



Risk Management and Audit Committee (RMAC)

BUSINESS PAPER

TUESDAY 26/10/2021

Meeting to be held commencing 10.00am
In Council Chambers at 7 Bees Creek Road, Freds Pass

A handwritten signature in black ink, appearing to read 'Daniel Fletcher'.

Daniel Fletcher, Chief Executive Officer

Any member of Council who may have a conflict of interest, or a possible conflict of interest in regard to any item of business to be discussed at a Council meeting or a Committee meeting should declare that conflict of interest to enable Council to manage the conflict and resolve it in accordance with its obligations under the Local Government Act and its policies regarding the same.



RMAC AGENDA

LITCHFIELD COUNCIL RMAC MEETING

Notice of Meeting

to be held in the Council Chambers, Litchfield
on Tuesday, 26 October 2021 at 10.00am

Daniel Fletcher
Chief Executive Officer

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1. Opening of meeting

2. Apologies and Leaves of Absence

3. Disclosure of Interests

Any member of the RMAC who may have a conflict of interest, or a possible conflict of interest regarding any item of business to be discussed at the RMAC meeting should declare that conflict of interest to enable Council to manage the conflict and resolve it in accordance with its obligations under the Local Government Act and its policies regarding the same.

4. Confirmation of Minutes

THAT the full minutes of the Risk Management and Internal Audit Committee Meeting held Tuesday 3 August 2021, 4 pages, be confirmed.

Minutes have been distributed under separate cover and are publicly available on Council's website [Council Committees | Litchfield Council \(nt.gov.au\)](https://www.litchfield.nt.gov.au/council-committees) or in hard copy by request.

5. Business Arising from the minutes

THAT Council receives and notes the Action Sheet

Meeting Date	Agenda Item & Resolution	Status
03/08/2021	<p>THAT the Risk Management and Audit Committee:</p> <ul style="list-style-type: none"> 1) receive and note the audit report from CT Management Group; 2) support management to undertake expressions of interest inviting competitive quotes to replace the existing Long Term Financial Model no later than December 2021. 	2) Update to be provided in February 2022.
03/08/2021	THAT the Risk Management and Audit Committee note the progress on internal audits.	- Records management audit presented in this agenda (26/10/2021). Tree Risk Management Audit to be presented in February 2022.

6. Presentations

7. Accepting or Declining Late Items

8. Officer Reports



RMAC REPORT

Agenda Item Number:	8.1
Report Title:	Annual Financial Statements 2020-21
Author:	Bianca Hart, Manager Corporate Services
Recommending Officer:	Arun Dias, General Manager Business Excellence
Meeting Date:	26/10/2021
Attachments:	A - Litchfield Council Financial Statements 2020-21 B - Thorak Regional Cemetery Financial Statements 2020-21 C - Summary of Financials 2020-21

Executive Summary

To provide the RMAC with the Audited Financial Statements and Summary of Financials for review prior to inclusion in the Annual Report.

Recommendation

THAT the Risk Management and Audit Committee confirms:

1. the draft Litchfield Council 2020-21 Financial Statements are suitable for certification by the Chief Executive Officer for inclusion in the Annual Report and presented to Council;
2. the draft Thorak Regional Cemetery Financial Statements 2020-21 are suitable for certification by the Chief Executive Officer for inclusion in the Annual Report and presented to Council; and
3. the Summary of Financials are suitable for inclusion in the Annual Report and presented to Council.

Background

FIN09 – Risk Management and Audit Committee Policy contains that the following outline of the role of the Risk Management and Audit Committee:

4.9 – Financial Reporting

4.9.1.1 – The Committee shall monitor the integrity of the

- Annual Financial Statements of the Council, reviewing the significant financial reporting issues and judgements which they contain; and
- The annual report.

4.9.1.2 – The Committee shall review and challenge where necessary:

- *The consistency of, and/or any changes to, accounting policies;*
- *The methods used to account for significant or unusual transactions where different approaches are possible;*
- *Whether the Council has followed appropriate accounting standards and made appropriate estimates and judgements, taking into account the views of the external auditor;*
- *The clarity of disclosure in the Council's financial reports and the context in which statements are made; and*
- *All material information presented with the financial statements.*

The complete Annual Report 2020-21 will be presented to Council at a Special Council Meeting scheduled to be held on Tuesday 9 November 2021 for adoption.

The Final Audit Report will be presented to the Risk Management and Audit Committee (the Committee) in February. The Auditors will be in attendance and the Committee will have a chance to discuss the report with the Auditors without the presence of Management.

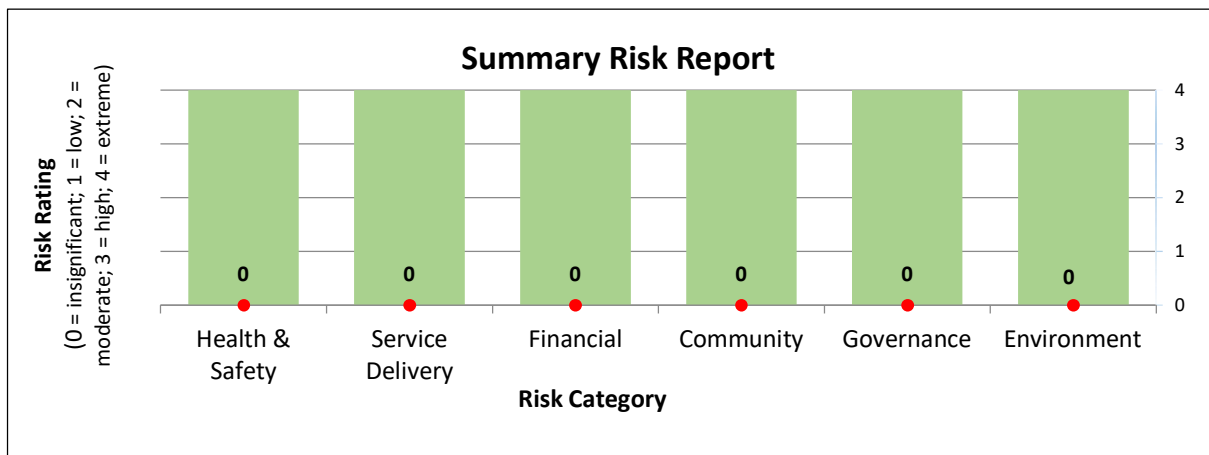
Links with Strategic Plan

A Well-Run Council - Good Governance

Legislative and Policy Implications

This paper is consistent with FIN09 Risk Management and Audit Committee Policy.

Risks



Financial Implications

Nil

Community Engagement

Nil

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Litchfield Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2021



General Purpose Financial Statements
for the year ended 30 June 2021

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General Purpose Financial Statements for the year ended 30 June 2021

Chief Executive Officer's Statement

I, Daniel Fletcher, the Chief Executive Officer of Litchfield Council, hereby certify that the Annual Financial Statements:

- have been drawn up in accordance with the applicable Australian Accounting Standards, the *Local Government Act* and the *Local Government (Accounting) Regulations* so as to present fairly the financial position of the Council and the results for the year ended 30 June 2021; and
- are in accordance with the accounting and other records of Council.

Daniel Fletcher
Chief Executive Officer

26 October 2021

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Statement of Comprehensive Income

for the year ended 30 June 2021

\$	Notes	2021	2020
Income			
Rates	2a	10,939,000	10,685,294
Statutory Charges	2b	132,834	137,049
User Charges	2c	1,897,123	1,757,340
Grants, Subsidies and Contributions	2g	6,280,141	3,855,333
Investment Income	2d	428,526	689,533
Reimbursements	2e	1,766	543
Other income	2f	314,458	153,975
Total Income		<u>19,993,848</u>	<u>17,279,067</u>
Expenses			
Employee costs	3a	6,553,240	6,643,444
Materials, Contracts and Other Expenses	3b	7,596,730	7,218,993
Depreciation, Amortisation and Impairment	3c	13,669,240	13,166,270
Total Expenses		<u>27,819,210</u>	<u>27,028,707</u>
Operating Surplus / (Deficit)		<u>(7,825,362)</u>	<u>(9,749,640)</u>
Asset Disposal & Fair Value Adjustments	4	(1,207)	(31,186)
Amounts Received Specifically for New or Upgraded Assets	2g	1,720,383	408,072
Net Surplus / (Deficit)		<u>(6,106,186)</u>	<u>(9,372,754)</u>
Other Comprehensive Income			
Amounts which will not be reclassified subsequently to operating result			
Changes in Revaluation Surplus - I,PP&E	9a	–	(1,558,056)
Total Amounts which will not be reclassified subsequently to operating result		–	(1,558,056)
Total Other Comprehensive Income		–	(1,558,056)
Total Comprehensive Income		<u>(6,106,186)</u>	<u>(10,930,810)</u>

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position

as at 30 June 2021

\$	Notes	2021	2020
ASSETS			
Current assets			
Cash & Cash Equivalent Assets	5a	3,884,166	1,803,190
Trade & Other Receivables	5b	2,953,342	2,925,552
Other Financial Assets (Investments)	5c	19,939,294	22,099,870
Total current assets		<u>26,776,802</u>	<u>26,828,612</u>
Non-current assets			
Other Non-Current Assets	6	5,456,554	4,365,021
Infrastructure, Property, Plant & Equipment	7a	295,499,202	301,369,855
Total non-current assets		<u>300,955,756</u>	<u>305,734,876</u>
TOTAL ASSETS		<u>327,732,558</u>	<u>332,563,488</u>
LIABILITIES			
Current Liabilities			
Trade & Other Payables	8a	5,834,399	4,496,757
Borrowings	8b	13,562	33,370
Provisions	8c	646,450	604,637
Total Current Liabilities		<u>6,494,411</u>	<u>5,134,764</u>
Non-Current Liabilities			
Provisions	8c	347,849	432,240
Total Non-Current Liabilities		<u>347,849</u>	<u>432,240</u>
TOTAL LIABILITIES		<u>6,842,260</u>	<u>5,567,004</u>
Net Assets		<u>320,890,298</u>	<u>326,996,484</u>
EQUITY			
Accumulated surplus		6,586,458	11,433,042
Asset revaluation reserves	9a	294,301,835	294,301,835
Other reserves	9b	20,002,005	21,261,607
Total Council Equity		<u>320,890,298</u>	<u>326,996,484</u>
Total Equity		<u>320,890,298</u>	<u>326,996,484</u>

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

for the year ended 30 June 2021

\$	Notes	Accumulated surplus	Asset revaluation reserve	Other reserves	Carrying amount
2021					
Balance at the end of previous reporting period		11,433,042	294,301,835	21,261,607	326,996,484
Net Surplus / (Deficit) for Year		(6,106,186)	–	–	(6,106,186)
Other Comprehensive Income					
- Gain (Loss) on Revaluation of I,PP&E	7a	–	–	–	–
Other comprehensive income		–	–	–	–
Total comprehensive income		(6,106,186)	–	–	(6,106,186)
Transfers between Reserves		1,259,602	–	(1,259,602)	–
Balance at the end of period		6,586,458	294,301,835	20,002,005	320,890,298
2020					
Balance at the end of previous reporting period		17,011,621	295,859,891	23,281,328	336,152,840
Net Surplus / (Deficit) for Year		(9,372,754)	–	–	(9,372,754)
Other Comprehensive Income					
- Gain (Loss) on Revaluation of I,PP&E	7a	–	(1,558,056)	–	(1,558,056)
Other comprehensive income		–	(1,558,056)	–	(1,558,056)
Total comprehensive income		(9,372,754)	(1,558,056)	–	(10,930,810)
Transfers between Reserves		2,019,721	–	(2,019,721)	–
Balance at the end of period		11,433,042	294,301,835	21,261,607	326,996,484

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows

for the year ended 30 June 2021

\$	Notes	2021	2020
Cash flows from operating activities			
<u>Receipts</u>			
Rates Receipts		11,060,134	10,211,239
Statutory Charges		133,964	138,664
User Charges		2,040,995	1,941,338
Grants, Subsidies and Contributions		6,216,541	3,918,933
Investment Receipts		428,526	689,534
Reimbursements		1,766	543
Other Receipts		1,380,765	2,135,821
<u>Payments</u>			
Payments to Employees		(6,902,180)	(7,166,460)
Payments for Materials, Contracts & Other Expenses		(7,210,358)	(8,298,741)
Net cash provided by (or used in) Operating Activities	11b	<u>7,150,153</u>	<u>3,570,871</u>
Cash flows from investing activities			
Amounts received specifically for new or upgraded assets		1,364,876	1,791,760
Sale of Replaced Assets		178,598	79,213
<u>Payments</u>			
Expenditure on Renewal/Replacement of Assets		(4,297,410)	(2,938,575)
Expenditure on New/Upgraded Assets		(4,772,515)	(2,228,164)
Net Purchase of Investment Securities		2,160,576	(728,763)
Net cash provided (or used in) investing activities		<u>(5,365,875)</u>	<u>(4,024,529)</u>
Cash flows from financing activities			
<u>Receipts</u>			
Proceeds from Bonds & Deposits		454,437	–
<u>Payments</u>			
Repayment of Principal Portion of Lease Liabilities		(19,808)	(18,510)
Repayment of Bonds & Deposits		(137,931)	(30,187)
Net Cash provided by (or used in) Financing Activities		<u>296,698</u>	<u>(48,697)</u>
Net Increase (Decrease) in Cash Held		<u>2,080,976</u>	<u>(502,355)</u>
plus: Cash & Cash Equivalents at beginning of period		1,803,190	2,305,545
Cash and cash equivalents held at end of period	11a	<u>3,884,166</u>	<u>1,803,190</u>
Additional Information:			
plus: Investments on hand – end of year	5c	19,939,294	22,099,870
Total Cash, Cash Equivalents & Investments		<u>23,823,460</u>	<u>23,903,060</u>

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to and forming part of the Principal Financial Statements
for the year ended 30 June 2021

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Notes to the Financial Statements

for the year ended 30 June 2021

Note 1. Summary of Significant Accounting Policies

The principal accounting policies adopted by Council in the preparation of these consolidated financial statements are set out below.

These policies have been consistently applied to all the years presented, unless otherwise stated.

(1) Basis of Preparation

1.1 Compliance with Australian Accounting Standards

This general purpose financial report has been prepared in accordance with Australian Accounting Standards as they apply to not-for-profit entities, other authoritative pronouncements of the Australian Accounting Standards Board, Interpretations, the requirements of the *Local Government Act*, the Local Government (Accounting) Regulations and other relevant Northern Territory legislation.

The financial report was authorised for issue on 26 October 2021.

1.2 Critical Accounting Estimates

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates and requires management to exercise its judgement in applying Council's accounting policies.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are specifically referred to in the relevant sections of these Notes.

1.3 Rounding

All amounts in the financial statements have been rounded to the nearest thousand dollars (\$'000).

(2) The Local Government Reporting Entity

Litchfield Council is incorporated under the *NT Local Government Act* and has its principal place of business at 7 Bees Creek Road, Freds Pass NT. These consolidated financial statements include the Council's direct operations and all entities through which Council controls resources to carry on its functions. In the process of reporting on the Council as a single unit, all transactions and balances between activity areas and controlled entities have been eliminated.

Trust monies and property held by Council but subject to the control of other persons have been excluded from these reports.

(3) Income Recognition

The Council recognises revenue under *AASB 1058 Income of Not-for-Profit Entities* (AASB 1058) or *AASB 15 Revenue from Contracts with Customers* (AASB 15) when appropriate.

In cases where there is an 'enforceable' contract with a customer with 'sufficiently specific' performance obligations, the transaction is accounted for under AASB 15 where income is recognised when (or as) the performance obligations are satisfied (i.e. when it transfers control of a product or service to a customer). Revenue is measured based on the consideration to which the Council expects to be entitled in a contract with a customer.

In other cases, AASB 1058 applies when a not-for-profit (NFP) entity enters into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives. The excess of the asset recognised (at fair value) over any 'related amounts' is recognised as income immediately, except in the case where a financial asset has been received to enable the Council to acquire or construct a recognisable non-financial asset that is to be controlled by the Council. In this case, the Council recognises the excess as a liability that is recognised over time in profit and loss when (or as) the entity satisfies its obligations under the transfer.

In recent years the payment of untied grants (financial assistance grants / local roads / supplementary grants) has varied from the annual allocation. Because these grants are untied, the Australian Accounting Standards require that payments be recognised upon receipt. Accordingly, the operating results of these periods have been distorted compared to those that would have been reported had the grants been paid in the year to which they were allocated.

Construction Contracts

Construction works undertaken by Council for third parties are generally on an agency basis where the third party

Notes to the Financial Statements

for the year ended 30 June 2021

Note 1. Summary of Significant Accounting Policies (continued)

reimburses Council for actual costs incurred, and usually do not extend beyond the reporting period. Reimbursements not received are recognised as receivables and reimbursements received in advance are recognised as “payments received in advance”.

(4) Cash, Cash Equivalents and other Financial Instruments

Cash Assets include all amounts readily convertible to cash on hand at Council's option with an insignificant risk of changes in value with a maturity of three months or less from the date of acquisition.

Receivables for rates and annual charges are secured over the subject land, and bear interest at rates determined in accordance with the Local Government Act 2008. Other receivables are generally unsecured and do not bear interest.

All receivables are reviewed as at the reporting date and adequate allowance made for amounts the receipt of which is considered doubtful.

All financial instruments are recognised at fair value at the date of recognition, except for trade receivables from a contract with a customer, which are measured at the transaction price. A detailed statement of the accounting policies applied to financial instruments forms part of Note 13.

(5) Infrastructure, Property, Plant & Equipment

5.1 Land under roads

The Council has elected not to recognise land under roads as an asset in accordance with AASB 1051 Land under Roads as in the opinion of the Council it is not possible to reliably attribute a fair value and further that such value if determined would be immaterial.

5.2 Initial Recognition

All assets are initially recognised at cost. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition.

All non-current assets purchased or constructed are capitalised as the expenditure is incurred and depreciated as soon as the asset is held “ready for use”. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including architects' fees and engineering design fees and all other costs incurred. The cost of non-current assets constructed by the Council includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overhead.

5.3 Materiality

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by Council for each type of asset. In determining (and in annually reviewing) such thresholds, regard is had to the nature of the asset and its estimated service life. Examples of capitalisation thresholds applied during the year are given in Note 7. No capitalisation threshold is applied to the acquisition of land or interests in land.

5.4 Subsequent Recognition

All material asset classes are revalued on a regular basis such that the carrying values are not materially different from fair value. Significant uncertainties exist in the estimation of fair value of a number of asset classes including land, buildings and associated structures and infrastructure. Further detail of these uncertainties, and of existing valuations, methods and valuers are provided at Note 7.

5.5 Depreciation of Non-Current Assets

Other than land, all infrastructure, property, plant and equipment assets recognised are systematically depreciated over their useful lives on a straight-line basis which, in the opinion of Council, best reflects the consumption of the service potential embodied in those assets.

Depreciation methods, useful lives and residual values of classes of assets are reviewed annually.

Major depreciation periods for each class of asset are shown in Note 7

Notes to the Financial Statements

for the year ended 30 June 2021

Note 1. Summary of Significant Accounting Policies (continued)

5.6 Impairment

Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount (which is the higher of the present value of future cash inflows or value in use).

Where an asset that has been revalued is subsequently impaired, the impairment is first offset against such amount as stands to the credit of that class of assets in Asset Revaluation Reserve, any excess being recognised as an expense.

(6) Payables

6.1 Goods & Services

Creditors are amounts due to external parties for the supply of goods and services and are recognised as liabilities when the goods and services are received. Creditors are normally paid 30 days after the month of invoice. No interest is payable on these amounts.

6.2 Payments Received in Advance & Deposits

Amounts other than grants received from external parties in advance of service delivery, and security deposits held against possible damage to Council assets, are recognised as liabilities until the service is delivered or damage reinstated, or the amount is refunded as the case may be.

(7) Employee Benefits

7.1 Salaries, Wages & Compensated Absences

Liabilities for employees' entitlements to salaries, wages and compensated absences expected to be paid or settled within 12 months of reporting date are accrued at nominal amounts (including payroll based oncosts) measured in accordance with AASB 119.

Liabilities for employee benefits not expected to be paid or settled within 12 months are measured as the present value of the estimated future cash outflows (including payroll based oncosts) to be made in respect of services provided by employees up to the reporting date. Present values are calculated using government guaranteed securities rates with similar maturity terms.

No accrual is made for sick leave as Council experience indicates that, on average, sick leave taken in each reporting period is less than the entitlement accruing in that period, and this experience is expected to recur in future reporting periods. Council does not make payment for untaken sick leave.

7.2 Superannuation

The Council makes employer superannuation contributions in respect of its employees to the Statewide Superannuation Scheme. The Scheme has two types of membership, each of which is funded differently. Details of the accounting policies applied and Council's involvement with the schemes are reported in Note 17.

Notes to the Financial Statements

for the year ended 30 June 2021

Note 1. Summary of Significant Accounting Policies (continued)

(8) Leases

The Council assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

8.1 Council as a lessee

The Council recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-Use-Assets

The Council recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and the estimate of costs to be incurred to restore the leased asset. Right-of-use assets are depreciated on a straight-line basis over the lease term.

The right-of-use assets are also subject to impairment. Refer to the accounting policies above - Impairment of non-financial assets.

ii) Lease Liabilities

At the commencement date of the lease, the Council recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Council uses its incremental borrowing rate or the interest rate implicit in the lease.

iii) Short-term leases and leases of low-value assets

The Council applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date). It also applies the low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

(9) GST Implications

In accordance with UIG Abstract 1031 "Accounting for the Goods & Services Tax"

- Receivables and Creditors include GST receivable and payable.
- Except in relation to input taxed activities, revenues and operating expenditures exclude GST receivable and payable.
- Non-current assets and capital expenditures include GST net of any recoupment.
- Amounts included in the Statement of Cash Flows are disclosed on a gross basis.

(10) New accounting standards and UIG interpretations

The Council applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2020. New standards and amendments relevant to the Council are listed below. The Council has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to AASB 101 and AASB 108 Definition of Material

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the financial statements of, nor is there expected to be any future impact to the Council.

Amendments to AASB 16 Covid-19 Related Rent Concessions

Notes to the Financial Statements

for the year ended 30 June 2021

Note 1. Summary of Significant Accounting Policies (continued)

In 2020, the AASB issued AASB 2020-4, Amendments to AASs - Covid-19-Related Rent Concessions. The amendments provide relief to lessees from applying AASB 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification. The amendment applies to annual reporting periods beginning on or after 1 June 2020. This amendment had no impact on the consolidated financial statements of the Group.

Standards issued by the AASB not yet effective

The AASB has issued Australian Accounting Standards and Interpretations which are not effective at 30 June 2021, these standards have not been adopted by Council and will be included in the financial statements on their effective date. Where the standard is expected to have a significant impact for Council then further information has been provided in this note.

The following list identifies all the new and amended Australian Accounting Standards, and Interpretation, that were issued but not yet effective at the time of compiling these statements that may be applicable to Council.

Effective for NFP annual reporting periods beginning on or after 1 January 2022

- AASB 2020-3 Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments
- AASB 2014-10 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (amended by AASB 2015-10 and AASB 2017-5)

Effective for NFP annual reporting periods beginning on or after 1 January 2023

- AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current and associated standards.

(11) Disclaimer

Nothing contained within these statements may be taken to be an admission of any liability to any person under any circumstance.

Notes to the Financial Statements

for the year ended 30 June 2021

Note 2. Income

\$	2021	2020
(a) Rates		
General Rates		
Residential	6,848,929	6,919,548
Commercial/Industrial	880,514	757,810
Other	71,218	72,671
Total General Rates	7,800,661	7,750,029
Other Rates (Including Service Charges)		
Waste Management Services	2,952,699	2,926,423
Road Seal Levy	185,640	8,842
Total Other Rates (Including Service Charges)	3,138,339	2,935,265
Total Rates	10,939,000	10,685,294
(b) Statutory Charges		
Animal Registration Fees & Fines	132,834	137,049
Total Statutory Charges	132,834	137,049
(c) User Charges		
Cemetery Fees	1,308,051	1,379,778
Community Halls Hire	42,553	29,894
Sales - General	23	-
Sundry	3,639	5,323
Subdivision and Development Fees	344,373	140,397
Permit Fees	10,103	17,226
Waste Disposal Fees	154,931	164,622
Rate Search Fees	33,450	20,100
Total User Charges	1,897,123	1,757,340
(d) Investment Income		
Interest on Investments		
- Banks & Other	161,361	427,839
Interest on Overdue Rates and Charges	267,165	261,694
Total Investment Income	428,526	689,533

Notes to the Financial Statements

for the year ended 30 June 2021

Note 2. Income (continued)

\$	2021	2020
(e) Reimbursements		
Other	1,766	543
Total Reimbursements	1,766	543

(f) Other income

Insurance & Other Recoupments	1,659	61,394
Sundry	172,799	92,581
Other	140,000	–
Total Other income	314,458	153,975

(g) Grants, Subsidies, Contributions

Amounts Received Specifically for New or Upgraded Assets	1,720,383	408,072
Total Amounts Received Specifically for New or Upgraded Assets	1,720,383	408,072
Other Grants, Subsidies and Contributions	920,403	410,073
Untied - Financial Assistance Grant	3,297,773	3,148,419
Roads to Recovery	2,061,965	296,841
Total Other Grants, Subsidies and Contributions	6,280,141	3,855,333
Total Grants, Subsidies, Contributions	8,000,524	4,263,405

The functions to which these grants relate are shown in Note 12.

(i) Sources of grants

Commonwealth Government	2,061,965	296,841
State Government	5,938,559	3,963,564
Other	–	3,000
Total	8,000,524	4,263,405

(h) Conditions over Grants & Contributions

Grants and contributions which were obtained on the condition that they be expended for specified purposes or in a future period, but which are not yet expended in accordance with those conditions, are as follows:

Unexpended at the close of the previous reporting period	677,580	3,676,127
Less:		
<i>Expended during the current period from revenues recognised in previous reporting periods</i>		
Infrastructure	(677,580)	(2,998,547)
Subtotal	(677,580)	(2,998,547)
Unexpended at the close of this reporting period	–	677,580
Net increase (decrease) in assets subject to conditions in the current reporting period	(677,580)	(2,998,547)

Notes to the Financial Statements

for the year ended 30 June 2021

Note 2. Income (continued)

\$	Opening Balance 1 July 2020	Movements Received/ Receivable	Expended	Closing Balance 30 June 2021
(i) Reconciliation of Government Grants				
Grants (with discretion on use)				
General Purpose (Untied)				
Grants Commission Grant - General Purpose	290,810	581,857	(872,667)	–
Grants Commission Grant - Roads Funding	1,364,583	2,715,916	(4,080,499)	–
Subtotal	1,655,393	3,297,773	(4,953,166)	–
Specific Purpose (Recurrent)				
Roads to Recovery	886,588	1,183,429	(2,061,965)	8,052
Libraries - Operational	46,330	404,626	(377,032)	73,924
Australia Day Event	–	24,000	(24,000)	–
Healthy Lifestyle	–	12,240	–	12,240
Youth Event	–	1,000	(1,000)	–
NT Youth Week Event	–	2,000	(2,000)	–
International Women's Day	–	2,000	(2,000)	–
Subtotal	932,918	1,629,295	(2,467,997)	94,216
Total other grants	2,588,311	4,927,068	(7,421,163)	94,216
Grants Specifically for New/Upgraded Assets				
Specific Purpose (Recurrent)				
Energy Efficiency Streetlights	89,743	–	(89,743)	–
SCALE Funding	560,700	–	(560,700)	–
Thorak Irrigation and Solar Project	–	193,396	–	193,396
Freds Pass Reserve Capital Upgrade \$3m	–	300,000	(297,956)	2,044
Freds Pass Reserve Capital Upgrade \$2m	463,277	–	(463,277)	–
NDRRA Monsoonal Trough January 2018	116,935	–	(116,935)	–
Blackspot Program Funding	–	365,432	(365,432)	–
LRCI Phase 1	–	1,065,086	(1,056,994)	8,092
LRCI Phase 2	–	730,435	–	730,435
Total Grants Specifically for New/Upgraded Assets	1,230,655	2,654,349	(2,951,037)	933,967
Recognised as revenue in advance of expenditure	2,371,678	3,297,773	(5,669,451)	–
Recognised as liability	1,447,288	4,283,644	(4,702,751)	1,028,181
Total Other Grants	3,818,966	7,581,417	(10,372,202)	1,028,181

Notes to the Financial Statements

for the year ended 30 June 2021

Note 3. Expenses

\$	Notes	2021	2020
(a) Employee costs			
Salaries and Wages		4,843,457	4,988,785
Employee Leave Expense		826,667	547,882
Superannuation - Defined Contribution Plan Contributions	17	538,190	497,981
Workers' Compensation Insurance		93,643	123,724
Temporary Staff		276,997	466,964
Other		166,312	132,576
Less: Capitalised and Distributed Costs		(192,026)	(114,468)
Total Operating Employee Costs		6,553,240	6,643,444
Total Number of Employees (full time equivalent at end of reporting period)		63	52
(b) Materials, Contracts and Other Expenses			
(i) Prescribed Expenses			
Auditor's Remuneration			
- Auditing the Financial Reports		54,517	35,016
Bad and Doubtful Debts		45,922	6,041
Elected Members' Expenses		240,547	245,609
Lease Expense - Variable Payments		2,681	2,699
Other		179,995	-
Subtotal - Prescribed Expenses		523,662	289,365
(ii) Other Materials, Contracts and Expenses			
Contractors		3,619,684	3,609,280
Energy		201,994	194,572
Maintenance		444,481	431,116
Legal Expenses		57,979	65,061
Parts, Accessories & Consumables		336,257	180,076
Professional Services		808,037	518,952
Sundry		411,802	510,316
Other		18	-
Cemetery Operations		265,754	318,158
Insurance		303,620	294,150
Donations and Community Support		152,825	103,262
Computer / IT Costs		361,275	284,585
Government Grants Paid back		109,342	420,100
Subtotal - Other Material, Contracts & Expenses		7,073,068	6,929,628
Total Materials, Contracts and Other Expenses		7,596,730	7,218,993

Notes to the Financial Statements

for the year ended 30 June 2021

Note 3. Expenses (continued)

\$	2021	2020
(c) Depreciation, Amortisation and Impairment		
(i) Depreciation and Amortisation		
Buildings	1,123,710	1,069,206
Infrastructure		
- Sealed Roads	9,785,140	9,497,954
- Unsealed Roads	1,485,627	1,439,297
- Road Culverts	382,575	378,194
- Kerbs & Gutters	37,185	36,408
- Driveway Vehicle Crossings	103,956	103,651
- Footpaths	45,564	25,368
- Road Signs	52,276	46,260
- Point Generic	73,173	64,200
- Driveways	8,191	8,096
- Bicycle Paths	20,586	20,586
- Streetlights	57,896	42,190
- Inverts	73	-
Right-of-Use Assets	19,737	19,737
Plant & Equipment	107,802	63,946
Motor Vehicles	279,577	255,168
Thorak Buildings	67,842	67,842
Thorak Motor Vehicles	18,330	28,167
Subtotal	13,669,240	13,166,270
Total Depreciation, Amortisation and Impairment	13,669,240	13,166,270

Note 4. Asset Disposal & Fair Value Adjustments

\$	2021	2020
Infrastructure, Property, Plant & Equipment		
(i) Assets Renewed or Directly Replaced		
Proceeds from Disposal	178,598	79,213
Less: Carrying Amount of Assets Sold	(179,805)	(110,399)
Gain (Loss) on Disposal	(1,207)	(31,186)
Net Gain (Loss) on Disposal or Revaluation of Assets	(1,207)	(31,186)

Notes to the Financial Statements

for the year ended 30 June 2021

Note 5. Current Assets

\$	2021	2020
(a) Cash & Cash Equivalent Assets		
Cash on Hand at Bank	3,884,166	1,803,190
<u>Total Cash & Cash Equivalent Assets</u>	<u>3,884,166</u>	<u>1,803,190</u>
(b) Trade & Other Receivables		
Rates - General & Other	2,570,954	2,585,745
Accrued Revenues	37,919	111,679
Debtors - General	80,248	34,975
GST Recoupment	268,690	221,045
Prepayments	58,652	26,821
Subtotal	<u>3,016,463</u>	<u>2,980,265</u>
Less: Allowance for Doubtful Debts	(63,121)	(54,713)
<u>Total Trade & Other Receivables</u>	<u>2,953,342</u>	<u>2,925,552</u>
(c) Other Financial Assets (Investments)		
Bank Investments - Term Deposits	19,939,294	22,099,870
<u>Total Other Financial Assets (Investments)</u>	<u>19,939,294</u>	<u>22,099,870</u>

Note 6. Non-Current Assets

\$	2021	2020
Other Non-Current Assets		
Other		
Capital Works-in-Progress	5,456,554	4,365,021
Total Other	<u>5,456,554</u>	<u>4,365,021</u>
<u>Total Other Non-Current Assets</u>	<u>5,456,554</u>	<u>4,365,021</u>

Notes to the Financial Statements

for the year ended 30 June 2021

Note 7. Infrastructure, Property, Plant & Equipment

(a) Infrastructure, Property, Plant & Equipment

\$	Fair Value Level	as at 30/06/20				Asset movements during the reporting period						as at 30/06/21			
		At Fair Value	At Cost	Accumulated Depreciation	Carrying amount	Transition adjustment - AASB 16	Asset Additions New / Upgrade	Asset Additions Renewals	WDV of Asset Disposals	Depreciation Expense (Note 3c)	Revaluation Decrements to Equity (ARR) (Note 9)	At Fair Value	At Cost	Accumulated Depreciation	Carrying amount
	2	13,020,000	-	-	13,020,000	-	-	-	-	-	-	13,020,000	-	-	13,020,000
	3	6,448,369	1,936,631	-	8,385,000	-	-	-	-	-	-	8,385,000	-	-	8,385,000
	2	34,169,361	2,994,147	(12,127,462)	25,036,046	-	1,312,624	169,071	-	(1,123,710)	-	34,190,590	4,475,842	(13,272,400)	25,394,032
	3	331,613,101	4,280,979	(149,982,338)	185,911,742	-	325,849	3,457,212	-	(9,785,140)	-	331,613,101	8,064,040	(159,767,477)	179,909,664
	3	50,162,001	379,751	(28,295,914)	22,245,838	-	238,808	527,254	-	(1,485,627)	-	50,162,001	1,145,813	(29,781,541)	21,526,273
	3	608,490	-	-	608,490	-	-	-	-	-	-	608,490	-	-	608,490
	3	36,755,158	1,090,173	(9,634,293)	28,211,038	-	67,088	370,296	-	(382,575)	-	36,755,158	1,527,557	(10,016,868)	28,265,847
	3	1,765,900	63,907	(795,372)	1,034,435	-	85,893	29,181	-	(37,185)	-	1,765,900	178,981	(832,557)	1,112,324
	3	10,440,386	50,474	(3,085,300)	7,405,560	-	9,500	30,590	-	(103,956)	-	10,440,386	90,564	(3,189,257)	7,341,693
	3	799,800	157,201	(317,553)	639,448	-	48,048	366,380	-	(45,564)	-	799,800	571,629	(363,116)	1,008,313
	3	719,180	115,126	(383,736)	450,570	-	71,182	12,074	-	(52,276)	-	719,180	198,382	(436,012)	481,550
	3	1,089,960	197,816	(518,562)	769,214	-	59,350	75,245	-	(73,173)	-	1,089,960	332,411	(591,735)	830,636
	3	281,450	60,285	(50,179)	291,556	-	-	-	-	(8,191)	-	281,450	60,285	(58,370)	283,365
	3	711,000	-	(346,171)	364,829	-	-	-	-	(20,586)	-	711,000	-	(366,757)	344,243
	3	1,562,142	-	(883,353)	678,789	-	261,292	235,550	-	(57,896)	-	1,562,142	496,842	(941,249)	1,117,735
	3	-	-	-	-	-	7,250	-	-	(73)	-	-	7,250	(73)	7,177
		21,229	51,880	(40,966)	32,143	-	-	-	-	(19,737)	-	-	51,880	(39,474)	12,406
	2	586,299	549,583	(318,057)	817,825	-	63,984	-	(4,332)	(107,802)	-	580,799	613,567	(424,690)	769,676
	2	587,995	-	(587,995)	-	-	-	-	-	-	-	587,995	-	(587,995)	-
	2	1,818,716	188,311	(887,568)	1,119,459	-	85,165	-	(157,303)	(279,577)	-	1,278,716	273,476	(784,448)	767,744
	2	2,403,600	25,396	(671,123)	1,757,873	-	-	14,901	-	(67,842)	-	2,403,600	40,297	(738,965)	1,704,932
	2	293,000	-	(203,000)	90,000	-	54,602	-	(18,170)	(18,330)	-	243,000	54,602	(189,500)	108,102
	2	2,500,000	-	-	2,500,000	-	-	-	-	-	-	2,500,000	-	-	2,500,000
		498,357,137	12,141,660	(209,128,942)	301,369,855	-	2,690,635	5,287,754	(179,805)	(13,669,240)	-	499,698,268	18,183,418	(222,382,484)	295,499,202
		497,660,190	7,548,880	(196,097,273)	309,111,797	51,880	2,523,264	4,517,636	(110,399)	(13,166,270)	(1,558,056)	498,357,137	12,141,660	(209,128,941)	301,369,856

Notes to the Financial Statements

for the year ended 30 June 2021

Note 7. Infrastructure, Property, Plant & Equipment (continued)

(b) Valuation of Infrastructure, Property, Plant & Equipment

Valuation of Assets

The fair value of assets and liabilities must be estimated in accordance with various Accounting Standards for either recognition and measurement requirements or for disclosure purposes.

AASB 13 Fair Value Measurement requires all assets and liabilities measured at fair value to be assigned to a "level" in the fair value hierarchy as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Refer to Note 7a for the disclosure of the Fair Value Levels of Infrastructure, Property, Plant and Equipment Assets.

Information on Valuations

Fair value hierarchy level 2 valuations - Certain land, and the buildings and structures thereon, are shown above as being based on fair value hierarchy level 2 valuation inputs. They are based on prices for similar assets in an active market, with directly or indirectly observable adjustments for specific advantages or disadvantages attaching to the particular asset.

Fair value hierarchy level 3 valuations of land - Valuations of Crown land, community land and land subject to other restrictions on use or disposal, shown above as being based on fair value hierarchy level 3 valuation inputs, are based on prices for similar assets in an active market, but include adjustments for specific advantages or disadvantages attaching to the particular asset that are not directly or indirectly observable in that market, or the number and / or amount of observable adjustments of which are so great that the valuation is more fairly described as being based on level 3 valuation inputs.

Fair value hierarchy level 3 valuations of buildings, infrastructure and other assets - There is no known market for buildings, infrastructure and other assets. These assets are valued at depreciated current replacement cost. This method involves:

- The determination of the cost to construct the asset (or its modern engineering equivalent) using current prices for materials and labour, the quantities of each being estimated based on recent experience of this or similar Councils, or on industry construction guides where these are more appropriate.
- The calculation of the depreciation that would have accumulated since original construction using current estimates of residual value and useful life under the prime cost depreciation method adopted by Council.

This method has significant inherent uncertainties, relying on estimates of quantities of materials and labour, residual values and useful lives, and the possibility of changes in prices for materials and labour, and the potential for development of more efficient construction techniques. Accordingly, formal sensitivity analysis does not provide useful information.

Transfers between fair value hierarchy levels

In the course of revaluing (name the asset classes), the nature of the inputs applied was reviewed in detail for each asset and where necessary, the asset reassigned to the appropriate fair value hierarchy level. Such transfers take effect as at the date of the revaluation.

Highest and best use

All of Council's non financial assets are considered as being utilised for their highest and best use.

Highest and best use - For land which Council has an unfettered right to sell, the "highest and best use" recognises the possibility of the demolition or substantial modification of some or all of the existing buildings and structures affixed to the land. Much of the land under Council's care and control is Crown land or has been declared as community land. Other types of restrictions also exist.

For land subject to these restrictions, the highest and best use is taken to be the "highest and best use" available to Council, with a rebuttable presumption that the current use is the "highest and best use". The reason for the current use of a large

Notes to the Financial Statements

for the year ended 30 June 2021

Note 7. Infrastructure, Property, Plant & Equipment (continued)

proportion of Council's assets being other than the "highest and best use" relates to Council's principal role as the provider of services to the community, rather than the use of those assets for the generation of revenue.

For buildings and other structures on and in the land, including infrastructure, "highest and best use" is determined in accordance with the land on and in which they are situated.

Building and Other Structures and Infrastructure were valued as at 30 June 2018. Land assets were valued as at 30 June 2020.

Capitalisation Thresholds

Capitalisation thresholds used by Council for a representative range of assets are shown below. No capitalisation threshold is applied to the acquisition of land or interests in land.

	\$
Land	No threshold. All items will be recognised
Building & Other Structures	5,000
Roads	
- Sealed	10,000
- Pavement	10,000
- Unsealed	10,000
- Earthworks	10,000
- Road Culverts	5,000
- Stormwater Drainage	10,000
- Kerbs & Gutter	1,000
- Driveway Vehicle Crossings	10,000
- Footpaths	No threshold. All items will be recognised
- Road Signs	5,000 - No threshold if capitalised with Road asset
- Inverts	10,000
- Point Generic	No threshold. All items will be recognised
- Driveways	10,000
- Bicycle Paths	No threshold. All items will be recognised
Office Furniture	5,000
Plant & Equipment	5,000
Motor Vehicles	5,000

Notes to the Financial Statements

for the year ended 30 June 2021

Note 7. Infrastructure, Property, Plant & Equipment (continued)

Estimated Useful Lives

Useful lives are estimated for each individual asset. In estimating useful lives, regard is had to technical and commercial obsolescence, as well as legal and other limitations on continued use. A representative range of assets is shown below, although individual assets may have an estimated total useful life of greater or lesser amount:

	Years
Land	No limited useful life
Building & Other Structures	8 to 100 years
Roads - Surface - Sealed	13 to 25 years
Roads - Surface - Unsealed	10 to 15 years
Roads - Pavement	40 years
Roads - Earthworks	100 years
Kerbs & Gutter	50 years
Road Culverts	100 years
Footpaths	20 to 50 years
Driveway Vehicle Crossings	100 years
Road Signs	15 years
Inverts	30 years
Point Generic	15 to 70 years
Driveways	20 to 50 years
Bicycle Paths	20 to 50 years
Office Equipment	5 to 10 years
Plant & Equipment	3 to 20 years
Motor Vehicles	5 to 15 years
Right-of-Use Assets	2 to 3 years

Notes to the Financial Statements

for the year ended 30 June 2021

Note 8. Liabilities

\$	2021 Current	2021 Non Current	2020 Current	2020 Non Current
(a) Trade and Other Payables				
Goods & Services	2,593,033	–	1,412,298	–
Payments Received in Advance				
- Rates	842,470	–	736,127	–
- Grants, Subsidies, Contributions - Operating	–	–	63,600	–
- Grants & Contributions - Capital	1,028,181	–	1,383,688	–
- Other	307,676	–	448,636	–
Accrued Expenses - Employee Entitlements	–	–	190,558	–
Accrued Expenses - Other	492,924	–	8,241	–
Deposits, Retentions & Bonds	570,115	–	253,609	–
<u>TOTAL Trade and Other Payables</u>	<u>5,834,399</u>	<u>–</u>	<u>4,496,757</u>	<u>–</u>

\$	Notes	2021 Current	2021 Non Current	2020 Current	2020 Non Current
(b) Borrowings					
Lease Liabilities	16	13,562	–	33,370	–
<u>TOTAL Borrowings</u>		<u>13,562</u>	<u>–</u>	<u>33,370</u>	<u>–</u>

(c) Provisions

Employee Entitlements (including oncosts)	646,450	347,849	604,637	432,240
<u>TOTAL Provisions</u>	<u>646,450</u>	<u>347,849</u>	<u>604,637</u>	<u>432,240</u>

Notes to the Financial Statements for the year ended 30 June 2021

Note 9. Reserves

\$	as at 30/06/20		Transfers	Impairments	as at 30/06/21	
	Opening Balance	Increments (Decrements)			Closing Balance	
(a) Asset Revaluation Reserve						
Land - Council Owned	123,617,618	–	–	–	–	123,617,618
Buildings	15,583,834	–	–	–	–	15,583,834
Infrastructure						
- Road Culverts	27,923,542	–	–	–	–	27,923,542
- Kerbs & Gutters	761,825	–	–	–	–	761,825
- Driveway Vehicle Crossings	9,290,043	–	–	–	–	9,290,043
- Footpaths	263,238	–	–	–	–	263,238
- Road Signs	958,744	–	–	–	–	958,744
- Point Generic	711,325	–	–	–	–	711,325
- Driveways	4,076,579	–	–	–	–	4,076,579
- Bicycle Paths	551,219	–	–	–	–	551,219
- Roads	109,927,734	–	–	–	–	109,927,734
- Inverts	6,141	–	–	–	–	6,141
Plant & Equipment	204,947	–	–	–	–	204,947
Motor Vehicles	425,046	–	–	–	–	425,046
Total Asset Revaluation Reserve	294,301,835	–	–	–	–	294,301,835
Comparatives	295,859,891	(1,558,056)	–	–	–	294,301,835

\$	as at 30/06/20		Tfrs from Reserve	Other Movements	as at 30/06/21	
	Opening Balance	Tfrs to Reserve			Closing Balance	
(b) Other Reserves						
Developer Contributions Reserve	767,587	195,515	(706,194)	–	–	256,908
Waste Management Reserve	4,784,705	128,985	(73,367)	–	–	4,840,323
Asset Reserve	11,560,546	593,497	–	–	–	12,154,043
Election Reserve	100,000	–	–	–	–	100,000
Disaster Recovery Reserve	500,000	–	–	–	–	500,000
Strategic Initiatives Reserve	500,000	–	–	–	–	500,000
Unexpended Grants Reserve	2,371,679	–	(2,371,679)	–	–	–
Thorak Regional Cemetery	665,348	413,192	(69,503)	–	–	1,009,037
Unexpended Capital Works Reserve	11,742	641,694	(11,742)	–	–	641,694
Total Other Reserves	21,261,607	1,972,883	(3,232,485)	–	–	20,002,005
Comparatives	23,281,328	4,967,229	(6,986,950)	–	–	21,261,607

PURPOSES OF RESERVES

Asset Revaluation Reserves

The asset revaluation reserve is used to record increments and decrements arising from changes in fair value of non current assets (less any subsequent impairment losses, where applicable).

Disaster Recovery Reserve

This reserve will fund expenses occurred due to storms, storm surges, and floods or any other natural disaster. The fund will enable Litchfield Council to recover from these disasters and return to operations. Where external funds are received after an event for the purpose of disaster recovery, these funds shall be used to replenish this reserve.

Notes to the Financial Statements

for the year ended 30 June 2021

Note 9. Reserves (continued)

Strategic Initiatives Reserve

This reserve will fund strategic initiatives and Information Technology improvements for the future development of Litchfield Council in line with the Municipal Plan and the Long Term Financial Plan. Specific Initiatives must be identified in order to have funds allocated.

Election Reserve

This reserve will fund expenses related to Local Government elections and By-Elections.

Asset Reserve

This reserve holds funding for renewal, replacement or upgrading of existing assets and/or the establishment of new assets in line with Council's Asset Management Plans.

Waste Management Reserve

This reserve holds funding for activities related to Waste Management. This could be the renewal, replacement or upgrading of existing assets and/or the establishment of new assets in line with Council's Asset Management Plan for Waste Management or strategic development of the Waste Service delivery.

Developer Contributions Reserve

This reserve holds contributions received by the Council from developers in line with Litchfield Council Developer Contribution Plan. Restrictions apply as set out in both the Plan and under provisions outlined in the Planning Act.

Unexpended Grants and Contributions

This reserve holds the balance of unexpended grants and contributions received from external contributors. The funds are held in the reserve until expensed in line with the individual funding agreements.

Thorak Regional Cemetery

These funds represent the funds transferred to Council from City of Darwin when Council assumed responsibility in 2008 and the operating surplus from operation of the Thorak Regional Cemetery since 2008. Funds are reserved for the renewal, replacement or upgrading of existing assets and/or the establishment of new assets in line with Council's Asset Management Plan at Thorak Regional Cemetery.

Unexpended Capital Works Reserve

This reserve holds the balance of unexpended capital works excluding all grant funded projects.

Note 10. Assets Subject to Restrictions

\$	2021	2020
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The uses of the following assets are restricted, wholly or partially, by legislation or other externally imposed requirements. The assets are required to be utilised for the purposes for which control was transferred to Council, or for which the revenues were originally obtained.

Cash & Financial Assets

Unexpended amounts received from Federal and Territory Government	1,028,181	3,818,966
Developer Contributions	256,908	767,587
Total Cash & Financial Assets	1,285,089	4,586,553
Total Assets Subject to Externally Imposed Restrictions	1,285,089	4,586,553

Notes to the Financial Statements

for the year ended 30 June 2021

Note 11. Reconciliation to Statement of Cash Flows

\$	Notes	2021	2020
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(a) Reconciliation of Cash

Cash Assets comprise highly liquid investments with short periods to maturity subject to insignificant risk of changes of value. Cash at the end of the reporting period as shown in the Statement of Cash Flows is reconciled to the related items in the Balance Sheet as follows:

Total Cash & Equivalent Assets	5	3,884,166	1,803,190
Balances per Statement of Cash Flows		<u>3,884,166</u>	<u>1,803,190</u>

(b) Reconciliation of Change in Net Assets to Cash from Operating Activities

Net Surplus/(Deficit)		(6,106,186)	(9,372,754)
Non-Cash Items in Income Statements			
Depreciation, Amortisation & Impairment		13,669,240	13,166,270
Grants for capital acquisitions treated as Investing Activity		(1,720,383)	(408,072)
Net (Gain) Loss on Disposals		1,207	31,186
Rates prepayment adjustment		–	(725,546)
		<u>5,843,878</u>	<u>2,691,084</u>
Add (Less): Changes in Net Current Assets			
Net Increase/(Decrease) in Trade & Other Payables		1,376,643	490,803
Net (Increase)/Decrease in Receivables		(36,198)	405,246
Net Increase/(Decrease) in Unpaid Employee Benefits		(42,578)	(13,166)
Change in Allowances for Under-Recovery of Receivables		(8,408)	3,096
Net (Increase)/Decrease in Other Assets		16,816	(6,192)
Net Cash provided by (or used in) operations		<u>7,150,153</u>	<u>3,570,871</u>

Notes to the Financial Statements

for the year ended 30 June 2021

Note 12(a). Functions

Income, Expenses and Assets have been directly attributed to the following Functions / Activities.
Details of these Functions/Activities are provided in Note 12(b).

	INCOME			EXPENSES			OPERATING SURPLUS (DEFICIT)			GRANTS INCLUDED IN INCOME			TOTAL ASSETS HELD (CURRENT & NON-CURRENT)	
	2021 Budget	2021 Actual	2020 Actual	2021 Budget	2021 Actual	2020 Actual	2021 Budget	2021 Actual	2020 Actual	2021 Budget	2021 Actual	2020 Actual	2021 Actual	2020 Actual
Functions/Activities														
General Public Services	9,750,980	9,373,432	9,120,820	5,841,414	7,172,725	6,971,823	3,909,566	2,200,707	2,148,997	1,120,740	674,157	526,336	49,044,196	46,152,408
Public Order & Safety	200,400	133,965	137,771	560,580	485,655	371,505	(360,180)	(351,690)	(233,734)	–	–	–	32,683	40,103
Economic Affairs	6,670,742	5,115,080	2,936,300	14,664,143	14,470,926	13,988,060	(7,993,401)	(9,355,846)	(11,051,760)	6,373,718	4,927,881	2,918,924	238,513,490	245,508,387
Environmental Protection	3,162,705	3,208,450	3,188,246	2,898,634	2,803,253	2,756,182	264,071	405,197	432,064	–	–	–	5,137,582	5,273,103
Housing & Community Amenities	–	–	–	–	57,896	42,190	–	(57,896)	(42,190)	–	–	–	636,597	678,790
Recreation, Culture & Religion	999,907	854,870	516,152	2,009,118	1,924,324	1,945,592	(1,009,211)	(1,069,454)	(1,429,440)	910,506	678,103	410,073	29,733,821	29,562,821
Cemetery	1,023,150	1,308,051	1,379,778	833,984	904,431	953,355	189,166	403,620	426,423	–	–	–	4,634,191	5,347,876
Other	–	–	–	–	–	–	–	–	–	–	–	–	(2)	–
Total Functions/Activities	21,807,884	19,993,848	17,279,067	26,807,873	27,819,210	27,028,707	(4,999,989)	(7,825,362)	(9,749,640)	8,404,964	6,280,141	3,855,333	327,732,558	332,563,488

Revenues and expenses exclude net gain (loss) on disposal or revaluation of assets, amounts received specifically for new or upgraded assets and physical resources received free of charge.

Notes to the Financial Statements

for the year ended 30 June 2021

Note 12(b). Components of Functions

The activities relating to Council functions are as follows:

GENERAL PUBLIC SERVICES

Administrative, legislative and executive affairs, financial and fiscal affairs, general research and general services; also includes Natural Disaster relief.

PUBLIC ORDER & SAFETY

Fire protection; local emergency services; animal control and impounding; control of public places; control of signs, hoardings and advertising, community policing and probationary matters.

ECONOMIC AFFAIRS

General economic, agriculture and forestry, fuel and energy, other labour and employment affairs, CDEP and transport and other industries, saleyards and tourism.

ENVIRONMENTAL PROTECTION

Waste management, pollution reduction, protection of biodiversity and landscape and protection and remediation of soil, ground water and surface water.

HOUSING & COMMUNITY AMENITIES

Housing, housing and development, water supply and street lighting.

RECREATION, CULTURE AND RELIGION

Facilities and venues, recreation parks and reserves, culture and religion services, museums and libraries.

CEMETERY

All activities related to the operation of the Thorak Regional Cemetery.

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Notes to the Financial Statements

for the year ended 30 June 2021

Note 13. Financial Instruments

Recognised Financial Instruments

Bank, Deposits at Call, Short Term Deposits

Accounting Policy:

Initially recognised at fair value and subsequently measured at amortised cost; interest is recognised when earned.

Terms & Conditions:

Short term deposits have an average maturity of 199 days and an average interest rate of 0.37%.

Carrying Amount:

Approximates fair value due to the short term to maturity.

Receivables - Rates & Associated Charges

Accounting Policy:

Initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method.

Terms & Conditions:

Secured over the subject land, arrears attract interest of 17%. Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State.

Carrying Amount:

Approximates fair value (after deduction of any allowance).

Receivables - Fees & Other Charges

Accounting Policy:

Initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method.

Terms & Conditions:

Unsecured, and do not bear interest. Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries.

Carrying Amount:

Approximates fair value (after deduction of any allowance).

Liabilities - Creditors and Accruals

Accounting Policy:

Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Council.

Terms & Conditions:

Liabilities are normally settled on 30 day terms.

Carrying Amount:

Approximates fair value.

Liabilities - Leases

Accounting Policy:

Accounted for in accordance with AASB 16 as stated in Note 16.

Notes to the Financial Statements

for the year ended 30 June 2021

Note 13. Financial Instruments (continued)

\$	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial Assets					
2021					
Cash & Cash Equivalents	3,884,166	–	–	3,884,166	3,884,166
Receivables	288,510	–	–	288,510	176,819
Other Financial Assets	19,939,294	–	–	19,939,294	19,939,294
Total Financial Assets	24,111,970	–	–	24,111,970	24,000,279
Financial Liabilities					
Payables	3,188,428	–	–	3,188,428	3,656,072
Leases	13,562	–	–	13,562	13,562
Total Financial Liabilities	3,201,990	–	–	3,201,990	3,669,634
2020					
Cash & Cash Equivalents	1,803,190	–	–	1,803,190	1,803,190
Receivables	173,475	–	–	173,475	173,475
Other Financial Assets	22,099,870	–	–	22,099,870	22,099,870
Total Financial Assets	24,076,535	–	–	24,076,535	24,076,535
Financial Liabilities					
Payables	1,674,148	–	–	1,674,148	1,674,148
Leases	33,370	–	–	33,370	33,370
Total Financial Liabilities	1,707,518	–	–	1,707,518	1,707,518

The following interest rates were applicable to Council's Borrowings at balance date:

\$	2021		2020	
	Weighted Avg Interest Rate	Carrying Value	Weighted Avg Interest Rate	Carrying Value
Fixed Interest Rates	2.60%	13,562	2.60%	33,370
		13,562		33,370

Net Fair Value

All carrying values approximate fair value for all recognised financial instruments. There is no recognised market for the financial assets of the Council.

Notes to the Financial Statements

for the year ended 30 June 2021

Note 13. Financial Instruments (continued)

Risk Exposures

Credit Risk represents the loss that would be recognised if counterparties fail to perform as contracted. The maximum credit risk on financial assets of the Council is the carrying amount, net of any impairment. All Council investments are made with deposit taking institutions. Except as detailed in Notes 5 & 6 in relation to individual classes of receivables, exposure is concentrated within the Council's boundaries, and there is no material exposure to any individual debtor.

Market Risk is the risk that fair values of financial assets will fluctuate as a result of changes in market prices. All of Council's financial assets are denominated in Australian dollars and are not traded on any market, and hence neither market risk nor **currency risk** apply.

Liquidity Risk is the risk that Council will encounter difficulty in meeting obligations with financial liabilities. Council's current ratio is monitored monthly to ensure short term assets are available to cover obligations.

Interest Rate Risk is the risk that future cash flows will fluctuate because of changes in market interest rates. Council has a balance of both fixed and variable interest rate borrowings and investments. Cash flow fluctuations are managed holistically in seeking to minimise interest costs over the longer term in a risk averse manner.

Note 14. Capital Expenditure and Investment Property Commitments

\$	2021	2020
----	------	------

(a) Capital Commitments

Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:

Buildings	123,295	482,080
Roads & Footpaths	390,769	121,187
Motor Vehicles	127,630	–
	<u>641,694</u>	<u>603,267</u>

These expenditures are payable:

Not later than one year	641,694	603,267
	<u>641,694</u>	<u>603,267</u>

(b) Other Expenditure Commitments

Other non-capital expenditure commitments in relation to investment properties at the reporting date but not recognised in the financial statements as liabilities:

Maintenance Contracts	–	463,195
Other Contract	232,900	–
	<u>232,900</u>	<u>463,195</u>

These expenditures are payable:

Not later than one year	82,200	463,195
Later than one year and not later than 5 years	150,700	–
	<u>232,900</u>	<u>463,195</u>

Notes to the Financial Statements

for the year ended 30 June 2021

Note 15. Financial Indicators

\$	Amounts 2021	Indicator 2021	Indicators 2020 2019	
1. Current Ratio				
Current Assets less Externally Restricted Assets	<u>26,519,894</u>	4.08	4.61	10.28
Current Liabilities	<u>6,494,411</u>			
2. Debt Service Ratio				
Net Debt Service Cost	<u>—</u>	0.00	0.00	0.00
Operating Revenue	<u>19,993,848</u>			
3. Rate Coverage Percentage				
Rate Revenues	<u>7,800,661</u>	35.92%	43.82%	41.17%
Total Revenues	<u>21,714,231</u>			
4. Rates and Annual Charges Outstanding				
Rates & Annual Charges Outstanding	<u>2,570,954</u>	23.50%	24.20%	22.46%
Rates & Annual Charges Collectible	<u>10,939,000</u>			

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Notes to the Financial Statements

for the year ended 30 June 2021

Note 16. Leases

Council as a lessee

Set out below are the carrying amounts of right-of-use assets recognised within Infrastructure, Property, Plant and Equipment and the movements during the period:

Right of use assets

\$	Leased Assets	Total
2021		
Opening balance	32,143	32,143
Depreciation charge	(19,737)	(19,737)
Balance at 30 June 2021	12,406	12,406
2020		
Opening balance	–	–
Depreciation charge	(19,737)	(19,737)
Balance at 30 June 2021	32,143	32,143

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

\$	2021	2020
Balance at 1 July	33,370	51,880
Accretion of interest	633	1,091
Payments	(21,280)	(19,601)
Balance at 30 June	12,723	33,370
Classified as:		
Current	12,723	33,370

Notes to the Financial Statements

for the year ended 30 June 2021

Note 17. Superannuation

The Council makes employer superannuation contributions in respect of its employees to the following schemes;

Statewide Super Scheme (under Local Government Superannuation Scheme)

Statewide Super receives both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of employee earnings in accordance with superannuation guarantee legislation (9.50% in 2020/21; 9.50% in 2019/20). No further liability accrues to the Council as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Contributions to Other Superannuation Schemes

The Council also makes contributions to other superannuation schemes selected by employees under the “choice of fund” legislation. All such schemes are of the accumulation type, where the superannuation benefits accruing to the employee are represented by their share of the net assets of the scheme, and no further liability attaches to the Council.

Note 18. Interests in Other Entities

The principal activities and entities conducted other than in the Council's own name that have been included in these consolidated financial statements are:

Thorak Regional Cemetery (Ownership interest 100%)

All transactions and balances between Council and controlled entities have been eliminated

Note 19. Non-Current Assets Held for Sale & Discontinued Operations

Council does not have any Non-Current Assets Held for Sale or any Discontinued Operations.

Notes to the Financial Statements

for the year ended 30 June 2021

Note 20. Contingencies & Assets/Liabilities Not Recognised in the Balance Sheet

The following assets and liabilities do not qualify for recognition in the Balance Sheet, but knowledge is considered relevant to the users of the financial report in making and evaluating decisions about the allocation of scarce resources.

1. LAND UNDER ROADS

As reported in the Financial Statements, Council is of the opinion that it is not possible to attribute a value sufficiently reliably for these assets to qualify for recognition, and accordingly land under roads has not been recognised in the reports.

2. POTENTIAL INSURANCE LOSSES

Council is a multi-purpose organisation providing a large range of building, parks infrastructure, playgrounds and other facilities accessible to the public. At any time, it is likely that claims will have been made against Council that remain unsettled.

Council insures against all known insurable risks using a range of insurance policies, each of which is subject to deductible "insurance excesses", the amount of which varies according to the class of insurance.

Council has recognised the potential losses arising from claims known at reporting date based on average historical net cost (including insurance excess) of similar types of claims. Other potential claims not reported to Council may have existed at reporting date.

3. LEGAL EXPENSES

Council is the planning consent authority for its area under the Development Act 1993 (as amended). Pursuant to that Act, certain persons aggrieved by a planning decision of the Council may appeal. It is normal practice that parties bear their own legal costs. At the date of these reports, Council had zero notice of appeals against planning decisions made prior to reporting date.

Note 21. Events after the Balance Sheet Date

Events that occur after the reporting date of 30 June 2021, up to and including the date when the financial statements are "authorised for issue" have been taken into account in preparing these statements.

Council has adopted the date of receipt of the Auditors' Report as the appropriate "authorised for issue" date relating to these General Purpose Financial Statements.

Council is not aware of any "non adjusting events" that merit disclosure.

Notes to the Financial Statements

for the year ended 30 June 2021

Note 22. Related Party Transactions

Key Management Personnel

Transactions with Key Management Personnel

The Key Management Personnel of the Council include the Mayor, Councillors, CEO and certain prescribed officers under Council policy FIN26

In all, 10 persons were paid the following total compensation:

\$	2021	2020
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The compensation paid to Key Management Personnel comprises:

Salaries, Allowances & Other Short-Term Employee Benefits	913,104	1,051,078
Total	913,104	1,051,078

Amounts paid as direct reimbursement of expenses incurred on behalf of Council have not been included above.

Receipts from Key Management Personnel comprise:

Other than amounts paid as ratepayers or residents (e.g. rates, swimming pool entry fees, etc.), Council received the following amounts in total:

Planning and Building Application Fees	–	66,400
Total	–	66,400

Independent Auditor's Report

To the Councilors of Litchfield Council

Opinion

We have audited the **Financial Report** of Litchfield Council.

In our opinion, the accompanying Financial Report gives a true and fair view of the financial position of Litchfield Council as at 30 June 2021, and of its financial performance and its cash flows for the year then ended, in accordance with *Australian Accounting Standards and the Northern Territory Local Government Act 2008*.

The **Financial Report** comprises:

- Statement of financial position as at 30 June 2021
- Statement of comprehensive income, Statement of changes in equity, and Statement of cash flows for the year then ended
- Notes including a summary of significant accounting policies
- Chief Executive Officer's Statement.

The **Group** consists of *Litchfield Council (the Council)* and the entity it controlled at year end.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 fulfilled our other ethical responsibilities in accordance with the Code.

Responsibilities of Chief Executive Officer and Council for the Financial Report

The Chief Executive Officer and Council are responsible for:

- the preparation and fair presentation of the Financial Report in accordance with the financial reporting requirements, *Australian Accounting Standards and the Northern Territory Local Government Act 2008*.
- implementing necessary internal control to enable the preparation of Financial Report that is free from material misstatement, whether due to fraud or error
- assessing the Council's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable,

matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Council or to cease operations or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of 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. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf. This description forms part of our Auditor's Report.

KPMG

Luke Snowdon
Partner
Darwin
26 October 2021

Notes to the Financial Statements
for the year ended 30 June 2021

Independent Auditor's Report - Internal Controls

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Thorak Regional Cemetery

SPECIAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2021

Thorak Regional Cemetery

Special Purpose Financial Statements for the year ended 30 June 2021

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Thorak Regional Cemetery

Special Purpose Financial Statements

for the year ended 30 June 2021

Chief Executive Officer's Statement

I, Daniel Fletcher, the Chief Executive Officer of the Litchfield Council on behalf of Thorak Regional Cemetery Board of Trustees, hereby certify that the Annual Financial Statements:

- have been drawn up in accordance with the applicable Australian Accounting Standards, the *Local Government Act* and the *Local Government (Accounting) Regulations* so as to present fairly the financial position of Thorak Regional Cemetery and the results for the year ended 30 June 2021; and
- are in accordance with the accounting and other records of Thorak Regional Cemetery.

Daniel Fletcher
CHIEF EXECUTIVE OFFICER

Date: 26 October 2021

Thorak Regional Cemetery

Statement of Comprehensive Income

for the year ended 30 June 2021

\$	2021	2020
Income		
Interments	818,094	866,793
Cremations	255,659	280,541
Exclusive Rights Fees	5,913	5,328
Ground Maintenance	7,500	7,629
Chapel and Marquee Hire	35,468	34,279
Memorial installation and permits	49,450	42,903
Funeral Director Fees	5,272	3,981
Sundry Income	22,047	10,841
Administration Fee	102,426	102,932
Rent Income	15,673	21,397
Investment Income	2,119	3,154
Total Income	1,319,621	1,379,778
Expenses		
Salaries	483,163	465,112
Superannuation	49,255	49,725
Other Employee costs	5,850	5,765
Insurance	32,949	37,465
Legal Fees	-	1,076
Auditing Fees	6,500	7,416
Consultants	787	760
Administration Expenses	83,122	83,989
Motor Vehicle Expenses	23,040	29,657
Utilities	56,745	68,885
Telephone Expenses	13,104	13,550
Security	6,188	4,544
Grounds Maintenance	30,518	33,122
Repairs & Maintenance	26,805	48,932
Equipment Hire	171	352
Plant & Equipment Expenses	6,119	7,660
Grave Digging	44,475	44,947
Memorial Expenses	17,036	17,831
Sundry Expenses	20,602	5,953
Doubtful Debt	-	604
Depreciation Expenses	86,172	96,010
Total Expenses	992,601	1,023,355
Operating Surplus	327,020	356,422
Net Surplus	327,020	356,422
Total Comprehensive Income	327,020	356,422

Thorak Regional Cemetery

Statement of Financial Position

as at 30 June 2021

\$	Notes	2021	2020
ASSETS			
Current Assets			
Cash and Cash Equivalents	2a	1,661,435	1,061,933
Trade & Other Receivables	2b	38,879	59,704
Other Financial Assets	2c	321,154	334,571
Total Current Assets		2,021,468	1,456,208
Non-Current Assets			
Infrastructure, Property, Plant & Equipment	3a	4,313,035	4,347,873
Total Non-Current Assets		4,313,035	4,347,873
TOTAL ASSETS		6,334,503	5,804,081
LIABILITIES			
Current Liabilities			
Trade & Other Payables	4a	529,436	353,076
Provisions	4b	88,619	55,863
Total Current Liabilities		618,055	408,939
Non-Current Liabilities			
Provisions	4b	48,477	54,193
Total Non-Current Liabilities		48,477	54,193
TOTAL LIABILITIES		666,532	463,131
Net Assets		5,667,971	5,340,950
EQUITY			
Accumulated Surplus		4,658,934	4,675,602
Reserves	5	1,009,037	665,348
Total Equity		5,667,971	5,340,950

Thorak Regional Cemetery

Statement of Changes in Equity for the year ended 30 June 2021

\$	Notes	Accumulated Surplus	Reserves	Total Equity
2021				
Balance at the end of previous reporting period		4,675,602	665,348	5,340,950
Net Surplus / (Deficit) for Year		327,020	-	327,020
<hr/>				
Total Comprehensive Income		327,020	-	327,020
<hr/>				
Transfers between Reserves		(343,689)	343,689	-
Balance at the end of period		4,658,934	1,009,037	5,667,971
<hr/>				
2020				
Balance at the end of previous reporting period		4,730,171	254,357	4,984,528
Net Surplus / (Deficit) for Year		356,422	-	356,422
<hr/>				
Total Comprehensive Income		356,422	-	356,422
<hr/>				
Transfers between Reserves		(410,991)	410,991	-
Balance at the end of period		4,675,602	665,348	5,340,950

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Thorak Regional Cemetery

Statement of Cash Flows

for the year ended 30 June 2021

\$	Notes	2021	2020
Cash Flows from Operating Activities			
<u>Receipts</u>			
Operating Receipts		1,324,819	1,346,253
Investment Receipts		2,119	3,154
<u>Payments</u>			
Operating Payments to Suppliers and Employees		(882,917)	(939,158)
Net Cash provided by (or used in) Operating Activities	6b	444,021	410,249
Cash Flows from Investing Activities			
<u>Receipts</u>			
Amounts Received Specifically for New/Upgraded Assets		193,396	-
<u>Payments</u>			
Expenditure on Renewal/Replacement of Assets		(51,333)	-
Net Purchase of Investment Securities		13,418	7,052
Net Cash provided by (or used in) Investing Activities		155,481	7,052
Net Increase (Decrease) in Cash Held		599,502	417,302
plus: Cash & Cash Equivalents at beginning of period	6	1,061,933	644,631
Cash & Cash Equivalents at end of period	6	1,661,435	1,061,933

Thorak Regional Cemetery

Notes to and forming part of the Financial Statements
for the year ended 30 June 2021

Contents of the Notes accompanying the Financial Statements

Note	Details	Page
1	Significant Accounting Policies	8
2a	Cash & Cash Equivalent Assets	12
2b	Trade & Other Receivables	12
2c	Other Financial Assets (Investments)	12
3	Infrastructure, Property, Plant & Equipment	13
4a	Trade & Other Payables	14
4b	Provisions	14
5	Reserves	14
6	Reconciliation to Statement of Cashflows	15
7	Financial Instruments	16

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Thorak Regional Cemetery

Notes to and forming part of the Financial Statements for the year ended 30 June 2021

Note 1. Summary of Significant Accounting Policies

1 Basis of Preparation

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.1 Financial Reporting Framework

Thorak Regional Cemetery ("the Cemetery") is not a reporting entity because in the opinion of the Board of Trustees "the Board" there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs. Accordingly, this 'special purpose financial report' has been prepared to satisfy the Boards' reporting requirements under the Cemeteries Act and Cemeteries Regulations.

1.2 Compliance with Australian Accounting Standards

The special purpose financial statements have been prepared in accordance with the requirements of the Cemeteries Act and Cemeteries Regulations and recognition, measurement, and classification aspects of all applicable Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB).

The special purpose financial statements include only the disclosure requirements of the following AASBs, and those disclosures considered necessary by the Board to meet the needs of the users:

- AASB 101 Presentation of Financial Statements
- AASB 107 Statement of Cash Flows
- AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors
- AASB 1048 Interpretation and Application of Standards
- AASB 1054 Australian Additional Disclosures
- AASB 1057 Application of Australian Accounting Standards

The financial statements do not comply with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB).

1.3 Historical Cost Convention

Except as stated below, these financial statements have been prepared in accordance with the historical cost convention.

1.4 Critical Accounting Estimates

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates and requires management to exercise its judgement in applying the Cemetery's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are specifically referred to in the relevant sections of these Notes.

1.5 Rounding

All amounts in the financial statements have been rounded to the nearest dollar (\$).

2 Income Recognition

Income is measured at the fair value of the consideration received or receivable. Revenue from burials, cremation and internments is recognised when the services have been rendered to the public and can be measured reliably.

The timing of income recognition depends on whether such a transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service).

Where grants, contributions and donations recognised as incomes during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the amounts subject to those undischarged conditions are recognised as contract liabilities until such a time when the performance obligations are discharged. Interest is recognised as it accrues, when it is probable that the future economic benefits will flow to the Cemetery, and it can be measured reliably. Where there are no such obligations income is recognised on receipt.

Thorak Regional Cemetery

Notes to and forming part of the Financial Statements for the year ended 30 June 2021

Note 1. Summary of Significant Accounting Policies (continued)

3 Cash, Cash Equivalents and other Financial Instruments

Cash Assets include all amounts readily convertible to cash on hand at the Board's option with an insignificant risk of changes in value with a maturity of three months or less from the date of acquisition.

All receivables are reviewed as at the reporting date and adequate allowance made for amounts the receipt of which is considered doubtful.

All financial instruments are recognised at fair value at the date of recognition. A detailed statement of the accounting policies applied to financial instruments also form part of Note 7.

4 Infrastructure, Property, Plant & Equipment

4.1 Initial Recognition

All assets are initially recognised at cost. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition.

Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including architects' fees and engineering design fees and all other costs incurred. The cost of non-current assets constructed by the Cemetery includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overhead.

All non-current assets purchased or constructed are capitalised as the expenditure is incurred and depreciated as soon as the asset is held "ready for use". Capital works still in progress at balance date are recognised as other non-current assets and transferred to infrastructure, property, plant & equipment when completed ready for use.

4.2 Subsequent Recognition

All material asset classes are revalued on a regular basis such that the carrying values are not materially different from fair value. Additions acquired subsequent to a revaluation are recognised at cost until next revaluation of that asset class.

4.3 Depreciation of Non-Current Assets

Other than land, all infrastructure, property, plant and equipment assets recognised are systematically depreciated over their useful lives on a straight-line basis which, in the opinion of the Cemetery, best reflects the consumption of the service potential embodied in those assets.

5 Payables

5.1 Trade and Other Payables

Trade and other payables are amounts due to external parties for the supply of goods and services and are recognised as liabilities when the goods and services are received. Creditors are normally paid 30 days after the month of invoice. No interest is payable on these amounts

5.2 Payments Received in Advance & Deposits

Amounts (other than grants) received from external parties in advance of service delivery, are recognised as liabilities until the service is delivered, or the amount is refunded.

6 Employee Benefits

6.1 Salaries, Wages & Compensated Absences

Liabilities for employees' entitlements to salaries, wages and compensated absences expected to be paid or settled within 12 months of reporting date are accrued at nominal amounts (including payroll based on costs) measured in accordance with AASB 119.

Liabilities for employee benefits not expected to be paid or settled within 12 months are measured as the present value of the estimated future cash outflows (including payroll based on costs) to be made in respect of services provided by employees up to the reporting date.

No accrual is made for sick leave as the Cemetery experience indicates that, on average, sick leave taken in each reporting period is less than the entitlement accruing in that period, and this experience is expected to recur in future reporting periods. The Cemetery does not make payment for untaken sick leave.

Thorak Regional Cemetery

Notes to and forming part of the Financial Statements for the year ended 30 June 2021

Note 1. Summary of Significant Accounting Policies (continued)

6.2 Superannuation

The Cemetery makes employer superannuation contributions in respect of its employees to Statewide Super and a number of other Superannuation Funds selected by employees under the 'choice of fund' legislation. The schemes have two types of membership, each of which is funded differently. No changes in accounting policy have occurred during either the current or previous reporting periods.

7 GST Implications

In accordance with UIG Abstract 1031 "Accounting for the Goods & Services Tax"

- Receivables and Creditors include GST receivable and payable.
- Except in relation to input taxed activities, revenues and operating expenditures exclude GST receivable and payable.
- Non-current assets and capital expenditures include GST net of any recoupment.
- Amounts included in the Statement of Cash Flows are disclosed on a gross basis.

8 New and amended accounting standards and interpretations

In the current year the Cemetery adopted all the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current reporting period. The adoption of the new and revised Standards and Interpretations has not resulted in any material changes to the Cemetery's accounting policies.

8.1 New accounting standards and UIG interpretations

The Council applied for the first time certain standards and amendments which are effective for annual periods beginning on or after 1 January 2020. New standards and amendments relevant to the Council are listed below. The Council has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

8.2 Amendments to AASB 101 and AASB 108 Definition of Material

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the financial statements of, nor is there expected to be any future impact to the Cemetery.

8.3 Amendments to AASB 16 Covid-19 related rent concessions

In 2020, the AASB issued AASB 2020-4, Amendments to AASBs - Covid-19-Related Rent Concessions. The amendments provide relief to lessees from applying AASB 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification. The amendment applies to annual reporting periods beginning on or after 1 July 2020. This amendment had no impact on the Cemetery.

8.4 Standards issued by the AASB not yet effective

The AASB has issued Australian Accounting Standards and Interpretations which are not effective at 30 June 2021, these standards have not been adopted by Cemetery and will be included in the financial statements on their effective date. Where the standard is expected to have a significant impact for Cemetery then further information has been provided in this note.

Thorak Regional Cemetery

Notes to and forming part of the Financial Statements for the year ended 30 June 2021

Note 1. Summary of Significant Accounting Policies (continued)

The following list identifies all the new and amended Australian Accounting Standards, and Interpretation, that were issued but not yet effective at the time of compiling these statements that could be applicable to Cemetery.

Effective for NFP annual reporting periods beginning on or after 1 January 2022

- AASB 2020-3 Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments
- AASB 2014-10 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (amended by AASB 2015-10 and AASB 2017-5)

Effective for NFP annual reporting periods beginning on or after 1 January 2023

- AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current and associated standards

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Thorak Regional Cemetery

Notes to and forming part of the Financial Statements for the year ended 30 June 2021

Note 2. Current Assets

\$	2021	2020
(a). Cash & Cash Equivalent Assets		
Cash on Hand at Bank	1,661,435	1,061,933
Total Cash & Cash Equivalent Assets	1,661,435	1,061,933
(b). Trade & Other Receivables		
Accrued Revenues	496	2,042
Debtors - General	38,383	57,662
Total Trade & Other Receivables	38,879	59,704
(c). Other Financial Assets (Investments)		
Bank Investments - Term Deposits	321,154	334,571
Total Other Financial Assets (Investments)	321,154	334,571

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Thorak Regional Cemetery

Notes to and forming part of the Financial Statements
for the year ended 30 June 2021

Note 3. Infrastructure, Property, Plant & Equipment

	as at 30/6/2020				Asset Movements during the Reporting Period		as at 30/6/2021			
	At Fair Value	At Cost	Accumulated Dep'n	Carrying Value	Corrections to opening balance	Depreciation Expense	At Fair Value	At Cost	Accumulated Dep'n	Carrying Value
\$										
Land - Other	2,500,000	-	-	2,500,000	-	-	2,500,000	-	-	2,500,000
Buildings	-	2,428,996	671,123	1,757,873	-	(67,842)	-	2,443,897	738,965	1,704,932
Motor Vehicles	-	293,000	203,000	90,000	-	(18,330)	-	297,602	189,500	108,102
Total Infrastructure, Property, Plant & Equipment	2,500,000	2,721,996	874,123	4,347,873	-	(86,172)	2,500,000	2,741,499	928,465	4,313,035

Thorak Regional Cemetery

Notes to and forming part of the Financial Statements for the year ended 30 June 2021

Note 4. Liabilities

\$	2021 Current	2021 Non Current	2020 Current	2020 Non Current
(a). Trade and Other Payables				
Goods & Services	21,864	-	23,647	-
Payments Received in Advance	307,676	-	321,184	-
- Grants & Contributions - Capital	193,396	-	-	-
Accrued Expenses - Other	6,500	-	8,245	-
Total Trade and Other Payables	529,436	-	353,076	-

(b). Provisions

Employee Entitlements (including oncosts)	88,619	48,477	55,863	54,193
Total Provisions	88,619	48,477	55,863	54,193

Note 5. Reserves

\$	1/7/2020	Tfrs to Reserve	Tfrs from Reserve	Other Movements	30/6/2020
Thorak Regional Cemetery	665,348	343,689	-	-	1,009,037
Total Other Reserves	665,348	343,689	-	-	1,009,037

PURPOSES OF RESERVES

Asset Revaluation Reserves

The asset revaluation reserve is used to record increments and decrements arising from changes in fair value of non current assets (less any subsequent impairment losses, where applicable).

Thorak Regional Cemetery

These are cash backed reserves to meet anticipated future needs. This reserve is internally restricted and the amount relates to a perceived future requirement which is not currently a liability.

Thorak Regional Cemetery

Notes to and forming part of the Financial Statements
for the year ended 30 June 2021

Note 6. Reconciliation to Statement of Cash Flows

\$	2021	2020	
(a). Reconciliation of Cash			
Cash Assets comprise highly liquid investments with short periods to maturity subject to insignificant risk of changes of value. Cash at the end of the reporting period as shown in the Statement of Cash Flows is reconciled to the related items in the Balance Sheet as follows:			
Total Cash & Equivalent Assets	2	1,661,435	1,061,933
Balances per Statement of Cash Flows		1,661,435	1,061,933
(b). Reconciliation of Change in Net Assets to Cash from Operating Activities			
Net Surplus/(Deficit)		327,020	356,422
Non-Cash Items in Income Statements			
Depreciation, Amortisation & Impairment		86,172	96,010
		413,192	452,432
Add (Less): Changes in Net Current Assets			
Net (Increase)/Decrease in Receivables		20,825	(16,949)
Net Increase/(Decrease) in Trade & Other Payables		(17,036)	(46,525)
Net Increase/(Decrease) in Unpaid Employee Benefits		27,040	21,291
Net Cash provided by (or used in) operations		444,021	410,249

Thorak Regional Cemetery

Notes to and forming part of the Financial Statements for the year ended 30 June 2021

Note 7. Financial Instruments

\$

Recognised Financial Instruments

Bank, Deposits at Call, Short Term Deposits

Accounting Policy:

Initially recognised at fair value and subsequently measured at amortised cost; interest is recognised when earned.

Terms & Conditions:

Short term deposits have an average maturity of 182 days and an average interest rate of 1.58% (2019: 365 days and 2.70%).

Carrying Amount:

Approximates fair value due to the short term to maturity.

Receivables

Fees & Other Charges

Accounting Policy:

Initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method.

Terms & Conditions:

Unsecured, and do not bear interest. Thorak Regional Cemetery is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Cemetery's boundaries.

Carrying Amount:

Approximates fair value (after deduction of any allowance).

Liabilities

Creditors and Accruals

Accounting Policy:

Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Cemetery.

Terms & Conditions:

Liabilities are normally settled on 30 day terms.

Carrying Amount:

Approximates fair value.

Liabilities

Leases

Accounting Policy:

Accounted for in accordance with AASB 16.

Thorak Regional Cemetery

Notes to and forming part of the Financial Statements for the year ended 30 June 2021

Note 7. Financial Instruments (continued)

\$	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
2021					
<u>Financial Assets</u>					
Cash & Equivalents	1,661,435	-	-	1,661,435	1,661,435
Receivables	38,879	-	-	38,879	38,879
Other Financial Assets	321,154	-	-	321,154	321,154
Total Financial Assets	2,021,468	-	-	2,021,468	2,021,468
<u>Financial Liabilities</u>					
Payables	529,436	-	-	529,436	529,436
Total Financial Liabilities	529,436	-	-	529,436	529,436
2020					
<u>Financial Assets</u>					
Cash & Equivalents	1,061,933	-	-	1,061,933	1,061,933
Receivables	59,704	-	-	59,704	59,704
Other Financial Assets	334,571	-	-	334,571	334,571
Total Financial Assets	1,456,208	-	-	1,456,208	1,456,208
<u>Financial Liabilities</u>					
Payables	353,076	-	-	353,076	353,076
Total Financial Liabilities	353,076	-	-	353,076	353,076

Risk Exposures

Credit Risk represents the loss that would be recognised if counterparties fail to perform as contracted. The maximum credit risk on financial assets of the Cemetery is the carrying amount, net of any doubtful debts. All Cemetery investments are made with authorised deposit taking institutions.

Market Risk is the risk that fair values of financial assets will fluctuate as a result of changes in market prices. All of the Cemetery's financial assets are denominated in Australian dollars and are not traded on any market, and hence neither market risk nor **currency risk** apply.

Liquidity Risk is the risk that the Cemetery will encounter difficulty in meeting obligations with financial liabilities. The Cemetery's current ratio is monitored monthly to ensure short term assets are available to cover obligations.

Interest Rate Risk is the risk that future cash flows will fluctuate because of changes in market interest rates. The Cemetery has a balance of both fixed and variable interest rate borrowings and investments. Cash flow fluctuations are managed holistically in seeking to minimise interest costs over the longer term in a risk averse manner.

Independent Auditor's Report

To the members of Thorak Regional Cemetery

Opinion

We have audited the **Financial Report** of *Thorak Regional Cemetery (the Cemetery)*.

In our opinion, the accompanying Financial Report presents fairly, in all material respects, the financial position of *Thorak Regional Cemetery* as at 30 June 2021, and of its financial performance and its cash flows for the year then ended, in accordance with the basis of preparation described in Note 1 to the financial report.

The **Financial Report** comprises:

- Statement of financial position as at 30 June 2021
- Statement of comprehensive income, Statement of changes in equity, and Statement of cash flows for the year then ended
- Notes including a summary of significant accounting policies
- Chief Executive Officer's Statement.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 Cemetery 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 fulfilled our other ethical responsibilities in accordance with the Code.

Emphasis of matter – basis of preparation

We draw attention to Note 1 to the Financial Report, which describes the basis of preparation.

The Financial Report has been prepared to assist the members of the Cemetery to meet the requirements of *the Cemeteries Act (NT) 2016*.

As a result, the Financial Report and this Auditor's Report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of the Board of Trustees for the Financial Report

The Board of Trustees are responsible for:

- the preparation and fair presentation of the Financial Report and have determined that the basis of preparation described in Note 1 to the Financial Report is appropriate to meet the needs of the members for the purpose of *Cemeteries Act (NT) 2016*.
- implementing necessary internal control to enable the preparation of a Financial Report that is free from material misstatement, whether due to fraud or error.
- assessing the Cemetery's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Cemetery or to cease operations or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Cemetery's financial reporting process.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of 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. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the Auditing and Assurance Standards Board website at:

http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our Auditor's Report.

KPMG

Luke Snowdon
Partner
Darwin
27 October 2021

Summary of Financials 2020-21

With a good cash position and no debt, Council is well positioned to strike the right balance between continuing to deliver quality community services and enhance its long-term sustainability. Enhancing Council’s revenue raising capabilities is necessary to ensure Community services and assets are sufficiently funded well in the future and we continue to deliver the quality lifestyle Litchfield Council is known for.

Council has demonstrated limited growth in operating costs in line with the adopted long-term financial plan. Employee costs, materials, services and contractors, came in underbudget. Depreciation is over budget due to the additional grant funded capital works but remains in line with last financial year.

Simplified Income Statement	Budget (\$)	Actuals (\$)	% of Budget
Income raised through our Ratepayers	10,796,659	10,939,000	101%
Income raised through our Customers	1,636,033	2,029,957	124%
Income raised through external parties in form of Grants and Subsidies	3,668,423	6,280,141	171%
Income earned from bank investments	523,201	428,526	82%
Other income	517,027	316,224	61%
Total Earnings	17,141,343	19,993,848	117%
Expenditure on our Staff providing community services	6,699,163	6,553,240	98%
Expenditure on contractors and consultants providing community services	8,434,467	7,596,730	90%
Cost of Assets used in providing community services ¹	11,744,243	13,669,240	116%
Total Expenses	26,877,873	27,819,210	104%
Council's Operating Deficit	-9,736,530	-7,825,362	80%
Expenditure incurred on asset sales and disposal	0	-1,207	0%
Income raised through external parties in form of Grants and Subsidies – New and upgrade of assets	2,247,379	1,720,383 ²	77%
Council's Total Deficit	-7,489,151	-6,106,186	82%

¹ Cost of assets used during the year does not represent cash payments and is a non-cash expense.

² All expected grant funding was received however, only the funding that has been spent is recognized as income. The remainder will be recognized as income in FY22 when it has been expended.

Simplified Statement of Financial Position	2020-21 (\$)
What we own - Cash	23,823,460
What we own - Unpaid rates and other receivables	2,953,342
What we own – Assets	300,955,756
Total Assets	327,732,558
What we owe to our suppliers	5,847,961
What we owe to our staff	994,299
Total Liabilities	6,842,260
Net Community worth	320,890,298

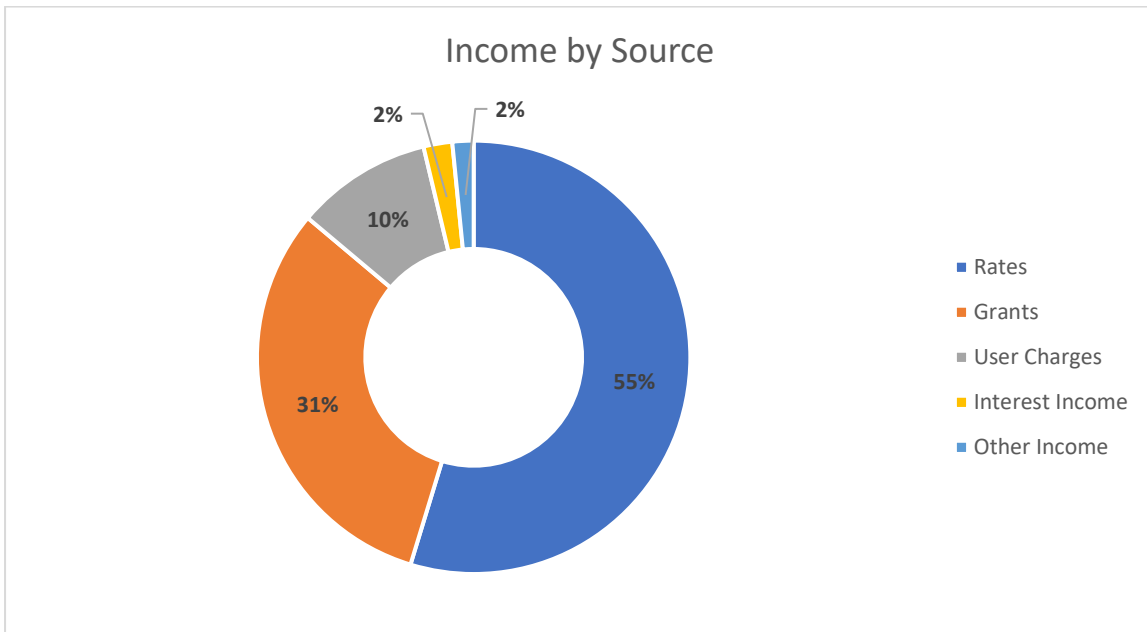
Income in 2020-21

Budget: \$17.1 million

Actuals: \$19.9 million

The increase in income compared to budget relates mainly to grants received which comprises 31% of the total income (compared to 21% in 2019-20).

2019-21	2019-20	2018-19	2017-18	2016-17
\$19.9m	\$17.3m	\$18.1m	\$17.7m	\$19.8m



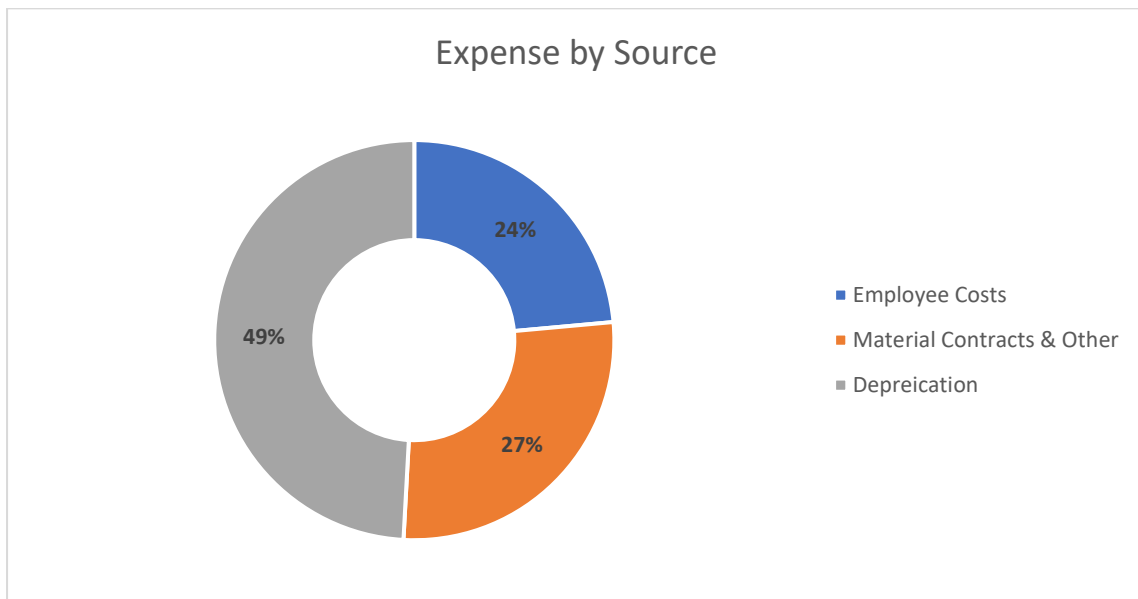
Expenses in 2020-21

Budget: \$26.9 million

Actuals: \$27.8 million

The increase in total expenses relates to depreciation (non-cash expenses). Employee costs, materials, contract, and other expenses all came in under budget.

2020-21	2019-20	2018-19	2017-18	2016-17
\$27.8m	\$27.0m	\$27.2m	\$29.5m	\$29.8m

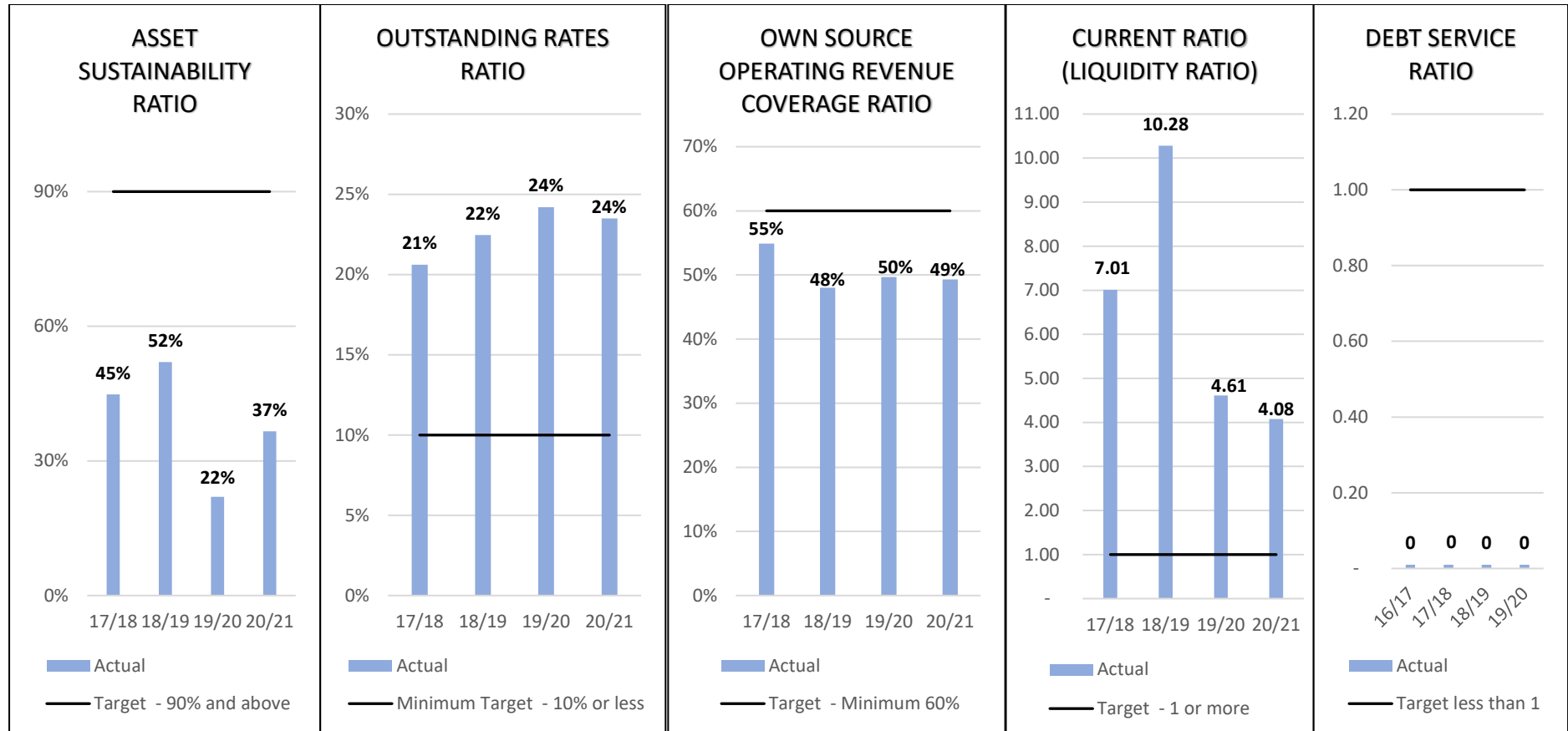


How does the net result compare with previous years?

2020-21	2019-20	2018-19	2017-18	2016-17
\$7.8m	\$9.4m	\$4.1m	\$9.0m	\$8.8m

Council's net deficit for the year decreased compared to the prior year due to the large amount of grant funding received.

Financial Sustainability Indicators

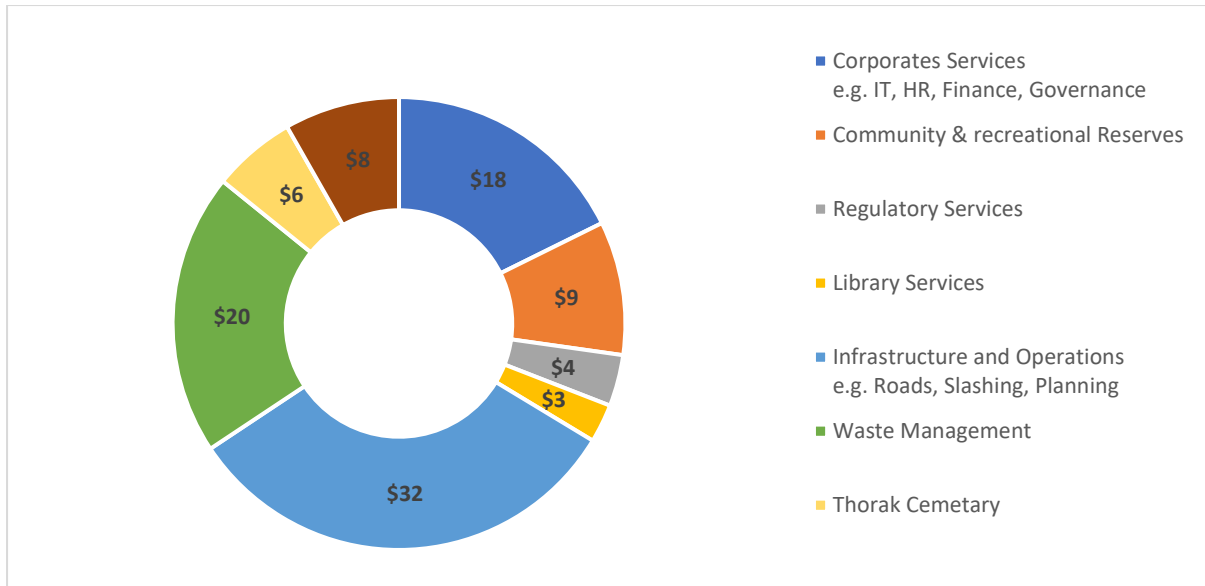


<p>Indicates if Council is replacing or renewing existing assets in a timely manner as the assets are consumed.</p>	<p>Identifies if Council is collecting rates and charges in a timely manner and the effectiveness of debt recovery efforts.</p>	<p>This ratio measures the degree to which Council relies on external funding to cover its operational expenses.</p>	<p>Identifies Council's ability to meet its short-term financial commitments as and when they fall due.</p>	<p>Indicates Council's ability to repay loans.</p>
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What do these ratios mean?

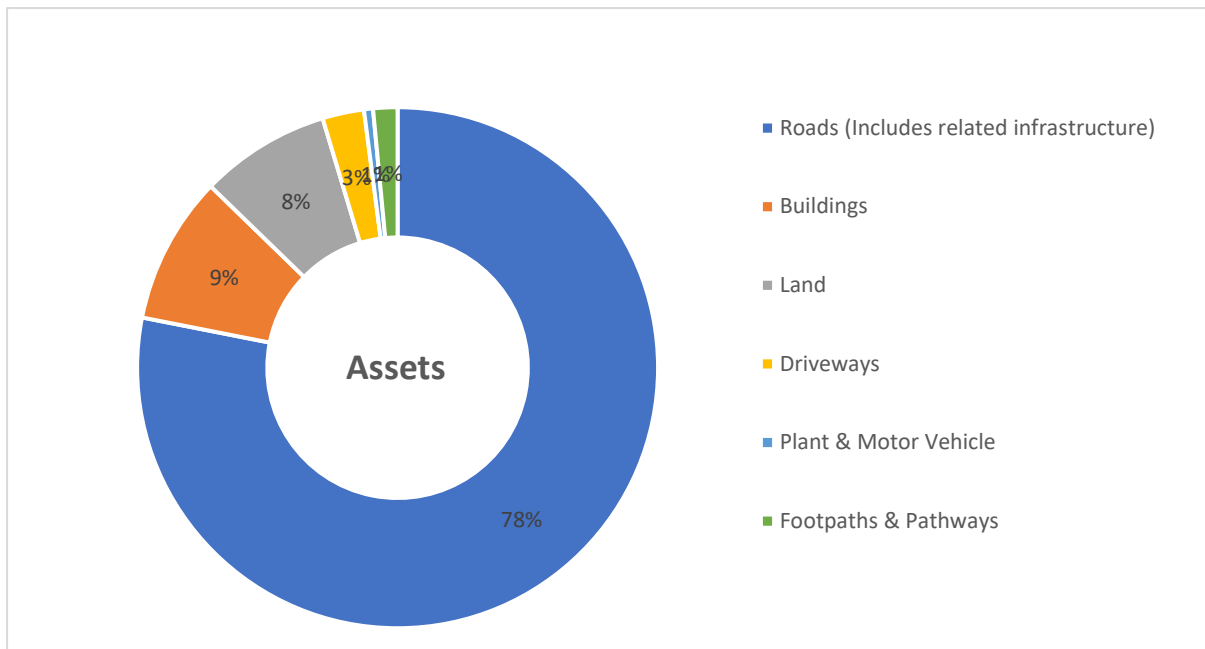
KPI	Explanation
Asset Sustainability Ratio	Council's Asset Sustainability ratio continues to remain well below the local government target of 90%. The strong current ratio combined with no debt, allows Council to fulfill its short-term obligations, however there are long-term challenges to fund asset replacement (renewal) needs. Council's total income falls short of raising enough funds for future capital replacement needs.
Outstanding Rates Ratio	In the absence of a standard industry benchmark, a target of 5% for City Councils and 10% for Regional Councils is considered best practice. Council's adopted municipal plan target is set at 18%.
Own Source Revenue Ratio	<p>This ratio indicates Council's ability to pay for its operational expenditure through its own revenue sources. The higher the ratio, the more self-reliant a Council and less depended on grants. A ratio of 40% to 60% is considered as a base level, between 60% to 90% is considered intermediate level and more than 90% is considered advanced level.</p> <p>Council's Own Source Operating Revenue Coverage ratio fails to meet Councils Municipal Plan KPI of greater than 60%.</p>
Current Ratio (Liquidity Ratio)	<p>A ratio of greater than 1 is required to provide assurance that Council has enough funds to pay its short-term financial commitments.</p> <p>Council's Current Ratio sits favourably against the municipal target and local government benchmarks. This ratio indicates Council is well placed in the short term to fulfill its operating expenses (excluding depreciation expense).</p>
Debt Service Ratio	Council has no debt and therefore fully meets the Municipal Plan Target of less than 1.

For every \$100 of expenditure, Council delivers the following services:



Assets

Council's majority of assets is made of Roads and related infrastructure, followed by Buildings and Culverts. Council's Road asset management plan (approved in 2018) estimated an annual funding shortfall of \$4.6 million on average over a ten-year period. The shortfall comprises the cost to renew and the cost to maintain assets at the lowest asset life cycle cost. This challenge is also evidenced as Council incurs annual operational deficits as current income levels fall short of funding the depreciation expense. To achieve a sustainable position in the long-term, tradeoffs are required between the levels of service provided to the community and Council's income raising capacity.





RMAC REPORT

Agenda Item Number:	8.2
Report Title:	Records Management Audit
Author:	Rebecca Taylor, Policy & Governance Program Leader
Recommending Officer:	Arun Dias, General Manager Business Excellence
Meeting Date:	26/10/2021
Attachments:	A: Records Management Audit Report 2021 B: Management Responses

Executive Summary

This report presents to RMAC the findings and key recommendations of the Records Management Audit Report 2021.

Recommendation

THAT RMAC receives and notes the Records Management Audit Report.

Background

As per the internal audit plan, a records management audit was required to be carried out in 2021/2022. On 12th and 13th July, a GRACE consultant conducted an audit of Litchfield's records management. The audit focused on each of the following critical records management elements;

- Governance
- Policy and procedure
- Classification and naming conventions
- Security
- Records creation
- Discovery
- Archiving and preservation
- Disposal

The key findings for the audit are;

- No approved records management strategic plan to drive Council's records management linked to Council's overall strategic objectives.
- No action plan linked to records management strategic plan.
- No formalised records management training program covering all stages.

- Potential issues with the registration and ongoing management of records.

Management responses have been included for the key findings above and the 13 recommendations at Attachment B. There are;

- 2 low risk findings
- 2 medium risk findings
- 10 low risk recommendations
- 3 low risk recommendations

Of concern for the management of records, as highlighted in the audit report, is the lack of a designated records management officer. At the time audit was conducted, the responsibilities were solely the responsibility of the Policy and Governance Program Leader position which is responsible for a range of deliverables which can be of a higher priority. Since the audit, a temporary Records and Projects Officer position has been created. However, this position is already at capacity with other projects, resulting in records management competing with other priorities.

Although the auditor expressed that this situation is typical of small Councils, consideration should be given to addressing the resourcing issues in the short term until Council can close the gaps outlined in the audit. Whilst there are no high-risk findings within the report, if Council continues to under resource the records management area, the low and medium risks identified have the potential to escalate.

Overall, the audit indicates that Council's records management practices has shown an improvement following on from the Records Management Improvement project conducted three years previously.

Links with Strategic Plan

A Well-Run Council - Good Governance

Legislative and Policy Implications

Audit completed as per internal audit plan.

Risks



Of the recommendations and finding outlined, there are;

- 2 low risk findings
- 2 medium risk findings
- 10 low risk recommendations
- 3 low risk recommendations

Financial Implications

There could be a financial implication to budget for the ongoing position of the Project and Records Officer. The position is currently on fixed-term contract, due to expire in February 2022. Other Budget implications have been outlined in the management response and in most cases do not have adverse budget impacts.

Community Engagement

N/A

grace:

Always more.

Report on Records Management in Litchfield Council

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July 2021

Our vision.

**Strive to make the
everyday effortless for
people and business.**

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EXECUTIVE SUMMARY

An audit of Litchfield Council's records management practices was carried out in mid July 2021 focussing on eight critical elements based on best practice and the five standards comprising the *Records Management Standards for Public Sector Organisations in the Northern Territory*.

Council is to be commended on its initiative in improving its records management practices, however, three matters of concern arising from the audit are flagged.

- Lack of a records management strategic plan including an action plan.
- No designated full or part-time records management officer whose *primary role* is records management including monitoring, quality checks, disposal, training etc with responsibility for all records in all business systems as well as physical records to support the decentralised recordkeeping model.
- Physical records are not captured in InfoXpert in the same way as digital records due to a misunderstanding of the fundamental functionality of an EDRMS.

If all three matters were addressed, Council would not only build on the work carried out to date but would go a long way to meeting compliance, business and community expectations in relation to records management going forward.

INTRODUCTION

Grace Records and Information Management (Grace) was engaged by Litchfield Council to confirm whether or not their current records management processes align to best practice following on from their records management improvement project which commenced some three years ago.

The improvement project addressed key issues:

- Staff were not fully aware of the full extent of records management responsibilities and accountabilities.
- No records management tools such as a Business Classification Scheme (BCS), retention and disposal schedule, training plan etc.
- Limited or no disposal of records which had met or exceeded their retention when assessed against potential record classes in NT approved retention and disposal schedules.
- Limited understanding of what was in offsite commercial records storage.
- Defined roles in terms of system administration of InfoXpert were not properly outlined and implemented.

To address the key issues, the initial approach was to develop and or implement policy and procedures, the Business Classification Scheme, retention and disposal schedule, naming convention document, security matrix and internal training.

The report summarises the audit findings and includes recommendations for further action.

Background

Litchfield Council is involved in a variety of activities and decision making on a daily basis, which directly impacts its local community with responsibility for the planning and delivery of a range of services, such as:

- Road Maintenance and Upgrades
- Recreation Reserves
- Taminmin Library
- Thorak Regional Cemetery
- Waste and Recycling
- Weed and Roadside Management.

Delivery of these services generate records both physical and digital taking multiple forms including letters, emails, reports, social media posts, surveys, plans, drawings, images and so on.

AUDIT APPROACH

An audit checklist (see Appendix 1) was developed to capture how Council meets each of the eight critical records management elements listed below.

- Governance
- Policy and procedure
- Classification and naming conventions
- Security
- Records creation
- Discovery

- Archiving and preservation
- Disposal.

The checklist included the expected evidence and not only guided the audit but ensured there was a structured framework. The approach has been used previously and provides a practical reusable tool to identify progress, gaps and or areas for improvement.

Checklist inputs

The audit checklist took into consideration:

- key areas for improvement identified in Council's project
 - records management policy and procedures
 - supporting documents (BCS, naming convention, disposal schedule, etc)
 - security
 - disposal
 - archiving.
- five standards comprising the *Records Management Standards for Public Sector Organisations in the Northern Territory* (see below for further detail on standards)
- current level of maturity (given timeframe for implementing improvements)
- size of Council
- resourcing.

The five NT records management standards are:

- Standard 1 Governance (including identification of records) – Records must be created within a managed framework
- Standard 2 Capture – Records must be captured into the corporate records management system
- Standard 3 Discovery – Records must be findable and accessible for as long as they are required
- Standard 4 Security – Records must be secure
- Standard 5 Disposal – Records must be disposed of systematically and accountably.

SUMMARY

Overall, the audit of Council's records management practices, indicates there has been improvements in the intervening three years, however of concern is:

- a lack of a **records management strategic plan** with clearly stated objectives including an action plan to drive a structured and agreed improvement process not only initially but going forward. The plan provides an agreed basis for reporting on progress to management.
- no **designated record management officer** at least part-time, to ensure improvements continue and identified gaps are addressed. Currently, the responsibilities are part of a position which is responsible for a range of deliverables which often have a higher priority together with what appears to be a decentralised model. The issue is typical of a small Council however, consideration should be given to at least addressing the resourcing problem in the short term until Council is truly in a business-as-usual cycle and issues/gaps have been addressed. Then additional resources as and when needed depending on budget, could be brought in to address specific matters.
- no **physical records** are registered in InfoXpert.

Although the staff observed and interviewed showed a definite willingness to improve, there was also a perceived underlying lack of sense of direction which is understandable given there is no strategic plan. The

purpose of a records management strategic plan is to set overall objectives for Council's records management together with an action plan showing deliverables, timeframes and responsibilities, aligned to where Council's business is heading and its priorities over the intervening say three to five years.

Key findings

- No approved records management strategic plan to drive Council's records management linked to Council's overall strategic objectives.
 - A strategic plan would include an action plan with short-, medium- and longer-term deliverables which are measurable.
 - Lack of identification and or acknowledgment of records management objectives in Council key policies where there is expectation that this would occur.
- No action plan linked to records management strategic plan.
 - Although some progress has been made, the only records related KPI is not meaningful as appears to be ad hoc which is understandable as not linked to objectives translated into a set of agreed deliverables with timeframes and responsible offer/s, in an action plan.
 - Limited monitoring of staff records management practice due to resourcing.
 - Records in onsite and offsite storage are often retained for longer than necessary due to the lack of a disposal plan which would usually be a deliverable under an action plan.
- No formalised records management training program covering all stages.
 - An induction program exists but there needs to be better alignment between related documents (guideline to agenda for instance).
 - No refresher training program currently in place to ensure staff are up-to-date with changes in records management practices, system changes etc.
 - Tailored training on sub-folder creation is provided on a as needed basis with limited follow-up due to resourcing.
- Potential issues with the registration and ongoing management of records
 - Physical records are not registered in an approved business system.
 - Two business systems are in use to register and manage digital records (InfoXpert and Authority), however neither is used to register physical records which is done in an Excel spreadsheet.
 - There is a genuine misunderstanding of InfoXpert and its ability to register and manage physical records. This issue has been identified elsewhere and seems to relate to a misunderstanding that an EDRMS is not only for registering digital records and capturing digital documents but should also be used to register physical records.
 - Lack of awareness/understanding of where else Council's records may be captured as in other business systems such as GIS, asset management etc. No approved list of business systems for capturing digital records.

Recommendations

1	Physical records should be registered in InfoXpert in the same way as folders are created for digital documents a spart of business-as-usual (BAU).
2	Identify high risk and long retention physical records and register in InfoXpert over the next 6 months.
3	Register all physical records in InfoXpert over the next 12 months excluding those records identified in recommendation 2.
4	Carry out a cost comparison between recall and onsite assessment and offsite assessment and listing, for boxes stored at Grace where no data exists or is inadequate.
5	Develop a disposal plan with timeframes within 6 months to identify records which have met or exceeded their retention with stage 1 covering high volume, low risk records such as finance, pre start and other routine safety forms. Stage 2 onwards based on volume and risk.
6	No zip files should be allowed to be captured in InfoXpert and if any currently exist, the files should be all unpacked and documents saved individually into correct folder and sub-folder.
7	Business rules need to provide guidance to reduce the risks around overloading of one function/activity because of current practice of dumping documents into the one activity instead of being separated out into the multiple activities for a particular function.
8	Review current resourcing and supplement as required, to address current issues/gaps and ensure progress is ongoing.
9	Protection at a document level in InfoXpert should be investigated and implemented as required for high risk (privacy and confidentiality related) records.
10	Staff who can access documents in InfoXpert via the V:/ drive should be formally identified and approved, as part of improved security business practice.
11	Work with business owner and IT to Identify where else records are created/captured in other business systems and review as to any associated risks particularly those with permanent and long retentions including identifying how to minimise any risks.
12	Identify and list all records management tools in one key resource including a diagram showing relationships between each of the tools. A one-line explanation of what each tool is about. May take the form of a table which would help identify any gaps, overlaps or duplications.
13	Review and update current business process in terms of retaining and disposing cardholder data to ensure meets specific requirements under PCI DSS.

Appendix 1 Audit checklist

Ref	Critical elements	Expected evidence	Council evidence
1.0	Governance		
1.1.	Records management objectives, principles and priorities have been developed and documented aligned to the regulatory environment within which Council operates.	Records management strategic plan is approved and implemented.	No strategic plan or an overarching statement (aim) with objectives formally documented. There is one KPI which is records management related: <ul style="list-style-type: none"> • volume of records held in storage reduced by 10% by 30 June 2021.
1.2	Records management responsibilities have been defined and allocated.	Records management plan/strategy includes roles and responsibilities.	Section 4.8 Roles and Responsibilities in the <i>COR04 Records Policy</i> defines the responsibilities for CEO, Managers and Supervisors and all staff (last review 16 September 2020). Council has a set of <i>Business Rules</i> which show responsibility.
1.3	Records management risks are part of a wider Council risk management process.	Records management risks are shown in Council's risk management plan/strategy.	Records are identified in Council's risk register which is itself, part of Council's <i>Risk Framework</i> (RP11).
1.4	Records management objectives are identified and acknowledged in other key Council policies.	Key Council policies such as privacy include records management.	Council's policies overall do not include identification and or acknowledgment of records management objectives, which is probably due to no records management strategic plan.

Ref	Critical elements	Expected evidence	Council evidence
			<p>However, there is some linkage to records management in the following:</p> <ul style="list-style-type: none"> • <i>Council's Code of Conduct has an indirect reference to recordkeeping in section 4.11.2 but no specific requirement/s.</i> • <i>Council's Privacy Policy includes under 4.1.4, a reference to the security and disposal of personal data.</i> <p>Whereas Council's <i>Information and Communication Technology Policy</i>, does not appear to have any references to records management objectives or coverage of records in business systems.</p>
1.5	Records management is incorporated into Council's training program including induction.	<ul style="list-style-type: none"> • <i>Mandatory induction training.</i> • <i>Specialist training for staff with specific records management functions or responsibilities.</i> • <i>Refresher training on topics such as using InfoXpert, BCS etc.</i> 	<p>Council has a new and evolving induction guideline which lists what is covered during a new employee's induction, but does not specifically include any reference to records management.</p> <p>However, records management is scheduled as part of the induction agenda under section 11 Records Management. There needs to be alignment between the guideline and agenda.</p> <p>Presentation includes:</p> <ul style="list-style-type: none"> • records management in general • difference between what InfoXpert contains versus Authority including in general what records you would find in each of these business systems.

Ref	Critical elements	Expected evidence	Council evidence
			<p>Following induction, new employees have a one-on-one at their desk covering how to use InfoXpert and basic records management.</p> <p>No formal refresher training program is currently in place. However, there is recognition this needs to happen and initial planning has started on how to raise records management awareness across Council but based on discussions, will be subject to resourcing and budget.</p> <p>Tailored training on the creation of sub-folders (Activity level) was given to the following:</p> <ul style="list-style-type: none"> • Works Administrator • Executive Assistants (EA) x 3 • Community and Development Leader. <p>Tailored training was not given to Finance who can also create sub folders, as they were already sufficiently trained previously, when given creation rights.</p>
2.0	Policy and procedures		
2.1	A records management policy is approved, published and easily accessible by staff.	CEO sign off, published, and access via portal for staff.	<i>COR04 Records Policy</i> is signed off by CEO, published and accessed by staff through InfoXpert

Ref	Critical elements	Expected evidence	Council evidence
			in the reference library with all other Council policies.
2.2	Records management policy is reviewed annually and updated as required.	<p>A review date is shown in the policy and there is evidence that a review has taken place if required.</p> <p>Policy includes reference to the need to be updated if legislation or any other matter impacts.</p>	<p><i>COR04 Records Policy</i> is reviewed every four years which is in line with Council's policy framework but would be updated if there were legislative or other significant matters which create a need to update.</p> <p>The policy was updated in September prior to four-year review date due to a change in resourcing resulting in specified staff being able to create their own folders.</p>
2.3	<p>Operational records management procedures and practices are established that:</p> <ul style="list-style-type: none"> • <i>cover key records management functions such as creation, capture, classification, access, storage, security, maintenance, transfer, disposal and preservation of records.</i> • <i>cover all record formats (physical and digital, including emails and websites)</i> • <i>identify which systems are to be used to capture and manage Council's records.</i> 	<p>Procedures clearly cover each point.</p> <p>Training covers procedures and practices.</p> <p>Staff can identify which business systems are used to create/capture/store records.</p>	<p><i>COR04 Records Policy</i> includes procedures. The BCS also includes where different record classes are to be created and managed (i.e., either in InfoXpert or Authority).</p> <p>Induction training agenda covers key records management functions including formats, as well as which business system to create/capture different record classes.</p> <p>InfoXpert User Manual covers key records management functions such as create, registering emails, security, saving Word, Excel, Power Point documents. Also includes where to find templates</p>

Ref	Critical elements	Expected evidence	Council evidence
			<p>which standardise letters, reports, memos, briefs, agendas and minutes.</p> <p>Draft <i>Disposal Procedure</i> is currently under review before submission for approval.</p> <p>Council has a set of <i>Business Rules</i> which show responsibility for each element and is broken up into the following:</p> <ul style="list-style-type: none"> • Control • Security • Capture • Disposal.
3.0	Classification and naming conventions		
3.1	Procedures or business rules have been established outlining how records are to be classified and named.	<p>An appropriate tool is used to systematically and consistently identify and name records which is linked to:</p> <ul style="list-style-type: none"> • <i>BCS</i> • <i>RDS</i> • <i>security and access regimes for Council's records.</i> 	<p>Council's <i>Business Rules</i> and <i>Naming Conventions</i> outline how records are to be classified and named which are linked to the BCS, security and access. The BCS is linked to the RDS.</p>
3.2	Records are consistently and systematically named.	Regular quality checks of folder titling and document naming are carried out and follow up	To increase folder creation consistency, templates are used to ensure correct titling is applied.

Ref	Critical elements	Expected evidence	Council evidence
		<p>actions taken when required e.g., one-on-one sessions.</p> <p>Sampling of files/folders indicates consistent and systematic naming with absence of unauthorised terms such as Misc.</p>	<p>Sampling of titling including documents, confirmed consistency and easy to understand/meaningful document titles.</p> <p>A weekly audit is supposed to be carried out to check the titling of folders and documents they contain via a report for records created/captured.</p> <p>However, due to resourcing issues, the last quality check was carried out the last week of March 2021. The Manager is aware of the need to resume weekly quality checks as soon as resourcing permits.</p> <p>A typical audit report was run:</p> <ul style="list-style-type: none"> • five documents were flagged out of 549 requiring closer inspection and possible edits (less than 1%). • Out of 25 new folders created only one needed further clarification as appeared to be too many sub folders.
4.0	Security		
4.1	Restricted access controls for security, privacy, commercial or other reasons, are identified and documented.	Security classification matrix aligned to position titles.	<p><i>COR04 Records Policy</i> clearly shows security classification system in place.</p> <p>InfoXpert Security Matrix which shows levels of security at each folder level:</p>

Ref	Critical elements	Expected evidence	Council evidence
		<p>Policies or business rules governing system security and user access permissions are in place and align to the NTG security classification system.</p> <p>Specific requirements for card holder data under PCI DSS.</p>	<ul style="list-style-type: none"> • Individual user level (position title) • User group level (team or department). <p>InfoXpert Security Access and Matrix summary provides the intent, user groups recreated including positions in that group. Also shows access limitations and the related folder structure.</p> <p>Matrix needs to be updated to align with restructure in November 2020.</p> <p>Council sought legal advice and has implemented business processes to ensure security of card holder data where a ratepayer has submitted this information for the payment of their rates.</p> <p>Recognition that System Administration rights need to be updated in the matrix following changes in user access rights for staff who have been approved to create folders and sub folders.</p> <p>Sample of HR records showed a mix of physical and digital, however all the older physical records have been fully digitised for employees. Access is restricted and only authorised staff can click through to sub folders to individual files/documents and other restricted HR records.</p>

Ref	Critical elements	Expected evidence	Council evidence
4.2	Periodical checks are carried out on records security	<p>Regular monitoring of access to high-risk records with reports of unauthorised access to management for follow up.</p> <p>Results of checks are documented e.g., checklist, report or similar.</p>	<p>Council operates on an open access arrangement except for identified high-risk records which are locked down to an approved list of positions/user groups.</p> <p>No regular monitoring is currently carried out.</p> <p>However, there is awareness that checks need to be made on who has tried to access high-risk records outside of the approved access group on a regular basis instead of the ad hoc approach which is linked to resourcing issues.</p>
4.3	Physical and digital records are securely stored/managed with appropriate controls including higher levels of security for special categories of records including personal data.	Storage areas for physical records are secure with restricted access controls in place to prevent unauthorised access, damage, theft or loss.	<p>Onsite physical inactive records are now in a locked office pending assessment and sentencing before transfer to Grace offsite storage where they have not met their retention period. Previously these records were stored in a locked container.</p> <p>All other inactive physical records are stored in Grace facility which has security controls in place.</p> <p>Active physical records are subject to local security controls such as locked offices, filing cabinets etc.</p> <p>Access to offices is via a key with an after-hours alarm via a code for staff approved to work outside standing business hours.</p>

Ref	Critical elements	Expected evidence	Council evidence
			<p>Access to digital records in InfoXpert and Authority, are controlled via user permissions. Onsite server rooms access is restricted with regular backups as part of business continuity planning.</p>
4.4	<p>User accounts are managed including removing them when no longer appropriate in a timely manner.</p>	<p>Authorised process which only gives access to a user at the level approved at the time.</p> <p>Disabling user accounts is part of staff exit checklist.</p>	<p>Council had an approved process for managing user accounts which automatically removed a user from InfoXpert and Authority when their general user account was disabled.</p> <p>However, due to recent resourcing issues there is a backlog which is known. Recently users were reviewed and terminated staff general user accounts were deleted which triggered the deletion of the same users in InfoXpert and Authority.</p>
5.0	Records creation		
5.1	<p>Responsibility for the creation and capture of records is known and understood.</p>	<p>Position descriptions.</p> <p>Recordkeeping responsibility matrix or similar.</p>	<p>Section 4.8 Roles and Responsibilities in the COR04 Records Policy defines the responsibilities for CEO, Managers and Supervisors and all staff (last review 16 September 2020).</p> <p>Council has a set of <i>Business Rules</i> which show responsibility.</p>

Ref	Critical elements	Expected evidence	Council evidence
			<p>Ascribed responsibility for the creation of sub folders (Activities) under functions was given to the following:</p> <ul style="list-style-type: none"> • Works Administrator • EAs (3) • Community and Development Leader • Finance.
5.2	<p>Minimum standards have been set for the creation of paper or digital records.</p>	<p>Procedures or similar e.g., work instruction linked to BCS, naming conventions.</p>	<p>InfoXpert User manual through screens shots, provides the minimum standards for the creation of digital records. No physical records are registered in InfoXpert.</p> <p>The BCS and Naming Conventions also establish minimum standards for the creation of records.</p> <p>Notes:</p> <ol style="list-style-type: none"> 1. Not aware that physical records should also be registered in InfoXpert which by default would mean the minimum standards would be applied. Currently, physical records are registered in an Excel spreadsheet but minimum standards have not always been applied. 2. Under the folder structure, everyone has access to view but the ability to create new folders has been shut down.

Ref	Critical elements	Expected evidence	Council evidence
			<p>3. Records under the old folder structure are migrated into the new structure when folder is accessed including all documents in the folder.</p> <p>4. Approved staff can access documents in InfoXpert via the V:/ drive. This allows them to export tagged documents in bulk for editing and then uploading into InfoXpert. The tool is not available to all staff to ensure that there is no dumping of documents from the desk top (drag and drop) without proper titling, as per the minimum standard. Approved staff need to be listed and signed off as part of improved business practice.</p>
5.3	Records are created/captured in a timely manner in line with minimum standards.	<p>Sampling of files/folders indicates minimal delay between date of first document in a file and creation of file/folder in InfoXpert.</p> <p>Sampling indicates minimal delay between date of document and its registration.</p> <p>Sampling indicates records creation/capture in line with minimum standards.</p>	<p>Currently no reports are generated to show time delays.</p> <p>There are no minimum standards set in terms of when a folder has to be created, nor when a document has to be registered including the document which triggers of the need for a new folder.</p> <p>Recognition was made that these areas need to be addressed as part of business improvement.</p> <p>Daily mail (digital email) is separated out into individual work areas which is regularly monitored. Checks are done to ensure documents are captured into the correct folder.</p>

Ref	Critical elements	Expected evidence	Council evidence
			<p>There is User Work Space (UWS) in InfoXpert for staff to work on drafts, but currently there are no checks that there is timely transfer out of UWS into folder/s. There are two business rules:</p> <ul style="list-style-type: none"> • one relates to terminated employees to ensure records are not left in UWS • other relates to staff to regularly clean-up UWS and move records into folders. <p>Approved staff can access documents in InfoXpert via the V:/ drive. This allows them to export tagged documents in bulk for editing and then uploading into InfoXpert. The tool is not available to all staff to ensure that there is no dumping of documents from the desk top (drag and drop) without proper titling, as per the minimum standard.</p>
6.0	Discovery		
6.1	<p>Records must be accessible meaning they can be:</p> <ul style="list-style-type: none"> • found promptly • read • produced when required, for as long as they need to be retained. 	<p>Sampling indicates records were found promptly, could still be read (no corruption of content whether physical or digital) and produced when required as had not as yet reached their retention period.</p>	<p>Sampling indicated that there are issues with the accessibility of records in InfoXpert resulting from titling issues. This is especially where documents are dumped into the one activity instead of being separated out into the multiple activities for a particular function. This can also result in the unnecessary retention of records as the longest retention must be applied to the whole folder (function/activity).</p>

Ref	Critical elements	Expected evidence	Council evidence
			<p>Sampling did not show any corruption issues with the records as in the complete content of the sampled documents could be read. However, sometimes when documents are imported through the V:/ drive, there have been corruption issues but Council is aware and:</p> <ul style="list-style-type: none"> • the approved officer using this import tool, is responsible for fixing the issue. • Quality checks also highlight any issues and make fixes direct or through the responsible officer. <p>Business rules need to provide guidance to reduce the risks around overloading of one function/activity.</p> <p>Whereas in Authority, due to the modules which only relate to one aspect e.g., PLANNING APPLICATION module, all related records almost automatically are captured. For instance, each customer has a unique identifier which makes access to all related records quicker and easier. This is not the case in InfoXpert if trying to do the same search.</p>
6.2	Records must be usable when digital for as long as they are required to be retained.	Sampling indicated that only open digital file formats were used such as: TXT, PDF/A-1; XML; TIFF; and JPEG.	<p>Business rules state that:</p> <ul style="list-style-type: none"> • all photographs must be stored as JPEGS • physical records when scanned must be in PDF, 300 dpi, colour and text searchable.

Ref	Critical elements	Expected evidence	Council evidence
			<p>Sampling confirmed use of open digital file formats.</p> <ul style="list-style-type: none"> • <i>Quality checks highlight any issues with encrypted records which are then reviewed, replaced or issue addressed.</i> • <i>Records are not permitted to be stored in an encrypted form.</i> • <i>Council requires that all encrypted records are decrypted before being captured into InfoXpert and or Authority.</i>
7.0	Archiving and preservation		
7.1	Records are protected and preserved.	<p>Records disaster recovery plans are developed and tested.</p> <p>Records storage facilities are suitable for storage of physical records: Council specific and offsite.</p> <p>Council's storage areas are checked for potential damage to records and issues addressed promptly.</p> <p>Sampling of boxing process demonstrates proper handling of records.</p> <p>Added protection for personal, confidential or sensitive records is apparent and not tampered with on inspection (where this applies).</p>	<p>Council has a <i>Business Continuity Action Plan</i> (adopted 31/5/2021) includes disaster recovery. The plan has been tested and updated following the feedback on the test.</p> <p>The onsite container holding physical records was cleared out and the boxed records are currently held in a restricted office area, pending the finalization of their assessment and sentencing.</p> <p>Majority of boxed physical records are stored offsite in Grace's commercial records storage facility.</p> <p>There is a process for boxing and transferring HR records to ensure chain of custody from HR directly to Grace. A similar process would be used for other</p>

Ref	Critical elements	Expected evidence	Council evidence
			confidential or sensitive records where this applies. If required a tamper proof bag is used such as an Australia Post bag, to contain highly confidential or sensitive records.
7.2	Inactive physical records are transferred to a controlled storage location on a timely and regular basis.	<p>Transfer notices for pick up by external offsite storage provider.</p> <p>Physical inspection of onsite storage locations indicates control mechanism in place.</p> <p>Age of records in storage supports managed transfer of inactive records.</p>	<p>There is a process for identifying inactive records such as financial EOFY records which is applied including contacting Grace for pick up and transfer.</p> <p>Currently inactive records previously in the container onsite are controlled in terms of access pending final assessment and sentencing. All other inactive records are stored at Grace's commercial records storage facility.</p>
7.3	All records have a known location which is accurate and current.	<p>Tracking mechanism is in place to monitor the movement of physical records between locations with all changes updated asap.</p> <p>Sampling indicates location for physical records in InfoXpert is current.</p>	<p>There are some boxed records in storage at Grace which are not known. The gap is records data is known and when resourcing of the role is resumed, all records in the boxes at Grace will be identified, assessed and sentenced.</p> <p>At this time, no physical records are registered in InfoXpert.</p>
7.4	Inactive files/folders are not retained for any longer than necessary before returning to assigned location.	Recalls of files/folders back to approved storage locations happens on a regular basis.	Currently, there are no known records which have been recalled from storage at Grace which are not part of the project to assess, sentence and dispose where this is possible.

Ref	Critical elements	Expected evidence	Council evidence
			<p>However, a request will be going to Grace to identify all recalled boxes which will be cross matched against the boxes in the current project to identify any outliers.</p>
8.0	Disposal		
8.1	<p>Records are disposed of in a planned and authorised way</p>	<p>A disposal plan has been developed and implemented.</p> <p>Records are retained and disposed of in accordance with an approved disposal schedule.</p>	<p>Council does not have a disposal plan but this is on the agenda as part of continuing to improve records management (physical and digital records).</p> <p>However, Council has reduced onsite storage (container) and is in the process of finalizing the assessment and sentencing of the remainder boxes from the container.</p>
8.2	<p>Records are disposed of through an approved process.</p>	<p>Formal approved disposal form.</p>	<p>Council has:</p> <ul style="list-style-type: none"> • <i>Approval for Destruction of Records form which steps through the process for temporary records (physical and digital but excludes scanned records).</i> • <i>Approval for Destruction of Temporary Records Digitised which steps through the process for scanned records which can be destroyed.</i> <p>There is also relevant content on disposal in:</p>

Ref	Critical elements	Expected evidence	Council evidence
			<ul style="list-style-type: none"> • <i>Business Rules includes normal administration practice.</i> • <i>Section 4.6 in COR04 Records.</i>
8.3	Disposal decisions are documented, approved and retained as required.	Part of formal approved disposal form Location of where forms are captured is identified.	Council has: <ul style="list-style-type: none"> • <i>Approval for Destruction of Records form which steps through the process for temporary records (physical and digital but excludes scanned records).</i> • <i>Approval for Destruction of Temporary Records Digitised which steps through the process for scanned records which can be destroyed.</i> The forms are captured in INFORMATION MANAGEMENT – DISPOSAL – Certificates and approvals of destruction in InfoXpert.
8.4	Disposal methods are documented including how records will be disposed (physical and digital).	Part of formal approved disposal form. Approved secure destruction process to an appropriate standard is in place.	The <i>Approval for Destruction of Records</i> form contains appropriate fields covering onsite and Grace as a commercial provider. The <i>Approval for Destruction of Temporary Records Digitised</i> contains appropriate fields covering onsite and Grace as a commercial provider. Where records are stored in InfoXpert, there is a build in destruction process which satisfies the requirement for secure destruction. However, the level of secure destruction for records in Authority is not known.

No.	Findings	Risk Rating	Comment	Action	Resource and Financial Implications	Due date
1	<p>No approved records management strategic plan to drive Council's records management linked to Council's overall strategic objectives.</p> <ul style="list-style-type: none"> - A strategic plan would include an action plan with short-, medium- and longer-term deliverables which are measurable. - Lack of identification and or acknowledgment of records management objectives in Council key policies where there is expectation that this would occur. 	Medium	Records does lack direction and has meaningless KPI's. There is nothing linking all of records support documents.	Develop Strategic Plan	Within existing resource and budget	30-November-2021
2	<p>No action plan linked to records management strategic plan.</p> <ul style="list-style-type: none"> - Although some progress has been made, the only records related KPI is not meaningful as appears to be ad hoc which is understandable as not linked to objectives translated into a set of agreed deliverables with timeframes and responsible offer/s, in an action plan. - Limited monitoring of staff records management practice due to resourcing. - Records in onsite and offsite storage are often retained for longer than necessary due to the lack of a disposal plan which would usually be a deliverable under an action plan. 	Low	No action plan to follow when doing records. An action plan would provide clear KPI's.	Develop action plan	Within existing resource and budget	31-March-2022
3	<p>No formalised records management training program covering all stages.</p> <ul style="list-style-type: none"> - An induction program exists but there needs to be better alignment between related documents (guideline to agenda for instance). - No refresher training program currently in place to ensure staff are up-to-date with changes in records management practices, system changes etc. - Tailored training on sub-folder creation is provided on a as needed basis with limited follow-up due to resourcing. 	Low	Although the documentation is not in place, some training is carried out. New staff are given training. If current staff need help, they are offered one on one training.	Develop Training Program	Within existing resource and budget	31-March-2022

4	<p>Potential issues with the registration and ongoing management of records</p> <ul style="list-style-type: none"> - Physical records are not registered in an approved business system. <p>Two business systems are in use to register and manage digital records (InfoXpert and Authority), however neither is used to register physical records which is done in an Excel spreadsheet.</p> <p>There is a genuine misunderstanding of InfoXpert and its ability to register and manage physical records. This issue has been identified elsewhere and seems to relate to a misunderstanding that an EDRMS is not only for registering digital records and capturing digital documents but should also be used to register physical records.</p> <p>Lack of awareness/understanding of where else Council's records may be captured as in other business systems such as GIS, asset management etc. No approved list of business systems for capturing digital records.</p>	Medium	Issues are addressed in the recommendations below. Completing a number of the items below will address the issues here.	See Below Recommendations	See Below Recommendations	31 March 2022
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No.	Recommendation	Risk Rating	Comment	Action	Resource and Financial Implications	Due date
1	Physical records should be registered in InfoXpert in the same way as folders are created for digital documents a part of business-as-usual (BAU).	Low	Currently physical records are recorded in a spreadsheet and saved in info.	Investigate infoxpert capability to register physical documents.	NIL	14 November 2021

2	Identify high risk and long retention physical records and register in InfoXpert over the next 6 months.	Low	Would require Council to resolve the Cartons and Files that are missing data in Grace. 631 Cartons currently held at Grace and only approx. 8% of the content contained is known.	Complete archiving process first. Then can focus on registering hard copy documents.	The archiving tasks has been quoted at approximately \$6,000 and would require 2 staff members to attend Grace for a minimum 5 full business days. The registering of hard documents would take approx a full week. There is existing budget in the records storage budget, however this would leave no room for unexpected archiving or any further records projects.	31 March 2022
3	Register all physical records in InfoXpert over the next 12 months excluding those records identified in recommendation 2.	Low	Would require Council to resolve the Cartons and Files that are missing data in Grace. 631 Cartons currently held at Grace and only approx. 8% of the content contained is known.	Complete archiving process first. Then can focus on registering hard copy documents.	As above	31 August 2022
4	Carry out a cost comparison between recall and onsite assessment and offsite assessment and listing, for boxes stored at Grace where no data exists or is inadequate.	Low	Cost comparison completed. Currently GRACE are unable to accommodate such a large project until they have moved to their new facility in March 2022. In the interim, boxes will need to be brought to the Council office for inspection. However, there is very limited space for such a project and will delay the project significantly.	Batches of 10 cartons at a time will be requested and processed as time permits.	An onsite assessment costs approx \$7.00 per carton and an offsite assessment costs approx \$8.50.	Completed

5	Develop a disposal plan with timeframes within 6 months to identify records which have met or exceeded their retention with stage 1 covering high volume, low risk records such as finance, pre start and other routine safety forms. Stage 2 onwards based on volume and risk.	Low	No disposal has been conducted since the records management position was removed. Council in general does not have a significantly high number of documents.	Develop disposal plan	Within existing resource and budget	31 March 2022
6	No zip files should be allowed to be captured in InfoXpert and if any currently exist, the files should be all unpacked and documents saved individually into correct folder and sub-folder.	Low	Investigations found that although you can upload zip files into infoxpert, the system will automatically expand the files to the server. Hence there are no zip files saved in infoxpert.	Completed	NIL	Completed
7	Business rules need to provide guidance to reduce the risks around overloading of one function/activity because of current practice of dumping documents into the one activity instead of being separated out into the multiple activities for a particular function.	Low	Business rules are developed and in place but not well known, needs to be captured in the records management strategic plan.	Include business rules in records management strategic plan.	Within existing resource and budget	30 November 2021
8	Review current resourcing and supplement as required, to address current issues/gaps and ensure progress is ongoing.	Medium	Records management is incorporated into the Policy and Governance Program Leader role and can only focus on essential records management items such as weekly audits, training new staff and doing helpdesks. Other important records management items such as archiving, disposing, refresher courses, upkeeping record associated plans and documents are either not completed or are over due.	A temporary position has been created - Records and Project Officer. This position has already been placed at capacity with other projects and records management is competing with other priorities.	Within existing budget	Completed
9	Protection at a document level in InfoXpert should be investigated and implemented as required for high risk (privacy and confidentiality related) records.	Medium	Security matrix is currently not up to date, however all Council operates on an open knowledge basis and only strict confidential documents such as HR, ect are locked down. All necessary documents are lockdown.	Finalise security matric and include in strategic plan	Within existing resource and budget	30 November 2021
10	Staff who can access documents in InfoXpert via the V:/ drive should be formally identified and approved, as part of improved security business practice.	Low	All staff can access – only particular staff know how to utilise. Staff to be recorded in security matrix. Weekly audits pick up any errors that could occur.	Finalise security matric and include in strategic plan	Within existing resource and budget	30 November 2021

11	Work with business owner and IT to Identify where else records are created/captured in other business systems and review as to any associated risks particularly those with permanent and long retentions including identifying how to minimise any risks.	Medium	Create simple document that shows what documents are saved where.	Create document and include in strategic plan	Within existing resource and budget	30 November 2021
12	Identify and list all records management tools in one key resource including a diagram showing relationships between each of the tools. A one-line explanation of what each tool is about. May take the form of a table which would help identify any gaps, overlaps or duplications.	Low	Create simple document.	Create document and include in strategic plan	Within existing resource and budget	30 November 2021
13	Review and update current business process in terms of retaining and disposing cardholder data to ensure meets specific requirements under PCI DSS.	Low	Process was significantly investigated when the process was implemented.	Confirm investigation outcome	Within existing resource and budget	30 November 2021



RMAC REPORT

Agenda Item Number:	8.3
Report Title:	Meeting Schedule and Workplan
Author:	Rebecca Taylor, Policy & Governance Program Leader
Recommending Officer:	Arun Dias, General Manager Business Excellence
Meeting Date:	26/10/2021
Attachments:	Nil

Executive Summary

This report presents the proposed RMAC meeting schedule and workplan for 2022.

Recommendation

THAT RMAC endorse the meeting schedule and workplan for 2022.

Background

In accordance with the FIN09 Risk Management and Audit Committee policy, RMAC monitors the integrity of the annual financial statements and the annual report, review internal controls and risk management systems and monitor internal and external audits.

The policy also requires the committee to meet quarterly and allow for at least once a year for the committee to meet with Council's external auditor without management present.

The below table presents the proposed meeting schedule and workplan for 2022, meeting all necessary requirements.

23 February 2022 10.00 am	<ul style="list-style-type: none"> • Review Council response to auditor’s management letter • Review progress on internal audit action plans • Review risk register • FIN14 Investment Policy
25 May 2022 10.00am	<ul style="list-style-type: none"> • Review progress on internal audit action plans • Review annual external audit plan • Review 3 year internal audit plan
31 Aug 2022 10.00 am	<ul style="list-style-type: none"> • Review progress on internal audit action plans • Receive interim audit letter • Review risk register
26 October 2022 10.00 am This meeting date is subject to change due to timing of delivery of audit and annual report.	<ul style="list-style-type: none"> • Review 2021/2022 financial statements • Review Council response to auditor’s interim management letter • Review 2021/2022 Annual Report compared with the Municipal Plan

Links with Strategic Plan

A Well-Run Council - Good Governance

Legislative and Policy Implications

In accordance with the FIN09 Risk Management and Audit Committee policy.

Risks



Financial Implications

N/A

Community Engagement

N/A



RMAC REPORT

Agenda Item Number:	8.4
Report Title:	PACMan Committee Minutes
Author:	Alana Rosse, Executive Assistant to General Manager Infrastructure and Operations
Recommending Officer:	Leon Kruger, General Manager Infrastructure and Operations
Meeting Date:	26/10/2021
Attachments:	A: PACMan Minutes 20210826 B: PACMan Minutes 20210923

Executive Summary

The purpose of this report is to provide an update to RMAC on the Procurement, Asset Management and Capital Works Committee (PACMan).

Recommendation

THAT RMAC accept and note the minutes from the PACMan Committee meeting dated 26 August 2021 and 23 September 2021.

Background

The PACMan Committee meeting minutes, held on 26 August 2021 are presented at Attachment A. The PACMan Committee meeting minutes, held on 23 September 2021 are presented at Attachment B.

Links with Strategic Plan

A Well-Run Council - Good Governance

Legislative and Policy Implications

Nil

Risks



Financial Implications

Nil

Community Engagement

N/A



PROCUREMENT | ASSET MANAGEMENT | CAPITAL WORKS MANAGEMENT COMMITTEE

Minutes of Meeting**held in the Council Chambers Meeting Room, Litchfield**

Leon Kruger

Thursday 26 August, 2021, 09.00am**General Manager Infrastructure & Operations**

Attendees: Rodney Jessup, James Morgan, Rebecca Taylor, Mark Hogan, Charissa Monteleone, Leon Kruger (Chair), Raj Jadhav

Apologies: David Jan, Bianca Hart, Bikram Poudel, Arun Dias

Minutes Taken By: Alana Rosse

ITEM**1. WELCOME****MEETING OPEN 09:00am**

1.1. Apologies

1.2. Confirmation of Previous Minutes

Group accepted previous minutes

1.3. Status update of outstanding actions

Actions List Reviewed & Updated

- **ACTION:** Updating of project plan and forms
- Rodney highlighted that Local Buy is giving a warning for single purchases stating procurement policy doesn't allow single quotes.
- Contractor feedback around Local Buy hasn't been positive.
- **ACTION:** More research and quote tests need to be done around Local Buy.
- **ACTION:** Arrange presentation from Sheridan Rose on step-by-step processes for Local Buy platform.

2. CAPITAL WORKS

2.1. Program of Works

2.1.1. Current status of programs

- No major updates in this space

- Guy Creek Rd highlighted – design not complete and additional funding likely required.

2.1.2. Project schedules

NIL

3. PROCUREMENT

3.1. KPI Reporting

3.1.1. Finance Reports

a) Split Orders

Report for July split orders presented (attached).

Group reviewed Split orders and accepted on grounds of clarification with Manager Community & Inclusion.

b) Insufficient Quotes

Report for July insufficient quotes presented (attached).

Group reviewed insufficient quotes and accepted on grounds of clarification with EA CEO.

ACTION: Senior Business Support Officer to develop a form around processes for purchasing.

c) Self-approved purchases

Group reviewed self-approved purchases for July and all required signatures were obtained. Group agreed, no further action required.

3.2. Periodic Contracts

- All contracts under control.

3.3. Upcoming Tenders

- Busy space at the moment.
- Training around tender panels being looked in to get more people on tender panels to spread the workload.

3.4. Risk Register

- RMAC meeting was held on 3rd August – no comments around Register or PACMan minutes.
- Will continue to work on risk profiles.
- No changes since last meeting.
- Asset management and inspection area still needs a lot of work in background documents.

4. ASSET MANAGEMENT

4.1. Asset Management Plan schedule

- Looking at getting council buildings asset management plans sorted but also concerned of duplications with the new building planned for next year.
- Fleet asset management plan ready for review next week.

MEETING CLOSED 9:30am



PACMAN

MEETING ACTIONS – 29 July 2021

Item Number	Action	Action Officer	STATUS
1.3	Terms of reference – update committee member grouping	EA to GM Infrastructure & Operations	Complete
2.1.1	Reassess timelines for projects due by December 2021.	Manager I&A	Complete
2.1.2	Develop project initiation forms for projects	Manager I&A	Ongoing
3.2	Finalise period contract worksheet.	Manager I&A	Ongoing
3.2	Update period contracts status'	Manager O&E	Ongoing
3.3	Tidy up 'Period Contract' & 'Upcoming Tenders' document	Manager I&A	Complete
3.4	Strategy for Asset Management	Manager I&A	Ongoing
3.5	Internal form to be done around Local Buy	Senior Business Support Officer (Infrastructure & Assets)	Complete
3.5	Local Buy Memorandum for approval	Senior Business Support Officer (Infrastructure & Assets)	Complete
4.1	Finalise formatting of AMP Schedule	Manager I&A + Asset Engineer I&O	Complete

MEETING ACTIONS – 24 June 2021

Item Number	Action	Action Officer	STATUS
2.1	Update spreadsheet with all relevant commentary and status.	Manager I&A	Complete
3.2	Review current Period Contracts and update/extend any contracts as they are due to expire on July 2.	Manager O&E	Complete
3.4	Assess controls and check for duplications. Also assess ratings and present back at next meeting with updates.	Manager I&A + Policy & Governance Program Leader	Complete
4.1	Revisit AMP document and improve layout and functionality. Suggestions to create it similar to Capital Works spreadsheet.	Manager I&A + Asset Engineer I&O	Complete
4.1	Update AMP target dates to reflect commentary timelines.	Manager I&A	Complete

UPDATED: 29/07/2021



PROCUREMENT | ASSET MANAGEMENT | CAPITAL WORKS MANAGEMENT COMMITTEE

Minutes of Meeting**held in the Council Chambers Meeting Room, Litchfield**

Leon Kruger

Thursday 23 September, 2021, 09.00am**General Manager Infrastructure & Operations**

Attendees: Rodney Jessup, Rebecca Taylor, Mark Hogan, Leon Kruger (Chair), Raj Jadhav, David Jan, Bikram Poudel, Bianca Hart

Apologies: Charissa Monteleon, Bianca Hart, James Morgan

Minutes Taken By: Alana Rosse

ITEM**1. WELCOME****MEETING OPEN 09:00am**

- 1.1. Apologies
- 1.2. Confirmation of Previous Minutes
Group accepted previous minutes
- 1.3. Status update of outstanding actions
Actions List Reviewed & Updated

2. CAPITAL WORKS

- 2.1. Program of Works
 - 2.1.1. Current status of programs
 - GMIO & MIA discussed each project and updated group on progress.
 - 2.1.2. Project Schedules
 - **ACTION:** OE to update commentary on Thorak Projects
 - GMIO noted impressive progress made to team involved.

3. PROCUREMENT

3.1. KPI Reporting

3.1.1. Finance Reports

a) Split Orders

Report for August split orders presented (attached).

Group reviewed Split orders and group agreed no further action required.

b) Insufficient Quotes

Report for August insufficient quotes presented (attached).

Group reviewed insufficient Quotes and group agreed no further action required.

c) Self-approved purchases

Group reviewed self-approved purchases for August and all required signatures were obtained. Group agreed, no further action required.

3.2. Periodic Contracts

- All okay

3.3. Upcoming Tenders

- Need to get Waste Transfer station on tender for next year.

3.4. Risk Register

- Assessed all registers for RP15
3 inadequate, 8 adequate and 1 excellent
- Downgraded 2 excellent to adequate
- No new controls to add in

4. ASSET MANAGEMENT

4.1. Asset Management Plan schedule

- Plan has been updated for September
- Have created a new team to help develop and implement the ASM more efficiently
- Bikram discussed all projects/programs and updated the group
- Working on synching authority with spreadsheet for ASM for live updates and save double handling.
- Fleet AMP nearly finalised – will present to ELT 18 October

MEETING CLOSED 9:42am



PACMAN

MEETING ACTIONS – 26 August 2021

Item Number	Action	Action Officer	STATUS
1.3	Updating of project plans & forms	Manager I&A	Implemented
1.3	Conduct further tests and research around Local Buy platform to determine if it is beneficial for LC.	Manager I&A & Senior Business Support Officer (Infrastructure & Assets)	Ongoing
1.3	Arrange presentation from Sheridan Rose on step-by-step processes for Local Buy platform.	EA GMIO	Ongoing
3.1.1	Develop procedures form around purchasing and quotes for GMIO review and distribution to I&O team.	Senior Business Support Officer (Infrastructure & Assets)	Ongoing

MEETING ACTIONS – 29 July 2021

Item Number	Action	Action Officer	STATUS
1.3	Terms of reference – update committee member grouping	EA to GM Infrastructure & Operations	Complete
2.1.1	Reassess timelines for projects due by December 2021.	Manager I&A	Complete
2.1.2	Develop project initiation forms for projects	Manager I&A	Complete
3.2	Finalise period contract worksheet.	Manager I&A	complete
3.2	Update period contracts status'	Manager O&E	complete
3.3	Tidy up 'Period Contract' & 'Upcoming Tenders' document	Manager I&A	Complete
3.4	Strategy for Asset Management	Manager I&A	Ongoing
3.5	Internal form to be done around Local Buy	Senior Business Support Officer (Infrastructure & Assets)	Complete
3.5	Local Buy Memorandum for approval	Senior Business Support Officer (Infrastructure & Assets)	Complete
4.1	Finalise formatting of AMP Schedule	Manager I&A + Asset Engineer I&O	Complete

UPDATED: 26/08/2021

9. Other Business

10. Confidential Items

11. Close of Meeting