


**Berri
Barmera**

COUNCIL Building a
Better Community

AUDIT COMMITTEE MEETING

AGENDA

Monday 19 December 2011

At 10.00 am

BERRI BARMERA COUNCIL

Notice is hereby given that pursuant to Section 87 of the Local Government Act 1999, an Audit Committee Meeting of Council will be held in the Council Chambers, 19 Wilson Street Berri SA, on Monday, 19 December 2011, commencing at 10.00 am.



DAVID BEATON
CHIEF EXECUTIVE OFFICER

14.12.11

THE BERRI BARMERA COUNCIL

AGENDA FOR A MEETING OF THE AUDIT COMMITTEE TO BE HELD ON MONDAY 19 DECEMBER 2011 AT 10.00 AM IN THE COUNCIL CHAMBER, WILSON STREET BERRI

- 1: **PRESENT:**
Mr John Comrie (Presiding Member), Mayor Peter Hunt, Cr Trevor Chapple, Cr Mike Fuller,
Cr Bruce Richardson, Cr Andrew Kassebaum (proxy),
CEO David Beaton, MCS Karyn Burton, HR/Risk Veronica Rothe, Admin Officer Kim Seekamp
- 2: **APOLOGIES:**
- 3: **CONFIRMATION OF MINUTES:** 13 October 2011 - Refer attached
**That the Minutes of the Audit Committee Meeting held on 13 October 2011 be
taken as read and confirmed.**
- 4: **QUESTIONS ON NOTICE:** Nil
- 5: **MOTIONS ON NOTICE/WITHOUT NOTICE:** Nil

THE BERRI BARMERA COUNCIL
MINUTES OF A MEETING OF THE AUDIT COMMITTEE HELD ON THURSDAY 13 OCTOBER 2011 AT
10.00 AM IN THE COUNCIL CHAMBER, WILSON STREET BERRI

1: PRESENT:

Mr John Comrie (Presiding Member), Mayor Peter Hunt (*arrived at 10.25am*), Cr Trevor Chapple, Cr Andrew Kassebaum, CEO David Beaton, MCS Karyn Burton, Admin Officer Kim Seekamp

2: APOLOGIES: Cr Bruce Richardson, Cr Mike Fuller and HR/Risk Veronica Rothe

3: CONFIRMATION OF MINUTES: 6 July 2011 - Refer attached

MOTION:

That the Minutes of the Audit Committee Meeting held on 6 July 2011 be taken as read and confirmed.

Crs Chapple / Kassebaum

CARRIED

4: QUESTIONS ON NOTICE: Nil

5: MOTIONS ON NOTICE/WITHOUT NOTICE: Nil

6: REPORTS:

6.1 MOTION:

That Reports No. 6.2 to 6.4 be received and contents noted.

Crs Kassebaum / Chapple

CARRIED

Mayor Hunt joined the meeting at 10.25am

6.2 2010/2011 Annual Financial Statements

REF: 7.8.1 & 7.73.1

OFFICER: MCS

The committee reviewed the annual financial statements and a few minor issues were raised. It was noted that there are some minor changes to be made.

MOTION:

- 1. That the Audit Committee after reviewing the draft 2010/2011 Annual Financial Statements is satisfied as to their compliance (subject to minor amendments) and recommends them to be certified by the Chief Executive Officer and the Mayor (subject to Council authorisation) and to then be presented to the next meeting of Council.**
- 2. That the Chairman, Mr John Comrie, be authorised to sign the Annual Financial Statements – Certification of Auditor Independence and the Management Representation Letter pertaining the audit for the year ended 30 June 2011, subject to receiving the Auditor’s letter of independence.**

Crs Chapple / Kassebaum

CARRIED

6.3 End of Year Budget Review 2010/2011

REF: 7.11.1
OFFICER: MCS

The end of year budget review was discussed by the committee with some questions regarding over runs within budget lines being put.

MOTION:

That the Audit Committee note with satisfaction the outcomes reported in the end of year budget review and recommend the review's adoption by Council with the inclusion of the adopted 2010/11 budget column for comparison.

Cr Kassebaum / Mayor Hunt CARRIED

6.4 2011/2012 Budget Review as at 30 September 2011

REF: 7.11.1
OFFICER: MCS

MOTION:

That the Audit Committee having considered the Budget Review as at 30 September 2011 recommends the alterations as presented in report be adopted by Council.

Crs Chapple / Kassebaum CARRIED

7: **OTHER BUSINESS:**

7.1 December Meeting

Asset Policies, Internal Controls reports and Good Governance report to be included in the December meeting's agenda.

7.2 Increase in Bad Debts

The amount of overdue rates has increased from 14-15%.

Council has little other bad debts.

Previously there have been issues with getting owners to pay to connect their properties to STEDS but as this is a charge on the land it is like rates in that it gets paid when the property is sold.

8: **CLOSE:** Date of next meeting – December 2011

6: **REPORTS:**

6.1 **RECOMMENDATION:**

That Reports No. 6.2 to 6.7 be received and contents noted.

6.2 **Internal Financial Controls**

REF: 7.8.2
OFFICER: MCS

Attachment follows Report:

**Yes – Draft Internal Financial Control Policy and Action Plans
Manual provided separately due to size.**

Strategic Links:

(1) **Linked to Objectives:**
(2) **Objective:**

**Yes
Corporate Services – Financial Management**

RECOMMENDATION:

REPORT:

Subject Detail:

Over the past several months we have been participating in the LGA's Pilot Program assisting Council to develop its internal financial control documentation. As you would be aware the Local Government Act and associated Regulations require Councils to 'ensure that appropriate policies, practices and procedures of internal control are implemented and maintained.....'

A manual entitled "Internal Financial Controls Assessment" has been prepared and is now presented to the Audit Committee for information and review. This is a working document and will be used as the foundation for reviewing Council's internal financial control practices on an ongoing basis. Along with the manual I have provided a draft Internal Financial Control Policy which is intended to act as an overarching document accompanying the procedures. This draft policy is now presented to the Committee for review and comment and to suggest any amendments they think necessary.

Also provided are 2 reports listing the internal financial controls requiring action. The actions listed within these papers have been extracted from the main draft document as recommendations to Council in order to 'tighten' the controls listed and thus reducing or eliminating the risks.

The report entitled 'Action Plan by Quarter' will be used as a reporting mechanism to the audit committee informing of progress being made while implementing the recommended actions.

I understand the LGA Consultants who facilitated the pilot project have made a report to our Audit Committee's Presiding Member regarding the outcomes and findings of the project. Mr Comrie will elaborate further at this meeting.

Internal Financial Control Policy

Keywords: *internal control, financial risk*

Reference Number:	
Corporate Plan:	
Classification:	
First Issued/Approved:	<i>December 2011</i>
Review Frequency:	<i>Annually</i>
Last Reviewed:	
Next Review Due:	<i>December 2012</i>
Responsible Officer(s):	<i>Manager Corporate Services</i>
Council File Reference:	
Applicable Legislation:	<i>Local Government Act 1999 Local Government (Financial Management) Regulations 2011</i>
Relevant Policies:	<i>Whistleblower Protection Policy</i>
Related Procedures:	<i>Internal Financial Controls Assessment</i>
Delegations:	<i>Chief Executive Officer</i>

Purpose

Council recognises that it has a responsibility to 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 manner and to safeguard the Council's assets and to secure as far as possible the accuracy and reliability of Council's records.

Principles

Internal financial control is designed to assist the organisation in addressing risk of fraud and error and improving reliability of financial reporting and compliance with laws, regulations and policies. It focuses on Council's financial processes and functions that deal with budgeting, financial reporting, transaction processing, financial delegations, treasury management, infrastructure management etc.

Internal financial control will not remove all risk but is a means of either eliminating or reducing the likelihood and consequence of adverse events.

An effective suite of internal controls is a vital tool for Elected Councils and Chief Executive Officers to ensure that they carry out their activities in an efficient, compliant, reliable and transparent manner. The Berri Barmera Council is committed to upholding the principles of transparency and accountability and therefore reference should be made between this policy and that of the Whistleblower Protection Policy.

The Council and Chief Executive Officer have a responsibility to ensure that the operations of council are conducted in compliance with appropriate laws, regulations and standards. The internal controls should:

- Reflect a co-ordinated and systematic approach to risk management;
- Be embraced by management and the responsible officers within the organisation;
- Be consistently recorded within a whole-of-organisation framework;
- Have an associated plan of action to ensure that the controls are correctly implemented;
- Include procedures for reporting immediately any significant control failings or weaknesses that are identified together with details of corrective action being undertaken; and
- Be subject to periodic review at a frequency appropriate for each control.

Internal Control Framework

Council shall maintain internal control procedures relating to the following business activities:

Accounts Payable	Accrued Expenses	Banking
Borrowings	Budgets	Contracting
Credit Cards	Debtors	Elected Members
Employee Provisions	Employee Reimbursements	Fee for Service
Fixed Assets	General Ledger	Grant Funding
Inventory	Investments	Loans/Grants to Clubs etc.
Management Reporting	Other Expenses	Other Revenue
Payroll	Petty Cash	Prepayments
Project Costing	Purchasing & Procurement	Rates
Receipting	Statutory Reporting	Taxation

The following steps are to be carried out in order to develop and maintain adequate internal financial controls:

- Examine current procedures relating to the above business activities of Council;
- Identify key risks threatening the achievement of Council's objectives;
- Identify existing internal financial controls;
- Assess current controls for effectiveness;
- Identify any new controls needed as well as existing controls requiring adjustment;
- Identify relevant officer for each internal control.

In order to maintain confidence in the internal controls a regular spot check on key controls will be undertaken. As well as spot checking, a full review will be carried out on an annual basis. The outcomes of each review will be reported to the Audit Committee of Council.

A manual of internal control procedures has been established and is to be maintained and read in conjunction with this policy.

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Printed copies are considered uncontrolled.
Before using a printed copy, verify that is the current version.***

Berri Barmera Council

Internal Financial Controls Requiring Action

Adj. No.	Risk No.	Internal Control	Review Recommendations	Responsible Officer
Accounts Payable				
1	2.3	The purchases and accounts payable system prevents users from making adjustments to supplier accounts in excess of approved limits or original order amounts.	<p>Purchase orders are manual paper system. Dept Managers are responsible for final signing and authorising of invoices before payment is processed.</p> <p>An updated delegated authority list should be provided to Accounts Payable for reference when processing invoices.</p>	Dept. Managers Accounts Payable Officer
2	3.6	All delegated officers should undertake regular training for the raising of orders, posting of goods received and the requirements of the creditors process.	<p>No formal training provided.</p> <p>An annual refresher training session to be initiated.</p>	MCS
3	6.3	Suppliers that have not been used for a significant period of time are reviewed and marked for deletion by the application, if appropriate.	A review of unused or obsolete suppliers required and either subsequent clearing from system to be done or supplier 'flagged' in system as non-current.	Accounts Payable Officer
Banking				
4	1.1	Banking is performed on a predetermined basis by an appropriately designated and independent person.	<p>Banking is undertaken on a daily basis.</p> <p>As a security measure there is a need to implement changes to the timing of banking being transported to the bank.</p>	CSTL
5	1.4	Bank reconciliations are performed on a predetermined basis and are reviewed by an authorised officer. Any identified discrepancies are investigated immediately.	<p>Bank reconciliation carried out regularly and all discrepancies investigated.</p> <p>Need to implement review process by an independent officer.</p>	MCS
6	2.4	Management reviews journal transactions to the bank account.	<p>Rate journals are reviewed by MCS.</p> <p>A process for review of other journal transactions is required.</p>	MCS

Adj. No.	Risk No.	Internal Control	Review Recommendations	Responsible Officer
Borrowings				
7	1.1	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.	Loan register is maintained. Copy of Council resolution to be retrieved and included in register with appropriate loan details.	Records Officer
8	1.2	The loan register and loan approvals is subject to management and/or internal audit review.	Review to be conducted at end of financial year.	Records Officer
9	1.3	All loan journals are independently authorised.	System to be introduced whereby loan journals are independently authorised.	MCS
10	2.4	Council obtains alternative quotations.	Do not obtain alternative quotes as LGFA have proven to be competitive. Also refer Treasury Management Policy. Initiate mechanism to obtain alternative quote from time to time to ensure competitive rates are being negotiated.	MCS
Cash Floats & Petty Cash				
11	1.3	A register for cash floats and petty cash and custodians is maintained by appropriately designated staff to record all movements.	A register of cash floats and petty cash is to be developed.	MCS
12	1.6	Surprise Float and Petty Cash counts conducted periodically at Council Office and remote sites.	No surprise float count is carried out.	MCS
13	2.3	Cash float, cash handling and petty cash policy and procedures available to all staff. This details the maximum dollar purchase and guidelines as determined by an authorised officer regarding cash handling and the use of cash floats and petty cash.	Policy is required to be developed.	MCS
Credit Card				
14	1.2	Credit Card holders provided a copy of the policy and procedures associated with the issue and use of Credit Cards.	A copy of the Credit Card Policy is to be provided to all credit card holders.	MCS

Adj. No.	Risk No.	Internal Control	Review Recommendations	Responsible Officer
15	1.3	Employees sign a declaration confirming compliance with Council policy and procedures prior to the Credit Card being released.	A declaration to be signed by each employee issued with a credit card. This declaration can be included with Credit Card Policy.	MCS
16	2.7	Cardholders are advised in the policy and procedures (which they have signed) that improper use of the credit card, such as purchases of a personal nature, will result in termination of employment or other disciplinary action.	Amendments to Credit Card Policy to incorporate policy regarding improper use of credit card. Partially covered under Code of Conduct for Employees.	CEO
17	3.5	Management regularly reviews credit card limits for operational efficiency.	A regular review is not carried out.	MCS
Debtors				
18	2.5	Debtors batch listing is checked by an authorised officer prior to invoice generation, for accuracy and credit note verification.	Invoices are raised on a monthly basis. A checking process is required to verify invoices raised within system.	Debtors Officer
Elected Members				
19	2.2	Register of Allowances and Benefits maintained by designated person. Register details level and nature of expenses reimbursed to Council by Elected Members, and is reviewed on a regular basis and management review register of allowances and benefits on a regular basis.	Elected Member allowances are set by the Remuneration Tribunal Report and Determination. No Register is kept.	Exec. Assistant
20	3.3	Management review Register of Allowances and Benefits on a regular basis.	Refer IC2.2. Reviews will be conducted of the register when implemented.	MCS
Employee Reimbursements				
21	2.2	Mgt regularly reviews a report detailing Emp reimbursements; Mgt selects unusual/significant items from report & agrees to original approved reimbursement claim along with supporting evidence (i.e. receipts). All errors are investigated.	No report provided at present. A report to be initiated providing details of employee reimbursements that have occurred in previous 6 months and to be reviewed by senior management.	Accounts Payable Officer
Fee For Service				
22	1.4	Formal leases, agreements or contracts are required to cover use	Formal leases and agreements are in place where able. Carry over of old	Property Officer

Adj. No.	Risk No.	Internal Control	Review Recommendations	Responsible Officer
		of Council facilities, sporting grounds, etc. and are regularly reviewed to ensure conditions are being met and payments made on time.	practices has made management of leases etc difficult and will be tidied in time. Regular review of leases and licences and agreements occur on an ad-hoc basis.	
Fixed Assets				
23	1.1	Fixed asset register ('FAR") is periodically reviewed by management for accuracy and ongoing pertinence.	A more thorough review of fixed asset register is required for some class of assets. Asset register data review is currently being undertaken.	Dept. Managers
24	1.4	Periodic counts of fixed assets are performed and reconciled to the FAR.	Some periodic counts of fixed assets are performed and reconciled but a more thorough review of fixed asset registers is required.	Dept. Managers
25	3.5	The annual review of Assets includes reviewing the appropriateness of categories of assets and Impairment testing.	Categories of assets has not altered in the past. Impairment testing is not carried out.	MCS
26	4.4	When calculating depreciation reliable figures are available for condition of each asset, unit of measurement, replacement value, residual life and written down replacement value.	More work is required regarding reliability of asset data. This will be carried out with development of IAMP's	Dept. Managers
27	6.1	Asset management plan (including plans to obtain sufficient funding to cover expected capital investment) prepared as part of Strategic Plan. The capital investment plan is reviewed regularly for appropriateness.	No Asset Management Plans are in place.	Dept. Managers
28	6.3	All changes to the asset management plan must be approved by Management.	Council will approve IAMP's once completed. These plans will be reviewed initially by Audit Committee	Dept. Managers

Adj. No.	Risk No.	Internal Control	Review Recommendations	Responsible Officer
29	7.1	Asset maintenance schedules are prepared, updated, and monitored by management and activity per the asset maintenance schedule is reconciled to the asset maintenance history register regularly.	Due to the absence of IAMPS asset maintenance schedules do not exist. Asset maintenance requirements will be ascertained by works staff with appropriate expertise and reported to Council for consideration within budget deliberations.	Dept. Managers
General Ledger				
30	1.4	General Ledger reconciliations (including control and clearing accounts) are prepared on a regular basis; all reconciliations independently reviewed.	Monthly reconciliations are undertaken and sub ledgers are reconciled with general ledger. No independent review occurs since change of external auditor.	MCS
31	1.5	All journals are independently reviewed (including check to ensure correct account allocation).	Journals raised by rates officer is independently reviewed by MCS. Need to Implement a process where independent checking of journals processed by MCS can be undertaken.	MCS Rates Officer
Grant Funding				
32	1.1	Council has a clear policy on Grant funding detailing assessment process, recognition, treatment and disclosure of any conflicts of interest.	A grant policy detailing all processes relating to grants is required.	CEO
33	1.2	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).	Milestone reports and grant acquittals are carried out as necessary. A register of grants is required to be implemented and maintained in order to acquit grants adequately.	CEO
Investments				
34	1.3	All conflicts of interest to be disclosed as part of investment decision process.	Refer Code of Conduct – Council Employees A pecuniary interest declaration to be completed by senior management.	CEO
35	1.4	Council reviews investment performance at least annually.	LG Act requires Council to review annually the performance of its investments (Section 140).	MCS

Adj. No.	Risk No.	Internal Control	Review Recommendations	Responsible Officer
			A report to be provided at end of financial year to Council listing investments.	
36	1.5	Management to monitor cash & anticipated future cash flows. Surplus funds invested in accordance with Council policy. Investment & transfer of funds approved by any two authorised officers.	Cash is monitored on a weekly basis. Investments of surplus funds per Treasury Management Policy. Need to ensure journal recording transfer of funds is authorised by two officers.	MCS
37	2.4	Register of investments is kept detailing amounts and maturity dates.	Development of a formal investment register is required.	MCS
38	4.4	Process for management to either declare conflicts of interest or indicate that there are no conflicts of interests prior to approving any investment decision.	Senior management complete a 'declaration of interest' return. Implement document detailing investment action and background information also declaring any conflict of interest and signed by manager.	MCS
39	4.5	Compliance with Conflict of Interests and Code of Conduct regularly monitored either by management, internal auditors or statutory auditors.	Process required to be implemented.	CEO
Management Reporting				
40	2.2	Ensure roles and responsibilities are documented within Delegations of Authority.	Documentation is only to delegated authority only. Need to include policy delegations and position delegations within Delegations Register.	EACEO
41	2.3	Reporting & Review Schedule maintained detailing Reporting timetable. This Schedule is given to all personnel involved in the management reporting process.	Develop a timetable of legislated reporting requirements eg. Annual Budget Plan preparation, Annual Financial Statements, Grants Commission Return.	MCS
42	2.4	Designated person reviews the Reporting & Review Schedule to ensure that management reviews	Designated person - MCS	MCS

Adj. No.	Risk No.	Internal Control	Review Recommendations	Responsible Officer
		the appropriate information on a regular and timely basis.		
Other Revenue				
43	1.7	Permit processes to provide an audit trail for cash received outside Council receipting areas.	A review is required to ensure processes regarding permits and cash received are reconciled.	Debtors Officer Property Officer
Payroll				
44	2.3	Managers perform a regular review of report detailing all employees listed on payroll master file; all unusual items are investigated.	A check of payroll eft master report is to be performed to ensure no unusual items.	Payroll Officer
45	3.2	Time recording and attendance exceptions based on expectations established by management are identified, monitored and corrected.	Timesheets are still submitted and authorised with notes regarding attendance in order for payroll to be processed appropriately. Managers need to initiate a system where they can check absences are correctly input on timesheets.	Payroll Officer
46	6.2	Management reviews a selection of salary sacrifice calculations for accuracy and compliance with statutory requirements; identified errors are promptly corrected.	No review is carried out. Random checks to be undertaken to ensure appropriate calculations.	Payroll Officer
47	7.1	Establish employee termination policies and procedures, including statutory regulation and union requirements. Regular update of these policies and procedures.	No formal termination policy/procedure is in place. This is to be developed and implemented by HR.	HR Officer
48	7.3	Regular review by management of compliance with employee termination policies and procedures, including compliance with statutory regulation and union requirements.	Review will be undertaken once policy/procedure as above at 7.1 is in place.	HR Officer
Project Costing				
49	1.3	Overhead rates are reviewed and revised on a regular basis.	Overhead rates need to be reviewed on a more regular basis.	MCS
Purchasing & Procurement				
50	1.2	Employees must ensure all purchase orders are approved in accordance with the Delegations of	Only employees with delegated authority can issue purchase orders. A checking process needs to be	CEO

Adj. No.	Risk No.	Internal Control	Review Recommendations	Responsible Officer
		Authority.	developed to ensure purchase orders are written within delegated authority limits.	
51	4.2	Access to unissued purchase orders and requisitions is restricted to authorised individuals.	Purchase order book is to be kept secure at all times.	MCS
Rates				
52	5.2	Maintain an audit trail of all weekly updates of pensioner concession information. All updates approved by management and independently matched to the property master file.	A register is maintained of all weekly updates to pensioner concession information, however a monthly independent check to be carried out during month end process to ensure accuracy and consistency.	Rates Officer
Statutory Reporting				
53	1.5	Council has a Reporting Schedule Register detailing statutory reporting deadlines. Designated person monitors compliance with reporting deadlines and ensuring Register data is pertinent.	Reporting schedule to be developed. MCS responsible for statutory reporting requirements relating to financial matters.	MCS
Taxation				
54	1.6	Accounting policies and procedures specify correct treatment for preparing the fringe benefit tax and goods & services taxation returns within any given financial year.	There are no written procedures in place regarding preparation of FBT return. Procedures for preparation of BAS are detailed and thorough.	MCS

Berri Barmera Council

Action Plan Internal Financial Controls - by Quarter

Adj. No.	Risk No.	Officer	Internal Control	Review Recommendations	Action Proposed/Taken
By 30 June 2012					
1	2.3	Dept. Managers Accounts Payable Officer	Accounts Payable The purchases and accounts payable system prevents users from making adjustments to supplier accounts in excess of approved limits or original order amounts.	Purchase orders are manual paper system. Dept Managers are responsible for final signing and authorising of invoices before payment is processed. An updated delegated authority list should be provided to Accounts Payable for reference when processing invoices. This will be undertaken by Managers on a monthly basis.	
3	6.3	Accounts Payable Officer	Accounts Payable Suppliers that have not been used for a significant period of time are reviewed and marked for deletion by the application, if appropriate.	A review of unused or obsolete suppliers required and either subsequent clearing from system to be done or supplier 'flagged' in system as non-current.	
4	1.1	CSTL	Banking Banking is performed on a predetermined basis by an appropriately designated and independent person.	Banking is undertaken on a daily basis. As a security measure there is a need to implement changes to the timing of banking being transported to the bank	
5	1.4	MCS	Banking Bank reconciliations are performed on a predetermined basis and are reviewed by an authorised officer. Any identified discrepancies are investigated immediately.	Bank reconciliation carried out regularly and all discrepancies investigated. Need to implement review process by an independent officer.	
6	2.4	MCS	Banking Management reviews journal transactions to the bank account.	Rate journals are reviewed by MCS. A process for review of other journal transactions is required.	

Adj. No.	Risk No.	Officer	Internal Control	Review Recommendations	Action Proposed/Taken
7	1.1	Records Officer	Borrowings 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.	Loan register is maintained. Copy of Council resolution to be retrieved and included in register with appropriate loan details.	
9	1.3	MCS	Borrowings All loan journals are independently authorised.	System to be introduced whereby loan journals are independently authorised.	
11	1.3	MCS	Cash Floats & Petty Cash A register for cash floats and petty cash and custodians is maintained by appropriately designated staff to record all movements.	A register of cash floats and petty cash is to be developed.	
12	1.6	MCS	Cash Floats & Petty Cash Surprise Float and Petty Cash counts conducted periodically at Council Office and remote sites.	No surprise float count is carried out.	
14	1.2	MCS	Credit Card Credit Card holders provided a copy of the policy and procedures associated with the issue and use of Credit Cards.	A copy of the Credit Card Policy is to be provided to all credit card holders.	
15	1.3	MCS	Credit Card Employees sign a declaration confirming compliance with Council policy and procedures prior to the Credit Card being released.	A declaration to be signed by each employee issued with a credit card. This declaration can be included with Credit Card Policy.	
16	2.7	CEO	Credit Card Cardholders are advised in the policy and procedures (which they have signed) that improper use of the credit card, such as	Amendments to Credit Card Policy to incorporate policy regarding improper use of credit card. Partially covered under Code of Conduct for	

Adj. No.	Risk No.	Officer	Internal Control	Review Recommendations	Action Proposed/Taken
			purchases of a personal nature, will result in termination of employment or other disciplinary action.	Employees.	
17	3.5	MCS	Credit Card Management regularly reviews credit card limits for operational efficiency.	A regular review is not carried out.	
18	2.5	Debtors Officer	Debtors Debtors batch listing is checked by an authorised officer prior to invoice generation, for accuracy and credit note verification.	Invoices are raised on a monthly basis. A checking process is required to verify invoices raised within system.	
30	1.4	MCS	General Ledger General Ledger reconciliations (including control and clearing accounts) are prepared on a regular basis; all reconciliations independently reviewed.	Monthly reconciliations are undertaken and sub ledgers are reconciled with general ledger. No independent review occurs since change of external auditor.	
31	1.5	MCS Rates Officer	General Ledger All journals are independently reviewed (including check to ensure correct account allocation).	Journals raised by rates officer is independently reviewed by MCS. Need to Implement a process where independent checking of journals processed by MCS can be undertaken.	
36	1.5	MCS	Investments Management to monitor cash & anticipated future cash flows. Surplus funds invested in accordance with Council policy. Investment & transfer of funds approved by any two authorised officers.	Cash is monitored on a weekly basis. Investments of surplus funds per Treasury Management Policy. Need to ensure journal recording transfer of funds is authorised by two officers.	
41	2.3	MCS	Management Reporting Reporting & Review Schedule maintained detailing Reporting timetable. This Schedule is given to all personnel involved in the management reporting process.	Develop a timetable of legislated reporting requirements eg. Annual Budget Plan preparation, Annual Financial Statements, Grants Commission Return.	

Adj. No.	Risk No.	Officer	Internal Control	Review Recommendations	Action Proposed/Taken
42	2.4	MCS	Management Reporting Designated person reviews the Reporting & Review Schedule to ensure that management reviews the appropriate information on a regular and timely basis.	Designated person - MCS	
44	2.3	Payroll Officer	Payroll Managers perform a regular review of report detailing all employees listed on payroll master file; all unusual items are investigated.	A check of payroll eft master report is to be performed to ensure no unusual items.	
46	6.2	Payroll Officer	Payroll Management reviews a selection of salary sacrifice calculations for accuracy and compliance with statutory requirements; identified errors are promptly corrected.	No review is carried out. Random checks to be undertaken to ensure appropriate calculations.	
50	1.2	CEO	Purchasing & Procurement Employees must ensure all purchase orders are approved in accordance with the Delegations of Authority.	Only employees with delegated authority can issue purchase orders. A checking process needs to be developed to ensure purchase orders are written within delegated authority limits.	
51	4.2	MCS	Purchasing & Procurement Access to unissued purchase orders and requisitions is restricted to authorised individuals.	Purchase order book is to be kept secure at all times.	
52	5.2	Rates Officer	Rates Maintain an audit trail of all weekly updates of pensioner concession information. All updates approved by management and independently matched to the property master file.	A register is maintained of all weekly updates to pensioner concession information, however a monthly independent check to be carried out during month end process to ensure accuracy and consistency.	
53	1.5	MCS	Statutory Reporting Council has a Reporting Schedule	Reporting schedule to be developed.	

Adj. No.	Risk No.	Officer	Internal Control	Review Recommendations	Action Proposed/Taken
			Register detailing statutory reporting deadlines. Designated person monitors compliance with reporting deadlines and ensuring Register data is pertinent.	MCS responsible for statutory reporting requirements relating to financial matters.	
By 31 December 2012					
2	3.6	MCS	Accounts Payable All delegated officers should undertake regular training for the raising of orders, posting of goods received and the requirements of the creditors process.	No formal training provided. An annual refresher training session to be initiated.	
8	1.2	Records Officer	Borrowings The loan register and loan approvals is subject to management and/or internal audit review.	Review to be conducted at end of financial year.	
10	2.4	MCS	Borrowings Council obtains alternative quotations.	Do not obtain alternative quotes as LGFA have proven to be competitive. Also refer Treasury Management Policy. Initiate mechanism to obtain alternative quote from time to time to ensure competitive rates are being negotiated.	
13	2.3	MCS	Cash Floats & Petty Cash Cash float, cash handling and petty cash policy and procedures available to all staff. This details the maximum dollar purchase and guidelines as determined by an authorised officer regarding cash handling and the use of cash floats and petty cash.	Policy is required to be developed.	
19	2.2	Exec Assist	Elected Members Register of Allowances and Benefits maintained by	Elected Member allowances are set by the Remuneration Tribunal Report and Determination.	

Adj. No.	Risk No.	Officer	Internal Control	Review Recommendations	Action Proposed/Taken
			designated person. Register details level and nature of expenses reimbursed to Council by Elected Members, and is reviewed on a regular basis and management review register of allowances and benefits on a regular basis.	No Register is kept.	
20	3.3	MCS	Elected Members Management review Register of Allowances and Benefits on a regular basis.	Refer IC2.2. Reviews will be conducted of the register when implemented.	
21	2.2	Accounts Payable Officer	Employee Reimbursements Mgt regularly reviews a report detailing Emp reimbursements; Mgt selects unusual/significant items from report & agrees to original approved reimbursement claim along with supporting evidence (i.e. receipts). All errors are investigated.	No report provided at present. A report to be initiated providing details of employee reimbursements that have occurred in previous 6 months and to be reviewed by senior management.	
22	1.4	Property Officer	Fee for Service Formal leases, agreements or contracts are required to cover use of Council facilities, sporting grounds, etc. and are regularly reviewed to ensure conditions are being met and payments made on time.	Formal leases and agreements are in place where able. Carry over of old practices has made management of leases etc difficult and will be tidied in time. Regular review of leases and licences and agreements occur on an ad-hoc basis.	
23	1.1	Dept Managers	Fixed Assets Fixed asset register ('FAR") is periodically reviewed by management for accuracy and ongoing pertinence.	A more thorough review of fixed asset register is required for some class of assets. Asset register data review is currently being undertaken.	
24	1.4	Dept Managers	Fixed Assets Periodic counts of fixed assets are performed and reconciled to the FAR.	Some periodic counts of fixed assets are performed and reconciled but a more thorough review of fixed asset registers is required.	

Adj. No.	Risk No.	Officer	Internal Control	Review Recommendations	Action Proposed/Taken
25	3.5	MCS	Fixed Assets The annual review of Assets includes reviewing the appropriateness of categories of assets and Impairment testing.	Categories of assets has not altered in the past. Impairment testing is not carried out.	
26	4.4	Dept Managers	Fixed Assets When calculating depreciation reliable figures are available for condition of each asset, unit of measurement, replacement value, residual life and written down replacement value.	More work is required regarding reliability of asset data. This will be carried out with development of IAMP's	
27	6.1	Dept Managers	Fixed Assets Asset management plan (including plans to obtain sufficient funding to cover expected capital investment) prepared as part of Strategic Plan. The capital investment plan is reviewed regularly for appropriateness.	No Asset Management Plans are in place.	
28	6.3	Dept Managers	Fixed Assets All changes to the asset management plan must be approved by Management.	Council will approve IAMP's once completed. These plans will be reviewed initially by Audit Committee	
29	7.1	Dept Managers	Fixed Assets Asset maintenance schedules are prepared, updated, and monitored by management and activity per the asset maintenance schedule is reconciled to the asset maintenance history register regularly.	Due to the absence of IAMPS asset maintenance schedules do not exist. Asset maintenance requirements will be ascertained by works staff with appropriate expertise and reported to Council for consideration within budget deliberations.	
32	1.1	CEO	Grant Funding Council has a clear policy on Grant funding detailing assessment process, recognition, treatment and	A grant policy detailing all processes relating to grants is required.	

Adj. No.	Risk No.	Officer	Internal Control	Review Recommendations	Action Proposed/Taken
			disclosure of any conflicts of interest.		
33	1.2	CEO	Grant Funding 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).	Milestone reports and grant acquittals are carried out as necessary. A register of grants is required to be implemented and maintained in order to acquit grants adequately.	
34	1.3	CEO	Investments All conflicts of interest to be disclosed as part of investment decision process.	Refer Code of Conduct – Council Employees A pecuniary interest declaration to be completed by senior management.	
35	1.4	MCS	Investments Council reviews investment performance at least annually.	LG Act requires Council to review annually the performance of its investments (Section 140). A report to be provided at end of financial year to Council listing investments.	
37	2.4	MCS	Investments Register of investments is kept detailing amounts and maturity dates.	Development of a formal investment register is required.	
38	4.4	MCS	Investments Process for management to either declare conflicts of interest or indicate that there are no conflicts of interests prior to approving any investment decision.	Senior management complete a 'declaration of interest' return. Implement document detailing investment action and background information also declaring any conflict of interest and signed by manager.	
39	4.5	CEO	Investments Compliance with Conflict of Interests and Code of Conduct regularly monitored either by management, internal auditors or statutory auditors.	Process required to be implemented.	
40	2.2	Exec Assist	Management Reporting Ensure roles and responsibilities	Documentation is only to delegated authority only. Need to include policy delegations and	

Adj. No.	Risk No.	Officer	Internal Control	Review Recommendations	Action Proposed/Taken
			are documented within Delegations of Authority.	position delegations within Delegations Register.	
43	1.7	Debtors Officer Property Officer	Other Revenue Permit processes to provide an audit trail for cash received outside Council receipting areas.	A review is required to ensure processes regarding permits and cash received are reconciled.	
45	3.2	Payroll Officer	Payroll Time recording and attendance exceptions based on expectations established by management are identified, monitored and corrected.	Timesheets are still submitted and authorised with notes regarding attendance in order for payroll to be processed appropriately. Managers need to initiate a system where they can check absences are correctly input on timesheets.	
47	7.1	HR Officer	Payroll Establish employee termination policies and procedures, including statutory regulation and union requirements. Regular update of these policies and procedures.	No formal termination policy/procedure is in place. This is to be developed and implemented by HR.	
48	7.3	HR Officer	Payroll Regular review by management of compliance with employee termination policies and procedures, including compliance with statutory regulation and union requirements.	Review will be undertaken once policy/procedure as above at 7.1 is in place.	
49	1.3	MCS	Project Costing Overhead rates are reviewed and revised on a regular basis.	Overhead rates need to be reviewed on a more regular basis.	
54	1.6	MCS	Taxation Accounting policies and procedures specify correct treatment for preparing the fringe benefit tax and goods & services taxation returns within any given financial year.	There are no written procedures in place regarding preparation of FBT return. Procedures for preparation of BAS are detailed and thorough.	

6.3 LGA Performance Improvement Program

REF:
OFFICER: MCS

Attachment follows Report: Yes

Strategic Links:

(1) **Linked to Objectives:** Yes
(2) **Objective:** Corporate Services – Financial Management

RECOMMENDATION:

REPORT:

Subject Detail:

At the July meeting of the Audit Committee a report prepared by Starr Solutions Management and Consulting was presented. This report was a result of an assessment commissioned by the LGA under its Performance Improvement Program.

The Audit Committee noted and received the report and further moved that

1. A report be presented to the next Audit Committee meeting summarising key actions identified in the LGA Performance Improvement Program (Starr Report).
2. That the actions be included in the Audit Committee's work program to enable the Committee to monitor progress and completion of identified actions.

I have extracted from the initial report all the items that require actions and have included notes and/or comments regarding linkages to the Strategic/Corporate Plan as well as any actions proposed/already taken.

Those items in **bold** under the "action proposed/taken" column are matters still outstanding. This will be another action plan that will be used to report to the Audit Committee on progress made regarding these matters.

**LGA PERFORMANCE IMPROVEMENT PROGRAM
BERRI BARMERA COUNCIL – ACTION PLAN**

A STRATEGY AND PLANNING

A1 Strategic Management

Item	Action Detail	Action Plan	Link to Corporate Plan or Action Proposed/Taken
A1.1.1	Within the past 4 years Council has adopted a revised Strategic Management Plan (or suite of strategic management plans) which includes vision, goals, objectives, and articulates the principal activities and priorities proposed to achieve those objectives.	<ol style="list-style-type: none"> 1. Review the goals and objectives of the Council to establish a more structured format. 2. Develop timelines for achieving goals and objectives of the Strategic Management Plan. 3. Develop performance measures for the goals and objectives of the Strategic Management Plan. 4. Conduct community consultation on goals and objectives, timelines and performance measures of the Strategic Management Plan. 5. Submit Strategic Management Plan to Council for formal adoption. 6. Publish the Strategic Management Plan on Council Website. 7. Use Strategic Management Plans to drive the Council's actions and performance. 	<p>1. Strategic & Corporate Plan to 2015 has been developed.</p> <p>2. & 3. Measures and timeframes of goals and objectives have been incorporated in Strategic & Corporate Plan.</p> <p>4. Community consultation has commenced but not complete.</p> <p>5. Final Strategic & Corporate Plan requires adoption by Council.</p> <p>6. Link to plan on Council's website.</p> <p>7. Council's actions and performance are made with reference to the plan. Links to plan within all reports to Council.</p>
A1.2.1	The Strategic Management Plan(s) provides an assessment of the sustainability of Council's financial performance and position and is based on achieving or maintaining ongoing financial sustainability	<ol style="list-style-type: none"> 1. Identify strategies to improve Council's financial sustainability. 2. Amend Strategic Management Plan to include a section that specifically comments on Council's ongoing financial sustainability. 3. Submit amended Strategic Management Plans to Council for adoption. 	<p>Refer objectives and actions within Strategic and Corporate Plan.</p> <p>Long Term Financial Plan linked to Strategic Plan.</p>
A1.2.2	The Strategic Management Plans show regard for, and give due weight to, plans prepared by other Councils and regional Local	<ol style="list-style-type: none"> 1. Identify the issues that Council needs to address in its Strategic Management Plan that are derived from the relevant plans of other Councils and regional local government bodies. 	<p>Strategic links have been made to plans of other organisations including:</p> <ul style="list-style-type: none"> • SA Strategic Plan • RDA

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Item	Action Detail	Action Plan	Link to Corporate Plan or Action Proposed/Taken
	Government bodies such as transport plans and waste management plans	<ol style="list-style-type: none"> 2. Identify the changes that are necessary to the Strategic Management Plan (and consequentially to the Long-term Financial Plan and Infrastructure & Asset Management Plan) to include issues from other Council and regional local government body plans. 3. Amend the Strategic Management Plans to include changes based on other Council and regional local government body plans, including comment on how plans prepared by other Councils and regional Local Government bodies have influenced Council's Strategic Management Plans. 4. Submit amended Strategic Management Plans to Council for adoption. 	<ul style="list-style-type: none"> • Riverland Futures • SA Tourism Commission Regional Growth Plan • SA Planning Dept Planning Strategy for Regional SA • SAMDB NRM Board • The Murray Daring Basin Authority
A1.2.3	The Strategic Management Plans show regard for, and give due weight to, South Australia's Strategic Plan and its implications for local government (e.g. in areas such as strategic infrastructure, regional population levels and reduced waste to landfill)	<ol style="list-style-type: none"> 1. Identify the issues that Council needs to address in its SMP that are derived from South Australia's Strategic Plan. 2. Identify the changes that are necessary to the Strategic Management Plan (and consequentially to the Long-term Financial Plan and Infrastructure & Asset Management Plan) to include issues from South Australia's Strategic Plan. 3. Amend the Strategic Management Plans to include changes based on South Australia's Strategic Plan and comment on how South Australia's Strategic Plan has influenced the objectives and strategies included in Council's Strategic Management Plans. 4. Submit amended Strategic Management Plans to Council for adoption. 	Objectives within Council's SMP have been identified and strategic links have been made with South Australia's Strategic Plan.

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Item	Action Detail	Action Plan	Link to Corporate Plan or Action Proposed/Taken
A1.2.4	<p>The Strategic Management Plans show regard for, and give due weight to national reforms which involve local government participation such as improving housing supply and affordability and implications of an ageing Australia</p>	<ol style="list-style-type: none"> 1. Identify the issues that Council needs to address in its SMP that are derived from national reforms. 2. Identify the changes that are necessary to the Strategic Management Plan (and consequentially to the Long-term Financial Plan and Infrastructure & Asset Management Plan) to include issues from national reforms. 3. Amend the Strategic Management Plans to include changes based on national reforms and comment on how objectives consistent with national reforms which involve local government participation have been included in Council’s Strategic Management Plans. 4. Submit amended Strategic Management Plans to Council for adoption. 	<p>Several objectives within SMP show regard for national reforms relating to improvement of housing supply and affordability and implications of an ageing Australia :-</p> <ul style="list-style-type: none"> • Our economy – Objective 5, Objective 10 • Our Community/Social – Objective 1, Object 9
A1.2.5	<p>The Strategic Management Plans show regard for anticipated or predicted changes that might have a significant impact on Council’s ability to provide services such as:</p> <ul style="list-style-type: none"> - Economic growth/decline - Increased development - Demographic change (e.g. Population Ageing, Population Shift etc) - Climate change (e.g. Sea level rise, Salinity, Less rain, More hot days etc) 	<ol style="list-style-type: none"> 1. Amend the Strategic Management Plans to include the impact of anticipated or predicted changes, including the documentation of the anticipated or predicted changes and their impact on service delivery, rates and financial sustainability. 2. Submit amended Strategic Management Plans to Council for adoption. 	<p>Several objectives within SMP show regard for anticipated or predicted changes that might have a significant impact on Council’s services :-</p> <ul style="list-style-type: none"> • Our economy • Our Environment • Our Community/Social

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Item	Action Detail	Action Plan	Link to Corporate Plan or Action Proposed/Taken
A1.3.1	Council has received and adopted a Climate Change Adaptation Report and Plan based on a Mutual Liability Scheme assessment or on some other climate change adaptation assessment	<ol style="list-style-type: none"> 1. Upon receipt submit the report from the Murray Council’s Climate Change Adaptation project to Council for adoption. 2. Amend the Strategic Management Plan to include strategies and service delivery changes to deal with the impact of climate change on the Council region, and to set out the impact of the strategies and changes on rates and financial sustainability. 3. Submit amended Strategic Management Plans to Council for adoption. 	<p>Climate Change report to be submitted to council at its December 2011 meeting.</p> <p>Amend Strategic Management Plan at next review to include impact of climate change.</p>
A1.4.1	The Strategic Management Plans include evidence that Council has undertaken workforce/human resource planning and that goals and objectives have been set to ensure Council maintains a human resource base that is skilled to provide services to its community	<ol style="list-style-type: none"> 1. Amend the Strategic Management Plans to include evidence of workforce planning. 2. Amend the Strategic Management Plans to include goals and objectives relating to a skilled human resource base. 3. Submit Strategic Management Plans amendments relating to workforce planning to Council for adoption. 	Strategic Management Plan includes Workforce Planning Objective in order to respond to workplace trends and opportunities in accordance with Council strategic priorities.
A1.5.1	The Strategic Management Plans clearly state the financial and non-financial measures used to assess performance against the Plan’s objectives (e.g. Local Government Financial Sustainability Indicators adopted by the sector, percentage of kerbside collection diverted to landfill)	<ol style="list-style-type: none"> 1. Develop suitable performance measures (including targets, standards and timings) that will monitor and assess the performance of Council in meeting the goals and objectives identified by Council in its SMP. 2. Amend the Strategic Management Plans to state the measures (financial and non-financial) that are to be used to monitor and assess the performance of Council against its objectives over the relevant period. 3. Amend the Strategic Management Plans to include trend analysis based on the performance measures included in the Strategic Management Plans. 4. Submit amendments relating to financial and non- 	<p>Measures and timeframes have been developed within SMP to monitor progress of strategic actions.</p> <p>Local Government financial sustainability indicators have been adopted by Council and are included in Long Term Financial Planning and annual business planning processes.</p>

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Item	Action Detail	Action Plan	Link to Corporate Plan or Action Proposed/Taken
		financial measures to Strategic Management Plans to Council for adoption.	
A1.5.2	The Strategic Management Plans include non-financial measures Council has developed to measure the social and environmental impacts and effects of its activities	<ol style="list-style-type: none"> 1. Develop suitable performance measures (including targets, standards and timings) that will monitor and assess the impact of Council activities on the community (society) and the environment. 2. Amend the Strategic Management Plans to include non-financial measures developed by Council to measure the environmental impacts of its activities. 3. Submit amendments to the non-financial measures to Council for adoption. 	Measures and timeframes have been developed within SMP to monitor progress of strategic actions relating to environmental and community/social objectives.
A1.6.1	Emerging critical issues are identified and appropriate responses expressed in Council's Strategic Management Plans, e.g. demographic change	<ol style="list-style-type: none"> 1. Amend Strategic Management Plans to include strategies to address emerging issues that require action, including an assessment of the service delivery, rating and financial sustainability impact on Council's SMP. 2. Submit amendments to the Strategic Management Plans to Council for adoption. 	Emerging critical issues have been identified and addressed within the current Strategic & Corporate Plans.

**LGA PERFORMANCE IMPROVEMENT PROGRAM
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A2 Long Term Financial Management

Item	Action Detail	Action Plan	Link to Corporate Plan or Action Proposed/Taken
A2.3.1	The Long-term Financial Plan projects achievement of these financial sustainability indicator targets on average over all rolling 3 year periods of the Plan	<ol style="list-style-type: none"> 1. Identify strategy options to achieve key financial indicator targets. 2. Amend Strategic Management Plans as warranted (including Long-term Financial Plan) to incorporate affects of these new or amended strategies. 	<ol style="list-style-type: none"> 1. Key financial indicator targets are achieved throughout plan. 2. LTFP is included in Strategic/Corporate Plan.
A2.4.1	The Long-term Financial Plan provides for financing and funding of asset renewal and maintenance consistent with projected needs identified in the Infrastructure & Asset Management Plan	<ol style="list-style-type: none"> 1. Amend the Long-term Financial Plan to ensure that the capital expenditure and infrastructure maintenance per annum identified in the Infrastructure & Asset Management Plan is consistent. 2. Amend the Long-term Financial Plan to ensure that it adequately finances and funds the effective acquisition, operation, maintenance, renewal and disposal of assets to meet the service needs of Council and the community. 	<ol style="list-style-type: none"> 1. Awaiting completion of IAMP's. Asset sustainability ratio has been used as an indicator regarding level of capital expenditure for asset renewal throughout LTFP. 2. LTFP to be amended to incorporate service level needs of assets as determined by IAMP's.
A2.4.2	The Long-term Financial Plan provides for financing and funding of actions proposed in other strategic management planning documents to achieve key strategic outcomes	<ol style="list-style-type: none"> 1. Update the Long-term Financial Plan to ensure that adequate financing and funding is allowed for to achieve the key strategic outcomes identified in the other strategic plans. 	LTFP includes funding for specific projects highlighted in Strategic Plan. eg. carparking, regional landfill, stormwater re-use, subsurface irrigation.
A2.5.3	The Long-term Financial Plan includes, for the ten-year period, projected operating expenses by major function: e.g. roads, waste management, community services and governance	<ol style="list-style-type: none"> 1. Develop a 10 year estimate of costs using the functions, service profiles and organisational structure specific to the individual Council. 2. Develop and apply a full cost attribution model that is consistent with LGA's Guideline to Full Cost Attribution draft paper. 3. Develop, document or improve the assumptions used as part of the full cost attribution model. 	<ol style="list-style-type: none"> 1. A 10 year LTFP has been developed and is reviewed annually. 2. Full Cost Attribution model has been applied. 3. Full Cost Attribution policy adopted by Council July 2011.

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A3 Asset Management

Item	Action Detail	Action Plan	Link to Corporate Plan or Action Proposed/Taken
A3.1.1	Council has adopted an asset management policy.	<ol style="list-style-type: none"> 1. Amend the policy to incorporate or cross-reference information regarding Council's specified service levels from assets. 2. Submit the policy or any amendments to Council for adoption. 	<ol style="list-style-type: none"> 1. Service levels are to be ascertained during the preparation of IAMP's. 2. Amended policy to be submitted to Council.
A3.2.1	For all classes of assets Council has a ten year Infrastructure & Asset Management Plan that identifies asset maintenance and asset renewal/replacement costs and timings for all existing, upgraded and new assets	<ol style="list-style-type: none"> 1. Develop and have Council adopt agreed service standard levels as appropriate within each classification of asset. 2. Develop or amend the Infrastructure & Asset Management Plan with a minimum 10 year horizon for each class of asset that identifies asset maintenance costs for each year of the plan. 3. Develop or amend the Infrastructure & Asset Management Plan with a minimum 10 year horizon for each class of asset that identifies asset renewal/replacement costs required for each year of the plan. 4. Submit any plans or amendments to Council for adoption. 	Infrastructure and Asset Management Plans to be developed – Refer Strategic/Corporate Plan timeframes
A3.2.2	For all classes of assets Council has a 10 year Infrastructure & Asset Management Plan that identifies asset upgrades and new asset acquisitions and all associated costs	<ol style="list-style-type: none"> 1. Develop the Infrastructure & Asset Management Plan with a minimum 10 year horizon for each class of asset that identifies asset upgrade costs for each year of the plan. 2. Submit any plans or amendments to Council for adoption. 	Infrastructure and Asset Management Plans to be developed – Refer Strategic/Corporate Plan timeframes
A3.2.3	For all classes of assets Council has a 10 year Infrastructure & Asset Management Plan that	<ol style="list-style-type: none"> 1. Develop the Infrastructure & Asset Management Plan with a minimum 10 year horizon for each class of asset that identifies asset disposal costs and revenues that 	Infrastructure and Asset Management Plans to be developed – Refer Strategic/Corporate Plan timeframes

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Item	Action Detail	Action Plan	Link to Corporate Plan or Action Proposed/Taken
	identifies asset disposal timings, revenues and costs	<p>will be incurred in order to dispose of the asset.</p> <p>2. Submit Infrastructure & Asset Management Plan or amendments to the Infrastructure & Asset Management Plan to Council for adoption.</p>	
A3.2.4	For all classes of assets Council has a 10 year Infrastructure & Asset Management Plan that identifies costs for those assets that need to be managed after the end of their useful life	<p>1. Amend the Infrastructure & Asset Management Plan with a minimum 10 year horizon for each class of asset that identifies and quantifies the costs associated with asset that need to be managed after the end of their useful life.</p> <p>2. Submit Infrastructure & Asset Management Plan or amendments to the Infrastructure & Asset Management Plan to Council for adoption.</p>	Infrastructure and Asset Management Plans to be developed – Refer Strategic/Corporate Plan timeframes
A3.2.5	For all classes of assets Council has a 10 year Infrastructure & Asset Management Plan that identifies asset management related impacts associated with actions proposed in other strategic management planning documents	<p>1. Develop the Infrastructure & Asset Management Plan with a minimum 10 year horizon for each class of asset to reflect or indicate that it reflects the impact associated from actions proposed in other strategic management planning documents.</p> <p>2. Submit Infrastructure & Asset Management Plan or amendments to the Infrastructure & Asset Management Plan Council for adoption.</p>	Infrastructure and Asset Management Plans to be developed – Refer Strategic/Corporate Plan timeframes
A3.3.1	Council has reliable data on all of its assets systematically recorded in a manner which enables sound asset management decision making	<p>1. Improve the existing data base to facilitate analysis and sound decision making processes in relation to Council's management of assets.</p>	Infrastructure and Asset Management Plans to be developed – Refer Strategic/Corporate Plan timeframes
A3.4.1	Council has asset systems that enable it to model and optimise the maintenance, treatment, rehabilitation and renewal of its	<p>1. Improve the existing asset systems such that Council can model and optimise the maintenance, treatment, rehabilitation and renewal of its road network.</p>	Infrastructure and Asset Management Plans to be developed – Refer Strategic/Corporate Plan timeframes

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Item	Action Detail	Action Plan	Link to Corporate Plan or Action Proposed/Taken
	road network		
A3.4.2	Council has asset systems that enable it to model and optimise the maintenance, treatment, rehabilitation and renewal of its drainage network	1. Improve the existing asset systems such that Council can model and optimise the maintenance, treatment, rehabilitation and renewal of its drainage network.	Infrastructure and Asset Management Plans to be developed – Refer Strategic/Corporate Plan timeframes
A3.4.3	Council has asset systems that enable it to model and optimise the maintenance, treatment, rehabilitation and renewal of its buildings	1. Improve the existing asset systems such that Council can model and optimise the maintenance, treatment, rehabilitation and renewal of its buildings.	Infrastructure and Asset Management Plans to be developed – Refer Strategic/Corporate Plan timeframes
A3.4.4	Council has asset systems that enable it to model and optimise the maintenance, treatment, rehabilitation and renewal of its parks and gardens	1. Improve the existing asset systems such that Council can model and optimise the maintenance, treatment, rehabilitation and renewal of its parks and gardens.	Infrastructure and Asset Management Plans to be developed – Refer Strategic/Corporate Plan timeframes
A3.4.5	Council has asset systems that enable it to model and optimise the maintenance, treatment, rehabilitation and renewal of its Community Waste Water Management Systems (CWMS)	1. Improve the existing asset systems such that Council can model and optimise the maintenance, treatment, rehabilitation and renewal of its community waste water management schemes.	Infrastructure and Asset Management Plans to be developed – Refer Strategic/Corporate Plan timeframes
A3.4.6	Council has asset systems that enable it to model and optimise the maintenance, treatment, rehabilitation and renewal of its recreation/sports facilities	1. Improve the existing asset systems such that Council can model and optimise the maintenance, treatment, rehabilitation and renewal of its recreation/sports facilities.	Infrastructure and Asset Management Plans to be developed – Refer Strategic/Corporate Plan timeframes
A3.4.7	Council has asset systems that enable it to model and optimise the maintenance, treatment, rehabilitation and renewal of its other assets	1. Improve the existing asset systems such that Council can model and optimise the maintenance, treatment, rehabilitation and renewal of its other assets.	Infrastructure and Asset Management Plans to be developed – Refer Strategic/Corporate Plan timeframes

**LGA PERFORMANCE IMPROVEMENT PROGRAM
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Item	Action Detail	Action Plan	Link to Corporate Plan or Action Proposed/Taken
A3.5.1	The Infrastructure & Asset Management Plan is reviewed and updated periodically (at least within 2 years of every general election of the Council)	<ol style="list-style-type: none"> 1. Undertake a comprehensive review of the Infrastructure & Asset Management Plan. 2. Submit any amendments to the Infrastructure & Asset Management Plan to Council for adoption. 	Infrastructure and Asset Management Plans to be developed – Refer Strategic/Corporate Plan timeframes
A3.6.1	Council Infrastructure & Asset Management Plan takes account of the range of potential impacts of climate change on storm water assets	<ol style="list-style-type: none"> 1. Amend Council’s Infrastructure & Asset Management Plan to include a sensitivity analysis of the relative impacts of various possible climate change scenarios on storm water assets. 2. Submit any amendments to the Infrastructure & Asset Management Plan to Council for adoption. 	Infrastructure and Asset Management Plans to be developed – Refer Strategic/Corporate Plan timeframes
A3.6.2	Council Infrastructure & Asset Management Plan takes account of the range of potential impacts of climate change on transport infrastructure (roads, footpaths, cycleways, traffic management devices etc. including lighting, signage, linemarking and other associated assets)	<ol style="list-style-type: none"> 1. Amend Council’s Infrastructure & Asset Management Plan to include a sensitivity analysis of the relative impacts of various possible climate change scenarios on Councils transport infrastructure. 2. Submit any amendments to the Infrastructure & Asset Management Plan to Council for adoption. 	Infrastructure and Asset Management Plans to be developed – Refer Strategic/Corporate Plan timeframes
A3.6.3	Council Infrastructure & Asset Management Plan takes account of the range of potential impacts of climate change on Council assets other than storm water and transport assets	<ol style="list-style-type: none"> 1. Amend Council’s Infrastructure & Asset Management Plan to include a sensitivity analysis of the relative impacts of various possible climate change scenarios on Council assets other than storm water and transport assets. 2. Submit any amendments to the Infrastructure & Asset Management Plan to Council for adoption. 	Infrastructure and Asset Management Plans to be developed – Refer Strategic/Corporate Plan timeframes

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Item	Action Detail	Action Plan	Link to Corporate Plan or Action Proposed/Taken
A3.6.4	Council has carried out a sensitivity assessment on the anticipated impacts of climate change on recreation/sporting reserves	<ol style="list-style-type: none"> 1. Amend Council's Infrastructure & Asset Management Plan to including a sensitivity analysis of the relative impacts of various possible climate change scenarios on recreation/sporting reserves. 2. Submit any amendments to the Infrastructure & Asset Management Plan to Council for adoption. 	Infrastructure and Asset Management Plans to be developed – Refer Strategic/Corporate Plan timeframes

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B ANNUAL PLANNING AND BUDGETING

B1 Annual Business Plan

Item	Action Detail	Action Plan	Link to Corporate Plan or Action Proposed/Taken
B1.1.1	Council has an Annual Business Plan that summarises Council's long term objectives	1. Include a summary of Council's long-term objectives that is consistent with its Strategic Management Plans. in Council's next Annual Business Plan.	To be included in ABP 2012/13
B1.1.2	Council has an Annual Business Plan that outlines the objectives to be achieved for the financial year and the related activities	1. Include an outline of the activities that Council intends to undertake to achieve its objectives in Council's next Annual Business Plan.	To be included in ABP 2012/13
B1.1.3	Council has an Annual Business Plan that sets out the measures (financial and non-financial), and their related standards and targets, that Council will use to monitor and assess performance and achievement of its objectives for the year, including the social and environmental impacts and effects of Council's activities	1. Include an outline of the non-financial measures that Council intends to use to monitor and assess performance and achievement of its objectives over the financial year in Council's next Annual Business Plan. 2. Include performance measures to measure the social and environmental impacts of Council's activities in Council's next Annual Business Plan.	To be included in ABP 2012/13
B1.1.6	Council prepares its Annual Business Plan and manages its finances on an accrual accounting basis	1. Ensure Council's next Annual Business Plan is prepared on a full accrual accounting basis.	Annual Business Plan is prepared on an accrual accounting basis.

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Item	Action Detail	Action Plan	Link to Corporate Plan or Action Proposed/Taken
B1.2.1	The Annual Business Plan includes specific actions relating to the maintenance and renewal of Council's assets consistent with identified needs in the Infrastructure & Asset Management Plan	<ol style="list-style-type: none"> 1. Include specific actions relating to the maintenance of Council's assets consistent with identified needs in the Infrastructure & Asset Management Plan in Council's next Annual Business Plan. 2. Include specific actions relating to the renewal of Council's assets consistent with identified needs in the Infrastructure & Asset Management Plan in Council's next Annual Business Plan. 	To be included in ABP once IAMPS are completed

**LGA PERFORMANCE IMPROVEMENT PROGRAM
BERRI BARMERA COUNCIL – ACTION PLAN**

B2 Annual Budget

Item	Action Detail	Action Plan	Link to Corporate Plan or Action Proposed/Taken
B2.1.3	Council has an annual budget that is consistent with the achievement of financial sustainability targets on a 3 year rolling average	1. Amend the Annual Budget to identify and explain any financial indicators that are remaining outside of the target ranges set by Council.	Annual budget explains financial indicators, targets and provides explanations for any variances of targets.
B2.1.4	The annual budget adopted by Council is at a summary rather than operational level	1. Ensure Council's next Annual Budget focuses on the level and cost of delivering services to the community.	Annual budget focuses on level and cost of services consistent with Elected Members instructions.
B2.3.1	The annual budget includes forward estimates for at least two further financial years	1. Amend Council's Annual Budget forward estimates for future financial years so that they are consistent with Council's Long-term Financial Plan.	Annual Budget is consistent with LTFP

**LGA PERFORMANCE IMPROVEMENT PROGRAM
BERRI BARMERA COUNCIL – ACTION PLAN**

C GOVERNANCE AND MANAGEMENT

C1 Policies

Item	Action Detail	Action Plan	Link to Corporate Plan or Action Proposed/Taken
C1.1.1	Council has adopted policies on budget preparation, regular budget reviews and reporting annual financial outcomes	<ol style="list-style-type: none"> 1. Draft policies on budget preparation (including timing), regular budget reviews and reporting annual financial outcomes 2. Ensure comment on internal arrangements for obtaining additional expenditure beyond that included in the budget is included 3. Submit draft policies to Council for adoption 	Annual Budget Policy adopted by Council 26 July 2011
C1.1.2	Council has adopted policies on internal financial control systems	<ol style="list-style-type: none"> 1. Draft Internal Financial Control Policy. 2. Ensure that it: <ul style="list-style-type: none"> • includes reference to measures to prevent fraud and corruption and deal with any associated issues • includes reference to Whistleblower protection 3. Submit draft Internal Financial Control Policies to Council for adoption. 4. Ensure the revised Internal Financial Control Policies are available to the public. 5. Undertake the process outlined in “Best Practice Model-Internal Financial Controls” (SALGFMG) to ensure that Council’s internal controls reflect a coordinated and systematic approach. 	<ol style="list-style-type: none"> 1. Draft Internal Financial Control Policy to Audit Committee December 2011. 2. Internal Financial Control Policy links to internal control procedures and references whistleblower protection policy. 3. To be submitted to Council for adoption. 4. To be made available to public. 5. Internal Financial Controls manual developed via LGA pilot project.
C1.1.3	Council has adopted policies on contracts and tenders	<ol style="list-style-type: none"> 1. Redraft Council’s contracts and tenders policy to ensure that it: <ul style="list-style-type: none"> • describes a fair and transparent process for calling tenders and entering into contracts in those circumstances • provides for the recording of reasons for entering into contracts other than those resulting from a 	Review of Contracts and Tenders Policy

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BERRI BARMERA COUNCIL – ACTION PLAN**

Item	Action Detail	Action Plan	Link to Corporate Plan or Action Proposed/Taken
		<p align="center">tender process</p> <ol style="list-style-type: none"> 2. Submit policies on contracts and tenders to Council for adoption. 3. Ensure the revised Contracts and Tenders Policies are available to the public. 	
C1.1.7	Council has adopted policies on prudential requirements for major projects, including cost-benefit analysis which take into account social and environmental issues where appropriate	<ol style="list-style-type: none"> 1. Draft policy about prudential requirements for major projects. 2. Ensure that it: <ul style="list-style-type: none"> • meets Section 48 of LG Act • includes reference to cost benefit analysis • take account of social and environmental issues where appropriate 3. Submit policy about prudential requirements for major projects to Council for adoption. 4. Ensure the policy about prudential requirements for major projects is available to the public. 	Policy to be developed.
C1.2.1	Council reviews its financial policies at least once every two years (see list above)	<ol style="list-style-type: none"> 1. Prepare a program for the elected Council to review and/or adopt policies at least once every 2 years. 2. Establish a process to ensure that policy reviews reconsider the content of policies regularly. Consider adding to the calendar of Council agendas to spread across the two years. 3. Include financial policies in Council's program of review at least every 2 years. 	Policies are reviewed on a regular basis (annually). Financial polices are reviewed by audit committee prior to adoption by council.
C1.2.2	Council reviews its asset management policies at least once every two years	<ol style="list-style-type: none"> 1. Include in 1.2.1 above 	Asset Management policy is reviewed annually by audit committee.

**LGA PERFORMANCE IMPROVEMENT PROGRAM
BERRI BARMERA COUNCIL – ACTION PLAN**

Item	Action Detail	Action Plan	Link to Corporate Plan or Action Proposed/Taken
C1.2.3	Council reviews its risk management policies at least once every two years	1. Include in 1.2.1 above	Risk Management Policies are reviewed regularly.

**LGA PERFORMANCE IMPROVEMENT PROGRAM
BERRI BARMERA COUNCIL – ACTION PLAN**

C2 Performance measurement

Item	Action Detail	Action Plan	Link to Corporate Plan or Action Proposed/Taken
C2.1.1	Achievement against financial and non-financial performance measures is reported at least quarterly to Council and all relevant staff	<ol style="list-style-type: none"> 1. Develop a non-financial performance measure reporting schedule in line with key data collection periods. (e.g. some data may be available weekly, monthly, quarterly or annually). 2. Develop a non-financial reporting framework for presenting the performance measure data clearly to Council and staff. A simple “report card” style can be appropriate. 3. Report performance measure data to Council at least quarterly. 4. Develop a methodology for informing staff of Council performance measure information – examples could include regular staff newsletters, emails, staff meetings , or a page on the intranet. 	<ol style="list-style-type: none"> 1. Measures are included with actions and objectives set out in Strategic and Corporate Plan. 2. Reports to Strategic Governance Committee of Council every quarter. <p align="center">fo</p>
C2.3.1	Council has undertaken a self assessment of its governance program using the LGA’s “Good Governance Assessment Program”	<ol style="list-style-type: none"> 1. Complete self assessment of the LGA’s “Good Governance Assessment Program”. 2. Have the self assessment audited. 3. Develop the action plan to address any gaps identified by the review of Council’s governance programs 4. Provide a report to Audit Committee/Council indicating the outcomes of the review governance processes and the proposed improvement program. 	<ol style="list-style-type: none"> 1. Good governance self assessment program has been completed. 2. Good governance independent assessment has been completed. 3. Action plan to address gaps identified by the review to be developed. 4. Independent validation report presented to Audit Committee December 2011.

**LGA PERFORMANCE IMPROVEMENT PROGRAM
BERRI BARMERA COUNCIL – ACTION PLAN**

C3 Reporting and evaluation

Item	Action Detail	Action Plan	Link to Corporate Plan or Action Proposed/Taken
C3.1.1	Managers and other persons responsible for service delivery are given accurate and timely financial and performance information at least monthly	<ol style="list-style-type: none"> 1. Determine what non-financial information is required to accurately monitor and control service delivery by managers. 2. Establish KPI's for service delivery. 3. Develop a system to report performance measure data on a regular basis. 	<ol style="list-style-type: none"> 1. Measures are included with actions and objectives set out in Strategic and Corporate Plan. 2. Reports to Strategic Governance Committee of Council every quarter.
C3.2.1	All staff who manage assets receive regular reports on asset performance and costings	<ol style="list-style-type: none"> 1. Extract measures that can be used for regular reporting on asset performance, such as condition, suitability and costing of any remedial or maintenance work required from the Infrastructure & Asset Management Plan. 2. Develop a reporting schedule for measures that can be used for regular reporting on asset performance, such as condition, suitability and costing of any remedial or maintenance work required, in line with condition assessments, changes in usage patterns, maintenance profiles etc. 3. Consider using NAMS.PLUS Infrastructure & Asset Management Plan Template and the Infrastructure & Asset Management Plan to develop a regular reporting tool. 	Infrastructure and Asset Management Plans to be developed – Refer Strategic/Corporate Plan timeframes

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Item	Action Detail	Action Plan	Link to Corporate Plan or Action Proposed/Taken
C3.3.1	Council receives a report on asset management performance and costs at least annually	<ol style="list-style-type: none"> 1. Extract the main measures for each major asset from the Infrastructure & Asset Management Plan. 2. Present the actual performance for each main measure for each asset class from the Infrastructure & Asset Management Plan, at least annually to Council with up to date information, such as: <ul style="list-style-type: none"> • asset condition • fitness for purpose • projected expenditures • renewal profiles • future functionality choices (renew, replace, change....) • levels of service provided vs service levels expected. <p>(Note; The NAMS.PLUS Infrastructure & Asset Management Plan Template can assist in developing a reporting tool for Council)</p>	Infrastructure and Asset Management Plans to be developed – Refer Strategic/Corporate Plan timeframes

**LGA PERFORMANCE IMPROVEMENT PROGRAM
BERRI BARMERA COUNCIL – ACTION PLAN**

C4 Knowledge and skills of Council Members

Item	Action Detail	Action Plan	Link to Corporate Plan or Action Proposed/Taken
C4.1.1	There is a Council Members Training and Development Plan which includes annual assessment of the development needs of Council Members	<ol style="list-style-type: none"> 1. Review the Training & Development Policy and insert a statement to require the preparation of a Training & Development Plan for the term of the Council with annual update including assessment of development priorities for all Council Members. 2. Prepare a Training & Development Plan for the term of the Council with annual update including assessment of development priorities for all Council Members. 3. Arrange for all Members to undertake the LGA's online Council Members self assessment . 4. Use the results of the LGA's online Council Members self assessment as a needs analysis to update the Training & Development Plan. 	Governance objective within SMT to develop annual plan for the professional development of councillors – timeframe Sept 2012
C4.2.1	Council Members have been briefed and are kept informed on the issues of climate change adaptation, demographic change adaptation and other key issues facing Council and the community	<p>The following is potentially a key issue for this Council and Council Members should be briefed by way of a report or workshop:</p> <ol style="list-style-type: none"> 1. Climate Change adaptation 2. Demographic adaptation 	Climate Change report to be submitted to council at its December 2011 meeting.
C4.3.1	All Council Members participate in a comprehensive formal induction program to assist them to competently fulfil their role following a general election	<ol style="list-style-type: none"> 1. Adopt an Induction Policy based on the LGA's Model Induction Policy, or review and modify Council's Training & Development Policy. 2. Design an Induction Program for all Council Members to address the following: <ul style="list-style-type: none"> • Orientation • Legislative roles and responsibilities • Meeting procedures • Council services and facilities • Strategic issues • Team Building 	<ol style="list-style-type: none"> 1. Induction Policy to be developed. 2. Induction Program for council members to be designed. 3. Register of attendance to be set up.

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Item	Action Detail	Action Plan	Link to Corporate Plan or Action Proposed/Taken
		<ul style="list-style-type: none">• Staff relationships <p>3. Set up a register to record attendance of Council Members at sessions of the Council Induction Program.</p>	

**LGA PERFORMANCE IMPROVEMENT PROGRAM
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C5 Audit Committee

Item	Action Detail	Action Plan	Link to Corporate Plan or Action Proposed/Taken
C5.1.1	Council has an Audit Committee that meets at least four times a year	<ol style="list-style-type: none"> 1. Introduce a calendar of set meetings of the Audit Committee. 	Meetings are held 4 times per year: April – Annual Business Plan and Budget July – other matters October – Financial Statements December – other matters
C5.5.1	The Audit Committee explicitly reviews Infrastructure & Asset Management Planning and achievement	<ol style="list-style-type: none"> 1. Update the Audit Committee’s work program to incorporate review of the following: <ul style="list-style-type: none"> • Any proposed revisions to Council’s Infrastructure & Asset Management Plans. • Annual proposed (as per the draft Annual Business Plan) and actual asset management activity (as per the Annual Report) compared with that proposed in the Infrastructure & Asset Management Plan. 2. Prepare reports to Audit Committee in line with the work program. 	Audit Committee work program is regularly updated and presented to committee for review.
C5.6.1	The Audit Committee regularly reports its deliberations and recommendations to Council and in particular agendas of all Audit Committee meetings are provided to all Council members and minutes of Audit Committee meetings are included in the agenda of Council meetings	<ol style="list-style-type: none"> 1. Publish the dates, time and place of Audit Committee meetings on Council’s website. 2. Forward Audit Committee agendas and reports to all Council Members or send electronic versions of Audit Committee agendas and reports to all Council Members. 	<ol style="list-style-type: none"> 1. Meetings time on website whenever possible. 2. Agendas and Minutes sent to all Elected Members prior to meeting.

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Item	Action Detail	Action Plan	Link to Corporate Plan or Action Proposed/Taken
C5.7.1	The Audit Committee is accountable to Council and the community through an annual report on its activities	<ol style="list-style-type: none"> 1. Ensure the Audit Committee prepares a written annual report of its activities to coincide with the reporting cycle. 2. Agenda the item for Council including the opportunity for the Audit Committee Chair to speak to the report and answer questions. 3. Publish the annual report of the Audit Committee on Council’s website. 	<p>Annual report to be prepared and presented to council and published on website.</p> <p>Audit Committee Chair has addressed Council in the past.</p>

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C6 Community engagement

Item	Action Detail	Action Plan	Link to Corporate Plan or Action Proposed/Taken
C6.1.2	Council's Public Consultation Policy requires community consultation on material changes in service standards	<ol style="list-style-type: none"> 1. Review Council's Public Consultation Policy and include a statement about consultation for material changes in service standards. 2. Prepare a report to Council for adoption of the updated Public Consultation Policy. 3. Include Council's adopted Public Consultation Policy on Council's website. 	Changes to be made to public consultation policy.
C6.2.3	Statutory public consultation has been undertaken in relation to the Infrastructure & Asset Management Plan	<ol style="list-style-type: none"> 1. Conduct public consultation in accordance with Council's Public Consultation Policy and the requirements of the LG Act section 50 and 122 (6) for each major review of the Infrastructure & Asset Management Plan. 	Public consultation to be conducted for each review of IAMP.

**LGA PERFORMANCE IMPROVEMENT PROGRAM
BERRI BARMERA COUNCIL – ACTION PLAN**

C7 Risk management

Item	Action Detail	Action Plan	Link to Corporate Plan or Action Proposed/Taken
C7.2.1	Council recognises that risk management is a corporate activity through practices such as: <ul style="list-style-type: none"> - The use of a cross-functional committee to identify, analyse, evaluate and monitor risk - Dissemination of risk management policies to all staff - Provision of risk management training for all staff 	Work with the LGAMLS to: <ol style="list-style-type: none"> 1. form a cross-functional committee to drive risk management activity. 2. formulate a program for all Council functions to undertake business risk identification and management. 3. provide staff training on the identification and management of operational and business risks. 	Refer Corporate Plan (page 39) <ol style="list-style-type: none"> 1. Committee established. 2. Program to be formulated – timeframe December 2011 3. Training has been scheduled and attended by identified staff.
C7.3.1	Council budgets for the implementation and maintenance of the risk management function, including such items as: <ul style="list-style-type: none"> - Initiatives to reduce risk - Training and development of Audit Committee Members and staff in risk management - The on-going implementation of risk management 	<ol style="list-style-type: none"> 1. Budget for staff training on the identification and management of business risks. 2. Budget for Audit Committee Member training on risk identification and management. 3. Budget for organisational initiatives to reduce business risks. 	Training costs budgeted for where necessary.
C 7.4.1	Council has a risk management plan that: <ul style="list-style-type: none"> - identifies and evaluates all material risks - sets out the likelihood and consequence of each risk - details the existing controls for each risk 	<ol style="list-style-type: none"> 1. Develop a risk management plan that meets the requirements of AS/NZS ISO 31000:2009 Risk Management – Principles and Guidelines. 2. Review the current risk management plan and set up a regular review cycle. 	Refer Corporate Plan (page 39) <ol style="list-style-type: none"> 1. Risk Management Plan developed. 2. Review of current risk management plan and review – timeframe January 2012

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Item	Action Detail	Action Plan	Link to Corporate Plan or Action Proposed/Taken
	<ul style="list-style-type: none"> - sets out the treatment plan for risks requiring treatment - is reviewed at least annually 		
C 7.4.2	<p>Council's risk management plan specifically considers and addresses the issue of business continuity, and regularly reviews the issues and actions, from the perspective of Council's business centres and processes, viz:</p> <ul style="list-style-type: none"> - Administrative centre(s) - Computer facilities - Off-site storage of critical data and archival material - Main operational depot(s) <p>Key items of plant and equipment</p>	<ol style="list-style-type: none"> 1. Specifically address business continuity in Council's risk management plan. 2. Complete the existing draft business continuity plan. 3. Review the issues and actions relating to business continuity in the current risk management plan and set up a regular review cycle. 	<p>Refer Corporate Plan (page 39)</p> <ol style="list-style-type: none"> 1. Business continuity to be imported to risk management register – timeframe January 2013 2. Complete existing draft business continuity plan – timeframe December 2011. 3. Review of issues and actions relating to business continuity etc – timeframe January 2012

**LGA PERFORMANCE IMPROVEMENT PROGRAM
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D CAPACITY AND RESILIENCE

D1 Service Standards

Item	Action Detail	Action Plan	Link to Corporate Plan or Action Proposed/Taken
D1.1.1	Council has policies which articulate the standards of service that it provides	<ol style="list-style-type: none"> 1. Develop a list of all key services and cost of service delivery. 2. Establish service levels for each material service in line with community needs, priorities and financial sustainability considerations. 3. Develop policies which clarify service levels to be delivered and criteria for significant changes in service level. 4. Have the policies which clarify service levels to be delivered and criteria for significant changes in service level endorsed by Council. 	<p>List of key services to be developed.</p> <p>Policies clarifying service levels to be developed.</p>
D1.2.1	Council has endorsed minimum service standards that meet its duty of care to the community for key areas of Council's operations	<ol style="list-style-type: none"> 1. Establish what will be considered as Council's key areas for service delivery. 2. For each key area, establish minimum service levels that meet both duty of care requirements and risk management criteria. 3. Prepare a report to Council to have the minimum service levels for each key area endorsed by Council. 	Establishment Council's key areas of service delivery.
D1.3.1	Key service standards are subject to regular review to ensure they continue to reflect the needs of the community and Council	<ol style="list-style-type: none"> 1. Conduct regular reviews (at least every 2 years) of key service levels to ensure they are meeting the needs of the community. Factors to be taken into account will include cost of delivery, community consultation and feedback, demographic trends, community need, environmental and financial issues. 	Regularly review key service levels once identified and established.

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D2 Workforce/human resource planning

Item	Action Detail	Action Plan	Link to Corporate Plan or Action Proposed/Taken
D2.1.1	Council has a documented workforce/human resource plan which reflects the human resource requirements needed to give effect to its Strategic Management Plans	<ol style="list-style-type: none"> 1. Conduct a workforce analysis to determine the likely future staff demand and supply issues to meet the goals of the Strategic Management Plans. 2. Compare the workforce analysis with existing workforce data and identify gaps between current staffing and likely future needs. 3. Document information about Strategic Management Plan goals, future human resource requirements and gaps between current staffing and likely future needs in a workforce plan. 4. Include projections in the workforce plan to at least a 3 year horizon. 	Addressed within Corporate Plan (pages 42 to 43) - timeframes October 2014 – December 2015
D2.1.2	Council has a documented workforce/human resource plan which reflects articulated standards of service	<ol style="list-style-type: none"> 1. Include a breakdown of human resource needs by service in the workforce plan. 2. Project changing resource levels to meet anticipated service levels identified in Council’s Strategic Management Plans in the workforce plan. 3. Include/increase projections in the workforce plan to at least a 3 year horizon. 	Addressed within Corporate Plan (pages 42 to 43) - timeframes October 2014 – July 2015
D2.2.1	Council’s workforce/human resource plan is based on employee skills information by work group	<ol style="list-style-type: none"> 1. Analyse job descriptions to collate a profile of required skills for each service or workgroup. 2. Collate information on the skills of current staff and compare with a profile of required skills to identify gaps. 3. Identify the impacts on skill requirements of the goals of the Strategic Management Plans and identify further gaps. 4. Include projections in the workforce plan to at least a 3 	Addressed within Corporate Plan (pages 42 to 43) - timeframes December 2014 – November 2015

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BERRI BARMERA COUNCIL – ACTION PLAN**

Item	Action Detail	Action Plan	Link to Corporate Plan or Action Proposed/Taken
		<p>year horizon.</p> <p>5. Develop strategies to address skills shortages.</p>	
D2.2.2	Council's workforce/human resource plan is based on employee qualifications information by work group	<ol style="list-style-type: none"> 1. Analyse job descriptions to collate a profile of required qualifications for each service or workgroup. 2. Collate information on the qualifications of current staff and compare with a profile of required skills to identify gaps. 3. Identify the impacts on qualification requirements of the goals of the Strategic Management Plans and identify further gaps. 4. Include/increase projections in the workforce plan to at least a 3 year horizon. 5. Develop strategies to address qualification shortages. 	<p>Addressed within Corporate Plan (pages 42 to 43)</p> <p>- timeframes September 2013 – December 2013</p>
D2.3.1	Council regularly monitors and reviews staffing levels and staff capabilities	<ol style="list-style-type: none"> 1. Create a staff establishment report which compares positions and vacancies. 2. Introduce a staff performance scheme which addresses staff training and development needs. 	<p>Addressed within Corporate Plan (pages 42 to 43)</p> <p>- timeframes January 2013</p>
D2.3.2	Council takes action to address identified skills gaps	<ol style="list-style-type: none"> 1. Seek alternative solutions to identified skills gaps. 2. Develop a succession plan for key personnel and skills areas. 	<p>Addressed within Corporate Plan (pages 42 to 43)</p> <p>- timeframes December 2015</p>
D2.4.1	The workforce/human resource plan is reviewed and updated annually	<ol style="list-style-type: none"> 1. Review and update the workforce plan at least annually. 	<p>Review to be reviewed and updated</p>

**LGA PERFORMANCE IMPROVEMENT PROGRAM
BERRI BARMERA COUNCIL – ACTION PLAN**

D3 Training and Development

Item	Action Detail	Action Plan	Link to Corporate Plan or Action Proposed/Taken
D3.1.1	Council has a training and development program to assist staff to meet the goals of its service delivery plans	<ol style="list-style-type: none"> 1. Introduce a staff performance scheme which addresses staff training and development needs. 2. Ensure that the personal plans for staff reflect the goals of the service delivery plan. 3. Ensure that the personal plans for staff include training and development needs. 4. Collate the training and development needs of individual staff into a training program and identify opportunities for assistance. 5. Report on the outcomes of the training plan for staff development at least annually. 	<p>Addressed within Corporate Plan (page 44) - timeframes January 2013 – December 2013</p>
D3.2.1	Council funds financial management training and development	<ol style="list-style-type: none"> 1. Ensure financial management is identified as a part of the Training and Development Plan and annual program. 2. Provide management with a report on training undertaken by staff. 3. Write a Council Study Policy to reflect the EB agreement and provide guidelines for decision makers. 	<ol style="list-style-type: none"> 1. Budget allocation for financial management training allocated annually. 2. Training report to be developed. 3. Council study policy incorporating EB provisions to be written.
D3.2.2	Council funds asset management training and development	<ol style="list-style-type: none"> 1. Ensure asset management is identified as a part of the Training and Development Plan and annual program. 	Training funded and provided as required.
D3.3.1	Staff have been provided with opportunities to understand the issues of climate change adaptation and risk based response	<ol style="list-style-type: none"> 1. Consider working with LGAMLS to undertake the Climate change risk identification program whilst awaiting the outcomes of the Murray Councils Climate Change Adaptation project 	Climate Change report to be presented to Council at its meeting of December 2011.

**LGA PERFORMANCE IMPROVEMENT PROGRAM
BERRI BARMERA COUNCIL – ACTION PLAN**

D4 Shared service arrangements

Item	Action Detail	Action Plan	Link to Corporate Plan or Action Proposed/Taken
D4.1.1	Council is involved in collaboration with other Councils or regional bodies around the governance function	1. Explore opportunities for regional collaboration around the governance function in conjunction with adjoining Councils	Opportunities for regional collaboration regarding governance functions are being explored.
D4.1.2	Council is involved in collaboration with other Councils or regional bodies around HR management	1. Explore opportunities for regional collaboration around the HR management function in conjunction with adjoining Councils	Opportunities for regional collaboration regarding HR management functions are being explored.
D4.1.3	Council is involved in collaboration with other Councils or regional bodies around IT systems	1. Explore opportunities for regional collaboration around the IT function in conjunction with adjoining Councils	Opportunities for regional collaboration regarding IT functions are being explored.
D4.1.4	Council is involved in collaboration with other Councils or regional bodies around Procurement	1. Explore opportunities for regional collaboration around the procurement function in conjunction with adjoining Councils	Opportunities for regional collaboration regarding procurement functions are being explored.
D4.1.5	Council is involved in collaboration with other Councils or regional bodies around Financial services	1. Explore opportunities for regional collaboration around the finance function in conjunction with adjoining Councils	Opportunities for regional collaboration regarding finance functions are being explored.
D4.1.6	Council is involved in collaboration with other Councils or regional bodies around Asset sharing	1. Explore opportunities for regional collaboration around asset sharing in conjunction with adjoining Councils	Opportunities for regional collaboration regarding asset sharing are being explored.
D4.1.7	Council is involved in collaboration with other Councils or regional bodies around Infrastructure creation and maintenance	1. Explore opportunities for regional collaboration around Infrastructure creation and maintenance in conjunction with adjoining Councils	Opportunities for regional collaboration regarding infrastructure functions are being explored.

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Item	Action Detail	Action Plan	Link to Corporate Plan or Action Proposed/Taken
D4.1.8	Council is involved in collaboration with other Councils or regional bodies around waste management	1. Explore opportunities for regional collaboration around waste management in conjunction with adjoining Councils	Opportunities for regional collaboration regarding waste management are being explored.
D4.1.9	Council is involved in collaboration with other Councils or regional bodies around Regulatory services	1. Explore opportunities for regional collaboration around regulatory services in conjunction with adjoining Councils	Opportunities for regional collaboration regarding regulatory services are being explored.
D4.1.10	Council is involved in collaboration with other Councils or regional bodies around other services not listed above	1. Explore opportunities for regional collaboration around other functions in conjunction with adjoining Councils	Opportunities for regional collaboration regarding other functions are being explored.

6.4 LGA Good Governance Assessment Program

REF:

OFFICER: MCS

Attachment follows Report: Yes

Strategic Links:

(1) **Linked to Objectives:** Yes

(2) **Objective:** Corporate Plan – Governance (page 45)

RECOMMENDATION:

REPORT:

Subject Detail:

I have attached a copy report prepared by Mr Terry Bruun who was commissioned by the Local Government Association to provide Council with an independent validation of Council's self assessment of its governance performance.

The key findings are –

- Council's overall rating was a score of 4 = excellent.
- Council achieved a rating of 4 = Excellent in 11 of the 19 topics.
- Council meets statutory compliance requirements in the majority of governance elements with a substantial number meeting 'good practice' or better.

An action plan to address the items for improvement is now required to be prepared, however it should be noted the items for improvement include risk management and internal control matters which staff have commenced addressing.

For the committee's information and comment.

Note – this report has already been presented to the Council at its November meeting.



Good Governance Assessment Program

Independent Validation Report to Berri Barmera Council

Prepared by Terry Bruun

September 2011

LGA Better Governance Program

**Good Governance
Assessment Program**

Independent Validation Report to the Berri Barmera Council

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Building a Better Community

Berri
Barmera
COUNCIL

1. Executive summary

This report to the Berri Barmera Council has been prepared by Terry Bruun. It provides Council with information resulting from an independent validation of the Council's self-assessment of its governance performance conducted in September 2011. Recommendations are made for further action and governance improvement.

1.1 Purpose of this independent validation

The purpose of this independent validation is to:

- corroborate the Council's governance self assessment findings reported in the Council's report;
- provide the Council with an independent perspective on its governance performance and make additional recommendations for its improvement;
- provide the LGA with a copy of the independent validator's report in order for it to reflect on Councils' governance practices; and
- generate information and data that will inform governance performance improvement, resourcing, decision-making and reporting within the Local Government sector in South Australia.

This program has been funded through the Local Government Research and Development Scheme.

1.2 Council's self-assessment: key findings

The Berri Barmera Council recently reviewed its governance performance using the '*Good Governance Assessment Tool*' developed by the LGA in collaboration with a cross-section of South Australian Councils and other key stakeholders. The key findings of this self-assessment were:

- The self-assessment considered Council's overall rating was a score of 4:Excellent;
- The Council achieved a rating of 4:Excellent in 11 of the 19 topics;
- The rating results demonstrate the majority of governance elements meet statutory compliance requirements and a substantial number of the good practice elements are met. Development in the other areas will ensure Council further progresses in its attainment of good governance.
- An Action Plan to address the items for improvement is to be prepared.

1.3 Independent Assessor's validation: key findings

The independent validator's review of the Council's self-assessment of its governance performance, also using the '*Good Governance Assessment Tool*', identified the following key findings:

- The Self Assessment was thoroughly undertaken by the Elaine Braunack, Executive Assistant to the CEO & Mayor (with support from the CEO and other key staff);
- There was agreement with the ratings of 16 of the 19 topics, and the independent validator assessed a lower rating compared with the self-assessment rating on the other three topics;
- It is acknowledged that significant progress have been made in Council's governance systems over the past few years;
- Council has already taken action on those matters requiring urgent attention.

2. Introduction

2.1 Background

There has been an increased expectation over recent years by communities and the Parliament (via legislation) for Councils to enhance their governance performance. The LGA has assisted Councils in making improvements through:

- the establishment of a Governance Standards Advisory Committee;
- developing a range of support material for Councils under the LGA's Better Governance program; and
- a comprehensive training program for Council Members and senior Local Government staff which has focused on topical governance issues.

The LGA has also developed a *Good Governance Assessment Tool* to assist Councils to assess their governance performance and to identify related priorities and actions for improvement. To help Councils to corroborate their findings, the LGA is coordinating a panel of independent validators.

The assessment was conducted in August/September 2011 and this report has been prepared by Terry Bruun for Council's consideration and action.

2.2 Validation methodology

In conducting this independent validation, the following approach was adopted.

- Independent validator reviewed and noted preliminary readings;
- Independent validator visited Council, met key stakeholders, sighted Council's self-assessment report, and other relevant documents, and identified evidence of practice;
- The Council's self-assessment ratings and the independent validator's ratings are summarised in **Table 1**;
- Independent validator reviewed Council's self-assessment ratings and assessed any significant differences with their own (there were no differences in ratings);
- This Independent Validation Report was prepared for Council

2.3 Acknowledgements: stakeholders consulted

The Council officers who were consulted by the independent validator to gather evidence and information to support the preparation of this report were:

- Elaine Braunack, Executive Assistant to the CEO & Mayor;
- Support was also provided by the CEO and other key staff,

2.4 Evidence sighted

The specific evidence sources sighted in conducting this review are detailed in the Council's self-assessment report. In summary, the sources of evidence made available for this independent validation included:

- Copies of relevant policies
- Copies of relevant procedures and standards
- Minutes of meetings
- Guideline documents
- Codes of practice
- Various Council files
- Council's Annual Report and Strategic Plan.

Consultation with key stakeholders confirmed that the policies, procedures, standards and other relevant documentation not only existed, but are being successfully followed as part of the Council's good governance approach.

3. Council's Action Plan

A comprehensive Action Plan is to be prepared by Council using the format presented at Appendix A.

Table 1: Summary of Ratings

The assessment details are presented at Appendix B. The table below summarises the ratings

Themes and Topics		Council Self Assessment Rating (a)					Independent Validator Assessment Rating (b)					Variance [(b) – (a)]
		0	1	2	3	4	0	1	2	3	4	
1. Ethics, Values & Council Members												
1.1	Code of Conduct - Council Members					✓					✓	-
1.2	Code of Conduct - Council Staff					✓					✓	-
1.3	Council Member Training & Development					✓					✓	-
1.4	Council Committees				✓					✓		-
1.5	Council Meetings					✓					✓	-
1.6	Council Members Access to Information					✓			✓			-2
2. Risk Management & Internal Controls												
2.1	Risk Management			✓					✓			-
2.2	Internal Control			✓					✓			-
2.3	Fraud and Corruption				✓					✓		-
2.4	Legislative Compliance				✓					✓		-
2.5	Purchasing				✓					✓		-
2.6	Audit Committee					✓					✓	-
2.7	Sale and Disposal of Assets			✓					✓			-
3. Decision Making												
3.1	Delegations - Council					✓					✓	-
3.2	Delegations - Chief Executive Officer					✓					✓	-
3.3	Statutory Policies					✓				✓		-1
3.4	Community Consultation					✓				✓		-1
3.5	Strategic Management Planning			✓					✓			-
3.6	Complaints Management					✓					✓	-
Adjudged Overall Rating						✓				✓		

The rating system used in this assessment is:

Level 0 Unsatisfactory	No evidence of Required Elements.
Level 1 Poor	Some evidence of Required Elements, but this is either informal or not reflected in practice.
Level 2 Satisfactory	Evidence of basic system with Required Elements present and generally reflected in practice. Some Good Practice Elements evident.
Level 3 Good	Clear evidence that all Required Elements are in place within a formal governance system. A significant and increasing number of Good Practice Elements are evident. Appropriate training has been arranged.
Level 4 Excellent	Level 3 plus evidence of ongoing monitoring, review and reporting on the effectiveness of the various elements of the governance system leading to continuous improvement. Governance systems and related documentation have been well communicated to Council Members and staff, are well understood and evident in practice.

4. Findings and recommendations

The finding and recommendations presented below are in addition to the outcomes identified by Council as part of its self-assessment. It is recommended that all matters be considered for inclusion in Council's Action Plan.

1. Ethics, Values and Council Members

1.1 Code of Conduct – Council Members

1.1.16: All Members have signed the Code with one exception and this issues is being addressed by Council.

1.3 Council Member Training & Development

1.3.7: The EMs' Training and Development Plan reflects the LGA program. It would be improved if a more comprehensive plan was developed to take account of the needs of the EMs. It is **recommended** that a training needs analysis be conducted.)

1.3.10: The Training and Development Policy indicates that the Policy is reviewed within 12 months of a General Election, however the Policy is subject to an annual review (as part of the review of the General Policy Manual). It is **recommended** that the Policy be correctly worded and the Policy be reviewed annually.

1.3.15: The Policy requires Council Members to prepare reports on attendances at seminars and conferences. This is not a consistent practice. This matter is currently being addressed. It is **recommended** that the review be completed as soon as possible.

1.4 Council Committees

1.4.12: There is not a schedule of dates, times and places for meetings of Committees on Council's website. It is **recommended** that a schedule of dates, times and places for meetings of Committees be published on Council's website.

1.4 13: Council's website lists 11 Section 41 Committees (plus the Strategic Planning and Policy Committee (a Development Act Committee)). A number of the Section 41 Committees no longer formally exist and it is not obvious from the list which are the current formal Committees. For those Committees which appear to be a current formal committee, only the most recent agendas and minutes are published on the website. It is recommended that the listing of Council's Committees be correctly published on its website.

1.6 Council Members Access to Information

1.6.6 to 1.6.11: There was a difference in rating on this topic – Council’s self assessment rated the topic as a 4 and the independent validator rated it as a 2. The evidence provided for these elements only address “Questions Without Notice”. The topic of “Council Members Access to Information” deals with the matter in a much broader context (eg how does the CEO consider a request for information that does not need to be referred to Council). Council’s Policy on this subject addresses the broader context but there does not appear to be an appropriate supporting procedure. It is recommended that a formal procedure be adopted by Council which addresses an Elected Member’s request for information.

2. Risk Management & Internal Controls

2.1 Risk Management

2.1.1: Section 134(4) of the Local Government Act states “*a council must not enter into a financial arrangement under subsection (3) unless or until (a) the council has obtained and considered independent and impartial advice about the proposed financial arrangements*”. This requirement is not expressed in Council’s Treasury Management Policy. It is **recommended** that Council’s Treasury Management Policy be amended to incorporate the requirements of Section 134(4) of the Local Government Act.

2.3 Fraud and Corruption

2.3.1: It is not clear from Council’s Whistleblower Protection Policy that Council has appointed Mr John Comrie, Director, JAC Comrie Pty Ltd as the Responsible Officer (it is referred to at section 5.2 of the Policy). The Policy could be improved if the broad nature of Mr Comrie’s appointment as Council’s Responsible Officer was included in the Policy. It is **recommended** that Council’s Whistleblower Protection Policy be amended to explicitly state that Mr John Comrie, Director, JAC Comrie Pty Ltd has been appointed as the Responsible Officer (and the date of the Council resolution be included in the Policy).

2.4 Legislative Compliance

2.4.2: The Executive Assistant has a manual system to monitor and maintain legislative compliance. It is **recommended** that consideration be given to developing an automated system to improve the monitoring and maintenance arrangements.

3. Decision Making

3.3 Statutory Policies

There was a difference in ratings on this topic (Council's self assessment rated the topic as a 4 and the independent validator's rating was a 3) Council's Manager Corporate Services is of the opinion that country councils have extra time to implement their Internal Control Policy. However the time allowance only applies to the review of the application of the Policy by Council's External Auditor. It is **recommended** that the Council develop an Internal Control Policy as soon as possible.

3.4 Community Consultation

There was a difference in ratings on this topic (Council's self assessment rated the topic as a 4 and the independent validator's rating was a 3). Councils which get a rating of 4 for this topic have a community engagement policy and the policy is being practised. It is **recommended** that Council give consideration to developing a Community Engagement Policy.

3.5 Strategic Management Planning

3.5.2: Section 122(1) of the Local Government Act states: "*a council must develop and adopt plans (which may take various forms) for the management of its area, to be called collectively the **strategic management plans***". Although there is evidence of this practice, Council has not formally adopted (by way of Council resolution) its suite of plans. It is **recommended** that Council define its suite of strategic management plans.

5. General recommendations

(1) Council's "General Policy Manual (Revised & Adopted 2011)" was adopted by Council at its meeting on 22 March 2011. The Elected Members received a draft copy of the Manual some months prior to the March 2011 meeting to review and make comment. Some minor comments were made to a number of Policies as a result of comments from the Elected Members. The Manual includes 67 Policies and the task to consider these at one meeting represents a substantial task for the Elected Members to deal with. It is **recommended** that the task of reviewing the Policies be scheduled over a 12 month period (say 16 or 17 policies each quarter) preceded by an EMS' workshop to allow Council's Administration to give a full explanation of the nature and purpose of each Policy.

(2) It is Council's practice to review each of the Policies included in the General Policy Manual on an annual basis. This is acknowledged as "best governance practice". It is **recommended** that this practice be formally adopted by Council. In adopting this position, reference should also be given to Council's present practice that adopting policies on an annual basis does not preclude alteration to a Policy prior to the next scheduled review.

(3) The General Policy Manual" contains a mix of Governance and Administration policies. It is **recommended** that consideration be given to making this distinction at the time of the next review of the Manual.

(4) Each Policy follows a standards template. However the subject headings and some of the content material in the introduction sections of the policies need to be reviewed. For example:

- it is understood the "Reference Number" is no longer applicable and the "Corporate Plan" entry is not used
- the statement in a number of the "Review Frequency" and Next Review Due" sections is confusing. The Review Frequency refers to both the regulatory requirement and good governance practice, and it is not clear that it is Council's 'policy' to review all Policies on an annual basis.
- There footer on many of the Policies is not correct

It is **recommended** that the policy template be amended prior to the next review of the Policy Manual.

(5) The Public Consultation Policy under the heading "Council Endorsement of the Policy" states "*this Policy was endorsed by Council on 27th August 2002*". The intent of this statement is understood but the statement needs to be clarified. It is **recommended** at the time of the next review of the Public Consultation Policy this matter be addressed.

GOOD GOVERNANCE ASSESSMENT

ACTION PLAN

Element	Rating	Issue(s) Identified	Action Required	Responsibility Assigned to	Timeframe	Status

1. ETHICS, VALUES & COUNCIL MEMBERS

1.1 Code of Conduct - Council Members		
	Council Self-assessment	Independent Validator assessment
Required Elements		
1. Is there a Code of Conduct in place?	Yes	Yes
2. Has the Code been adopted by Council?	Yes	Yes
3. Has the Code been reviewed within 12 months of the last election?	Yes	Yes
4. Is a copy of the Code available at the Council's principal office and on the Council's website?	Yes	Yes
Good Practice Elements		
5. Was the development/review of the Code facilitated through a workshop process?	No	No
6. Has there been consultation with the public in its development/review?	No	Yes
7. Is the Code regularly reviewed during the term? If so, when and how often?	Yes	Yes
8. Does the Code cover gifts & benefits, use of Council resources, confidentiality, fraud and corruption, use of information?	Yes	Yes
9. Does the Code cover relationships with other Members, staff, stakeholders and residents?	Yes	Yes
10. Does the Code include Evidence and links to other relevant policies (eg. Media Communication Policy, Fraud and Corruption Policy, Gifts and Benefits Policy, Council Members Use of Information Policy etc)?	Yes	Yes
11. Does the Code cover whether a breach of these other policies is a breach of the Code?	Yes	Yes
12. Does the Code distinguish between illegality and impropriety?	Yes	Yes
13. Does the Code (or related policy) include a process to investigate breaches of the Code?	Yes	Yes
14. Does the Code include or refer to a conflict resolution process?	Yes	Yes
15. Are the Council Members aware of the content of the Code and have they received training in the operation of the Code?	Yes	Yes
16. Is the Code endorsed by the Principal Member and Councillors? If so, in what form has it been endorsed eg has each Member signed a copy of the Code to indicate that they have received, read and understand it?	Yes	Yes (1)
17. Is a signed copy of the Code of Conduct on public display in or near the Council Chamber?	Yes	Yes
Rating of Topic	4	4

1. ETHICS, VALUES & COUNCIL MEMBERS *continued*

1.2 Code of Conduct – Council Staff		
	Council Self- assessment	Independent Validator assessment
Required Elements		
1. Is there a Code of Conduct in place?	Yes	Yes
2. Has the Code been adopted by Council (or by the Chief Executive Officer under delegated authority)?	Yes	Yes
3. Has the Code been reviewed within 12 months of the last election?	Yes	Yes
4. When preparing or revising the Code, has the Council taken reasonable steps to consult with Council staff and with any registered industrial association that represents the interests of staff of the Council?	Yes	Yes
5. Is a copy of the Code available at the Council's principle office and on the Council's website?	Yes	Yes
6. Has the Code of Conduct been reviewed to ensure that it does not diminish a right or employment condition under an Act, Award, Industrial Agreement, or contract of employment?	Yes	Yes
Good Practice Elements		
7. Is the Code regularly reviewed? If so, when and how?	Yes	Yes
8. Does the Code cover gifts & benefits, use of Council resources, confidentiality, fraud and corruption, use of the internet?	Yes	Yes
9. Does the Code cover relationships with Council Members, contractors, customers and residents?	Yes	Yes
10. Does the Code distinguish between illegality and impropriety?	Yes	Yes
11. Does the Code include or refer to a process to investigate alleged breaches?	Yes	Yes
12. Does the Code refer to and link to other Council policies, eg purchasing and tenders, disposal of land and other assets, fraud & corruption, whistleblowers protection, electronic communications, bullying and harassment, occupational health, safety and welfare etc?	Yes	Yes
13. Does the Code identify whether a breach of these other policies is a breach of the Code?	Yes	Yes
14. Does the Code include or refer to a process to investigate breaches and the possible penalties for a breach?	Yes	Yes
15. Does the Code include or refer to a conflict resolution process?	Yes	Yes
16. Are staff aware of the content of the Code and had training in the operation of the Code?	Yes	Yes
17. Has each staff member received a copy of the Code?	Yes	Yes
18. Has each staff member signed a copy of the Code to indicate that they have received, read and understood it?	Yes	Yes
19. Has a record of the receipt of a copy of the Code by each staff member & training on the Code been retained?	Yes	Yes
20. Is the Code referred to in the Council's standard contract of employment?	Yes	Yes
21. Is the Code part of the induction program for new Council employees?	Yes	Yes
Rating of Topic	4	4

1. ETHICS, VALUES & COUNCIL MEMBERS *continued*

1.3 Council Member Training and Development		
	Council self-assessment	Independent Validator assessment
Required Elements		
1. Has the Council adopted a Council Member Training and Development Policy?	Yes	Yes
2. Is the policy aimed at assisting Members in the performance and discharge of their functions and duties?	Yes	Yes
3. Is a copy of the policy available for inspection and/or copy at the principal office of the Council and on its website?	Yes	Yes
4. Are attendances at training and development courses recorded in the Register of Allowance and Benefits?	Yes	Yes
5. Is this record publicly available? (Regulation 6(e))	Yes	Yes
6. Are the training and development activities for members of the Council during the relevant financial year reported in the annual report of the Council? (Schedule 4(2)(ca))	Yes	Yes
Good Practice Elements		
7. Has the Council developed a training and development plan for the current year?	Yes	Yes (2)
8. Has the Council allocated a budget for Council Member training?	Yes	Yes
9. Are new Members a priority within the training plan for at least the 12 month period following an election?	Yes	Yes
10. Is there a regular review of <ul style="list-style-type: none"> • the training and development policy • the training and development plan? 	Yes	Yes (3)
11. Do all Council Members have access to training and development opportunities?	Yes	Yes
12. Are Council Members regularly notified of training and development opportunities?	Yes	Yes
13. Does the CEO have delegated authority to approve training courses that are included in the training and development plan and are within the budget?	Yes	Yes
14. Are a variety of courses, seminars and training methods utilised?	Yes	Yes
15. Are reports required from and prepared by Council Members attending seminars and conferences?	Yes	No (4)
Rating of Topic	4	4

1. ETHICS, VALUES & COUNCIL MEMBERS *continued*

1.4 Council Committees		
	Council self-assessment	Independent Validator assessment
Required Elements		
1. Does the Council have any Section 41 committees?	Yes	Yes
2. If so, are all the committees established by resolution?	Yes	Yes
3. Does each committee have separate Terms of Reference adopted by Council?	Yes	Yes
4. Is the role and function of each committee clearly described in its Terms of Reference?	Yes	Yes
5. Are the accountability and reporting requirements addressed in its Terms of Reference?	Yes	Yes
6. Is the time, date and location of meetings stipulated or delegated to the committee?	Yes	Yes
7. Has the Council considered whether Part 2 of the <i>Local Government (Meeting Procedures) Regulations 2000</i> is to apply to each Council committee not performing regulatory activities?	Yes	Yes
8. Has the requirement for Members to complete a Register of Interest been addressed? (sections 64-72 of the <i>Local Government Act 1999</i>).	Yes	Yes
9. Are the committee agendas, reports and minutes complete and accurate?	Yes	Yes
10. If any committees have delegated powers, was this established by Council resolution and recorded in the record of delegations?	Yes	Yes
11. Are the minutes of committee meetings available to the committee members and the public within 5 days after a meeting of the committee? (s.91(3) of the <i>Local Government Act 1999</i>).	Yes	Yes
12. Is an up-to-date schedule of the dates, times and places set for meetings of Committee meetings available on the Council's website? (s.94A)	Yes	No (5)
13. Are the committee agendas, reports and minutes available on the Council's website?	Yes	Yes (6)
Good Practice Elements		
14. Does the Council's Code of Conduct apply to non-elected committee members?	Yes	Yes
15. Does the Council report to the LGAMLS all members of Section 41 Committees who are not Members?	No	No
16. Have external committee members received training in understanding their role, function, obligations and meeting procedures?	In hand	In hand
Rating of Topic	3	3

1. ETHICS, VALUES & COUNCIL MEMBERS *continued*

1.5 Council Meetings			
	Council	Validator	
Required Elements			
1.	Does the Council have a Code of Practice for Access to Meetings and Documents and has the Code of Practice been adopted by resolution? (s.92(1))	Yes	Yes
2.	Does the Code of Practice address the principles, policies, procedures and practices that the Council will apply for the purpose of the operation of Parts 3 and 4 (Section 90 and 91) of the Act?	Yes	Yes
3.	Does Council have a system for review of Section 91(9)(a) orders? If so, what is the system?	Yes	Yes
4.	Has the Code of Practice been reviewed within 12 months after the last general election?	Yes	Yes
5.	Before the Council adopts, alters or substitutes a Code does it make copies of the proposed Code, alterations or substitute Code available for inspection or purchase at the principal office?	Yes	Yes
6.	Does the Council follow the relevant steps set out in its Public Consultation Policy in relation to altering or substituting a Code?	Yes	Yes
7.	Is the Code of Practice available for inspection at the principal office of Council and are copies available for purchase?	Yes	Yes
8.	Is the Council agenda delivered to Members at least 3 clear days before the date of the meeting?	Yes	Yes
9.	Is a copy of the notice and agenda for a meeting always placed on public display at the principal office of Council at least 3 clear days before an ordinary meeting? (s.84(2))	Yes	Yes
10.	Are copies of the Council agenda available for the public in the gallery at the meeting? What about copies of reports and other documents provided to Council Members? (s.84(5))	Yes	Yes
11.	Do the minutes comply with Regulation 9 of the Local Government (Procedures at Meetings) Regulations 2000?	Yes	Yes
12.	Are the Council minutes available to Members and the public within 5 days after a meeting?	Yes	Yes
13.	Are the Council meeting agendas, reports and minutes available on the Council's website?	Yes	Yes
14.	Is an up-to-date schedule of the dates, times and places set for meetings of Council meetings available on the Council's website? (s.94A)	Yes	Yes
15.	Is section 83(5) of the <i>Local Government Act 1999</i> regarding confidential information properly used by the Chief Executive Officer?	Yes	Yes
16.	When the Council excludes the public from meetings, is the process used in accordance with section 90 of the Act and the Code of Practice?	Yes	Yes
17.	Are any confidential items separately identified in the Council agendas? (s.83(5), 84(6), & 91(7))?	Yes	Yes
18.	Is a resolution passed for each and every item where the public is excluded?	Yes	Yes
19.	Do the Council Members observe the requirements of the <i>Local Government Act 1999</i> , <i>Local Government (Procedures at Meetings) Regulations 2000</i> and the relevant Codes of Practice when conducting and participating in Council meetings?	Yes	Yes

Good Practice Elements			
20.	Is there a process of review of the Code of Practice for access to meetings and documents during the Council term? If so, when and how regular?	Yes	Yes
21.	Has the Council developed and adopted a Code of Practice for meeting procedures under Reg 7 of the <i>Local Government (Procedures at Meetings) Regulations 2000</i> , to address any discretionary procedures?	Yes	Yes
22.	Does the Code address any additional meeting procedures determined by the Council or committee that are not prescribed by the Act or the Regulations?	N/A	N/A
23.	Have Council Members and members of Council committees been trained in the requirements of the <i>Local Government Act 1999</i> , and the <i>Local Government (Procedures at Meetings) Regulations 2000</i> ?	Yes	Yes
24.	Is Evidence to such training included in the Council's Training and Development Policy?	Yes	Yes
25.	Does the Chair explain to any public present the reasons for and effect of a Section 90 resolution?	No – not specifically	No
26.	Are informal meetings and workshops used appropriately and not as de facto Council and committee meetings?	Yes	Yes

Rating of Topic	4	4
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1. ETHICS, VALUES & COUNCIL MEMBERS *continued*

1.6 Council Members Access to Information		
	Council self-assessment	Independent Validator assessment
Required Elements		
1. Are Council Members given access to information held by the Council when they request it?	Yes	Yes
2. Are requests for access directed to the Chief Executive Officer or another officer/s specified by the Chief Executive Officer?	Yes, both	Yes
3. Does the Chief Executive Officer indicate to Council Members, when appropriate, that information contained in the document is, or should be considered as, confidential?	Yes, if applicable	Yes
4. Have Council Members received training and understand the operation of Section 61 of the <i>Local Government Act</i> and the use of Regulation 19 of the <i>Local Government (Procedures at Meetings) Regulations 2000</i> with respect to the use of documents and information that relates to a matter before the Council?	Yes	Yes
5. Have Council Members received training in relation to Section 62 of the <i>Local Government Act 1999</i> and understand their duties and responsibilities?	Yes	Yes

Good Practice Elements		
6. Does the Council have an agreed procedure for the Chief Executive Officer (or other delegated officer) to follow when responding to requests for access to information from Council Members?	Yes	No (7)
7. Is this in the form of a written policy?	Yes	No (7)
8. Are various ' <i>forms of access</i> ' addressed in any agreed procedure eg. read only, copies provided etc?	No	No (7)
9. Is information that is provided to one Council Member, provided to all other Members?	Yes	No (7)
10. Is a process of review available if access is denied or delayed due to an unreasonable impact on Council resources?	Yes	No (7)
11. Do Members make requests in a timely and understandable manner?	Yes	No (7)

Rating of Topic	4	2
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2. RISK MANAGEMENT & INTERNAL CONTROLS

2.1 Risk Management		
	Council self-assessment	Independent Validator assessment
Required Elements		
1. Has the Council ensured that it has adopted appropriate risk-management policies, controls, and systems through a resolution passed by at least a two-thirds majority of the members of the Council, before it enters into any financial arrangement under s.134(3)&(4) of the <i>Local Government Act 1999</i>.	Yes	Yes (8)

Good Practice Elements		
2. Is risk management part of the culture of the Council and not just a one off process?	No	No
3. Has the Council adopted a risk management policy and/or risk management framework? If so, how often is it reviewed?	Yes	Yes
4. Does the Council use categories of risk appropriate to its operations eg, legal, financial, environmental, occupational health & safety, fraud & corruption, reputation and political?	Yes	Yes
5. Is there a risk management system that includes monitoring and reporting on the significant areas of risk?	No	No
6. Do risk assessments include likelihood and consequence of risks?	Yes	Yes
7. Is risk management training provided to people involved in risk assessments?	No	No
8. Does the Chief Executive Officer or a senior manager accept corporate responsibility for risk management?	Yes	Yes
9. Is Council's external Auditor aware of and familiar with the Council's risk management policy?	No	No
10. Does Council have a business continuity plan as part of its risk management response?	No	No
11. Does Council receive reports on the effectiveness of its risk management system from its Audit Committee?	No	No
12. Does Council refer risk management issues received to the Audit Committee for its consideration?	N/A	N/A

Rating of Topic	2	2
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2. RISK MANAGEMENT & INTERNAL CONTROLS *continued*

2.2 Internal Controls		
	Council self-assessment	Independent Validator assessment
Required Elements		
1. Does the Chief Executive Officer produce accounts, accounting records, and other documents relating to the financial affairs or internal control of the Council to the auditor on request, pursuant to section 130(1) of the <i>Local Government Act 1999</i> ?	Yes	Yes
2. Does the Council's Audit Committee review, assess and make recommendations on the adequacy of Council's internal controls?	Yes	Yes
3. Does the Council have appropriate policies, practices and procedures for internal control under s.125 of the <i>Local Government Act 1999</i> to assist Council in achieving its objectives and ensure adherence to management policies and safeguard the assets of Council?	No	No
Good Practice Elements		
4. Are internal control policies and procedures documented and systematically reviewed?	No	No
5. Do staff know and understand the reason for and how to apply the internal control policies and procedures?	No	No
6. Is compliance with internal controls evidenced, as part of the Council's culture?	No	No
7. Are internal controls regularly reviewed, in particular in relation to financial risks?	No	No
8. Are internal audits undertaken to test the validity of internal controls?	No	No
9. Is the CEO made aware of any deficiencies in internal controls?	No	No
10. Do the internal controls respond to legislation, codes and policy directions?	No	No
Rating of Topic:	2	2

2. RISK MANAGEMENT & INTERNAL CONTROLS *continued*

2.3 Fraud & Corruption		
Required Elements	Council self-assessment	Independent Validator assessment
1. Has the Council nominated a responsible officer under the <i>Whistleblower Protection Act 1993</i> ?	Yes	Yes (9)
2. Are proper processes in place to ensure that Council Members do not make improper use of information acquired by virtue of office, to gain an advantage for themselves or another, or to cause detriment to the Council? (Section 62 of the <i>Local Government Act 1999</i> provides a criminal offence).	Yes	Yes
3. Have all Council Members completed/lodged their primary and ordinary returns within the statutory timeframe? (sections 64-71 of the <i>Local Government Act 1999</i>)	Yes	Yes
4. Have all Council staff completed/lodged their primary and ordinary returns within the statutory timeframe? (Sections 111-119 of the <i>Local Government Act 1999</i>)	Yes	Yes
5. Are there appropriate processes in place to inform Council Members about their obligations to disclose any conflicts of interest they may have? (Sections 73-74 of the <i>Local Government Act 1999</i>)	Yes	Yes
6. Are there appropriate processes in place to inform Council staff about their obligations to disclose any conflicts of interest they may have? (Section 120 of the <i>Local Government Act 1999</i>)	Yes	Yes
Good Practice Elements		
7. Has the Council adopted a Fraud & Corruption Policy and/or a Fraud & Corruption Prevention Plan?	Yes	Yes
8. Is fraud and corruption referred to in Codes of Conduct for Council Members and Staff?	Yes	Yes
9. Are there other specific policies in place to support reducing fraud and corruption eg Gifts & Benefits policy?	No	No
10. Is there a regular review of fraud and corruption risks within the Council operations?	No	No
11. Does the Council undertake an independent periodic assessment of its fraud and corruption framework, policies and/or plans?	No	No
12. Does the Council's Audit Committee consider, assess and make recommendations on fraud and corruption risks?	No	No
13. Has the Council conducted fraud and corruption training for Council Members and staff?	Yes	Yes
14. Does fraud and corruption training form part of the induction training program?	No	No
15. Has the Council adopted a policy and/or procedures to ensure protection for Whistleblowers?	Yes	Yes
Rating of Topic	3	3

2. RISK MANAGEMENT & INTERNAL CONTROLS *continued*

2.4 Legislative Compliance		
Required Elements	Council self-assessment	Independent Validator assessment
1. Has the Council implemented and maintained appropriate policies, practices and procedures in order to ensure its compliance with all statutory requirements pursuant to s.132A(a) of the <i>Local Government Act 1999</i> ?	Yes	Yes
2. Does the Council have a system for monitoring and maintaining legislative compliance? If so, what is the system?	Yes	Yes (10)
3. Are relevant delegations reviewed each time there are changes to legislation?	Yes	Yes
4. Are the delegates (and sub-delegates) appropriately informed of any changes in delegations?	Yes	Yes

Good Practice Elements		
5. Does the Council have a process to ensure staff, particularly managers, understand and maintain awareness of legislative requirements?	No	No
6. Does the Council maintain a key dates diary to assist in complying with the requirements of the Local Government Act 1999?	Yes	Yes
7. Does Council conduct a self assessment of its legislative compliance, say every 6 months?	No	No
8. Does Council conduct independent audits for legislative compliance? If so, which areas have been reviewed?	No	No
9. Are outcomes of legislative compliance assessments and audits reported to the Council's Audit Committee?	N/A	N/A
10. Are non-compliance issues followed up and rectified?	N/A	N/A
11. Is there a process to ensure Council staff are aware of legislative changes and the impact of these changes is assessed?	No	No
12. Do Council Members and staff receive training in their roles and obligations under legislation that affects their performance?	Yes/No	EMs – Yes Staff - No
13. Does legislative compliance form part of Council Member and staff induction training?	No	No
14. If the Ombudsman has undertaken any investigation or provided a report to the Council relevant to legislative compliance? If so, have the recommendations been implemented?	N/A	N/A

Rating of Topic	3	3
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2. RISK MANAGEMENT & INTERNAL CONTROLS *continued*

2.5 Purchasing		
Required Elements	Council	Validator assessment
1. Has the Council adopted a Tenders and Contracts Policy or a Purchasing/Procurement Policy?	Yes	Yes
2. If so, are policies on the following included: a) the contracting out of services b) competitive tendering and the use of other measures to ensure that services are delivered cost effectively c) the use of local goods and services; and d) the sale or disposal of land or other assets.	(a) Yes (b) Yes (c) Yes (d) Yes	(a) Yes (b) Yes (c) Yes (d) Yes
3. Does the policy expressly: a) identify circumstances where the Council will call for tenders for the supply of goods, etc; b) provide a fair and transparent process for entering into contracts; and c) provide for the recording of reasons for entering into contracts other than those resulting from a tender process.	(a) Yes (b) Yes (c) Yes	(a) Yes (b) Yes (c) Yes
4. Is the policy available at the Council's principal office and on the Council's website?	Yes	Yes
Good Practice Elements		
5. Does the Tenders and Contracts Policy or Purchasing/Procurement Policy include methods of procurement based on price or sensitivity of purchase?	Yes	Yes
6. Are conditions on open and closed tenders, expressions of interest and quotations present in the policy?	Yes	Yes
7. Are provisions to prevent fraud and corruption present in the policy?	Yes	Yes
8. Does the Chief Executive Officer delegate the levels of authority for purchasing to staff members?	Yes	Yes
9. Are purchasing delegations appropriate and reflect actual practice?	Yes	Yes
10. Are staff aware of & comply with conflict of interest provisions (Section 120(2) of the <i>Local Government Act</i>)?	Yes	Yes
11. Are suppliers and potential suppliers made aware of Council's purchasing conditions and the results of pursuing fraudulent activity?	Yes	Yes
12. Are potential tenderers aware of the public nature of Local Government tenders including Freedom of Information legislation and the role of the State Ombudsman?	No	No
13. Does high risk and high value purchases require the use of a probity auditor? Does the policy provide for this?	No	No
14. Are all contracts suitably assessed for risk?	No	No
15. Are purchase orders issued prior to purchase, not subsequent to receipt of good or services?	Yes	Yes
16. Are major contracts assessed for performance?	No	No
17. Does a system exist to independently investigate complaints and other allegations?	No	No
18. When contracts are entered into without tenders are the reasons recorded?	Yes	Yes
Rating of Topic:	3	3

2. RISK MANAGEMENT & INTERNAL CONTROLS *continued*

2.6 Audit Committee		
Required Elements	Council	Independent Validator
1. Does the Council have an Audit Committee?	Yes	Yes
2. Is the Committee established by resolution?	Yes	Yes
3. Have appropriate Terms of Reference been adopted?	Yes	Yes
4. If the Committee has been delegated any powers by Council, are those delegations established by resolution and recorded in the record of delegations?	No	N/A
5. Is the role and function of the Audit Committee clearly described?	Yes	Yes
6. Is the membership clearly defined, including how the presiding member is appointed, and meets the requirements of the regulations?	Yes	Yes
7. Is accountability and reporting requirements addressed in the Terms of Reference?	Yes	Yes
8. Does the Council's Audit Committee: a) Review the Council's Annual Financial Statements b) Liaise with the Council's external auditor c) Approve and review the council's internal audit program d) Review the Council's strategic management plans and annual business plan e) Review the Council's internal controls f) Review the Council's financial reporting processes g) Review the Council's accounting systems; and h) Review the Council's risk management framework.	Yes to all	Yes to all
9. Has the Presiding Member provided a certificate of independence concerning the Council's Auditor in accordance with Regulations 16A(2) of the <i>Local Government (Financial Management) Regulations</i> ?	Yes	Yes
Good Practice Elements		
10. Has the Audit Committee established a work program that addresses the specific needs of the Council?	Yes	Yes
11. Have independent members received training in understanding their role, function, and obligations?	Yes	Yes
12. Are Audit Committee agendas, reports and minutes distributed to Council Members as well as to the Audit Committee members?	Yes	Yes
13. Are agendas, report and minutes placed on Council's website?	Yes	Yes
14. Does the Council report to the LGAMLS that there are, and the names of the independent members on the Committee?	Yes	Yes
15. Has a procedure been developed and adopted for the recommendation and appointment of Council's Independent Auditor?	Yes	Yes
Rating of Topic	4	4

2. RISK MANAGEMENT & INTERNAL CONTROLS *continued*

2.7 Sale and Disposal of Assets		
Required Elements	Council self-assessment	Independent Validator assessment
1. Has the Council adopted a Sale and Disposal of Assets policy that includes methods of disposal based on price or sensitivity of disposal?	Yes	Yes
2. Are provisions present in the Sale and Disposal of Assets policy to prevent fraud and corruption?	Yes	Yes
3. Is the policy available at the Council's principal office and on the Council's website?	Yes	Yes
4. Does the policy expressly: a) identify circumstances where the Council will call for tenders for the sale or disposal of land or other assets etc; b) provide a fair and transparent process for entering into contracts; c) provide for the recording of reasons for entering into contracts other than those resulting from a tender process	Yes	Yes
5. Does the Council have policies on the following a) the contracting out of services; and b) competitive tendering and the use of other measures to ensure that services are delivered cost-effectively; and c) the use of local goods and services; and d) the sale or disposal of land or other assets.	Yes	Yes
Good Practice Elements		
6. Does the policy clearly define what "disposal" means? Does it include a lease over a particular period?	No	No
7. Does the CEO delegate the levels of authority for disposal of assets to staff members?	No	No
8. Are delegations for disposal of assets appropriate and reflect actual practice?	N/A	N/A
9. Does the Council have documented disposal procedures?	No	No
10. Do high risk and high value disposals require the use of a probity auditor? Does the policy provide for this?	No	No
11. Are all sale and disposal contracts suitably risk assessed?	No	No
12. Are special conditions developed on a contract-by-contract basis?	No	No
13. Does the Audit Committee have a role to play in the review of this policy?	Yes	Yes
Rating of Topic	2	2

3. DECISION MAKING

3.1 Delegations – Council		
Required Elements	Council self-assessment	Independent Validator assessment
1. Are delegations made by Council resolution?	Yes	Yes
2. Are the resolutions for delegations appropriate?	Yes	Yes
3. Is each Act and section correctly identified in the delegation?	Yes	Yes
4. Is a record of delegations readily available (hard or soft copy) to the public for inspection?	Yes	Yes
5. Are delegations made under Council Policy included?	N/A	N/A
6. Are the delegations reviewed by Council at least once in every financial year?	Yes	Yes
7. Are all delegations kept under a separate record by the Council?	Yes	Yes
8. Are the delegations compliant with the Act regarding to whom delegations can be made to? - ie. no delegations to the Mayor or a Council Member (section 44(2)).	Yes	Yes
9. Are the delegations compliant with the Act regarding to what powers/functions can be delegated (ie. cannot delegate power to make a by-law, a power to determine annual allowance, etc – section 44(3)).	Yes	Yes

Good Practice Elements		
11. What evidence is there that Council Members understand what has been delegated and why?	In hand	In hand
12. Do the Council Members workshop the development of the delegations?	In hand	In hand
13. Do the delegations include legislative and operational matters?	Yes	Yes
14. Do the delegates know what has been delegated? How is this conveyed?	Yes	Yes
15. What evidence exists eg sign off on personnel file or resolution of the relevant committee?	(Yes)	Yes
16. Are there any accountability mechanisms for delegates?	Yes	Yes
17. Is there a scheme of sub-delegation? If so, is the scheme consistent with the delegations?	Yes	Yes
18. Is there a system in place for review of delegations when legislation changes?	Yes	No

Rating of Topic:	4	4
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3. DECISION MAKING *continued*

3.2 Delegations – Chief Executive Officer		
Required Elements	Council self-assessment	Independent Validator assessment
1. Are delegations of the Chief Executive Officers powers and functions established in accordance with the Act?	Yes	Yes
2. Are sub-delegations of Council’s powers, functions and duties legitimate and refer to the delegation by the Council to the Chief Executive?	Yes	Yes
3. Is each Act and section correctly identified?	Yes	Yes
4. Is a record of delegations (and sub-delegations) readily available (hard or soft copy) to the public for inspection?	Yes	Yes
5. Does the Council have a process in place to ensure that where a power or function is delegated to an employee of the Council, the employee is responsible to the CEO for the efficient and effective exercise or performance of that power or function?	Yes	Yes
Good Practice Elements		
6. Are delegations and sub-delegations appropriate for the level of experience and expertise of the respective staff?	Yes	Yes
7. Is consistent terminology used in the drafting of delegations and sub-delegations by the Chief Executive Officer?	Yes	Yes
8. What evidence is there that staff understand their delegations and sub-delegation, and any limitations?	Yes	Yes
9. Is each record of delegation attached to the personnel file?	Yes	Yes
10. Are appropriate delegations and sub-delegations made for staff acting in a position and are they for a definite period?	Yes	Yes
11. Do financial delegations reflect actual practice?	Yes	Yes
12. Do the purchasing delegations reflect actual practice?	Yes	Yes
13. Do staff receive training in the operation of delegations and sub-delegations as a part of their induction program?	No	No
14. Are there human resource management delegations for the appointment, dismissal and suspension of staff included? If so, are they appropriate?	No	No
Rating of Topic:	4	4

3. DECISION MAKING *continued*

3.3 Statutory Policies		
Required Elements	Council	Independent Validator
1. Annual Business Plan and Budget [s.123]	Yes	Yes
2. Code of Conduct - Council Members [s.63]	Yes	Yes
3. Code of Conduct – Employees [s.110]	Yes	Yes
4. Code of Practice for Access to Meetings and Documents [s.92]	Yes	Yes
5. Code of Practice for Meeting Procedures (if Council has adopted one) [Reg 7, LG (Procedures at Meetings) Regulations 2000]	Yes	Yes
6. Contracts and Tenders Policy (including Sale and Disposal of Land and other Assets) [s.49]	Yes	Yes
7. Public Consultation Policy [s.50]	Yes	Yes
8. Reimbursement of Council Member Expenses Policy [s.77(1)(b)]	Yes	Yes
9. Provision of Facilities & Support for Council Members Policy [s.78]	Yes	Yes
10. Council Members Training and Development Policy [s.80A]	Yes	Yes
11. Internal Control Policy [s.125]	No	No
12. Order Making Policy [s.259]	Yes	Yes
13. Internal Review of Council Decisions Policy [s.270]	Yes	Yes
14. Community Land Register [s.207]	Yes	Yes
15. Public Roads Register [s.231]	Yes	Yes
16. Community Management Plans [s.196]	Yes	Yes
17. Register of Salaries [s.105]	Yes	Yes
18. Register of Interests – Council Members [s.68]	Yes	Yes
19. Register of Interests – Staff [s.116]	Yes	Yes
20. Register of Allowance and Benefits – Council Members [s.79]	Yes	Yes
Good Practice Elements		
21. Are all statutory policies, codes and registers reviewed on at least an annual basis?	Yes	Yes
22. Are all other policies, codes and registers (not required under statute) reviewed at least every 2 years?	Yes	Yes
23. Are all policies and codes available at the Council's principal office and on the Council website?	Yes	Yes

Rating of Topic:	4	3
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3. DECISION MAKING *continued*

3.4 Community Engagement		
Required Elements	Council self-assessment	Independent Validator assessment
1. Has the Council adopted a Public Consultation Policy?	Yes	Yes
2. Does the policy: a) Set out the steps that the Council will follow in cases where <i>the Local Government Act 1999</i> requires that a Council must follow its Public Consultation Policy, and b) Set out steps that the Council will follow in other cases involving Council decision-making.	Yes	Yes
3. Do the steps referred to in 2 above: a) provide interested persons with a reasonable opportunity to make submissions in the relevant circumstances; and b) vary according to the classes of decisions that are within the scope of the Policy.	Yes	Yes
4. Does the Public Consultation Policy for a case referred to in 2 (above) provide for: a) the publication in a newspaper circulating within the area of the Council a notice describing the matter under consideration and inviting interested persons to make submissions in relation to the matter within a period (which must be at least 21 days) stated in the notice, b) the consideration by the Council of any submissions made in response to an invitation under paragraph 4.1.	Yes	Yes
5. Does the policy address statutory public consultation requirements:	Yes	Yes
a) Representative Reviews	Yes	Yes
b) Status of a Council or change of various names	Yes	Yes
c) Principal Office – opening hours	Yes	Yes
d) Commercial Activities – prudential requirements	Yes	Yes
e) Altering Public Consultation Policy	Yes	Yes
f) Code of Practice – access to meetings and documents	Yes	Yes
g) Strategic Management Plans	Yes	Yes
h) Annual Business Plan	Yes	Yes
i) Proposed change to basis of rating of land	Yes	Yes
j) Basis of Differential Rates	Yes	Yes
k) Community land – classification	Yes	Yes
l) Revocation of classification of land as community land	Yes	Yes
m) Management Plans for community land	Yes	Yes
n) Amendment or revocation of management plans	Yes	Yes
o) Alienation of community land by lease or licence	Yes	Yes
p) Authorisation and Permits – Public Consultation	Yes	Yes

q) Roads – trees	Yes	Yes
r) Removal of vehicles	Yes	Yes
s) Passing By-laws (Note: No specific reference to Council’s Public Consultation Policy, but minimum standards apply)	Yes	Yes
t) Power to make orders	Yes	Yes
6. Is the policy available at the Council’s principal office and on the Council’s website?	Yes	Yes

Good Practice Elements		
7. Is there evidence that Council follows its policy? In what form is the evidence?	Yes	Yes
8. Does the policy distinguish between mandatory and discretionary consultation?	Yes	Yes
9. Has the Council developed a community engagement model, in consultation with its community, that genuinely seeks to engage that community in all aspects of Council’s planning and operational activities?	No	No

Rating of Topic	4	3
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3. DECISION MAKING *continued*

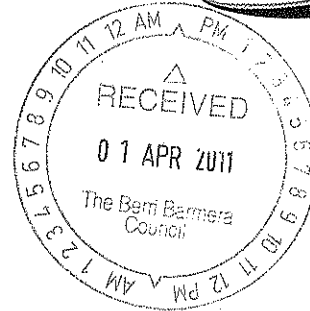
3.5 Strategic Management Planning		
Required Elements	Council self-assessment	Independent Validator assessment
1. Has the Council adopted a suite of strategic management plans that comply with the requirements of section 122 of the Act?	No	No
2. Has the Council stipulated what documents comprise its strategic management plans?	Yes	No (11)
3. Has the Council had regard to regional, State and national planning objectives in developing its plans?	Yes	Yes
4. Has the community had reasonable opportunity to have input to the development and review of the Council's strategic management plans?	Yes??	Yes
5. Are the plans consistent with the Planning Strategy and the Development Plan for the area?		
6. Have the plans been reviewed as soon as practicable after adopting the Council's annual business plan for a particular financial year, and in any event undertake a comprehensive review of its strategic management plans within two years of the last general election?	No	No
7. Are copies of the plans available at the Council's principal office and on the Council's website?	Yes	Yes
8. Has a long term financial plan (at least 10 years) been adopted by the Council.	Yes	Yes
9. Has a long term infrastructure and asset management plan (at least 10 years) been adopted by the Council?	No	No
10. Have both financial and non-financial performance indicators been adopted?	Yes	Yes
11. Do the strategic management plans have regard to Council's financial sustainability?	Yes	Yes
12. Do the strategic management plans have regard to the services and infrastructure required to achieve Council's objectives?	No	No
13. Do the Strategic Management Plans have regard to the Council's roles, responsibilities, and objectives for its area?	Yes	Yes
Rating of Topic	2	2

3. DECISION MAKING *continued*

3.6 Complaints Management		
Required Elements	Council	Validator
1. Has the Council adopted an Internal Review of Council Decisions Procedure that contains the following legislative requirements: a) the manner in which an application for review may be made; b) the assignment of a suitable person to reconsider a decision under review; c) the matters that must be referred to the Council itself for consideration or further consideration; d) in the case of applications that relate to the impact that any declaration of rates or service charges may have had on a ratepayer – the provision to be made to ensure that these applications can be dealt with promptly; e) the notification of the progress and outcome of an application for review; and f) the timeframes within which notifications will be made & procedures on a review will be completed.	Yes	Yes
2. Is the procedure available for inspection and purchase at the Council's principal office and available on the Council's website?	Yes	Yes
3. Does the Council, on an annual basis, initiate and consider a report that relates to – a) the number of applications for review made under Section 270 of the Local Government Act b) the kinds of matters to which the applications relate; and c) the outcome of applications under this Section.	Yes	Yes
Good Practice Elements		
4. Does Council have a Complaints Handling Policy or procedure with the objective of using complaints as a valuable tool for improving Council processes and customer service?	Yes	Yes
5. Are complaints to the Ombudsman and matters referred to the Courts monitored by the Council (eg through its Audit Committee)?	N/A	N/A
6. If Courts hand down adverse findings against Council are the circumstances of the case reviewed and relevant policy and procedures reviewed and altered (where necessary)?	N/A	N/A
7. Does the Council meet with the Ombudsman to periodically monitor history and pattern of complaints to that Office?	N/A	N/A
8. Is the Internal Review of Council Decision Procedure and process well understood by decision makers?	Yes, assumed	Yes
9. Are residents made aware of Council's Complaint Handling Policy and their rights to seek a review of a Council decision under the Local Government Act 1999 and other Acts?	Assumed	Yes
10. Are complaints treated as opportunities to put things right, learn from mistakes and improve customer service?	Yes	Yes
Rating of Topic:	4	4



Our Reference: 65045 / PP : CS



30 March 2011

Mr David Beaton
Chief Executive Officer
Berri Barmera Council
PO Box 229
BERRI SA 5343

Dear David

Good Governance Assessment Program 2011

As you are aware, the LGA has developed a Good Governance Assessment Program (GGAP) for South Australian Councils. This letter is an invitation for the Berri Barmera Council to participate in the 2011 phase of the Program, which incorporates an independent validation of the Council's self-assessment of its governance practices.

This Program is based around an assessment tool covering a range of governance topics and elements. Each topic is allocated a score using the rating system, with the assessment based on evidence that appropriate systems, policies and procedures are in place and functioning properly. Once each topic has been assessed, an overall assessment of the governance practices of the Council can then be made.

The assessment tool was developed in 2008 as a direct response to an expressed need within the Local Government sector and was initially piloted with 7 Councils to test its usability and usefulness as a governance performance indicator. It was tested by a number of Councils and has been used over the past 2 years where additional feedback has been received on its effectiveness.

Rollout of the Program to all Councils

In October 2008, the LGA AGM endorsed the rollout of the GGAP, comprising self-assessment, sample validation and annual reporting of results, across the Local Government sector. In 2009, the LGA State Executive Committee endorsed the use of Local Government Research & Development Scheme funding for the validation of results of Councils' self-assessments over a rolling 5 year cycle. This sampling program involves 13-15 Councils per year and includes a combination of both regional and metropolitan Councils to give a reasonable cross section. A copy of the 5 year program for validation is attached for your information.

All Councils will be given an opportunity to have their governance self-assessments validated by an independent validator over the 5 year cycle as part of the program. The independent validators are external consultants who are familiar with the processes and practices within Local Government. Councils that are not included in the validation sample in any year are still encouraged to undertake the self-assessment phase and are able to access one of the independent validators from the LGA panel, at their cost (\$3,000 - \$3,500 ex GST), to validate these assessments.

.../2



The current version of the self-assessment tool is available on the LGA's website (www.lga.sa.gov.au/goto/ggap) for all Councils to use.

Review of Audit Processes

The LGA is aware of the concern expressed by some Councils about the multiple audit processes currently underway including the 'Managing for the Future: Performance Improvement Program' being conducted by the LGA utilising Federal Government funds from the Local Government Reform Fund. It is significant to note that both the GGAP and the Managing for the Future are being well supported by a broad range of Councils (currently more than three quarters of Councils have elected to participate in the Managing for the Future Program).

In addition, the LGA has made contact with Local Government Risk Services (LGRS) to discuss the audit tools and processes used for the self-insurance schemes. The LGA will work with LGRS to rationalise the various assessment processes to minimise the resource impacts on Councils. A review is currently underway and a report will be prepared for the State Executive Committee and for consultation with Councils.

The lessons learned from the implementation of both LGA and LGRS programs will help Councils to improve their governance practices in an integrated manner.

Reporting

It is suggested that each Good Governance Assessment together with the resultant Action Plan be reported to the Council's Audit Committee for consideration and referral to the Council. Results of subsequent assessments would then demonstrate the improvements made through the implementation of the Action Plan.

As resolved by the 2008 LGA AGM, the aggregate results of Council assessments are collated by the LGA in each year and reported to the LGA State Executive Committee and to a General Meeting. This provides an opportunity to demonstrate ongoing improvement in governance performance of the sector over time, but without identifying Councils.

A report on the outcomes of this third year of the Program will be provided to the LGA AGM in October 2011. This report will identify any emerging trends and areas that the LGA should focus on including additional training programs, development of guidelines and model documentation, and initiating possible legislative changes. Consistent with the resolution of the 2008 LGA AGM, a copy of this report will also be provided to the Minister for State/Local Government Relations for his information.

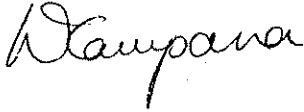
Council Participation

Berri Barmera Council is one of the 19 Councils selected to have their Good Governance self-assessments validated in 2011 (a number of Councils delayed their assessments from 2010) and we hope you will respond positively to this invitation to participate. The costs of the independent validation will be funded through the Local Government Research & Development Scheme, and no costs will be incurred by your Council. However, there will be resource implications for Councils in completing the self-assessment, compiling documentation for the validation and responding to queries by the validators.

An officer from the LGA will be in contact with you in the near future to provide further details of the Program and, assuming you confirm your Council's involvement, to coordinate the validation process for 2011. If you wish to nominate an alternative contact person, please email the person's name and contact details to Carina Sawley on carina.sawley@lga.sa.gov.au.

If you have any questions regarding this program, please contact Michael Barry on 8224 2033 or email michael.barry@lga.sa.gov.au.

Yours sincerely

A handwritten signature in black ink that reads "Wendy Campana". The signature is written in a cursive, flowing style.

Wendy Campana
Chief Executive Officer

Telephone: 8224 2022

Email: wendy.campana@lga.sa.gov.au

Attach: 5 Year Program for Validation (65058)

**GOOD GOVERNANCE ASSESSMENT PROGRAM
5 YEAR SCHEDULE FOR VALIDATION OF SELF- ASSESSMENTS**

(Updated January 2011)

2009	2010	2011	2012	2013
Eyre Peninsula Zone	Eyre Peninsula Zone	Eyre Peninsula Zone	Eyre Peninsula Zone	Eyre Peninsula Zone
Wudinna DC	DC Elliston	DC Kimba	DC Streaky Bay	City of Whyalla ⁽¹⁾⁽³⁾
River Murray Zone	DC Franklin Harbour	DC Lower Eyre Peninsula	DC Tumby Bay	DC Ceduna ⁽¹⁾
DC Karoonda East Murray	River Murray Zone	River Murray Zone	River Murray Zone	DC Cleve
Central Zone	DC Loxton Waikerie	Mid Murray Council	DC Renmark Paringa	City of Port Lincoln ⁽³⁾
Port Augusta City ⁽³⁾	Central Zone	Rural City Murray Bridge ⁽²⁾	Southern Mallee DC	Central Zone
Barossa Council	Clare and Gilbert Valleys	Coorong DC	Central Zone	DC Coober Pedy
	Port Pirie Regional Cnl ⁽³⁾	Berri Barmera Cnl		
DC Barunga West	DC Copper Coast	Central Zone	DC Mallala	DC Orroroo Carrieton
DC Yorke Peninsula	South East Zone	Flinders Ranges Council	DC Mount Remarkable	DC Peterborough
South East Zone	Naracoorte Lucindale	Regional Cnl of Goyder	Northern Areas Council	Wakefield Regional Cnl
DC Grant	City of Mount Gambier	Light Regional Council	South East Zone	South East Zone
Southern & Hills Zone	Metropolitan Zone	South East Councils	Wattle Range Council	Tatiara DC
Alexandrina	City of Burnside	DC Robe	Southern & Hills Zone	Southern & Hills Zone
DC Mount Barker		Kingston DC	DC Yankalilla	Kangaroo Island Council ⁽¹⁾
Metropolitan Zone		Southern & Hills Zone	Metropolitan Zone	Metropolitan Zone
Adelaide Hills ⁽²⁾		Victor Harbor	City of Mitcham	City of Tea Tree Gully ⁽¹⁾
City of Prospect		Metropolitan Zone	City of Norwood	
		Town of Gawler	Payneham & St Peters	City of Onkaparinga ⁽¹⁾
		City of Holdfast Bay	Adelaide City Council	City of Marion ⁽¹⁾
		City of Pt Adelaide Enfield	City of Charles Sturt	City of Salisbury ⁽¹⁾
		City of Unley	City of Playford	
		City of West Torrens		
		Town of Walkerville		
		Campbelltown City Cnl		
11 Councils	9 Councils	19 Councils	14 Councils	14 Councils

⁽¹⁾ Councils that participated in pilot program

⁽²⁾ Also part of Southern & Hills Zone

⁽³⁾ Also part of Spencer Gulf Cities Zone

6.5 Asset Management Policy and Asset Accounting Policy

REF: 7.11.1
OFFICER: MCS

Attachment follows Report: Yes

Strategic Links:

(1) Linked to Objectives: Yes
(2) Objective: Corporate Services – Financial Management

RECOMMENDATION:

That the Asset Management and Asset Accounting Policies be recommended to Council for adoption.

REPORT:

Subject Detail:

At the July meeting of the Audit Committee a review of the above policies was undertaken. Some minor alterations were made to the policies and the Committee moved that the policies be recommended to Council subject to several amendments being made.

Prior to presenting the policies to Council for adoption, however, I have chosen to re-present them to the Audit Committee for endorsement.

Asset Management

Keywords: *Asset Management*

Reference Number:	
Corporate Plan:	
Classification:	<i>Executive Services – Financial Management – “Asset Management”</i>
First Issued/Approved:	<i>December 2009</i>
Review Frequency:	<i>Annually</i>
Last Reviewed:	<i>November 2011</i>
Next Review Due:	<i>November 2012</i>
Responsible Officer(s):	<i>Manager Corporate Services</i>
Council File Reference:	<i>Motion AC/15/09 8/12/2009</i>
Applicable Legislation:	<i>Local Government Act 1999 Accounting Standards Accounting Regulations</i>
Relevant Policies:	<i>Asset Accounting</i>
Related Procedures:	
Delegations:	

1. Purpose

The purpose of this policy is to demonstrate Council's commitment towards the management of community assets to provide the desired level of service in a structured, co-ordinated, cost effective and financially sustainable manner across the whole organisation for present and future generations.

2. Principles

The following key principles will define Council's approach to asset management:

- Assets exist to support the delivery of services.
- Asset management decisions are integrated with Council's Strategic Plan and other existing planning and operational processes.
- Asset planning decisions are based on an evaluation of alternatives which consider life cycles, costs, benefits and risks of ownership.
- Systematic and cyclic reviews will be applied to all classes of assets to ensure that they are managed, valued and depreciated in accordance with appropriate best practice and applicable Accounting Standards.
- Disposal decisions are based on analysis of the methods which achieve the best available net return (lowest whole of life cost).
- Asset renewal plans will undergo a separate annual approval process by Council, taking into account required service levels and the effectiveness of the current assets to provide that level of service.
- Under section 122 of the Local Government Act 1999 it is a requirement of Council to develop and adopt an infrastructure and asset management plan, relating to the management and development of infrastructure and major assets by the council for a period of at least 10 years.

3. Financial Indicators

Financial indicators and targets have been developed in the public and private sectors to assist organisations, and others who are interested in their performance, to understand the messages the financial statements contain.

Financial indicators applicable to this policy are Asset Sustainability Ratio and Asset Consumption Ratio. In keeping with Council's Long Term Financial Plan, explanation and targets for these indicators are as follows:

- **Asset Sustainability Ratio:**
Is a measure of the capital expenditure on renewal or replacement of existing depreciable assets divided by the depreciation expense. This ratio indicates if council is renewing or replacing existing non-financial assets at the rate of consumption. Council has set an appropriate target between 50% and 100% of target, depending on the class of asset and its use. This target will mean that Council is ensuring the proportion of total assets consumed compared to the amount spent on preserving the asset on an annual basis is appropriate.
- **Asset Consumption Ratio:**
Is a measure of the total written down value of depreciable assets divided by the total reported value of depreciable assets before accumulated depreciation. Council's target for this ratio is between 40% and 80%. This represents the percentage of remaining useful life of its assets.

Council's Infrastructure and Asset Management Plan will incorporate the above financial indicators as a measure that Council's asset replacement and/or rehabilitation activity is consistent with the targets being met. This will ensure future needs regarding asset management and replacement have been carefully assessed and are reflected in the Infrastructure and Asset Management Plan with a sufficient degree of rigour.

4. Summary

A strategic approach to asset management will ensure that Council delivers the highest appropriate level of service through its assets. This will provide positive impact on:

- Members of the public and staff;
- Council's financial position;
- The ability of Council to deliver the expected level of service;
- The political environment in which Council operates; and
- The legal responsibilities of Council.

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Asset Accounting

Keywords: Asset Accounting

Reference Number:	
Corporate Plan:	
Classification:	<i>Executive Services – Financial Management – “Asset Accounting”</i>
First Issued/Approved:	<i>December 2009</i>
Review Frequency:	<i>Annually</i>
Last Reviewed:	<i>November 2011</i>
Next Review Due:	<i>November 2012</i>
Responsible Officer(s):	<i>Manager Corporate Services</i>
Council File Reference:	<i>Motion AC/15/09 8/12/2009</i>
Applicable Legislation:	<i>Local Government Act 1999 Accounting Standards Accounting Regulations</i>
Relevant Policies:	<i>Asset Management Policy</i>
Related Procedures:	
Delegations:	

1. Purpose

This policy is to provide staff involved in budgeting and expenditure decisions clear guidance when classifying expenditure in the accounting system. It establishes the criteria at the point of recognition of an asset, the rate of depreciation to be applied and other recognition criteria.

2. Principles

Accounting standards require a distinction to be made between expenditure that is consumed immediately in operations and expenditure on physical assets that will provide service over more than one financial year, normally many years.

3. Framework of Policy

3.1 Definition of an Asset

An asset is a resource controlled by the entity as a result of past events and from which future economic benefits are expected to flow to the entity. Assets include physical assets which provide future economic benefits for more than 12 months. Any item which has a life of less than 12 months is expensed under a maintenance or operational budget and cannot be classed as an asset.

3.2 Recognition of an Asset

An asset is recognised in the balance sheet when it is probable that the future economic benefits will flow to the entity and the asset has a cost or value that can be measured reliably.

3.3 Measurement at Recognition

In accordance with AASB 116:

- a) An item of property, plant and equipment that qualifies for recognition as an asset shall be measured at its cost.
- b) Notwithstanding this, where an asset is acquired at no cost, or for a nominal cost (as the case with developer and other contributed assets), the cost is its fair value as at the date of acquisition.

3.4 Classification of Assets

A register of all assets shall be maintained, recording assets in sufficient detail as to permit identification and control. The register shall be used for the purpose of recording the acquisition, depreciation, revaluation and disposal of assets and where required, a stocktake.

The classes of assets fall into the following categories:

- Land
- Buildings
- Structures
- Plant and Machinery
- Minor Plant
- Office Furniture and Equipment
- Infrastructure
 - Sealed roads
 - Unsealed roads
 - Footpaths
 - Kerbing
 - Stormwater Drainage
 - Effluent

3.5 Determination of materiality

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by Council for each type of asset. In the context of materiality, it is not necessary to recognise every non-current asset in the balance sheet. For example, a calculator may have a useful life greater than 12 months but its value is small and does not warrant the cost of recording in the asset register, so it is simpler to expense it and in doing so does not materially affect the Council's reported financial performance and position.

Threshold levels have been set so as to provide the optimal balance between efficiency in administrative effort associated with maintaining records and the need to ensure that reported financial information is reliable. This is achieved by ensuring that material long-lived purchases are capitalised and subsequently 'expensed' through depreciation, against more than one financial year so expenses are matched appropriately with the consumption of benefits.

Capitalisation thresholds applied are as follows:

- | | |
|---|----------|
| • Office Furniture and Equipment | \$ 1,000 |
| • Plant and Equipment | \$ 1,000 |
| • Buildings – new construction/extensions | \$10,000 |
| • Structures – park, playground equipment | \$ 2,000 |
| • Road Construction and Reconstruction | \$10,000 |

- Paving, Footpaths, Kerb and Gutter \$ 2,000
- Drains and Culverts \$ 5,000

No capitalisation threshold is applied to the acquisition of land.

3.6 Depreciation and disposal of Non Current Assets

All non-current assets having a limited useful life are systematically depreciated over their useful lives in a manner that reflects the consumption of the asset. Land is not a depreciable asset. Infrastructure assets are recognised and depreciated from the first full accounting period after capitalisation. All other assets ie, furniture and fittings, plant and equipment, are depreciated from the date of purchase.

The depreciation rate and method for each class of asset must be reviewed, at least annually, to ensure that there has been no change in the expected pattern of the asset's consumption which would warrant the application of an alternative depreciation method.

The depreciable amount of any addition or extension to an existing depreciable asset which becomes an integral part of that asset must be allocated over the remaining useful life of that asset.

Council uses straight line depreciation for all its non current assets on the basis that the economic benefits, being the service provided by the asset, are generally used in a uniform manner throughout the assets useful life. Major depreciation periods for each class of asset are shown below:

- Plant, Furniture and Equipment
 - Electronic equipment 4 years
 - Office Furniture 10 years
 - Vehicles and road making equipment 10 years
 - Other plant and equipment 3 to 5 years
- Buildings and Structures
 - Buildings, masonry 50 to 100 years
 - Buildings, other construction 15 to 40 years
 - Park Structures, masonry 50 to 100 years
 - Park Structures, other construction 10 to 40 years
 - Playground equipment 5 to 20 years
 - Benches, seats etc 5 to 25 years
- Infrastructure
 - Road surfaces, sealed and sheeted 10 to 30 years
 - Road Pavements, under sealed surfaces 60 to 90 years
 - Kerb and Gutter 60 to 70 years
 - Footpaths 15 to 50 years
 - Drains 80 to 100 years
 - Culverts 50 to 75 years
 - Pumps and Telemetry 15 to 25 years

When an asset is disposed of, the difference between the written down value of the asset and the proceeds received is brought to account in the profit or loss account. The cost of the asset and the accumulated depreciation is written out of the accounts.

3.7 Residual Values

The majority of asset classes have a zero residual value. The exceptions are:

- Road surfaces – pavement.

- Township high use 34%
- *Township medium use* 30%
- Township low use 24%
- Rural high use 47%
- Rural normal use 29%

3.8 Revaluation of Non Current Assets

Revaluation of non-current assets is performed in accordance with Australian Accounting Standards (AASB 116). Revaluation of non-current assets reflect the fact that over time the value of these assets may change and the book value in the accounts may not reflect their actual worth to the entity.

Revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using the fair value at the reporting date.

Revaluation frequency:

- Land, Building and Structures – 5 years
- Infrastructure – the ‘Conquest’ database unit rates and lives shall be considered annually.

3.9 Impairment

Assets that have an indefinite useful life are not subject to depreciation and are reviewed annually for impairment. Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset’s carrying amount exceeds its recoverable amount (which is the higher of the present value of future cash outflows or value in use)

For assets whose future economic benefits are not dependent on the ability to generate cash flows, and where the future economic benefits would be replaced if Council were deprived thereof, the value in use is the depreciated replacement cost. In assessing impairment for these assets, a rebuttable assumption is made that the current replacement cost exceeds the original cost of acquisition.

3.10 Assets not maintained by Council

It is recognised that there are a number of buildings and structures situated on land that is in the care and control of council but are not assets maintained nor operated by Council but rather, by other community groups and/or sporting bodies. It is the policy of Council that these assets remain the responsibility of the various community groups who use these assets.

In addition there are a number of buildings and structures situated on land that is in the care and control of council but have been considered as non-replaceable assets and as such are not maintained by Council.

It is the policy of Council that the assets listed in attached schedules 1 and 2 are no longer recognised as assets belonging to Council and therefore the accounting processes detailed within this policy do not apply.

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Schedule 1**Buildings Maintained by Community Groups**

Asset Code	Class	Group Code	Asset Description
337.07	341	340	Riverside Caravan Park Camp Kitchen
488.01	341	340	Riverland Field Days Site Storage Barn
488.02	341	340	Riverland Field Days Site Elders Sound Shell
488.03	341	340	Riverland Field Days Site Pavillion
488.04	341	340	Riverland Field Days Site Sth M&F Toilets
488.05	341	340	Riverland Field Days Site Shower Block
488.06	341	340	Riverland Field Days Site Administration Centre
488.07	341	340	Riverland Field Days Site Mothers and Babies Change Rooms
488.08	341	340	Riverland Field Days Site M&F Toilets
488.11	341	340	Riverland Field Days Site Pump House
B10/2.01	341	340	Berriview Lawn Tennis Clubrooms
B10/2.02	341	340	Berriview Lawn Tennis Club Shed
B10/7.01	341	340	Riverside Caravan Park Amenities Block 1
B10/7.02	341	340	Riverside Caravan Park Amenities Block 2
B10/7.03	341	340	Riverside Caravan Park Administration Centre
B10/7.04	341	340	Riverside Caravan Park En-Suite Facilities
B10/7.05	341	340	Riverside Caravan Park Shed
B10/7.10	341	340	Riverside Caravan Park Function Room
B10/7.12	341	340	Riverside Caravan Park Pump House
B2/25.11	341	340	Berri Memorial Oval Riverland Football Amenities and Headquarters
B2/25.13	341	340	Berri Memorial Oval Berri Bowling Clubrooms
B2/25.15	341	340	Berri Memorial Oval Bowling Club Shed
B2/25.20	341	340	Berri Memorial Oval Berri Football Clubrooms
B5/3.01	341	340	Berri Rowing Club
B9/3.01	341	340	Monash Memorial Hall
B9/3.05	341	340	Monash Memorial Hall Public Toilets
B9/3.06	341	340	Monash Memorial Hall Shed
COB12/22.02	341	340	Barmera Tourist Information Centre Tourist Office
COB12/26.05	341	340	Barmera Bowling Clubrooms
COB12/26.06	341	340	Barmera Bowling Club Groundsmen's Shed
COB12/31.01	341	340	Barmera Basketball Clubroom
COB12/45.01	341	340	Barmera Memorial Oval Kiosk
COB12/45.05	341	340	Barmera Football Clubrooms
COB12/45.06	341	340	Barmera Football Club Change Rooms
COB12/45.07	341	340	Barmera Memorial Oval Change-rooms Shed
COB13/13.04	341	340	Bruce Oval Maralinga Hall (Men's Shed)
COB13/13.09	341	340	Bruce Oval Maralinga Hall Lunchroom Pavillion
COB13/13.10	341	340	Bruce Oval Greyhound Clubrooms (now BUSC)
COB13/13.16	341	340	Bruce Oval Greyhound Club Shed (now BUSC)

COB 14/6.02	341	340	Cobdogla Tennis Clubrooms
COB2/1.10	341	340	Lake Bonney Foreshore Bluebird Café
COB2/1.11	341	340	Lake Bonney Foreshore Bluebird Café Machinery Shed

Buildings that will not be replaced

Asset Code	Class	Group Code	Asset Description
37.04	341	340	Lake Bonney Foreshore Toilet Block
221.04	341	340	Monash Rubbish Dump Toilet Block
367.14	341	340	Riverland Rodeo Association Shelter
B5/2.03	341	340	Riverland Rodeo Association Clubrooms
B5/2.05	341	340	Riverland Rodeo Association Hay Store
B5/2.08	341	340	Riverland Rodeo Association Hay Store
B5/2.09	341	340	Riverland Rodeo Association Female Toilet
B5/2.10	341	340	Riverland Rodeo Association Toilet
372.04	341	340	Riverland Racing Club Bar
418.02	341	340	Glossop Hall Shed
B12/4.01	341	340	Riverland Racing Club Toilet Block 1
B12/4.02	341	340	Riverland Racing Club Toilet Block 2
B12/4.03	341	340	Riverland Racing Club Toilet Block 3
B12/4.09	341	340	Riverland Racing Club Old Clubrooms
B12/4.11	341	340	Riverland Racing Club New Clubrooms
B12/4.12	341	340	Riverland Racing Club Shed
B12/4.13	341	340	Riverland Racing Club Transportable Shed
B16/2.01	341	340	Glossop Community Hall
B18/3.01	341	340	Monash Rubbish Dump Caretaker's Residence
B2/10.01	341	340	Workshop Ex SES compound
B2/10.02	341	340	Vehicle Shed Ex SES Compound
B2/25.02	341	340	Berri Memorial Oval Nth Toilet Block
B2/25.04	341	340	Berri Memorial Oval Sth Toilet Block
B2/25.07	341	340	Berri Memorial Oval Pump House
B2/8.05	341	340	Kiosk and Amenities Coombe Street Recreation Ground
B2/8.12	341	340	Nth Berri Netball Clubrooms
B2/8.13	341	340	Berri Youth Clubrooms
B4/1.01	341	340	Winkie Community Hall
COB12/26.01	341	340	Barmera In Line Hockey Clubroom
COB12/45.08	341	340	Barmera Memorial Oval Storage Shed
COB12/45.10	341	340	Barmera Memorial Oval Shed
COB12/46.01	341	340	Barmera Memorial Oval Pump House
COB13/1.01	341	340	Barmera Depot Garage
COB13/1.02	341	340	Barmera Depot Workshop
COB13/1.03	341	340	Barmera Depot Shed
COB13/1.04	341	340	Barmera Depot Garage
COB13/1.05	341	340	Barmera Depot Toilet Block
COB13/1.06	341	340	Barmera Depot Garage

COB13/1.07	341	340	Barmera Depot Diesel Store
COB13/1.09	341	340	Barmera Depot Shed
COB13/1.10	341	340	Barmera Depot Poison Shed
COB13/13.01	341	340	Bruce Oval Pump House
COB14/11.01	341	340	Cobdogla Community Hall
COB14/6.03	341	340	Cobdogla Oval Toile Block
COB14/6.08	341	340	Cobdogla Oval Tool Shed
COB14/6.11	341	340	Cobdogla Oval Garage
COB14/6.13	341	340	Cobdogla Oval Pump House
COB6/1.01	341	340	Loveday Oval Pavillion
COB6/1.02	341	340	Loveday Oval Toilet Block
COB8/1.01	341	340	Loveday Community Hall

Schedule 2**Structures Maintained by Community Groups**

Asset Code	Class	Group Code	Asset Name
148-05	342	342	SES & CFS DEPOT COMMUNICATIONS TOWER
223-04	342	342	MONASH MEMORIAL HALL FLAGPOLE
223-05	342	342	MONASH MEMORIAL HALL MONUMENT
223-06	342	342	MONASH MEMORIAL HALL IRRIGATION
315-11	342	342	BERRI MEMORIAL OVAL COACHES BOX
315-14	342	342	BERRI MEMORIAL OVAL
315-15	342	342	BERRI MEMORIAL OVAL PLAYGROUND EQUIPMENT
315-16	342	342	BERRI MEMORIAL OVAL FENCING AND SIGNAGE
315-23	342	342	BERRI BOWLING CLUB ENTRANCE GATES
333-11	342	342	ALAN GLASSEY PARK HOCKEY COACHES BOX
36-14	342	342	BARMERA MEMORIAL OVAL ENTRANCE GATE
36-18	342	342	BARMERA MEMORIAL OVAL SCOREBOARD
36-19	342	342	BARMERA MEMORIAL OVAL CRICKET NETS
36-20	342	342	BARMERA MEMORIAL OVAL COACHES BOX
36-21	342	342	BARMERA MEMORIAL OVAL LIGHTING
36-22	342	342	BARMERA MEMORIAL OVAL
36-23	342	342	BARMERA MEMORIAL OVAL GRANDSTAND
36-24	342	342	BARMERA MEMORIAL OVAL PLAYGROUND ENCLOSURE
36-25	342	342	BARMERA MEMORIAL OVAL TIME CLOCK
36-26	342	342	BARMERA MEMORIAL OVAL CAR PARK
368-02	342	342	BERRI ROWING CLUB BARBECUE SHELTER
368-03	342	342	BERRI ROWING CLUB SUNDRY ITEMS
488-09	342	342	RIVERLAND FIELD DAY SITE LARGE SHELTER
488-10	342	342	RIVERLAND FIELD DAY SITE SHELTER
488-12	342	342	RIVERLAND FIELD DAY SITE BITUMEN ENTRANCE
488-13	342	342	RIVERLAND FIELD DAY SITE SUNDRY ITEMS
70-16	342	342	COBDOGLA OVAL
B10/1.02	342	342	ALAN GLASSEY RECREATION PARK (CHILTON RD, BERRI) FLOODLIGHTING
B10/1.04	342	342	ALAN GLASSEY RECREATION PARK (CHILTON RD, BERRI) SYNTHETIC HOCKEY PITCH
B10/1.05	342	342	ALAN GLASSEY RECREATION PARK (CHILTON RD, BERRI) HOCKEY SHELTER
B10/1.06	342	342	ALAN GLASSEY RECREATION PARK (CHILTON RD, BERRI) SUNDRY ITEMS
B10/2.03	342	342	BERRIVIEW LAWN TENNIS CLUB (McGILTON RD, BERRI) FLOODLIGHTS
B10/2.04	342	342	BERRIVIEW LAWN TENNIS CLUB (McGILTON RD, BERRI) PERGOLA
B10/2.05	342	342	BERRIVIEW LAWN TENNIS CLUB (McGILTON RD, BERRI) TURF TENNIS COURTS

B10/2.06	342	342	BERRIVIEW LAWN TENNIS CLUB (MCGILTON ROAD, BERRI) GRASS TENNIS COURTS
B10/7.06	342	342	RIVERSIDE CARAVAN PARK (MCGILTON ROAD, BERRI) CARPORT
B10/7.08	342	342	RIVERSIDE CARAVAN PARK (RIVERVIEW DRIVE, BERRI) PLAYGROUND EQUIPMENT
B10/7.09	342	342	RIVERSIDE CARAVAN PARK (RIVERVIEW DRIVE, BERRI) SHELTER
B10/7.11	342	342	RIVERSIDE CARAVAN PARK (RIVERVIEW DRIVE, BERRI) BARBECUE SHELTER
B10/7.13	342	342	SWIMMING POOL COMPLEX - RIVERSIDE CARAVAN PARK
B10/7.14	342	342	SUNDRY ITEMS - RIVERSIDE CARAVAN PARK
B2/25.03	342	342	BERRI MEMORIAL OVAL (RIVERVIEW DRIVE) - FLOODLIGHTING
B2/25.05	342	342	BERRI MEMORIAL OVAL (RIVERVIEW DRIVE) - SCOREBOARD
B2/25.06	342	342	BERRI MEMORIAL OVAL (RIVERVIEW DRIVE) - ENTRANCE GATES
B2/25.17	342	342	BERRI MEMORIAL OVAL (RIVERVIEW DRIVE) BOWLING CLUB GREENS
B2/25.18	342	342	BERRI MEMORIAL OVAL (RIVERVIEW DRIVE) BOWLING CLUB FLOODLIGHTS
B2/25.19	342	342	BERRI MEMORIAL OVAL (RIVERVIEW DRIVE) BOWLING GREEN SHELTERS
B2/25.21	342	342	BERRI MEMORIAL OVAL (RIVERVIEW DRIVE) CRICKET PRACTICE NETS
COB12/26.02	342	342	BARMERA BOWLING CLUB & TENNIS CLUB (DEAN DRIVE) SUNDRY STRUCTURES
COB12/26.07	342	342	BARMERA BOWLING CLUB (NOOKAMKA TCE) SHELTERS
COB12/26.08	342	342	BARMERA BOWLING CLUB (NOOKAMKA TCE) SUNDRY STRUCTURES & LIGHTING
COB12/26.09	342	342	BARMERA BOWLING CLUB (NOOKAMKA TCE) BOWLING GREENS
COB12/31.03	342	342	BARMERA BASKETBALL ASSOC & NETBALL CLUB (DEAN DVE) BASKETBALLS COURTS
COB12/31.04	342	342	BARMERA BASKETBALL ASSOC & NETBALL CLUB (DEAN DRIVE) SUNDRY STRUCTURES
COB12/45.02	342	342	BARMERA MEMORIAL OVAL PARK BENCH
COB12/45.09	342	342	BARMERA MEMORIAL OVAL (DEAN DRIVE) PLAYGROUND EQUIPMENT
COB14/6.04	342	342	COBDOGLA OVAL (COBDOGLA AVE) FOOTBALL LIGHTING TOWERS
COB14/6.05	342	342	COBDOGLA OVAL (COBDOGLA AVE) NETBALL SHELTER
COB14/6.06	342	342	COBDOGLA OVAL (COBDOGLA AVE) TENNIS & NETBALL LIGHTING TOWERS
COB14/6.07	342	342	COBDOGLA OVAL (COBDOGLA AVE) TENNIS & NETBALL COURTS & BACKSTOPS

Schedule 2**Structures that will not be Replaced**

Asset Code	Class	Group Code	Asset Name
100-02	342	342	Old Loveday Dump Loading Bay
115-03	342	342	Barwell Avenue Cannon Replica
115-09	342	342	Barwell Avenue Monument
115-13	342	342	Barwell Avenue Monument
115-14	342	342	Barwell Avenue Fountain
136-02	342	342	Hall of Fame Monument
155-11	342	342	Barmera Council Depot Wash Down Bay
155-12	342	342	Barmera Council Depot Diesel Pump
155-14	342	342	Barmera Council Depot Loading Bay
162-24	342	342	Johnny Baynes Park Picnic Setting
162-25	342	342	Johhny Baynes Park Tunnel
205-07	342	342	Loveday Park Picnic Setting
205-08	342	342	Loveday Park Bench
205-09	342	342	Loveday Park Basketball Ring
205-10	342	342	Loveday Park Lighting
205-11	342	342	Loveday Park Irrigation
240-07	342	342	Colin Jennings Apex Park Playground Equipment
240-08	342	342	Colin Jennings Apex Park BMX Track
240-09	342	342	Colin Jennings Apex Park Sundry Items
243-05	342	342	Berri Marina Monument
304-04	342	342	Berri Lookout Picnic Setting
304-05	342	342	Berri Lookout Barbecue
315-12	342	342	Berri Memorial Oval Park Bench
315-13	342	342	Berri Memorial Oval Bin
325-02	342	342	Curnow Park Berri Picnic Setting
36-16	342	342	Barmera Memorial Oval Park Bench
36-17	342	342	Barmera Memorial Oval Fencing
391-02	342	342	Sandford Park Berri Fencing
418-03	342	342	Glossop Hall Fencing
418-04	342	342	Glossop Pony Club Irrigation
443-01	342	342	Waye Street Reserve Park Bench
443-02	342	342	Waye Street Reserve Monument
443-03	342	342	Waye Street Reserve Fencing
443-04	342	342	Waye Street Reserve Lighting
456-03	342	342	Council Car Park Coneybeer Street Lighting
457-04	342	342	Berri RSL Flagpole
457-08	342	342	Berri RSL Monument
485-02	342	342	Winkie Hall Shelter
485-03	342	342	Winkie Hall Sundry Items
486-07	342	342	Bruno Bay Monument
486-13	342	342	Bruno Bay Monument
487-12	342	342	Lake Bonney Foreshore Monument

487-20	342	342	Lake Bonney Foreshore Monument
487-31	342	342	Lake Bonney Foreshore Monument
70-14	342	342	Cobdogla Oval Park Bench
71-05	342	342	Russell Park Cobdogla Fencing
72-01	342	342	Cobdogla Reserve Fencing
72-02	342	342	Cobdogla Reserve Irrigation
B1/25.02	342	342	Colin Jennings Apex Park – Basketball/Tennis Court
B1/25.03	342	342	Colin Jennings Apex Park – Handball Court
B1/25.04	342	342	Colin Jennings Apex Park – Shelter and Barbecue
B10/1.03	342	342	Alan Glassey Recreation Park – Playground Equipment
B2/1.01	342	342	Berri Lookout – Water Tower
B2/8.14	342	342	Coombe Street Recreation Ground – Netball Shelter
B2/8.16	342	342	Coombe Street Recreation Ground – North Berri Netball Floodlighting
COB12/26.04	342	342	Barmera Bowling Club & Tennis Club In Line Hockey Rink
COB13/1.08	342	342	Barmera Council Depot Fencing
COB13/13.07	342	342	Bruce Oval Fencing & Sundry Items
COB14/6.09	342	342	Cobdogla Oval Entrance Gates
COB14/6.10	342	342	Playground Equipment – Cobdogla Oval
COB14/6.12	342	342	Cobdogla Oval Sundry Items

6.6 Audit Committee Work Programme

REF:

OFFICER: MCS

Attachment follows Report: Yes

Strategic Links:

(1) **Linked to Objectives:** Yes

(2) **Objective:** Corporate Services – Financial Management

Budget:

(1) **Impact:** No

(2) **Description:** N/a

(3) **Allocation:** N/A

(4) **Expenditure to date:** \$-

RECOMMENDATION:

REPORT:

Subject Detail:

Please find attached an updated work programme. A number of matters have been dealt with at this meeting.

The Continuous Improvement Plan “action list” as well as the Internal Financial Control ‘action list’ that has been presented earlier in this meeting has identified a number of outstanding matters. I have not included each and every item within the Audit Committee Work Program, however, I will present the action plans on an ongoing basis in order for the Audit Committee to monitor progress.

**BERRI BARMERA COUNCIL
AUDIT COMMITTEE WORK PROGRAMME
1 July 2011 – 30 June 2012**

ACTIVITY	TIMEFRAME	CURRENT STATUS/COMMENTS	PROGRESS REPORT	DATE COMPLETED
1.0 Annual Business Plan and Budget 2011/2012	Feb - June 2011	Draft adopted by Council – 19 April 2011	Public Consultation process Special Meeting 21/6/11 Adopted by Council	28 June 2011
2.0 Long Term Financial Plan	June 2011	Review and update LTFP with ABP 2011/2012. Draft adopted by Council – 19 April 2011	Public Consultation process Adopted by Council	28 June 2011
3.0 2010/2011 Annual Financial Statements and EOY Audit	November 2011	Auditor to attend AC Meeting to report on EOY audit.		27 October 2011
4.0 Quarterly Budget Reviews	Ongoing – Dec & March quarters	Report to Council in January and April	September 2011 review complete	27 October 2011
5.0 Policy & Procedure Development – Internal Controls	Oct 2011	FMG & LGA funded project with Deloitte Internal Control Self Assessment System in place. Cleve Coyle has made initial contact re commencement of pilot project. To be carried out July/August - 3 councils participating. 1 workshop to be held in Waikerie 13/7/11 1 st workshop completed (13/7) with internal control documents for 10 business activities completed 2 nd & 3 rd Workshops completed. Draft documentation completed	Draft Internal Financial Control Policy and manual “Internal Financial Controls Assessment” - Audit Committee December 2011 Action plan developed of outstanding matters to be addressed – to be presented to committee regularly.	

ACTIVITY	TIMEFRAME	CURRENT STATUS/COMMENTS	PROGRESS REPORT	DATE COMPLETED
6.0 Policy & Procedure Development – Budget Framework	Dec 2011	Recommendation from previous auditors that Council develop a procedure outlining budget preparation practices.	Annual Budget Policy developed. AC recommend to Council. Adopted by Council	26 July 2011
7.0 Policy Review – Asset Accounting & Asset Management	June 2011	Review and update asset policies to include valuation programme and other matters such as materiality of assets.	Policies presented to AC at meeting 6/7/11. Draft Policies re-presented to AC meeting December 2011	
8.0 Policy Development – Full Cost Attribution	June 2011	A draft was presented to AC during 11/12 ABP preparations. Copy of draft sent to external Auditor for comment – appears to be no problem.	Require endorsement from AC for Council adoption. Presented to AC at meeting 6/7/11. Adopted by Council	26 July 2011
9.0 Workcover Audit 2010 and Pilot Program	June 2011	Per Motion A16/10 15/12/2010 “Report outlining what actions Council will be undertaking including an action plan be presented at the next meeting of the AC”	HR Risk Manager reported to AC Meeting of 6/7/11	6 July 2011
10.0 Governance	Dec 2011	Council are required to undertake LGA’s good governance audit. A report regarding key findings of audit to be provided to Committee.	Completion of Good Governance Self Assessment (B Hurst). Independent Valuation Report prepared by T Bruun presented to audit committee December 2011	

ACTIVITY	TIMEFRAME	CURRENT STATUS/COMMENTS	PROGRESS REPORT	DATE COMPLETED
11.0 Strategic & Corporate Plan 2011-2015	June 2011	Draft Corporate Plan presented to Council 17/5/2011	Draft corporate plan and revised strategic plan presented to council 28/6/11 in preparation for public consultation. 6/7/11 AC committee also reviewed draft plans making reference to LG Act requirements.	
12.0 Continuous Improvement Plan	June 2011	LGA's Performance Improvement Program Provide report to AC prepared by independent assessors (T & S Starr) – Continuous Improvement Plan 2010-2012 Outcomes of report have been incorporated into Council's draft Corporate Plan	6/7/11 AC Committee have requested prioritised list of actions from Starr report linking to actions within strategic/corporate plan Action list linking to Corporate Plan is presented to Audit Committee December 2011 Action list to be presented to Committee on an ongoing basis to monitor progress of outstanding matters.	
13.0 Annual Business Plan & Budget 2012/2013	Feb - June 2012			
14.0 Long Term Financial Plan	June 2012	Review and update LTFP with ABP 2012/2013.		

6.7 HR/Risk Manager's Report

REF:

OFFICER: HR/Risk Manager

Attachment follows Report: Yes

Strategic Links:

(1) **Linked to Objectives:** Yes
(2) **Objective:** Corporate Plan

Budget:

(1) **Impact:** No
(2) **Description:** N/a
(3) **Allocation:** N/A
(4) **Expenditure to date:** \$-

RECOMMENDATION:

That the OHSW overview report be noted.

REPORT:

Subject Detail:

Attached is an overview of the current status of Council's Occupational Health Safety and Welfare and Risk Management systems.

AUDIT COMMITTEE REPORT, 19th December 2011

WORKCOVER AUDIT

On 5th December 2011 we received a formal report from the Local Government Workers Compensation Scheme (LGAWCS) following the 2010 WorkCover Audit. The report lists all the non conformances identified during the audit as a collective of the selected 4 Councils. We are continuing to work through and address the areas of non conformance and improvements identified for our Council. The next WorkCover Audit is due in 2012. It is expected that Councils now have been selected to undertake the audit will be notified mid next year.

KPI AUDIT

The LGAWCS has postponed its annual OHS KPI Audit for 2011. LGAWCS have been busy undertaking the One System Implementation Project, Council participated in this program early this year. It is my understanding that we will receive the same rebate as this year 2011, for next year 2012. Our KPI rebate in 2011 was 90%. Our loss ratio (contributions paid in to LGAWCS by Council against claims paid over a 4 year period) was 12% equating to a payment to Council of:

Claims rebate	\$43,568.00
OHS rebate	\$39,211.00
TOTAL	\$91,056.90

OHS CALENDAR OF EVENTS

The OHS Calendar of Events is our tool used for the tracking of our OHS work program (excluding OHS training and the OHS and IM Plan). The Calendar lists approximately 700 items and currently extends to 2016. It lists when documents and processes (ie. Chemical risk assessments) are due for implementation and review and when tasks (ie. Workplace inspections, internal auditing) are due. The Calendar has been formulated to meet the requirements of legislation and is reported to the Senior Management Team and Work Health and Safety (WHS) Committee.

For the current reporting period there are 12 overdue topics with 127 items.

OHS TRAINING

OHS Training has been identified for all staff through our training needs analysis process and a schedule (calendar) to 2015 has been developed. The OHS Training calendar is reported to the Senior Management Team and the WHS Committee.

For the current reporting period there are 8 overdue items.

OHS and IM Plan

The OHS and IM Plan was developed by the Senior Management in consultation with the WHS committee. The plan has set objectives, targets and performance indicators against the identified programs. We have 4 programs, being; OHS Contractor Management; Hazard Management; Communication and Consultation, and; OHS system Development Program (Planning). The plan is reported to the Senior Management Team and WHS Committee.

For the current reporting period there are no overdue items.

INJURY REPORTING

2011

Year to Date

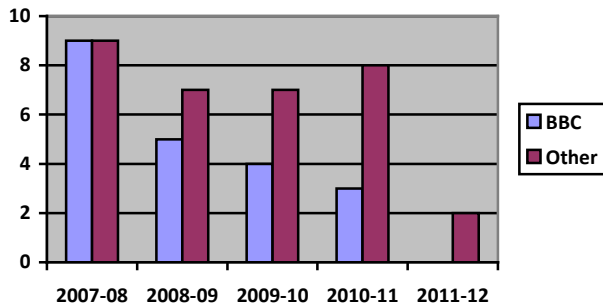
Lost Time Injury (LTI)	0	A work related Injury or illness that results in absence from work for one full day (or shift) or longer.
Incident Rate	0	(LTI/Employees)*100
Frequency Rate	0	LTI/(Hours Worked)*1,000,000
Duration Rate	0	LTI Days / LTI

74 FTE as at 18/10/11

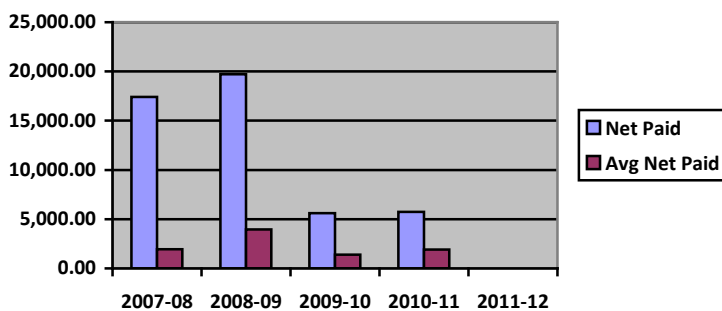
Full time equivalent
employees

WORKERS COMPENSATION CLAIMS AS AT 30 NOVEMBER 2011

Claim Numbers



Net Paid and Average Net Paid



LEGISLATION UPDATE

It was expected that the new national harmonisation bill for OHS was to be passed through parliament for the commencement of the new laws on 1st January 2012. The bill has been postponed for further discussion until early next year. It is anticipated that new laws will be in operation mid 2012.

Senior Management Team, WHS committee and all staff (via our first Health and Safety newsletter) have been informed of the proposed new laws. Further training sessions will be held. Some key changes to SA will be including; removal of the term responsible officer; the introduction of Personal Conducting a Business or Undertaking (PCBU) and officers; union right of entry; due diligence; new national codes of practices; enforceable undertakings and infringement notices; penalties and offences.

Penalties under the proposed new law are:

Category 1	PCBU	\$3million fine
	Officer	\$600,000 fine or up to 5years imprisonment
	Worker	\$300,000 fine or up to five years imprisonment
Category 2	PCBU	\$1.5million fine
	Officer	\$300,000 fine
	Worker	\$150,000 fine
Category 3	PCBU	\$500,000 fine
	Officer	\$100,000 fine
	Worker	\$50,000 fine

RISK MANAGEMENT

The Annual Risk Management Review audit has been completed. Information has been transposed onto the Risk Action Plan with responsibilities and action dates yet to be set.

Other Public Liability activities:

- Event Management
- Permits
- Trees
- Footpaths

7: **OTHER BUSINESS:**

Nil

8: **CLOSE:** Date of next meeting – TBA