TheBarossaCouncil

NOTICE OF MEETING

Notice is hereby given that the next ordinary meeting of an Audit and Risk Committee will be held on Wednesday 19 March 2025 in the Peramangk Room (Committee Room), 43-51 Tanunda Road, Nuriootpa, commencing at 3:00pm.

Martin McCarthy
CHIEF EXECUTIVE OFFICER
AUDIT AND RISK COMMITTEE

A G E N D A

Welcome by the Chair

1. ATTENDANCE RECORD

1.1 Members Present

Apologies

Ian Swan

Not Present

Nil

Leave of Absence

Nil

2. CONFIRMATION OF PREVIOUS MINUTES

MATTERS ARISING FROM PREVIOUS MINUTES

2.2.1 OUTCOME OF GOVERNANCE STRUCTURE FEEDBACK

Author: Chief Executive Officer
24/109852

As determined by the Committee, Council was presented the feedback on the proposed Audit and Risk Committee Governance Structure at its November 2024 meeting.

Council has elected to continue with a fully independent committee. The structure and feedback after 1 year of operation will be reviewed again through the annual committee survey process and presented to Council.

Recruitment for a further member is underway along with normal processes for one of the existing members and the independent chair, with these two later positions concluding their current appointment on 27 January 2025.

ATTACHMENTS

Nil

SUPPORTING REFERENCES

Nil

MATTERS ARISING FROM PREVIOUS MINUTES

2.2.2 UPDATE ON STATUS OF 2023-24 EXTERNAL AUDIT FINDINGS

Author: Manager Financial Services
25/20460

At the 30 September 2024 meeting a report on the interim 2023-24 audit findings from our external auditor, Galpins Accountants, Auditors and Business Advisors, was tabled. Nine findings were identified by Galpins, with the following risk ratings attached to those findings:

High – two
Moderate – six
Low - one

Refer to Attachment 1 for a copy of this report.

The audit completion report provided by Galpins Accountants, Auditors and Business Advisors to accompany the Barossa Council's 2023-24 annual financial statements, tabled at the 25 November 2024 meeting, also included three moderate rated audit findings. Refer to Attachment 2 for a copy of this report.

Attachment 3 provides an update on the status of these external audit findings as at March 2025 for your information and noting.

ATTACHMENTS

Attachment 1	Galpins 2023-2024 FINAL Financial Controls Review Report - 24 July 2024 ⇩
Attachment 2	2023-2024 Final Signed Audit Completion Report from Galpins - The Barossa Council ⇩
Attachment 3	Status of 2023-24 external audit findings - as at March 2025 ⇩

SUPPORTING REFERENCES

Nil

Galpins
Accountants, Auditors & Business Consultants

Financial Controls Review

Barossa Council

2023/24 Interim Management Letter

The Barossa Council

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Barossa Council

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1. EXECUTIVE SUMMARY

1.1 Background

During our interim audit we perform procedures to gain an understanding of the internal controls in place relevant to the financial statements and perform tests of design and effectiveness for these controls. Based on the results of the control testing, we then assess the audit risks to define the extent and nature of our substantive procedures (e.g. inspection of documents, recalculation, reconciliation, etc) for our final visit.

In addition to an opinion on the financial statements, section 129 of the Local Government Act 1999 requires auditors to provide an opinion regarding internal controls of councils. This opinion focuses on Council's obligations under s125 of the Local Government Act 1999:

> *"A council must ensure that appropriate policies, practices and procedures of internal control are implemented and maintained in order to assist the council to carry out its activities in an efficient and orderly manner to achieve its objectives, to ensure adherence to management policies, to safeguard the council's assets, and to secure (as far as possible) the accuracy and reliability of council records."*

The audit opinion is restricted per s129 of the Act to the application of s125 as it relates to financial internal controls, specifically the controls exercised by the Council during the relevant financial year in relation to the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities.

In order to assist the Council in addressing the requirements of s129, we have reviewed a prioritised list of controls from the better practice model based on our initial audit risk assessment. Further details about our scope can be found in item 1.2 of this report.

1.2 Objectives and scope

The objectives of our interim audit were to:

- understand Council's business, business cycles and processes relevant to the financial statements
- understand the internal controls in place for the areas we consider critical for the audit of the financial statements
- design internal controls tests for the internal controls identified
- perform the internal controls tests to determine the final risks of material misstatements in the financial statements to be addressed in our final audit
- review a prioritised list of internal financial controls we consider critical for the purpose of issuing a controls opinion.

The scope of our audit included a review of internal controls we consider key controls to be in place for the purpose of addressing the requirements of s129.

These key internal controls consist of a prioritised list of controls from the better practice model. This list was defined based on our risk assessment to determine the key business cycles, and key risks within these business cycles, that we understand should be the focus of the Council's control self-assessment.

The identification of key core controls and key business risks included the following risk assessment procedures:

Risk review – A review of Council's inherent risk assessment for internal financial controls.

Financial statement review – A high level financial statement review performed to identify key accounts and transaction streams.

Internal / external audit results review – The findings and recommendations of internal / external financial audits are reviewed to identify known areas of weakness, and areas known to be attracting audit attention.

The key core controls for the following key business cycles have been identified as critical for the purpose of issuing a controls opinion this financial year:

- Purchasing and Procurement/Contracting
- Fixed Assets
- General Ledger
- Accounts Payable
- Payroll
- Rates / Rates Rebates
- Credit Cards
- Debtors
- Banking
- Receipting

We have included a list of key controls identified by the audit for these business cycles as an appendix to this report (see Appendix 1). This list does not represent a complete population of internal controls that the Council should have in place. There is an expectation that controls not in this list will still exist and be operating effectively within Council.

The list of controls is only intended to be a guide for Council to prioritise its resourcing in readiness for the audit opinion, and for the ongoing monitoring of internal controls i.e. it is a risk based listing of controls which may be desirable for Council to include in its ongoing monitoring program for internal financial controls.

The list should not be considered a minimum standard – rather, it is a starting reference point for Council to consider. It is expected that Council will have performed a risk assessment of financial risks, and given consideration to the need to monitor controls that address High / Extreme risks that may not be included in this listing.

1.3 Category of findings

In order to assist the Council in establishing the overall level of control effectiveness and prioritising areas for attention, we have provided an overall assessment of the business cycles for which we have identified performance improvements opportunities (this report is prepared on an exception basis).

We assessed each business cycle using our risk assessment which was focused on the risk of finding material weaknesses which could lead to a modified controls opinion in the 2023/24 financial year. An overall assessment of the risk of a potential modified audit opinion per business cycle is provided in item 1.5 of this report.

Detailed findings including the controls tested as per the Better Practice Model, findings and recommendations are provided in section 2 of this report. The individual findings are also rated to assist the Council in prioritising corrective actions.

The overall assessment of the risk of non-compliance with s125 of the Local Government Act 1999 and the related findings and recommendations were rated as follows:

Category	Description
High Risk Weaknesses	The issue described could lead to a material weakness in the Council's internal controls and non-compliance with s125 of the Local Government Act.
Moderate Weaknesses	The issue described does not represent a material weakness due to the existence of compensating controls. However, the failure of the compensating controls or the existence of any other moderate weakness within the same business cycle may lead to a material weakness in the Council's internal controls and non-compliance with s125 of the Local Government Act.
Low Risk Weaknesses	The issue described is a low risk weakness due to the existence of compensating controls and/or the failure or absence of the internal controls does not impact significantly on the Council's financial risk. However, multiple low-level risk weakness within the same business cycle may lead to a material weakness in the Council's internal controls and non-compliance with s125 of the Local Government Act.
Better Practice Weaknesses	The issue described has been included in this report as an opportunity for better practice.

The Council should also perform its own assessment of priority based not only on audit risks, but also other risks management considers relevant such as non-compliance with pertinent legislations and regulations, and reputational risks.

1.4 Overall review of the Council's internal controls

Overall the Council demonstrated a satisfactory level of compliance with the implementation of an internal control framework consistent with the principles within the Better Practice Model.

During our interim visit we found that the majority of key internal controls reviewed were in place and were operating effectively (56 out of 65 core controls reviewed).

The principles underpinning the model were used by the Council in the identification of its business cycles, the establishment of its internal controls and the implementation of its financial risk management processes.

A summary of the results of our review is provided in the table below:

Business cycles	Controls Reviewed	Operating Effectively		2024 Findings			
		2024	2023	H	M	L	BP
Purchasing & Procurement/Contracting	7	6	6	-	1	-	-
Fixed Assets	8	7	7	1	-	-	-
General Ledger	8	5	6	-	2	1	-
Accounts Payable	8	7	8	-	1	-	-
Payroll	11	11	11	-	-	-	-
Rates / Rates Rebates	8	7	6	-	1	-	-
Credit Cards	5	5	5	-	-	-	-
Debtors	3	3	3	-	-	-	-
Banking	5	3	4	1	1	-	-
Receipting	2	2	2	-	-	-	-
Total	**65**	**56**	**58**	**2**	**6**	**1**	**-**

We recommend that Council prioritises the high and moderate risk findings, as failure in compensating controls addressing the same risk or existence of multiple moderate weakness within the same business cycle may lead to a material weakness and non-compliance with s125 of the Local Government Act.

We wish to draw attention to Finding 2.7.1 in relation to issues with the bank reconciliation process. This matter is considered to be a material control deficiency, and will result in a modification to our audit opinion on internal financial controls. Further, if the bank reconciliation is in a similar position as at 30 June 2023, we may have to consider qualifying our audit opinion on the financial statements in relation to the reliability of reported cash balances.

1.5 Internal Control Self Assessment

As part of meeting its obligations under s125 of the Act, Council performs a self assessment of the operating effectiveness of internal financial controls, utilising the "ControlTrack" software.

Audit has reviewed the results of this self assessment, and notes that some controls have been flagged as ineffective which have not been tested as part of our external audit. We wish to emphasise that it is important that these self-identified control gaps are monitored and addressed, in the same manner that external audit findings should be.

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Barossa Council

1.6 Summary of findings

Business Cycle	Findings	Risk
Purchase & Procurement / Contracting	2.1.1 Instance of exemption from procurement policy not being properly executed	M
Fixed Assets	2.2.1 Councils Infrastructure Asset Management Plan does not include sufficient renewal plans	H
General Ledger	2.3.1 A list of IT users with access to key finance modules in CiA cannot currently be exported or reviewed by Finance Management	M
	2.3.2 Some key IT policies / procedures are not up to date	M
	2.3.3 No documented policy / procedure in place for approval of manual journals	L
Accounts Payable	2.4.1 Accounts Payable staff are not following up with changes in the supplier master file via phone call	M
Rates	2.5.1 No formal review of Pathway user access and excessive Administrator users	M
Credit cards	Audit did not find any issue that would represent a risk of non-compliance with s125 of the Local Government Act	**N/A**
Debtors	Audit did not find any issue that would represent a risk of non-compliance with s125 of the Local Government Act	**N/A**
Banking	2.6.1 Delays in matching a large volume of miscellaneous reconciling items	H
	2.6.2 'Authorised Financial Signatories Register' not updated to reflect staffing changes	M
Payroll	Audit did not find any issue that would represent a risk of non-compliance with s125 of the Local Government Act	**N/A**
Receipting	Audit did not find any issue that would represent a risk of non-compliance with s125 of the Local Government Act	**N/A**

2. DETAILED AUDIT FINDINGS

2.1 PURCHASING AND PROCUREMENT/CONTRACTING

2.1.1 Instance of exemption from procurement policy not being properly executed	Moderate
Control	Council does not obtain value for money in its purchasing and procurement.
Risk	Council potentially not obtaining the best value for money in their purchasing.

Finding	Recommendations	Management Response
Audit tested a sample of seven procurements for compliance with the requirements of Council's Procurement Policy. In one instance, a waiver was used to allow staff to bypass the need to seek three quotations for a project on the basis that this was a specialised project with only one known supplier able to provide materials of a suitable nature and quality. Audit considers this a reasonable basis for an exemption, however noted the following two issues with this exemption: 1) the project value was between $250,000 to $1,000,000, therefore requiring an open tender per the procurement policy. The waiver specifically states it is waiving the requirement for three quotes, not the requirement for open tender. This is assumed to be human error, with the intent likely to have been to waive all policy requirements and allow a single supplier to be approached. 2) The waiver provided to audit is an editable word document with a picture of the approval signature pasted in. Digital approval, whilst it can be a suitable and efficient form of approval, requires the use of a proper, secure digital signature (as is available in most PDF software) to be valid.	Council introduces the use of secure digital signatures for the approval of waiver forms (and other digital forms as appropriate). Where waivers are used, ensure that the nature of the waiver is consistent with the requirements of the procurement policy.	We accept this audit finding and agree that it was human error that the waiver referred to waiving the requirement for three quotes when it should have referred to waiving the requirement for open tender, given the value of the purchase. We are satisfied that a waiver was appropriate in this instance given there was only one supplier available to supply the materials required. We agree that it would be better practice for any word documents containing electronic signatures to be converted to a PDF document after the electronic signature has been attached. An email will be sent to all staff reminding them of the correct process to follow if using electronic signatures for approvals.

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2.2 FIXED ASSETS

2.2.1 Councils Infrastructure Asset Management Plan does not include sufficient renewal plans	High
Control	Asset Management Plans for all major asset classes are adopted and reviewed by Council as required by the Local Government Act 1999.
Risk	Fixed Asset maintenance and/or renewals are inadequately planned.

Finding	Recommendations	Management Response
As part of the mandatory suite of strategic management plans, the Local Government Act 1999 requires councils to develop and adopt an infrastructure and asset management plan (IAMP), relating to the management and development of infrastructure and major assets by the council for a period of at least 10 years. Whilst the Council does have an IAMP in place, the projected renewal spend over the life of the plan lacks sophistication and has not been used to inform the LTFP. If Council does not have a robust forward plan for the next 10 years, required asset renewals may not be adequately planned for. It also reduces the reliability of council's assessment of its financial sustainability. Council are currently reviewing the AMP's and ensuring alignment with the LTFP, including a robust forward plan for the next 10 years for required asset renewals. Importantly, whilst there is a need to develop a more robust 10 year renewal plan, council does have in place underlying asset management systems and data to a reasonable standard to be able to inform this plan. A number of revaluations have occurred in recent years, and council recently upgraded to the 'Assetic' asset management system. Additionally, council staff have identified factors which lower the risk of material changes in renewal requirements, such as the quality of soils and low levels of ground movement increasing expected useful lives, and council owned quarries reducing construction costs.	Council prioritises the development of a robust 10 year renewal plan for inclusion in the revised IAMP (currently planned for approval in September 2024). This renewal plan is used as the basis for the IAMP, Annual Business Plan and Long Term Financial Plan (LTFP) to ensure consistency between key strategic documents.	This has been achieved with the updating of the asset system, alignment of new modelling and condition assessments along with valuation reviews being back on track, and will be fully aligned and assessed as part of the current strategic review of the asset system. The 2024-25 LTFP now fully aligns to the current IAMP, and capability within the new asset system will enable ongoing annual alignment between the IAMP modelling and the LTFP. There are no further actions required in addition to those currently achieved and embedded in the annual review and budgeting processes.

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2.3 GENERAL LEDGER

2.3.1 A list of IT users with access to key finance modules in CiA is not reviewed by Finance Management	Moderate
Control	Access to General Ledger maintenance is restricted to appropriately authorised personnel.
Risk	General ledger does not contain financial information / Data contained within the general ledger is permanently lost.

Finding	Recommendations	Management Response
TechOne access can only be provided by the IT department following HR & Manager approval through the onboarding and change of conditions workflows. This is also matched to delegations before IT provides / changes access for a user. In 2022-23 a TechOne extract reflecting the user 'roles' that are assigned to staff to determine their level of system access was reviewed by IT staff as part of the annual Financial Internal Controls Self-Assessment process (managed in 'ControlTrack'). This extract did not include details of the 'functions' assigned to each user's 'role', required to give a true insight into access rights. In 2023-24 Council moved to the CiA system. Currently, a list of users showing their access levels / user rights in key finance modules cannot be exported. This is due to updates and custom work through CiA that has resulted in certain reports being unavailable to view / export. The new ETI Manager has recently logged a job in relation to this. Audit notes that changes to IT access will likely occur as part of the process of introducing a new Chart of Accounts as at 2 August 2024.	IT continue to follow up with CiA to develop a solution allowing the export of a list of users with roles and access rights to key finance modules. A periodic review is performed by Finance Management to ensure adequate segregation of duties in the finance system. Key areas of access that should be considered in this review include: - Administrator access - Banking - General ledger - Payroll - Accounts payable - Accounts receivable - Rates - Receipting.	We accept this audit finding and agree that a periodic review of user access in the CiA system should be performed to ensure users continue to have appropriate access in the system (including the financial delegations set up in the system) and incompatible duties are segregated. We will continue to follow-up with CiA to obtain a listing of all users with roles and access rights to the CiA system, and will perform a review annually once this information has been obtained. A user access review policy will be developed by ET&I to govern this process. There are also other controls not contemplated that have a real effect on controlling the risks identified, such as financial delegations, human resource and IT policies, induction processes, monthly and quarterly reporting processes, and other manual controls like payroll checking, along with normal accounting reconciliations that oversee the use and input of information, which should also be taken into account.

2.3.2 Some key IT policies / procedures are not up to date	Moderate
Control	General Ledger policies and procedures are appropriately created, updated and communicated to relevant staff.
Risk	Data contained within the General Ledger is permanently lost

Finding	Recommendations	Management Response
The following Council documents are out of date and overdue for review: - IT Disaster Recovery Plan - Back-up Policy Additionally, Council's 'Business Continuity Plan', 'IT Security Policy Manual' and 'End User Security Policy' are to be reviewed by the new IT Manager. We note that these documents have not been updated since last year, partly due to manager turnover, and that a 'Back-up' review is scheduled to be undertaken in late 2024.	These policies and plans are updated and formally approved.	We accept this audit finding. The Council's IT Disaster Recovery Plan and Back-Up Policy will be reviewed and updated if required. The Council's Business Continuity Plan, IT Security Policy Manual and End User Security Policy will also be reviewed by the new Manager Enterprise Technology & Innovation to ensure the information remains up-to-date and reflects current practice.

2.3.3 No documented policy / procedure in place for approval of manual journals	Low
Control	Journal entry access is restricted to appropriately authorised personnel.
Risk	General Ledger does not contain financial information

Finding	Recommendations	Management Response
All journals processed through CiA are checked and approved by a different staff member than the one who processed the journal. However, audit noted that the approver was not always an officer with higher authority/delegation than the processor. There is no documented process / policy outlining the journal approval requirement or guidance on the appropriate approver.	Develop a journal policy / procedure requiring that journals are independently reviewed and approved, and providing guidance as to the appropriate approver (e.g. that journals must be approved by persons with equal or higher levels of authority).	We accept this audit finding and will develop a manual journal approval policy outlining who in the Finance team can approve the posting of manual journals.

2.4 ACCOUNTS PAYABLE

2.4.1 Accounts Payable staff are not following up with changes in the supplier master file via phone call	Moderate
Control	Requested changes or additions to supplier Masterfile are verified independently of source documentation.
Risk	Council is making payments to compromised suppliers.

Finding	Recommendations	Management Response
When changes to the supplier Masterfile occur, Council staff rely on the email address that they have on file to get in contact via this email to confirm the change to the bank account or other supplier information. After this occurs, staff email a 'new creditor request or update details form' and request the supplier to update their payment or other information. Council staff will only phone suppliers to confirm changes if they do not receive a response to their email. This practice exposes council to the potential risk of emails being fraudulently intercepted and fraudsters posing as suppliers. Such attacks are common and prevalent in the Local Government sector.	Suppliers are contacted via phone to confirm that any changes to the supplier's details are correct prior to changes being approved and updated in the supplier Masterfile.	We accept this audit finding. This is currently occurring on an ad hoc basis, however going forward we will call all suppliers using the phone number on file to confirm that any changes to the supplier masterfile are correct. The Council's Purchasing Process will be updated to reflect this.

2.5 RATES

2.5.1 No formal review of Pathway system access and excessive Administrator users	Moderate
Control	Access to the Property master file is restricted to appropriately designated personnel, with a process in place to ensure changes are in line with policies and procedures.
Risk	The property master file does not remain pertinent.

Finding	Recommendations	Management Response
There is no formal review of user access rights in the Pathway system. IT has flagged this as an issue in both the current and prior year's Internal Financial Control Self-Assessment reports. Responsibility for this review informally sits with IT, however IT staff have advised that they do not have the operational knowledge to be able to adequately access the appropriateness of staff access within Pathway. There are more than 30 users (an increase over the approximately 30 users noted in 2022-23) who have Administrator access to the property module within Pathway. In the absence of a clear rationale for this number of administrators, audit considers this to be excessive. Additionally, audit has been advised that the practice for allocation of application permissions for new staff sometimes involves cloning permissions from old users, and then adding new permissions as required. Pathway support is outsourced, and unneeded permissions are reportedly not always cleaned up. This further highlights the need to perform regular access reviews.	A formal annual review of Pathway access rights is introduced. Responsibility for this review is assigned to an appropriate user group/s (e.g. property and rating and debtors/receipting departments). As part of the review process, the number of Administrator users is reviewed with a view to minimising the number of administrators based on need.	We accept this audit finding and will formally review user access to Pathway annually. As part of this we will review users with administrator access and will delete this access if not required for their role at the Council. As identified in our response to 2.3.1, a user access review policy will be developed by ET&I to govern this process.

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Barossa Council

2.6 BANKING

2.6.1 Delays in matching a large volume of miscellaneous reconciling items	High
Control	Bank reconciliations are performed on a predetermined basis and reviewed by an appropriate person. Any identified discrepancies are investigated.
Risk	Banking transactions are either inaccurately recorded or not recorded at all.

Finding	Recommendations	Management Response
As at the time of our interim audit in early May 2024, reconciling items in the bank reconciliation had not been matched and cleared since August 2023. There was a large volume of unreconciled items (more than 70 pages in the bank reconciliation report listing in excess of 1,500 line items) totaling around $12 million as at 28th of March 2024. Uncleared reconciling items dated back as far as September 2023. Finance staff reported that the backlog in matching reconciling times occurred following the 'go live' date of the new CIA system, which caused issues in the payroll module requiring diversion of staff away from bank reconciliation duties. Staff turnover in the finance team meant that no trained backup person was available to take over the bank reconciliations. Audit has been advised that resourcing is now being allocated to the bank reconciliation, and there is an intention to match all the unreconciled items for 30 June in time for the final audit. Audit would like to highlight that this should be considered a matter of priority. The bank reconciliation is a key control providing comfort in the integrity of the General Ledger, and assists in identification of potential errors and/or fraud. Audit acknowledges that the value of unmatched transactions in the bank ledger is similar to the value of unmatched transactions in the general ledger, suggesting that the majority of transactions are likely to be reconcilable without issue.	Ensure that reconciling items in the bank reconciliation are matched by the end of the financial year. Allocate resources to the month end bank reconciliation process to ensure that this reconciliation is prioritised and completed each month, including matching of all reconciling items.	We accept this audit finding. This issue came about due to resourcing issues in the Finance team during 2023-24. Reconciling items in the bank reconciliation have now been resolved as at 30 June 2024. A monthly sign-off process is in place to ensure all key reconciliations are performed each month and this will be reviewed by the Manager Financial Services at the end of each month to ensure all key reconciliations have been performed, supporting information attached, and independently reviewed.

Further, the nature of these unmatched transactions appears to be routine transactions that remain unmatched only as the result of the processing backlog. However, the legitimacy of general ledger transactions will not be proven until the reconciliation is actually done. **This matter is considered to be a material control deficiency, and will result in a modification to our audit opinion on internal financial controls.** **If the bank reconciliation is in a similar position as at 30 June 2023, we may have to consider qualifying our audit opinion on the financial statements in relation to the reliability of reported cash balances.**		

2.6.2 'Authorised Financial Signatories Register' not updated to reflect staffing changes	Moderate
Control	Access to the Property master file is restricted to appropriately designated personnel, with a process in place to ensure changes are in line with policies and procedures.
Risk	The property master file does not remain pertinent.

Finding	Recommendations	Management Response
A 'Register of Authorised Financial Signatories' is maintained and approved by the CEO, listing all staff who have been resolved by the CEO to sign off on financial documentation on behalf of Council. This register was last updated in July 2023. Since this time, some staff who are listed on the register are no longer employed by Council.	Update the 'Register of Authorised Financial Signatories' to remove staff no longer employed by Council. In addition to the scheduled annual review of the register, implement a process to ensure updates are made when staffing changes occur.	We accept this audit finding and agree that the Register of Authorised Financial Signatories is required to be updated to reflect current staffing in the Finance team.

APPENDIX 1 – CRITICAL INTERNAL FINANCIAL CONTROLS

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Barossa Council

Purchasing and Procurement

Risks

R1	Council does not obtain value for money in its purchasing and procurement.
R2	Purchase orders are either recorded inaccurately or not recorded at all.
R3	Purchase orders are made for unapproved goods and services.

RISKS	Control	Control Type
R1	Council has a Procurement Policy that provides direction on acceptable methods and the process for procurement activities to ensure transparency and value for money within a consistent framework, with consideration of any potential conflicts of interest.	Core
R1	Employees must ensure all purchase orders are issued in accordance with Council's Procurement Policy and approved in accordance with the Delegations of Authority and other relevant policies	Core
R3	Purchase order numbers are either system generated and/or sequentially numbered.	Core
R3 R2	There is a process in place to ensure all invoices for payment are matched to relevant source documents such as purchase orders where applicable and are in line with Procurement Policy guidelines.	Core

CONTRACTING

Risks

R1	Council is not able to demonstrate that all probity issues have been addressed in the Contracting process.
R2	Council does not obtain value for money in relation to its Contracting.

RISKS	Control	Control Type
R1	Council maintains a current contract register.	Core
R2	Tender Documents are kept securely.	Core
R1	There are robust and transparent evaluation and selection processes in place to engage contractors where relevant in accordance with the Code of Conduct, Conflict of Interest and Procurement Policy.	Core

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Barossa Council

FIXED ASSETS

Risks

R1	Fixed asset acquisitions, disposals and write-offs are fictitious, inaccurately recorded or not recorded at all. Fixed Asset Register (FAR) does not remain pertinent.
R2	Fixed assets are inadequately safeguarded.
R3	Fixed Assets are not valued correctly initially or on subsequent revaluation.
R4	Depreciation charges are either invalid, not recorded at all or are inaccurately recorded which includes inappropriate useful lives and residuals.
R5	Fixed Asset maintenance and/or renewals are inadequately planned.

RISKS	Control	Control Type
R1	All fixed asset acquisitions and disposals are approved in accordance with Delegation of Authority and relevant Procurement and Fixed Asset Policies.	Core
R5	Asset Management Plans for all major asset classes are adopted and reviewed by Council as required by the Local Government Act 1999.	Core
R1	Asset register calculations are reviewed for accuracy.	Core
R4	Depreciation charges are calculated in accordance with the asset accounting policy and compliant with relevant accounting standards, including the useful life, depreciation method and residual values.	Core
R1	Maintenance of the fixed asset register is limited to appropriate staff with consideration to segregation of duties.	Core
R1	Reconciliation of fixed assets to the General Ledger is performed in accordance with schedule of review or procedure.	Core
R3	Relevant staff review useful lives, residuals, valuations, depreciation methodology and test for impairment to ensure that methods used are still appropriate and significant changes are incorporated into Asset Management Plans	Core
R1	There is a process in place for the verification of fixed assets which is reconciled to the FAR.	Core

GENERAL LEDGER

Risks

R1	General Ledger does not contain accurate financial information
R2	Data contained within the General Ledger is permanently lost.

RISKS	Control	Control Type
R1 R2	Access to General Ledger maintenance is restricted to appropriately authorised personnel.	Core
R1	All balance sheet reconciliations are reviewed by a person other than the preparer at least annually.	Core
R1	All journals, including manual entries, identify date posted, narration, author, journal and posting reference.	Core
R1 R2	Financial data is backed up and stored offsite.	Core
R1 R2	General Ledger policies and procedures are appropriately created, updated and communicated to relevant staff.	Core
R1	Journal entry access is restricted to appropriately authorised personnel.	Core
R1	Reconciliation of all balance sheet accounts is completed in accordance with a schedule of review and/or procedure.	Core
R1	There is a process in place to review actual vs budget and significant variances investigated.	Core

ACCOUNTS PAYABLE

Risks

R1	Accounts payable amounts and disbursements are either inaccurately recorded or not recorded at all.
R2	Credit notes and other adjustments to accounts payable are either inaccurately recorded or not recorded at all.
R3	Disbursements are not authorised properly.
R4	Accounts are not paid on a timely basis.
R5	Supplier master file data does not remain pertinent and/or unauthorised changes are made to the supplier master file.

RISKS	Control	Control Type
R5	Access to the supplier masterfile is restricted to authorised staff	Core
R3	All invoices and payment requests are approved in accordance with relevant policies and/or Delegations of Authority.	Core
R1	Payments are endorsed by relevant staff separate to the preparer, who ensures that they are paid to the correct payee.	Core
R1	Payments are verified to appropriate supporting documentation and are in line with Delegations of Authority.	Core
R5	Recorded changes to the supplier master file are compared to authorised source documents to ensure that they were input accurately.	Core
R4	Relevant staff to review aged payables listing on a predetermined basis and investigate where appropriate.	Core
R5	Requested changes or additions to supplier masterfile are verified independently of source documentation.	Core
R2	Separation of Accounts Payable and Procurement duties.	Core

RATES / RATES REBATES

Risks

R1	Council does not raise the correct level of rate income.
R2	Rates and rate rebates are either inaccurately recorded or not recorded at all.
R3	The Property master file data does not remain pertinent.
R4	Rates are not collected on a timely basis.

RISKS	Control	Control Type
R3	Access to the Property master file is restricted to appropriately designated personnel, with a process in place to ensure changes are in line with policies and procedures.	Core
R2	All rate rebates and adjustments including write offs are appropriately authorised, with reference to Delegations of Authority and source documents.	Core
R2	Annual valuation update is balanced prior to the generation of rates; all mismatches resolved prior to finalising rate generation.	Core
R2	Employees responsible for processing rate payments and rebates cannot process their own payments or rebates unless the transaction is approved by someone independent of the process	Core
R4	There is a Process in place to ensure that rates are collected in a timely manner and overdue rates are followed up.	Core
R1	Rates are automatically generated by the rate system, including the calculation of rate rebates and other parameters as applicable.	Core
R2	Rates are generated and tested for accuracy of calculation methodology prior to the rates billing run.	Core
R1	There is a rating policy in place that is reviewed annually that provides clear guidance on rating methodology and relevant rebates and remissions in line with legislation.	Core

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CREDIT CARDS

Risks

R1	Credit Cards are issued to unauthorised employees.
R2	Credit Cards are used for purchases of a personal nature.
R3	Credit Card limits are set at inappropriate levels.

RISKS	Control	Control Type
R2	Cardholders must check their statement to ensure all transactions are correct and identify any transactions of a personal nature which must be reimbursed to Council.	Core
R1	Credit card holders sign a declaration confirming compliance with Council policy and procedures prior to the Credit Card being released.	Core
R2	There is a process in place to approve all credit card transactions to ensure compliance with the policies and procedures covering credit card usage.	Core
R3	There is a process in place to ensure credit card limits and usage is reviewed for operational efficiency.	Core
R1 R3	There is a process in place to ensure there are appropriate approvals prior to the issuing of Credit Cards and limits.	Core

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DEBTORS

Risks

R1	Debtors are either inaccurately recorded or not recorded at all.
R2	Debtors are either not collected on a timely basis or not collected at all.

RISKS	Control	Control Type
R1	Debtor's reconciliation is performed on a regular basis to the General Ledger and reviewed by an appropriate person.	Core
R2	Relevant staff reviews debtors ageing profile on a regular basis and investigates any outstanding items, and considers provisions for doubtful debts.	Core
R1	The organisation maintains a Debt Collection Policy and/or procedure.	Core

BANKING

Risks

R1	Banking transactions are either inaccurately recorded or not recorded at all.
R2	Fraud (i.e. misappropriation of funds)

RISKS	Control	Control Type
R1	Access to EFT Banking system is restricted to appropriately designated personnel.	Core
R1 R2	Bank reconciliations are performed on a predetermined basis and are reviewed by an appropriate person. Any identified discrepancies are investigated.	Core
R2	Cash transfers between bank accounts and investment bodies are undertaken by appropriate staff.	Core
R2	There is a process in place to ensure all cash collected is adequately recorded and banked regularly.	Core
R2	There is a process in place to ensure all cash, blank cheques and/or cheque signing machine are adequately safeguarded.	Core

PAYROLL

Risks

R1	Payroll expense is inaccurately calculated.
R2	Payroll disbursements are made to incorrect or fictitious employees.
R3	Time and/or attendance data is either invalid, inaccurately recorded or not recorded at all.
R4	Payroll master file does not remain pertinent and/or unauthorised changes are made to the payroll master file.
R5	Voluntary and statutory payroll deductions are inaccurately processed or without authorisation.
R6	Employees termination payments are not in accordance with statutory and enterprise agreements.

RISKS	Control	Control Type
R5	All calculations for generating payroll payments are verified for accuracy.	Core
R2	Payroll system generates audit reports detailing all payroll changes and there is a process in place to ensure all changes are reviewed and verified against source documents.	Core
R3	Relevant staff are required to complete timesheets and/or leave forms, authorise them and have approved by the relevant supervisor.	Core
R4	The ability to access, modify or transfer information contained in the payroll master files is restricted to authorised staff.	Core
R2	The payment for the payroll must be reconciled to a system generated report detailing amount and employee prior to payment.	Core
R1 R3	There is a process in place to ensure accurate data entry of payroll source documents.	Core
R2	There is a process in place to ensure employees are not added to the payroll masterfile, nor details amended or amounts paid without receipt of the appropriate forms which have been authorised by relevant staff.	Core
R1 R3	There is a process to ensure all overtime is verified and approved by relevant appropriate staff.	Core
R2 R6	There is a process to ensure an independent review of proposed payroll payments by authorised staff.	Additional
R2	There is a segregation of duties from those preparing the payroll to those responsible for preparation of source documents (e.g. timesheets, leave requests etc).	Core
R3	Time recording and attendance exceptions such as TOIL or flexitime are based on relevant policies/agreement are identified, monitored and corrected.	Core

RECEIPTING

Risks

R1	Receipts are either inaccurately recorded or not recorded at all.

RISKS	Control	Control Type
R1	Receipt transactions are reconciled to the daily takings and out-of-balance banking is corrected promptly.	Core
R1	There is a review process for the authorisation of the reversal of transactions.	Additional

Attachment 2

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Accountants, Auditors & Business Consultants

2023/2024 Audit Completion Report

Barossa Council

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Barossa Council

SUMMARY OF AUDIT

To the members of the audit committee of the Barossa Council

We are pleased to present our Audit Completion Report for the financial year ended 30 June 2024. The purpose of this document is to summarise the key accounting and audit matters that have arisen during the engagement and our audit conclusions.

We have issued the following opinions:

Intended opinions	Type of opinion	Proposed Auditor's Report
Opinion on the Financial Statements	Unmodified	Refer to Appendix 1 of this report.
Controls Opinion	Unmodified	Refer to Appendix 2 of this report.

We have included in this report the following information to ensure that councillors, management and audit committee members are aware of all significant matters relating to the audit.

Matters	Sections
Status of our audit work	Section 1
Summary of Audit Risks and Overall Responses	Section 2
Key Audit Matters	Section 3
Internal Controls Opinion and Recommendations	Section 4
Final Management Letter	Section 5
Corrected Adjustments	Section 6
Immaterial Uncorrected Misstatements	Section 7
Proposed Independent Auditor's Report on the Financial Report	Appendix 1
Proposed Independent Auditor's Report on the Internal Controls	Appendix 2
Draft Statement by Auditor	Appendix 3
Better Practice Model (BPM) Risks	Appendix 4
Risk Ratings	Appendix 5
Summary of Findings Identified – Interim Audit	Appendix 6

We confirm that for the audit of the year ended 30 June 2024 we have maintained our independence in accordance with the requirements of APES 110 – *Code of Ethics for Professional Accountants (including Independence Standards)*, Part 4A, published by the Accounting Professional and Ethical Standards Board, in accordance with the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011 made under that Act.

Yours faithfully

Tim Muhlhausler CA Registered Company Auditor
Date: 21 November 2024

Liability limited by a scheme approved under Professional Standards Legislation

1. Status of Our Audit Work

Below is a summary of the status of audit activities and key documents related to the completion of our final audit.

Activities/Documents	Responsibility	Status
Final draft of the financial report	Management	Completed
Final audit visit	Audit	Completed
Final substantive procedures	Audit	Completed
Audit verification of the final draft of the financial report	Audit	Completed
Final draft of the financial report after audit verification	Management	Completed
Audit Completion Report	Audit	Completed
Final audited financial statements from the Council's subsidiaries	Management	Completed
Final financial report after considerations from the audit committee	Management	Completed
Signed certification of financial statements	Management	Completed
Signed certification of auditor independence	Management	Completed
Signed management representation letter	Management	Completed
Signed statement by auditor	Audit	Completed
Review of the subsequent events up to the date of the auditor's report.	Audit	Completed
Final Independent Auditor's Report on the Internal Controls	Audit	Completed
Final Independent Auditor's Report on the Financial Report	Audit	Completed

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2. Summary of Audit Risks and Overall Responses

Below, a summary of our initial audit risks identified in our audit plan presented to the audit committee, the audit approach and responses to address these risks and the final audit risks (residual risks) after the execution of our audit procedures.

Statement of Comprehensive Income – Income

Accounts	Initial Audit Risk	$ '000	Risks as per BPM – REF*	Audit Response	Residual Risk	Results
Rates and charges	High	37,956	RA1/RA2/RA3/RA4/RE1/RE2	Controls and substantive tests	Low	Fairly presented
Statutory charges	Moderate	830	US1/US2/US3/RE1/RE2	Substantive tests	Low	Fairly presented
User charges	Moderate	3,827	US1/US2/US3/RE1/RE2	Substantive tests	Low	Fairly presented
Grants	Moderate	1,903	GR1/GR2/GR3/RE1/RE2	Substantive tests	Low	Fairly presented
Investment Income	Low	217	II1	Substantive tests	Low	Fairly presented
Reimbursements	Low	63	OR1	Substantive tests	Low	Fairly presented
Other Income	Low	1,243	OR1	Substantive tests	Low	Fairly presented

Statement of Comprehensive Income - Expenses

Accounts	Initial Audit Risk	$ '000	Risks as per BPM – REF*	Audit Response	Residual Risk	Results
Employee costs	High	17,817	PA1/PA2/PA3/PA4/PA5/PA6	Controls and substantive tests	Low	Fairly presented
Materials / Contracts / Other Expenses	High	17,533	PP1/PP2/PP3/PP4/PP5/PP6 CO1/CO2/CO3 CC1/CC2/CC3	Controls and substantive tests	Low	Fairly presented
Depreciation and amortisation	High	11,010	FI4	Controls and substantive tests	Low	Fairly presented
Finance Costs	Low	771	BO1	Substantive tests	Low	Fairly presented
Equity Accounted Businesses	Low	47	OR1/OE1	Substantive tests	Low	Fairly presented

Statement of Comprehensive Income – Other Comprehensive Income

Accounts	Initial Audit Risk	$ '000	Risks as per BPM – REF*	Audit Response	Residual Risk	Results
Asset Disposals & FV Adjust	High	(2,497)	FI1/FI3	Controls and substantive tests	Low	Fairly presented
Amounts Received Specifically for New or Upgraded Assets	Moderate	2,339	GR1/GR2/GR3/RE1/RE2	Substantive tests	Low	Fairly presented
Physical Resources Received Free of Charge	Low	2,832	FI1	Substantive tests	Low	Fairly presented

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Statement of Financial Position – Assets

Accounts	Initial Audit Risk	$ '000	Risks as per BPM – REF*	Audit Response	Residual Risk	Results
Cash and cash equivalents	High	3,153	BA1/BA2/IN1/IN2/IN3	Controls and substantive tests	Low	Fairly presented
Trade and other receivables	Moderate	3,248	DE1/DE2/DE3/DE4/DE5/PR1	Controls and substantive tests	Low	Fairly presented
Inventories	Low	123	N/A	Substantive tests	Low	Fairly presented
Financial Assets & NC Receivables	Low	1,228	LO1	Substantive tests	Low	Fairly presented
Equity Accounted Businesses	Low	4,518	OR1/OE1	Substantive tests	Low	Fairly presented
IPPE + WIP	High	420,337	FI1/FI2/FI3/FI4/FI5	Controls and substantive tests	Low	Fairly presented

Statement of Financial Position - Liabilities

Accounts	Initial Audit Risk	$ '000	Risks as per BPM – REF*	Audit Response	Residual Risk	Results
Trade and other payables	High	5,355	AP1/AP2/AP3/AP4/AP5/TA1/AE1	Controls and substantive tests	Low	Fairly presented
Borrowings	Low	3,558	BO1/BO2/BO3/BO4	Substantive tests	Low	Fairly presented
Provisions	Moderate	3,292	EP1	Substantive tests	Low	Fairly presented
Trade and other payables - NC	High	-	AP1/AP2/AP3/AP4/AP5/TA1/AE1	Controls and substantive tests	Low	Fairly presented
Borrowings - NC	Low	11,871	BO1/BO2/BO3/BO4	Substantive tests	Low	Fairly presented
Provisions - NC	Moderate	722	EP1	Substantive tests	Low	Fairly presented

Statement of Financial Position - Equity

Accounts	Initial Audit Risk	$ '000	Risks as per BPM – REF*	Audit Response	Residual Risk	Results
Accumulated Surplus	Low	106,561	N/A	Substantive tests	Low	Fairly presented
Asset Revaluation Reserves	High	285,676	FI3	Controls and substantive tests	Low	Fairly presented
Other Reserves	Low	15,572	N/A	Substantive tests	Low	Fairly presented

Intended Audit Opinion
In our opinion, except for the effects of the matter referred to in the Basis for Qualified Opinion section of our independent auditor's report, the financial report prepared by the Council presents fairly, in all material respects, the Council's financial position as at 30 June 2024 and its financial performance for the year ended on that date.

* A list of the main risks as per the Better Practice Model (BPM) addressed during our audit and related risk references is provided in Appendix 4.

3. Key Audit Matters

Key audit matters are those matters that, in the auditor's professional judgement, were of most significance in the audit of the financial report. We address these matters in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

3.1 Valuation of Infrastructure assets

Why the matter is significant	How the matter was addressed
Infrastructure assets are valued at fair value. The fair values of these assets were based on depreciated current replacement costs which is comprised by the gross replacement cost less accumulated depreciation. Council values the gross replacement cost using the estimated average cost (unit cost) at which it could construct a substitute asset of comparable quality in the normal course of business. There was inherent subjectivity involved in making judgments in relation to assumptions used to estimate unit rates which also involved determining the: ▪ components of assets that are replaced at different times in the asset lifecycle ▪ costs required to replace these components using current prices for materials, labour, and plant costs ▪ indices for measuring subsequent changes in unit rates. The useful lives of assets and the measurement of accumulated depreciation are determined by external valuers. Significant judgement is used to determine the different useful lives for different components of assets and to calculate the depreciation that would have accumulated since original construction using these estimated useful lives. The significant professional judgments used to estimate the gross replacement cost and the accumulated depreciation are also relevant to the calculation of the annual depreciation expense of these assets.	Our audit included but was not limited to the following activities: ▪ reconciled closing balances to the asset registers ▪ reconciled the movements in note 7 to the asset register ▪ reviewed the basis for valuation used by external valuers ▪ assessed the competence of external valuers (experts) in accordance with Australian Accounting Standards ▪ reviewed the fair value hierarchy provided in note 7 for each category of asset ▪ reconciled the useful lives used to calculate the accumulated depreciation and the depreciation for the period to the revaluation reports ▪ reviewed the useful lives mentioned above for different components and compared them to other local government entities ▪ performed a recalculation of depreciation ▪ reviewed the methodology used by Council to perform componentisation of infrastructure assets and compared the methodology used to Council's actual asset management practices and to other local government entities ▪ reconciled the unit rates used for different components of infrastructure assets to the unit rates provided in the revaluation report ▪ reviewed the unit rates mentioned above and compared them to different local government entities ▪ assessed the adequacy of disclosures in the financial report.

3.2 Valuation of Land and Buildings

Why the matter is significant	How the matter was addressed
Land and buildings are valued at fair value. The basis of valuation to be used for these assets depends on a number of factors such as the nature of the asset, purpose of their use, the highest and best use of the asset, potential restrictions to the disposal of these assets among other factors. Valuation of land depends on whether the land is classified as Crown land or community land. Community land and Crown land are valued using unobservable (level 3) inputs as the allowance for the restriction on sale (requiring Ministerial consent) is usually an unobservable input, and is likely to have a significant effect on valuation. Land, where Council has an unfettered right to sell them, is usually valued at current market value based on their highest and best use. Level 2 inputs are primarily used for land during the valuation process. Valuation of buildings depends on the nature of these assets. Some Council buildings have no active market due to the specialised nature of the assets and the services they provide. For such buildings fair value is usually determined on the basis of replacement with a new building having similar service potential. Valuation techniques used to measure fair value of these buildings include significant unobservable inputs (level 3). For buildings that have an active market, buildings are assessed on market value principles which is deemed to be their fair value based on level 2 inputs. The most significant input into this valuation approach is sales transactions of comparable properties within the City, adjusted for any pertinent differences. The significant professional judgments used to estimate the value of buildings are also relevant to the calculation of the annual depreciation expense of these assets.	Our audit included but was not limited to the following activities: ▪ reconciled closing balances to the asset registers ▪ reconciled the movements in note 7 to the asset registers ▪ reviewed the basis for valuation used by external valuers ▪ assessed the competence of external valuers (experts) in accordance with Australian Accounting Standards ▪ analysed the nature of the land building assets and concluded whether the fair value hierarchy provided in note 7 for each category of asset was reasonable ▪ reconciled the useful lives used to calculate the accumulated depreciation and the depreciation for the period to the revaluation reports ▪ reviewed the useful lives mentioned above for different components and compared them to other local government entities ▪ performed a recalculation of depreciation; and ▪ assessed the adequacy of disclosures in the financial report.

3.3 Accounting treatment of capitalisation of assets

Why the matter is significant	How the matter was addressed
Councils are asset intensive and highly dependent on multiple assets to deliver services to customers. Hence, there is a high volume of transactions and significant amounts involved in relation to capitalisation of assets. Due to the unique characteristics of Council's assets a number of considerations are taken into account when an expenditure is capitalised which include: ▪ whether Council is incurring capital expenditure to physical resources that are controlled by Council. Control is the most difficult of the characteristics of an asset to be defined as this usually goes beyond the legal ownership; ▪ Inclusions and exclusions of costs at initial recognition of an assets in accordance with AASB 116; ▪ Cost involved in dismantling and removing the asset and/or restoring the site under AASB 137; ▪ Borrowing costs to be capitalised into the cost of IPPE where the asset is a "qualifying asset" as per AASB 123; and ▪ accounting for subsequent costs and defining the nature of these costs as being capital or maintenance expenditure.	Our audit included but was not limited to the following activities: ▪ performed analytical procedures to define whether the amounts capitalised for the FY was in accordance with our expectation and our understanding of the entity; ▪ reviewed internal controls in place for capitalisation of assets; ▪ selected a sample of additions and performed an assessment of the nature of the addition and concluded whether the addition was recognised in accordance with Australian Accounting Standards; ▪ reviewed the WIP schedule and selected a sample of transfers out to ensure that the asset was appropriately valued and capitalised in the right account; and ▪ reviewed the WIP schedule in order to identify projects that should have been capitalised but were not.

3.4 Revenue Recognition

Why the matter is significant	How the matter was addressed
AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities apply to revenue recognition for SA Councils. Income from capital and other specific purpose grants needs to be assessed to determine whether it is recognised on receipt, or recognised over time as performance obligations are met (where these obligations are sufficiently specific and rise from enforceable contracts) and a liability recognised for unspent monies.	Our audit included but was not limited to the following activities: ▪ performed analytical procedures to identify any variance that would represent a risk or incorrect application of AASB 15 and AASB 1058 ▪ reviewed a sample of grant agreements and assessed whether agreements contain sufficiently specific performance obligations ▪ evaluated the accounting treatment used by Council to account for the grant agreements in place selected for our tests ▪ tested a sample of financial transactions for compliance with Australian Accounting Standards.

3.5 Management Override of Controls

Why the matter is significant	How the matter was addressed
Management is inherently in a unique position to perpetrate fraud because of management's ability to manipulate accounting records and prepare a fraudulent report by overriding controls that otherwise appear to be operating effectively. Due to the unpredictable way in which such override could occur, the risk of material misstatement due to fraud is, by default, considered a significant risk.	Our audit included but was not limited to the following activities: ▪ tested the appropriateness of journal entries recorded in the general ledger ▪ reviewed accounting estimates for biases ▪ performed final analytical procedures to conclude as to whether the financial report is consistent with our understanding of the entity ▪ requested written representation from Management ▪ reviewed IT access controls rights processes in place ▪ reviewed processes in place to ensure independent reviews of exception reports generated by Council ▪ reviewed processes in place to ensure independent reviews of audit trails of changes to master files.

3.6 Other High Risk Areas

The other high risk areas described in this section are account balances and/or audit areas that are not subject to a high degree of professional judgement, however we assessed their inherent risks as being high due to the materiality of the account balances, the high volume of transactions involved and other reasons outlined below:

Account balance	Why the risk is High	Overall audit response
Rates and charges	- largest revenue item - it is often used as a reference point for analysing expenditure decisions - politically sensitive – reputational risk involved if rates are raised incorrectly.	- walkthroughs and tests of effectiveness of controls from the Better Practice Model - analytical procedures - comparison of total capital values from the VG report to the total capital value recorded in the rates system - reconciliation of the rates modelling to the rates system and to the general ledger - recalculation of rates for a sample of rate payers.
Employee costs	- one of the largest expense items - high volume of transactions / data – subject to error - errors impact individuals financially.	- walkthroughs and tests of effectiveness of controls from the Better Practice Model - analytical procedures - inspection of employee files (contracts, awards, EBs) - inspection of timesheets - recalculation of a sample of individual payments.
Materials, Contracts & Other expenses	- one of the largest expense items - High volume of transactions / date – subject to error - fraud risk area (procurement, payments and credit cards) - procurement and contracting are key focus areas for ICAC and the Auditor-General's Department.	- walkthroughs and tests of effectiveness of controls from the Better Practice Model - analytical procedures - inspection of supporting documents (contracts, invoices, purchase orders, subsequent payments, etc) for a sample of expenses.
Cash and cash equivalents	- material balance - fraud risk - errors and/or fraud in cash may be indicative of broader errors - poor attitude to cash controls may be indicative of poor culture related to the entity's controls environment - public money.	- walkthroughs and tests of effectiveness of controls from the Better Practice Model - analytical procedures - bank confirmation - inspection of bank statements - verification of outstanding reconciling items - reperformance of bank reconciliations.
Trade and other payables	- one of the largest liabilities - material balance - opportunity for understatements - poor use of accrual basis of accounting may be indicative of poor culture - payments represent an opportunity for fraud.	- walkthroughs and tests of effectiveness of controls from the Better Practice Model - analytical procedures - reconciliation between subsidiary ledgers and the general ledger - inspection of subsequent payments for a sample of creditors - inspection of a sample of subsequent payments for completeness test.

4. Internal Controls Opinion and Recommendations

We have performed an extensive review of the Council's financial controls for the purpose of forming our control opinion as required by section 129 of the *Local Government Act 1999* based on council's obligations under s125 of that Act.

Our controls opinion is restricted per s129 of the Act to the application of s125 as it relates to financial internal controls, specifically the controls exercised by the Council during the relevant financial year in relation to the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities.

A summary of the results of our review is provided in the table below:

Business cycles	Controls Reviewed	Operating Effectively		2024 Findings			
		2024	2023	H	M	L	BP
Purchasing & Procurement/Contracting	7	6	6	-	1	-	-
Fixed Assets	8	7	7	1	-	-	-
General Ledger	8	5	6	-	2	1	-
Accounts Payable	8	7	8	-	1	-	-
Payroll	11	11	11	-	-	-	-
Rates / Rates Rebates	8	7	6	-	1	-	-
Credit Cards	5	5	5	-	-	-	-
Debtors	3	3	3	-	-	-	-
Banking	5	3	4	1	1	-	-
Receipting	2	2	2	-	-	-	-
Total	**65**	**56**	**58**	**2**	**6**	**1**	**-**

Overall the Council demonstrated a satisfactory level of compliance with the implementation of an internal control framework consistent with the principles within the Better Practice Model.

During our interim audit visit we found that the majority of key internal controls reviewed were in place and were operating effectively (56 out 65 core controls reviewed). Risks were rated based on an assessment of the risk of non-compliance with s125 of the Local Government Act 1999 as described in Appendix 5 – Risk Ratings.

An ***interim audit management letter*** was issued and presented to the audit committee containing our overall assessment of the council's internal controls and all the controls weaknesses identified during our review of the Council's financial controls.

A summary of all the findings included in our interim management letter is included in **Appendix 6 – Summary of Findings Identified - Interim Audit.**

In our opinion, subject to the satisfactory completion of the items described in section 1 of this report, the ***Council has complied, in all material aspects, with Section 125 of the Local Government Act 1999*** in relation to Internal Controls established by the Council in relation to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities.

5. Final Management Letter

We have identified the following additional performance improvement observations when performing our substantive procedures during our final audit:

1. Leave Entitlements	Risk: **Moderate**
Finding	A full-time employee accrues 152 hours of annual leave in a year. At the end of 2023-24 there are 19 (2023: 22) employees with a balance greater than two years entitlement (>304 hours). We note that in late 2022, formal communication was sent to all employees with large leave balances informing them of the requirement to implement plans to reduce their balances over a 2-3 year period.
Risk	Leave balances exceeding the allowable balances under the relevant EB. Staff not taking leave has financial implications as leave is paid at higher rates than it was accrued, and may lead to health, safety and welfare issues. Regular taking of leave also acts as a fraud prevention control.
Recommendation	Council continues to monitor leave balances and implements strategies to reduce excessive balances and prevent employees from accumulating excessive annual balances in future.
Management Response	We accept this audit finding and are pleased that the number of employees with greater than 304 hours of annual leave has reduced from 22 in 2022-23 to 19 in 2023-24. Responsible managers, in conjunction with ELT, will continue to work with those employees with excessive annual leave balances to try to reduce these balances in the 2024-25 financial year, for example, developing leave plans which document how these balances will be reduced. If required, the Chief Executive will write to employees with excessive leave balances by 30 June 2025 about having excessive annual leave balances paid out if they are unwilling to reduce their leave balances to an acceptable level.

2. Indexation of asset values is not done in between revaluations	Risk: Moderate
Finding	The Barossa Council is not currently indexing infrastructure or building fair values in between the five-yearly revaluation cycle. The Local Government Act requires councils to comply with the Australian Accounting Standards. Accounting standard AASB 116.31 requires that '*Revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period*'. In the SA local government sector, it is most common to apply a 5 year revaluation cycle. A generally accepted rule of thumb for assessing materiality is that errors of greater than 10% are considered material. In periods of higher inflation, the potential growth in asset fair values (all else being equal) is expected to be greater than 10% in less than 5 years. The following table illustrates this, using the Local Government Price Index (LGPI) at various levels as an estimate of construction cost increases. *Percentage increase in unit rates (cumulative) since revaluation year (Year 0) at various levels of LGPI*

	Years since revaluation				
	Year 1	Year 2	Year 3	Year 4	Year 5
LGPI at 2.5%	2.5%	5.1%	7.7%	**10.4%**	13.1%
LGPI at 3.5%	3.5%	7.1%	**10.9%**	14.8%	18.8%
LGPI at 5.0%	5.0%	**10.3%**	15.8%	21.6%	27.6%

Indexation of unit rates (using either appropriate growth factors or internal replacement cost) can be applied in between full revaluation cycles to reduce the potential misstatement, thus extending the allowable time between revaluations.

The use of indexation is considered best practice in the local government sector, enabling a greater balance between the cost and benefits of revaluations. Local government assets are predominantly long life assets, making 5 yearly detailed revaluations (supported by ongoing data cleansing based on site inspections and review) a sensible timeframe to ensure asset data is appropriately reliable to support decision making. Indexation allows this timeframe to conform with financial reporting requirements, whilst also providing more accurate costing information between revaluations for asset management and budgeting purposes.

Note: Though useful for extending time between revaluations to provide cost savings, indexation is not a substitute for a full revaluation. Whilst indexation reduces the risk of material misstatement, a full revaluation

	considers more than just unit rates. Importantly, a comprehensive revaluation evaluates the condition of assets and asset management strategies applied to assets to estimate remaining useful lives and ensure appropriate componentisation of assets. With local governments' large inventory of buildings and infrastructure, revaluations also play an important role in data cleansing, with site inspections often resulting in found assets, non-existent assets or classification / componentisation errors.
Risk	Infrastructure and building values, and related depreciation, may be materially misstated, resulting in financial statement errors and impacting asset management and budgeting decisions.
Recommendation	Council applies indexation to asset infrastructure and building values in between comprehensive 3-5 yearly revaluations.
Management Response	We provisionally accept this audit finding and will investigate how this could be implemented in between our regular revaluation cycle, taking into account the costs versus benefits of implementation. It is noted that a full revaluation of Council's buildings and land – other assets will be undertaken in the 2024-25 financial year.

		Risk
3. NCPA - Superannuation		**Moderate**
Finding	Superannuation for NCPA employees in 2023-24 was paid at the incorrect rate of 10.5%, rather than 11%. The rate didn't automatically update within MYOB and wasn't double checked before the first pay run. This error was identified by NCPA staff when the financial year was rolled over into 2024-25 and super went up to 11.5%. Assistance was sought from an outsourced accountant to calculate the shortfall, interest, and penalties with the ATO. Audit notes that approximately $7,000 was paid in September 2024 to correct this oversight.	
Risk	Employees not being remunerated correctly, resulting in employee expenses being understated and potentially impacting employee morale.	
Recommendation	Implement controls to ensure the superannuation rate within MYOB is confirmed at the start of each financial year.	
Management Response	We accept this audit finding and note that it was human error that the superannuation rate was not correctly updated in MYOB from 1 July 2023. This error was identified by NCPA in July 2024 and an external accountant was used to correctly calculate the superannuation owed and the associated interest. Going forward the Business Manager, NCPA will check to ensure that any superannuation changes have been updated correctly in MYOB by recalculating the superannuation paid in the first pay period after the change.	

Risks were rated based on an assessment of the risk of non-compliance with s125 of the Local Government Act 1999 as described in the Appendix 5 – Risk Ratings.

6. Immaterial Uncorrected Misstatements

IUM 1 – Prior year IUM correction - Asset Disposals					
D/C	Account at FS level	Assets Increase/ (decrease) $	Liabilities (Increase)/ decrease $	Surplus/Deficit (Increase)/ decrease $	Other Comprehensive Income (Increase)/ decrease) $
C	PPE	890,452	-	-	-
D	Accumulated Depreciation	(698,945)	-	-	-
D	Revaluation Increment	-	-		191,507

Description:
In 2023 we reported an IUM related to errors in the processing of asset disposals during the upgrade of the Council and Library Main Office, resulting in the written down value of assets being understated and loss on disposal overstated by $191,506.61 in 2022-23. This was corrected through asset revaluation reserve in the 2023-24 financial year, resulting in overstatement of other comprehensive income of $191,506.61.

7. Corrected Adjustments

In addition to various minor adjustments, Audit requested the following audit adjustments that have been processed:

- Building revaluation amount (as per note 7): An adjustment was processed by council staff in relation to prior year transaction errors for assets incorrectly disposed during 2022-23 (as per the prior year IUM discussed in section 6 above). The adjustment brought the assets back onto the balance sheet, however they were brought back in at cost ($890k) rather than written down value ($191k) due to a system limitation within Assetic which does not allow accumulated depreciation on asset additions. Audit advised management to correct the balance in TechOne (general ledger) & LGS (financial statements), and note this variance with Assetic when performing the monthly reconciliation process. This variance will then resolve itself in Assetic when the next buildings external revaluation is processed in 2024-25.

- Land revaluation amount (as per note 7). After reviewing the land revaluation workings and reconciliation, it was discovered that an incorrect percentage decrement change to Level 2 land values of $222k was posted. Audit requested that the journal be reversed ($222k).

- Cash flow statement adjustments: Adjustments were requested to include GST gross-up on reported values, account for Loans made to community groups, and reallocate movements in grants in advance.

8. Contact Details

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Appendix 1 – Proposed Independent Auditor's Report on the Financial Report

To the members of the Barossa Council

Opinion
We have audited the accompanying financial report of the Barossa Council (the Council), which comprises the statements of financial position as at 30 June 2024, the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Council Certificate of Barossa Council.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Council as at 30 June 2024, and its financial performance and its cash flow for the year then ended in accordance with the Australia Accounting Standards, Local Government Act 1999 and Local Government (Financial Management) Regulations 2011.

Basis for Opinion
We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Council's Responsibility for the Financial Report
Council is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* and for such internal control as Council determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, Council is responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Council either intends to liquidate the Council or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Council's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Report
Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatements, whether due to fraud or error, and to issue and auditor's report that includes our opinion. Reasonable assurance is a high level assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and

are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decision of users taken on the basis of this financial report.

As part of an audit of the financial report in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risk of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit of the financial report in order to design procedures that are appropriate in the circumstances, but for the purpose of expressing an opinion on the effectiveness of the Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of Council's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Council's ability to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS

Tim Muhlhausler CA Registered Company Auditor
Partner

Date:

Appendix 2 – Proposed Independent Auditor's Report on the Internal Controls

To the members of the Barossa Council

Independent Assurance Report on the Internal Controls of the Barossa Council

Opinion
We have audited the compliance of the Barossa Council (the Council) with the requirements of Section 125 of the *Local Government Act 1999* in relation only to the internal controls established by the Council to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities for the period 1 July 2023 to 30 June 2024 have been conducted properly and in accordance with the law.

In our opinion, the Barossa Council has complied, in all material respects, with Section 125 of the *Local Government Act 1999* in relation to internal controls established by the Council in relation to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities so as to provide reasonable assurance that the financial transactions of the Council have been conducted properly and in accordance with law for the period 1 July 2023 to 30 June 2024.

Basis for Opinion
We conducted our engagement in accordance with applicable Australian Standards on Assurance Engagement ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and ASAE 3150 *Assurance Engagement on Controls*, issued by the Australian Auditing and Assurance Standards Board, in order to state whether, in all material respects, the Council has complied with Section 125 of the *Local Government Act 1999* in relation only to the internal controls specified above for the period 1 July 2023 to 30 June 2024. ASAE 3000 also requires us to comply with the relevant ethical requirements of the Australian professional accounting bodies.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The Council's Responsibility for Internal Controls
The Council is responsible for implementing and maintaining an adequate system of internal controls, in accordance with Section 125 of the Local Government Act 1999 to ensure that the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities have been conducted properly and in accordance with law.

Our Independence and Quality Control
We have complied with the independence and other relevant ethical requirements relating to assurance engagements, and applied Auditing Standard ASQC 1 *Quality Control for Firms that Performs Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements* in undertaking this assurance engagement.

Auditor's responsibility

Our responsibility is to express an opinion on the Council's compliance with Section 125 of the *Local Government Act 1999* in relation only to the internal controls established by the Council to ensure that financial transactions relating to receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities, based on our procedures. Our engagement has been conducted in accordance with applicable Australian Standards on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Information* and ASAE 3150 *Assurance Engagements on Controls*, issued by the Australian Auditing and Assurance Standards Board, in order to state whether, in all material respects, the Council has complied with Section 125 of the *Local Government Act 1999* in relation only to the internal controls specified above for the period 1 July 2023 to 30 June 2024. ASAE 3000 also requires us to comply with the relevant ethical requirements for the Australian professional accounting bodies.

Limitations of Controls

Because of the inherent limitations of any internal control structure it is possible that, even if the controls are suitably designed and operating effectively, the control objectives may not be achieved so that fraud, error, or non-compliance with laws and regulations may occur and not be detected.

An assurance engagement on controls is not designed to detect all instances of controls operating ineffectively as it is not performed continuously throughout the period and the tests performed are on a sample basis. Any projection of the outcome of the evaluation of controls to future periods is subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

Limitation of Use

This report has been prepared for the members of the Council in accordance with section 129 of the *Local Government Act 1999* in relation to the internal controls specified above. We disclaim any assumption of responsibility for any reliance on this report to any persons or users other than the members of the Council, or for any purpose other than that for which it was prepared.

GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS

Tim Muhlhausler CA Registered Company Auditor
Partner

Date:

Appendix 3 – Statement by Auditor

I confirm that, for the audit of the financial statements of the Barossa Council for the year ended 30 June 2024, I have maintained my independence in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code), in accordance with the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22 (5) *Local Government (Financial Management) Regulations 2011*.

GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS

Tim Muhlhausler CA Registered Company Auditor
Partner

Date:

Appendix 4 – Better Practice Model (BPM) Risks

The risks outlined below are the main BPM risks addressed when determining our audit approach / response as described in section 2 of this report.

Business Cycles	Risk REF	Risks
Rates	RA1	Council does not raise the correct level of rate income
	RA2	Rates and rate rebates are either inaccurately recorded or not recorded at all
	RA3	The property master file data does not remain pertinent
	RA4	Rates are not collected on a timely basis
User Pay Income / Fee for services	US1	The fee charged does not reasonably reflect the value of the services provided
	US2	Council does not apply User Pay principles consistently
	US3	User pay income is either inaccurately recorded or not recorded at all
Investment / Interest Income	II1	Investment income is either inaccurately recorded or not recorded at all
Other Revenue	OR1	Other revenue is either inaccurately recorded or not recorded at all
Grants	GR1	Council loses recurrent grant funding to provide existing services
	GR2	Grant funding is not claimed by Council on a timely basis or not claimed at all
	GR3	Grants are either inaccurately recorded or not recorded at all
Receipting	RE1	Receipts are either inaccurately recorded or not recorded at all
	RE2	Receipts are not deposited at the bank on a timely basis
Purchasing & Procurement	PP1	Council does not obtain value for money in its purchasing and procurement
	PP2	Purchase of goods and services are made from non-preferred suppliers
	PP3	Purchase orders are either recorded inaccurately or not recorded at all
	PP4	Purchase orders are made for unapproved goods and services
	PP5	Supplier master file data does not remain pertinent and/or unauthorised changes are made to the supplier master file
Payroll	PA1	Payroll expense is inaccurately calculated
	PA2	Payroll disbursements are made to incorrect or fictitious employees
	PA3	Time and/or attendance data is either invalid, inaccurately recorded or not recorded at all
	PA4	Payroll master file does not remain pertinent and/or unauthorised changes are made to the payroll master file.
	PA5	Voluntary and statutory payroll deductions are inaccurately processed or without authorisation
	PA6	Employees termination payments are not in accordance with statutory and enterprise agreements
Credit cards	CC1	Credit cards are issued to unauthorised employees
	CC2	Credit cards are used for purchases of a personal nature

Business Cycles	Risk REF	Risks
	CC3	Credit card limits are set at inappropriate levels
Other Expenses	OE1	Other expenses are invalid, inaccurately recorded or not recorded at all
Contracting	CO1	Council is not able to demonstrate that all probity issues have been addressed in the Contracting process
	CO2	Council does not obtain value for money in relation to its Contracting
	CO3	Commitments are made for unapproved goods and services
Banking	BA1	Banking transactions are either inaccurately recorded or not recorded at all
	BA2	Fraud (i.e. misappropriation of funds)
Investments	IN1	Council makes poor investment decisions
	IN2	Investment transactions are either not recorded or are recorded inaccurately
	IN3	Investment income is inaccurately calculated or not recorded in the appropriate period
Debtors	DE1	Debtors are either inaccurately recorded or not recorded at all
	DE2	Rebates and credit notes to debtors are either inaccurately recorded or not recorded at all
	DE3	An appropriate provision for doubtful debts is not recorded
	DE4	Debtors are either not collected on a timely basis or not collected at all
	DE5	The Debtors master file data does not remain pertinent.
Fixed Assets	FI1	Fixed asset acquisitions, disposals and write-offs are fictitious, inaccurately recorded or not recorded at all. Fixed Asset Register (FAR) does not remain pertinent
	FI2	Fixed assets are inadequately safeguarded
	FI3	Fixed assets are not valued correctly initially or on subsequent revaluation
	FI4	Depreciation charges are either invalid, not recorded at all or are inaccurately recorded which includes inappropriate useful lives and residuals
	FI5	Fixed asset maintenance and/or renewals are inadequately planned
Prepayments	PR1	Prepayments are either inaccurately recorded or not recorded at all
Loans to Community groups	LO1	Loans to community groups are inaccurately recorded or not recorded at all
Accounts Payable	AP1	Accounts payable amounts and disbursements are either inaccurately recorded or not recorded at all
	AP2	Credit notes and other adjustments to accounts payable are either inaccurately recorded or not recorded at all
	AP3	Disbursements are not authorised properly
	AP4	Accounts are not paid on a timely basis
	AP5	Supplier master file data does not remain pertinent and/or unauthorised changes are made to the supplier master file
Accrued Expenses	AE1	Accrued Expenses are either inaccurately recorded or not recorded at all

Business Cycles	Risk REF	Risks
Borrowings	BO1	Borrowings are either not recorded or are recorded inaccurately
	BO2	Loans are taken out without appropriate approval
	BO3	Loans are not repaid in accordance with agreed terms
	BO4	Loan repayments are not recorded at all or are recorded inaccurately
Employee Provisions	EP1	Employee provisions are either inaccurately recorded or not recorded at all
Taxation	TA1	Tax liabilities are either inaccurately recorded or not recorded at all

Appendix 5 – Risk Ratings

The audit findings identified during our interim audit documented in our interim management letter and in section 4 of this report were rated as follows:

Category	Description
Potential Material Weaknesses	The issue described could lead to a material weakness in the council's internal controls and non-compliance with s125 of the Local Government Act.
Moderate Weaknesses	The issue described does not represent a material weakness due to the existence of compensating controls. However, the failure of the compensating controls or the existence of any other moderate weakness within the same business cycle may lead to a material weakness in the council's internal controls and non-compliance with s125 of the Local Government Act.
Low Risk Weaknesses	The issue described is a low risk weakness due to the existence of compensating controls and/or the failure or absence of the internal controls does not impact significantly on the council's financial risk. However, multiple low-level risk weakness within the same business cycle may lead to a material weakness in the council's internal controls and non-compliance with s125 of the Local Government Act.
Better Practice Weaknesses	The issue described has been included in this report as an opportunity for better practice.

Galpins

Barossa Council

Appendix 6 – Summary of Findings Identified- Interim Audit

Business Cycle	Findings	Risk
Purchase & Procurement / Contracting	2.1.1 Instance of exemption from procurement policy not being properly executed	M
Fixed Assets	2.2.1 Councils Infrastructure Asset Management Plan does not include sufficient renewal plans	H
General Ledger	2.3.1 A list of IT users with access to key finance modules in CiA cannot currently be exported or reviewed by Finance Management	M
	2.3.2 Some key IT policies / procedures are not up to date	M
	2.3.3 No documented policy / procedure in place for approval of manual journals	L
Accounts Payable	2.4.1 Accounts Payable staff are not following up with changes in the supplier master file via phone call	M
Rates	2.5.1 No formal review of Pathway user access and excessive Administrator users	M
Credit cards	Audit did not find any issue that would represent a risk of non-compliance with s125 of the Local Government Act	N/A
Debtors	Audit did not find any issue that would represent a risk of non-compliance with s125 of the Local Government Act	N/A
Banking	2.6.1 Delays in matching a large volume of miscellaneous reconciling items	H
	2.6.2 'Authorised Financial Signatories Register' not updated to reflect staffing changes	M
Payroll	Audit did not find any issue that would represent a risk of non-compliance with s125 of the Local Government Act	N/A
Receipting	Audit did not find any issue that would represent a risk of non-compliance with s125 of the Local Government Act	N/A

Update on status of 2023-24 internal audit findings

As at March 2025

Corporate Services, Strategy and Innovation

Status of 2023-24 interim audit findings:

Recommendation from Galpins:	Management response:	Current status:	Timing for completion and responsible officer:
2.1.1 Instance of exemption from procurement policy not being properly executed **Risk rating: Moderate**			
Council introduces the use of secure digital signatures for the approval of waiver forms (and other digital forms as appropriate). Where waivers are used, ensure the nature of the waiver is consistent with the requirements of the procurement policy.	We accept this audit finding and agree that it was human error that the waiver referred to waiving the requirement for three quotes when it should have referred to waiving the requirement for open tender, given the value of the purchase. We are satisfied that a waiver was appropriate in this instance given there was only one supplier available to supply the materials required. We agree that it would be better practice for any word documents containing electronic signatures to be converted to a PDF document after the electronic signature has been attached. An email will be sent to all staff reminding them of the correct process to follow if using electronic signatures for approvals.	The Barossa Council is currently looking into the use of Docusign for electronic signing of both internal and external documents. If implemented, this will significantly improve the controls in place around the use of electronic signatures across Council.	<u>Estimated completion date:</u> 30 June 2025 <u>Responsible Officer:</u> Alex Prior, Business Transformation Partner <u>Responsible ELT member:</u> Jo Moen, Deputy Chief Executive Officer and Director, Corporate Services, Strategy and Innovation
2.2.1 Council's Infrastructure Asset Management Plan does not include sufficient renewal plans **Risk rating: High**			
Council prioritises the development of a robust 10-year renewal plan for inclusion in the revised IAMP (currently planned for approval in September 2024). This renewal plan is used as the basis of the IAMP, Annual Business Plan and Long-Term Financial Plan (LTFP) to ensure consistency between key strategic documents.	This has been achieved with the updating of the asset system, alignment of new modelling and condition assessment along with valuation reviews being back on track, and will be fully aligned and assessed as part of the current strategic review of the asset system. The 2024-25 LTFP now fully aligns to the current IAMP, and capability within the new asset system will	Resolved	N/A - resolved

	enable ongoing annual alignment between the IAMP modelling and the LTFP. There are no further actions required in addition to those currently achieved and embedded in the annual review and budgeting processes.		
2.3.1 A list of IT users with access to key finance modules in CiA is not reviewed by Finance Management **Risk rating: Moderate**			
IT continue to follow up with CiA to develop a solution allowing the export of a list of users with roles and access rights to key finance modules. A periodic review is performed by Finance Management to ensure adequate segregation of duties in the finance system. Key areas of access that should be considered in this review include: • Administrator access • Banking • General ledger • Payroll • Accounts payable • Accounts receivable • Rates • Receipting.	We accept this audit finding and agree that a periodic review of user access in the CiA system should be performed to ensure users continue to have appropriate access in the system (including the financial delegations set up in the system) and incompatible duties are segregated. We will continue to follow-up with CiA to obtain a listing of all users with roles and access rights to the CiA system, and will perform a review annually once this information has been obtained. A user access review policy will be developed by ET&I to govern this process. There are also other controls not contemplated that have a real effect on controlling the risks identified, such as financial delegations, human resource and IT policies, induction processes, monthly and quarterly reporting processes, and other manual controls like payroll checking, along with normal accounting reconciliations that oversee the use and input of information, which should also be taken into account.	The Enterprise Technology and Innovation (ET&I) team are currently investigating the best way to pull the required information on current access levels and financial delegations in TechOne. Once this is able to be obtained, this will be reviewed by the Finance team in conjunction with the relevant areas of Council.	Estimated completion date: 31 May 2025 Responsible Manager: Jo Moen in capacity as Acting Manager, ET&I, in conjunction with Kelly Wilksch, Manager Financial Services Responsible ELT member: Jo Moen, Deputy Chief Executive Officer and Director Corporate Services, Strategy and Innovation

2.3.2 Some key IT policies/procedures are not up-to-date **Risk rating: Moderate**			
The IT Disaster Recovery Plan and Back-up Policy are updated and formally reviewed.	We accept this audit finding. The Council's IT Disaster Recovery Plan and Back-Up Policy will be reviewed and updated if required. The Council's Business Continuity Plan, IT Security Policy Manual and End User Security Policy will also be reviewed by the new Manager Enterprise Technology & Innovation to ensure the information remains up-to-date and reflects current practice.	Work on this audit finding has been delayed due to the Manager Enterprise Technology and Innovation leaving Council in late 2024 and the position not yet being filled.	Estimated completion date: 30 June 2025 Responsible Manager: Jo Moen in capacity as Acting Manager, ET&I Responsible ELT member: Jo Moen, Deputy Chief Executive Officer and Director Corporate Services, Strategy and Innovation
2.3.3 No documented policy/procedure in place for approval of manual journals **Risk rating: Low**			
Develop a journal policy/procedure requiring that journals are independently reviewed and approved, and providing guidance as to the appropriate approver (eg. that journals must be approved by persons with equal or higher levels of authority).	We accept this audit finding and will develop a manual journal approval policy outlining who in the Finance team can approve the posting of manual journals.	Finance has developed a draft manual journal policy, which is currently being reviewed by the Manager, Financial Services.	Estimated completion date: 31 March 2025 Responsible Manager: Kelly Wilksch, Manager Financial Services Responsible ELT member: Jo Moen, Deputy Chief Executive Officer and Director, Corporate Services, Strategy and Innovation
2.4.1 Accounts Payable staff are not following up with changes in the supplier master file via phone call **Risk rating: Moderate**			
Suppliers are contacted via phone to confirm that any changes to the supplier's details are correct prior to changes being approved and updated in the supplier Masterfile.	We accept this audit finding. This is currently occurring on an ad hoc basis, however going forward we will call all suppliers using the phone number on file to confirm that any changes to the supplier masterfile are correct. The Council's Purchasing Process will be updated to reflect this.	Since this issue was raised by Galpins, the Accounts Payable Officer has been contacting all suppliers with new or changed supplier Masterfile details via phone to confirm the new details are valid and accurate. The Barossa Council has also just recently invested in Eftsure, a software as a service provider which provides a verification service over new and existing supplier details. Eftsure will be fully implemented and	Estimated completion date: 30 April 2025 Responsible Manager: Kelly Wilksch, Manager Financial Services Responsible ELT member: Jo Moen, Deputy Chief Executive Officer and Director, Corporate Services, Strategy and Innovation

		embedded into Council's processes for making payments to suppliers within the next few months once existing suppliers have been verified and training of staff has been provided.	
2.5.1 No formal review of Pathway system access and excessive administrator users **Risk rating: Moderate**			
A formal annual review of Pathway access rights is introduced. Responsibility for this review is assigned to an appropriate user group/s (eg. property and rating and debtors/receipting departments). As part of the review process, the number of administrator users is reviewed with a view to minimising the number of administrators based on need.	We accept this audit finding and will formally review user access to Pathway annually. As part of this we will review users with administrator access and will delete this access if not required for their role at the Council. As identified in our response to 2.3.1, a user access review policy will be developed by ET&I to govern this process.	The Enterprise Technology and Innovation (ET&I) team are currently investigating the best way to pull the required information on current access levels and financial delegations in Pathway. Once this is able to be obtained, this will be reviewed by the Finance team in conjunction with the relevant areas of Council.	Estimated completion date: 31 May 2025 Responsible Manager: Jo Moen in capacity as Acting Manager, ET&I, in conjunction with Kelly Wilksch, Manager Financial Services Responsible ELT member: Jo Moen, Deputy Chief Executive Officer and Director Corporate Services, Strategy and Innovation
2.7.1 Delays in matching a large volume of miscellaneous reconciling items **Risk rating: High**			
Ensure that reconciling items in the bank reconciliation are matched by the end of the financial year. Allocate resources to the month end bank reconciliation process to ensure that this reconciliation is prioritised and completed each month, including matching of all reconciling items.	We accept this audit finding. This issue came about due to resourcing issues in the Finance team during 2023-24. Reconciling items in the bank reconciliation have now been resolved as at 30 June 2024. A monthly sign-off process is in place to ensure all key reconciliations are performed each month and this will be reviewed by the Manager Financial Services at the end of each month to ensure all key reconciliations have been performed, supporting information attached, and independently reviewed.	Resolved	N/A - resolved

2.7.2 'Authorised Financial Signatories Register' not updated to reflect staffing changes **Risk rating: Moderate**			
Update the 'Register of Authorised Financial Signatories' to remove staff no longer employed by Council. In addition to the scheduled annual review of the register, implement a process to ensure updates are made when staffing changes occur.	We accept this audit finding and agree that the Register of Authorised Financial Signatories is required to be updated to reflect current staffing in the Finance team.	The Finance team is currently in the process of updating the Register of Financial Signatories now that the Senior Accountant position has been filled.	<u>Estimated completion date:</u> 30 April 2025 <u>Responsible Manager:</u> Kelly Wilksch, Manager Financial Services <u>Responsible ELT member:</u> Jo Moen, Deputy Chief Executive Officer and Director Corporate Services, Strategy and Innovation

Status of 2023-24 year end audit findings:

Recommendation from Galpins:	**Management response:**	**Current status:**	**Timing for completion and responsible officer:**
1. Leave entitlements **Risk rating: Moderate**			
Council continues to monitor leave balances and implements strategies to reduce excessive balances and prevent employees from accumulating excessive annual leave balances in future.	We accept this audit finding and are pleased that the number of employees with greater than 304 hours of annual leave has reduced from 22 in 2022-23 to 19 in 2023-24. Responsible managers, in conjunction with ELT, will continue to work with those employees with excessive annual leave balances to try to reduce these balances in the 2024-25 financial year, for example, developing leave plans which document how these balances will be reduced. If required, the Chief Executive will write to employees with excessive leave balances by 30 June 2025 about having excessive annual leave balances paid out if they are unwilling to reduce their leave balances to an acceptable level.	Managers, in conjunction with the ELT team, continue to work with employees with excessive annual leave balances to reduce these balances to an acceptable level. This includes developing leave plans which outline how these balances will be reduced. Employees who are not able to demonstrate that they are committed to reducing excessive annual leave balances to an acceptable level by 30 June 2025 may be forced to have part of their leave balance paid out to reduce it to an appropriate level. This option will only be considered once all other avenues of reducing excessive annual leave balances have been explored.	<u>Estimated completion date:</u> 30 June 2025 <u>Responsible Manager</u>: Various <u>Responsible ELT member:</u> All ELT members and Martin McCarthy, Chief Executive Officer, for writing to employees with excessive annual leave balances.

2. Indexation of asset values is not done in between valuation **Risk rating: Moderate**			
Council applies indexation to asset infrastructure and building values in between comprehensive 3-5 yearly revaluations.	We provisionally accept this audit finding and will investigate how this could be implemented in between our regular revaluation cycle, taking into account the costs versus benefits of implementation. It is noted that a full revaluation of Council's buildings and land – other assets will be undertaken in the 2024-25 financial year.	The cost versus benefit of implementing indexation on infrastructure and building assets in between Council's regular formal revaluations is currently being investigated by the Coordinator Asset Management. The Barossa Council has also recently gone out to tender for the formal revaluation of its buildings and land-other assets in 2024-25.	<u>Estimated completion date:</u> 30 June 2025 <u>Responsible Manager:</u> Jodie Loveridge, Coordinator Asset Management <u>Responsible ELT member:</u> Ben Clark, Director Infrastructure and Environmental Services
3. NCPA superannuation **Risk rating: Moderate**			
Implement controls to ensure the superannuation rate within MYOB is confirmed at the start of each financial year.	We accept this audit finding and note that it was human error that the superannuation rate was not correctly updated in MYOB from 1 July 2023. This error was identified by NCPA in July 2024 and an external accountant was used to correctly calculate the superannuation owed and the associated interest. Going forward the Business Manager, NCPA will check to ensure that any superannuation changes have been updated correctly in MYOB by recalculating the superannuation paid in the first pay period after the change.	Resolved	N/A - resolved

MATTERS FOR INFORMATION

3.1 ANNUAL SELF-ASSESSMENT OF COMMITTEE PERFORMANCE

Author: Team Leader Corporate Governance and Information Services
24/87344

Pursuant to Clause 12.1 of the Audit and Risk Committee's Terms of Reference, all Audit Committee Members must complete a self-assessment that evaluates the Committee's performance to promote continuous improvement in performance and ensure that its actions are aligned with its intended purpose.

Audit and Risk Committee Members have completed the Annual Self-Assessment of Committee performance for 2023-24 and a collation of responses is provided in Attachment 1.

It was noted within the review that meeting times could be adjusted to mornings so that members were more likely to be able to attend in person, rather than attending remotely. This will be addressed when setting the remaining schedule for 2025.

ATTACHMENTS

Attachment 1 Audit and Risk Committee Self-Assessment 2024 Collation of Responses ⇩

SUPPORTING REFERENCES

Nil

Attachment 1

Audit and Risk Committee Self-Assessment 2023-24 – Collation of Responses

<u>Do you understand and agree with the functions of the Committee as detailed in its Terms of Reference?</u>

<u>Does the Committee collectively have sufficient skills, experience, time, and resources to undertake its duties?</u>

Comments:

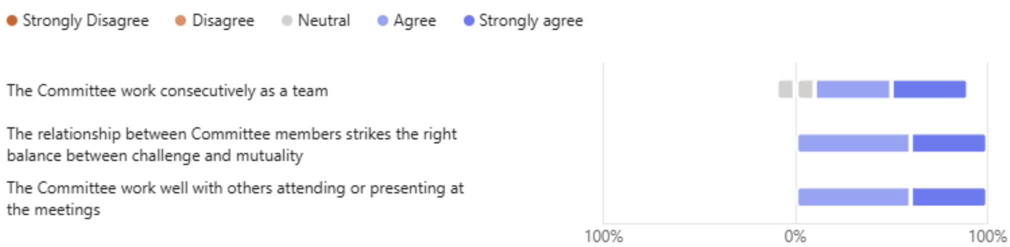
"I am confident in their skills, experiences and the resources allocated."

"Current membership has financial, risk management and governance skills and experience. Additional IT experience with focus on cyber security should assist the Committee."

"Broad range of skills within membership of the committee."

"A good mix of members with different skills and insights."

<u>Workings of the Committee</u>

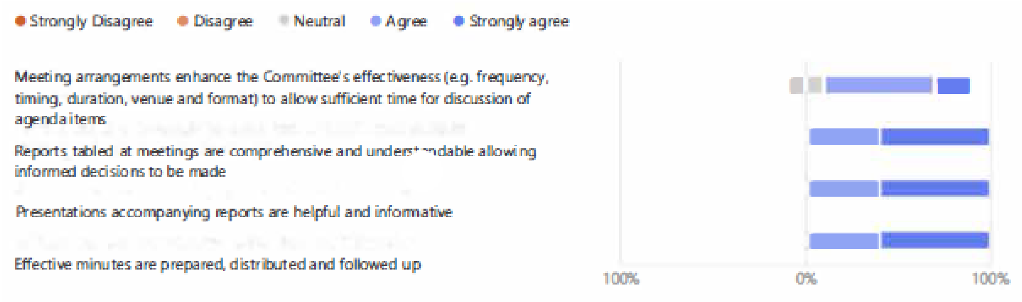


Comments:

"System seems to work well."

Attachment 1

Meeting Format



How do you rate the overall efficiency and effectiveness of the Committee?

Comments:

"Committee Receives great administrative support."

"High level of engagement and competence of committee."

"No committee is 100% effective all of the time but we work very well together."

Staff and members conduct themselves in a professional manner aligning to corporate values and expectations within the relevant codes of conduct.

Attachment 1

How do you rate the performance of the Presiding Member in preparing for and conducting the meetings?

Comments:
"Allows for Committee Members and other attending to participate in discussions. Well prepared and provides recommendations for improvement."

"Chairman is well qualified and very experienced."

"The Presiding Member is very experienced, efficient and inclusive."

How do you rate the performance of the other members of the Committee in fulfilling their role?

Comments:
"Committee Members contribute to discussion on agenda items and challenge management when required."

"Everyone contributes well."

"All members are diligent and conscientious about their role."

How do you rate your performance as a member of the Committee?

Comments:

"Unfortunately, I have been unable to attend a number of meetings due to the timing of the meetings conflicting with my work hours."

"Well prepared and not afraid to ask questions."
"I believe I am a good contributor and take part in discussions when required."

How do you rate the performance of the support staff in facilitating the Committee's role and function?

Comments:

"Reports are informative and prompt response to questions raised during the meeting."

"We have well qualified and competent staff."

"Support staff are very efficient and effective in their work."

"They are well-prepared and happy to answer questions from members when necessary."

<u>The Committee assure that the Executive take responsibility for risk identification and control, and give formal assurance through reporting that key risks are being adequately managed?</u>

Promoters	4
Passives	1
Detractors	0

<u>The Committee is satisfied that there is an effective program in place to ensure that risk management is an integral part of the way in which Council conducts business.</u>

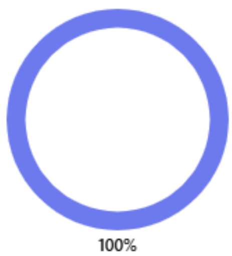
Promoters	3
Passives	2
Detractors	0

Comments:

"Continuous improvement in the area of risk management and introduction of risk appetite and tolerance during the year will assist decision making."

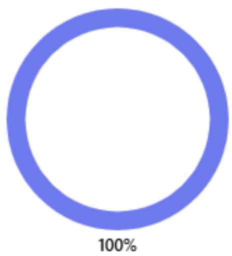
<u>Does the Committee review the work of the external auditor?</u>

Yes	5
No	0



<u>Does the Committee review and discuss the external auditor's management letter?</u>

Yes	5
No	0



<u>The Committee is effective in managing and monitoring the relationship with the external auditor.</u>

Promoters	4
Passives	1
Detractors	0

Comments:

"In-camera discuss on an annual basis is good governance practice."

"There is a strong professional relationship between external auditor and audit committee and council staff."

<u>Any recommendations for improving the Committee's performance, role, or functions?</u>

Comments:

"Consider risk presentations from Directors annually on areas they are responsible for."

"Keep doing what we are doing. It works!"

"Morning meetings are preferable to afternoon meetings. In person meetings are preferable to meetings in which a number of people attend via Teams, which can tend to stilt the conversation at times."

"I would like to see meetings more often in the mornings (say 10:00 am) as the drive back into Adelaide can be full of traffic. This is the main reason why I have been attending remotely after the last year."

MATTERS FOR INFORMATION

3.2 ENTERPRISE RISK AND SAFETY REPORT - JULY TO DECEMBER 2024

Author: Team Leader Risk and Safety
25/19112

The purpose of this report is to provide the Audit and Risk Committee with a regular update on the Risk and Safety performance of Council.

This report contains the following topics:

- Risk Management and WHS & Injury Management Plans
- Enterprise Risk Management and Risk Registers
- WHS Committees
- Workplace Emergency Management
- Community Emergency Management
- Business Continuity
- WHS Incident Reporting
- Internal and External Auditing
- Internal Financial Control (ControlTrack)

ATTACHMENTS

Attachment 1 Risk Management Report Quarter 1 and 2 2024-25 ⇩

SUPPORTING REFERENCES

List references here or enter Nil

The Barossa Council

QUARTERLY RISK MANAGEMENT REPORT

Quarter 1 & 2 – 2024/2025

Quarterly Risk Management Report

The following report has been developed to assist Council's Executive Leadership Team (ELT) in monitoring and reviewing their Risk, Work Health Safety and Injury Management (Return to Work) duties. It is comprised of Risk/WHS monitoring information, current WHS Plan actions, and insurance data.

A summary of this information is provided to the Audit Committee for their information/action also.

Contents

Risk Management and WHS & IM Plans

RESULTS/INTERPRETATION

Automated External Defibrillators Legislation

The Automated External Defibrillators (AED) (Public Access) Act 2022 was introduced in September 2022 mandating the installation of defibrillators in public buildings, including Council buildings.

Council currently maintains 17 AEDs across the region, with a defibrillator publicly available in every major township in the Barossa Council Area.

The Automated External Defibrillator (Public Access) Regulations were approved and released 30 November 2024, with Council now obligated to comply by 1 January 2026.

Status: Council is working with the Local Government Association Mutual Liability Scheme to ensure compliance with the Act and Regulations.

WHS & Injury Management Plan

Operating from October to September annually, the Rebate Action Plan (action plan) is generated by Council and approved by LGRS to identify and work through strategic WHS and Injury Management (IM) improvements.

The 2023/24 Rebate Action Plan was finalised 31 September 2024.

The 2024/25 Rebate Action Plan was approved in the Executive Leadership Team (ELT) Decision Meeting held on 6 December 2024.

Status: Ongoing monthly meetings occurring between Council and Local Government Risk Services (LGRS) Risk and Safety Advisor to implement and monitor the 2024/25 Rebate Action Plan.

Further details about the action plan can be found in 22/22740.

Enterprise Risk Management and Risk Registers

RESULTS/INTERPRETATION

Strategic Risk Register

The Strategic Risk Register has been reviewed and updated to reflect current and emerging risks impacting council operations, financial sustainability, and community services.

The update aligns with the Enterprise Risk Framework and compliance with Section 126 of the Local Government Act 1999 (SA).

Risk statements were revised to ensure alignment with strategic objectives as per May 2024 Council Report .

Operational Risk Register

The Operational Risk Register has been reviewed and updated to ensure effective risk mitigation across Council operations. Actions are aligned with the Enterprise Risk Framework supporting service delivery, compliance, and financial sustainability.

Monitoring and update of risk is occurring with teams to analyse risk to identify:

- in what circumstances the risk could occur;
- the inherit, current and residual risk score ratings;
- the controls implemented and how adequate and effective they are to provide reasonable assurance; and
- potential further treatments where controls are not designed to give reasonable mitigation and/or operate in a manner that is effective in terms of being consistent, complete, reliable and timely.

Emerging Risks

AI and digital transformation risks – Ensuring ethical use and data security in AI adoption.

Insurance - Local Government Risk Services

RESULTS/INTERPRETATION

LGRS provide insurance coverage for Council which is reviewed on an annual basis together with updates provided during the year where significant changes to the schedules are identified.

Certificates of Currency

Council has certificates of currency for financial year 2024/2025 for LGA Mutual Liability Scheme (MLS), LGA Workers Compensation Scheme (WCS), LGA Asset Mutual Fund (AMF) and LG Income Protection Fund (IPF).

Claims History

The following table shows new insurance claims by type for 2024/25:

Claim Type	**24/25 Q1 & Q2**	24/25 Q3	24/25 Q4	**Total 2024/25**	Total 23/24	Total 22/23	Total 21/22	Total 20/21	Total 19/20
Liability (MLS)	**11**	0	0	**12**	14	6	8	12	12
Property (AMF)	**2**	0	0	**2**	11	3	6	11	2
Motor Vehicle (AMF)	**10**	0	0	**10**	11	9	22	16	14
Personal Injury (IPF)	**3**	0	0	**3**	6	3	1	3	3

Workers Compensation (WCS)	**3**	0	0	**3**	11	5	6	3	7
Total Claims	**29**	0	0	**29**	**53**	**26**	**43**	**45**	**38**

WHS Committees

RESULTS/INTERPRETATION

WHS Committee:

The quarterly WHS Committee meeting was held on:

- 15 August 2024 – minutes can be provided (24/80658)
- 11 December 2024 – minutes can be provided (24/108704)

Infrastructure and Environmental Services (Depot) WHS Sub-Committee:

The quarterly WHS Sub-Committee meeting was held on:

- 30 July 2024 – minutes can be provided (24/72792)
- 14 November 2024 – minutes can be provided (24/108640)

RESPONSE

No action required; quarterly meetings are being held in accordance with Council policy commitments.

Workplace Emergency Management

RESULTS/INTERPRETATION

Emergency Planning Committee (EPC)

The quarterly EPC meeting was held on:

- 6 November 2024 – minutes can be provided (24/106925)
- 7 August 2024 – minutes can be provided (24/79584)

Emergency Exercises

The following table depicts the amount of completed exercises completed up to 31 December 2024:

Exercises	24/25 Q1 & Q2	24/25 Q3	24/25 Q4	**24/25 YTD**	23/24 YTD	22/23 YTD
Completed	11	0	0	**11**	18	10

Emergency Control Organisation Workshop

The Emergency Control Organisation (ECO) is appointed by the EPC to direct and control the implementation of the Workplace Emergency Management Plan 21/32494. Members of the ECO include Chief Wardens, Wardens, First Aid Officers and Communications Officers.

The ECO meets on a quarterly basis to:

- discuss important information including lessons learnt from conducted emergency exercises, the application of Councils emergency policies and processes; and proactive industry best practice ideas.
- Support staff to build awareness and confidence when occupying these roles.
- Provide a forum with the opportunity for consultation and ability for staff to learn from one another.

Refer to the last ECO Workshop conducted on the 26 August 2024 minutes 24/83024 for more information.

RESPONSE

No action required; quarterly meetings are being held in accordance with Council policy commitments.

Community Emergency Management

RESULTS/INTERPRETATION

Zone Emergency Management Committee (ZEMC)

No significant community emergency events required Council support during this period.

Council continues to operate in accordance with the Local Government Council Ready Framework, with policy settings, incident procedures and arrangements and training are in place.

Community Incident Response Arrangements

The Community Incident Response Arrangements 20/42995 details Councils response should a community emergency occur. A training program is to be developed to ensure staff are aware and prepared to act.

RESPONSE

No response required.

Business Continuity

RESULTS/INTERPRETATION

Council's Risk and Safety Team have been working with Marsh Advisory to develop a scope of work for the review of Council's Business Continuity Arrangements.

Two bodies of work have been approved as follows:

Business Continuity Management Services

- Facilitation and delivery of a Business Continuity Management refresher session
- Facilitation and delivery of a scenario exercise
- Development of a documented Debrief report

Business Impact Analysis Services

- Facilitation of Business Process Assessment and Business Impact Analysis sessions

Officers are currently collaborating with Marsh Advisory to undertake the full brief of works, with a phased approach currently being rolled out.

RESPONSE

No response required.

WHS Incident Reporting

RESULTS/INTERPRETATION

Workplace incident and injury reporting is captured electronically in Skytrust.

As at 31 December 2024, the following incidents have been recorded:

Incident Type	2024/25 Q1 & Q2	2024/25 Q3	2024/25 Q4	2024/25 YTD	23/24 YTD	22/23 YTD
Injury	**17**	0	0	**17**	**41**	21
Environment	**2**	0	0	**2**	**3**	3
Near Miss	**11**	0	0	**11**	**35**	32
Property	**14**	0	0	**14**	**40**	31
Community	**4**	0	0	**4**	**3**	7
Other	**7**	0	0	**7**	**9**	10
Total	**55**	0	0	**55**	**131**	**104**

An incident occurred in September 2024 involving a significant tree failure in a Caravan Park. There were no reported injuries however property damage was sustained to a vehicle, caravan, and a separate caravan awning. SafeWork SA were notified of this incident and Council engaged an external party to conduct a review of the remaining trees. Based on the report provided 43 trees were removed the following week. SafeWork SA investigation was satisfied with actions taken and all reasonable risk mitigation measures were implemented.

Monthly Incident and Hazard Reporting are provided to ELT and the Health and Safety (HSR) Representatives for information. This spreadsheet includes:

- Corrective Actions Monitoring – details description of the action and its status
- Hazard Reports for the current month – details hazard reports for month and status
- Incident Reports for the current month – details incidents for month and status

Further details around incident and hazard reporting can be found in 23/1263.

RESPONSE

No response required.

Safety Inspections

RESULTS/INTERPRETATION

Council is committed to providing a safe working environment for staff. Workplace safety inspections are an essential tool used to mitigate risk through the examination and identification of safety hazards.

As at 30 June 2024, the following safety inspections have been completed:

	2024/25 Q1 & Q2	2024/25 Q3	2024/25 Q4	**2024/25 YTD**	23/24 YTD	22/23 YTD
Completed	**60**	0	0	**60**	79	51

Further details around inspections can be found in 14/14684.

RESPONSE

No response required.

WHS Internal and External Audits

RESULTS/INTERPRETATION

Internal Audits

There were no internal audits conducted in Quarter 1 and 2.

For further information, refer to the Internal Audit Schedule (23/71904).

External Audits

Council was selected by Return to Work SA to provide evidence in support of their audit on Local Government Association Risk Services to maintain Scheme self-insurance.

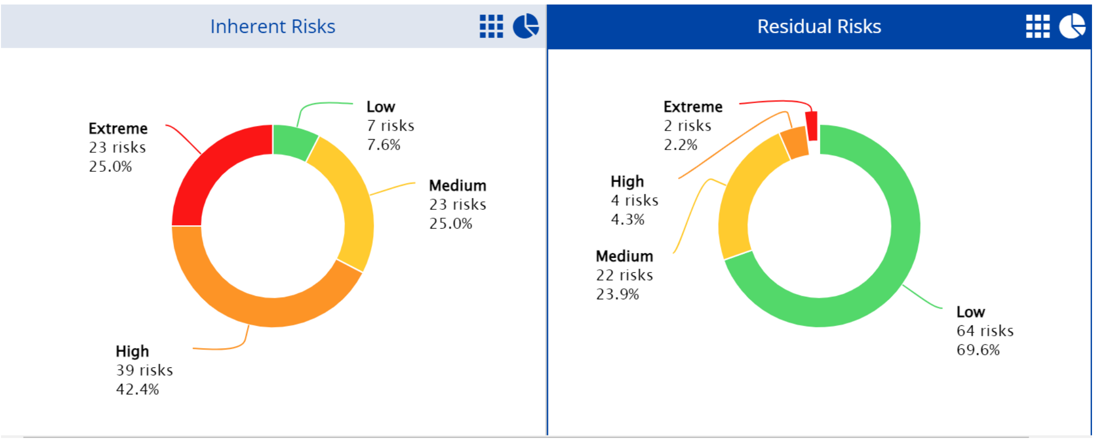
RESPONSE

No response required.

Internal Financial Control (ControlTrack)

The next control assessment, review of the Extreme and High Risks will occur in Quarter 3/4 2024/2025 financial year.

The current inherent and residual risks are detailed below.



DEBATE REPORT

4.1 APPOINTMENT OF ACTING CHAIRPERSON AND NOMINATIONS FOR PRESIDING MEMBER

Author: Team Leader Corporate Governance and Information Services
25/21047

PURPOSE

To appoint an acting Chairperson for the Committee.

RECOMMENDATION

That Audit and Risk Committee:

(1) Appoint Peter Brass as Acting Chairperson of the committee for the duration of the meeting.
(2) Nominate …………. as Presiding Member (Chairperson) to then be approved by resolution of Council

REPORT

Background
The term for the Chair of the Audit and Risk Committee concluded on 27 January 2025. A chair is yet to be appointed by Council.

Introduction
As its first item of business, the Committee will need to appoint an Acting Chairperson.

Martin McCarthy, Chief Executive Officer will assume the Chair, appoint Peter Brass as Acting Chairperson and call for nominations for the Presiding Member (Chairperson).

Nominations are not required to be seconded and may include self-nomination.

Discussion
As per clause 5.2.4 of the Terms of Reference, the Committee shall at its first meeting or at its first meeting following the Periodic Election, nominate a Chairperson who shall be chosen from the independent members.

Summary and Conclusion
The Committee is to appoint a Chairperson in accordance with the Terms of Reference. The nomination must be approved by resolution of Council.

Should there be more nominations than required then all voting will be by secret ballot as per Councils Code of Practice for Meeting Procedures.

ATTACHMENTS OR OTHER SUPPORTING REFERENCES

Nil

Supporting references
Terms of Reference of the Audit and Risk Committee

COMMUNITY PLAN / CORPORATE PLAN / LEGISLATIVE REQUIREMENTS

Corporate Plan
BS4 Council and Committees - Provision of support to Council and Committees through the provision of required information, agendas, and minutes. Council and Committees are provided with support to enable informed decisions

Legislative Requirements
Nil

FINANCIAL, RESOURCE AND RISK MANAGEMENT CONSIDERATIONS

Nil

COMMUNITY ENGAGEMENT

Not required.

DEBATE REPORT

4.2 CREDIT CARD STATEMENT REVIEW

Author: Senior Accountant
25/20430

PURPOSE

For the Audit and Risk Committee to review and acknowledge the credit card transactions that have been incurred by the Mayor and Chief Executive Officer (CEO).

RECOMMENDATION

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

REPORT

As per the recommendations of The Barossa Council's external auditors, the credit card transactions of the Mayor and CEO are to be provided to the Audit and Risk Committee for review.

The attachment details the transactions that have occurred between the period 19th September 2024 and 10th March 2025. Further questions about any particular transaction can be addressed at the meeting.

Like with any of Council's expenditure, credit card purchases are made in accordance with Council's Procurement Policy and aligned to approved budgets.

The previous update on the Mayor and CEO's credit card expenditure covered the period between 13th June 2024 to 18th September 2024 and was reviewed by the Audit and Risk Committee at the 30th September 2024 meeting. It is our intention to provide an update on credit card transactions of the Mayor and CEO on a quarterly basis.

ATTACHMENTS OR OTHER SUPPORTING REFERENCES

Attachment 1 Credit Card Transactions Summary ⇩

Supporting references
Nil

COMMUNITY PLAN / CORPORATE PLAN / LEGISLATIVE REQUIREMENTS

Legislative Requirements
Nil

FINANCIAL, RESOURCE AND RISK MANAGEMENT CONSIDERATIONS

Procurement Policy

COMMUNITY ENGAGEMENT

Expenditure in accordance with adopted budgets 2024/2025.

Attachment 1

Credit Card Transactions Summary For The Period 19th September 2024 to 10th March 2025

Cardholder First Name	Cardholder Last Name	Transaction Date	Supplier	Purpose	Tax	Amount Exclusive GST	Total Amount
Michael	Lange	27-Sep-24	Account Fees - Cc Fp User Fee	Monthly Cardholder Fee	0.50	5.00	5.50
Michael	Lange	9-Oct-24	Myer Centre Car Park	Car park fee for the G Dangroup office launch in attendance minister Zoe Bettison - Mayor Lange	1.18	11.82	13.00
Michael	Lange	29-Oct-24	Account Fees - Cc Fp User Fee	Monthly Cardholder Fee	0.50	5.00	5.50
Michael	Lange	21-Nov-24	Board Of The Botanic	LGA Mayor's Forum - Parking ticket	1.36	13.64	15.00
Michael	Lange	21-Nov-24	Majestic Roof Garden H	Majestic Roof Garden Hotel - Tax Invoice - Mayor Lange - Breakfast $24.00	2.18	21.82	24.00
Michael	Lange	21-Nov-24	Majestic Roof Garden H	Majestic Roof Garden Hotel - Tax Invoice - Bim Accommodation - $217.60	19.78	197.82	217.60
Michael	Lange	22-Nov-24	Board Of The Botanic	LGA AGM & Conference - Mayor Lange attendance - car parking	1.36	13.64	15.00
Michael	Lange	22-Nov-24	Frome Auto Park	Mayor Lange - LGA AGM - Mayor's Forum - carparking	2.03	20.30	22.33
Michael	Lange	28-Nov-24	Account Fees - Cc Fp User Fee	Monthly Cardholder Fee	0.50	5.00	5.50
Michael	Lange	16-Dec-24	Upark City Of Adl	Carparking Waiver - Mayor's meeting - Minister Champion & State Planning Commissioner - GARP	1.45	14.55	16.00
Michael	Lange	27-Dec-24	Account Fees - Cc Fp User Fee	Monthly Cardholder Fee	0.50	5.00	5.50
Michael	Lange	8-Jan-25	Ls Harvest Kitchen	Mayor hosted Minister Hildyard, SANL CEO, Rob Kerin for a tour of Barossa Park and lunch	55.46	554.58	610.04
Michael	Lange	26-Jan-25	Adelaide Convention Centr	Mayoral Waiver Form - Car Parking - 2025 Aus Lights on the River VIP Event & Official Ceremony	1.91	19.09	21.00
Michael	Lange	29-Jan-25	Account Fees - Cc Fp User Fee	Monthly Cardholder Fee	0.50	5.00	5.50
Michael	Lange	31-Jan-25	Gli Strappa Pty. Ltd.	Mayor Lange hosted Mayor from Mt Barker - Lunch and site visits	10.55	105.45	116.00
Michael	Lange	28-Feb-25	Account Fees - Cc Fp User Fee	Monthly Cardholder Fee	0.50	5.00	5.50
				Total Amount	**100.26**	**1002.71**	**1102.97**
Martin	McCarthy	18-Sep-24	Roper Street Carpark	Barossa park steering committee meeting car parking	1.68	16.76	18.44
Martin	McCarthy	27-Sep-24	Account Fees - Cc Fp User Fee	Monthly Cardholder Fee	0.50	5.00	5.50
Martin	McCarthy	23-Oct-24	Playfordhotel	Parking for Concordia structure plan meeting with DHUD	1.85	18.55	20.40
Martin	McCarthy	23-Oct-24	3rd Nnq	Lunch for staff as part of Concordia structure meeting with DHUD.	13.47	134.72	148.19
Martin	McCarthy	24-Oct-24	Dhs - Screening Unit	Update to working with children and vulnerable people check - Martin McCarthy	19.59	195.91	215.50
Martin	McCarthy	29-Oct-24	Account Fees - Cc Fp User Fee	Monthly Cardholder Fee	0.50	5.00	5.50
Martin	McCarthy	11-Nov-24	Ls Harvest Kitchen	Lunch meeting with DepCEO of DHUD and senior planning team with council director and manager - Conco	54.91	549.07	603.98
Martin	McCarthy	13-Nov-24	Sq *horizonat1837	Hosting lunch meeting and lyndoch tour with ceo and executive officer from office for rec and sport	21.89	218.90	240.79
Martin	McCarthy	15-Nov-24	Cpa Australia	Annual CPA membership as per contract of employment.	79.88	798.76	878.64
Martin	McCarthy	20-Nov-24	Roper Street Carpark	Parking for interviews for Senior Manager role, interviews held at Hender in Adelaide	2.79	27.94	30.73
Martin	McCarthy	26-Nov-24	Ls Harvest Kitchen	Host Deputy CE Director transport - Concordia / Northern Adelaide trans planning lunch after site vi	67.85	678.54	746.39
Martin	McCarthy	27-Nov-24	Bean Addiction	Meeting with prospective senior manager part of recruitment process.	1.67	16.73	18.40
Martin	McCarthy	28-Nov-24	Account Fees - Cc Fp User Fee	Monthly Cardholder Fee	0.50	5.00	5.50
Martin	McCarthy	27-Dec-24	Account Fees - Cc Fp User Fee	Monthly Cardholder Fee	0.50	5.00	5.50
Martin	McCarthy	3-Jan-25	Network Classifieds	Consultation advert for EM Support Policy	16.74	167.40	184.14
Martin	McCarthy	25-Jan-25	S24 Tanunda	Ice for Australia Day drinks	2.00	19.97	21.97
Martin	McCarthy	26-Jan-25	Otr Nuriootpa	Ice for Australia Day	1.09	10.90	11.99
Martin	McCarthy	29-Jan-25	Account Fees - Cc Fp User Fee	Monthly Cardholder Fee	0.50	5.00	5.50
Martin	McCarthy	31-Jan-25	S24 Tanunda	Water for Mt Barker Council visit Friday 31 January	1.18	11.81	12.99
Martin	McCarthy	6-Feb-25	Fiji Airways2602427097944	Purch flights Grapevine Texas-pre-purch due to significant sale on airfares - SSM/EBP - Janine Hardi	899.82	8998.23	9898.05
Martin	McCarthy	6-Feb-25	Fiji Airways2602427097948	Purch flights Grapevine Texas-pre-purchd due to significant sale on airfares - CEO Martin McCarthy	899.82	8998.23	9898.05
Martin	McCarthy	6-Feb-25	Fiji Airways2602427097946	Purch flights Grapevine Texas - pre-purchd due to significant sale on airfares - Mayor Lange	899.82	8998.23	9898.05
Martin	McCarthy	12-Feb-25	Bean Addiction	Coffee meeting with new CEO of RDA Barossa - Jo Moen, Elaine Burridge and Martin McCarth	1.79	17.91	19.70
Martin	McCarthy	14-Feb-25	Upark City Of Adl	Parking in Adelaide - Kelledy Jones meeting	1.36	13.64	15.00
Martin	McCarthy	20-Feb-25	Playfordhotel	Parking for meeting with DHUD concordia funding and structure plan.	1.85	18.55	20.40
Martin	McCarthy	25-Feb-25	Sp Vividads.Com.Au	New tablecloths for civic events	166.00	1660.05	1826.05
Martin	McCarthy	28-Feb-25	Account Fees - Cc Fp User Fee	Monthly Cardholder Fee	0.50	5.00	5.50
Martin	McCarthy	6-Mar-25	First Drop Wines	Regional ceo lunch meeting - food only	13.36	133.64	147.00
				Total Amount	**3173.41**	**31734.44**	**34907.85**

DEBATE REPORT

4.3 BUDGET REVIEW - QUARTER 2 FOR THE 2024-25 FINANCIAL YEAR AS AT 31 DECEMBER 2024

Author: Chief Executive Officer
25/20538

PURPOSE

To review the updated budget as at 31 December 2024.

RECOMMENDATION

That Audit and Risk Committee having reviewed the revised budget receive and note the updated quarter 2 forecasts and results as at 31 December 2024 as presented at the Attachment.

REPORT

Background
On a quarterly basis the budgets of Council are to be reviewed in accordance with the *Local Government Act 1999* and associated regulations.

Budget managers undertake a review of all budget lines and adjust where budgets are trending over or under budget and where changes are required for capital programs or new or changed funding conditions.

Discussion
The reports provide information on the financial position of Council, containing budget update reports, variations and restated financial statements as normally presented. This quarter's report has also been reviewed to improve its readability and to provide improved information related to the operating, functional and capital budget. New information is provided on more detailed operational and functional budget performance as at 31 December 2024 and a revised capital budget report that directly aligns to the format of the adopted capital budget in the annual business plan and budget document.

At this time in the financial year the predicted borrowings for the year are $23.5M significantly down from the first budget review and adopted budget.

The revised budget indicates continued alignment with the deliverables of the business plan and the operating and capital budget outcomes improve Council's cash position by over $1M.

Summary and Conclusion
The review has been completed and is ready for Council consideration and endorsement.

ATTACHMENTS OR OTHER SUPPORTING REFERENCES

Attachment 1 Q2 Budget Update 2024-25 as at 31 December 2024 ⇩

Supporting references
Nil

COMMUNITY PLAN / CORPORATE PLAN / LEGISLATIVE REQUIREMENTS

Corporate Plan

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

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

Legislative Requirements
Section 122 of the Local Government Act 1999
Section 123 of the Local Government Act 1999
Regulation 9 of the Local Government (Financial Management) Regulations 2011

FINANCIAL, RESOURCE AND RISK MANAGEMENT CONSIDERATIONS

The reports provide the best up-to-date estimates of financial and resource estimates to achieve the annual business plan and strategies set by Council and the stability of Council's long term financial position and operations.

COMMUNITY ENGAGEMENT

Community consultation was part of the original 2024-25 budget adoption process in June 2024.

Attachment 1

Annual Budget and Business Plan 2024/25

Update as at 31 December 2024

Annual Business Plan and Budget Update Report

Executive Summary

This report is a Budget Update as at 31 December 2024 for the 2024/25 financial year pursuant to Regulations 7, 9 and 10 of the *Local Government (Financial Management) Regulations 2011* under the Act. Unless otherwise indicated figures shown are for the 2024/25 financial year and the variance report comparison is actual to original budget.

The proposed revised budget adjustments include a number of 'one-off' variations shown as Favourable (F) or Unfavourable (U). Only larger variances (excluding carried forward amounts from 2023/24) are highlighted below. For further details and information on the note numbers refer to variance adjustments within this report.

Long Term Financial Plan (LTFP) – Considerations

Since the adoption of the Budget, Council has made decisions on projects and service levels that have material financial implications not only for the 2024/25 year (these are included within the yearly budget wherever possible) but also may affect the longer term. In some cases not all information is available for these projects and not included in the budget review. The following list is a summary of material project changes:

- ❖ Infrastructure expenditure on project scoping, designs and works with this budget update at $13.6m this includes additional and carried forward expenditure with this update at $800k as outlined in the first quarter budget review.
- ❖ Office and Community Facilities inc. The Big Project (TBP) expenditure on project scoping, designs and works with this budget update at $29m this includes the Barossa Park – Lyndoch Project and Creative Industries hub. There is additional and carried forward expenditure with this update at $1.9m, as well as a reduction in spending of $2.9m see more detail in this report as outlined in the first quarter budget review. Increases to scope and funding for these two projects partly offset by additional third-party revenue totalling at least $1.208M.
- ❖ The Council's Community Wastewater Management Systems (CWMS) operating result and capital expenditure programs are transferred to/from a reserve held specifically for this service area. A review of the service charges and rating methodology is required to check the charge vs service provision in line with legislative and ESCOSA requirements as outlined in the first quarter budget review.
- ❖ Implementation of resourcing for the Strategic, Economic Activation and Events unit as approved by Council at its meeting of 19 November 2024.
- ❖ Extension to the waste management contract for 7 years as revised and approved by Council at its meeting of 19 November 2024.
- ❖ The financial statements presented within this review have been aligned to the long term financial model this means capital spending distributions on the cash flow and uniform presentation of finance will not directly correlate to the prior monthly report for December 2024.

Attachment 1

Uniform Presentation of Finances

for the year ending 30 June 2025

The following is a high level summary of both operating and capital investment activities of the Council prepared in a uniform and consistent basis. All Councils in South Australia voluntarily have agreed to summarise annual budgets and long term financial plans on the same basis. The arrangement ensures that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances.

	Budget Adjustment Notes	Original Full Year Budget ($'000)	Actuals as at 31 Dec ($'000)	*Full year Revised Budget in Last Update ($'000)	Budget Adjustments Quarter 2 ($'000)	Proposed Full Year Revised Budget ($'000)
Income	1-7	49,517	45,837	50,316	274	50,590
Less Expenses	8-11	(49,954)	(24,186)	(50,580)	(813)	(51,393)
Operating Surplus / (Deficit)		(437)	21,651	(264)	(539)	(803)
Less Net Outlays on Existing Assets						
Capital Expenditure on Renewal and Replacement of Existing Assets	12	(11,202)	(2,586)	(10,689)	0	(10,689)
add back Depreciation, Amortisation and Impairment	10	10,816	5,408	10,816	320	11,136
add back Proceeds from Sale of Replaced Assets	13	368	0	368	0	368
		(18)	2,822	495	320	815
Less Net Outlays on New and Upgraded Assets						
Capital Expenditure on New and Upgraded Assets	14	(29,484)	(23,398)	(33,983)	503	(33,480)
Capital Expenditure on New and Upgraded Assets - Accounting Adjustment		0	0	0	1,341	1,341
add back Amounts Received Specifically for New and Upgraded Assets	15	6,725	5,164	7,349	847	8,196
add back Proceeds from Sale of Surplus Assets	16	0	0	0	0	0
		(22,759)	(18,234)	(26,634)	2,690	(23,944)
Net Lending / (Borrowing) for Financial Year		(23,214)	6,239	(26,403)	2,471	(23,932)

*Full Year Revised Budget is the Quarter 1 Budget Review for the year.

Key Performance Indicators (KPI) – 2024/25

Key Performance Indicators (KPI)		Original Budget 30 June 25	Budget Update 30 Sep 24	Budget Update 31 Dec 24
Operating Surplus / (Deficit) ($'000)		(437)	(264)	(803)
Target	To achieve an operating breakeven position, or better, over any five year period.			
Notes	*Operating deficit increased by $539k as a result of an increase in net costs of $813k and an increase in operating revenue of $274k. The change is primary due to three main adjustments Nuriootpa Centennial Park Authority net deficit adjustment of $243K (salaries and wages of $165K and other expenses of $81K); increase to depreciation estimates of $320K and increased expenses due to a large mechanical breakdown of $128K). The long-term financial plan predicts the target will be met with a five year operating surplus of $572K.*			
Operating Surplus Ratio		(0.9%)	(0.5%)	(1.6%)
Target	To achieve an operating surplus ratio of between -2% to 10.			
Notes	*Within target with the long term financial plan indicating an operating surplus of 1.7%.*			
Net Financial Liabilities ($'000)		45,385	45,007	41,736
Target	Council's level of net financial liabilities (NFL) is no greater than its annual operating revenue and not less than zero.			
Notes	*Within target. Has significantly reduced due to delayed expenditure of $6M on the Barossa Creative Industries Centre, whilst still receiving 50% of the Commonwealth Growing Regional Fund grant, thus lowing borrowings and expenses.*			
Net Financial Liabilities Ratio		91.6%	89.4%	82.5%
Target	Net financial liabilities ratio is greater than zero but less than 100% of total operating revenue.			
Notes	*Within target see comments on net financial liabilities above.*			
Asset Funding Renewal Ratio		129.4%	140%	124%
Target	Capital outlays on renewing/replacing assets is greater than 80% but less than 110% of Infrastructure Asset Management Plans (previously Depreciation) over a rolling 3 year period, the ratio shown above is based on the spend for the current year only.			
Notes	*Exceeds the target.*			

Detailed Second Quarter Budget Adjustments for the 2024/25 Financial Year – Operating Budget

Department	Description	Income/Expenditure Account	Reason for Budget Adjustment	Type of Adjustment	2024/25 Adjustment Quarter 2
Operating Adjustments – Rates and Charges					
Finance Services	Property Rating	Rate Revenue - Fines & Interest	Adjust for reduction in rates received due to valuation appeals.	DECREASE REVENUE	40,959
Finance Services	Property Rating	Rate Revenue - Fines & Interest	Adjust for land use changes, period for amendments now passed.	DECREASE EXPENSE	(35,591)
Finance Services	Property Rating	Rate Revenue - Fines & Interest	Adjust to match actual rebates that are mandatory at time of raising rate charges.	INCREASE EXPENSE	5,856
Finance Services	Property Rating	Rate Revenue - Fines & Interest	Adjust to reflect actual rebates applied at time of rates being raised.	DECREASE EXPENSE	(13,810)
Finance Services	Property Rating	Rate Revenue - Fines & Interest	Adjust to align to trend.	INCREASE REVENUE	(13,000)
CWMS	CWMS - Infrastructure Maintenance	Rate Revenue - Fines & Interest	Adjust to reflect actual CWMS rates raised at time of raising rates.	INCREASE REVENUE	(10,067)
Rates				***Note 1***	***(25,653)***
Operating Adjustments – Statutory Charges					
Community Safety	Compliance, Monitoring & Enforcement- Regulatory	41240 - Fines Received - Car parking	We met budget last year due to many complaints in a particular area. This has now been addressed. We have received parking complaints, however, drivers are adhering to the education given.	DECREASE REVENUE	3,000
Statutory Charges				***Note 2***	***3,000***

Attachment 1

Department	Description	Income/Expenditure Account	Reason for Budget Adjustment	Type of Adjustment	2024/25 Adjustment Quarter 2
Operating Adjustments – User Charges and Fees					
Works Operating	Cemeteries - Other maintenance	Fees - Cemetery Fees	Trending above budget	INCREASE REVENUE	(10,000)
Nuriootpa Centennial Park Authority	Nuriootpa Caravan Park (NCPA)	Caravan Park - Site Fees	Site fees down - industry trend.	DECREASE REVENUE	78,900
Nuriootpa Centennial Park Authority	Nuriootpa Caravan Park (NCPA)	Caravan Park - Cabin Fees	Cabin Fees up - industry trend.	INCREASE REVENUE	(74,485)
User Charges and Fees				***Note 3***	***(5,585)***
Operating Adjustments – Grant, Subsidies and Contributions					
Community Services	Creative Industries	Capital Grant - Other	Align grant revenue for the creative industries centre to the recently executed funding agreement.	INCREASE REVENUE	(846,950)
Grants, Subsidies and Contributions				***Note 4***	***(846,950)***
Operating Adjustments – Investment Income					
Investment Income				***Note 5***	***0***
Operating Adjustments – Reimbursements					
Corporate Services	Risk and Safety	Reimburse. Inc - Insurance Claims	Increased insurance recoveries.	INCREASE REVENUE	(5,000)
Works Operating	Depot - Misc/Maint	Reimburse. Inc - Insurance Claims	Additional insurance recoveries.	INCREASE REVENUE	(3,000)
Finance Services	Financial Services	Reimburse. Inc - Workers Comp Claims	Increased WHS insurance recoveries.	INCREASE REVENUE	(25,000)
Works Operating	Works Admin	Reimburse. Inc - Workers Comp Claims	Increased WHS insurance recoveries.	INCREASE REVENUE	(30,000)
Finance Services	Financial Services	Recoupments - Income Protection Insurance	Increased income insurance recoveries.	INCREASE REVENUE	(33,635)
Works Operating	Works Admin	Recoupments - Income Protection Insurance	Increased income insurance recoveries.	INCREASE REVENUE	(38,149)
Reimbursements				***Note 6***	***(134,784)***

Attachment 1

Department	Description	Income/Expenditure Account	Reason for Budget Adjustment	Type of Adjustment	2024/25 Adjustment Quarter 2
Operating Adjustments – Other Income					
Office of the Mayor and CEO	Sister City - Grapevine	Other Income - Fundraising	Recognise target Nuriootpa High School fundraising for Grapevine visit.	INCREASE REVENUE	(40,000)
Community Programs and Development	Williamstown Historical Society	Other Income - Donations - Other	Recognising budget for donation/bequest received by Williamstown Historical Society.	INCREASE REVENUE	(49,577)
Works Operating	Parks & Gardens Services	Other Income - Misc.	Additional works were undertaken for remediation after the Medieval fair $15k which has been invoiced to the event owner but is still unpaid.	INCREASE REVENUE	(15,000)
Nuriootpa Centennial Park Authority	Nuriootpa Caravan Park (NCPA)	Other Income - Misc.	BIG 4 promotions membership	INCREASE REVENUE	(6,500)
Other Income				***Note 7***	***(111,077)***
Operating Adjustments – Employee Expenses					
Works Operating	Parks & Gardens Services	Wages - Normal Rate	Permanent Change - Increase funded by adjustments from CC 4252. To fund one ME5 positions moving to a ME7 and as part of open space restructure.	TRANSFER	4,000
Nuriootpa Centennial Park Authority	Nuriootpa Caravan Park (NCPA)	Wages - NCPA	NCPA salary and wages significantly above budget related to greater cabin occupancy	INCREASE EXPENSE	148,005
Nuriootpa Centennial Park Authority	Nuriootpa Caravan Park (NCPA)	Wages - Superannuation NCPA	NCPA superannuation significantly above budget related to greater cabin occupancy	INCREASE EXPENSE	16,905
All Salary Budgets	All Salary Budgets	All Salary Budgets	Correct salary and superannuation distribution in budget no change to total budget.	TRANSFER	1,328,275
All Salary Superannuation Budgets	All Salary Superannuation Budgets	All Salary Superannuation Budgets	Correct salary and superannuation distribution in budget no change to total budget.	TRANSFER	(1,328,275)
Works Operating	Asset Management	Salaries - Normal	Moving Salary from TL Assets to Contractors for Plant Utilisation Review	TRANSFER	(80,626)
Works Operating	Asset Management	Salaries - Superannuation	Moving Salary from TL Assets to Contractors for Plant Utilisation Review	TRANSFER	30,626
Employee Costs				***Note 8***	***118,910***

Attachment 1

Department	Description	Income/Expenditure Account	Reason for Budget Adjustment	Type of Adjustment	2024/25 Adjustment Quarter 2
Operating Adjustments – Materials, Contract and Other Expenses					
Organisational Culture and People	Organisational Culture and People	Staff Training - Seminar/Conference Fees	Funds transferred to Risk and Safety to address allocation error during Chart of Accounts setup. No net change to budget.	TRANSFER	(15,046)
Corporate Services	Risk and Safety	Staff Training - Seminar/Conference Fees	$14,000 to be transferred from OCP account 1160-60050. Original Budget entered into OCP account in error during Chart of Accounts set up. No net increase in budget.	TRANSFER	14,000
Corporate Services	Corporate Governance and Information Services	Staff Training - Seminar/Conference Fees	Transfer unallocated training provision to 1185-60050 Property and Procurement Training to support onboarding and training of new staff.	TRANSFER	(700)
Corporate Services	Property and Procurement	Staff Training - Seminar/Conference Fees	Increase funded by transfer of unallocated training funds from CGIS 1180- 60050 to support onboarding training for new staff in property and procurement function. No net increase on budget.	TRANSFER	700
Planning Services	Assessment Panel formerly Support Dev Assessment Panel	Staff Training - Seminar/Conference Fees	Transfer from Compliance Legals	TRANSFER	1,000
Office of the Mayor and CEO	Sister City - Grapevine	Staff Training - Travel Expenses	Establish budget for grapevine mission for approved delegates - majority of costs will be incurred in 2024-25 with pre-purchase of flights being largest cost - attempting to purchase though Grapevine at their rates and arrangements with Qantas.	INCREASE EXPENSE	16,000
Health Services	Pest Control formerly Pest Control - Miscellaneous	Contractors - Pest Control Services	Transferred from cost centre 3620 since it relates to rat trapping	TRANSFER	5,750
Works Ovals and Open Space	Barossa Rugby Precinct Development Tanunda	Contractors - Cleaning Services	Establish base costs for the rugby precinct building	INCREASE EXPENSE	500
Offices and Community Facilities	Tanunda Depot	Contractors - Fire Equipment Servicing	Transferred $5021 from 4302-61126 for fire safety replacements as needed.	TRANSFER	5,021
Works Ovals and Open Space	Barossa Rugby Precinct Development Tanunda	Contractors - Fire Equipment Servicing	Establish base costs for the rugby precinct building	INCREASE EXPENSE	2,000

Department	Description	Income/Expenditure Account	Reason for Budget Adjustment	Type of Adjustment	2024/25 Adjustment Quarter 2
Operating Adjustments – Materials, Contract and Other Expenses (cont)					
Tourism Services	Barossa Visitor Centre - Building Expenditure	Contractors - Bldg Maintenance Services	From 4302-61126 to Visitors Centre for AC Compressor Replacement.	TRANSFER	7,778
Offices and Community Facilities	Community Assets & Facilities	Contractors - Bldg Maintenance Services	Transfers to: 1. Talunga Park - 4344-1380-61126 - $6288.50 - for Rekey of pavilion, market shed and atrium. 2. Visitors Centre 1230-1375-61126 - $778.10 - For AC Compressor Replacement. 3. Tanunda Depot - 4366-1375-61125 - $5021 - Fire safety portable replacements.	TRANSFER	(19,088)
Works Ovals and Open Space	Rec Park - Talunga (Mt Pleasant)	Contractors - Bldg Maintenance Services	Transfer from 4320-61126 for rekey of pavilion, market shed and atrium at Talunga	TRANSFER	6,289
Works Ovals and Open Space	Barossa Rugby Precinct Development Tanunda	Contractors - Bldg Maintenance Services	Establish base costs for the rugby precinct building	INCREASE EXPENSE	2,000
Works Ovals and Open Space	Barossa Rugby Precinct Development Tanunda	Contractors - Hygiene Services	Establish base costs for the rugby precinct building	INCREASE EXPENSE	500
Finance Services	Financial Services	Contractors - Relief Staff	Transferring $23,000 for purchase of EFT sure software to natural account 61185 Software - Purchase Licence Fee	TRANSFER	(23,000)
Offices and Community Facilities	Hall - Lyndoch	Contractors - Lawn Mowing/Grass slashing	Transfer to 4344-61142. Works have been insourced and undertaken by ops team.	TRANSFER	(500)
Offices and Community Facilities	Barossa Aquatic & Fitness Centre 'The Rex'	Contractors - Lawn Mowing/Grass slashing	Transfer to 4344-61142. Works have been insourced and undertaken by ops team.	TRANSFER	(1,000)
Works Ovals and Open Space	Barossa Rugby Precinct Development Tanunda	Contractors - Domestic Waste Collection	Establish base costs for the rugby precinct building	INCREASE EXPENSE	3,000
Director Corporate Services	Director Corporate Services and Business Innovation	Contractors - Plant/Machinery Servicing	Funds transferred from Culture and People to address allocation error during Chart of Accounts setup. No net change to budget.	TRANSFER	1,500
Corporate Services	Risk and Safety	Contractors - Other Services	Funds to be redistributed from Consultants to Contractors to address Chart of Account set up anomaly and represent actual spend. No net increase to budget.	TRANSFER	10,000
Customer Experience	Events	Contractors - Other Services	Transfer from OMCEO events to align budget with new Event Delivery Function. No net increase on budget.	TRANSFER	100,000

Department	Description	Income/Expenditure Account	Reason for Budget Adjustment	Type of Adjustment	2024/25 Adjustment Quarter 2
Operating Adjustments – Materials, Contract and Other Expenses (cont)					
Community Safety	Compliance, Monitoring & Enforcement- Regulatory	Contractors - Other Services	Adjust to trend	INCREASE EXPENSE	411
Health Services	Assessment and Advice - Health	Contractors - Other Services	Transferring to cost centre 3625 as it relates to rat trapping	TRANSFER	(5,750)
Works Operating	Bike Path - Repair/Maintenance	Contractors - Other Services	Increase by $15k. Funded by adjustment from 4251-61140	TRANSFER	15,000
Works Operating	Machine/Vehicle/Equip - Other	Contractors - Other Services	Request additional budget of $128,714. This is a forecast for end of Q3 actual spend with a review of budget and additional adjustment to be submitted at that point.	INCREASE EXPENSE	128,714
Works Operating	Parks & Gardens Services	Contractors - Other Services	Tracking to go over budget - Additional works were undertaken for remediation after the Medieval fair $15k which has been invoiced to the event owner but is still unpaid.	INCREASE EXPENSE	15,000
Works Operating	Footpaths/Kerbing - Repair/Maintenance	Contractors - Other Services	Reduce by $15k. Budget transferred to bike path maintenance 4210-61140	TRANSFER	(15,000)
Works Operating	Footpaths/Kerbing - Repair/Maintenance	Contractors - Other Services	Reduce by $15k transfer funds to assist with plant and equipment maintenance increase to centre 4243.	DECREASE EXPENSE	(15,000)
Works Operating	Sealed Roads - Repair/Maintenance	Contractors - Other Services	Transfer funds to assist with plant and equipment maintenance increase to centre 4243.	DECREASE EXPENSE	(15,000)
Works Operating	Biodiversity	Contractors - Other Services	Increase in funds required for weed control in waterways. As approved by Ben C.	INCREASE EXPENSE	10,000
Works Operating	Asset Management	Contractors - Other Services	Moving Salary from TL Assets to Contractors for Plant Utilisation Review	TRANSFER	50,000
Offices and Community Facilities	Bethany Reserve	Contractors - Other Services	Additional $6842.00 Funding required for replacement of multiple toilet cisterns that failed	INCREASE EXPENSE	5,537
Works Ovals and Open Space	Barossa Rugby Precinct Development Tanunda	Contractors - Other Services	Establish base costs for the rugby precinct building	INCREASE EXPENSE	2,000
Nuriootpa Centennial Park Authority	Nuriootpa Caravan Park (NCPA)	Contractors - Other Services	Linen and cabin costs increased due to greater occupancy	INCREASE EXPENSE	50,040
Works Ovals and Open Space	Rec Park - Talunga (Mt Pleasant)	Contractors - Works Contract Labour Staff	Increase funded from 4321 & 4335 - 61130 for works that have been insourced to ops team	TRANSFER	1,500

Department	Description	Income/Expenditure Account	Reason for Budget Adjustment	Type of Adjustment	2024/25 Adjustment Quarter 2
Operating Adjustments – Materials, Contract and Other Expenses (cont)					
Director Corporate Services	Director Corporate Services and Business Innovation	Consultants - Other	Transfer of unallocated funds to Economic Development function to support delivery of Local Economic Development Plan.	TRANSFER	(30,000)
Finance Services	Property Rating	Consultants - Other	Transferring budget to 63416 Postage given tracking above budget in that natural account.	TRANSFER	(6,000)
Organisational Culture and People	Organisational Culture and People	Consultants - Other	Funds transferred from ICT salaries to offset outsourced recruitment of vacancy. No net change to budget.	TRANSFER	17,500
Corporate Services	Risk and Safety	Consultants - Other	Transfer $10,000 from Consultants to Contractors to address Chart of Account set up anomaly and represent actual spend. No net increase to budget.	TRANSFER	(10,000)
Office of the Mayor and CEO	Regional Development - Miscellaneous	Consultants - Other	Transfer from DCSSI to align with new Economic Development function. No net increase on budget.	TRANSFER	30,000
Planning Services	Assessment and Advice-Planning	Contractors - Heritage Advisor	Transferred $10000 from Building Legals	TRANSFER	10,000
Finance Services	Financial Services	Software - Purchase Licence Fee	Transferring $23,000 for purchase of EFT sure software from natural account 61129 Contractors - Relief Staff	TRANSFER	23,000
Organisational Culture and People	Organisational Culture and People	Direct Purchases - First Aid Supplies	Transferred to Risk and Safety. Original budget entered into OCP account in error during Chart of Accounts set up. No net increase in budget.	TRANSFER	(6,000)
Corporate Services	Risk and Safety	Direct Purchases - First Aid Supplies	Transferred from OCP 1160-61200. Original budget entered into OCP account in error during Chart of Accounts set up. No net increase in budget.	TRANSFER	6,000
Nuriootpa Centennial Park Authority	Nuriootpa Caravan Park (NCPA)	Direct Purchases - Cleaning Supplies	Adjust to trend	INCREASE EXPENSE	(7,000)
Corporate Services	Property and Procurement	Direct Purchases - Vehicle/Machine Parts	Transfer $2,500 from 61223 Direct Purchases Other to fund ongoing maintenance of Manager Corporate Services vehicle - no net increase on budget.	TRANSFER	2,500
Works Operating	Machine/Vehicle/Equip - Other	Direct Purchases - Vehicle/Machine Parts	Request additional $15k. To the forecasted actual spend by end of Q3.	INCREASE EXPENSE	15,000

Attachment 1

Department	Description	Income/Expenditure Account	Reason for Budget Adjustment	Type of Adjustment	2024/25 Adjustment Quarter 2
Operating Adjustments – Materials, Contract and Other Expenses (cont)					
Director Corporate Services	Director Corporate Services and Business Innovation	Direct Purchases - Stationery	Transferred to Customer Experience. Original budget entered into Directors account in error during Chart of Accounts set up. No net increase in budget.	TRANSFER	(6,500)
Customer Experience	Customer Experience Operations	Direct Purchases - Stationery	Transferred from Director CSSI. Original budget entered into Directors account in error during Chart of Accounts set up. No net increase in budget.	TRANSFER	6,500
Organisational Culture and People	Organisational Culture and People	Direct Purchases - Safety Equip or Clothing	Transferred to Risk and Safety. Original budget entered into OCP account in error during Chart of Accounts set up. No net increase in budget.	TRANSFER	(1,000)
Corporate Services	Risk and Safety	Direct Purchases - Safety Equip or Clothing	$1,000 to be transferred from OCP 1160-61217. Original budget entered into OCP account in error during Chart of Accounts set up. No net increase in budget.	TRANSFER	1,000
Director Corporate Services	Director Corporate Services and Business Innovation	Direct Purchases - Other	Transfer of $2500 to Customer Experience and $3000 to Risk and Safety. Original budget entered into Directors account in error during Chart of Accounts set up. No net increase in budget.	TRANSFER	(5,500)
Organisational Culture and People	Organisational Culture and People	Direct Purchases - Other	Transferred to Risk and Safety. Original budget entered into OCP account in error during Chart of Accounts set up. No net increase in budget.	TRANSFER	(5,000)
Corporate Services	Risk and Safety	Direct Purchases - Other	Transfer $5,000 from OCP 1160-61226. Original budget entered into OCP account in error during Chart of Accounts set up. No net increase in budget.	TRANSFER	5,000
Corporate Services	Property and Procurement	Direct Purchases - Other	Transfer to Direct Purchases Vehicle/Machine Parts 61209 to make provision for ongoing maintenance of Manager Corporate Services Vehicle.	TRANSFER	(2,500)
Customer Experience	Customer Experience Operations	Direct Purchases - Other	Transferred from Director CSSI. Original budget entered into Directors account in error during Chart of Accounts set up. No net increase in budget.	TRANSFER	2,500

Department	Description	Income/Expenditure Account	Reason for Budget Adjustment	Type of Adjustment	2024/25 Adjustment Quarter 2
Operating Adjustments – Materials, Contract and Other Expenses (cont)					
Customer Experience	Events	Direct Purchases - Other	Transfer from OMCEO events to align budget with new Event Delivery Function. No net increase on budget.	TRANSFER	30,000
Office of the Mayor and CEO	Sister City - Grapevine	Direct Purchases - Other	Budget for Nuriootpa High School Grapevine visit paid for through fundraising.	INCREASE EXPENSE	40,000
Community Programs and Development	Williamstown Historical Society	Direct Purchases - Other	Recognising budget for expenses associated with the donation/bequest received by the Williamstown Historical Society. Processed on behalf of Carly given she had already submitted her budget pack.	INCREASE EXPENSE	49,577
Community Services - Home Assist	Community - Home Assist	Direct Purchases - Other	Minor transfer from 63416	TRANSFER	500
Works Administration	Tour Down Under Committee	Direct Purchases - Other	Transfer from Works TDU budget to Tourism and Events to align budget with new Event Delivery Function. No net increase on budget.	TRANSFER	(9,090)
Works Operating	Street furniture (includes signs)	Direct Purchases - Other	Adjustment to reflect actual spending with forecast to spend $90k by end of Q3. This is the cost centre which all signs are bought against which is a regulatory function and necessary for public safety.	INCREASE EXPENSE	37,162
Works Operating	Roadside Management - Trees/Weeds	Direct Purchases - Other	Reduce to fund additional open spaces wages budget.	TRANSFER	(4,000)
Nuriootpa Centennial Park Authority	Nuriootpa Caravan Park (NCPA)	Direct Purchases - Other	Adjust to trend	INCREASE EXPENSE	7,000
Director Corporate Services	Director Corporate Services and Business Innovation	Direct Purchases - Office Paper	Transferred to Customer Experience. Original budget entered into Directors account in error during Chart of Accounts set up. No net increase in budget.	TRANSFER	(5,700)
Customer Experience	Customer Experience Operations	Direct Purchases - Office Paper	Transferred from Director CSSI. Original budget entered into Directors account in error during Chart of Accounts set up. No net increase in budget.	TRANSFER	5,700
Organisational Culture and People	Organisational Culture and People	Direct Purchases - Uniforms	Increase in funds required to offset greater than anticipated new starters eligible for and up taking higher uniform allowance upon commencement.	INCREASE EXPENSE	15,000

Department	Description	Income/Expenditure Account	Reason for Budget Adjustment	Type of Adjustment	2024/25 Adjustment Quarter 2
Operating Adjustments – Materials, Contract and Other Expenses (cont)					
Works Operating	Footpaths/Kerbing - Repair/Maintenance	Road Materials - Quarry Sand	Transfer funds to assist with plant and equipment maintenance increase to centre 4243.	TRANSFER	(10,000)
Nuriootpa Centennial Park Authority	Nuriootpa Caravan Park (NCPA)	Bank Charges	RMS pay settlement charges - banking charges	INCREASE EXPENSE	30,660
Finance Services	Financial Services	Fringe Benefits Tax Expenses	Recognise FBT expense for Manager Financial Service's fuel use given was not budgeted for.	INCREASE EXPENSE	1,000
Community Programs and Development	Community Assistance Scheme	Donations - Community Assistance Scheme	Budget set up against incorrect account transferring to 63190	TRANSFER	(24,900)
Customer Experience	Events	Contributions - Other	Transfer from OMCEO events to align budget with new Event Delivery Function. No net increase on budget.	TRANSFER	62,950
Office of the Mayor and CEO	Support Other LGA Bodies	Contributions - LGAs	To reflect actual contribution costs to LGA and NYLGA (previously Legatus)	INCREASE EXPENSE	2,352
Works Administration	Tour Down Under Committee	Contributions - Tour Down Under	Transfer from Works TDU budget to Tourism and Events to align budget with new Event Delivery Function. No net increase on budget.	TRANSFER	(25,000)
Community Programs and Development	Community Assistance Scheme	Donations - Community Assistance Scheme	Budget set up against incorrect account transferring from 63151	TRANSFER	24,900
Office of the Mayor and CEO	Sister City - Grapevine	Councillors - Travelling & Accommodation	Establish budget for grapevine mission for approved delegates - majority of costs will be incurred in 2024-25 with pre-purchase of flights being largest cost - attempting to purchase though Grapevine at their rates and arrangements with Qantas.	INCREASE EXPENSE	10,000
Organisational Culture and People	Organisational Culture and People	General - Advertising	Increase in costs associated with volume of recruitment and associated advertising of roles.	INCREASE EXPENSE	10,000
Customer Experience	Events	General - Advertising	Transfer from TDU events to align budget with new Event Delivery Function. No net increase on budget.	TRANSFER	10,000
Planning Services	Assessment Panel formerly Support Dev Assessment Panel	General - Advertising	Transfer from Compliance Legals	TRANSFER	500

Department	Description	Income/Expenditure Account	Reason for Budget Adjustment	Type of Adjustment	2024/25 Adjustment Quarter 2
Operating Adjustments – Materials, Contract and Other Expenses (cont)					
Works Administration	Tour Down Under Committee	General - Advertising	Transfer from Works TDU budget to Tourism and Events to align budget with new Event Delivery Function. No net increase on budget.	TRANSFER	(1,092)
Director Corporate Services	Director Corporate Services and Business Innovation	General - Postage	Transferred to Customer Experience. Original budget entered into Directors account in error during Chart of Accounts set up. No net increase in budget.	TRANSFER	(1,500)
Finance Services	Property Rating	General - Postage	Transferring budget from 61168 Consultants - Other given tracking below budget in that natural account. Will need to speak to Marcia to understand why so over budget - are we paying for postage for other areas of Council? Expense will not be double the first 6 months given some ratepayers pay in full in the first quarter (and therefore no need to send subsequent rate notices)	TRANSFER	6,000
Customer Experience	Customer Experience Operations	General - Postage	Transferred from Director CSSI. Original budget entered into Directors account in error during Chart of Accounts set up. No net increase in budget.	TRANSFER	1,500
Community Services - Home Assist	Community - Home Assist	General - Postage	We no longer use this line	TRANSFER	(500)
Director Corporate Services	Director Corporate Services and Business Innovation	General - Printing	Transferred to Events. Original budget entered into Directors account in error during Chart of Accounts set up. No net increase in budget.	TRANSFER	(5,540)
Customer Experience	Events	General - Printing	Transfer from Director CSSI to align budget with new Event Delivery Function. No net increase on budget.	TRANSFER	5,540
Building Services	Assessment and Advice - Building	Legal Fees	Transfer to Heritage Consultants 3460-1415-61179	TRANSFER	(10,000)
Compliance Services	Compliance, Monitoring & Enforcement- Development	Legal Fees	Transfer to Panel Advertising and Panel Training	TRANSFER	(2,000)

Department	Description	Income/Expenditure Account	Reason for Budget Adjustment	Type of Adjustment	2024/25 Adjustment Quarter 2
Operating Adjustments – Materials, Contract and Other Expenses (cont)					
Corporate Services	Risk and Safety	Subscriptions/Memberships	During Chart of Accounts set up provision for WHS and Risk staff was remove. Funds allocated to reinstate capacity to support industry memberships in accordance with best practice.	INCREASE EXPENSE	1,500
Office of the Mayor and CEO	Sister City - Grapevine	Other Misc. Expenses - Sundry	Establish budget for grapevine mission for approved delegates - majority of costs will be incurred in 2024-25 with pre-purchase of flights being largest cost - attempting to purchase though Grapevine at their rates and arrangements with Qantas.	INCREASE EXPENSE	5,000
Organisational Culture and People	Organisational Culture and People	Employee Wellbeing & Resilience Program	Transfer budget into one control account for better management	TRANSFER	10,993
Various	Various	Employee Wellbeing & Resilience Program	Transfer budget into one control account for better management	TRANSFER	(10,993)
Office of the Mayor and CEO	OMCEO Events	Fringe Benefits Tax Expenses	Transfer from OMCEO events to align budget with new Event Delivery Function. No net increase on budget.	TRANSFER	(500)
Office of the Mayor and CEO	OMCEO Events	Contributions - Other	Transfer from OMCEO events to align budget with new Event Delivery Function. No net increase on budget.	TRANSFER	(160,000)
Materials, Contract and Other Expenses				***Note 9***	***480,674***
Operating Adjustments - Depreciation, Amortisation and Impairment					
Various	Various	Building and Infrastructure Depreciation Centres	Revised depreciation based on 2023-2024 actual result	INCREASE EXPENSES	320,000
Depreciation, Amortisation and Impairment				***Note 10***	***320,000***

Department	Description	Income/Expenditure Account	Reason for Budget Adjustment	Type of Adjustment	2024/25 Adjustment Quarter 2
Operating Adjustments – Materials, Contract and Other Expenses (cont)					
Finance Services	Financial Services	Cash Advance Interest - LGFA	Continued management of cash flow and budget position and deferral of timing of various projects, namely creative industries, has reduced year to date interest exposure. LGFA also reduced interest on cash advanced by 0.15% in mid January all contributing to lower interest expenses predicted for 2024-25	DECREASE EXPENSE	(106,534)
Finance Costs				***Note 11***	***(106,534)***
NET TOTAL - Operating Adjustments					***(307,998)***
Reserve Account Adjustments only					***0***

Attachment 1

Detailed Second Quarter Budget Adjustments for the 2024/25 Financial Year – Capital Budget

Department	Asset	Description	Income/Expenditure Account	Reason for Budget Adjustment	Type of Adjustment	2024/25 Adjustment Quarter 2
Capital Expenditure on Renewal and Replacement of Existing Assets						
Works Capital	Bethany Road Bethany - Footpath	Capital Exp-Footpaths	Capital Exp Structures - Contractors	Only minor maintenance works required funded from operating budget.	DECREASE EXPENSE	(16,000)
Works Capital	Cross Street Angaston – Footpath	Capital Exp-Footpaths	Capital Exp Structures - Contractors	Works completed in 23/24	DECREASE EXPENSE	(28,000)
Works Capital	Hospital Road Mt Pleasant - Footpath	Capital Exp-Footpaths	Capital Exp Structures - Contractors	Works completed in 23/24	DECREASE EXPENSE	(14,000)
Works Capital	Lyndoch Valley Road Lyndoch – Footpath	Capital Exp-Footpaths	Capital Exp Structures - Contractors	Works completed in 23/24	DECREASE EXPENSE	(10,000)
Works Capital	Mill Street Tanunda – Footpath	Capital Exp-Footpaths	Capital Exp Structures - Contractors	Works completed in 23/24	DECREASE EXPENSE	(27,000)
Works Capital	Park Street Angaston – Footpath	Capital Exp-Footpaths	Capital Exp Structures - Contractors	Works completed in 23/24	DECREASE EXPENSE	(16,000)
Works Capital	Penrice Road Nuriootpa – Footpath	Capital Exp-Footpaths	Capital Exp Structures - Contractors	Works completed in 23/24	DECREASE EXPENSE	(45,000)
Works Capital	Queen Street Williamstown – Footpath	Capital Exp-Footpaths	Capital Exp Structures - Contractors	Works completed in 23/24	DECREASE EXPENSE	(100,000)
Works Capital	ROAD SEAL,BAIRD ST,NURIOOTPA	Capital Exp - Road resealing	Capital Exp Structures - Contractors	Works to be undertaken post stormwater upgrade in 25/26	CARRYOVER EXPENSE	(125,877)
Works Capital	Road Pave - Bastion Hill Road Moculta	Capital Exp-Roads	Capital Exp Structures - Contractors	Budget transferred from PJ311856 Allendale Road resheet $121,454.00 and 313454 Cromer Road resheet $24,094 Increase to fund additional section of road which required urgent attention. As approved by Jo Moen	TRANSFER	158,997
Works Capital	CROMER ROAD RESHEET	Capital Exp-Roads	Capital Exp Structures - Contractors	Increase funded from 601261 - Resheet budget and 313454 - Cromer Road Resheet	TRANSFER	133,268

Department	Asset	Description	Income/Expenditure Account	Reason for Budget Adjustment	Type of Adjustment	2024/25 Adjustment Quarter 2
Capital Expenditure on Renewal and Replacement of Existing Assets (cont)						
Works Capital	Road Pave - Allendale Road Kalbeeba	Capital Exp-Roads	Capital Exp Structures - Contractors	Transferred to PJ 307405 for resheeting of additional section of Bastion Hill Road which required urgent repairs. As approved by Jo Moen on 10/1/25	TRANSFER	(121,454)
Works Capital	ROAD,BEECH ST,TANUNDA	Capital Exp - Road resealing	Capital Exp Structures - Contractors	Brought forward due to deterioration of surface requiring urgent works	INCREASE EXPENSE	51,445
Works Capital	Road Seal - Basedow Road Tanunda	Capital Exp - Road resealing	Capital Exp Structures - Contractors	Deferred - requires detailed design and may require additional funds - design to occur in 25/26	DECREASE EXPENSE	(110,855)
Works Capital	Road Seal - Menge Road Tanunda	Capital Exp - Road resealing	Capital Exp Structures - Contractors	Deferred - requires detailed design and may require additional funds - design to occur in 25/26	DECREASE EXPENSE	(68,805)
Works Capital	ROAD,OAK ST,TANUNDA	Capital Exp - Road resealing	Capital Exp Structures - Contractors	Road brought forward due to increased deterioration and required urgent works.	INCREASE EXPENSE	104,951
Works Capital	Road Pave - Jutland Road Eden Valley	Capital Exp-Roads	Capital Exp Structures - Contractors	Budget transferred from PJ 313454 Cromer Road Resheet. Significant increase in rubble costs, contractors and AWU wages has caused this job to go over budget	TRANSFER	21,593
Works Capital	ROAD SEAL, MAGNOLIA STREET, TANUNDA	Capital Exp - Road resealing	Capital Exp Structures - Contractors	Deferred - requires detailed design and may require additional funds - design to occur in 25/26	DECREASE EXPENSE	(68,805)
Works Capital	Road Resheeting Budget	Capital Exp-Roads	Capital Exp Structures - Contractors	Budget Transferred to 307750 - Rhine Park Road Resheet. Note all costs that have been charged to this budget line are to be journalled to correct cost centres which will bring the actual spendings to $0	TRANSFER	(109,902)
Works Capital	Footpath Renewal Budget	Capital Exp-Footpaths	Capital Exp - Salaries	Offset by savings in individual budgets for works completed in 23/24	INCREASE EXPENSE	145,491
Works Capital	Footpath Renewal Budget	Capital Exp-Footpaths	Salaries - Normal	Correct allocations between works and project management costs	INCREASE EXPENSE	110,509
Works Capital	Road Shoulders Budget	Capital Exp-Roads	Capital - CITB Levy	Reducing budget to offset increase to road budgets, negative budget will be resolved in Q3.	DECREASE EXPENSE	(33,983)

Attachment 1

Department	Asset	Description	Income/Expenditure Account	Reason for Budget Adjustment	Type of Adjustment	2024/25 Adjustment Quarter 2
Capital Expenditure on Renewal and Replacement of Existing Assets (cont)						
Library Services	Library Books - Local Purchase	Capital Exp-Library books-Local Purchase	Capital Exp Equip - Materials	Transferring $14,700 of budget from CC 8060 to CC 8324	TRANSFER	14,700
Library Services	Library Books - Local Purchase	Capital Exp-Libraries	Capital Exp Equip - Materials	Transferring $14,700 of budget from CC 8060 to CC 8324	TRANSFER	(14,700)
Works Administration	Project Officer Capital Delivery	Capital Exp-Admin Vehicles	Capital Exp Equip - Materials	Adjustment to vehicle budgets	TRANSFER	(10,700)
Works Administration	Manager Corporate Services	Capital Exp-Admin Vehicles	Capital Exp Equip - Materials	Adjustment to vehicle budgets	TRANSFER	(500)
Community Services - Community Transport	Community Transport 2	Capital Exp-Community Transport Scheme	Capital Exp Equip - Materials	Adjustment to vehicle budgets	TRANSFER	40
Works Administration	Project Manager - Capital Delivery	Machine/Vehicle/Equip - Office	Capital Exp Equip - Materials	Adjustment to vehicle budgets	TRANSFER	27,300
Community Services - Community Transport	Community Transport 7	Capital Exp-Community Transport Scheme	Capital Exp Equip - Materials	Adjustment to vehicle budgets	TRANSFER	40
Works Administration	Manager Health Services and Community Safety	Capital Exp-Admin Vehicles	Capital Exp Equip - Materials	Adjustment to vehicle budgets	TRANSFER	7,000
Works Administration	Office Vehicle - Contingency 2425MVContingency	Capital Exp-Admin Vehicles	Capital Exp Equip - Materials	Adjustment to vehicle budgets	TRANSFER	(23,180)
Works Capital	ROAD SEAL,SIEGERSDORF RD,TANUNDA	Capital Exp - Road resealing	Capital Exp Structures - Contractors	Additional works required due to unforeseen site issues	INCREASE EXPENSE	94,881
Works Capital	St Petri Community Car Park, Nuriootpa	Capital Exp - Road resealing	Capital Exp Structures - Contractors	Brought forward works due to deterioration requiring urgent repair	INCREASE EXPENSE	143,601
Works Capital	Road Pave - Cromer Road Mt Pleasant	Capital Exp-Roads	Capital Exp Structures - Contractors	Transfer budget to 313544 Jutland Road Resheet, 307750 Rhine Park Road Resheet & 307405 Bastion Hill Road Resheet. Significant increase in rubble costs, contractors and AWU wages has caused these jobs to go over budget	TRANSFER	(69,053)
Capital Expenditure on Renewal and Replacement of Existing Assets						**0**

Attachment 1

Department	Asset	Description	Income/Expenditure Account	Reason for Budget Adjustment	Type of Adjustment	2024/25 Adjustment Quarter 2
Capital Revenue						
Asset Sales adjustments/Capital Income						
Proceeds from Sale of Replaced Assets						
						0
NET TOTAL - Asset Renewal/Replacement Adjustments						**0**
Capital Expenditure on New and Upgraded assets						
Gallery	Creative Industries Centre - The Big Project	Capital Exp-Barossa Regional Gallery	Capital Exp Structures - Contractors	Creative Industries Centre full build now not starting until May 2025 majority of expenditure will now occur in 2025-26.	DECREASE EXPENSE	(3,850,925)
Works Ovals and Open Space	Lyndoch Recreation Park Redevelopment	Capital Exp-Lyndoch Rec Park	Capital Exp Structures - Contractors	Minor amend for security over Christmas break.	INCREASE EXPENSE	15,000
Capital Expenditure on New and Upgraded Assets						**(3,835,925)**
Amounts received specifically for New and Upgraded Assets/Profit and loss for asset disposal						
Works Ovals and Open Space	601789 - Lyndoch Rec Park Development - Capital Recovery	8200 - Capital Exp-Lyndoch Rec Park	41586 - Capital Contributions - Other	Align State Recoveries with final allocation. Remainder of the $21.104M was already received in the 2023-24 financial year.		3,333,375
Amounts Received Specifically for New and Upgraded Assets						**3,333,375**
Asset Sales adjustments						
Asset Sales adjustments						
Asset Disposal and Fair Value Adjustments					***Note 16***	**0**
NET TOTAL - Asset New/Upgrade Adjustments						**(502,550)**
NET TOTAL - Capital Adjustments						**(502,550)**

Revised Financial Statements for the 2024/25 Financial Year

Statement of Comprehensive Income

for the year ending 30 June 2025

	Budget Adjustment Notes	Original Full Year Budget ($'000)	Actuals as at 31 Dec ($'000)	*Full year Revised Budget in Last Update ($'000)	Budget Adjustments Quarter 2 ($'000)	Proposed Full Year Revised Budget ($'000)
Income						
Rates	1	39,840	39,756	39,913	26	39,939
Statutory Charges	2	825	530	825	(3)	822
User Charges	3	3,991	1,859	3,991	6	3,997
Grants, Subsidies and Contributions	4	4,055	3,037	4,699		4,699
Investment Income	5	150	105	150		150
Reimbursements	6	74	35	74	135	209
Other Income	7	582	516	664	111	775
Net Gain – Joint Ventures and Associations		0	0	0	0	0
Total Revenues		49,517	45,837	50,316	274	50,590
Expenses						
Employee Costs	8	18,382	8,981	18,821	119	18,940
Materials, Contracts and Other Expenses	9	18,869	9,538	19,198	481	19,679
Depreciation, Amortisation and Impairment	10	10,816	5,408	10,816	320	11,136
Finance Costs	11	1,887	259	1,745	(107)	1,638
Net Loss – Joint Ventures and Associations		0		0		0
Total Expenses		49,954	24,186	50,580	813	51,393
Operating Surplus / (Deficit)		(437)	21,651	(264)	(539)	(803)
Physical Resources Received Free of Charge		2,211	0	2,211		2,211
Asset Disposal and Fair Value	16	(878)	124	(878)		(878)
Amounts Received Specifically for New or Upgraded Assets	4	6,725	5,164	7,349	847	8,196
Net Surplus / (Deficit)		7,621	26,939	8,418	308	8,726
Changes in revaluation surplus - infrastructure, property, plant and equipment		0	0	0	0	0
Infrastructure, property, plant and equipment Impairment (Expense)/Recoupments offset to Asset Revaluation Reserve		0	0	0	0	0
Total Other Comprehensive Income		0	0	0	0	0
Total Comprehensive Income		7,621	26,939	8,418	308	8,726

*Full Year Revised Budget is the Budget Update as at 30 September 2024.

Attachment 1

Statement of Financial Position

as at 30 June 2025

	Original Full Year Budget ($'000)	Full Year Revised Budget at Q1 Budget Update ($'000)	Budget Adjustments Quarter 2 ($'000)	Proposed Full Year Revised Budget ($'000)
Assets				
Current Assets				
Cash and Cash Equivalents	39	89	1,251	1,340
Trade and Other Receivables	2,966	3,254	0	3,254
Other Financial Assets	0	0	0	0
Inventories	245	123	0	123
Subtotal	3,250	3,466	1,251	4,717
Non-Current Assets Held for Sale	0	0		0
Total Current Assets	3,250	3,466	1,251	4,717
Non-current Assets				
Financial Assets	985	1,108	0	1,108
Equity Accounted Investments in Council Businesses	2,263	4,518	0	4,518
Infrastructure, Property, Plant and Equipment	474,818	466,123	7,723	473,846
Other Non-Current Assets		0		0
Total Non-current Assets	478,066	471,749	7,723	479,472
Total Assets	481,316	475,215	8,974	484,189
Liabilities				
Current Liabilities				
Trade and Other payables	5,077	5,358	0	5,358
Borrowings	37,697	3,351	0	3,351
Provisions	3,008	3,169	0	3,417
Total Current Liabilities	45,782	11,878	0	12,126
Non-Current Liabilities				
Borrowings	2,908	34,590	0	34,590
Provisions	682	722	0	722
Total Non-current Liabilities	3,590	35,312	0	35,312
Total Liabilities	49,372	47,190	0	47,438
Net Assets	431,944	428,025	8,974	436,751
Equity				
Accumulated Surplus	114,759	120,191	8,726	128,917
Asset Revaluation Reserve	304,871	294,938	0	294,938
Other Reserves	12,314	12,896	0	12,896
Total Equity	431,944	428,025	8,726	436,751

Attachment 1

Statement of Cash Flows

as at 30 June 2023

	Original Full Year Budget ($'000)	Full Year Revised Budgt at Q1 Update ($'000)	Budget Adjustments Quarter 2 ($'000)	Proposed Full Year Revised Budget ($'000)
Cash Flows from Operating Activities				
Receipts				
Operating Receipts	49,368	50,166	274	50,440
Investment Receipts	150	150	0	150
Payments				
Operating payments to Suppliers and Employees	(37,244)	(38,141)	(598)	(38,739)
Finance Payments	(1,888)	(1,746)	645	(1,101)
Net Cash Provided by (or Used in) Operating Activities	10,386	10,429	321	10,750
Cash Flows from Investing Activities				
Receipts				
Amounts Specifically for New or Upgraded Assets	6,725	5,944	847	6,791
Amounts Specifically for New or Upgraded Assets - Correction to Q1 Statement	0	0	1,405	1,405
Sale of Replaced Assets	368	523	0	523
Sale of Surplus Assets	0	0	0	0
Net Purchase of Investment Securities	0	0	0	0
Repayments of Loans by Community Groups	115	115	0	115
Payments				
Expenditure on Renewal / Replacement of Assets - Adjustments	(11,202)	(10,689)	0	(10,689)
Expenditure on New / Upgraded Assets - Adjustments	(29,484)	(33,983)	503	(33,480)
Expenditure on Renewal / Replacement of Assets - Accounting Adjustments*	0	0	1,096	1,096
Expenditure on New / Upgraded Assets - Accounting Adustments*	0	0	1,828	1,828
Net Cash Provided by (or Used in) Investing Activities	(33,478)	(38,090)	5,679	(32,411)
Cash Flows from Financing Activities				
Receipts				
Loans Received	26,600	28,250	(4,750)	23,500
Proceeds from Bonds and Deposits	0	0	0	0
Payments				
Repayments of Borrowings	(3,638)	(3,638)	0	(3,638)
Repayment of Lease Liabilities	(14)	(14)	0	(14)
Net Cash Provided by (or Used in) Financing Activities	22,948	24,598	(4,750)	19,848
Net Increase / (Decrease) in Cash Held	(144)	(3,063)	1,250	(1,813)
Cash and Cash Equivalents at Beginning of Period	183	3,153	3,153	3,153
Cash and Cash Equivalents at End of Period	39	90	4,403	1,340

* Reflects adjustment to reflect estimate capital delivery target of 92% to total budget as outlined in the Long Term Financial Plan and other adjustments to align cash to current forecast.

Attachment 1

Functional Reporting – Operating Budget

Detailed Operating Budget Actual vs Budget Year to Date

The table below provides a year to date comparison of budget performance. Some variations will be the result of timing issues between the expected revenues and expenses being incurred and what has been incurred to date.

Negative variances to budget are in (brackets) positive variances are not.

Type of Income or Expenditure	Year To Date Actual Result as at 31 December 2024		
	Actual	Q1 Revised Budget	Variance
Rates, Rebates, Fines and Interst and Legal Costs Recovered	(32,321,229)	(32,343,243)	(22,014)
Wastewater Collection Service Charge	(3,442,556)	(3,440,289)	2,267
Waste Collection Service Charge	(3,142,091)	(3,196,902)	(54,811)
Landscpae Levy	(851,361)	(850,122)	1,239
Licences and Fees	(691,190)	(696,656)	(5,466)
User Charges	(44,858)	(47,982)	(3,124)
Statutory Fines and Expiations	(8,661)	(9,580)	(919)
Contributions	(216,720)	(80,333)	136,387
Operating Grants	(3,037,258)	(2,842,892)	194,366
Reimbursements and Recoupments	(187,033)	(104,326)	82,707
Interest Received	(104,603)	(75,004)	29,599
Commercial and Caravan Park Revenue	(1,553,001)	(1,593,883)	(40,882)
Other Income	(236,934)	(276,824)	(47,508)
Total Operating Income	**(45,837,495)**	**(45,558,036)**	**271,842**
Wages - Council	2,021,526	2,040,354	18,829
Salary and Wages - NCPA	594,836	541,606	(53,230)
Salary Council	6,083,512	6,679,861	568,990
Total Employee Expenditure	**8,699,874**	**9,261,821**	**534,589**
Staff and Elected Member Training and Development	46,551	96,756	50,204
Contrators and Contract Management Fees	4,285,423	4,824,019	538,596
Consultant Fees	275,169	396,274	121,105
External Plant Hire	24,492	53,886	29,394
Computer Equipment and License Fees	605,653	642,514	36,861
Fuel	159,943	223,044	63,101
Direct Purchases	737,353	680,518	(56,835)
Electricity and Gas Expenses	832,330	866,994	34,664
Water Expenses	214,222	307,480	93,258
Road Materials	57,703	57,564	(139)
Depreciation	5,407,921	5,407,866	(54)
Interest Expenses	259,246	937,010	677,764
Bank and Other Fees	68,544	50,048	(18,496)
Statutory Committee Sitting Fees and Audit Expenses	17,015	30,459	13,443
Taxes, Levies and Registration Costs	476,215	603,502	127,287
Insurance Expenses	1,249,378	1,005,769	(243,609)
Communtiy Assistance Scheme and Other Donations	9,809	20,516	10,707
Contributions	215,258	346,408	131,150
Elected Member Expenses	123,384	162,174	38,790
General Expenses	221,473	248,465	26,991
Other Expenses	204,943	222,414	23,587
Internal Allocations Recovered	(5,619)	(629,675)	(624,057)
Total Operating Expenses	**15,486,406**	**16,554,005**	**1,073,714**
Operating Result Deficit / (Surplus)	**(21,651,215)**	**(19,742,210)**	**1,880,145**

Attachment 1

Functional Net Operating Cost of Services Year to Date

Please note this table is operating costs including depreciation and does not include capital expenditure.

Function	Year To Date Actual Result as at 31 December 2024		
	Actual	Q1 Revised Budget	Variance
Agricultural Services	175,330	133,266	(42,063)
Business Undertakings	(2,468,282)	(2,355,389)	112,893
Community Amenities	339,159	358,915	19,756
Community Support	135,169	352,931	217,762
Cultural Services	460,164	500,910	40,745
Economic Development	413,966	496,757	82,791
Governance	(296,790)	255,633	552,423
Health Services	267,954	256,187	(11,766)
Library Services	647,004	668,291	21,287
Other Environment	854,594	845,873	(8,721)
Plant Hire/Depot/Indirect	839,291	726,461	(112,830)
Public Order & Safety	120,688	135,195	14,507
Recreation	2,951,050	2,943,490	(7,560)
Regulatory Services	462,701	727,309	264,608
Support Services	(27,587,661)	(27,303,772)	283,890
Transport	2,678,797	2,927,213	248,416
Waste Management	(1,709,436)	(1,471,781)	237,655
Unallocated	65,087	60,299	(4,788)
Operating Result Deficit / (Surplus)	**(21,651,215)**	**(19,742,210)**	**1,909,005**

Capital Budget Reporting – Year To Date

Capital Program 2024/25 as at 31 December 2024				
Description	**Q1 Revised Budget**	**Expenses to Date**	**Remaining Budget**	**Relevant Notes**
(Items noted as 'Carried Forward' are items transferred from 2023/24 Budget)				
Development and Community Services	**95,619**	**2,402**	**93,217**	
Library books	95,619	2,402	93,217	
Infrastructure and Environmental Services	**41,902,345**	**25,785,956**	**16,116,389**	
Building Renewal	**1,409,598**	**302,507**	**1,107,091**	
Asset renewal The Rex	15,000	12,545	2,455	Balance of original budget allocated to Mt Pleasant kitchen
Kegel Club – Tanunda Recreation Park – Clubrooms rebuild	172,000	16,456	155,544	
Public Toilet - Tanunda Recreation Park - Kegel Club (carry over from 2023-24)	63,000	0	63,000	
Public Toilet renewal program – year 1 of multiyear program	125,001	0	125,001	
Office Fit out Renewal (includes carry over from 2023-24 awaiting grant application)	150,000	8,647	141,354	Works completed early February.
The Rex – Main Pool Heaters (carry over from 2023-24 awaiting grant application)	316,375	0	316,375	Still awaiting grant application outcome.
Mount Pleasant Farmers Market Kitchen Upgrade (carry over from 2023-24)	275,000	148,531	126,469	Deferred projects from 24-25 to fund this project.
Bushgardens Office Renewal (carry over from 2023-24)	13,442	670	12,773	
Talunga Park Lighting Upgrade (carry over from 2023-24)	57,287	6,506	50,781	
Tanunda Recreational Park Clubrooms - solar installation	36,296	35,604	692	
Project Management Costs	186,197	73,549	112,648	Delay in accounting transactions to allocate salary costs to capital budgets - works underway to update.
Footpath Renewal	**605,124**	**491,310**	**113,814**	
Bilyara Road Tanunda – Elizabeth Street to Park Street	10,000	0	10,000	Was able to complete these from 23-24 budget and bring forward future works into 24-25 - forms part of Q2 adjustments
Cross Street Angaston – Tyne Street to Middle Street and Middle Street to Moculta Road	28,000	0	28,000	
Lyndoch Valley Road Lyndoch – 130m before railway line to footbridge	10,000	0	10,000	
Mill Street Tanunda – Edwards Street to MacDonnell Street and Murray Street to Edward Street	27,000	0	27,000	
Park Street Tanunda – Langmeil Road to Bilyara Road	16,000	0	16,000	
Penrice Road Nuriootpa – Murray Street to end bitumen and concrete	45,000	0	45,000	
Queen Street Williamstown – Margaret Street to 42 Queen Street	100,000	0	100,000	
Fifth Street Nuriootpa – First Street to Old Kapunda Road	16,000	3,380	12,620	
Hospital Road Mt Pleasant – Phillips Street to Giles Thorpe Crescent	14,000	0	14,000	Deferred to 2025-26
Margaret Street Williamstown – Queen Street to end	25,000	6,435	18,565	

Description	Q1 Revised Budget	Expenses to Date	Remaining Budget	Relevant Notes
Mount Crawford Road Williamstown– Wild Street to Charles Street	14,000	7,215	6,785	
North Street Angaston – Dean Street to Schilling Street	28,000	0	28,000	Deferred to 2025-26 waiting for vegetation removal by private owner, matter with compliance.
Park Street Angaston – Christian Street to Dean Street	16,000	13,810	2,190	
Penrice Road Angaston – Breakneck Hill Road to Murray Street	20,000	8,125	11,875	
Second Street Nuriootpa – Gawler Street to First Street	26,000	10,400	15,600	
Tolley Reserve Nuriootpa – Within Reserve	39,000	4,160	34,840	
Dean Street Angaston – Schilling Street to end of bitumen	8,000	6,695	1,305	
Bethany Road Bethany - In front of Church	16,000	0	16,000	Only required minimal works and was funded by maintenance budget.
Truro Road Moculta – Sarah Street to Jane Street	19,000	6,760	12,240	
Acacia Street Tanunda	0	33,424	-33,424	Additional footpaths works brought forward from asset plan due to cost saving and bulking up of works - forms part of Q2 adjustments.
Christin Street Angaston	0	24,180	-24,180	
Gawler Park Angaston	0	14,675	-14,675	
Gilbert Street Lyndoch	0	7,020	-7,020	
Appleton Street Lyndoch	0	33,345	-33,345	
Boehm Street Nuriootpa	0	17,730	-17,730	
Falkenberg Street Nuriootpa	0	8,190	-8,190	
First Street Nuriootpa	0	5,915	-5,915	
Murray Street Nuriootpa	0	3,900	-3,900	
Old Kapanda Road Nuriootpa	0	2,015	-2,015	
Garrett Court Tanunda	0	10,980	-10,980	
Murray Street Tanunda	0	7,770	-7,770	
Dean Street Reserve Angaston	0	10,205	-10,205	
Vine Street Nuriootpa	0	10,080	-10,080	
Third Street Nurioopta	0	29,580	-29,580	
Melrose Street Mt Pleasant	0	25,800	-25,800	
Mount Pleasant Recreation Park	0	6,950	-6,950	
North Street Angaston	0	17,355	-17,355	
Kindler Parade Tanunda	0	18,315	-18,315	
Falland Avenue Nuriootpa	0	50,490	-50,490	Transfer from development reserves and contributions in Q2 will establish the budget.
Steinborner Avenue Nurioopta	0	20,000	-20,000	
Le Page Lane Angaston	0	4,560	-4,560	
Buna Terrace Nurioopta - Tree Removal, Carpark and Footpath Upgrade	60,000	61,852	-1,852	
Footpath Renewal - contingency/unallocated	-32,466	0	-32,466	Will be offset with savings in footpaths completed to date as part of Q2 adjustments.
Project Management	110,590	0	110,590	Delay in accounting transactions to allocate salary costs to capital budgets - works underway to update.

Description	Q1 Revised Budget	Expenses to Date	Remaining Budget	Relevant Notes
The Big Project, Recreation, Sport and Open Spaces	**27,381,265**	**22,181,509**	**5,199,757**	
Barossa Park - Lyndoch Recreation Precinct Redevelopment and Expansion	40,718,831	29,989,589	10,729,242	
Barossa Park - Lyndoch Recreation Precinct Redevelopment and Expansion - Recoveries	-19,987,080	-9,555,875	-10,431,205	
Creative Industries Centre (includes carry over from 2023-24)	4,950,925	189,142	4,761,783	
Barossa Rugby Park	90,000	106,368	-16,368	
Mount Pleasant Caravan Park	0	7,927	-7,927	
Nuriootpa Soccer Development – Completion of Clubrooms (carry over from 2023-24)	1,492,650	1,444,358	48,293	
Tanunda Recreational Park Playground – Fencing	15,000	0	15,000	
Project Management	100,939	0	100,939	Delay in accounting transactions to allocate salary costs to capital budgets - works underway to update.
Motor Vehicles, Plant and Equipment	**1,350,751**	**408,149**	**942,602**	
General Inspector, Office and Other Vehicles (includes carry over from 2023-24)	587,751	158,395	429,356	
Minor Plant – Depots	50,000	0	50,000	
Security System Updates	25,000	0	25,000	
Loader Replacement	408,000	0	408,000	Delivered in late January.
Tandem Truck	250,000	249,755	245	
Sweeper Refurbishment (carry over from 2023-24)	30,000	0	30,000	
Parks and Gardens	**226,250**	**76**	**226,174**	
Playgrounds New and Upgrade (includes carry over from 2023-24) - Springton Oval	141,015	76	140,939	
Playground Equipment Renewal (includes carry over from 2023-24) - Eden Valley Oval	60,000	0	60,000	
Project Management Costs	25,235	0	25,235	
Road Resheeting	**1,431,027**	**379,651**	**1,051,377**	
Trial Hill Pewsey Vale – 2.60 kms	147,408	0	147,408	
Jutland Road Eden Valley – 1.80 kms	117,752	39,345	78,407	
Allendale Road Kalbeeba– 1.90 kms	121,454	0	121,454	Being deferred to fund urgent works on Bastion Hill will be undertaken in 25-26 part of Q2 adjustments.
Bastion Hill Road Moculta – 1.19 kms	87,035	93,760	-6,725	
Bastion Hill Road Moculta – urgent works	0	0	0	Urgent works where approved by the CEO due to safety and road conditions from remaining budget contingency and deferral for Allendale Road being in sound condition - $120K part of Q2 adjustments.
Kalbeeba Road Kalbeeba – 0.35 kms	22,534	0	22,534	
Keyneton Road Keyneton – 0.37 kms	25,743	578	25,165	
Rifle Range Tanunda – 1.07 kms	67,881	0	67,881	
Rosedale Scenic Rosedale – 2.76 kms	154,420	147,111	7,309	

Description	Q1 Revised Budget	Expenses to Date	Remaining Budget	Relevant Notes
Mount Road Mt Crawford – 2.81 kms	171,723	0	171,723	
Wirra Wirra Road Pewsey Vale – 1.89 kms	135,000	0	135,000	
Cromer Road Cromer – 2.50 kms	163,544	0	163,544	
Blackwood Road Cromer – 1.63 kms	106,631	0	106,631	
Rhine Park Road - Angaston	109,902	98857	11,045	Final estimate is $130K part of Q2 adjustments.
Road Resealing	**1,585,026**	**550,102**	**1,034,924**	
Light Pass Road Angaston - Siegersdorf Road Surface change to Spray Sealed 38m South	55,545	5,601	49,944	
Light Pass Road Angaston - Surface change to Siegersdorf Road				
Siegersdorf Road Angaston - Surface change to Light Pass Road	55,545	0	55,545	
Siegersdorf Road Angaston - Light Pass Road to Surface change Spray Sealed 40m E				
Baird Street Nuriootpa - Macarthur Street to Flinders Street	125,877	19,821	106,056	
Baird Street Nuriootpa - Flinders Street to Francis Street West				
Baird Street Nuriootpa - Francis Street West to Old Kapunda Road				
Lange Street Nuriootpa - Centenary Avenue to Welland Road	48,979	53,449	-4,470	
Acacia Street Tanunda - 64m from Krieg Street-Carob Street	61,060	70,993	-9,933	
Acacia Street Tanunda - Carob Street to 16m from end				
Acacia Street Tanunda - 74m from Carob Street to end (West)				
Ash Street Tanunda – end to Pioneer Avenue	67,299	62,910	4,389	
Ash Street Tanunda - Pioneer Avenue to Hobbs Street				
Bethany Road Tanunda- 580m from Barossa Valley Way to Biscay Road (subject to grant application)	700,000	20,837	679,163	
Bethany Road Tanunda - Biscay Road to Menge Road (subject to grant application)				
Basedow Road Tanunda - Murray Street to MacDonnell Street	110,855	0	110,855	Deferred to 25-26 needs additional design and may need additional funding.
Basedow Road Tanunda - MacDonnell Street to Railway Line				
Carob Street Tanunda - Braunack Avenue to Acacia Street	29,186	35,634	-6,448	
Falkenberg Street Tanunda- Barossa Valley Way to end	16,160	19,322	-3,162	
Magnolia Road Tanunda - Menge Road to Surface change	68,805	0	68,805	Deferred to 25-26 needs additional design and may need additional funding.
Magnolia Street Tanunda - railway line to Kerryn Drive				
Magnolia Street Tanunda - Kerryn Drive to Surface change				
Magnolia Street Tanunda - Surface change to Menge Road				
Menge Road Tanunda - Surface change to Magnolia Road	68,805	0	68,805	Deferred to 25-26 needs additional design and may need additional funding.
Menge Road Tanunda - Magnolia Street to Surface change-Spray sealed				

Description	Q1 Revised Budget	Expenses to Date	Remaining Budget	Relevant Notes
Menge Road Tanunda - Surface change to Spray sealed to Start-Rural 80k Zone (to water course only)				
Pioneer Avenue Tanunda Ash Street to Walden Street	64,734	72,193	-7,459	
Beech Street - Tanunda	0	51,445	-51,445	Reseals had to be brought forward due to road condition funding from program allocation and part of Q2 adjustments
Oak Street - Tanunda	0	104,951	-104,951	Reseals had to be brought forward due to road condition funding from program allocation and part of Q2 adjustments
Project Management	112,175	32,946	79,229	
Road Construction / Reconstruction / Other	**2,152,880**	**815,109**	**1,337,771**	
Fife Street Angaston – from gravel to two coat sealed surface	398,500	46,778	351,722	
Keyneton Road Keyneton – year 2 – from gravel to two coast sealed surface	750,000	224,410	525,590	
Melrose Street Mt Pleasant – complementary drainage and footpath works prior to State Government Reseal of road (carry over from 2023-24)	550,343	542,691	7,652	
Neldner Road	350,000	0	350,000	
Signage Track System (carry over from 2023-24)	104,037	1,230	102,807	
Kerbing Upgrades	**134,500**	**112,543**	**21,957**	
Elizabeth Street Tanunda – Left 195m	15,000	112,543	-97,543	Required significantly more work than originally expected, project extended to complete full length rather than go back again next year.
Gilbert Street – Lyndoch – Left 129m - Right 157m	34,500	0	34,500	Deferred to 25-26 due to above needs of Elizabeth Street.
Kleinig Street- Lyndoch – Left 55m	6,000	0	6,000	
Magnolia Street Tanunda – Left 158m	12,500	0	12,500	
Melrose Street Mount Pleasant - Right 245m	21,500	0	21,500	
Murray Street Angaston – Right 106m	9,000	0	9,000	
Murray Street Tanunda – Right 253m	25,500	0	25,500	
Gramp Avenue Angaston – Left 118m	10,500	0	10,500	
Carparking	**0**	**143,601**	**-143,601**	
St Petri carpark reseal	0	143,601	-143,601	Urgently needed resealing undertaken from reseal budget being resolve as part of Q2 adjustments.
Stormwater	**1,589,394**	**238,129**	**1,351,265**	
Baird Street, drainage upgrade – stage 2 (includes carry over from 2023-24)	965,000	191,306	773,694	
Calton Road to Hameister Court Drainage Kalbeeba (carry over from 2023-24)	367,901	0	367,901	
Maria Street / Goat Square Drainage (carry over from 2023-24)	21,066	6,744	14,322	
Moss Street Bridge Design Only (carry over from 2023-24)	88,112	5,306	82,806	
Elizabeth Street Tanunda - Remain Stormwater Works - Open Swale	30,391	16,451	13,940	

Description	Q1 Revised Budget	Expenses to Date	Remaining Budget	Relevant Notes
Project Management	116,924	18,322	98,602	
Streetscaping	**88,500**	**43,999**	**44,501**	
Streetscaping - Mt Pleasant Main Street	38,000	43,999	-5,999	
Streetscaping - Angaston Main Street	50,500	0	50,500	
Community Wastewater Management System (CWMS)	**3,948,029**	**119,271**	**3,828,759**	
Gravity Mains Asset Management	60,000	0	60,000	
Gooden Drive Pump Station Upgrade	320,000	34,489	285,512	
Gooden Drive Pump Station Rising Main	320,000	18,800	301,200	
Lagoon and Infrastructure Tanunda	65,840	0	65,840	
Pump Station and Infrastructure	83,480	0	83,480	
Water reuse infrastructure	42,300	0	42,300	
Lyndoch Waste Water Treatment Plant – Upgrade	66,400	2,574	63,826	
Springton Waste Water Treatment Plant	240,000	0	240,000	
Nuriootpa Treatment Plant Stage 1 – completion (includes carry over from 2023-24)	2,555,404	34,552	2,520,852	Significant delay in obtaining materials and engineering support - started on ground early February 2025.
General System Network - Capital Renewal	20,346	0	20,346	
General System Network - Capital New	31,000	0	31,000	
Lagoon Upgrades Williamstown	100,000	28,856	71,144	
Project Management	43,259	0	43,259	
Corporate Services and Business Innovation	**937,487**	**178,450**	**759,038**	
Continuous Improvement and Reform Program - ICT Software/Hardware (includes carry over from 2023-24)	84,864	28,100	56,764	
Intranet (carry over from 2023-24)	90,424	42,538	47,886	
Mobile Phone Fleet Renewal (carry over from 2023-24)	25,621	0	25,621	
Finance System Upgrades (carry over from 2023-24)	222,859	106,552	116,307	
Pathway Systems Upgrades (carry over from 2023-24)	252,181	0	252,181	
Network Security Upgrades	123,400	0	123,400	
Telecommunications Infrastructure	120,000	0	120,000	
Conquest Platform	16,139	0	16,139	
Switching Technology Renewal (carry over from 2023-24)	2,000	1,261	739	

Description	Q1 Revised Budget	Expenses to Date	Remaining Budget	Relevant Notes
Nuriootpa Centennial Park Authority	**395,733**	**17,572**	**378,161**	
Nuriootpa Main Oval Lighting Upgrade	175,733	0	175,733	To be carried over to 2025-26 pending grant application outcomes and pooling of resources to achieve lighting upgrades at Nuriootpa and Angaston.
Vehicle Change Over	25,000	0	25,000	
Airconditioning Replacement for Sports Centre	50,000	0	50,000	
Fencing Recreation Park	25,000	17,572	7,428	
Amenities and Camp Kitchen Refurbishment (carry over from 2023-24)	120,000	0	120,000	
Grand Total	**43,331,185**	**25,984,380**	**17,346,805**	

Please note this table is full budgeted capital and will not directly align to the Statement of Cash Flows or Uniform Presentation of Finances due to the assumptions in the Long Term Financial Plan of estimated capital deliverable based on 92% performance with and adjustment for 100% performance for Barossa Park Lyndoch.

DEBATE REPORT

4.4 UPDATED LONG TERM FINANCIAL PLAN - 2023-24 TO 2033-34

Author: Chief Executive Officer
25/20547

PURPOSE

To review a further updated to the Long Term Financial Plan (LTFP) for the 2024-2025 to 2033-2034 years.

RECOMMENDATION

That Audit and Risk Committee having reviewed the updated Long Term Financial Plan for the 2023-24 to 2033-34 period receive and note the report.

REPORT

Background
Whilst it is not required to update the LTFP regularly, due to material changes since the past adoption and significant expenditure projections in this years and next budget necessitating large borrowings, the administration is undertaking regular performance comparison and analysis and updates to ensure detailed assessment of decisions being taken are sustainable.

Introduction
The LTFP is normally reviewed annually, however due to the nature of the current budget and material changes already endorsed, or proposed within the updates provided to Council, it was deemed necessary to update the plan to ensure Council and the Audit and Risk Committee has the full picture of the current and long-term budget. The purpose of the reviews, notwithstanding it was recently reviewed and adopted in June, is to reflect material changes to date, to ensure a revised budget position can support anticipated changes and the future estimates remain sound at this early stage of the budget cycle and is good prudential management practice.

The LTFP, along with normal monthly budget management, is being closely monitored and remodelled due to the significant investment program this year to ensure the best and most accurate information is used for modelling and maintenance of service delivery and funding and treasury management.

It is not anticipated that a further update will be undertaken until the quarter 2 budget amendments are completed in February 2024.

Discussion

Update August and September 2024
The revised and updated LTFP's where tabled with the Audit an Risk Committee at its September meeting. These updates reflected the following material changes.

- Recently announced financial assistance grants resulting in an increase of approximately $149,730, all related to the general-purpose grant. Road grants were practically on budget, being a variance of $543 this financial year, this is not material in the annual accounts, however in the LTFP it is.
- Recently announced road to recovery funding for the 2024-2029 program resulting in a small increase this year of $21K and $139K over the 5-year program, this is not material in either the annual accounts or LTFP but as it was being updated it was incorporated into the modelling.
- All amendments approved by Council to the end of the August meeting including a more accurate provision for resourcing and structural changes approved at the August 2024 meeting.
- Ongoing active management of our treasury needs continues to result in savings in interest payments and these have been reflected in the model.
- The cash flow statements presented as part of the modelling to the August 2024 meeting had an error in allocation before sale of surplus assets and grants received for capital works, whilst this had little impact on the actual outcomes this has been corrected.
- Concordia planning which is cost neutral with a grant received paying 100% of those costs ($399,746 grant and expenditure).
- Nuriootpa Bowling Club tree removal and footpath works ($60,000).
- Barossa Creative Industry Centre preliminary works and ongoing service provision needs ($100,000).
- Legal costs associated with a Supreme Court matter ($7,000).
- Restructure of Corporate Services and Business Innovation Directorate.
- Barossa Park – Lyndoch Recreation Park works.
- Neldner Street sealing.
- Cyber security investment needs estimated at $27K.
- Business continuity plan and disaster recovery planning updates estimated at $10,000.
- Barossa Creative Industries Centre estimated at 10% base increase due to passage of time for grant assessment and escalation of costs however later spending of those costs due to delays in the grant assessment and funding agreement.

<u>Update as at 2 January 2025</u>

In support of a decision to proceed with the investment of $17.1M into the Barossa Creative Industries Centre (BCIC) post funding agreement with the Commonwealth and the latest design and costing estimates, and the project being material a further update was undertaken and approved by Council at its January 2025 meeting.

This update provided the best available information at the time with revised estimates for this project and the Barossa Park – Lyndoch project being two very significant investments. Prudential reports have been done that cover the projects also. The Audit and Risk committee sort an update of the plan post the quarter 2 update, this has not been undertaken at this time as the 6 January 2025 caters for material changes and resources are now devoted to the 2025-26 budget development and new Long Term Financial Plan.

In detail the January 2025 update has catered for the following factors.

As with Barossa Park development the long-term financial plan is being updated regularly in order to manage the budget impacts on the long-term sustainability of the organisation. Therefore, an updated plan has been developed with as many known conditions at early January 2025 as possible including lower inflation and escalation factors than originally anticipated, decisions of Council up to and including December 2024 and the revised estimates for this project.

The updated plan is at Attachment 1 the major changes are:

- With the adoption of the new Infrastructure and Asset Management Plan and supporting system KPI 4 Asset Renewal Funding Ratio is now presented using the plans estimated required spending to maintain assets at the policy approved level.
- The plan has been updated for a lower inflationary period for the 2025-26 and future years as predicted by the RBA of Australia, with most escalations now placed at the mid-range of the RBA's preferred rate of inflation being 2 to 3% and therefore 2.5% has been applied to the model except for capital expenditure, water, power and insurance costs which have been placed at the upper limit of the inflation target range of 3% and wages and salaries at 3%. There has been no change to the rates and service cost escalation rates.
- An additional $320,000 in depreciation has been added to the 2024-25 budget estimates which has been recalculated from the 2023-24 financial year result.
- Updated estimates for borrowings of the plan, which based on current estimated timing of payments being later than original expected for the BCIC, strong cash flow management especially with Barossa Park, current projections for the operating and capital budget will result in similar (but marginally less) borrowings as forecast at the beginning of the year but stretched over 3 financial years instead of 2. The main contributors to net financial liabilities ratio, one of the key financial sustainability ratios, is revenue amount and borrowings amount. With borrowings deferred and revenue growing it means the net financial liabilities ratio has reduced from 92.9% to 77.8% for the 2024-25 financial year.
- Net financial liabilities peaks in 2025-26 at 89.8% compared to 93.7% in the same year.
- Operating position of Council over the 10-year plan has improved from $9.393M surplus to $10.318M surplus. Noting the next two financial years will continue to run moderate to small operating deficits.
- Borrowings peak at $41.168M in 2025-26 which is compared to the original estimates of $43.120M in the same year.
- Asset sustainability ratio reduced with the average over the 10-year plan (measured against depreciation) of 103.5% which is compared to the original estimates of 108.4%. The measurement against the infrastructure and asset management plan, the updated KPI which aligns with the legislative standard, is 130.5%.

The LTFP is showing all indicators being within set and legislative standards for the 2024-25 year and the whole of the plan overall, the financial position and sound health of the organisations finances based on current service levels and adopted Council policy positions.

Summary and Conclusion
A further review and update of the LTFP has been undertaken to reflect material updates and is presented for the Committees review.

ATTACHMENTS OR OTHER SUPPORTING REFERENCES

Attachment 1 Long Term Financial Plan Update as at 2 January 2025 ⇩

Supporting references
Nil

COMMUNITY PLAN / CORPORATE PLAN / LEGISLATIVE REQUIREMENTS

Corporate Plan

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

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

Legislative Requirements

FINANCIAL, RESOURCE AND RISK MANAGEMENT CONSIDERATIONS

General summarised outcomes are in the body of the report. All indicators of financial sustainability remain within or better than the key performance indicator standards.

The following tables outline the state of the long-term financial plan and financial sustainability of Council from the updated modelling.

2024-25 Original Budget	Approved LTFP and Original Budget $'000	Revised LTFP $'000	Change – Positive / (Negative) $'000	Indicator
Operating Surplus / (Deficit)	(437)	(704)	(267)	
Borrowings at 30 June 2025	40,605	33,191	7,414	
Net Cash at 30 June 2025	39	58	5	
Operating Surplus Ratio 3 Year rolling	0.0%	(0.7)%	(0.7)%	
Net Financial Liabilities	93.6%	77.8%	15.8%	

Asset Renewal Funding Ratio – Using Depreciation	129.4%	121.7%	(3.9%)	
Asset Renewal Funding Ratio – Using Infrastructure and Asset Management Plan Forecast	N/a	150.2%	N/a	

* Adjusted operating surplus represents the true underlying operating result for council when removing once of adjustments for advanced payment of Financial Assistance Grants for the 2023-24 year paid in the 2022-23 financial year and the impact of revaluation of asset impacts to the operating result from Council subsidiaries. This is calculated as follows:

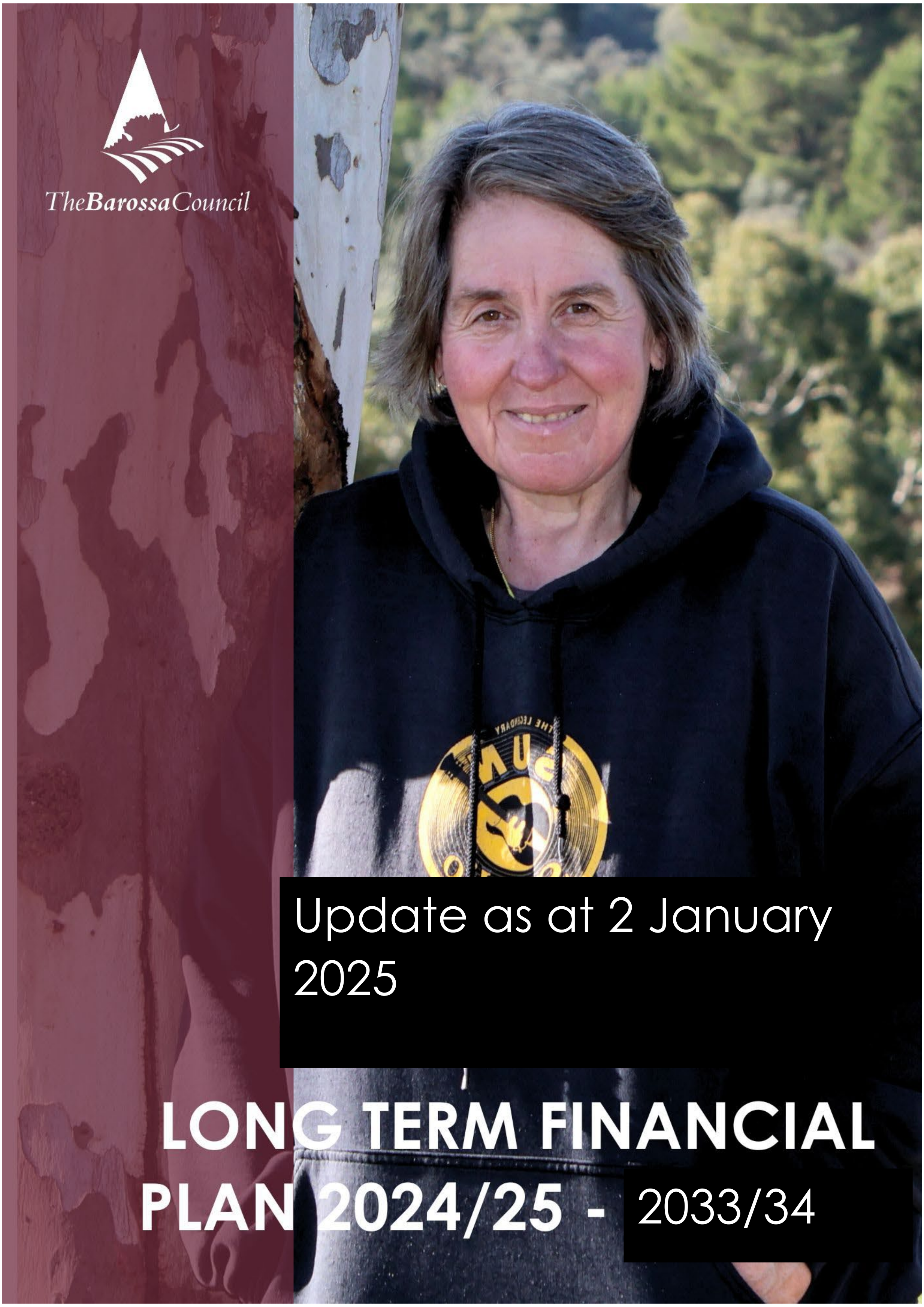
	$'000
Operating Surplus / (Deficit)	($1,139)
Add Revenue (from Financial Assistance Grants) received and accounted for in the 2022-23 accounts that would normally be in 2023-24 accounts	$2,084
Adjusted Operating Surplus / (Deficit)	**$945**

10 Year Long Term Financial Plan	**Approved LTFP $'000**	**Revised LTFP $'000**	**Change – Positive / (Negative) $'000**	**Indicator**
Operating Surplus / (Deficit) - Cumulative Result at 30 June 2034	9,393	10,318	925	
Borrowings at 30 June 2034	6,727	5,145	1,582	
Net Cash at 30 June 2034	17	75	58	
Operating Surplus Ratio 3 Year rolling at 30 June 2034	3.1%	3.8%	0.7%	
Net Financial Liabilities at 30 June 2034	18.8%	16.4%	2.4	
Asset Renewal Funding Ratio – Ave – Using Depreciation	104.4%	108.4%	4.0%	
Asset Renewal Funding Ratio – Ave – Using Infrastructure	N/a	132.5%	N/a	

and Asset Management Plan Forecast				

COMMUNITY ENGAGEMENT

Nil required or recommended.



Update as at 2 January 2025

LONG TERM FINANCIAL PLAN 2024/25 - 2033/34

ASSUMPTIONS AND FINANCIAL INDICATORS

Under the *Local Government Act 1999*, Councils are required to have a **Long Term Financial Plan (LTFP)** (for a minimum period of 10 years). This Long Term Financial Plan (LTFP) has been declared by The Barossa Council as a Strategic Management Plan pursuant to Section 122(8) of the *Local Government Act 1999*. This document subsequently reflects an annual review of Council's Long Term Financial Plan and acts as a starting reference point in the formulation of Council's Annual Business Plan and Budget 2024/25.

The Long Term Financial Plan is designed as a 'high-level' document that summarises the future planning of Council's financial operations – particularly in relation to key components such as rate movements, service levels to our community, major infrastructure asset replacement/renewal, loan indebtedness and internal cash reserves.

On this basis and given the 'high-level' nature of the document, the Plan has been developed based on a number of key assumptions previously discussed and endorsed by Council. Further, Council has also previously endorsed a number of strategic financial policies which have also driven the formulation of the Plan.

Section 122 of the *Local Government Act 1999* also prescribes that Councils must have a Long Term Infrastructure and Asset Management Plan to guide the future replacement, renewal and maintenance of our significant fixed asset base. Council's Infrastructure and Asset Management Plan (IAMP) was adopted by Council in February 2023, with an ongoing review process to provide improved asset data and information.

Consequently, in recognition of this, it is appropriate that a cautious and conservative approach be undertaken with financial modelling as part of the update to the Long Term Financial Plan.

With a significant fixed asset base being predominantly comprised of major community infrastructure such as roads, footpaths, stormwater drainage and community wastewater management systems, it is imperative that there is an appropriate link and consistency between the Infrastructure and Asset Management Plan and the Long Term Financial Plan, towards ensuring that the Long Term Financial Plan provides for the necessary capital outlays (as identified in the Infrastructure and Asset Management Plan) for the renewal and replacement of existing community assets – herein referred to as 'non-discretionary' capital expenditure.

This LTFP has been updated to align to the current budget forecast as outlined in the Quarter 1 Budget review and for the forward estimates based on known factors and future provisions.

GENERAL ASSUMPTIONS

- Long term financial plans (LTFP) have been prepared to measure and check financial sustainability for Council and its component operations.
- The LTFP reflects existing recurrent service levels to our community being maintained. Council's budget process considers on-going service delivery and commitments and new expenditure items or initiatives.
- The LTFP does not include the long term operating and capital outcomes of the Concordia development other than current planning and operating costs for the development, this is currently being modelled and is estimated to be available when adopting of the 2024/25 financial year budget and associated LTFP update.
- 92% of the capital program is achieved (excluding Barossa Park Lyndoch is 100% achieved) and the remainder of 8% is carried forward as works in progress or not commenced, the cash flow estimates align to the 92% capital program spend, historically this is the upper performance outcome.

KEY AMENDMENTS SINCE ADOPTION JUNE 2024

- The revised long term financial plan has included:
    - Updates as presented in the Quarter 1 budget review for the 2024-25 financial year including final adjustments to carry over works from the 2023-24 financial year.
    - Amendments approved by Council since the budget, business plan and long-term financial plan was adopted.

- Anticipation of amendments related to sealing of Neldner Road, budget increase and timing of expenditure for the Creative Industries Centre and the current upper limit cost estimate for Barossa Park – Lyndoch Recreation Park.
- Anticipated costs for Concordia development in the future years to assist development and resource early stages of development, this is not inclusive of a full financial model for Concordia.
- Anticipated costs for the establishment of a Deputy CEO combined Director position, and foreshadowed future commitments for reforms of our economic development, event, strategy and planning future direction.
- General and material changes arising from anticipated structural changes due to organisational vacancies and revision of roles and recently advised Financial Assistance Grants and Roads to Recovery Grants.
- Update various assumptions given recent inflation expectations and forecast for the future predict lingering inflationary pressures of most note this reflected in salary and wage increases which were predicted to return to the mid level of 2.5% but have been increased to 3.0% for the next three years subject to negotiation.
- Provisions to support Concordia development initial costs totalling a further $1.468M, noting revenue streams should commence in 2028-2029 but have not been factored into the plan at this time until greater certainty is realised.
- Final grant allocations that have been notified as at the end of December 2024.
- An additional $320,000 in depreciation has been added to the 2024-25 budget estimates which has been recalculated from the 2023-24 financial year result.

- Actual cash and borrowings position as at 30 November 2024.

KEY FINANCIAL RESULTS CHANGES

The Actual outcomes for 2023-24 and estimated budget outcomes for 2024-25 and the full long term financial plan – the following table provides key changes to the financial statements and financial indicators between the adopted long term financial plan and this revision.

Indicators

Result meets or exceed positively the key performance indicator.	
Result is marginally at or below the performance indicator and is at risk of not being achieved.	
Result does not meet the key performance indicator.	

2023-24 Original Budget	Original Budget $'000	Actual $'000	Change – Positive / (Negative) $'000	Indicator
Operating Surplus / (Deficit)	(2,345)	(1,139)	1,206	
Operating Surplus / (Deficit) Adjusted	(261)	945*	1,206	
Borrowings at 30 June 2024	24,057	15,429	8,628	
Net Cash at 30 June 2024	88	3,153	3,065	
Operating Surplus Ratio 3 Year rolling	1.0%	3.1%	2.1%	
Net Financial Liabilities	66.1%	37.3%	28.8%	

Attachment 1

2023-24 Original Budget	**Original Budget $'000**	**Actual $'000**	**Change – Positive / (Negative) $'000**	**Indicator**
Asset Renewal Funding Ratio	116.8%	109.2%	(7.6%)	

2024-25 Original Budget	**Approved LTFP and Original Budget $'000**	**Revised LTFP $'000**	**Change – Positive / (Negative) $'000**	**Indicator**
Operating Surplus / (Deficit)	(437)	(704)	(267)	
Borrowings at 30 June 2025	40,605	33,191	7,414	
Net Cash at 30 June 2025	39	58	5	
Operating Surplus Ratio 3 Year rolling	0.0%	(0.7)%	(0.7)%	
Net Financial Liabilities	93.6%	77.8%	15.8%	
Asset Renewal Funding Ratio – Using Depreciation	129.4%	121.7%	(3.9%)	
Asset Renewal Funding Ratio – Using Infrastructure and Asset Management Plan Forecast	N/a	150.2%	N/a	

* Adjusted operating surplus represents the true underlying operating result for council when removing once of adjustments for advanced payment of Financial Assistance Grants for the 2023-24 year paid in the 2022-23 financial year and the impact of revaluation of asset impacts to the operating result from Council subsidiaries. This is calculated as follows:

	$'000
Operating Surplus / (Deficit)	($1,139)
Add Revenue (from Financial Assistance Grants) received and accounted for in the 2022-23 accounts that would normally be in 2023-24 accounts	$2,084
Adjusted Operating Surplus / (Deficit)	**$945**

10 Year Long Term Financial Plan	Approved LTFP $'000	Revised LTFP $'000	Change – Positive / (Negative) $'000	Indicator
Operating Surplus / (Deficit) - Cumulative Result at 30 June 2034	9,393	10,318	925	
Borrowings at 30 June 2034	6,727	5,145	1,582	
Net Cash at 30 June 2034	17	75	58	
Operating Surplus Ratio 3 Year rolling at 30 June 2034	3.1%	3.8%	0.7%	
Net Financial Liabilities at 30 June 2034	18.8%	16.4%	2.4	
Asset Renewal Funding Ratio – Ave – Using Depreciation	104.4%	108.4%	4.0%	
Asset Renewal Funding Ratio – Ave – Using Infrastructure and Asset Management Plan Forecast	N/a	132.5%	N/a	

The revised long term financial plan shows either improvement in all critical areas and all key performance indicators continue to be achieved.

OPERATIONS

- General Rate Revenue and Service Charges increments have been reviewed to ensure funding and service level provision is maintained in line with sustainability requirements.
- Operating Costs for Employee, Contractors and Materials have been based on a recalculation of budgets based on current expenditure trends, contractual arrangements and estimates for inflation and other cost growth.
- Depreciation has been calculated on existing asset classes, structures, valuation, and condition rating; asset componentisation has been included as appropriate to selected asset types. A review of useful lives, asset condition and replacement cost of all assets and components is an ongoing task refining the data.
- The LTFP assumes that the Federal Government budget won't continue to supplement South Australia road funding application through Supplementary Road Funding and thus reflects indexed revenue of $239K being withdrawn in the 2026-27 financial year.
- The Roads to Recovery (RTR) grant funded program will continue in 2024/25, the Federal Government budget has announced an increase in the roads to recover payment additional funding is being used to increase footpath replacement over the long term financial plan.
- Full Cost Attribution - an allocation of internal services to relevant charge areas has been allocated in the LTFP. This allocation from internal to external service areas does not affect the overall net result.
- Provisions have been estimated for the forward years of salary growth due to increased population and support costs for growth infrastructure that is being built.
- The Long Term Financial Plan has built in target operating savings to be achieved annually through Councils continuous improvement program.

CAPITAL

- Asset Renewal and/or Replacement expenditure is provided for on various buildings, recreation, transport, stormwater, bridge, CWMS and plant & equipment assets and service level changes at $100.143m providing for future needs and aligned to the Infrastructure and Asset Management Plans.
- The Infrastructure and Asset Management Plans recently adopted by Council have been incorporated into the updated financial modelling and are above the current required renewal and replacement program from the asset models to reflect a target to improve the condition of Councils assets.
- Infrastructure programs for new and upgraded roads, recreation and open space, bike path, bridges, carparks, footpath program, stormwater and the continuous improvement program $55.818m.

LOAN PRINCIPAL AND INTEREST REPAYMENTS

- Council's loan debt is predicted to peak at $41.168m in 2025/26. The net loan balance outstanding as at 30 June 2025 is projected to be $33.191m and a projected balance of $5.145m by 30 June 2034.
- Financing cost will increase over the 2024/25 and 2025/26 years from the current interest rate percentage of 1.67% (in 2023/24) to 4.27% (in 2025/26) of operating revenue in support of growth infrastructure development and return to 0.41% by 30 June 2034.

FINANCIAL SUSTAINABILITY PERFORMANCE - CHIEF EXECUTIVE OFFICER REPORT

- KPI 1: Operating Surplus. A deficit for three years being 2024/25 to 2026/27; accumulative surplus by year 2033/34 of $10.318m. The general rate increases for years for 2024/25 to 2026/27 at 4.3%, 3.0% for 2027/28 to 2029/30, 2.75% for 2030/31to 2032/33 and 2.5% for the remaining years in the 10 year LTFP. Growth for the future is estimated at 0.86% average per annum excluding the Concordia development.
- KPI 2: Operating surplus ratio average 3 years. Council's forecast retrospective results range from (1.8%) to 3.8%; Annual ranges from (1.4%) to 4.1%.
- KPI 3: Net Financial Liabilities. The forecast is 77.8% in 2024/25 and peaks at 89.8% in 2025/26 and by year 2033/34 is projected to be at 16.4%.
- KPI 4: Asset Renewal Funding Ratio. The target is being met over the ten-year period, the average being 108.4%.Council has reviewed its financial parameters for the LTFP including the indexation used for forward projections on income and expenditure.
- In line with Council Policy a regular review of Council's treasury management is undertaken to ensure a positive cash position is maintained.
- All indicators are within or better than the ley performance indicators standards set.

FINANCIAL SUSTAINABILITY

The Barossa Council is committed to the principles of financial sustainability. The importance of this is to ensure that each generation 'pays their way', rather than any generation 'living off their assets' and leaving it to future generations to address the issue of repairing worn out infrastructure. Such issues are frequently referred to as 'intergenerational equity'.

With community infrastructure such as recreation and sporting facilities, roads, footpaths and stormwater drainage comprising a major proportion of Council's balance sheet, it is important that Council implement appropriate strategies towards the effective maintenance and renewal of such assets to ensure it is fairly and equitably funded from current ratepayers (general rate income) and future ratepayers (long term loan borrowings).

Given the importance of ensuring financial sustainability of operations in the longer term, it is a legislative requirement that Council adopt Long Term Financial Management and Infrastructure and Asset Management Plans (minimum 10 years) as part of future planning.

The Long Term Financial Plan is designed as a 'high-level' summarised document towards the future planning of Council's financial operations; particularly in relation to key components such as rate movements, service levels to our community, major infrastructure asset replacement/renewal, loan financing and internal cash reserves. Council conducts an annual review of its Long Term Financial Plan each year.

The financial sustainability of Council is measured by the surplus/deficit (before capital revenues) disclosed in the Income Statement; with a consistent breakeven or operating surplus result indicative of a Council that is financially sustainable in the long term. Other financial sustainability indicators are separately included within this report.

FUNDING PLAN

Council uses a mix of service, user and statutory charges, grants, commercial, other income and loan financing as a means of funding both operating and capital expenditure. Refer to the appendix for funding the long term indexation, financial assumptions and estimates and the review of financial indicators.

To assist in keeping rates affordable, Council is limiting general rates income to an increase per annum to provide required service levels to the community over the life of this Plan, the general rate increases for years for 2024/25 to 2027/28 is 4.3%, 2027/28 to 2029/30 is 3.0%, 2030/31 to 2032/33 is 2.75% and the remainder of the 10 year LTFP is 2.5%. Council is estimating growth will be 0.86% average per annum over the forward estimates. Selected services areas use services charges and service rates to recover the cost, including - Waste services for Refuse, Recycling and Green Organic with 2024/25 at 3.75% and future years range from 2.5% to 3.75%; and CWMS with 2024/25 and all future years at 2.5%.

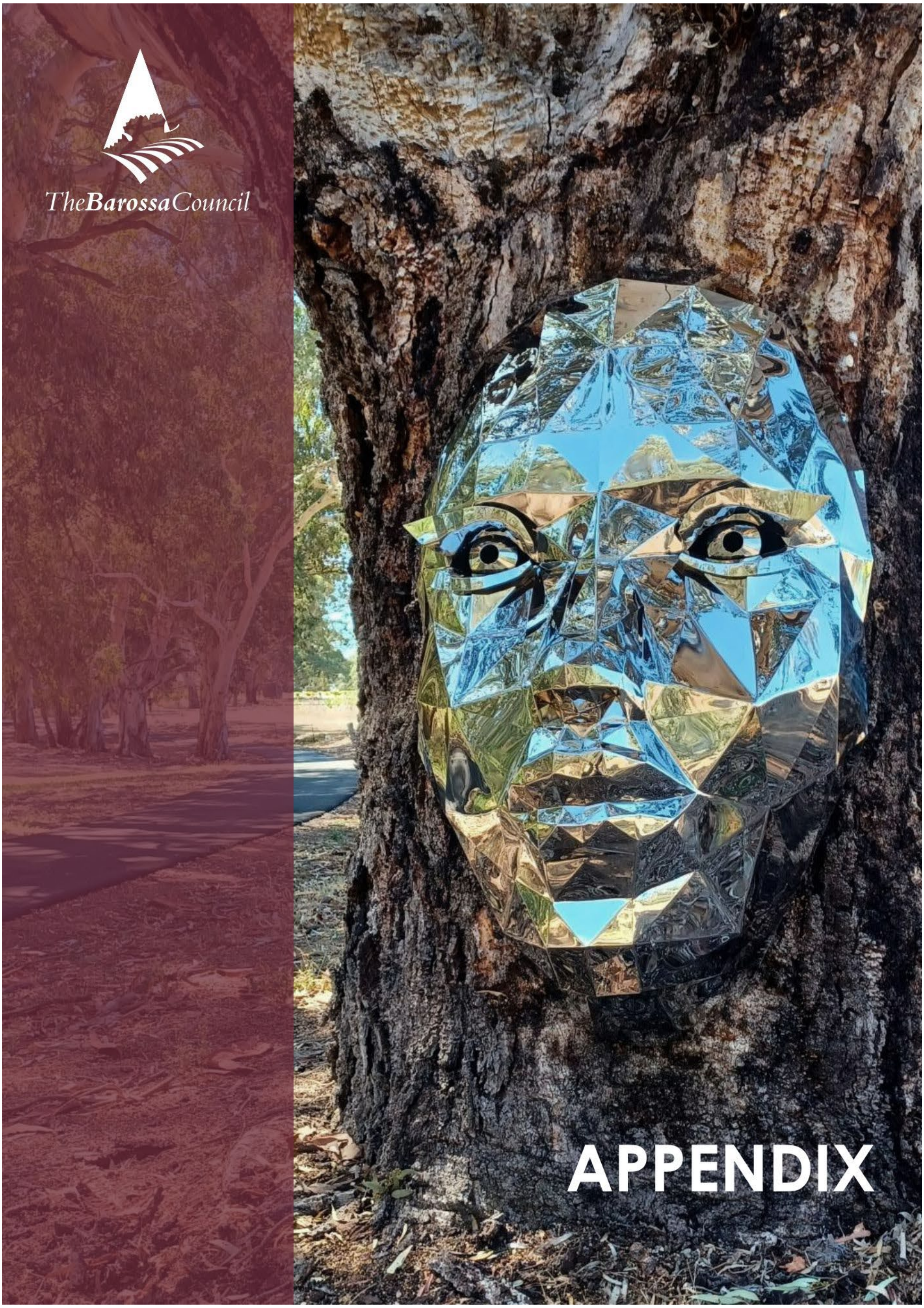
Council is planning to spend an average of $15.60m per annum (including indexation and The Big Project) on capital projects and an average of $44.11m per annum on day-to-day essential services (operational expenditure, excluding interest and depreciation but including indexation) over the next 10 years.

OUR FINANCIAL PRINCIPLES

As part of its commitment to financial sustainability, Council operates under the following key financial principles in preparing the Annual Business Plan:

- Ongoing education and training such that all Council Members and Staff understand and fulfil their financial governance responsibilities
- Policies and practices that support decision making and assessment of performance
- Budget and financial information is presented at a strategic level, succinct and easy to follow
- Budget and financial information is based on the Long Term Financial Plan
- The Asset Management Plans are maintained and reflect whole of life costs
- The Rating strategy is equitable and generates sufficient revenue to meet financial needs
- Financial performance is managed using suitable financial indicators and targets
- A robust audit and internal control process is in place to ensure effective financial and governance compliance
- Information provided to the community is open, transparent and relevant.

Attachment 1



Attachment 1

APPENDIX 1: KEY PERFORMANCE INDICATORS AND FINANCIAL PARAMETERS 2024/25 TO 2033/34

Consolidated Results: Key Performance Indicators and Financial Parameters		2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
Draft Bud - next years draft; LTFP = Long Term Financial Plan		**Actual**	**Budget**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**
		$'000 or %	**$'000 or %**	**$'000 or %**	**$'000 or %**	**$'000 or %**	**$'000 or %**	**$'000 or %**	**$'000 or %**	**$'000 or %**	**$'000 or %**	**$'000 or %**
Key Performance Indicators (KPI's) - Summary	Adopted target											
KPI 1 - Operating Surplus cumulative forward 10 year period	**Surplus year 10**	(1,139)	(704)	(1,448)	(1,719)	(1,582)	(551)	1,070	2,716	4,935	7,674	10,318
KPI 2 - Operating Surplus Ratio - Rolling 3 year - retrospective average	**(2%) to 10%**	2.0%	(0.7%)	(1.8%)	(1.1%)	(0.6%)	0.5%	1.6%	2.4%	2.9%	3.4%	3.8%
KPI 2 - Operating Surplus Ratio - Rolling 5 year - retrospective average	**(2%) to 10%**	3.1%	2.0%	0.6%	(0.8%)	(1.1%)	(0.3%)	0.6%	1.4%	2.1%	2.9%	3.3%
KPI 2 - Operating Surplus Ratio - Annual		(2.5%)	(1.4%)	(1.4%)	(0.5%)	0.2%	1.8%	2.7%	2.6%	3.4%	4.1%	3.8%
KPI 3 - Net Financial Liabilities ratio	**0-100%**	37.3%	77.8%	89.8%	84.7%	76.6%	67.0%	56.3%	46.0%	38.1%	28.7%	16.4%
KPI 4 - Asset Renewal Funding Ratio - Annual - Using Asset Management Plan Forecast	**80% to 110%**	123.0%	150.2%	176.7%	131.0%	127.0%	114.1%	121.5%	134.3%	127.6%	119.5%	123.1%
KPI 4 - Asset Renewal Funding Ratio - Annual - Using Depreciation	**80% to 110%**	109.2%	121.7%	128.2%	114.1%	105.2%	94.3%	96.6%	96.7%	97.5%	99.6%	99.6%
Financial parameters - Indexation												
RATE REVENUE INCREASES												
General - Rate Revenue Net Increase (excl growth)			**Included in Budget Estimates**	4.30%	4.30%	3.00%	3.00%	3.00%	2.75%	2.75%	2.75%	2.50%
Growth -Development - General rates				1.00%	1.00%	1.00%	1.00%	0.75%	0.75%	0.75%	0.75%	0.75%
CWMS - Service Charge & Rates Increase (+ growth 0.5-1.5%)				2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%
Refuse, Recycling and Green Organic Services Charge Net Increase (excl growth)				4.00%	4.00%	4.00%	3.00%	2.75%	2.75%	2.75%	2.75%	2.75%
OPERATING REVENUE												
Operating Grants				3.0%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Statutory Charges				3.0%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
User Charges				3.0%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Investment Income				1.8%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%
Reimbursements				3.0%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Other Revenue				3.0%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
OPERATING EXPENSES												
Service Cost Natural Growth				0.0%	0.0%	0.3%	0.3%	0.5%	0.5%	0.5%	0.8%	0.8%
Employee Costs				3.1%	3.0%	3.3%	3.3%	3.0%	3.0%	3.0%	2.5%	2.5%
Contracts, Materials & Other				2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Energy Costs				3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Water Costs				3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Debenture & Cash Advance Loan interest rate				5.5%	5.0%	5.0%	4.5%	4.5%	4.0%	4.0%	4.0%	4.0%
Insurance				3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
ASSET REVALUATION												
Land Assets				6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
Building Assets				0.0%	7.5%	0.0%	0.0%	7.5%	0.0%	0.0%	7.5%	0.0%
Recreation Assets				0.0%	7.5%	0.0%	0.0%	7.5%	0.0%	0.0%	7.5%	0.0%
Infrastructure Assets				0.0%	0.0%	7.5%	0.0%	0.0%	7.5%	0.0%	0.0%	7.5%
CWMS				0.0%	7.5%	0.0%	0.0%	7.5%	0.0%	0.0%	7.5%	0.0%
Stormwater Assets				7.5%	0.0%	0.0%	7.5%	0.0%	0.0%	7.5%	0.0%	0.0%
Equipment Assets				3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
ASSET RENEWAL EXPENDITURE												
Infrastructure renewal increments				3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Office fleet vehicles				3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%

Attachment 1

APPENDIX 2: LONG TERM PLAN FINANCIAL STATEMENTS 2024/25 TO 2033/34

A2-1 Consolidated Results: Budgeted Statement of Comprehensive Income	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
	Actual	**Budget**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
REVENUES											
Rates	37,957	39,913	41,920	44,030	45,783	47,570	49,320	51,035	52,809	54,645	56,434
Statutory Charges	830	825	850	871	893	916	938	962	986	1,011	1,036
User Charges	3,827	3,991	4,112	4,215	4,322	4,431	4,543	4,658	4,775	4,896	5,019
Grants, subsidies and contributions	1,903	4,699	4,605	4,627	4,803	4,899	4,997	5,098	5,201	5,307	5,416
Investment Income	217	150	154	158	162	166	170	174	178	183	187
Reimbursements	63	74	63	55	46	38	30	23	17	12	6
Other Income	1,242	664	684	701	719	737	755	774	794	813	834
Net Gain - Joint Venture	0	0	0	0	0	0	0	0	0	0	0
TOTAL INCOME	46,039	50,316	52,388	54,657	56,728	58,757	60,753	62,724	64,760	66,867	68,932
EXPENSES											
Employee Costs	17,817	18,830	19,785	20,629	21,378	22,116	22,878	23,666	24,482	25,259	26,061
Materials, Contracts & Other expenses	17,533	19,176	19,220	20,010	20,504	21,136	21,794	22,525	23,131	23,867	24,621
Depreciation, Amortisation & Impairment	11,010	11,316	11,891	12,293	12,873	13,032	13,234	14,002	14,192	14,467	15,322
Finance Costs	771	1,698	2,236	1,996	1,836	1,442	1,226	885	736	535	284
Net loss - Joint Venture	47	0	0	0	0	0	0	0	0	0	0
TOTAL EXPENSES	47,178	51,020	53,132	54,928	56,591	57,726	59,132	61,078	62,541	64,128	66,288
OPERATING SURPLUS / (DEFICIT)	(1,139)	(704)	(744)	(271)	137	1,031	1,621	1,646	2,219	2,739	2,644
Asset disposal & fair value adjustments	(2,028)	(817)	(648)	(757)	(947)	(991)	(1,040)	(1,071)	(1,130)	(1,182)	(1,278)
Amounts specifically for new or upgraded assets	2,339	6,579	4,346	70	70	70	343	711	70	70	70
Net gain (loss) on disposal or revaluation of assets - subsidiaries	2,302	0	0	0	0	0	0	0	0	0	0
Physical Resources received free of charge	2,832	2,102	2,312	2,425	2,506	2,587	2,040	2,105	2,167	2,211	2,284
NET SURPLUS / (DEFICIT)	4,306	7,160	5,266	1,467	1,766	2,697	2,964	3,391	3,326	3,838	3,720

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APPENDIX 2: LONG TERM PLAN FINANCIAL STATEMENTS 2024/25 TO 2033/34 (CONTINUED)

A2-2 Consolidated Results: Budgeted Statement of Financial Position	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
	Actual	**Budget**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
ASSETS											
Current Assets											
Cash and cash equivalents	3,153	58	131	216	238	107	74	38	30	14	75
Trade & other receivables	3,248	3,254	3,260	3,255	3,240	3,240	3,239	3,245	3,235	3,221	3,160
Inventories	123	123	123	123	123	123	123	123	123	123	123
	6,524	3,435	3,514	3,594	3,601	3,470	3,436	3,406	3,388	3,358	3,358
Non-Current Assets held for Sale	-	-	-	-	-	-	-	-	-	-	-
Total Current Assets	6,524	3,435	3,514	3,594	3,601	3,470	3,436	3,406	3,388	3,358	3,358
Non-Current Assets											
Financial Assets	1,228	1,108	981	859	752	646	541	429	328	241	214
Equity accounted investments in Council businesses	4,518	4,518	4,518	4,518	4,518	4,518	4,518	4,518	4,518	4,518	4,518
Infrastructure, Property, Plant & Equipment	417,502	457,801	480,115	493,939	508,758	517,002	530,157	545,054	555,554	570,410	610,131
Other Non-Current Assets	0	0	0	0	0	0	0	0	0	0	0
Total Non-Current Assets	423,248	463,427	485,614	499,316	514,028	522,166	535,216	550,001	560,400	575,169	614,863
TOTAL ASSETS	429,772	466,862	489,128	502,910	517,629	525,636	538,652	553,407	563,788	578,527	618,221
LIABILITIES											
Current Liabilities											
Trade & Other Payables	5,355	5,358	5,362	5,366	5,369	5,373	5,377	5,381	5,386	5,390	5,395
Borrowings	3,558	3,351	1,110	3,077	4,513	5,381	5,563	4,235	5,539	6,182	5,145
Provisions	3,292	3,172	3,178	3,185	3,192	3,200	3,207	3,214	3,222	3,229	3,251
Total Current Liabilities	12,205	11,881	9,650	11,628	13,074	13,954	14,147	12,830	14,147	14,801	13,791
Non-Current Liabilities											
Borrowings (External)	11,871	29,840	40,058	37,427	33,128	28,053	22,654	18,577	13,067	6,918	-
Provisions	722	722	722	722	722	722	722	722	722	722	722
Total Non-Current Liabilities	12,593	30,562	40,780	38,149	33,850	28,775	23,376	19,299	13,789	7,640	722
TOTAL LIABILITIES	24,798	42,443	50,430	49,777	46,924	42,729	37,523	32,129	27,936	22,441	14,513
NET ASSETS	404,974	424,419	438,698	453,133	470,705	482,907	501,129	521,278	535,852	556,086	603,708
EQUITY											
Accumulated Surplus	103,727	116,583	121,491	120,396	120,504	121,664	123,430	125,691	128,095	130,858	135,136
Asset Revaluation Reserve	285,675	294,938	303,932	318,554	335,024	345,079	360,588	377,461	388,741	405,339	447,615
Other Reserves	15,572	12,898	13,275	14,183	15,177	16,164	17,111	18,126	19,016	19,889	20,957
TOTAL EQUITY	404,974	424,419	438,698	453,133	470,705	482,907	501,129	521,278	535,852	556,086	603,708

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APPENDIX 2: LONG TERM PLAN FINANCIAL STATEMENTS 2024/25 TO 2033/34 (CONTINUED)

A2-3 Consolidated Results: Budgeted Statement of Cash Flows	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
	Actual	**Budget**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**
	$ '000	**$ '000**	**$ '000**	**$ '000**	**$ '000**	**$ '000**	**$ '000**	**$ '000**	**$ '000**	**$ '000**	**$ '000**
CASH FLOWS FROM OPERATING ACTIVITIES											
Receipts:											
Operating receipts	50,487	50,166	52,234	54,500	56,567	58,590	60,584	62,550	64,583	66,684	68,746
Investment receipts	217	150	154	158	162	166	170	174	178	183	187
Payments:											
Operating payments to suppliers & employees	(39,382)	(38,125)	(38,994)	(40,629)	(41,871)	(43,240)	(44,660)	(46,180)	(47,601)	(49,115)	(50,670)
Finance payments	(771)	(1,161)	(2,066)	(2,072)	(1,887)	(1,567)	(1,294)	(993)	(783)	(599)	(364)
Net cash provided by (or used in) Operating Activities	10,551	11,030	11,328	11,957	12,971	13,949	14,800	15,551	16,377	17,153	17,899
CASH FLOW FROM INVESTING ACTIVITIES											
Receipts:											
Amounts specifically for new or upgraded assets	1,966	6,579	4,346	70	70	70	343	711	70	70	70
Sale of replaced assets	281	523	519	380	392	403	415	428	441	454	468
Repayment of loans by community groups	103	115	120	127	122	107	106	106	111	101	87
Payments:											
Expenditure on renewal/replacement of assets	(6,940)	(9,538)	(11,295)	(8,069)	(9,124)	(9,042)	(9,392)	(10,128)	(10,248)	(11,103)	(11,225)
Expenditure on new/upgraded assets	(13,651)	(31,652)	(12,224)	(3,204)	(1,026)	(996)	(882)	(1,200)	(2,450)	(1,092)	(1,001)
Net cash provided by (or used in) Investment Activities	(18,257)	(33,973)	(18,534)	(10,696)	(9,566)	(9,458)	(9,410)	(10,083)	(12,076)	(11,570)	(11,601)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts:											
Proceeds from borrowings	7,419	23,500	8,000	0	0	0	0	0	0	0	0
Proceeds from Bonds and Deposits	340	0	0	0	0	0	0	0	0	0	0
Payments:											
Repayment of borrowings	(880)	(3,638)	(714)	(1,176)	(3,383)	(4,624)	(5,425)	(5,506)	(4,311)	(5,601)	(6,237)
Repayment of Lease	(68)	(14)	(7)	0	0	0	0	0	0	0	0
Repayment of Bonds and Deposits	(570)	0	0	0	0	0	0	0	0	0	0
Net cash provided by (or used in) Financing Activities	6,241	19,848	7,279	(1,176)	(3,383)	(4,624)	(5,425)	(5,506)	(4,311)	(5,601)	(6,237)
Net Increase/(Decrease) in Cash held	(1,465)	(3,095)	73	85	22	(133)	(35)	(38)	(10)	(18)	61
Cash at beginning of period	4,618	3,153	58	131	216	238	107	74	38	30	14
CASH AT END OF PERIOD	3,153	58	131	216	238	107	74	38	30	14	75

Attachment 1

APPENDIX 2: LONG TERM PLAN FINANCIAL STATEMENTS 2024/25 TO 2033/34 (CONTINUED)

A2-4 Consolidated Results: Budgeted Uniform Presentation of Finances	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
	Q4 Forecast	**Budget**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**
	$ '000	**$ '000**	**$ '000**	**$ '000**	**$ '000**	**$ '000**	**$ '000**	**$ '000**	**$ '000**	**$ '000**	**$ '000**
Operating Revenues	46,039	50,316	52,388	54,657	56,728	58,757	60,753	62,724	64,760	66,867	68,932
less Operating Expenses	(47,178)	(51,020)	(53,132)	(54,928)	(56,591)	(57,726)	(59,132)	(61,078)	(62,541)	(64,128)	(66,288)
Operating Surplus / (Deficit)	(1,139)	(704)	(744)	(271)	137	1,031	1,621	1,646	2,219	2,739	2,644
***less* Net outlays on existing Assets**											
Capital expenditure on renewal and replacement of existing assets	(6,940)	(9,538)	(11,295)	(8,069)	(9,124)	(9,042)	(9,392)	(10,128)	(10,248)	(11,103)	(11,225)
less Depreciation, Amortisation and Impairment	11,010	11,316	11,891	12,293	12,873	13,032	13,234	14,002	14,192	14,467	15,322
less Proceeds from Sale of Replaced Assets	281	523	519	380	392	403	415	428	441	454	468
	4,351	2,301	1,115	4,604	4,141	4,393	4,257	4,302	4,385	3,818	4,565
***less* Net outlays on New and Upgraded Assets**											
Capital expenditure on New and Upgraded Assets	(13,651)	(31,652)	(12,224)	(3,204)	(1,026)	(996)	(882)	(1,200)	(2,450)	(1,092)	(1,001)
less Amounts received specifically for New and Upgraded Assets	1,966	6,579	4,346	70	70	70	343	711	70	70	70
less Proceeds from Sale of Surplus Assets	0	0	0	0	0	0	0	0	0	0	0
	(11,685)	(25,073)	(7,878)	(3,134)	(956)	(926)	(539)	(489)	(2,380)	(1,022)	(931)
Net Lending / (Borrowing) for Financial Year	(8,473)	(23,476)	(7,507)	1,199	3,322	4,498	5,339	5,459	4,224	5,535	6,278

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APPENDIX 3: CAPITAL EXPENDITURE 2024/25 TO 2033/34

A3 Consolidated Results: Budgeted Capital Expenditure	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
	Actual	**Budget**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**
	$' 000	**$' 000**	**$' 000**	**$' 000**	**$' 000**	**$' 000**	**$' 000**	**$' 000**	**$' 000**	**$' 000**	**$' 000**
Renewal/Replacement Capital summary: Non-Discretionary											
Land	0	0	0	0	0	0	0	0	0	0	0
Buildings	1,718	3,727	4,198	1,262	1,173	1,185	1,196	1,719	1,389	1,400	1,411
Recreation	1,665	85	1,039	328	325	334	343	352	362	372	382
Transport - Roads & Footpaths	4,607	4,306	3,737	4,268	4,928	5,093	5,262	5,437	5,618	5,804	6,438
Stormwater, Bridges & Floodplain	113	0	312	321	331	341	351	362	373	384	395
CWMS	96	782	774	489	607	692	801	810	961	1,067	964
Equipment - Plant & Vehicles	991	1,351	1,244	973	1,002	1,032	1,063	1,095	1,128	1,161	1,196
Other Assets	195	117	143	146	850	359	408	418	428	989	450
	9,385	10,368	11,447	7,787	9,216	9,036	9,424	10,193	10,259	11,177	11,236
New/Upgrade Capital summary: Discretionary											
Land	1,556	0	0	0	0	0	0	0	0	0	0
Buildings (includes TBP program)	4,285	3,084	11,423	887	0	0	0	341	0	0	0
Recreation (includes TBP program)	4,084	22,015	180	294	185	187	190	192	1,799	198	200
Transport - Roads & Footpaths	1,011	1,691	244	596	97	100	103	106	109	112	115
Stormwater, Bridges & Floodplain	393	1,449	395	403	411	560	429	438	448	457	467
CWMS	535	3,166	271	131	34	33	35	31	81	81	81
Equipment - Plant & Vehicles	0	0	0	0	0	0	0	0	0	0	0
Other	313	916	106	108	111	114	117	120	122	126	129
	12,177	32,321	12,619	2,419	838	994	874	1,228	2,559	974	992
Total Capital Expenditure	21,562	42,689	24,066	10,206	10,054	10,030	10,298	11,421	12,818	12,151	12,228

Attachment 1

APPENDIX 4: RECONCILIATION OF CAPITAL EXPENDITUE WITH INFRASTRUCTURE AND ASSET MANAGEMENT PLAN 2024-25 TO 2033-34

Reconciliation of Capital Expenditue with Infrastructure and Asset Management Plan	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	10 Year Forecast
LONG TERM FINANCIAL PLAN SETTINGS	**$' 000**	**$' 000**	**$' 000**	**$' 000**	**$' 000**	**$' 000**	**$' 000**	**$' 000**	**$' 000**	**$' 000**	**$' 000**
Renewal/Replacement Capital summary											
Land	0	0	0	0	0	0	0	0	0	0	0
Buildings	3,727	4,198	1,262	1,173	1,185	1,196	1,719	1,389	1,400	1,411	18,660
Recreation	85	1,039	328	325	334	343	352	362	372	382	3,922
Transport - Roads & Footpaths	4,306	3,737	4,268	4,928	5,093	5,262	5,437	5,618	5,804	6,438	50,891
Stormwater, Bridges & Floodplain	0	312	321	331	341	351	362	373	384	395	3,170
CWMS	782	774	489	607	692	801	810	961	1,067	964	7,947
Equipment - Plant & Vehicles	1,351	1,244	973	1,002	1,032	1,063	1,095	1,128	1,161	1,196	11,245
Other Assets including Technology and Carparks	117	143	146	850	359	408	418	428	989	450	4,308
Sub-total Renewal and Replacement	10,368	11,447	7,787	9,216	9,036	9,424	10,193	10,259	11,177	11,236	100,143
Upgrade Capital summary											
Land	0	0	0	0	0	0	0	0	0	0	0
Buildings (includes TBP program)	0	788	187	0	0	0	0	0	0	0	974
Recreation (includes TBP program)	257	180	24	185	187	190	192	195	198	200	1,808
Transport - Roads & Footpaths	1,587	244	596	97	100	103	106	109	112	115	3,169
Stormwater, Bridges & Floodplain	1,221	395	403	411	420	429	438	448	457	467	5,089
CWMS	3,166	271	131	34	33	35	31	81	81	81	3,944
Equipment - Plant & Vehicles	0	0	0	0	0	0	0	0	0	0	0
Other Assets including Technology and Carparks	916	106	108	111	114	117	120	122	126	129	1,969
Sub-total Upgrade	7,147	1,984	1,449	838	854	874	887	955	974	992	16,953
Total Capital Expenditure on Existing Assets	17,515	13,431	9,236	10,054	9,890	10,298	11,080	11,214	12,151	12,228	117,096
New Capital summary											
Land	0	0	0	0	0	0	0	0	0	0	0
Buildings (includes TBP program)	3,084	10,635	700	0	0	0	341	0	0	0	14,761
Recreation (includes TBP program)	21,758	0	270	0	0	0	0	1,604	0	0	23,632
Transport - Roads & Footpaths	104	0	0	0	0	0	0	0	0	0	104
Stormwater, Bridges & Floodplain	228	0	0	0	140	0	0	0	0	0	368
CWMS	0	0	0	0	0	0	0	0	0	0	0
Equipment - Plant & Vehicles	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0
Total Capital Expenditure on New Assets	25,174	10,635	970	0	140	0	341	1,604	0	0	38,865
Total Capital Expenditure provisioned in Long Term Financial Plan	42,689	24,066	10,206	10,054	10,030	10,298	11,421	12,818	12,151	12,228	155,961

Attachment 1

INFRASTRUCTURE AND ASSET MANAGEMENT PLAN SETTINGS	$' 000	$' 000	$' 000	$' 000	$' 000	$' 000	$' 000	$' 000	$' 000	$' 000	$' 000
Land	0	0	0	0	0	0	0	0	0	0	0
Buildings	731	756	735	896	830	831	832	833	834	836	8,114
Carparks	40	0	0	0	152	37	0	0	0	248	478
Footpaths	557	722	724	724	725	346	0	176	729	731	5,437
Kerbing	123	125	200	61	0	0	0	0	0	0	508
Transport - Sealed Roads	1,060	1,097	1,163	1,232	2,311	2,397	2,483	2,574	2,668	2,765	19,750
Transport - Unsealed Roads	1,599	1,655	1,656	1,658	1,658	1,663	1,664	1,667	1,667	1,672	16,559
Stormwater and Bridges*	1,221	707	724	742	761	780	800	821	841	862	8,259
CWMS*	3,948	1,045	620	641	725	836	841	1,042	1,148	1,045	11,891
Equipment - Plant & Vehicles*	1,351	1,244	973	1,002	1,032	1,063	1,095	1,128	1,161	1,196	11,245
Other Assets - IT Renewal*	1,033	249	254	961	473	525	538	550	1,115	579	6,277
Total Capital Expenditure requirement forecast in Infrastructure and Asset Management Plan	11,662	7,601	7,049	7,917	8,667	8,479	8,253	8,791	10,164	9,934	88,517
Net Capital Expenditure Against IAMP (Surplus)/Deficit - Existing Assets	(5,852)	(5,830)	(2,187)	(2,137)	(1,223)	(1,819)	(2,827)	(2,423)	(1,987)	(2,294)	(28,579)
Net Capital Expenditure Against IAMP (Surplus)/Deficit - All Assets	(31,027)	(16,465)	(3,157)	(2,137)	(1,363)	(1,819)	(3,168)	(4,027)	(1,987)	(2,294)	(67,444)
* Based on current projections these are currently under new modelling in 2024-25											
KPI 4 - Existing Assets	150.2%	176.7%	131.0%	127.0%	114.1%	121.5%	134.3%	127.6%	119.5%	123.1%	132.3%
KPI 4 - Total Assets	366.0%	316.6%	144.8%	127.0%	115.7%	121.5%	138.4%	145.8%	119.5%	123.1%	176.2%

Please note this statement is based on budget allocations and 100% capital program delivery, the corresponding cash flow reflects 92% capital program delivery.