>4. Annual Business Plans are completed by the Managers, reviewed and submitted to Council for approval.</p> <p>Attached is the month end report showing comments in the variance columns for both Capital and Operating projects. I have also attached the October operating and capital files showing monthly analysis.</p>	5	<p>There is a comprehensive process that compares budgets to actuals and reports on variances.</p> <p>We report on variances every month as well as as part of the Budget Reviews and Year end process.</p>	1. Projects are either inaccurately recorded or not recorded at all.
Rigorous process for establishing budgets for projects. Project budgets must be approved in accordance with Delegations of Authority. BPM Control Type: Core	ASS-PRO-0008	Raffaella Brown	Karishma Dutta	5	The budget process is rigorous and transparent. Attached is the process	5	There is a rigorous Budget Bid process for the establishment of Projects.	1. Projects are either inaccurately recorded or not recorded at all.
Liabilities								

Accounts Payable	Code	Assessor	Reviewer	AssessorRating	AssessorComments	ReviewerRating	ReviewerComments	Risks
Electronic Purchase Orders are generated for all applicable purchases as required by Council's Procurement Policy. BPM Control Type: Core	LIA-ACC-0001	Darren Campbell	Karishma Dutta	4	The Purchasing Policy is such as, all purchases require a Purchase Order to proceed. improvements to the this system could include adding the types of conditions associated with a services / goods. i.e individual conditions for Consultancy, Services and Goods.	3	Procurement Governance Framework is available at http://www.burnside.sa.gov.au/Council/Policies There are instances where Purchase orders are raised after the invoice is received. At the recent AP Workflow automation training session, Finance staff reiterated the importance of raising PO's before the invoice. To further strengthen this, Finance staff are developing training materials and reports to help educate staff on raising PO's before the event.	1. Disbursements are not authorised properly.
Authorised staff review aged payables listing on a regular basis and investigate items outstanding for more than 90 days. BPM Control Type: Core	LIA-ACC-0008	Di Manthorpe	Janice van der Pennen	5	Part of End of month process to investigate items more than 90 days on Aged Analysis Report.	5	Performed as part of End of Month procedures. Outstanding creditors reviewed as part of End Of Month	1. Accounts payable are not paid on a timely basis.
Invoices received are authorised and accompanied by appropriate supporting documentation. BPM Control Type: Core	LIA-ACC-0010	Di Manthorpe	Janice van der Pennen	5	Requisitions are authorised by staff with relevant authorisation. Orders are received off by staff with relevant authorisation. Order numbers are quoted on workflow document returned to finance on completion of order receipt.	5	Incoming invoices are sent via a workflow in Finance 1 to requesting officer for authorisation. This prompts the officer to received off purchase order if not already done so and returned approved workflow to accounts payable for payment. All invoices required an authorised officer to approve before payment.	1. Accounts payable amounts and disbursements are either inaccurately recorded or not recorded at all.
A report is produced that contains recorded modifications to the supplier master file and is approved by the authorised staff when payments are authorised. Procurement staff approve additions to the supplier master file. BPM Control Type: Core	LIA-ACC-0013	Di Manthorpe	Janice van der Pennen	5	Two reports are produced for every payment run showing New Vendors added to Supplier Master File and Vendor EFT details modified since last payment run. New Creditor Requests are first authorised by Procurement staff before ECM tasks to Finance.	5	New Suppliers requests are required to be approved first by procurement before being added into our system. Supporting documents are saved in ECM and on the new supplier master file for easy access. Any changes made in the supplier master file are reported in the next payment run and approved by authorised officer.	1. Supplier master file data does not remain pertinent and/or unauthorised changes are made to the supplier master file.
All disbursements must be approved by an authorised officer in accordance with relevant policies and/or Delegations of Authority. BPM Control Type: Core	LIA-ACC-0014	Raffaella Brown	Karishma Dutta	5	Authorisations for EFT payments are managed within the Commonwealth Bank Commbiz system. Cheque payments are authorised utilising the Technology One Financial module where authorised staff are given access to cheque payment approvals. In both cases two authorised staff (separate from the preparer) are required to authorise the disbursements. Neither of the authorised staff have the access to prepare a payment process. Please find attached the Commbiz authorisation personnel and a copy of a payment authorised by two authorised persons.	5	All disbursements made via electronic funds transfer (EFT) are signed by two independent parties who are separate from the preparer. There is a Primary and Secondary authoriser on every approved payment batch made via Commbiz.	1. Disbursements are not authorised properly.
Individuals who authorise payment of suppliers are authorised staff who are independent of the processing of invoices. BPM Control Type: Core	LIA-ACC-0015	Raffaella Brown	Karishma Dutta	5	Individuals who authorise payments of suppliers do not have access to the Accounts payable modules. The internal control for this is system driven. Attached is the list of personell who have access to complete Accounts Payable suite, which includes payments processing but they are not the commbiz payment approvers. I have also attached the Commbiz Authorised Approvers and also I have attached a copy of Persons who can approve payments in Finance One.	5	The Accounts Payable Officer has the ability to prepare invoices for payment but the actual authorisation of these payments is approved by two independent parties who have been approved by both Council via delegation of authority and have been set up in Commbiz to do so.	1. Disbursements are not authorised properly.

Payments (Cheques and EFT's) are endorsed by authorised staff, separate to the preparer, who ensures that payment is made to the specified payee. BPM Control Type: Core	LIA-ACC-0017	Di Manthorpe	Janice van der Pennen	5	<p>Authorisations for EFT payments are held within the Commonwealth Bank Commbiz system.</p> <p>Cheque payments are authorised utilising the Technology One Financial module where authorised staff are given access to cheque payment approvals.</p> <p>In both cases two authorised staff (separate from the preparer) are required to authorise the disbursements. Neither of the authorised staff have the access to prepare a payment process.</p>	5	All payments are approved by a authorised officer separate to the accounts payable officer.	1. Accounts payable amounts and disbursements are either inaccurately recorded or not recorded at all.
Recorded changes to the supplier master file are compared to authorised source documents. The accounts payable system provides a link to the location of source documents. BPM Control Type: Core	LIA-ACC-0020	Di Manthorpe	Janice van der Pennen	5	Documents relating to supplier master file changes are scanned into AP Chart Account Maintenance. If notification originates from ECM a link from scanned document is provided.	5	Accounts payable require supporting documents for any changes made to a supplier and are either saved on the supplier master file or a link provided to ECM to view documents.	1. Supplier master file data does not remain pertinent and/or unauthorised changes are made to the supplier master file.
Access to the supplier master file is restricted to authorised officers. BPM Control Type: Core	LIA-ACC-0021	Di Manthorpe	Janice van der Pennen	5	Maintenance of the supplier master file is restricted to the AP authorised officers. Other staff have 'read only' access.	5	Only Accounts Payable personal have maintenance access.	1. Credit notes and other adjustments to accounts payable are either inaccurately recorded or not recorded at all.
Separation exists of accounts payable and procurement duties. BPM Control Type: Core	LIA-ACC-0022	Di Manthorpe	Janice van der Pennen	5	<p>Accounts payable staff undertake no procurement duties and have no financial delegation.</p> <p>Attached copy of financial delegation list and PD for accounts payable officer</p>	5	Separation does exist between accounts payable and procurement.	1. Credit notes and other adjustments to accounts payable are either inaccurately recorded or not recorded at all. 2. Supplier master file data does not remain pertinent and/or unauthorised changes are made to the supplier master file.
Borrowings	Code	Assessor	Reviewer	AssessorRating	AssessorComments	ReviewerRating	ReviewerComments	Risks
A loan register is maintained containing a copy of Council resolution approving the loan and a schedule of the loan liability and the loan repayment from the lender. This also includes details of any Cash Advanced Debenture. BPM Control Type: Core	LIA-BOR-0006	Raffaella Brown	Karishma Dutta	5	<p>Our loan register is kept in a manual file containing all relevant details for loans including the Council resolution approving the loan.</p> <p>We maintain an Investments and Loan Summary file listing all investments, Cash Advances and Debentures. see attached 2016/17 file.</p> <p>Please find attached our current Borrowings protocol, this is currently being reviewed and will be updated by 30th June 2017.</p>	4	Treasury Management Policy and Borrowings Protocol to be reviewed and updated.	1. Borrowings are either not recorded or are recorded inaccurately. 2. Loans are taken out without appropriate approval.
Interest on loans is predetermined and journals are checked. Interest on Cash Advanced Debentures is checked where applicable to relevant source documents. BPM Control Type: Additional	LIA-BOR-0019	Raffaella Brown	Karishma Dutta	5	<p>Cash Advanced Debentures Interest on loans is charged quarterly and direct debited out of our commonwealth bank account this is journalled as a part of the bank reconciliation process.</p> <p>Attached is a journal showing the recording of the expense with supportive documentation attached.</p> <p>I have also attached a reconciliation for additional</p>	5	Interest is calculated by the bank and direct debited to the account.	1. Loans are not repaid in accordance with the agreed terms.
Employee Provisions	Code	Assessor	Reviewer	AssessorRating	AssessorComments	ReviewerRating	ReviewerComments	Risks
Reconciliation of employee provisions performed on a regular basis and these are independently reviewed and signed off by staff responsible for leave approvals. BPM Control Type: Additional	LIA-EMP-0002	Amanda MacFarlane	Raffaella Brown	5	Leave Liability reports are produced at the end of each month and analysed on a regular basis to the GL to identify any large variances.	5	Leave Liability reports are prepared monthly and compared to the provision for variances on a quarterly basis per the reconciliation matrix	1. Employee provisions are either inaccurately recorded or not recorded at all.
Standard programmed formulas perform employee provision calculations with management to review to ensure consistency with statutory reporting requirements. BPM Control Type: Core	LIA-EMP-0005	Amanda MacFarlane	Raffaella Brown	5	Chris 21 calculates leave provisions	5	Calculations are all performed within Chris21.	1. Employee provisions are either inaccurately recorded or not recorded at all.
Revenue								
Rates/Rate Rebates	Code	Assessor	Reviewer	AssessorRating	AssessorComments	ReviewerRating	ReviewerComments	Risks
Rates are automatically generated by the rate system, including the calculation of rate rebates, if applicable. BPM Control Type: Core	REV-RAT-0001	Robin Loechel	Janice van der Pennen	5	See attached copy of Rates generation spreadsheet for 2016/2017	5	Property & Rating system will automatically generate the calculation of rates & rebates. We select a sample of properties of each type of general rate to check calculations to ensure all is correct. The rates generation report is signed of each financial year by the Group Manager Finance & Strategy.	1. Council does not raise the correct level of rate income. 2. Rates and rate rebates are either inaccurately recorded or not recorded at all.

Management regularly reviews the calculation methodology within the rate application system and for a sample of ratepayers to ensure correct calculation and methodology has been used. BPM Control Type: Core	REV-RAT-0002	Robin Loechel	Janice van der Pennen	5	See attached a summary of Rates Generation and also two examples of rates generation on rates account.	5	Each financial year after the rates generation has been performed a sample of properties are checked to ensure correct calculation and methodology is correct. The report and samples are reviewed and signed off by the Manager Finance & Procurement.	1. Council does not raise the correct level of rate income. 2. Rates and rate rebates are either inaccurately recorded or not recorded at all.
All software changes to rate modelling functionality fully tested and reviewed by relevant staff. BPM Control Type: Core	REV-RAT-0003	Robin Loechel	Janice van der Pennen	5	All software upgrades go through the relevant testing. Last upgrade and testing was done on 24/6/16. See attached email.	5	Rates staff fully test and review any software changes before being applied to the live environment.	1. Council does not raise the correct level of rate income.
Recorded changes to property master file data are compared to source documents electronically stored in the system. Audit trail of financial variances (eg. Rebates, fines, etc) is maintained. BPM Control Type: Core	REV-RAT-0011	Robin Loechel	Janice van der Pennen	5	Any financial changes made to properties are changed through a journal. This can be trailed back through the journal and ECM. See attached report which is generated monthly.	5	Any financial changes required to be adjusted to a property are instigated by a written request or report which is saved in ECM. Rates audit trail is reviewed at month end.	1. The Property master file data does not remain pertinent.
Council approves discretionary rate rebates to rate payers in accordance with Delegations of Authority and relevant legislation. BPM Control Type: Core	REV-RAT-0017	Robin Loechel	Janice van der Pennen	5	All rebates need to be applied to Council with proof of how they meet criteria. The report will then go to Council meeting for approval in September. Attached is the Rebate Policy.	5	Actions as per Discretionary Rebate Policy and dealt with once a year.	1. Rates and rate rebates are either inaccurately recorded or not recorded at all.
Access to the Property master file is restricted to appropriately designed staff with significant changes in the weekly Valuer Generals report approved by management. BPM Control Type: Core	REV-RAT-0019	Robin Loechel	Janice van der Pennen	5	Weekly files are sent through to Rates Department from the Valuer Generals Department. These files can only be accessed by the Rates Co-Ordinator and the Rates Officer by password. Attached is a copy of one of the weekly reports.	5	Maintenance to the property master file is only available to the rates department. All adjustments made are reported as part of the End of Month process.	1. The Property master file data does not remain pertinent.
A regular review (in accordance with applicable protocol) is undertaken of all non-rateable properties, mandatory rate rebates and discretionary rebates. BPM Control Type: Core	REV-RAT-0021	Robin Loechel	Janice van der Pennen	5	Annual checks are conducted on non-rateable properties, mandatory and discretionary rebates.	5	An annual review to be conducted to ensure non-rateable properties are still non-rateable for the new financial year. Any changes required will be amended for the new financial year.	1. Rates and rate rebates are either inaccurately recorded or not recorded at all.
Grants	Code	Assessor	Reviewer	AssessorRating	AssessorComments	ReviewerRating	ReviewerComments	Risks
Management performs regular review of all grant income and to monitor compliance with both the terms of grants and Council's Grant policy (including claiming and collecting funds on a timely basis). BPM Control Type: Core	REV-GRA-0004	Raffaella Brown	Karishma Dutta	5	1. We regularly have face to face meetings with all managers to discuss the performance of their department. We discuss Actual vs Budget variances this includes Grant funding income and expense, progression of operating and Capital Projects. 2. Amendments to budget phasing due to timing issues is requested by the managers. This normally is requested in the Managers meetings with the Finance Business Partner, when the actual vs budget performance is analysed. 3. Quarterly full year forecasts are completed by the Managers, reviewed by the General Managers and submitted to council for approval. 4. Annual Business Plans are completed by the Managers, reviewed and submitted to Council for approval. See Q1 Budget full year forecast and Decembers financial monthly end report.	5	Reviews are conducted according to the Reconciliations matrix and on an ad hoc basis. For grants which require acquittals (Roads to recovery etc), the supporting documentation is provided by the relevant Manager and checked by the Group Manager, Finance and Strategy and also audited by external auditors.	1. Council loses recurrent Grant funding to provide existing service. 2. Grants are either inaccurately recorded or not recorded at all.
Authorised staff and/or Council approve all grants (prior to funds being received by Council) to ensure that Council will be able to meet the terms and obligations of the grant, and that the grant is in line with the Council's Strategic Objectives. BPM Control Type: Core	REV-GRA-0007	Karishma Dutta	Martin Cooper	4	Grants are accepted for specific projects after ensuring that Council can deliver the project/program. A grants register is also maintained by the Finance Team.	4		1. Council loses recurrent Grant funding to provide existing service. 2. Grants are either inaccurately recorded or not recorded at all.
Receipting	Code	Assessor	Reviewer	AssessorRating	AssessorComments	ReviewerRating	ReviewerComments	Risks
Cash is stored securely at all times including the duration of the cash management process. BPM Control Type: Core	REV-REC-0002	Vena Folino	Mary McDade	5	Staff are aware and Manager and SCSO regularly discuss and remind the team of the importance of cash and security topics. The team have a Customer Service Procedures document containing various Cash Handling controls and receipting procedures to ensure we as a team adhere to these processes. The procedure can be viewed in Supporting Documentation for Jan - June 2017	5		1. Receipts are either inaccurately recorded or not recorded at all. 2. Receipts are not deposited at the bank on a timely basis.

Staff who create debtors invoices do not have access to receipting payments and/or reversing receipt transactions. BPM Control Type: Core	REV-REC-0012	Raffaella Brown	Karishma Dutta	4	<p>There is segregation of duties for revenue received where persons who raise a debtor invoice do not process receipts/reversals.</p> <p>The Customer service team process the receipts, if they receive any payments over the counter or over the phone this is processed in Technology One Property and Ratings (Accounts Receivable software). Receipts direct debited to the bank account are reviewed by finance and details given to Customer service via a customer service request for receipting as Agency with the appropriate documentation for each payment.</p> <p>We have a third party for Rates receipts: Australia Post, Bpay and BPoint who collects receipts on our behalf from online payments. These batches are imported daily to update our outstanding rates.</p> <p>Reversals of these receipts are generally done by a rates officer. These reversals if necessary would be done with support documentation from the ratepayer and also can only be returned to the originating bank account. reducing the risk of misappropriation of funds.</p> <p>The rates team create Sundry debtors from authorised supportive documentation.</p> <p>Any transactions created in Technology One Property and Ratings is posted to the GL by an independent person.</p> <p>The Bank Reconciliation is also performed by the Finance Officer independent from the debtor creation or receipting/reversal duties.</p>	4	Segregation of duties provides the major mitigation of this risk.	1. Receipts are either inaccurately recorded or not recorded at all.
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Expenses

Purchasing and Procurement	Code	Assessor	Reviewer	AssessorRating	AssessorComments	ReviewerRating	ReviewerComments	Risks
Council has a comprehensive Contract and Procurement Policy that is reviewed regularly. BPM Control Type: Core	EXP-PUR-0001	Karishma Dutta	Martin Cooper	5	<p>Council has the appropriate Procurement Policy which is updated on a regular basis - Refer to Procurement framework adopted by Council on 14 June 2016.</p> <p>Review date for this Policy is June 2018</p>	5		1. Council does not obtain value for money in its purchasing & procurement.
Purchase orders and invoice data are compared; inaccuracies are investigated and actioned. BPM Control Type: Additional	EXP-PUR-0002	Di Manthorpe	Janice van der Pennen	5	<p>Purchase orders and invoice data are matched in Tech 1. Inaccuracies are investigated. Amendments up to 10% can be made if GST not included when order raised but included on invoice and must be paid. All other inaccuracies are returned to the creator of order for amendment.</p>	5	If invoice and purchase order does not match and problem is not within tolerance of 10% for GST then the invoice will be sent back to responsible officer for investigation.	1. Purchase orders are either recorded inaccurately or not recorded at all.
Electronic Purchase Orders are generated for all applicable purchases as required by Council's Purchasing and Procurement Policy. BPM Control Type: Core	EXP-PUR-0003	Karishma Dutta	Martin Cooper	3	<p>Currently, there are instances where the PO is not raised prior to the invoice being received. Administration is working on strengthening the procurement framework which includes reinforcing the need to raise purchase orders prior to the commitment being made.</p> <p>A training session will be delivered in March to emphasise the need for raising purchase orders.</p>	3		1. Purchase orders are either recorded inaccurately or not recorded at all.
Electronic Purchase Orders have system controls requiring authorisations in accordance with the Delegations of Authority and relevant policies. BPM Control Type: Core	EXP-PUR-0004	Raffaella Brown	Janice van der Pennen	5	<p>We have delegation of authority for various levels of the Council. These are very standard and attached is the list of levels within the financial delegation policy.</p> <p>This is system driven through a workflow process.</p> <p>These levels are appropriate to employees job roles, this is approved by their managers and created at the time of new employee set up. This is amended if their circumstances change via the same process for example finance request or an email from the manager.</p> <p>On quarterly basis a users financial delegation report is prepared and distributed for reviewing by managers. See attached the July file.</p>	5	Authorisations set up in Finance system as per the delegations authority.	1. Council does not obtain value for money in its purchasing & procurement. 2. Purchases of goods and services are made from non-preferred suppliers. 3. Purchase orders are placed for unapproved goods and services.
Payroll	Code	Assessor	Reviewer	AssessorRating	AssessorComments	ReviewerRating	ReviewerComments	Risks

Employee records to include employment details and/or contract terms and conditions, authorisations for payroll deductions and leave entitlements. BPM Control Type: Core	EXP-PAY-0004	Amanda MacFarlane	Raffaella Brown	5	All new employees records are provided to the Payroll Coordinator by People and Innovation. These records will include employee name, address, emergency contact details, banking details, Superannuation choice of Fund details as well as contract terms and conditions. This information is then set up by the Payroll Coordinator into the Chris21 Payroll system. When the new employee receives their first pay the details are then also verified by the Group Manager Finance Strategy to the EFT payment being finalized.	5	Attached is a copy of the Recruitment and Selection Protocol which outlines the recruitment process highlighting all assessment checking, reference and qualification checks. This is done prior to payroll receiving any notification of a new employee set up required. New started Audit report attached to show management approval. Along with this is also the appointment advice to review with employee details, Super details and tax file number declaration.	1. Payroll disbursements are made to incorrect or fictitious employees.
Staff responsible for originating/preparing payroll disbursements are precluded from authorising transfer of same. BPM Control Type: Core	EXP-PAY-0005	Amanda MacFarlane	Raffaella Brown	5	The Payroll Coordinator is responsible for preparing payroll disbursements but is not able to authorize the EFT transfer for payment. The Payroll Coordinator is only responsible for uploading the file onto the Commbiz website for payment and then will forward the files for the second and third responsible officers to authorize.	5	Two authorisers in Commbiz required plus the segregation of duties mitigates this risk. we have also attached the payroll payment support which shows we have reviewed and signed off the supportive documentation.	1. Payroll disbursements are made to incorrect or fictitious employees.
Employees are automatically terminated in the system when a termination payment is processed. BPM Control Type: Core	EXP-PAY-0008	Amanda MacFarlane	Raffaella Brown	5	Once the Termination process is actioned the employee is automatically removed from any future pay runs. A termination indicator is automatically populated onto the PYD screen within Chris 21.	5	In the attachment the L under the terminated indicator is an automatic flag. When you terminate an employee it triggers the automatic flag this ensures a terminated employee will be removed from any future payroll processes.	1. Payroll disbursements are made to incorrect or fictitious employees.
Total of payment summaries for the year is reconciled to the general ledger and payroll. BPM Control Type: Core	EXP-PAY-0011	Amanda MacFarlane	Raffaella Brown	5	The Payment summaries are reconciled to a EOY chris 21 report. This will compare Gross pay history and gross amount year to date and gross tax and gross tax year to date. Then a Payment Summary file (GFC) is run within Chris 21 and that should balance to the YTD reconciliation.	5	Payment summaries are checked prior to the final print of the payment summaries. Frontier have a checklist to go through prior to printing. Amanda and I have improved this process by doing a YTD check of Chris 21 report vs. the GL every month. This process will then be used at year end to check against the payment summaries. Currently reconciliations are completed at each pay run all errors are investigated and correct in the GL.	1. Time and/or attendance data is either invalid, inaccurately recorded or not recorded at all.
Standard programmed formulae perform payroll calculations. BPM Control Type: Core	EXP-PAY-0017	Amanda MacFarlane	Raffaella Brown	5	The Chris 21 payroll system perform payroll calculations.	5	On a monthly basis we perform actual vs budget reviews of employee costs during the month end process. This highlights any deviations and these are investigated and reported. The Payroll coordinator does perform variation analysis. A sample of the various audit reports are attached. This highlights changes in duties and also changes in the standard payroll and an analysis is performed on the variances (exceptions). The audit reports are approved by management. All payroll calculations are done within the Chris21 system.	1. Payroll expense is inaccurately calculated.
Electronic (inside staff) and manual (outside staff) forms containing overtime hours worked are authorised by authorised staff. BPM Control Type: Core	EXP-PAY-0018	Amanda MacFarlane	Raffaella Brown	5	*All INSIDE overtime is submitted electronically and a workflow is then sent to the employees Team Leader or Manager for approval. The Payroll officers is then notified by email that the overtime form has been approved and it is then process into the payroll system for payment. All OUTSIDE overtime is submitted on a manual overtime form and then signed off by their Team Leader and then the Coordinator Open Space and Coordinator City Services.	5	Rigorous submission and approval processes exist for overtime requests.	1. Payroll expense is inaccurately calculated. 2. Time and/or attendance data is either invalid, inaccurately recorded or not recorded at all.
The transfer of the bank file is restricted to authorised staff who are not be involved in the preparation of the pay run. BPM Control Type: Core	EXP-PAY-0022	Amanda MacFarlane	Raffaella Brown	5	The Payroll Coordinator is responsible for preparing payroll disbursements but is not able to authorise the EFT transfer for payment. The Payroll Coordinator is only responsible for uploading the file onto the Commbiz website for payment and then will forward the files for the second and third responsible officers to authorise.	5	Two authorisers in Commbiz required plus the segregation of between the approvers and the payment authorisers mitigates this risk. We have also attached the payroll payment support which shows we have reviewed and signed off the supportive documentation	1. Payroll disbursements are made to incorrect or fictitious employees.

Payroll system generates exception reports detailing all payroll changes that are regularly reviewed by management who investigate & approve variances. BPM Control Type: Core	EXP-PAY-0024	Amanda MacFarlane	Raffaella Brown	5	Audit reports and variation reports	5	The payroll module generates exception reports that details changes such as new employees, terminations, changes to pay rates etc which are approved and signed off by preparer, finance manager and Manager, Finance and Procurement prior to authorising payroll EFT via Commbiz. Any variances are followed up for validity.	1. Payroll disbursements are made to incorrect or fictitious employees.
All payroll deductions must be approved by the relevant employee. BPM Control Type: Core	EXP-PAY-0030	Amanda MacFarlane	Raffaella Brown	5	Changes to Payroll deductions are in writing before any changes are made in the payroll system. The notification is then scanned into ECM as evidence of the change being requested.	5	Written authorisation is required for all payroll deductions and changes. This can come in the form of a finance request, email or completion of a specific employee benefits form i.e. super fund. Attached is an email form of notification.	1. Payroll disbursements are made to incorrect or fictitious employees.
Access to the payroll deduction listing is restricted to authorised officers. BPM Control Type: Core	EXP-PAY-0031	Amanda MacFarlane	Raffaella Brown	5	Within the User Access (USR) screen within Chris21 you can restrict what access employees have within the payroll system. You can give authorised officers restricted access to certain screens or unrestricted/full access to the payroll system.	5	Access is limited and reviewed. Only two people have access to set up new employees, modify employees, process adjustments and complete the payroll processing which is the Payroll Coordinator and Assistant Account who is back up. Within the screenshot the "Account locked" column with a tick means those people no longer have access to Chris 21. we are working toward improving the security explanation but Frontier (Chris21) have explained there is no report we can print out.	1. Voluntary and statutory payroll deductions are inaccurately processed.
All payroll suspense accounts are reconciled and reviewed by management or other supervisory personnel on a timely basis. Transactions recorded in the payroll suspense accounts are proper suspense items; other items are investigated and resolved in a timely manner. BPM Control Type: Core	EXP-PAY-0038	Amanda MacFarlane	Raffaella Brown	5	this process is done fortnightly /monthly.	5	Reconciliations are performed with each pay run and the clearing accounts are reconciled regularly per the reconciliation matrix.	1. Payroll master file does not remain pertinent and/or unauthorised changes are made to the payroll master file.
Staff are required to enter timesheets in the system (inside staff) and complete manual timesheets (outside staff). Timesheets are approved by authorised staff (electronically for inside staff and manually for outside staff). BPM Control Type: Core	EXP-PAY-0039	Amanda MacFarlane	Raffaella Brown	5	"Inside staff are required to submit an electronic timesheet through Mytimesheet. It is a time and attendance tracking system that records start, finish and break times on a fortnightly basis, Mytimesheets integrates directly into the Chris21 payroll system. Once a timesheet is submitted for approval a workflow will notify the Team Leader/Manager via email that the timesheet is waiting to be approved. The Team Leader/Manager can then view the timesheet before it is finally approved by them. Outside staff submit a manual fortnightly timesheet that is submitted to their Team Leader to check and approve it is also check by the Coordinator City Services and Coordinator Open Spaces before it forward to the Payroll Coordinator for processing. "	5	Timesheet submission and authorisation is required for all payments. Attached is the MyTimsheet User guide. A copy of the outside staff timesheet has been attached.	1. Time and/or attendance data is either invalid, inaccurately recorded or not recorded at all.

External Services

Contracting	Code	Assessor	Reviewer	AssessorRating	AssessorComments	ReviewerRating	ReviewerComments	Risks
The Contracts, Tenders and Procurement Policy and procedures should be reviewed regularly for compliance and adherence. BPM Control Type: Core	EXT-CON-0001	Karishma Dutta	Martin Cooper	5	Council has the appropriate Procurement Policy which is updated on a regular basis - Refer to Procurement framework adopted by Council on 14 June 2016 (due for revision in June 2018)	5		1. Council is not able to demonstrate that all probity issues have been addressed in the Contracting process.
Acquisition plans are prepared for purchases over the limit established by the procurement policy to ensure commitments are not being made without funding being approved in the budget. BPM Control Type: Core	EXT-CON-0002	Raffaella Brown	Karishma Dutta	5	An acquisition plan is used to initiate a tender process. This is a part of the procurement policy. It contains items such as project details, project estimate, council approved amount it contains the GL account and procurement check to ensure the funds are available. Attached is a copy of a completed acquisition plan.	5	Acquisition plans are prepared and monitored by Procurement. Refer to attached document for an example.	1. Council is not able to demonstrate that all probity issues have been addressed in the Contracting process.
Robust and transparent selection processes are in place to ensure that effective and qualified suppliers / contractors are selected by Council, including compliance with Code of Conduct, Conflict of Interest and procurement policies. BPM Control Type: Core	EXT-CON-0006	Darren Campbell	Karishma Dutta	5	The Procurement team ensures that all applicable processes requiring an facilitated evaluation process meets all the prescribed requirements. these include; a Procurement Staff member being present at each evaluation meeting to assist the evaluation team go over each submission; including reviewing scores and comments to ensure everyone has a clear understand of what the project requires vs the response presented to carry it out. furthermore, each prescribed evaluation mandates that the evaluation team have to sign off on any potential conflict of interest when assessing each project.	5	The procurement process provides a transparent and thorough process when looking to tender for Council works. The selection process is also very stringent enabling unbiased critique and evaluation of the interested suppliers/contractors submissions. The Evaluation Panel also need to sign off on the Conflict of Interest declaration. Refer to the attached template.	1. Council is not able to demonstrate that all probity issues have been addressed in the Contracting process. 2. Council does not obtain value for money in relation to its Contracting.

Suitably qualified / independent personnel to sit on Selection Panel to ensure that informed and objective decision are made when selecting suppliers / contractors. BPM Control Type: Core	EXT-CON-0008	Darren Campbell	Karishma Dutta	5	<p>An Evaluation Panel Declaration is signed by all parties involved in the Evaluation Panel, this is to ensure that there is no Conflict of Interest by any parties.</p> <p>The Selection Panel is always made up of parties that are expected to be involved in the project. This will always be represented by the Project Manager and 2 other interested parties in the project. If this includes the Project Manager's Manager then further documentation ie The Contract Recommendation must be signed off by an independent Manager.</p> <p>A Procurement Representative will sit on each Evaluation Panel to ensure that the evaluation of all submissions maintains Probity.</p> <p>All templates are expected to be reviewed in the new Financial year.</p> <p>A copy of the City of Burnside - Tendering Suppliers Guide is attached</p>	5	<p>The Evaluation Panel is made up of three members plus a Procurement Business Partner who facilitates the process. The three members of the Panel are usually made up of the Project Manager and subject matter experts.</p>	<p>1. Council is not able to demonstrate that all probity issues have been addressed in the Contracting process.</p> <p>2. Council does not obtain value for money in relation to its Contracting.</p>
Access restrictions are in place to ensure that electronic tender documents are not accessible when they are not being reviewed for evaluation purposes. BPM Control Type: Core	EXT-CON-0011	Darren Campbell	Karishma Dutta	5	<p>In the document Management system that we use called ECM (Enterprise Content Management) all tender submissions that have been received through the SA Tender process, are uploaded into a folder also called a Container (COBXXX). Access to this Container is limited to only those on the Evaluation Panel and the Procurement Team. Once the Contract has been awarded a new Container (BCCXXX) is created this will be where the Executed Contract will be found. Access to this BCCXXX Container is restricted to only the Project Manager & the Procurement Team.</p> <p>A Report has been requested form the IT - Records Department to ensure that this access is restricted for those parties.</p> <p>However, as a Process Improvement we can request that a report be run on a more regular basis.</p> <p>A document called "Tenders and Contracts Index - User manual for Index Administrators" is the reference document that explains how to add the Tenders and Contracts Containers in ECM. This document can be found at J Drive / Procurement / Training / Tenders and Contracts Index - User manual for Index Administrators. Due to the size of this file, the path has been provided instead of a document uploaded.</p>	5	<p>Access to submitted tender documents placed into ECM are restricted to appropriate Council staff only and based on very strict user permissions.</p>	<p>1. Council does not obtain value for money in relation to its Contracting.</p>
Council does not release milestone payments to suppliers / contractors until they meet all their associated objectives. BPM Control Type: Core	EXT-CON-0012	Darren Campbell	Karishma Dutta	4	<p>Milestone Payments are often agreed to on large tender projects. Both the City of Burnside and the Supplier will agree on a schedule of rates that will be paid upon the successful performance of Work or Services.</p> <p>These tasks will be inspected by the Project Manger and once successful the Project Manager will sign off and the Milestone Payment will be processed.</p> <p>This confirmation is via an email (sight signature) from the Project Manager to ensure that the Milestone Payment is made.</p> <p>As a Process Improvement a sample of Purchases orders can be sought to show the approval email from the Project Manager & the subsequent release of the Milestone Payment. This can be performed on a more regular basis.</p> <p>please refer to example of milestone payments via EXT-CON-0012 - BCC017.15 miller reserve lighting - w milestone payments J:\J\Financial Management\Internal Controls\Supporting documents for 2016-17 Control Track Assessment</p>	4		<p>1. Council does not obtain value for money in relation to its Contracting.</p>
Council maintains a contract register. BPM Control Type: Core	EXT-CON-0013	Darren Campbell	Karishma Dutta	4	<p>This Register displays both the COB (Tender process) VP (Vendor Panel process) and the BCC number (at executed contract stage)</p> <p>recent updates have allowed for an increased amount of data, which is captured to ensure key information can be analysed and acted upon.</p> <p>currently the department is developing a central portal via COB's intranet with a completion date tipped for end of January 2017.</p>	4	<p>The Council Contract register has been compiled and is available on the intranet.</p> <p>The Team are currently reviewing this list to ensure its completeness.</p>	<p>1. Council is not able to demonstrate that all probity issues have been addressed in the Contracting process.</p>

Item No: 5.4
To: Audit Committee
Date: 3 April 2017
Author: Karishma Reynolds - Group Manager, Finance and Strategy
General Manager and Division Martin Cooper – General Manager, Corporate Services
Contact: 8366 4202
Subject: SALE OR DISPOSAL OF ASSETS POLICY (OPERATIONAL)
Attachments: A. Sale or Disposal of Assets Policy
Prev. Resolution: Nil

Officer's Recommendation

1. That the Report be received.
 2. That the Audit Committee endorses the new draft Sale or Disposal of Assets Policy.
 3. That the Audit Committee recommends the new draft Sale or Disposal of Assets Policy be presented to Council for consideration and adoption.
-

Purpose

1. To provide the Audit Committee with the new draft Sale or Disposal of Assets Policy for consideration and endorsement, prior to its presentation to Council for adoption.

Strategic Plan

2. The following Strategic Plan provisions are relevant:

'A financially sound Council that is accountable, responsible and sustainable'

'Delivery of good governance in Council business'

Communications/Consultation

3. The following communication / consultation has been undertaken:
 - 3.1 Discussions with the General Manager Corporate Services and key internal stakeholders.

Statutory

4. The following legislation is relevant:

Local Government Act 1999

Section 49 (1)(d) of the Local Government Act 1999 requires Council to prepare and adopt, 'the sale or disposal of land or other assets' policy.

Section 194 of the Act provides the procedure to follow for the revocation of classification of land as community land.

Section 201 of the Act states “Council may sell or otherwise dispose of an interest in land.”

Policy

5. The following Council Policies are relevant in this instance:

Fixed Asset Reporting Policy

Procurement Governance Framework

Financial Delegations Policy

Risk Assessment

6. There are no risks associated with the recommendation.

Finance

7. There are no direct financial or budgetary implications associated with the establishment of this Policy. The setting of this Policy will provide Council with a framework to ensure that sale and/or disposal of assets is undertaken appropriately.

Discussion

8. *Section 125 of the Local Government Act 1999 (as amended)* provides that Councils must ensure appropriate policies, practices and procedures of internal control are implemented and maintained in order to assist the Council to carry out its activities in an efficient and orderly manner to achieve its objectives, to ensure adherence to management policies, to safeguard the Council's assets and to secure, as far as possible, the accuracy and reliability of council records.
9. The new draft Sale or Disposal of Assets Policy forms part of a suite of administrative policies currently being drafted, reviewed and updated to ensure that Council maintains an effective internal control framework.
10. This Policy provides a framework relating to the sale or disposal of land and other assets and outlines Council's approach in preparing an asset for sale or disposal, in accordance with *Section 49(1)(d) of the Local Government Act 1999*.
11. This Policy provides a systematic and accountable method for the disposal of surplus assets, and ensures the process is transparent and complies with Council's Code of Conduct, particularly with respect to conflict of interest.

Conclusion

12. The adoption of the Sale or Disposal of Assets Policy will provide a framework with clear guidance on the sale or disposal of land and other assets. It will also prepare Administration to further strengthen its controls and ensure that Council maintains an effective internal controls framework.
13. It is recommended that the Audit Committee consider and endorse this new draft Policy and recommend it to Council for adoption.

Sale or Disposal of Assets Policy

Classification:	Council Policy
Policy Name:	Sale or Disposal of Assets
First Issued / Approved:	New Policy
Last Reviewed:	New Policy
Next Review:	
ECM Tracking No.:	
Responsible Officer:	Group Manager, Finance and Strategy
Relevant Legislation:	Local Government Act, 1999 Independent Commissioner Against Corruption Act, 2012
Related Policies:	Procurement Governance Framework Financial Delegations Policy Fixed Asset Reporting Policy

1. Introduction

- 1.1 This Policy provides a framework relating to the sale or disposal of land and other assets and outlines Council's approach in preparing an asset for sale or disposal, in accordance with Section 49(1)(d) of the Local Government Act 1999.

2. Strategic Plan Desired Outcomes

- 2.1 Delivery of good governance in Council business.
- 2.2 A financially sound Council that is accountable, responsible and sustainable.

3. Our Approach

- 3.1 Regularly review, update and adopt leading governance, risk management and administrative processes.
- 3.2 Ensure the long term sustainability of Council operations by monitoring and comparing to peak body indicators.
- 3.3 Provide sufficient resources to meet current and future needs of the community.

4. Legislative Requirements and Corporate Policy Context

- 4.1 This Policy has been developed and adopted in accordance with Section 49 of the Local Government Act 1999.

- 4.2 Specifically at Section 49(1)(d), in the context of its procurement activities Council must develop and maintain a Policy regarding the sale or disposal of land or other assets.
- 4.3 This Policy underpins and supports the Procurement Governance Framework. As such, the procurement governance principles outlined in that policy should be observed at all times throughout any stage of procuring services with the aim of selling or disposing of a Council asset.

5. Interpretation

5.1 For the purpose of this policy:

- 5.1.1 “Direct Approach” is a procurement process undertaken by directly approaching and negotiating with one or more suppliers, without testing the market.
- 5.1.2 “Employee” means a person employed by the City of Burnside.
- 5.1.3 “Open Tender” means a tender is advertised to the entire market via an open invitation process e.g. SA Tenders website accompanied by an advertisement.
- 5.1.4 “Public Auction” A formal real estate transaction where an asset is held for sale to the market and sold to the highest bidder.
- 5.1.5 “Select Tender” involves the selection of suppliers that will be invited to tender. Selection may be from a multi-use list, a list of potential suppliers that have previously responded to an expression of interest or a list of potential suppliers that have been granted a specific licence or comply with a legal requirement. Sometimes referred to as limited tendering.
- 5.1.6 “Trade-in” involves including an asset owned by Council in the purchase of another asset, usually of similar characteristics, in order to achieve an efficient asset change-over transaction.

6. Policy

6.1 Reasons for disposal of asset

A decision to dispose of an asset may be based on one or more of the following:

- 6.1.1 Obsolescence;
- 6.1.2 Non-compliance with work health and safety standards;
- 6.1.3 No use expected in the foreseeable future;
- 6.1.4 No usage in the previous 6 months (Stores Stock items);
- 6.1.5 Optimum time to maximise return;
- 6.1.6 Discovery of hazardous chemicals or materials present in the asset; and
- 6.1.7 Uneconomical to repair.

6.2 Sale or Disposal Principles

Prior to commencing any process to dispose of land assets, Council will ensure that, where necessary, the process for revocation of the classification as community land in accordance with Section 194 and 201 of the Local Government Act 1999 has been concluded.

- 6.2.1 For the sale and disposal of land and other assets valued in excess of Council's capitalisation thresholds, the following key principles apply:
 - 6.2.1.1 Consistency with and relevance to Council's corporate and strategic plans;
 - 6.2.1.2 transparency and accountability in sale and disposal procedures and practices, ensuring that Council obtains the best possible price in the circumstances surrounding the sale, and that all potential purchasers are given equal opportunity to purchase the land or assets;
 - 6.2.1.3 Opportunities to enhance local economic development and growth;
 - 6.2.1.4 Compliance with statutory and other obligations;
 - 6.2.1.5 Commercial confidentiality within legislative constraints; and
 - 6.2.1.6 Other relevant factors deemed appropriate by Council.
- 6.2.2 Council may utilise one or more of the following methods to sell or dispose of land and other assets:
 - 6.2.2.1 Trade-in;
 - 6.2.2.2 Public auction;
 - 6.2.2.3 Select tender;
 - 6.2.2.4 Open tender; or
 - 6.2.2.5 Direct approach to potential purchasers.
- 6.2.3 Council will evaluate the most appropriate method for the sale or disposal of land or other assets that includes:
 - 6.2.3.1 Approaching the market for the sale of any parcel of land unless there is a Council resolution to the contrary (i.e. land encroachment); and
 - 6.2.3.2 Council approaching the market using a formal tender process for the sale of land or other assets where the value exceeds \$100,000.

- 6.2.4 As far as possible, surplus assets or materials should be disposed of in a way that maximises returns whilst maximising open, transparent and effective competition.
- 6.2.5 Prior to disposal, a reasonable effort is to be made to ensure no other Council department has a need for the asset. Items of historical or cultural significance should be given special regard and any dangerous goods disposed of only in an authorised and safe manner.
- 6.2.6 Council may, at its discretion, determine not to call for tenders in respect of a particular sale or disposal where it is deemed it is in the best commercial interests of the Council and its ratepayers.
- 6.2.7 Council will however record the reasons for utilising an alternative disposal method.
- 6.2.8 The sale or disposal of assets valued below Councils capitalisation thresholds will be at the discretion of the Chief Executive Officer or relevant General Manager, by whichever method is likely to bring about the most favourable return to Council.
- 6.2.9 The officer responsible for the disposal of any Council asset and the relevant General Manager must ensure that no conflict of interest occurs in or as a result of the asset disposal process.

6.3 Sale to Staff/Elected Members

- 6.3.1 As a general principle, sale of assets to staff is not to occur outside of a public process.
- 6.3.2 The Independent Commission Against Corruption (ICAC) recommends that invitations to bid for the purchase of any surplus Council assets should not be limited to staff or to elected members. Members of the public must also be allowed to compete for the purchase.
- 6.3.3 However, it is recognised that there will be individual instances where sale to a staff member may be the most practical or fair and reasonable manner of disposal. In these instances, authority for disposal will rest with the General Manager. All decisions and the reasons for the decisions must be documented.

7. Availability

- 7.1 The Policy is available to be downloaded, free of charge, from Council's website www.burnside.sa.gov.au
- 7.2 The Policy will be available for inspection without charge at the Civic Centre during ordinary business hours and a copy may be purchased at a fee as set annually by Council.

City of Burnside Civic Centre
401 Greenhill Road, Tasmore SA 5065

Telephone; 8366 4200

Fax; 8366 4299

Email; burnside@burnside.sa.gov.au

Office hours: Monday to Friday, 8.30am to 5.00pm (except public holidays)

DRAFT

Item No: 5.5
To: Audit Committee
Date: 3 April 2017
Author: Stephen Smith – WHS & Risk Management Coordinator
General Manager and Division Martin Cooper – General Manager, Corporate Services
Contact: 8366 4213
Subject: UPDATE ON 2017 WHS AND RETURN TO WORK PLAN (STRATEGIC)
Attachments: A. 2017 WHS and RTW Plan
Prev. Resolution: A4066, 20/2/2017
C11040, 28/2/2017

Officer's Recommendation

That the Report be received.

Purpose

1. To present the Audit Committee with an update on actions completed following the Local Government Association Workers Compensation Scheme (LGAWCS) – Work Health and Safety Management System KPI audit and approval of the 2017 WHS and RTW Plan.

Strategic Plan

2. The following Strategic Plan provisions are relevant:

"A respected organisation that is resilient, progressive and adaptable with a culture that encourages well-being, learning and development."

Communications/Consultation

3. The following communication / consultation has been undertaken:
 - 3.1. Discussions with LGAWCS in relation to entries in the WHS and Return to Work Plan.
 - 3.2. Communication with the Executive, Managers and WHS Committee on the close out of entries on the WHS Plan.

Statutory

4. There are no statutory implications or requirements associated with this recommendation.

Policy

5. There are no policy implications or requirements associated with this recommendation.

Risk Assessment

6. The following risks have been identified:
 - 6.1. Failure to close out actions documented in the 2017 WHS and Return to Work Plan (including audit actions) will impact upon Council's Workers Compensation premium.

Finance

7. In order to receive 100 percent of the WHS rebate all areas requiring attention identified in the audit must be closed out.
8. In 2016 Administration received 100 percent rebate after closing out all items in the action plan.

Discussion*Background*

9. The City of Burnside, along with all other South Australian Councils, is a member of the LGAWCS which holds the self-insured license to manage Work Health and Safety (WHS) and Return to Work functions (RTW) on behalf of Local Government.
10. The City of Burnside's WHS and Return to Work management system is required to conform to all relevant WHS and Return to Work legislative requirements and Performance Standards for Self-Insurers (PSSI).

Analysis

11. The LGAWCS audit was completed over the period 9th to 11th November 2016 and examined 25 sub-elements of the PSSI.
12. The LGAWCS KPI Audit Summary Report and the WHS and RTW Plan were tabled at the February 2017 Audit Committee meeting.
13. The Audit Committee resolved at its 20 February 2017 meeting (A4066), *"that the committee notes the plan and request regular progress reports to be presented to the Audit Committee as a standard item"*.
14. The WHS and RTW Plan contained eight elements requiring actions to be completed by the end of March 2017. All elements have been closed out as planned with a planned completion date of 31 March 2017.
15. Other elements within the 2017 WHS and RTW plan are being worked on and are at this early stage, on track to be closed out as planned.

Conclusion

16. Through the actions of Executive, Managers, Workers and the WHS and Risk Management Coordinator all elements due for completion by the end of March 2017 have been closed out.

Council Objective	POSI Sub-Element #	Audit Year	Audit Finding	Audit Finding	Target or Actions	Element	Performance Indicator	Target Date	Responsibility	Status
OBJ 1	1.2.1	2016	NC	Consider how employees who do not have ready availability to technology can access Councils documents, Policy / procedures and other supporting procedures, SOPS/SWMS.	Provide outside staff with readily available access to all Policies, Procedures and SOP/SWMS	Discuss with Urban Services Work Order Team prospect of including certain WHS documents within phase one and two of their project	All staff have online access to relevant WHS Management system documents	1-Feb-17	Work Health and Safety Coordinator (WHSC) and Project Officer	Completed
						Agree with Urban Services Work Order Team documents and forms that will be available through each phase of the project		1-Mar-17	WHSC and Project Officer	Completed
						Inform and train users as to the documents, forms and resources that will be available at each phases of the project		1-May-17	WHSC and Project Officer	
						Review roll out of mobile work orders to assess system performance and accessibility		1-Jul-17	WHSC and Project Officer	
OBJ 1	1.2.1	2016	NC	Consider how to incorporate the requirements for the management of noise into existing procedures or develop a stand-alone procedure that addresses the processes including the requirement to undertake FIT testing PPE.	Investigate and develop a procedure to address management of noise and PPE more generally	Source suitable PPE procedure from another Council for implementation at City of Burnside	Procedure endorsed on the management of noise and PPE	1-Feb-17	WHSC	Completed
						Modify procedure to reflect City of Burnside requirements and system		1-Apr-17	WHSC	
						Consult on modified procedure with relevant stakeholders		1-Jun-17	WHSC	
						Table at WHS Committee for approval		1-Jul-17	WHS Committee	
						Table with Executive for approval, signoff, distribute and implement		1-Sep-17	WHSC and Exec	
OBJ 1	3.8.1	2016	NC	Ensure that Risk Assessments completed are in accordance with Councils Hazard Management procedure and include a documented L v C = Risk.	All activities, plant and chemicals risk assessed and appropriately noted on the hazard register	All High risk construction SWMS requiring review will include the update risk rating	All reviewed SWMS from January 2017 include likelihood and consequence rating	1-Sep-17	WHSC and relevant Department	
						Publish updated reviewed high risk construction work SWMS documents on the intranet		1-Oct-17		
				Consider identifying what is High Risk Construction Work on the Hazard Register and where the legislation specifically requires a Safe Work Method Statement	All activities, plant and chemicals risk assessed and appropriately noted on the hazard register	Modify Hazard register to allow for the notation of High Risk Construction tasks or activities	Hazard register is updated with all high risk SWMS noted	1-Mar-17	IT	Completed
						Review all activities to identify and document High risk construction on the register		1-May-17	WHSC	
				Undertake a "stocktake" to determine if all activities, plant and chemicals have been risk assessed, and where required conduct the remainder risk assessments.	All activities, plant and chemicals risk assessed and appropriately noted on the hazard register	Review hazard register using master services profile to check current activities	Hazard register updated	1-May-17	WHSC	
						Check that there is SWMS for all identified activities/tasks and record findings in hazard register		1-Jul-17	WHSC	
OBJ 1	3.8.6	2016	NC	Continue with the review of the contractor management systems to ensure that key people who have identified roles within the process are trained in the requirements	WHS Contractor Management system updated and communicated to all staff responsible for management of contractors	Finalise update of WHS Contractor Management Procedure, Contractor Compliance Pack and associated contractor induction material and obtain Executive signoff on updated documents	All relevant staff trained on the WHS contractor management system	1-Apr-17	WHSC and Exec	
						In conjunction with LGAWCS develop training material to educate and inform all staff responsible for the management of contractors		1-Jun-17	WHSC and LGAWCS	
						Deliver training to all staff responsible for the management of contractors		1-Sep-17	LGAWCS	
OBJ 5	3.2.1	2016	NC	Review how training records are received and look at methods to record training attendance against the needs identified and the training plan. Consider how information is reported, training planned v's attendance to ensure that any training gaps are capture.	Improve integration of training management system	People Experience and WHS Coordinator to identify exact need to close out non-conformance	System being used that allows for the easy identification of training needs, its planning and reporting on training gaps	1-Mar-17	People Experience and WHSC	
						People Experience and WHS Coordinator to review current market options and identify preferred IT solution.		1-May-17	People Experience and WHSC	
						Funding application submitted and approved by Executive		1-Jul-17	People Experience and WHSC	
						Modifications made to preferred IT solution to meet City of Burnside process requirements		1-Jul-17	People Experience	
						Selected current training and licence data to be input into system once configured		1-Oct-17	People Experience	
						Awareness raising of Managers and staff as to new system and associated process changes		1-Nov-17	People Experience and WHSC	
						Monitor and report from new system to ensure non-conformance closed out		1-Jan-18	People Experience	
OBJ 1	3.7.1	2016	O	Ensure that that all Workplace Emergency Exercise debrief reports are viewed by the Chief Fire Warden and reported to the Emergency Planning Committee and any actions as a result of the exercises are recorded on the Corrective and Preventative Actions Register.	Formal report and review of emergency exercises to be tabled at WHS Committee	Obtain access to First 5 minutes online portal and ensure access for all site records.	All exercises documented in WHS Committee minutes	1-Feb-17	WHSC and First 5 minutes	Completed
						Set up alerts for all Chief Wardens on sites to review documents, post exercise reports, etc.		1-Mar-17	WHSC	Completed
						Table at next available WHS Committee report once exercise has been completed		1-Apr-17	WHSC	
						Ensure any action arising from WHS Committee discussion entered onto CAPA register		1-Apr-17	WHSC	
						Procedure reviewed to ensure it reflects current process		1-May-17	WHSC	
OBJ 1	3.8.6	2016	O	Provide further information to volunteers regarding applicable WHS policies and procedures particularly in relation to incident reports, hazard management, etc.	Increase the knowledge amongst volunteers of relevant WHS policies and procedures	Consult with other Council's as to methods they use to ensure volunteers are made aware of relevant policies and procedures	Document developed and provided to volunteers	1-Mar-17	WHSC and Volunteer Coordinator	
						In conjunction with Volunteer Coordinator determine appropriate method for City of Burnside		1-Apr-17	WHSC and Volunteer Coordinator	

City of Burnside
WHS Plan - 2017

Appendix 1 to
WHS Plan 2017-2018

						Assist the Volunteer Coordinator with implementation the agreed method		1-Sep-17	WHSC	
OBJ 2	N/A	N/A	N/A	N/A	All General Managers and Managers to engage with their staff in health and safety management system activities	All Executive and Mangers actively participate in at least 3 of the following health and safety activities yearly;	100% of GM's and Managers have participated in the required number of WHS activities	1-Jan-18	Executive and Managers	
						● Workplace Inspection				
						● WHS Contractor monitoring inspection				
						● Attend Volunteer supervisors meeting				
						● Set and review at least 2 safety related Performance indicators e.g. 100% of incident or hazard reports investigations completed within 3 days, nil outstanding CAPA items				
						● Review/approve a task/plant or chemical risk assessment, safe operating procedure or safe work method statement				
						● Documented Department or Team meeting discussion of a relevant WHS hazard				
						● Participate in relevant health and safety educational opportunity				
OBJ 3	N/A	N/A	N/A	NA	Implement Skytrust in order to improve efficiencies in hazard and incident reporting, workplace inspections and auditing	Obtain agreement from Executive on the timeframe and resources to implement the core skytrust modules (hazard and incident reporting, Corrective and Preventative actions, hazard register and workplace inspection)	Core Skytrust modules implemented	1-Apr-17	WHSC and Exec	
						Work with Skytrust to configure core modules to meet the local requirements of City of Burnside		1-Jun-17	WHSC	
						Provide Skytrust with completed staff details upload template and 13 months of hazard and incident data		1-Jun-17	WHSC and Payroll officer	
						Input or upload into relevant Skytrust modules data from the existing hazard and CAPA register and workplace inspection and audit documents and schedules		1-Aug-17	WHSC and Admin support	
						Roll out core modules across the organisation inclusive of training for key users		1-Nov-17	WHSC	
						Evaluate roll out of Skytrust		1-Jan-18	WHSC and WHS Committee	
OBJ 2	N/A	N/A	N/A	N/A	Review and update WHS Management procedures against model "one system" procedures	Review existing WHS Management procedure against model "one system" procedures and update as appropriate	90% of scheduled procedures reviewed and updated	1-Jan-18	WHSC	
						Consult with relevant Departments in relation to the updated procedures and undertake further modification depending upon consultation			WHSC and relevant stakeholder	
						Table final document with WHS Committee for approval			WHS Committee	
						Obtain final approval from Executive and distributed to relevant staff			WHSC and Exec	
OBJ 2	N/A	N/A	N/A	N/A	Check that monitoring of high risk contract is being undertaken	Identify contracts with high risk whs hazards	100% of scheduled audits completed	1-Mar-17	WHSC and Contract Manager	Completed
						Establish a schedule for the monitoring of high risk contracts		1-Apr-17	WHSC and WHS Committee	
						Complete monitoring inspections with relevant Council contract manager		1-Dec-17	WHSC and Contract Manager	
						Document and follow up corrective or preventative actions arising from inspection activities		1-Dec-17	WHSC	
OBJ 6	N/A	N/A	N/A	N/A	Meet LGAWCS Return to Work Core elements and associated performance indicators	Adoption of WHS and Return to Work Policy	Policy adopted and checklist return to LGA	1-Aug-17	WHS Committee	
						Employees understand return to work rights and responsibilities	80% of new or returning employee have undertaken induction that includes RTW rights and responsibilities	1-Jan-18	Employees and Managers	
						Train Managers and person responsible for return to work, where return to work forms part of their role and responsibilities	80% Managers and Supervisors have received return to work training within 3 years	1-Jan-18	WHSC	
						Ensure all IRC / ICC position descriptions (including contingency personnel) include RTW responsibilities	All PD's reflect RTW responsibilities	1-Jun-17	People Experience Team	
						Early report of injuries are report in a timely manner	80% claims forwarded to LGAWCS within 24 hours of notification from worker	1-Jan-18	WHSC	
						Return to work performance is report at WHS Committee meetings and analysis of system drivers into corrective action or continuous improvement	Agenda on WHS Committee	1-Jan-18	WHSC and WHS Committee	
	N/A	N/A	N/A	N/A	Complete WHS Management system procedure audits to a schedule	With relevant Departments identify high risk procedures to be reviewed during 2017 and identify relevant Departments or personnel to be audited	90% of scheduled audits completed	1-Apr-17	WHSC and WHS Committee	
						Complete audit with selected Departments or personnel		1-Jan-18	WHSC and auditor	

						Report to relevant WHS Committee and Executive findings of completed audits		1-Jan-18	WHSC and auditor	
OBJ 4	N/A	N/A	N/A	NA	Increase participation in wellness activities	Identify contents of program provided by LGAWCS/CHG	To increase employee participation rate from the current level of XX%	1-Feb-17	WHSC	Completed
						Discuss with WHS Committee and Executive LGAWCS/CHG program and any additional activities requested		1-Apr-17	WHS Committee and Executive	
						Promote LGAWCS/CHG program events		1-Oct-17	WHSC	
						Evaluate participation rates in program events		1-Dec-17	WHSC	



AUDIT COMMITTEE FORWARD AGENDA FEBRUARY 2017

	Special					Special												
	Sep-14	Nov-14	Feb-15	Apr-15	Apr-15	Jul-15	Sep-15	Nov-15	Nov-15	Feb-16	Apr-16	Jun-16	Aug-16	Oct-16	Nov-16	Feb-17	Apr-17	Jun-17
ANNUAL BUSINESS PLAN AND LONG TERM FINANCIAL PLAN																		
Annual Business Plan and Budget				✓						✓	✓						✓	
LTFP			✓						✓	✓	✓			✓				
LTFP Parameters												✓						
ANNUAL REPORT AND EXTERNAL AUDIT																		
Annual Report (Strategic)			✓					✓						✓				
External Auditor’s Interim Report	✓	✓	✓				✓											✓
External Auditor’s Report to the Council for Year End							✓		✓					✓				
HLB Mann Judd presentation					✓				✓					✓				
Independence of Council Auditor		✓					✓							✓				
Regional Subsidiary Periodical Financial Results		✓				✓	✓			✓		✓		✓			✓	
ERA Water ABP														✓				
Appointment of external auditor																✓		
INTERNAL REVIEWS AND INTERNAL AUDIT																		
Internal Audit – Status Report	✓																	✓
Internal Audit Plan Update / Review	✓	✓					✓	✓					✓			✓		
Follow-Up on Finance – Rates	✓																	
Internal Financial Controls Self-Assessment							✓						✓		✓		✓	
Internal Revenue Review – Verbal Update	✓																	
Investment Performance Review	✓						✓						✓					
Good Governance Assessment Program – Progress Report																		
Governance Critical Dates Report	✓																	
Key Actions and Outstanding Key Dates Table	✓	✓	✓			✓	✓	✓		✓	✓	✓		✓	✓			
Land & Buildings Valuation Project – Progress Report						✓												
Report on Business Continuity and Information Technology																		
Disaster Recovery Exercise						✓												
Effectiveness and Efficiency program																		
WHS Management System KPI Audit			✓				✓			✓						✓		
AUDIT COMMITTEE RELATED																		
Audit Committee Terms of Reference								✓	✓									
Review Of Audit Committee Activities (Operational)			✓							✓						✓		
Forward Agenda	✓											✓	✓	✓	✓	✓	✓	✓
POLICIES:																		
Policy Protocol Tracking Table	✓		✓			✓	✓	✓									✓	
Council Policies and Codes Management Protocols										✓								
Independent Commissioner Against Corruption – Awareness And																		
Application Policy										✓								
Financial Delegations Policy													✓					
Internal Financial Controls Policy	✓					✓	✓											
ProcurementGovernance Policy												✓						
Prudential Policy																		✓
Financial Indicators Policy															✓			
Motor Vehicle Policy													✓					
Elected Members Allowance and Benefits Policy																		✓
Treasury Management Policy																		✓
Asset Disposal Policy																	✓	
Corporate Credit Card Policy																		
Discretionary Rebates of Rates Policy																		
Fixed Asset Financial Reporting Policy																		
Fraud and Corruption Policy																		
General Ledger Financial Information Policy																		
Light Fleet Management Policy																		
Rating Policy																		
Risk Management Policy																		
Taxation Policy																		
Fees and Charges Waivers Discounts and Subsidies Policy			✓															

The Committee shall meet at 6.00pm on the third Monday of February, April, June, August, and October or as otherwise determined by Council (whether as the result of a motion upon notice in or an Officer's Report to Council).