



*The Barossa Council*

**MINUTES OF THE MEETING OF THE AUDIT COMMITTEE  
OF THE BAROSSA COUNCIL**

held on Thursday 21 March 2019, commencing at 10.32am in the  
Committee Room, 43-51 Tanunda Road, Nuriootpa

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1. **WELCOME**

Mr Brass declared the meeting open at 10.32am and welcomed all in attendance, in particular, new Independent Member, Ms Ellen Ewing. Members and staff introduced themselves to Ms Ewing.

2. **MEMBERS PRESENT**

Mr Peter Brass, Mr Ian Swan, Ms Ellen Ewing, Cr John Angas, Cr Russell Johnstone (10.38am)

**Invited Staff Members**

Mr Martin McCarthy, Chief Executive Officer

Mr Mark Lague, Manager Financial Services

Mr Derek Jones, Risk Advisor

Ms Nicole Rudd, Coordinator Internal Control

Ms Annette Randall, Executive Assistant (Minute Secretary)

3. **APOLOGIES**

Nil

4. **CONFLICT OF INTEREST DECLARATIONS**

Nil

5. **CONFIRMATION OF MINUTES FROM PREVIOUS MEETING**

**MOVED** Mr Swan that the Minutes of the Audit Committee Meeting held 8 January 2019 be confirmed as a true and correct record of the proceedings of that meeting.

**Seconded** Cr Angas

**CARRIED 2018-19/24**

6. **BUSINESS ARISING FROM PREVIOUS MINUTES**

Nil

7. **CONSENSUS AGENDA**

8. **ADOPTION OF CONSENSUS AGENDA**

8.1 **ITEMS FOR EXCLUSION FROM THE CONSENSUS AGENDA**

Mr Brass requested that all items in the Consensus Agenda be withdrawn for discussion to provide context and comments, for the benefit of Ms Ewing.

## NOT CONFIRMED

Mr Lague spoke to the reports.

### 8.2 RECEIPT OF CONSENSUS AGENDA

**MOVED** Cr Johnstone that the Consensus Agenda reports be received.

**Seconded** M Swan

**CARRIED 2018-19/25**

Mr Brass requested the following actions:

- the Audit Committee Self-Assessment template be forwarded to Ms Ewing for information;
- the Local Government Association be contacted on behalf of Cr Johnstone and Ms Ewing, to ascertain why the Audit Committee training scheduled for 22 March 2019 (1 full day) had been postponed to 8 and 9 April (2 part days);
- the external auditors be requested to provide their work plan for the year - for tabling at the next meeting.

## 9. DEBATE AGENDA

### 9.1.1

#### INTERNAL FINANCIAL CONTROL REPORT

**B7455**

Ms Rudd spoke to the report and advised that the updated Rates Hardship Policy will be presented to the next meeting.

**MOVED** Mr Swan that the report from the Coordinator Internal Control on the status of Internal Financial Control work, be received and noted.

**Seconded** Cr Johnstone

**CARRIED 2018-19/26**

#### **PURPOSE**

To provide an update on the status of Internal Financial Control work.

#### **REPORT**

Refer to the Internal Financial Control Report *attached*.

#### **ATTACHMENTS OR OTHER SUPPORTING REFERENCES**

Attachment: Internal Financial Control Report for September 2018 to February 2019

#### **COMMUNITY PLAN / CORPORATE PLAN / LEGISLATIVE REQUIREMENTS**

##### Community Plan



How We Work – Good Governance

##### Corporate Plan

How We Work – Good Governance

- 6.2 Ensure that Council's policies and process frameworks are based on principles of sound governance and meet legislative requirements.
- 6.4 Ensure that decisions regarding expenditure of Council's budget are based on an assessment of whole of life costs, risks associated with the activity and advice contained within supporting plans.

##### Legislative Requirements

Local Government Act 1999 – Section 125, 126, 129 (1) (b)

Local Government (Financial Management) Regulations 2011, 14(e)

#### **FINANCIAL, RESOURCE AND RISK MANAGEMENT CONSIDERATIONS**

## **NOT CONFIRMED**

The regular monitoring and review of Council's financial internal controls and risk assessments will significantly facilitate the on-going safeguarding of Council assets. The control and review of risks is a core officer function and responsibility.

### **COMMUNITY CONSULTATION**

Not required under legislation or Council's Public Consultation Policy.

#### **9.1.2**

### **TREASURY MANAGEMENT REVIEW**

#### **B2237**

Mr Lague spoke to the report.

**MOVED** Mr Swan that the report on Council's 2018 Treasury Management activities be received and noted.

**Seconded** Cr Angas

**CARRIED 2018-19/27**

### **PURPOSE**

Pursuant to Section 140 of the Local Government Act 1999, and in accordance with Council's Treasury Management Policy, Council must undertake an annual performance review of its Treasury Management activities.

### **REPORT**

The key principles within Council's Treasury Management Policy are as follows:

Council will:

- Maintain target ranges for its Net Financial Liabilities ratio;
- Generally only borrow funds when it needs cash and not specifically for particular projects;
- Not retain and quarantine money for particular future purposes unless required by legislation or agreement with other parties;
- Apply any funds that are not immediately required to meet approved expenditure (including funds that are required to be expended for specific purposes but are not required to be kept in separate bank accounts) to reduce its level of borrowings or to defer and/or reduce the level of new borrowings that would otherwise be required.

Comments regarding the 2018 performance with regard to the above principles are outlined below:

#### **Net Financial Liabilities Ratio**

Council's policy regarding its net financial liabilities is that they shall not exceed 100% of total operating revenue (adopted February 2010).

As at 30 June 2018, Council's net financial liabilities represented 7% of total operating revenue, and it is projected to increase to 38% as at 30 June 2019 (as per Budget Review as at 30 September 2018). Accordingly, Council is currently operating within its policy threshold.

#### **Loan Borrowings**

Council's policy relative to loan borrowings states that the use of internal reserves be considered prior to consideration of external loan borrowings. The total variable borrowings for Nuriootpa Centennial Park Authority are currently \$1,160,000. A repayment of \$100,000 principal was made in July 2018. Two new fixed debenture loans were borrowed in 2018: \$80,000 (Debenture 113) - this is for a community group loan for the Barossa Valley Machinery Preservation Society Inc and will be repaid to Council in half yearly repayments and \$1,750,000 (Debenture 114) - this was for accelerated road sealing and footpath works through the State Local Government Infrastructure Partnership (SLGIP) grant funded program and was available at a reduced loan interest rate.

The use of internal cash reserves has continued to be used in funding Council's capital works programs and has subsequently minimised the net interest cost to Council.

## NOT CONFIRMED

A summary of the fixed interest rate borrowings are shown below:

<b>Debenture Loan Summary</b>				
<b>No.</b>	<b>Loan Amount</b>	<b>Interest Rate</b>	<b>Final Payment Date</b>	<b>Principal Outstanding as at 31 December 2018</b>
98	2,000,000	6.65%	15/01/19	102,949
100	1,954,200	6.45%	15/03/20	289,030
101	2,500,000	6.24%	15/03/21	591,203
102	5,000,000	6.62%	16/10/21	1,423,194
103	100,000	6.80%	15/11/21	28,704
104	2,900,000	6.90%	15/03/22	959,882
105	7,000,000	7.02%	16/11/24	4,974,492
106	2,000,000	6.85%	15/04/26	1,247,337
107	113,000	4.75%	16/07/22	51,637
108	515,000	6.20%	15/01/34	446,893
109	125,000	5.30%	15/09/29	100,586
112	180,000	4.25%	15/12/27	165,212
113	80,000	4.50%	15/02/28	76,789
114	1,750,000	3.60%	15/08/28	1,750,000
				<b>12,207,908</b>

A summary of the variable interest rate borrowings are shown below:

<b>Cash Advance Loan Summary</b> (Nuriootpa Centennial Park Authority)				
<b>No.</b>	<b>Total Facility Loan Amount</b>	<b>Current Interest Rate</b>	<b>Facility End Date</b>	<b>Principal Outstanding as at 31 December 2018</b>
CA110	1,000,000	3.75%	15/06/20	1,000,000
CA111	260,000	3.75%	15/03/21	160,000
				<b>1,160,000</b>

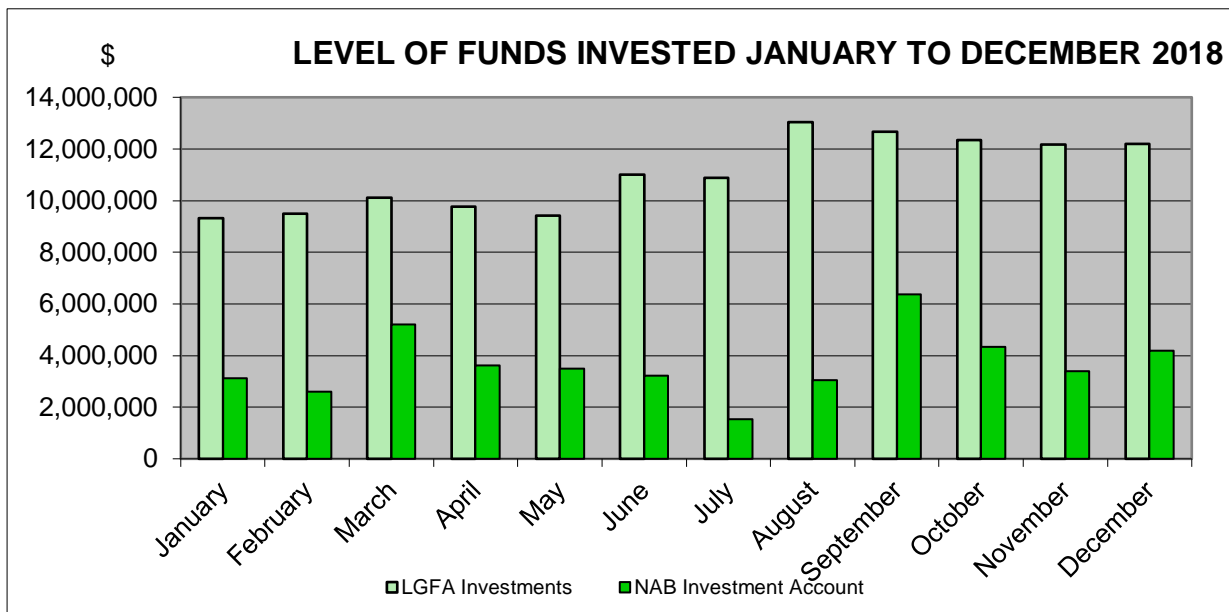
### Investments

Council currently holds investments with National Australia Bank (NAB) and the Local Government Finance Authority (LGFA). Council's total investments as at 31 December 2018 were:

	<b>Variable Interest Rate \$'000</b>	<b>≤ 1 year Fixed \$'000</b>	<b>&gt; 1 year ≤ 5 years \$'000</b>	<b>&gt; 5 years \$'000</b>	<b>TOTAL \$'000</b>	<b>Interest Rate Range 2018</b>
LGFA	3,002	9,187	0	0	<b>12,189</b>	1.50% to 2.20%
NAB Investment A/c	4,190	0	0	0	<b>4,190</b>	2.00%
<b>TOTAL</b>	<b>7,192</b>	<b>9,187</b>	<b>0</b>	<b>0</b>	<b>16,379</b>	

The level of funds invested during the year is presented in the graph below. The graph excludes Council's separate operating bank account which was maintained at minimum working capital levels in accordance with the Policy.

## NOT CONFIRMED



### ATTACHMENTS OR OTHER SUPPORTING REFERENCES

#### Policy

Treasury Management Policy

### COMMUNITY PLAN / CORPORATE PLAN / LEGISLATIVE REQUIREMENTS

#### Community Plan



How We Work – Good Governance

#### Corporate Plan

- 6.2 Ensure that Council's policy and process frameworks are based on principles of sound governance and meet legislative requirements.
- 6.3 Align operational strategy to strategic objectives and measure organisational performance to demonstrate progress towards achieving our goals.
- 6.16 Provide contemporary internal administrative and business support services in accordance with mandated legislative standards and good practice principles.

Legislative Requirements

Local Government Act 1999, Section 140

### FINANCIAL, RESOURCE AND RISK MANAGEMENT CONSIDERATIONS

#### Financial

A review of investments and borrowings is required as per the Treasury Management Policy and Local Government Act

### COMMUNITY CONSULTATION

No separate consultation is required under Council's Public Consultation Policy.

#### 9.1.3

#### 2019/20 AUDIT COMMITTEE BUDGET

#### **B8923**

Mr Lague spoke to the report.

**MOVED** Cr Johnstone that the Audit Committee 2019/20 Training budget of \$1,000 be endorsed for consideration by Council and that the Consultants budget is not required.

**Seconded** Mr Swan

**CARRIED 2018-19/28**

### PURPOSE

To consider a draft 2019/20 budget for the Committee's operations.

## NOT CONFIRMED

### REPORT

The budget for 2019/20 is being prepared by completing the base budget for activities that are externally and internally required by the Audit Committee.

In the Audit Committee budget, two items that require review are Consultant and Training/Seminar expenditure.

In the past, consultants have been used to undertake reviews and compliance checks for taxation and accounting, along with purchase and implementation of the internal control tracking tool. The training budget has previously been used by independent members to attend LGA programs.

A proposed 2019/20 budget to support the operations of the Audit Committee is outlined in the following table:

Audit Committee Financial Statement as at 19 February 2019:

	February YTD Actuals	Original Budget 2018/19 + Q2 Adj	Budget % YTD	Draft 2019/20 Budget
<b>496 - Audit Committee</b>				
Salaries & related costs (preparation of reports/agendas, attendance at meetings – CEO, Director C&CS, Manager Financial Services, Minute Secretary)	12,868	21,594	60%	21,924 *
Consultants (provision for sundry project work undertaken as part of Committee work plan or specifically requested by Council)	0	0	0%	0
Training / Seminar expenses	0	1,000	0%	1,000 ~
Sitting Fees (Independent Members)	2,780	5,745	48%	5,810 #
Advertising	652	700	93%	700 ~
Insurance & Other	270	270	100%	525
<b>Total 496 - Audit Committee</b>	<b>16,570</b>	<b>29,309</b>	<b>57%</b>	<b>29,959</b>

\* Provides for expected increase for salary costs for Enterprise Agreement. Depending on cost centre allocations, this amount may change when the budget is finalised.

~ Training and advertising expenses provide for one independent member appointment if required.

# Provides for Sitting Fees as follows: Chairperson \$575 and Independent Members x 2 - \$370 to attend 4 meetings each and the annual report attendance at Council meeting for the Chairperson; to be considered and adopted by Council – only provided for Audit Committee members' information. The Sitting fee will be considered and approved by Council as part of the 2019/20 budget process.

### ATTACHMENTS OR OTHER SUPPORTING REFERENCES

#### Policy

Budget & Business Plan and Review Policy

### COMMUNITY PLAN / CORPORATE PLAN / LEGISLATIVE REQUIREMENTS

#### Corporate Plan



How We Work – Good Governance

- 6.4 Ensure that decisions regarding expenditure of Council's budget are based on an assessment of whole of life costs, risks associated with the activity and advice contained within supporting plans.
- 6.16 Provide contemporary internal administrative and business support services in accordance with mandated legislative standards and good practice principles.

#### Legislative Requirements

Local Government (Financial Management) Regulations 2011 - Reg 9(1)(b)  
LGA Information paper no. 25 – Monitoring Council Budget Performance

## NOT CONFIRMED

### FINANCIAL, RESOURCE AND RISK MANAGEMENT CONSIDERATIONS

#### Financial

Funding to support the operations of the Audit Committee is required to ensure resources are adequate to undertake this vital role within Council and is included in the annual budget.

As part of the draft Budget 2019/20, Council has approved a zero based budget process where costs should be reviewed to actual \$ required for that ongoing service provision. Selected costs are increased by indexation where agreements, contracts, EBA, licensing, arranged service charges, etc provide for that option, along with costs outside of our control, can be increased where the service provider(s) initiate increases, ie fuel, postages.

The Independent Members - Sitting Fee is not subject to agreement or contract but should ensure Council can attract and retain qualified and experienced people and receive value for service provision. When compared to other Councils, The Barossa Council sitting fee is at the lower end of the scale. It is recommended that Council increase the fee by the CPI for Adelaide, last update December 2018 being 1.6%. In 2018/19, the sitting fee for the Chairperson is \$565 and Independent Members is \$365, adding 1.6% rounded to the nearest \$5. The proposed amount for 2019/20 financial year is \$575 and \$370 respectively. The Sitting Fee will be included in the draft 2019/20 budget to be considered and approved by Council.

### COMMUNITY CONSULTATION

Public Consultation will be included as part of the draft 2019/20 Budget/Business Plan consultation and adoption process.

#### 9.1.4

#### REVIEW DRAFT BUDGET 2019/20 AND ANNUAL REVIEW LONG TERM FINANCIAL PLAN INDEXATION AND ASSUMPTIONS

#### **B7181**

Mr Lague spoke to the report.

**MOVED** Mr Swan that the Audit Committee notes the indexation and assumptions for the Annual Budget & Business Plan 2019/20 and Long Term Financial Plan 2019/20 to 2028/29.

**Seconded** Cr Angas

**CARRIED 2018-19/29**

### PURPOSE

As per the 2019/20 Annual Budget/Business Plan timetable endorsed by Council in January 2019, the Audit Committee needs to receive and can provide comment on the indexation and assumptions for the Annual Budget & Business Plan (AB&BP) 2019/20 and Long Term Financial Plan (LTFP) 2019/20 to 2028/29.

### REPORT

#### **Overview**

The review of indexing and assumptions for the Annual Budget & Business Plan 2019/20 and Long Term Financial Plan (LTFP) 2019/20 to 2028/29 has been considered by Council at the information briefing Workshop on 22 January 2019. This process enables Council to take a long term view and 'set the big picture' before starting the annual budget process.

#### **Key Assumptions and Enhancements**

Each annual review process provides an opportunity to introduce new assumptions or enhance the information base as required, using the existing indexation and assumptions.

The main assumptions and indexation being considered during this early stage of budget preparation is the income and expenditure indexation. As included in the presentation paper, Council reviews the proposed rate increase and the indexation application to operational expenditure.

## **NOT CONFIRMED**

The LGPI (Local Government Price Index) is used as a base for the plan(s) and considering local needs and requirements to meet service levels, including external influences such as service contracts where fuel prices and employment costs may vary the service cost. The Local Government Price Index (LGPI) increase for 12 months to 30 September 2018 was 2.9%; (noting the Adelaide CPI for the 31 December period was 1.6%).

As the cost indexation has been reducing from previous adopted Long Term Financial Plans, Council will reconsider the cost of delivering services and any changes to the level of service to ensure income or charges for the services are appropriate. The following indexation is sourced from the adopted LTFP.

### **Income**

Rate increases to fund and ensure service level provision is maintained in line with revised sustainability requirements.

Both the residential and non-residential rate revenue (excluding growth) were budgeted to increase at 2.5% in 2019/20, and the years following at 2.5% per annum plus growth at 1%.

Due to the new contract for waste collection & disposal a review of the three services provided and cost recovery service charge is currently underway. The adopted Waste Service Rate Revenue indexation rate in the LTFP last year was budgeted to increase at:

2019/20 to 2022/23	2.5%
2023/24 to 2027/28	2.25%

The adopted Community Wastewater Management Systems Service Rate Revenue (excluding growth) indexation rates in the LTFP from last year was budgeted to increase at 2.5% for 2019/20 and then 2.5% and 2.75% alternate years for the life of the plan. An ongoing review of the service charge is underway for requirements from ESCOSA, including the cost of Capital and Risk, along with internal review of executive, administration and governance operating costs.

Other income indexation has a base increase of 2.0%.

### **Expenditure**

Operating expenditure indexation will be assessed individually for internal and external factors as follows:

- employee costs at the enterprise bargaining agreements budgeted around 2.5%;
- contractors and materials will be reviewed to meet service requirements using a Zero Based Budget basis due for the 19/20 year (the current adopted plan is at 2.5%) where costs should be reviewed to actual \$ required for that ongoing service provision;
- selected costs are increased by indexation where agreements, contracts, licensing, arranged service charges, etc provide for that option, along with costs outside of our control; these will be considered where the service provider(s) initiate increases, ie fuel, postage;
- other operating costs have been isolated as increases to these are unique, eg. power – 2.5%, water - 2.5%, insurance – 4%, plus changes to service provision, ie. increased number of services provided (eg. no. of waste collection(s)) or usage (eg. water usage at parks and gardens). All indexation quoted is from the adopted LTFP, to be reviewed.

Long term plans for Capital expenditure will be reassessed, ensuring funding is allocated for renewal and replacement assets along with an allowance for new discretionary projects.

## **ATTACHMENTS OR OTHER SUPPORTING REFERENCES**

Nil

### **Policy**

Budget & Business Plan and Review Policy



## NOT CONFIRMED

### COMMUNITY PLAN / CORPORATE PLAN / LEGISLATIVE REQUIREMENTS

#### Corporate Plan



How We Work – Good Governance

- 6.2 Ensure that Council's policy and process frameworks are based on principles of sound governance and meet legislative requirements.
- 6.3 Align operational strategy to strategic objectives and measure organisational performance to demonstrate progress towards achieving our goals.
- 6.4 Ensure that decisions regarding expenditure of Council's budget are based on an assessment of whole of life costs, risks associated with the activity and advice contained within supporting plans.
- 6.9 Provide access to Council's plans, policies and processes and communicate with the community in plain English.
- 6.16 Provide contemporary internal administrative and business support services in accordance with mandated legislative standards and good practice principles.

#### Legislative Requirements

Local Government Act 1999 Section 123

Local Government (Financial Management) Regulations 2011

### FINANCIAL, RESOURCE AND RISK MANAGEMENT CONSIDERATIONS

#### Financial

Long term financial planning is an ongoing regular process. As new information is included in the planning process, the plans are reviewed and updated.

Each annual review process provides an opportunity to introduce new assumptions or enhance the information base as required.

### COMMUNITY CONSULTATION

Included as part of the draft 2019/20 Budget/Business Plan consultation and adoption process.

#### 9.1.5

#### **THE BAROSSA COUNCIL QUARTER 2 – 2018/19 PERFORMANCE & ACTIVITY REPORT**

19/7295

Mr McCarthy spoke to the report and answered questions from the Members.

**MOVED** Mr Swan that the Audit Committee receives and notes The Barossa Council Quarter 2 – 2018/19 Performance and Activity Report.

**Seconded** Cr Angas

**CARRIED 2018-19/30**

#### **PURPOSE**

To provide Council's Quarter 2 – 2018/19 Performance and Activity Report on measures adopted within The Barossa Council Corporate Plan 2016/17 to 2019/20.

#### **REPORT**

##### Background

Since November 2016, Council and the Audit Committee has been presented with Quarterly Performance Reports on measures adopted within the Corporate Plan.

##### Introduction

The Barossa Council Quarter 2 – 2018/19 Performance and Activity Report (*attached*) provides performance results against Corporate Plan measures as at 31 December 2018. The report also includes a suite of activity measures, providing a snapshot of activity undertaken over the Quarter in the delivery of key internal and external Council services under each Community Plan Theme.

##### Discussion

With the ongoing implementation of Council's holistic enterprise level strategic planning and reporting software (Magiq), officers are continuing to refine counting rules and formulas for the

## NOT CONFIRMED

extraction and analysis of data, which may result in the revision of previously reported results where the data has been refined or cleansed. Where this is the case, the report will include a disclaimer regarding the nature of any changes implemented and its impact on the data.

Additionally, where justification exists, performance targets may be amended to reflect a more realistic figure. As above, where this is the case, the report will include an explanation of the nature of and justification for any changes implemented and its impact on the data.

### ATTACHMENTS OR OTHER SUPPORTING REFERENCES

Attachment: The Barossa Council Quarter 2 – 2018/19 Performance and Activity Report.

### COMMUNITY PLAN / CORPORATE PLAN / LEGISLATIVE REQUIREMENTS

#### Community Plan



How We Work – Good Governance

#### Corporate Plan

A6.3 Align operational strategy to strategic objectives and measure organisational performance to demonstrate progress towards achieving our goals.

#### Legislative Requirements

Nil

### FINANCIAL, RESOURCE AND RISK MANAGEMENT CONSIDERATIONS

Current resources are sufficient to provide ongoing quarterly reporting.

### COMMUNITY CONSULTATION

Community consultation is not required under the Act or Council's Public Consultation Policy.

#### 9.1.6

#### **UPDATE – RISK MANAGEMENT PROGRAMS AND PROJECTS**

##### **B7531**

Mr Jones and Mr McCarthy spoke to the report and answered questions from the Members.

### PURPOSE

To present a Quarterly report on the progress of Risk Management programs and projects.

**MOVED** Mr Swan that the Audit Committee receives and notes this report, incorporating the Quarter 2 Risk Management Report and the Risk Evaluation Summary Report, noting Management's position on the Risk Evaluation Summary Report.

**Seconded** Cr Johnstone

**CARRIED 2018-19/31**

### REPORT

#### **Risk Management**

A body of work to develop "Control Track / Risk Manager" in readiness for inputting strategic and organisational risks has commenced; the intention to utilise this as the Risk Register with the ability to review all risks in one location, filter based on risk type, risk rating and organisational department, and adjust risk type and rating based on the effectiveness of the identified controls.

A scoping meeting is booked with Local Government Risk Services in late April to assist with final development, implementation and training of the Risk Framework. The Risk Policy is due for review by 17 November 2019; the Process Framework is currently noted as Draft.

#### **Strategic Risk Management**

The Chief Executive Officer will update the Committee with the status of the Strategic and Organisational Risk Register and the future management strategy.

## NOT CONFIRMED

### Risk Management Action Plan

The final version of the report from the Risk Evaluation conducted by the Local Government Association in October 2018 was received 27 February 2019, delaying the development of the 2019 Risk Management Action Plan. The Plan is in draft to be presented to the Corporate Management Team (CMT) by the end of April 2019

### KPI Action Plan for 2019

The final version of the report from the Work Health Safety and Injury Management Evaluation conducted by the Local Government Association in October 2018 was received 27 February 2019, delaying the development of the 2019 KPI Action Plan. The Plan is in draft to be presented to CMT by the end of April.

### Risk Management Quarterly Report

Council's Risk Management Quarterly Report for Quarter 2 - 2018/19, was endorsed by CMT 13 March 2019. The Report is provided in Attachment 1 for the Audit Committee to review.

### Risk Team

The Executive Services Administration Review Project is in the process of reviewing administrative needs across the Executive Services Directorate, including the Risk Administrator vacancy; this position has been Vacant since the start of 2019.

### Risk Evaluation Summary Report

The Risk Evaluation reviewed the Risk, Work Health Safety, and Injury Management systems and evidence of implementation.

Risk - against an industry developed sector baseline	Total # of sector baselines evaluated	Sector Baseline Met	Sector Baseline Not Yet Met
Risk Management Systems	6	0	6
Roads and Footpaths	8	3	5
Planning and Development Administration	3	3	0

Work Health & Safety - against the performance standard for self-insurers	Total sub elements evaluated	Conformance	Observation	Non-conformance
Standard 1- Commitment and Policy	1	0	0	1
Standard 3 - Implementation	8	1	4	3
Standard 4 - Measurement & Evaluation	1	0	1	0
Standard 5 - Management systems review and improvement	1	0	0	1

Injury Management - against the performance standard for self-insurers	Total no of sub elements	Conformance	Observation	Non-conformance
Standard 1.2 Resources	5	5	0	0
Standard 1.6 Information provided to employees	2	2	0	0
Standard 2.8 Early intervention, recovery and RTW	2	2	0	0

## NOT CONFIRMED

Standard 4- Measurement, monitoring review	2	2	0	0
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Please refer to Attachment 2 for more details.

### Hazard Management Procedural Validation

An internal audit regime for all councils and prescribed bodies is a condition of the five year self-insured licence agreement with Return To Work SA. To assist councils who do not have an endorsed internal audit program to achieve this requirement, the Local Government Association has implemented a two yearly "Procedural Validation" program.

In March 2019, Bob Raymond from the Procedural Validation Team was provided with approximately 100 documents to review as evidence of implementation of a management system. On 13 and 14 March 2019, Bob attended on-site to interview various workers, supervisors and managers, as well as observe workers to assess them against the relevant Safe Work Instruction or Safe Operating Procedure.

The report is expected to be complete by 19 April 2019.

### Local Government Association Mutual Liability Scheme

The Quarter 2 Risk Report gives an overview of insurance claims in graph format, with comparisons to similar sized councils.

New Claims:

1. Claim for vines affected by Spray Drift from January 2018:
  - Loss of production for 5 years
  - Cost to remove and replant
  - Tonnage lost was 1 tonne of young vine shiraz and ½ tonne of old vine shiraz
2. Member of public who fell adjacent the Nuriootpa Skate Park. The individual was walking in skates across a dirt area when the incident occurred. The claimant is suggesting there was an inadequate level of seating available creating a need to walk across the dirt. Photographs taken at the time show adequate seating was installed and a designated path was in place. This claim is unlikely to be accepted.
3. A road user who damaged tyres and rims when the car came off of a road shoulder.

## ATTACHMENTS OR OTHER SUPPORTING REFERENCES

Attachment 1: Quarterly Risk Management Report – Quarter 2 – 2018/2019  
Attachment 2: 2018 Risk Evaluation Summary Report

## COMMUNITY PLAN / CORPORATE PLAN / LEGISLATIVE REQUIREMENTS

### Corporate Plan



How We Work – Good Governance

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### Legislative Requirements

Local Government Act 1999  
Work Health Safety Act 2012

## FINANCIAL, RESOURCE AND RISK MANAGEMENT CONSIDERATIONS

Addressed within the Report.

## COMMUNITY CONSULTATION

Not required under legislation or Council's Public Consultation Policy.

**NOT CONFIRMED**

**9.1.7**

**INTERNAL MANAGEMENT OF THE RISK REGISTER**

Mr McCarthy provided a verbal report advising that the Strategic Risk Register had been endorsed by Council on 19 February 2019. Presentations by Executive staff will commence once the strategic and organisational risks have been entered into "Control Track/Risk Manager". A report (similar to the Internal Financial Control Report) will be presented to the next meeting.

<p><b>MOVED</b> Cr Johnstone that the Audit Committee receives the verbal update regarding the Strategic Risk Register. <b>Seconded</b> Cr Angas</p>	<p><b>CARRIED 2018-19/32</b></p>
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**10. PRESENTATION**

The presentation by the Director Development and Environmental Services has been deferred until a future meeting – refer Agenda item 9.1.7.

**11. OTHER BUSINESS**

Mr Lague informed the Members of two reporting requirements now being provided to the Australian Taxation Office: TPAR (Taxable Payments Annual Report) annually in August 2018 for the 2017/18 reporting period and Single Touch Payroll - a fortnightly upload of payroll information from March 2019.

Mr McCarthy briefly discussed the upcoming Federal Election and Budget matters affecting South Australian councils.

**12. NEXT MEETING**

Late May/early June 2019 – date to be advised

**13. CLOSURE OF MEETING**

There being no further business, Mr Brass closed the meeting at 12.49pm.

Confirmed:

**Chairman:** .....

**Date:** .....