MINUTES OF THE MEETING OF AN AUDIT AND RISK COMMITTEE
held on Thursday 20 June 2024 commencing at 3:31pm
in the Peramangk Room (Committee Room), 43-51 Tanunda Road, Nuriootpa.

M I N U T E S

Welcome by Mr Peter Brass declared the meeting open at 3:31pm.

1. ATTENDANCE RECORD

1.1 Members Present

Mr Peter Brass (via Teams), Ms Ellen Ewing, Mr Ian Swan (via Teams), and Cr John Angas

Apologies

Cr Heidi Thompson

Not Present

Nil

Leave of Absence

Nil

2. CONFIRMATION OF PREVIOUS MINUTES

2.1 Minutes of previous meetings – for confirmation:

MOVED Mr Swan

That the Minutes of the Audit and Risk Committee held on Thursday 28 March 2024 at 3:30pm, as circulated, be confirmed as true and correct records of the proceedings of those meetings.

SECONDED Ms Ewing **CARRIED AC 2022-26/19**

2.2 Matters arising from previous minutes

Nil

3. MATTERS FOR INFORMATION

3.1 ENTERPRISE RISK AND SAFETY REPORT - JANUARY TO MARCH 2024

3.2 ADOPTED 2023/24 QUARTERLY BUDGET UPDATE AS AT 31 MARCH 2024

3.3 RISK APPETITE STATEMENTS

The committee considered the statements and suggested Council and the Executive add a further statement regarding fraud and corruption under the Finance risk appetite statement.

4. DEBATE REPORT

4.1 DRAFT ANNUAL BUDGET AND BUSINESS PLAN 2024/2025 INCORPORATING THE LONG TERM FINANCIAL PLAN 2024/2025 - 2033/2034 - FOR CONSULTATION

24/44596

MOVED Mr Swan

That Audit and Risk Committee receive and note the report on the draft Annual Budget and Business Plan 2024/25, incorporating the annual review of the Long Term Financial Plan 2024/25 to 2033/34.

SECONDED Ms Ewing **CARRIED AC 2022-26/20**

PURPOSE

Council, at a Special Meeting held 14 May 2024, endorsed the draft Annual Budget and Business Plan 2024/25 incorporating the Long-Term Financial Plan (LTFP) 2024/25 to 2033/34 for public consultation.

A copy of the document is provided in Attachment 1.

REPORT

Discussion

The Annual Budget and Business Plan (AB&BP) 2024/25 incorporates the Long Term Financial Plan (LTFP) 2024/25 to 2033/34 in the one document, but is divided under separate sections.

The financial information contained in this document has been prepared in accordance with Council's Budget and Business Plan and Review Policy and associated processes.

The formulation of the draft budget incorporates the work of numerous Council officers and teams (following an adopted timeline) which includes:

- budget preparation and input by budget managers
- checking and refining of data input, preparation of general budgets including utilities, depreciation, employee costs etc by the Finance officers
- review and approval by the Corporate Management Team.

This work results in the Finance staff collating, checking, reconciling, and finally preparing a draft budget and long term plan for Council consideration.

The input from Council is gained by holding workshops where discussions and decisions at Council meetings for various parts of the budget preparation and process, provides a direction for officers to prepare the draft budget.

For a breakdown of the significant items for the operating and capital budgets, the LTFP, refer to the Minutes of the Special Council Meeting in Attachment 2.

Summary and Conclusion

Council has reviewed and considered all operating, capital, new initiative, valuation, rating assessment and long-term financial parameters and determined its draft settings.

As noted in the Financial Considerations section of this report and the ABP&B, this financial analysis highlights the KPI results and forecast position based upon the assumptions therein.

ATTACHMENTS OR OTHER SUPPORTING REFERENCES

Attachment 1	Annual Business Plan and Budget 2024-2025 - V1-1- Council Meeting of 21 May 2024
Attachment 2	Minutes of Special Council Meeting - 14 May 2024

Supporting references
Nil

COMMUNITY PLAN / CORPORATE PLAN / LEGISLATIVE REQUIREMENTS

Community Plan

Corporate Plan

BS12	Property and Rates - Rates, revaluation and forecasting for revenue purposes, collection, and recovery of rates; including payment arrangements and negotiation parameters, hardship arrangement negotiations, property and assessment management to ensure Council's long term financial sustainability.
BS13	Strategic/Legislative Planning and Reporting - Provision of organisational performance report (outcomes), activity report (outputs), a range of statutory reporting (e.g. public health, tax, superannuation), financial reporting. Transparency and accountability regarding Council activity and expenditure provided

Advocacy Plan
Nil

Legislative Requirements
Local Government Act 1999

FINANCIAL, RESOURCE AND RISK MANAGEMENT CONSIDERATIONS

The adoption of the Budget is required between 1 June and 15 August.

Financial Indicators and Sustainability
Financial performance is managed using suitable financial indicators and targets, as follows:

- KPI1 - Operating Surplus - a cumulative surplus by year 10.
- KPI2 – Operating Surplus Ratio, Target - range (2%) to 10%.– Note: outliers including the timing of Federal grant payments and other unplanned events that can create one-off deficit results outside of the target range.
- KPI - No. 3 Net financial liabilities (NFL) ratio is greater than zero but less than 100% of total operating revenue.
- KPI - No. 4 Capital outlays on renewing/replacing assets net of proceeds from sale of replaced assets is greater than 80% but less than 110% of Infrastructure Asset Management Plans over a rolling three-year period.

Financial Indicators report for the draft LTFP expected results are:

- Operating Surplus - a deficit for years 2024/25 to 2025/26 returning to surplus in 2027/28 and a 10-year position of a surplus of $10.062m.
- Operating surplus ratios average over 3 years. Council's forecast retrospective results range from (2.5%) to 3.2%.
- Net Financial Liabilities forecast is 88.6% in 2024/25 and peaks at 91.7% in 2025/26 and by year 2033/34 is projected to be at 16.8%.
- Asset Renewal Funding Ratio target is being met over the 10-year period, the average being 108.6%.

There are no additional or abnormal risk considerations or additional resource requirements for the preparation, implementation, and management of the budget, business plan and other related activities.

COMMUNITY ENGAGEMENT

The public consultation period commenced from 15 May 2024 and closed on 7 June 2024 at 5pm. Verbal submissions were considered at a meeting on 6 June 2024, held at 5.30pm, and provided one hour for members of the public to ask questions and make submissions in relation to the AB&BP and annual review of the LTFP.

Submissions were also accepted by the following methods:

- via Council's engagement platform at yoursay.barossa.sa.gov.au,
- via Facebook www.facebook.com/thebarossacouncil,
- via email barossa@barossa.sa.gov.au, or
- in writing.

Public submissions will be considered by Council after the consultation period has ended, at the ordinary Council Meeting on Tuesday 18 June 2024.

The LTFP is incorporated within the ABP&B to ensure the two Plans align. This enables the community to be involved in the short and long term planning of Council's Budget.

4.2 REVIEW OF COMMUNITY PLAN AND CORPORATE PLAN UPDATE
24/44599

MOVED Ms Ewing
That Audit and Risk Committee receive the Draft Community Plan 2024-2044 and Updated Corporate Plan 2024-2028 and any feedback provided by the Audit and Risk Committee be considered in the final draft versions presented to Council for adoption.

SECONDED Mr Swan **CARRIED AC 2022-26/21**

PURPOSE

To consider and review the work undertaken to update the Community Plan 2024-2044 and Corporate Plan 2024-2028.

REPORT

Introduction
The Councils' Community Plan is its highest-level guiding and aspirational strategic management plan. Council determines strategic management plans that are the subject of Section 122(8) of the Local Government Act, which the Community Plan is so declared.

Under the Local Government Act any strategic management plans Council must undertake a comprehensive review within 2 years after each general election, that being November 2024.

Discussion
The current analysis, update and redrafting of the Community Plan 2024-2044 constitutes a comprehensive review. Other strategic management plans to be reviewed are the Long Term Financial Plan which is reviewed annually as part of the annual business plan and budget processes and the Infrastructure and Asset Management Plans (IAMP), which are currently being redrafted and will be presented to Council in the new financial year for review and comment before undertaking a further public consultation on the IAMP.

Works undertaken to date in accordance with the Community Plan Review Project Plan, include:

- Three workshops with Council to explore strategic thinking for the future, vision, values and other priorities for Council.
- Establishment of a staff reference group and various meetings and staff engagement.
- Analysis of the current policy framework priorities of State and Commonwealth Governments.

- Analysis of existing policy frameworks of other relevant bodies namely Reginal Development Australia.
- Reference to the suite of Council or community strategic work undertaken in the past 18-24 months including the Local Economic Development Plan, Growth and Investment Strategy, Barossa Water Security Strategy, Corporate Plan and the Regional Public Health and Wellbeing Plan.
- Environmental scan and strengths, opportunities, and challenges analysis.
- Review of industry and population analysis and trends.
- Legislative review.

A detailed analysis document has been developed from these investigations to inform the review and update to the Community Plan and is provided at Attachment 2.

The revised draft Community Plan is at Attachment 1. It was recommended that as part of the review the Advocacy Plan be repealed. The Advocacy Plan has not been used actively and the Community Plan provides guidance on key activities and what role Council will play with the various strategies and actions in support of delivering upon the Community Plan.

The draft plan was endorsed for public consultation at the Council meeting of 21 May 2024.

The integration of our planning frameworks continues, and the Community Plan is supported by the Corporate Plan, which is Council's administrative and service level document, this too has been updated and provided at Attachment 3. This was not the subject of consultation but was provided as the revised Community Plan heavily integrates with the Corporate Plan.

Summary and Conclusion
The revised Community Plan is now tabled for consideration along with the updated Corporate Plan and any feedback provided by the Audit and Risk Committee will be considered in the final draft versions presented to Council for adoption.

ATTACHMENTS OR OTHER SUPPORTING REFERENCES

Attachment 1	Draft Community Plan 2024-2044 - For Public Consultation
Attachment 2	Research and Information Paper - Review of Community Plan
Attachment 3	Updated and Realigned Corporate Plan 2024-2028

Supporting references
Public Consultation Policy

COMMUNITY PLAN / CORPORATE PLAN / LEGISLATIVE REQUIREMENTS

Corporate Plan
BS13 Strategic/Legislative Planning and Reporting - Provision of organisational performance report (outcomes), activity report (outputs), a range of statutory reporting (e.g. public health, tax, superannuation), financial reporting. Transparency and accountability regarding Council activity and expenditure provided

Legislative Requirements
Section 122 of the Local Government Act 1999

FINANCIAL, RESOURCE AND RISK MANAGEMENT CONSIDERATIONS

The works have been undertaken internally bar one hosted workshop with Council which was funded from consultancy budget allocations already made in the 2023-2024 budget.

The proposed consultation processes are budgeted for and represent business as usual activity therefore the are no finance, resourcing, or additional risk management considerations.

COMMUNITY ENGAGEMENT

Public consultation shall commence on Wednesday, 3 July 2024 and conclude on Friday, 2 August 2024 at 5pm.

Consultation will be open for a period of 4 weeks with normal notices issued through social media, website and papers circulating in the area as per the Public Consultation Policy.

4.3 CREDIT CARD STATEMENT REVIEW
24/44625

MOVED Mr Swan

That the Audit and Risk Committee, having reviewed the statements, receive, and note the information.

SECONDED Ms Ewing **CARRIED AC 2022-26/22**

PURPOSE

To review the credit card statements of the Mayor and CEO.

REPORT

As per the recommendation of the External Auditor the statements of the Mayor and CEO since 29 February 2024 to 12 June 2024 are attached and tabled for Audit and Risk Committee review. Any questions can be addressed at the meeting.

As with any expenditure it is incurred with procurement policy and aligned to approved budgets and is no different to purchasing goods and services through other means which is reviewed by the auditors through their testing processes.

ATTACHMENTS OR OTHER SUPPORTING REFERENCES

Attachment 1 Credit Card Statement Summary

Supporting references
Nil

COMMUNITY PLAN / CORPORATE PLAN / LEGISLATIVE REQUIREMENTS

Community Plan

Corporate Plan

BS7 Governance - Provision of governance advice and support in the discharge of legislative responsibilities for policy development, delegations and authorisations, internal review of Council decisions, delegations and authorisations, Native Title claims

BS6 Finance - Transparency and accountability regarding Council activity and expenditure. Provision of organisational performance report (outcomes), activity report (outputs), a range of statutory reporting (e.g. public health, tax, superannuation), financial reporting

Legislative Requirements
Nil

FINANCIAL, RESOURCE AND RISK MANAGEMENT CONSIDERATIONS

Nil

COMMUNITY ENGAGEMENT

Nil

5. CONFIDENTIAL AGENDA

Nil

6. URGENT OTHER BUSINESS

Nil

7. NEXT MEETING

Monday 30 September 2024 at 3:30pm

8. CLOSURE

Mr Brass declared the meeting closed at 4:10pm.

Confirmed at Audit and Risk Committee Meeting on 30 September 2024

Date:…………………………… Chairperson……………………………