

# Audit & Risk Committee Minutes

**19 August 2024**

## **Our Vision**

*A City which values its heritage, cultural diversity,  
sense of place and natural environment.*

*A progressive City which is prosperous, sustainable  
and socially cohesive, with a strong community spirit.*

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City of  
Norwood  
Payneham  
& St Peters

1.	CONFIRMATION OF MINUTES OF THE AUDIT & RISK COMMITTEE MEETING HELD ON 20 MAY 2024 .....	1
2.	PRESIDING MEMBER'S COMMUNICATION .....	1
3.	QUESTIONS WITHOUT NOTICE .....	1
4.	QUESTIONS WITH NOTICE .....	1
5.	WRITTEN NOTICES OF MOTION .....	1
6.	STAFF PRESENTATION.....	2
7.	STAFF REPORTS .....	2
7.1	DRAFT ASSET MANAGEMENT PLANS .....	3
7.2	PAYNEHAM MEMORIAL SWIMMING CENTRE REDEVELOPMENT PROJECT RISKS .....	8
7.3	REVIEW OF FINANCE POLICIES .....	11
7.4	ST PETERS CHILD CARE CENTRE - REVIEW OF POLICIES.....	15
7.5	DRAFT ANNUAL REPORT OF THE AUDIT & RISK COMMITTEE .....	19
8.	CONFIDENTIAL REPORTS .....	21
9.	OTHER BUSINESS .....	21
9.1	FINANCIAL CONTROLS REVIEW.....	21
10.	NEXT MEETING .....	21
11.	CLOSURE.....	21

**VENUE** Meeting Room 3 (Upper Level), Norwood Town Hall

**HOUR** 7.00pm

**PRESENT**

**Committee Members** Mayor Robert Bria (Presiding Member)  
Cr Grant Piggott  
Cr Claire Clutterham  
Ms Stefanie Eldridge (Independent Member)  
Ms Sandra Di Blasio (Independent Member)

**Staff** Mario Barone (Chief Executive Officer)  
Lisa Mara (General Manager, Governance & Civic Affairs)  
Derek Langman (General Manager, Infrastructure & Major Projects)  
Jenny McFeat (Manager, Governance)  
Joseph Casilla (Project Officer, City Assets)  
James Greenfield (Procurement Specialist)  
Lucinda Knight (Executive Assistant, Chief Executive's Office)

**APOLOGIES** Nil

**ABSENT** Nil

**TERMS OF REFERENCE:**

*The functions of the Audit & Risk Committee include:*

- (a) reviewing Annual Financial Statements to ensure that the Statements present fairly the state of affairs of the Council; and*
- (b) proposing, and providing information relevant to, a review of the Council's strategic management plans or annual business plan; and*
- (c) monitoring the responsiveness of the Council to recommendations for improvement based on previous audits and risk assessments, including those raised by the Council's External Auditor; and*
- (d) proposing, and reviewing, the exercise of powers under Section 130A of the Local Government Act 1999; and*
- (e) liaising with the Council's External Auditor in accordance with any requirements prescribed by the regulations; and*
- (f) reviewing the adequacy of the accounting, internal controls, reporting and other financial management systems and practices of the Council on a regular basis; and*
- (g) providing oversight of planning and scoping of the Internal Audit work plan; and*
- (h) reviewing and commenting on reports provided by the person primarily responsible for the Internal Audit function at least on a quarterly basis; and*
- (i) reviewing and evaluating the effectiveness of policies, systems and procedures established and maintained for the identification, assessment, monitoring, management and review of strategic, financial and operational risks on a regular basis; and*
- (j) reviewing any report obtained by the Council pursuant to Section 48(1) of the Local Government Act 1999; and*
- (k) performing any other function determined by the Council or prescribed by the regulations.*

**1. CONFIRMATION OF MINUTES OF THE AUDIT & RISK COMMITTEE MEETING HELD ON 20 MAY 2024**

*Ms Sandra Di Blasio moved that the Minutes of the Audit & Risk Committee meeting held on 20 May 2024 be taken as read and confirmed. Seconded by Cr Clutterham and carried unanimously.*

**2. PRESIDING MEMBER'S COMMUNICATION**

Nil.

**3. QUESTIONS WITHOUT NOTICE**

Nil.

**4. QUESTIONS WITH NOTICE**

Nil.

**5. WRITTEN NOTICES OF MOTION**

Nil.

**6. STAFF PRESENTATION**

The General Manager, Infrastructure & Major Projects provided a presentation to the Committee on the various projects which have recently been completed and those projects that are currently in progress.

**7. STAFF REPORTS**

## 7.1 DRAFT ASSET MANAGEMENT PLANS

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**REPORT AUTHOR:** Acting Manager, City Projects  
**GENERAL MANAGER:** General Manager, Infrastructure & Major Projects  
**CONTACT NUMBER:** 8366 4586  
**FILE REFERENCE:** qA156423  
**ATTACHMENTS:** A

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### PURPOSE OF REPORT

The purpose of this report is to present the draft Asset Management Plans (the AMPs) to the Audit & Risk Committee for consideration.

### BACKGROUND

Pursuant to Section 122 (4) of the *Local Government Act 1999*, the Council must undertake a comprehensive review of its Strategic Management Plans, which includes the Council's Asset Management Plans, within two (2) years after each Local Government General Election.

### RELEVANT STRATEGIC DIRECTIONS & POLICIES

The Council's Strategic Management Plan, *CityPlan 2030*, provides the framework upon which the Council's Strategic Management Plans are developed. The Council's suite of Strategic Management Plans currently incorporates the *CityPlan 2030*, the Long-Term Financial Plan (LTFP), the Asset Management Plans, and the Annual Business Plan and Budget.

### FINANCIAL AND BUDGET IMPLICATIONS

The AMPs allow for the long-term planning of the renewal and upgrade of the City's infrastructure and assets, which in turn provides for the integration of projects from across the respective asset classes. This approach leads to improved efficiency and more effective use of the Council's financial resources, which in turn results in better outcomes for the community.

To this end, reference should be made each year to the AMPs when preparing the Annual Business Plan and Annual Budget, to ensure that the Council's broad outcomes, both financial and operational, are continuing to be achieved.

### EXTERNAL ECONOMIC IMPLICATIONS

Not Applicable.

### SOCIAL ISSUES

The AMPs set out how the Council intends to maintain, renew and upgrade its existing asset base. The AMPs identify the service standards that are to be set and maintained with respect to the roads, footpaths, stormwater drainage, open space and buildings. If assets are not maintained and renewed in line with the timing and standards set out within the respective AMPs, community well-being may be impacted upon through a reduction in service through the removal of assets (i.e., playgrounds, public facilities) from service or exposure to hazards resulting from inadequately maintained assets.

### CULTURAL ISSUES

Not Applicable.

### ENVIRONMENTAL ISSUES

Not Applicable.

## RESOURCE ISSUES

Not Applicable.

## RISK MANAGEMENT

The review of the Asset Management Plans has been undertaken to ensure that Council meets its legislative obligations, as set out in the *Local Government Act 1999*.

## CONSULTATION

- **Elected Members**

An Information Session was held with Elected Members on 12 August 2024.

The Council will consider the draft AMPs at its meeting scheduled for 2 September 2024.

- **Community**

The Community will be provided with the opportunity to comment on the draft AMPs through the public consultation process which is scheduled to commence on 4 September 2024 until 2 October 2024.

- **Staff**

Chief Executive Officer  
Chief Financial Officer  
General Manager, Infrastructure & Major Projects  
Finance Business Partner  
Manager, City Projects

- **Other Agencies**

Nil

## DISCUSSION

Asset management is the combination of management, financial, economic, engineering and other practices that are applied to the management and custodianship of physical assets with the objective of meeting the required level of service in the most cost-effective manner. Asset management planning ensures the delivery of services from an infrastructure perspective is provided in a financially sustainable manner.

The AMPs form part of the Council's suite of Strategic plans and set out the Council's approach to the management of Council owned assets over the lifecycle of each asset class, which includes acquisition, operational maintenance, renewal and disposal.

The Council has AMPs for each of the major asset classes;

- Civil Infrastructure
  - roads (surface, pavement, kerbing and footpaths);
  - traffic control devices;
  - off-road carparks; and
  - shared paths.
- Stormwater Management
  - culverts;
  - pipes; and
  - pits.
- Buildings
  - external structures;
  - internal structures; and
  - services, including mechanical and electrical.

- Recreation and Open Space
  - reserves and play equipment;
  - fences;
  - lighting; and
  - furniture (seats, benches, BBQs, bins and bus shelters).

The draft AMPs are contained in **Attachment A**.

Each draft AMP defines the services which the Council will provide, how the services will be provided and what funds are required to provide the services to the standards that are set out by Council.

The AMPs also assist the Council in predicting infrastructure renewal demand. The renewal demand is the cost of bringing an asset back to new at the optimum time in its lifecycle. The objectives of asset management are:

- ensuring a 'life cycle approach' to the management of assets;
- developing cost effective management strategies for the long term;
- providing a defined level of service and monitoring performance;
- understanding and meeting the demands of growth;
- managing risks; and
- ensuring the continuous improvement in asset management practices.

The AMPs are influenced by strategic documents, such as but not limited to, *CityPlan 2030*, the City-Wide Cycling Plan and the Open Space Strategy, as these associated documents are used to identify future infrastructure requirements, as well as condition of existing assets, which is collected periodically and used to plan for the renewal of existing assets.

In developing the asset management strategy for each class of asset, service standards have been based on:

- safety and compliance of infrastructure with Australian Standards and Codes for intended uses of each asset class;
- capacity of infrastructure and functionality of assets to meet usage requirements;
- monitoring of conditions to ensure serviceability maintained and timely maintenance or renewal undertaken; and
- capacity of infrastructure such as underground stormwater drainage network and overland flow paths to perform during target rainfall events.

In developing the AMPs, renewal works are aligned with new and upgrade projects where possible and practicable to ensure that there is efficient use of resources and where possible, assets are not being replaced earlier than required. In addition, projects involving more than one asset class are, where possible, integrated to provide improved efficiency and outcomes for the community.

Examples of projects where integration of multiple projects from differing asset classes have been undertaken include:

- Trinity Valley Stormwater Drainage Upgrade (flood mitigation and water quality improvements and re-use) and upgrading of the St Morris Bikeway (ongoing);
- Bicycle boulevard projects timed to coincide with civil asset renewal (William Street Bikeway, 2023-2024); and
- Dunstan Adventure Playground Upgrade and River Torren Linear Park Path Upgrade (in conjunction with Green Adelaide, 2023-2024).

The AMPs are referred to annually when developing the annual works program to determine the annual funding that is required for inclusion in the Annual Business Plan and Budget.

**Financial Targets**

The measure of the Council's success in achieving its financial goal of being a *City which delivers on our Strategic Outcomes by managing our financial resources in a suitable and equitable manner* is measured against a series of targets and performance measures which reflect and achieve the objectives of financial sustainability.

A primary financial target adopted by the Council to measure performance of the AMPs against the LTFP and financial sustainability, is the Asset Renewal Funding Ratio.

*Asset Renewal Funding Ratio*

The Asset Renewal Funding Ratio (ARFR) measures how well the Council is performing in respect to the funding of the renewal of its existing physical assets, such as roads, footpaths, kerbing, buildings, and playgrounds.

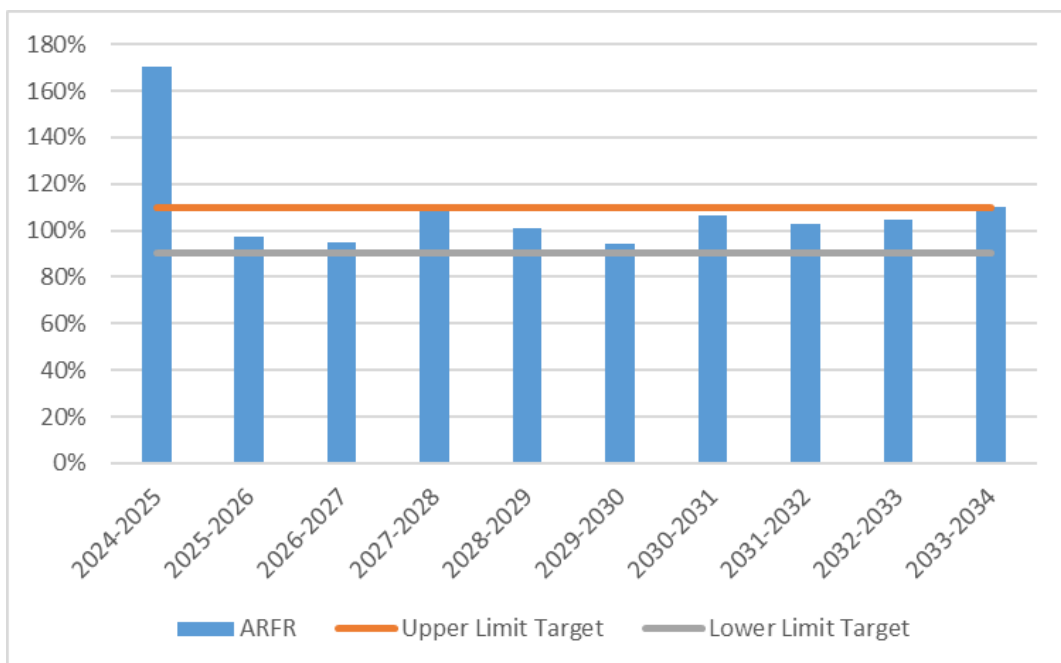
ARFR is calculated using the following formula:

$$ARFR = \frac{\text{Actual asset renewal expenditure (LTFP)}}{\text{Required asset renewal expenditure (AMP)}}$$

Ideally, assets should be renewed at the same rate the stock of assets is wearing out, resulting in a ratio of 1.0 or 100%.

The ARFR over the ten (10) year planning period is shown in **Figure 1** below.

**FIGURE 1: ARFR OVER THE TEN (10) YEAR PLANNING PERIOD**





### 2024-2025 ARFR

As outlined in Section 5.4 of the Stormwater Management AMP, the Trinity Valley Stormwater Drainage Upgrade Project initially entailed the renewal of existing assets within Trinity Valley, as well as minor upgrades of a number of sections of the stormwater drainage system. As the project progressed, it was deemed that major upgrade works were required to be undertaken to ensure that the objectives of the Project are met. Therefore, for the 2024-2025 financial year, which is when the project is scheduled to be completed, there is a notable difference between the AMP figure (approximately \$3.1 million) and the LTFP figure (approximately \$11.6 million) required to complete the project. This leads to a higher ARFR for the 2024-2025 financial year.

### Overall ARFR

It is recognised that there may be some instances that require the Council to either accelerate or decelerate the renewal of its existing asset base, and hence, there are instances wherein the ARFR is above or below 100%. As such, the Council target is within the range of 90% to 110%.

It is important to note that the ARFR over the ten (10) year planning period is 108%, which meets Council's financial target for this Ratio.

### OPTIONS

Not Applicable.

### CONCLUSION

Given the existing services, asset renewal program and strategic projects which have been identified to be completed across the planning timeframe, the draft AMPs represent a solution to the management of the competing demands of services and facilities to the community. The draft AMPs seek to balance the funding needs of renewal infrastructure assets, with the timing of proposed upgrade or new infrastructure projects being linked to asset renewals, so that the existing levels of service can be maintained.

### COMMENTS

Nil.

### RECOMMENDATION

That the Audit & Risk Committee recommends to the Council that the draft Asset Management Plans (Attachment A) be endorsed for the purpose of conducting community consultation.

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*Cr Clutterham moved:*

*That the Audit & Risk Committee recommends to the Council, that the draft Asset Management Plans (Attachment A), be endorsed for the purpose of conducting community consultation.*

*Seconded by Ms Sandra Di Blasio and carried unanimously.*

## 7.2 PAYNEHAM MEMORIAL SWIMMING CENTRE REDEVELOPMENT PROJECT RISKS

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**REPORT AUTHOR:** Manager, City Projects  
**GENERAL MANAGER:** General Manager, Infrastructure & Major Projects  
**CONTACT NUMBER:** 8366 4523  
**FILE REFERENCE:** qA75100  
**ATTACHMENTS:** A

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### PURPOSE OF REPORT

To report on the status of the risks associated with the Payneham Memorial Swimming Centre (PMSC) Redevelopment Project.

### BACKGROUND

At the Special Meeting of Council held on 11 December 2023, the Council received and considered the Minutes of the Special Meeting of the Audit & Risk Committee held on 6 December 2023 and resolved to adopt the following resolutions of the Committee as decisions of the Council.

*That the Audit & Risk Committee recommends to the Council that:*

- *the Chief Executive Officer receive monthly reports regarding the Payneham Memorial Swimming Centre Project Risks that have a residual rating of high and extreme;*
- *a report be presented on a quarterly basis to the Council's Audit & Risk Committee whilst those risks remain at high and extreme; and*
- *the Council continually diligently manages the Projects set out in the Long-Term Financial Plan and strategies to ensure that the Council's key financial indicators return to the following target levels:*
  - *Operating Surplus Ratio within 3 years, and*
  - *Net Financial Liabilities Ratio within 10 years or earlier is possible.*

This report therefore provides information to the Committee regarding the status of the risks that have a residual rating of high and/or extreme.

### RELEVANT STRATEGIC DIRECTIONS & POLICIES

Not Applicable.

### FINANCIAL AND BUDGET IMPLICATIONS

Not Applicable.

### EXTERNAL ECONOMIC IMPLICATIONS

Not Applicable.

### SOCIAL ISSUES

Not Applicable.

### CULTURAL ISSUES

Not Applicable.

### ENVIRONMENTAL ISSUES

Not Applicable.

**RESOURCE ISSUES**

Not Applicable.

**RISK MANAGEMENT**

Project risks are being managed in accordance with the Council's *Risk Management Policy & Procedure* and the Project Risk Register for this Project.

**CONSULTATION**

Not applicable.

**DISCUSSION**

**Table 1** below includes the risks contained in the Prudential Management Report for the *Payneham Memorial Swimming Centre Redevelopment Project May 2023 – Updated December 2023*, that have a residual risk level of High or Extreme.

**TABLE 1**

<b>Risk #</b>	<b>Risk Description</b>	<b>Residual Risk Level (Dec 2023)</b>	<b>Current Risk Level (July 2024)</b>	<b>Comments</b>
1	Tendered prices are in excess of the Council's existing budget	High	No longer applicable	The risk eventuated and the Council made the decision to increase the Project budget.
2	Design cannot achieve an acceptable Project outcome within the Council's existing budget	High	No longer applicable	The risk eventuated and the Council made the decision to increase the Project budget.
22	Negative sentiment in the community regarding the expenditure of funds and value for money and potential increase in project budget for the new swimming centre	Extreme	Substantial	The risk has been downgraded as the risk has largely eventuated and dealt with through ABP process. There is no longer an 'extreme risk' for the project to manage.
23	Increased community frustration at closure of pool pre-construction and during construction delivery due to both the PMSC and North Adelaide Aquatic Centre being closed at the same time.	High	Substantial	The Council has been providing information on the Project and promoting the use of the Norwood Swimming Centre during the closure of the PMSC. The North Adelaide Aquatic Centre is now under construction. The current controls are effective and the risk has been downgraded to substantial.
24	Redevelopment of the PMSC may highlight the Norwood Swimming Centre being outdated resulting in pressure from the community to upgrade.	High	No longer applicable	The Council is currently undertaking a building compliance, access and safety audit of the Norwood Swimming Centre and has allocated funds from the Renewal Budget in the 2024-2025 Budget to remedy some of the urgent issues.  This risk has been deleted from the Project Risk Register (July 2024)
25	Cost for new PMSC impacts Council's long term financial position resulting in unacceptable constraints on services / capital works delivery.	Extreme	Substantial	The Council's Long Term Financial Plan includes the full cost of the PMSC Project. Council staff are managing the Project costs within the budget and working with the contractor to identify savings where possible.

The current Project Risk Register dated 16 July 2024, is contained in **Attachment A**. The Project risks that have eventuated and/or are no longer applicable, have been highlighted in 'grey' and marked as 'closed'. For the remaining risks that have not been identified, the proposed controls have reduced the residual risk level within tolerable limits except for Risk #14.

As the Project Risk Register is regularly reviewed, some adjustments have been made to risk controls, risk impact and risk likelihood, which in turn impacts on residual risk ratings. The only change from the Project Risk Register that is contained in the *Prudential Management Report – Dec 2023* that requires reporting, is Risk #14 relating to inadequate car parking for users following completion of the Project. The 'likelihood' category has been adjusted to 'likely' from 'possible', resulting in a residual risk of 'high' which requires reporting to the Council's Audit & Risk Committee.

Risk #14 exists as the construction of a multideck carpark identified in the Patterson Reserve Masterplan is 'out of scope' for this Project. Carparking is expected to be an issue through peak usage periods as the carparking requirement could exceed the current carparking provision, resulting in reputational risk for Council.

To mitigate the impact, Council staff have identified an opportunity to negotiate with the adjoining property owner to determine if an arrangement can be entered into to use their under-utilised carpark.

An additional opportunity is being developed to provide a new connection from the pool facility to the carpark which will, if constructed, assist in mitigating the impact of carparking demand.

## **OPTIONS**

This report is provided for information purposes only and as such, there are no options for the Committee to consider.

## **CONCLUSION**

Several Project risks are now 'closed' because the contract has been awarded and the progress of the Project to date. As delivery the Project continues, the risks related to contract, contractor issues and contamination, are expected to reduce.

There remain some risks relating to the sustainable operations, asset management and maintenance associated with the PMSC, which will continue to be monitored and managed on an ongoing basis.

## **COMMENTS**

The risks identified in this risk register are separate entirely to the Project delivery risk register which is maintained by the head contractor and reviewed by Council Staff.

## **RECOMMENDATION**

That the report be received and noted.

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*Ms Stefanie Eldridge moved:*

*That the report be received and noted.*

*Seconded by Cr Clutterham and carried unanimously.*

## 7.3 REVIEW OF FINANCE POLICIES

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**REPORT AUTHOR:** General Manager, Governance & Civic Affairs  
**GENERAL MANAGER:** Chief Executive Officer  
**CONTACT NUMBER:** 8366 4549  
**FILE REFERENCE:** qA61370  
**ATTACHMENTS:** A - D

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### PURPOSE OF REPORT

The purpose of the report is to present four (4) policies which have now been reviewed to the Audit & Risk Committee, for endorsement.

### BACKGROUND

Policies, Codes of Practice and Codes of Conduct are important components of a Council's governance framework. Policies set directions, guide decision making and inform the community about how the Council will normally respond and act to various issues.

When a decision is made in accordance with a Council Policy or Code, both the decision-maker and the community can be assured that the decision reflects the Council's overall aims and principles of action.

Accordingly, policies and codes can be used in many contexts to:

- reflect the key issues and responsibilities facing a Council;
- provide a policy context and framework for developing more detailed objectives and management systems;
- guide staff and ensure consistency in delegated and day-to-day decision-making; and
- clearly inform the community of a Council's response to various issues.

It is therefore important that policies remain up to date and consistent with any position adopted by the Council.

A review of all Finance related policies has commenced to ensure that all policies are relevant, contemporary and legislatively compliant and these will be presented to the Audit & Risk Committee for endorsement as each policy is reviewed.

The following Policies are now scheduled to be reviewed:

1. Asset Capitalisation and Depreciation (**Attachment A**);
2. Disposal of Land and Assets (**Attachment B**);
3. Receivables and Debt Recovery (**Attachment C**); and
4. Procurement (**Attachment D**).

Where required, the Policies have been amended to ensure that the Policies meet current standards and reflect the Council's position on the respective matters.

### RELEVANT STRATEGIC DIRECTIONS & POLICIES

Not Applicable.

## DISCUSSION

### **Asset Capitalisation and Depreciation Policy and Asset Capitalisation and Depreciation Guidelines**

The *Asset Capitalisation and Depreciation Policy* is an existing policy and the *Asset Capitalisation and Depreciation Guideline* is an existing Guideline.

The objective of the *Asset Capitalisation and Depreciation Policy*, is to provide guidance to staff in the management of the Council's financial records and accounts associated with the Council's infrastructure, property, plant and equipment.

From a more practical approach and to avoid "doubling up" between the documents, the Policy and Guidelines have been combined and are now presented as one (1) document.

Notwithstanding this, only minor amendments and formatting changes are recommended to the draft Policy.

A copy of the draft *Asset Capitalisation and Depreciation Policy* is contained within **Attachment A**.

### **Disposal of Land and Assets Policy**

The *Disposal of Land and Assets Policy* is an existing Policy.

The objective of this Policy is to:

- define the methods by which Land and Assets are disposed of;
- demonstrate the Council's accountability and responsibilities to ratepayers;
- be fair and equitable to all parties involved;
- enable all processes to be monitored and recorded; and
- ensure that the best possible outcome is achieved for the Council and the community.

With the exception of a change to the title of the staff member responsible for the Policy, no changes are recommended to the Policy.

A copy of the draft *Disposal of Land and Assets Policy* is contained within **Attachment B**.

### **Receivables and Debt Recovery Policy**

The *Receivables and Debt Recovery Policy* has been prepared to update and replace the *Credit Policy*.

The *Receivables and Debt Recovery Policy* has been prepared to ensure the effective management of the organisation's receivables, to minimize credit risk, and to ensure the timely recovery of outstanding debts.

A copy of the draft *Receivables and Debt Recovery Policy* is contained within **Attachment C**.

### **Procurement Policy**

The *Procurement Policy* is an existing Policy.

Section 49 of the Local Government Act 1999 (the Act), requires Councils to prepare and adopt policies in respect to contracts and tenders which include the following:

- the contracting out of services;
- competitive tendering and the use of other measures to ensure that services are delivered cost-effectively; and
- the use of local goods and services.

In addition, Section 49 (a1) of the Act, requires Councils to develop and maintain policies, practices and procedures which are directed towards:

- obtaining value in the expenditure of public money;
- providing for ethical and fair treatment of participants; and
- ensuring probity, accountability and transparency in all operations.

The Policy therefore provides a framework for procurement activities which are undertaken by the Council staff and applies to all employees of the Council involved in the procurement of any goods and services during the course of performing their duties.

The Procurement Policy has been reviewed and update and all operational components have been removed from the draft Policy. These operational components have been included as part of the Procurement Guidelines which sets out the procedures which must be followed to ensure compliance with the Policy.

A copy of the draft *Procurement Policy* is contained within **Attachment D**.

## OPTIONS

The Committee can determine not to endorse the draft Policies, however as the draft Policies are required and have been prepared to meet legislative requirements, and manage particular finance matters, it is recommended that the Committee endorses the draft Policies as presented.

## CONCLUSION

A comprehensive financial policy framework is essential for public accountability, transparency and consistency in Council decision making.

Policies should be supported by a comprehensive set of documented procedures detailing the specific staff responsibilities and processes to be followed to give effect to the policies and ensure that sound financial management practices are in place. Without such documented financial policies and procedures, the Council could be subject to criticism, (rightly or wrongly), that their financial management framework lacks transparency, legislative compliance or does not reflect contemporary standards.

The requirement on the Council's Auditors to provide an opinion on the adequacy of the Council's internal financial controls further emphasises the need for an explicit, clearly documented, framework of policies and procedures.

## COMMENTS

To ensure compliance with Section 125 of the *Local Government Act 1999*, the Council must have in place, appropriate policies, practices and procedures, which assist the Council to carry out its activities in an efficient and orderly manner. To achieve this objective, it is important to ensure that the policies adopted by the Council are regularly reviewed to ensure that they reflect the current operating environment and continue to meet the Council's overall objectives.

There is no legislative requirement to consult in respect to these policies.

## RECOMMENDATION

That the Audit & Risk Committee recommends to the Council that the following be adopted:

1. Asset Capitalisation and Depreciation (**Attachment A**);
  2. Disposal of Land and Assets (**Attachment B**);
  3. Receivables and Debt Recovery (**Attachment C**); and
  4. Procurement Policy (**Attachment D**).
-

Cr Piggott moved:

1. That the Audit & Risk Committee recommends to the Council that the following be adopted:

- Asset Capitalisation and Depreciation Policy(Attachment A);
- Receivables and Debt Recovery Policy (Attachment C); and
- Procurement Policy (Attachment D).

2. That the Audit & Risk Committee recommends to the Council that the Disposal of Land and Assets Policy (Attachment B) be adopted, as amended, by inclusion of the following:

**Disposal of Land**

*In the event that the Council determines to dispose of Land below the current market valuation, the reasons for this must be set out in the Council's resolution to dispose of the Land. (Page 4).*

Seconded by Ms Sandra Di Blasio and carried unanimously.



## 7.4 ST PETERS CHILD CARE CENTRE - REVIEW OF POLICIES

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**REPORT AUTHOR:** General Manager, Governance & Civic Affairs  
**GENERAL MANAGER:** Chief Executive Officer  
**CONTACT NUMBER:** 8366 4549  
**FILE REFERENCE:** qA62895  
**ATTACHMENTS:** A - D

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### PURPOSE OF REPORT

The purpose of the report is to present a number of policies that are required for the St Peters Child Care Centre & Preschool, which have been reviewed, to the Audit & Risk Committee for endorsement.

### BACKGROUND

As the Committee is aware, a number of changes to the operations of the St Peters Child Care Centre & Preschool (the Centre), are being progressed. These changes include a review of the Centre's policies to ensure that the policies are contemporary and are legislatively compliant.

The National Quality Framework (NQF) provides a national approach to regulation, assessment and quality improvement for early childhood education and care and outside school hours care services across Australia.

The NQF introduced a new quality standard in 2012 to improve education and care across long day care, family day care, preschool/kindergarten, and outside school hours care services.

The NQF includes:

- National Law and National Regulations;
- National Quality Standard;
- assessment and quality rating process; and
- national learning frameworks.

The National law sets a national standard for children's education and care across Australia.

The major benefits for parents and children include:

- improved educator to child ratios, ensuring children have greater individual care and attention for children
- educators with increased skills and qualifications
- better support for children's learning and development through approved learning frameworks
- consistent, transparent information on educators, providers and services in the national registers.

The National Quality Standard (NQS) sets a high national benchmark for early childhood education and care and outside school hours care services in Australia. The NQS includes seven (7) Quality Areas that are important outcomes for children. Services are assessed and rated by their regulatory authority against the NQS, and given a rating for each of the seven (7) Quality Areas and an overall rating based on these results.

The seven (7) Quality Areas (QA) are:

- QA1 Educational Program and Practice;
- QA2 Children's Health and Safety;
- QA3 Physical Environment;
- QA4 Staffing Arrangements;
- QA5 Relationships with Children;
- QA6 Collaborative Partnerships with Families and Communities; and
- QA7 Governance and Leadership.

QA 7 Governance and Leadership sets out the various policies and procedures which each service type must have in place to support the operation of a quality service.

A full list of the policies and procedures as required by QA7 is contained within **Attachment A**.

A review of all the St Peters Child Care Centre & Preschool Policies is being progressed to ensure that all of the policies are relevant and comply with the requirements of the NQF. All mandatory policies will be presented to the Audit & Risk Committee for endorsement as each policy is reviewed.

The following Policies are now scheduled to be reviewed:

5. Nutrition, Food, Beverage & Dietary Requirements (**Attachment B**); and
6. Sun Protection (**Attachment C**).

Where required, the Policies have been amended to ensure that the Policies meet current standards and reflect the Council's position on the respective matters.

7. Providing a Child Safe Environment Policy (**Attachment D**).

In addition to the policies set out above, the *Providing a Child Safe Environment Policy*, whilst not due to be reviewed until September 2025, has been amended to remove some operational requirements that are not achievable in terms of the practical application of the requirements as set out in the Policy.

## RELEVANT STRATEGIC DIRECTIONS & POLICIES

Not Applicable.

## DISCUSSION

### Nutrition, Food, Beverage & Dietary Requirements Policy

The *Nutrition, Food, Beverage & Dietary Requirements Policy* replaces the former *Nutrition and Food Safety Policy*.

Pursuant to provisions of the *Education and Care Services National Regulations 2011* (the Regulations), an approved Childcare provider must ensure that policies and procedures are in place for nutrition, food and beverages and dietary requirements (Regulation 168).

The purpose of the *Nutrition, Food, Beverage & Dietary Requirements Policy* is to ensure the health, safety and wellbeing of children attending the Centre and that appropriate procedures are in place to meet each child's dietary requirements.

A copy of the draft *Nutrition, Food, Beverage & Dietary Requirements Policy* is contained within **Attachment B**.

### Sun Protection Policy

The *Sun Protection Policy* is an existing Policy.

The [\*Education and Care Services National Regulations 2011\*](#) (the Regulations), require approved Childcare providers to ensure that policies and procedures are in place in relation to sun protection (Regulation 168).

The Policy has been reviewed and updated in accordance with the Regulations and the Council's current practices in respect to sun protection at the Centre.

A copy of the draft *Sun Protection Policy* is contained within **Attachment C**.

## Providing a Child Safe Environment

The *Providing a Child Safe Environment Policy* is an existing Policy.

Pursuant to the provisions of the *Education and Care Services National Regulations 2011*, an approved provider must ensure that policies and procedures are in place for the purpose of providing a child safe environment (Regulation 168) and take reasonable steps to ensure those policies and procedures are followed.

The *Providing a Child Safe Environment Policy* was endorsed by the Committee at its meeting held on 18 September 2023 and subsequently adopted by the Council at its meeting held in October 2023.

However, the implementation of the Policy in respect to the following requirement has proved to be problematic:

*For the purpose of this Policy, when being considered in ratio numbers, Temporary Labour Hire staff must always be 'paired with' a staff member employed as an Educator by the Council and groups of children must never be supervised only by Temporary Labour Hire staff.*

From a practical operational perspective, if a child requires a nappy change or needs to be taken to the toilet, Temporary Labour Hire staff may be required to supervise a group of children for a short period of time to accommodate these types of situations. This presents operational difficulties.

On this basis, the Policy has been amended to allow for these situations by stipulating that Temporary Hire Labour staff may supervise groups of children for up to ten (10) minutes.

A copy of the draft *Providing a Child Safe Environment Policy* is contained within **Attachment D**.

## OPTIONS

As the draft Policies contained within Attachments B, C and D are required by legislation without a requirement for consultation, it is recommended that the Committee endorses the draft Policies.

## CONCLUSION

The adoption of the draft Policies as set out within this report ensures the Council complies with the legislative framework in place for the operation and management of the St Peters Child Care Centre & Preschool.

## COMMENTS

There is no legislative requirement to consult in respect to the attached policies.

## RECOMMENDATION

1. That the Audit & Risk Committee recommends to the Council that the following policies for the St Peters Child Care Centre & Preschool be adopted:
    - 1.1 Nutrition, Food, Beverage & Dietary Requirements Policy (**Attachment B**); and
    - 1.2 Sun Protection Policy (**Attachment C**).
  2. That the Audit & Risk Committee recommends to the Council that the amendments to the Providing a Child Safe Environment Policy (**Attachment D**) be adopted.
-

*Cr Clutterham moved:*

1. *That the Audit & Risk Committee recommends to the Council that the following policies for the St Peters Child Care Centre & Preschool be adopted:*
  - 1.1 *Nutrition, Food, Beverage & Dietary Requirements Policy (Attachment B); and*
  - 1.2 *Sun Protection Policy (Attachment C).*
2. *That the Audit & Risk Committee recommends to the Council that the amendments to the Providing a Child Safe Environment Policy (Attachment D) be adopted.*

*Seconded by Ms Sandra Di Blasio and carried unanimously.*

## 7.5 DRAFT ANNUAL REPORT OF THE AUDIT & RISK COMMITTEE

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**REPORT AUTHOR:** Manager, Governance  
**GENERAL MANAGER:** General Manager, Governance & Civic Affairs  
**CONTACT NUMBER:** 8366 4593  
**FILE REFERENCE:**  
**ATTACHMENTS:** A

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### PURPOSE OF REPORT

The purpose of this report is to present the draft *Audit & Risk Committee Annual Report* to the Committee for endorsement.

### BACKGROUND

Section 126(8)(b) of the *Local Government Act 1999* (the Act), requires a Council's Audit & Risk Committee to provide an Annual Report to the Council on the work of the Committee during the preceding financial year. In accordance with Section 126(9) of the Act, the Council must ensure that the Annual Report of the Committee is included in the Council's Annual Report.

In accordance with the Act, a draft Annual Report of the Audit & Risk Committee has been prepared on the basis of the work that has been undertaken during 2023-2024.

A copy of the draft Annual Report is contained within Attachment A.

### RELEVANT STRATEGIC DIRECTIONS & POLICIES

Not Applicable

### FINANCIAL AND BUDGET IMPLICATIONS

Not Applicable

### DISCUSSION

The *Audit & Risk Committee Annual Report* (the Annual Report) highlights that the Committee has performed its functions in accordance with the legislated requirements and its Terms of Reference. The Annual Report includes information regarding the following:

- Membership
- Meetings and Attendance
- Activities

### OPTIONS

Not Applicable.

The requirement for the Audit & Risk Committee to provide an Annual Report to the Council is a mandatory requirement of Section 126(8)(b) of the Act. To ensure that the Committee Annual Report is included in the Council's Annual Report in accordance with Section 126(9) of the Act, the Committee must approve its Annual Report at this meeting.

### CONCLUSION

The draft *Audit & Risk Committee Annual Report* as contained in **Attachment A** provides a summary of the work of the Council's Audit & Risk Committee for the 2023-2024 Financial Year and meets the Committee's legislative obligation to report to the Council annually in accordance with Section 128(8)9b) of the Act.

**RECOMMENDATION**

1. That the *2023-2024 Audit & Risk Committee Annual Report* (as contained in Attachment A), be approved.
  2. The Audit & Risk Committee notes that the *2023-2024 Audit & Risk Committee Annual Report* will be included in the Council's 2023-2024 Annual Report.
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*Cr Clutterham moved:*

1. *That the 2023-2024 Audit & Risk Committee Annual Report (as contained in Attachment A), be approved.*
2. *The Audit & Risk Committee notes that the 2023-2024 Audit & Risk Committee Annual Report will be included in the Council's 2023-2024 Annual Report.*

*Seconded by Ms Sandra Di Blasio and carried unanimously.*

**8. CONFIDENTIAL REPORTS**  
Nil

**9. OTHER BUSINESS**

**9.1 Financial Controls Review**

Mayor Bria advised that the Chief Financial Officer has received the Interim Management Letter from the Council's External Auditor, Galpins, on the review of the Council's Financial Controls. The Report was tabled and discussed by the Committee.

*Cr Piggott moved:*

- 1. That the 2023-2024 Interim Management Letter from the Council's External Auditor, Galpins, titled Financial Controls Review be received and noted.*
- 2. That the Financial Controls Review be recommended to the Council for endorsement.*
- 3. That staff be congratulated on their work on reviewing and addressing the issues that were raised in the 2022-2023 Financial Controls Review Report.*

*Seconded by Ms Stefanie Eldrige and carried unanimously.*

**10. NEXT MEETING**

Monday 28 October 2024.

**11. CLOSURE**

There being no further business the Presiding Member declared the meeting closed at 8.46pm.

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**Mayor Robert Bria**  
**PRESIDING MEMBER**

**Minutes Confirmed on** \_\_\_\_\_  
(date)