

Prudential Project Management Policy

Purpose

The purpose of this Policy is to ensure that each of Council's projects:

- Are undertaken with an appropriate level of due diligence;
 - Are managed appropriately during the project and evaluated after the project is completed in terms of the use of council and other public resources to achieve identified public benefits or needs and to minimise financial risks; and
 - Meet the Prudential Report requirements when consideration is being given to a project that falls within the requirements of Section 48 (1) (b) of the Act.
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Policy Statement

1. Introduction

- 1.1 This Prudential Project Management Policy outlines the City of Burnside's approach towards prudential project management to meet the requirements of the *Local Government Act 1999*. It imposes a standard of governance that encompasses effective prudential management and proper consideration of the impact of decisions for major projects.

2. Strategic Context

- 2.1 This policy supports the objectives of the City of Burnside Community Strategic plan by ensuring open, accountable, transparent and reliable decision making in relation to the delivery of major projects.

3. Our Approach

- 3.1 Regularly review, update and adopt leading governance, risk management and administrative practices.
- 3.2 Ensure the long-term sustainability of Council by monitoring and comparing to peak body indicators.
- 3.3 Make open, transparent and informed decisions in regard to projects based on reliable, accurate and timely information.
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4. Legislative Requirements and Corporate Policy Context

4.1 Section 48(aa1) of the *Local Government Act 1999* (the Act) requires each council to have prudential management policies, practices and procedures which ensure that Council:

- acts with due care diligence and foresight;
- identifies and manages risks associated with a project;
- makes informed decisions; and
- is accountable for the use of council and other public resources.

5. Project Management Framework

5.1 All Council projects will adhere to Council's Project Management Framework, which sets out the processes, governance, roles and responsibilities for project delivery at the City of Burnside

5.2 Council's Project Management Framework prescribes levels of governance, compliance, and review to be followed throughout the entire project lifecycle based the classification of a project's cost, risk, uncertainty and complexity.

6. Prudential Report

6.1 Council will obtain a Prudential Report in relation to a proposed project where required by Section 48 of the Act or where Council considers appropriate.

6.2 In preparing a Prudential Report, Council will adhere to Section 48 of the Act, which sets out requirements in determining when a Prudential Report is required, who can prepare a Prudential Report, and what needs to be addressed in a Prudential Report.

6.3 In addition to the matters required by Section 48 of the Act, a Prudential Report will consider social and environmental factors aligning to Council's strategic plans.

6.4 Per Section 48 of the Act, the Prudential Report will be presented to Council for consideration prior to the project commencement. For construction projects, this will be at a point in the project timeline where sufficient reliable information is available to allow for the preparation of a compliant Prudential report.

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- 6.5 Where a Prudential Report is required under Section 48(1)(b)(i) or Section 48(1)(b)(ii), the Report will be presented to the Audit Committee for consideration prior to being presented to Council.
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Other Useful Documents

Related Documents

- Risk Management Policy
- Procurement Policy
- Project Management Framework

Relevant Legislation

- *Local Government Act 1999*
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Glossary

Throughout this document, the below terms have been used and are defined as:

Due Diligence: the conduct of a systematic review of a transaction, prior to entering the transaction.

Project: A one-off endeavour with a defined beginning and end, undertaken to create a unique product, service or change. In contrast, business as usual services or operations are repetitive, ongoing activities.

Prudential Report: a formal report with specific due diligence and format requirements in accordance with Section 48(2) of the Act.

Administrative

As part of Council's commitment to deliver the City of Burnside Strategic Community Plan, services to the community and the provision of transparent information, all policy documents are reviewed as per legislative requirements or when there is no such provision a risk assessment approach is taken to guide the review timeframe.

This Policy document will be reviewed every 4 years unless legislative or operational change occurs beforehand.

Adoption Date: 17 December 2024

Review Date: December 2028

Strategic Plan Reference

Principles: Governing with Integrity

Theme: Decision Making

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Goals: The decisions we make are informed, effective, provide value for money, meet community need and are financially sustainable.

Priorities: Embed a risk aware culture. Effective budgeting and financial management.

Review History

ECM Reference:	Authorising Body:	Date/Decision ID	Description of changes
	Council	28 August 2012 C8847	
12826425		11 February 2014 C9588	
		17 December 2024 C122024/13848	Updated <ul style="list-style-type: none">• strategic plan references• interpretation• repetition of the <i>Local Government Act 1999</i> removed and references to the Act inserted.

Contact

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