



# **AGENDA**

## **Risk Management & Audit Committee Meeting**

**Friday, 21 April 2023**

**I hereby give notice that a Risk Management & Audit Committee Meeting will be held on:**

**Date: Friday, 21 April 2023**

**Time: 9:00 AM**

**Location: Council Chambers Darrandirra  
Level 1, Civic Centre  
Harry Chan Avenue, Darwin**

**Webcasting:**

**Simone Saunders  
Chief Executive Officer**

## **RISK MANAGEMENT & AUDIT COMMITTEE MEMBERS**

Chair Roland Chin  
Councillor Jimmy Bouhoris  
Councillor Brian O'Gallagher  
Councillor Morgan Rickard  
Member Sanja Hill  
Member Ninad Sinkar  
Member Shane Smith

## **OFFICERS**

Chief Executive Officer, Simone Saunders  
General Manager Corporate, Steve Thacker  
General Manager Innovation, Alice Percy  
Executive Manager Corporate & Customer Service, Chris Kelly  
Executive Manager Environment and Waste Services, Nick Fewster  
Executive Manager Finance, Irene Frazis  
Executive Manager HR and Safety, Alexandra Vereker

**Order Of Business**

<b>1</b>	<b>Meeting Declared Open and Acknowledgement of Country.....</b>	<b>5</b>
<b>2</b>	<b>Apologies and Leave of Absence .....</b>	<b>5</b>
<b>3</b>	<b>Electronic Meeting Attendance.....</b>	<b>5</b>
<b>4</b>	<b>Declaration of Interest of Members and Staff .....</b>	<b>5</b>
<b>5</b>	<b>Confirmation of Previous Minutes .....</b>	<b>6</b>
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6.2	Review of Investment Policy.....	32
6.3	Monthly Financial Reports: January / February 2023 .....	55
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<b>9</b>	<b>Closure of Meeting to the Public .....</b>	<b>87</b>





**1 MEETING DECLARED OPEN AND ACKNOWLEDGEMENT OF COUNTRY****2 APOLOGIES AND LEAVE OF ABSENCE****2.1 Apologies**

THAT the apology from Member [Enter name](#), be received.

**2.2 Leave of Absence Granted****2.3 Leave of Absence Requested****3 ELECTRONIC MEETING ATTENDANCE****3.1 Electronic Meeting Attendance Granted**

THAT the Committee note that pursuant to Section 98 (3) of the Local Government Act, the following member(s) was granted permission for Electronic Meeting Attendance at this Risk Management and Audit Committee Meeting, 21 April 2023:

- Member Ninad Sinkar

**3.2 Electronic Meeting Attendance Requested****4 DECLARATION OF INTEREST OF MEMBERS AND STAFF**

Member Shane Smith made the following Declarations

- Mr Shane Smith – in his role as Commercial Manager of Gold Medal Services, a Director of Territory Tarmac Rally and an Executive Director of Assurance Advisory (23/10/20)
- Mr Shane Smith Director of Territory Tarmac Rally, an event which will require engagement and support from City of Darwin. (27/11/20)
- Mr Shane Smith advised that he is no longer an Executive Director of Assurance Advisory. (27/11/20).

Member Roland Chin made the following Declarations (administratively updated 16/02/23):

- Treasurer of St John Ambulance Australia(NT) Inc.; Director of SJA (NT) Endowment Company Pty Ltd as trustee for The St John Ambulance (NT) Endowment Trust; Director of St John Ambulance Australia NT Holdings Pty Ltd; St John Ambulance Australia Ltd – Finance, Audit & Risk subcommittee.
- President of Chung Wah Society Inc.

- C. Northern Territory General Practice Education Ltd – Finance and Audit Committee
- D. Chair of Audit and Risk Committee of Venture Housing Company Limited
- E. Chair of Audit, Risk and Compliance Committee of Charles Darwin University
- F. Tiwi Land Council Audit Committee

Alderman Jimmy Bouhoris made the following Declarations (25/06/21):

- A. Any items relating to PowerWater.

Member Sanja Hill advised of the following representations (21/10/22):

- A. Currently providing advisory services to NTG, YMCA and MACC.

## **5 CONFIRMATION OF PREVIOUS MINUTES**

Risk Management & Audit Committee Meeting - 24 February 2023

## 6 ACTION REPORTS

### 6.1 RISK REVIEW AND ASSESSMENT - APRIL 2023

**Author:** Senior Risk and Assurance Advisor  
Manager Emergency Planning and Security

**Authoriser:** Executive Manager Corporate and Customer Services

**Attachments:** 1. Risk Heatmap Report - Operational (Summary) [↓](#)  
2. Risk Heatmap Report - ECM Project [↓](#)

#### RECOMMENDATIONS

1. THAT the report entitled Risk Review and Assessment April 2023 be received and noted.

#### PURPOSE

The purpose of this report is to provide an update to the Risk Management and Audit Committee (RMAC) on Council's Risk Management environment, including progress on the implementation of the CAMMS system.

#### KEY ISSUES

- Key risk areas have undertaken a full risk review for the March period and are aligned to the formal Camms review cycle.
- A small number of within appetite risks have not been reviewed in the March period and will be completed in conjunction with their next formal review cycle.
- There are no updates within the area of Strategic Risk. A copy of the register with updated comments will be presented at the October meeting.
- Several workshops have been scheduled to continue work on the development of the Operational Risk Register for the upcoming quarter. Key areas include Finance, Stores, Workshop, and Infrastructure.
- A risk register for the ECM Project is presented to the Committee as an example of Project Risk register work.
- Project risk workshops are scheduled for the next four major capital works projects with completion of these registers due by the end of June 2023.
- System notifications have been switched on for Audit, Risk, and Compliance.
- Emergency Management and Security is prioritising work on business continuity planning across the organisation and is prioritising support for Library Services to reduce the risks associated with anti-social behaviour.

## DISCUSSION

At the previous RMAC meeting held in February 2023, the Committee was provided an update on the implementation of the CAMMS Enterprise Risk Management System, encompassing modules for the management of Council's risk register, audit programs, incidents, and compliance requirements.

### City of Darwin Risk Registers

Since the last meeting of the Committee, work has been undertaken on each of the risk areas, aligning risk reporting schedules to the risk review frequencies determined by the residual risk rating. Key risk areas have undertaken a full risk review for the March period and are now aligned to the new review cycle.

A small number of very low, low, and medium-rated risks were reviewed informally for the March reporting period, with priority being given to completing the out of appetite high and extreme rated risks within the work areas. These informally reviewed risks are currently within appetite against their risk category and will be reviewed comprehensively ahead of the next review cycle.

### **Strategic Risk**

There have been no significant updates to the Strategic Risk Register since the last meeting of the Committee. Work is ongoing against the existing risk actions, and a copy of the register will be presented at the committee meeting in October, after the low and medium risks have completed their next review cycle.

### **Operational Risk**

The focus over the last two months has been aligning the Operational Risk Register with the relevant review cycles and conducting an educative piece on the City of Darwin Risk Framework and review process with key stakeholders, including the preparation of guidance documents.

A summary of the Operational Risk Register is provided as **Attachment 1** to this report.

Work has been undertaken on a risk roadmap, identifying which key areas across the organisation are to be prioritised for risk register development. At present, 14 operational risk workshops have been scheduled between mid-April and the end of June covering areas such as Finance, Stores, Workshop, and Infrastructure. Additional workshops for Buildings and Facilities, Civil Infrastructure, and Emergency Planning and Security are also expected to be scheduled for completion within this same period.

### **Project Risk**

The Project Risk Register has seen some development since the last meeting of the Committee, with a completed register for the ECM Upgrade Project now loaded into Camms and ready for reporting against. This has been provided as **Attachment 2** to this report.

Additionally, another eight workshops have been scheduled with responsible officers for the preparation of another four project risk registers. It is anticipated that the Casuarina Aquatic and Leisure Centre register will be completed in April, with the Civic Centre Redevelopment register to be completed in May, and two major projects for Shoal Bay Waste Management Facility due for completion by the end of June.

### CAMMS Modules

As previously advised to the Committee, implementation of the Strategy, Risk, Audit, Incident and Compliance modules are now complete. The focus leading up to this meeting was to implement workflows and create accountability mechanisms for the completion of tasks within the Audit, Risk, and Compliance modules. This has been completed in full, and notifications have now been switched on for Audit, Risk, and Compliance. Responsible officers have been advised of their responsibilities within these systems, and guidance docs have been prepared.

User training for Incident was rolled out to Libraries, Customer Service, and the HR and Safety teams in November 2022. Supervisor training was unfortunately delayed due to unforeseen

circumstances and is now on hold pending resourcing within the Work Health and Safety team.

No further updates are available for the Inspection and Induction modules since the previous meeting. The admin training and system configuration for these modules was underway from the end of 2021, however, has since been placed on hold while the rollout of other modules was prioritised. Additionally, there are configuration updates expected for these modules with the implementation of the incoming WHS Framework, and there is the risk that rollout of these modules in their current format may not align with the Framework. As such they will remain on hold until the Framework is ready, and resources can be allocated to reviewing the configuration of these modules.

#### Emergency Management

Emergency Planning and Security is prioritising work on business continuity planning across each hub within City of Darwin and is prioritising support for Library Services to reduce the risks associated with antisocial behaviour; noting at times this behaviour can expose staff to occupational violence in the form of abuse. EM&S is promoting continuous improvement coordinating an internal review of the duress systems at Libraries and Customer Service along with a review of verbal and physical de-escalation strategies. This work is supported by a review in the CCTV management framework which will be presented to Council for approval in coming weeks.

#### **PREVIOUS COUNCIL RESOLUTION**

N/A

<b>STRATEGIC PLAN ALIGNMENT</b>	6 Governance Framework 6.3 Decision Making and Management
<b>BUDGET / FINANCIAL / RESOURCE IMPLICATIONS</b>	N/A
<b>LEGISLATION / POLICY CONTROLS OR IMPACTS</b>	N/A
<b>CONSULTATION, ENGAGEMENT &amp; COMMUNICATION</b>	N/A
<b>DECLARATION OF INTEREST</b>	<p>The report author does not have a conflict of interest in relation to this matter.</p> <p>The report authoriser does not have a conflict of interest in relation to this matter.</p> <p>If a conflict of interest exists, staff will not act in the matter, except as authorised by the CEO or Council (as the case requires).</p>

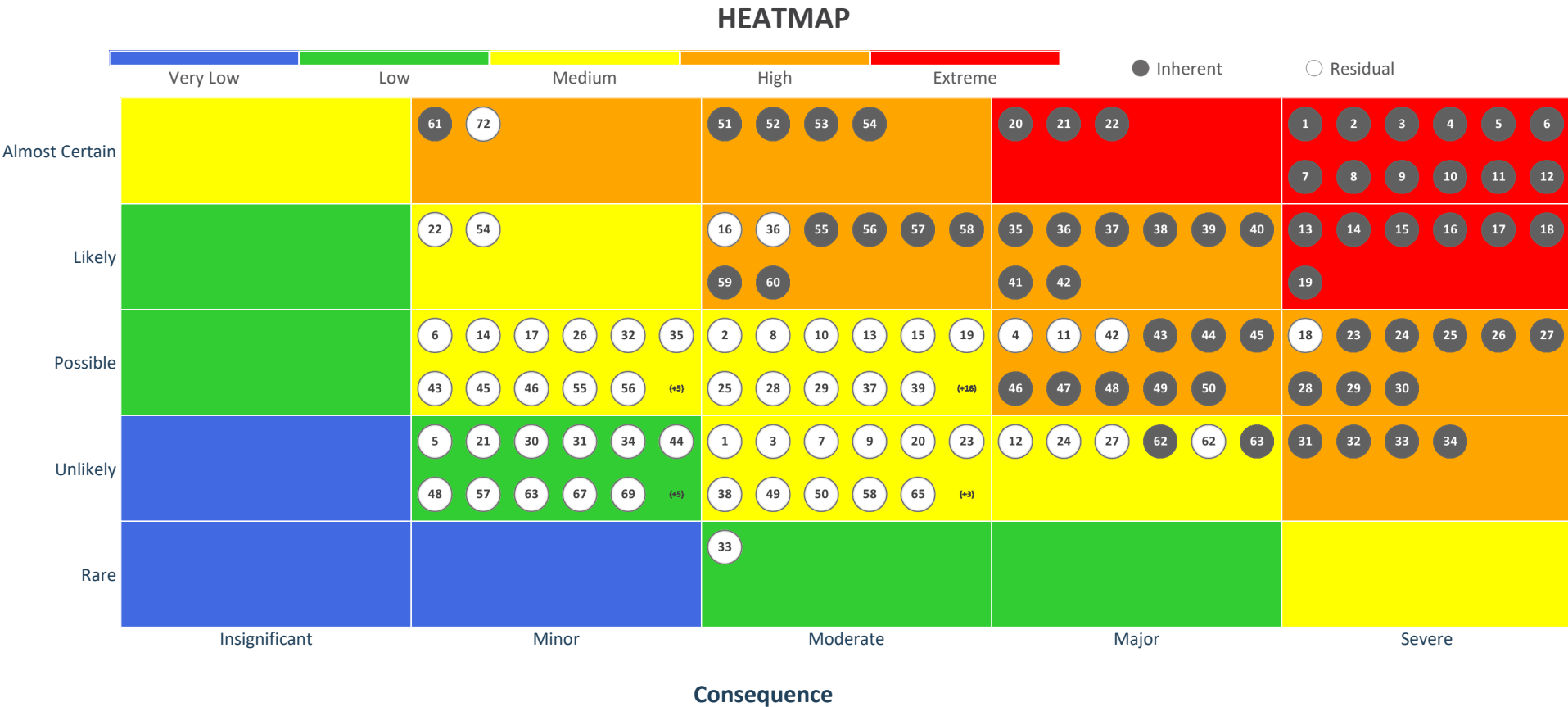


# Heatmap Report

City of Darwin

camms**risk**

Print Date: 11-Apr-2023



**Additional overflowing risks denoted by the (+) icon:**

Minor x Possible	OR - 80, OR - 78, OR - 75, OR - 81, OR - 50
Minor x Unlikely	OR - 84, OR - 81, OR - 2, OR - 2, OR - 74
Moderate x Possible	OR - 56, OR - 58, OR - 24, OR - 13, OR - 39, OR - 20, OR - 78, OR - 23, OR - 21, OR - 22, OR - 76, OR - 83, OR - 74, OR - 75, OR - 54, OR - 86
Moderate x Unlikely	OR - 76, OR - 84, OR - 21



## RISK SUMMARY

### ICT SERVICES

No.	Risk Title	Inherent	Residual	Trend
11	OR - 87 - Information held by City of Darwin not secured	Extreme	High	
12	OR - 88 - Cyber Attack: Malware, ransom-ware, hacking, DOS attacks, internal and external threats	Extreme	Medium	
7	OR - 89 - Fraud using ICT systems	Extreme	Medium	
38	OR - 90 - Inadequate staff education in ICT	High	Medium	
10	OR - 91 - Aged ICT infrastructure and software	Extreme	Medium	
62	OR - 92 - ICT resourcing and education	Medium	Medium	
24	OR - 93 - ICT Disaster Recovery	High	Medium	

### INNOVATION AND INFORMATION SERVICES

No.	Risk Title	Inherent	Residual	Trend
27	OR - 18 - Mismanagement of personal information	High	Medium	
58	OR - 19 - Non-compliance with FOI process	High	Medium	
59	OR - 20 - Mismanagement of privacy issues associated with CCTV infrastructure	High	Medium	

### OPERATIONS

No.	Risk Title	Inherent	Residual	Trend
57	OR - 1 - Accurate cost capture	High	Low	↓
75	OR - 2 - Inadequate corporate systems	Low	Low	↓
1	OR - 3 - Process for staff to have appropriate competencies and qualification	Extreme	Medium	↓
20	OR - 4 - Insufficient policies and procedures in operational areas	Extreme	Medium	↓
2	OR - 5 - Ageing workforce	Extreme	Medium	↓

No.	Risk Title	Inherent	Residual	Trend
21	OR - 7 - Unable to recruit and retain qualified specialist staff	Extreme	Low	↓
3	OR - 8 - Security of Operations Centre	Extreme	Medium	↓

## PROCUREMENT

No.	Risk Title	Inherent	Residual	Trend
66	OR - 21 - Inaccurate procurement needs analysis	Medium	Medium	
67	OR - 22 - Inadequate Vendor Selection and Management	Medium	Low	
65	OR - 23 - Emergency Supply Chain Management	Medium	Medium	
51	OR - 24 - Manual procurement process	High	Medium	
50	OR - 25 - Fraud and Corruption in Procurement	High	Medium	

## WASTE MANAGEMENT

No.	Risk Title	Inherent	Residual	Trend
8	OR - 9 - Regulatory non compliance with EPA obligations	Extreme	Medium	↓
5	OR - 10 - Lack of appropriate Waste Service staff	Extreme	Low	↓
6	OR - 11 - Leachate damage to the environment	Extreme	Medium	↓
31	OR - 12 - Contractor provided services	High	Low	↓
52	OR - 13 - Traffic management	High	Medium	↔
28	OR - 14 - Site Safety	High	Medium	↔
9	OR - 15 - Adequate waste storage capacity	Extreme	Medium	↓
56	OR - 16 - Waste being received that is outside of EPL	High	Medium	↓
4	OR - 17 - Fire at SBWMF	Extreme	High	
40	OR - 86 - Lightning Strike	High	Medium	
29	OR - 94 - Financially unsustainable operation at SBWMF	High	Medium	
23	OR - 95 - Emergency Waste Management	High	Medium	

## WORK HEALTH AND SAFETY

No.	Risk Title	Inherent	Residual	Trend
26	OR - 37 - Incident Management	High	Medium	
17	OR - 38 - Notifiable Incidents	Extreme	Medium	
53	OR - 39 - Work Health and Safety Induction	High	Medium	
54	OR - 40 - Work Health and Safety Training and Development	High	Medium	
25	OR - 43 - High Risk Construction Activities (require SWMS)	High	Medium	
36	OR - 44 - Contractor Management	High	High	
16	OR - 45 - WHS Risk Management	Extreme	High	

No.	Risk Title	Inherent	Residual	Trend
39	OR - 46 - WHS Strategic Management	High	Medium	
19	OR - 47 - CEO and Executive WHS Due Diligence	Extreme	Medium	
18	OR - 48 - WHS Legislative Compliance	Extreme	High	
42	OR - 49 - WHS Responsibilities and Accountabilities	High	High	
60	OR - 50 - WHS Consultation	High	Medium	
22	OR - 51 - WHS Resources	Extreme	Medium	
15	OR - 52 - Fitness for Work	Extreme	Medium	
13	OR - 53 - Exposure to nuisance and hazardous noise levels from work activities.	Extreme	Medium	
72	OR - 54 - First Aid	Medium	High	
14	OR - 55 - Hazardous Chemical and Dangerous Goods Management	Extreme	Medium	
41	OR - 56 - Hazardous Manual Tasks	High	Medium	
35	OR - 57 - Plant and Equipment	High	Medium	
47	OR - 58 - Chain of Responsibility - National Heavy Vehicle Legislation	High	Medium	
32	OR - 59 - Vehicle Use	High	Medium	
46	OR - 60 - Working remotely or alone	High	Medium	
43	OR - 61 - Excavation and Trenching Activities	High	Medium	
45	OR - 62 - Permit to Work and Plant and Equipment Isolation	High	Medium	
55	OR - 64 - Event Management	High	Medium	
30	OR - 65 - Electrical Safety	High	Low	
63	OR - 66 - Respirable Crystalline Silica	Medium	Low	
49	OR - 67 - Concrete Pumping	High	Medium	
34	OR - 70 - Working in the Sun and the Heat	High	Low	
44	OR - 71 - Emergency Management	High	Low	

No.	Risk Title	Inherent	Residual	Trend
37	OR - 72 - Rehabilitation and Return to Work	High	Medium	
70	OR - 74 - WHS Culture	Medium	Low	
71	OR - 75 - WHS Records Management	Medium	Medium	
68	OR - 76 - Infection Control from exposure to flora, fauna, biological hazards	Medium	Medium	
64	OR - 78 - WHS Audit, Monitoring and Review	Medium	Medium	
48	OR - 79 - Public Safety	High	Low	
61	OR - 80 - Interactions with members of the public - managing difficult customers / members of the public	High	Medium	
74	OR - 81 - Personal security and safety	Medium	Low	
33	OR - 82 - Hazardous Weather Conditions	High	Low	
69	OR - 83 - Biological Hazards and Waste	Medium	Low	
73	OR - 84 - Cash handling security	Medium	Low	



| camms**risk**

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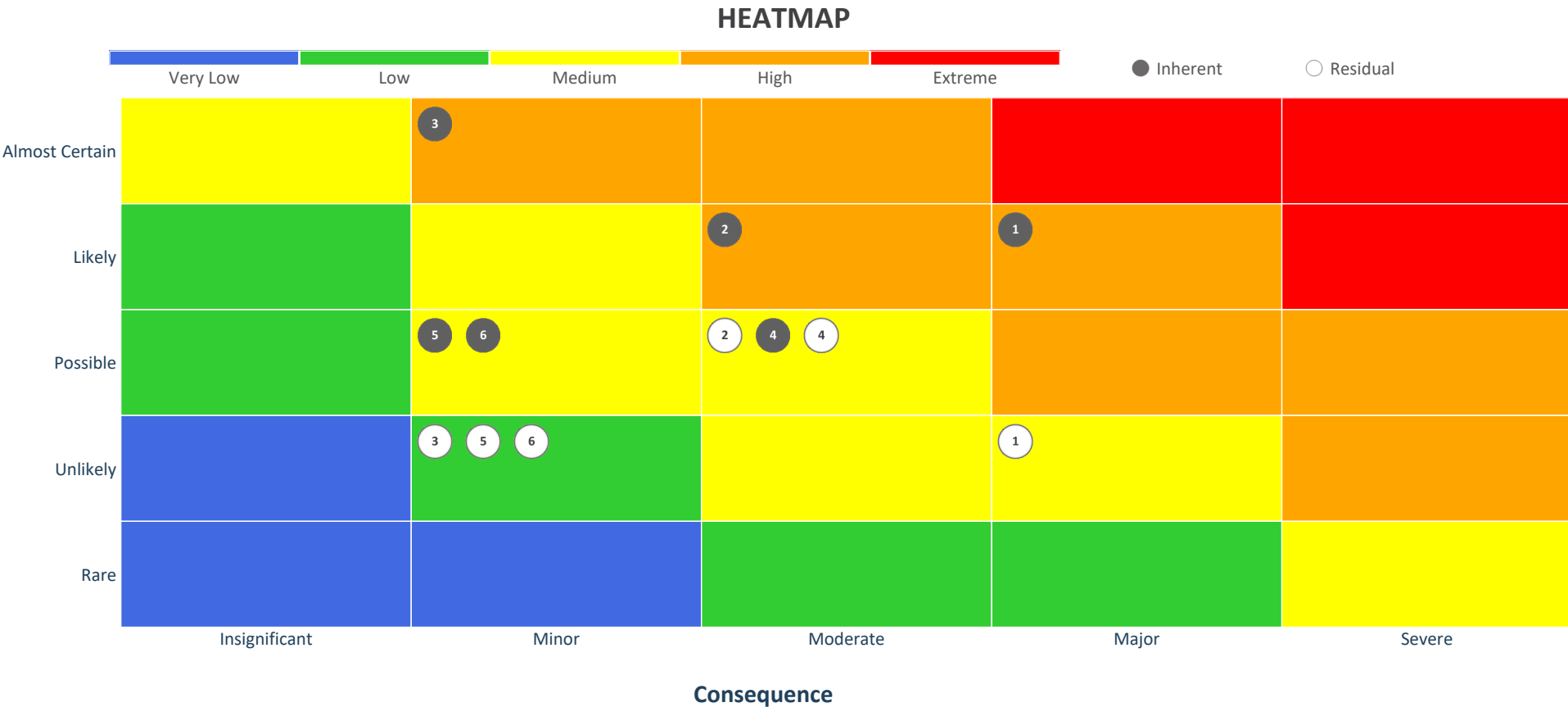


# Heatmap Report

City of Darwin

camms**risk**

Print Date: 11-Apr-2023





## RISK SUMMARY

### Project

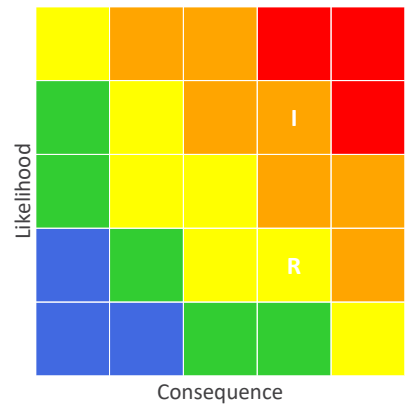
No.	Risk Title	Inherent	Residual	Trend
1	PR - 1 - Failure of new and existing technology	High	Medium	
3	PR - 2 - Communication	High	Low	
6	PR - 3 - Scope Creep	Medium	Low	
5	PR - 4 - Cost Mismanagement	Medium	Low	
4	PR - 6 - Skills/Staffing	Medium	Medium	
2	PR - 7 - Project Management	High	Medium	

RISK OVERVIEW

Project

PR - 1	Failure of new and existing technology		
Risk Category: Information Technology & Communications	Responsible person: MICHAEL DEVLIN	Last Reviewed Date:	Next Review Date: 30 Jun, 2023

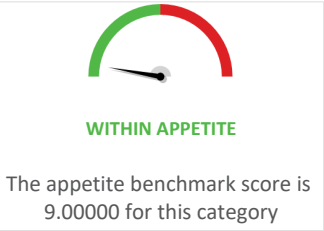
Individual Heatmap



I Inherent Risk Assessment  
R Residual Risk Assessment

Effectiveness of control	
I	N/A
R	Partially Effective

Risk Appetite



Causes

- Governance - Failure to provide adequate training and resources.
- IT - Failure to develop, maintain and test data backup, comprehensive business and IT specific disaster recovery plans
- IT - Failure to have appropriate project planning in place
- IT - Failure to keep up with digital innovation and ICT best practice
- Operational - Aged software
- Operational - Inadequate ongoing staff training
- Operational - Inadequate processes for annual reviews and staff training
- Operational - Inadequate software, infrastructure, and monitoring services
- Operational - Insufficient contract management for software
- Operational - Insufficient ongoing staff training
- Operational - Insufficient training budget for ICT
- Operational - Project plans not completed for new software and ICT systems
- Operational - Software and/or systems at end of life, not supported, or out of date
- Training - Failure to undertake appropriate staff training

Existing Risk Controls

Control Title	Control Owner	Control Owner Rating	Control Next Review Date
Risk Registers	BROOKE PRINCE	Partially Effective	30 Jun, 2023
Training records held by HR team	ALEXANDRA VEREKER	Partially Effective	30 Jun, 2023
Annual performance reviews and staff training action plans	ALEXANDRA VEREKER	Partially Effective	30 Jun, 2023
Appointment of Information Security Champion	CHRISTOPHER KELLY	Partially Effective	30 Jun, 2023
Security Operations Centre (SOC)	MICHAEL DEVLIN	Completely Effective	30 Jun, 2023
Information Security Framework	CHRISTOPHER KELLY	Partially Effective	31 Dec, 2022
City of Darwin IT Roadmap	CHRISTOPHER KELLY	Partially Effective	31 Dec, 2023
Project Management	NICHOLAS KLEINE	Partially Effective	30 Jun, 2023

Consequences

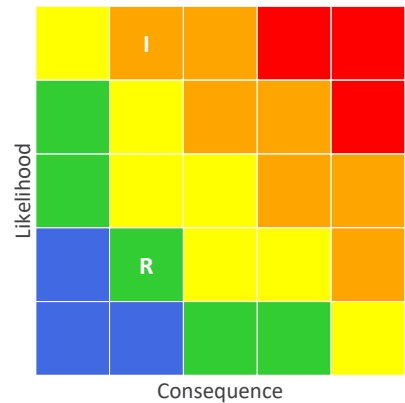
- Conflict with vendor
- Failure to meet budget
- Failure to meet KPI's/outputs of contracts
- Failure to meet timeframes
- ICT hardware failures
- ICT systems are compromised
- ICT team not able to effectively support business systems
- Inappropriate contract variations
- Increased expense for more significant ICT upgrades
- Increased risk of cyber security breaches

Risk Actions

Risk Action Title	Responsible Officer	Action Status	% Completed	End Date
Analyse system interconnections and dependencies as part of Project Management Plan	KEITH WHANNELL	In Progress	25	30 Jun, 2023
Appoint a dedicated Project Manager	STEPHEN THACKER	In Progress	10	30 May, 2023
Appoint ICT Steering Committee	CHRISTOPHER KELLY	In Progress	40	30 Apr, 2023

PR - 2Communication			
Risk Category: Reputation & Brand		Responsible person: LOUISE TAGELL	Next Review Date: 30 Sep, 2023
		Last Reviewed Date:	

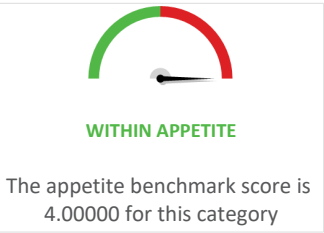
Individual Heatmap



- I Inherent Risk Assessment
- R Residual Risk Assessment

Effectiveness of control	
I	N/A
R	Partially Effective

Risk Appetite



Causes

- Governance - Failure to develop, implement, monitor and review consultation procedures
- Governance - Failure to provide adequate training and resources.
- HR - Failure to develop and maintain working relationships with staff and other representatives
- IT - Failure to have appropriate project planning in place
- Operational - Project plans not completed for new software and ICT systems

Consequences

- Change management processes become more significant
- Delayed decision making
- Disruption to services
- Insufficient education on new systems, processes, and technology in ICT space
- Reputation damage
- Unethical behaviour

Existing Risk Controls

Control Title	Control Owner	Control Owner Rating	Control Next Review Date
Risk Registers	BROOKE PRINCE	Partially Effective	30 Jun, 2023
Annual performance reviews and staff training action plans	ALEXANDRA VEREKER	Partially Effective	30 Jun, 2023
Project Management	NICHOLAS KLEINE	Partially Effective	30 Jun, 2023
Communication with internal stakeholders	LOUISE TAGELL	Partially Effective	20 Mar, 2024

Risk Actions

Risk Action Title	Responsible Officer	Action Status	% Completed	End Date
Appoint a dedicated Project Manager	STEPHEN THACKER	In Progress	10	30 May, 2023
Appoint ICT Steering Committee	CHRISTOPHER KELLY	In Progress	40	30 Apr, 2023
Develop Internal Communications Plan	LOUISE TAGELL	Not Started	0	30 Sep, 2023
Develop Training Plan	KEITH WHANNELL	Not Started	0	30 Sep, 2023

**PR - 3** Scope Creep

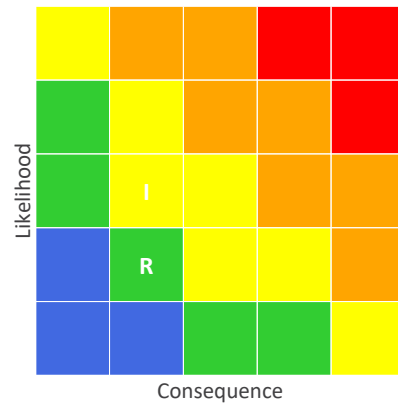
Risk Category: Information Technology &amp; Communications

Responsible person: ALICE PERCY

Last Reviewed Date:

Next Review Date: 30 Sep, 2023

## Individual Heatmap



## Effectiveness of control

I	N/A
R	Mostly Effective

## Risk Appetite



WITHIN APPETITE

The appetite benchmark score is 9.00000 for this category

## Causes

- Compliance - Failure to adequately communicate responsibilities and accountabilities to contractors.
- Compliance - Failure to hold project prestart meeting with key stakeholders
- IT - Failure to have appropriate project planning in place
- Operational - Insufficient contract management for software
- Operational - Project plans not completed for new software and ICT systems

## Consequences

- Conflict with vendor
- Disruption to services
- Failure to meet budget
- Failure to meet KPI's/outputs of contracts
- Failure to meet timeframes
- Financial loss
- ICT team not able to effectively support business systems
- Poorly designed requirements
- Reputation damage

## Existing Risk Controls

Control Title	Control Owner	Control Owner Rating	Control Next Review Date
Risk Registers	BROOKE PRINCE	Partially Effective	30 Jun, 2023
Contractual dispute process	CHRISTOPHER KELLY	Partially Effective	30 Jun, 2023
Contracts and agreements for ICT services	MICHAEL DEVLIN	Mostly Effective	30 Jun, 2023
Contractors required to follow CoD Information Act requirements	CHRISTOPHER KELLY	Mostly Effective	30 Jun, 2023
Project Management	NICHOLAS KLEINE	Partially Effective	30 Jun, 2023

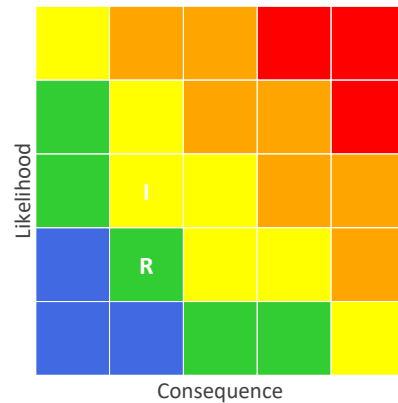
## Risk Actions

Risk Action Title	Responsible Officer	Action Status	% Completed	End Date
Analyse system interconnections and dependencies as part of Project Management Plan	KEITH WHANNELL	In Progress	25	30 Jun, 2023
Appoint a dedicated Project Manager	STEPHEN THACKER	In Progress	10	30 May, 2023
Appoint ICT Steering Committee	CHRISTOPHER KELLY	In Progress	40	30 Apr, 2023

**PR - 4** Cost Mismanagement

Risk Category: Financial	Responsible person: ALICE PERCY	Last Reviewed Date:	Next Review Date: 30 Sep, 2023
--------------------------	---------------------------------	---------------------	--------------------------------

## Individual Heatmap



**I** Inherent Risk Assessment  
**R** Residual Risk Assessment

## Effectiveness of control

<b>I</b>	N/A
<b>R</b>	Partially Effective

## Risk Appetite



WITHIN APPETITE

The appetite benchmark score is 9.00000 for this category

## Causes

- Compliance - Failure to adequately communicate responsibilities and accountabilities to contractors.
- Compliance - Failure to adequately communicate responsibilities and accountabilities.
- Compliance - Failure to hold project prestart meeting with key stakeholders
- Compliance - Failure to identify deficiencies within current processes
- Governance - Failure to develop, implement, monitor and review consultation procedures
- IT - Failure to have appropriate project planning in place
- Operational - Ineffective staff management
- Operational - Insufficient ongoing staff training
- Operational - Lack of, or insufficient ICT procedures
- Operational - Poor budget management

## Consequences

- Change management processes become more significant
- Conflict with vendor
- Delayed decision making
- Disruption to services
- Failure to meet budget
- Failure to meet KPI's/outputs of contracts
- Failure to meet timeframes
- Financial loss
- Low quality goods/services

## Existing Risk Controls

Control Title	Control Owner	Control Owner Rating	Control Next Review Date
Risk Registers	BROOKE PRINCE	Partially Effective	30 Jun, 2023
Contracts and agreements for ICT services	MICHAEL DEVLIN	Mostly Effective	30 Jun, 2023
Monthly tracking of spend against budget	RON QUINN	Partially Effective	30 Jun, 2023
Financial knowledge & budget discipline	IRENE FRAZIS	Partially Effective	30 Jun, 2023
Project Management	NICHOLAS KLEINE	Partially Effective	30 Jun, 2023

## Risk Actions

Risk Action Title	Responsible Officer	Action Status	% Completed	End Date
Appoint a dedicated Project Manager	STEPHEN THACKER	In Progress	10	30 May, 2023
Appoint ICT Steering Committee	CHRISTOPHER KELLY	In Progress	40	30 Apr, 2023

## PR - 6 Skills/Staffing

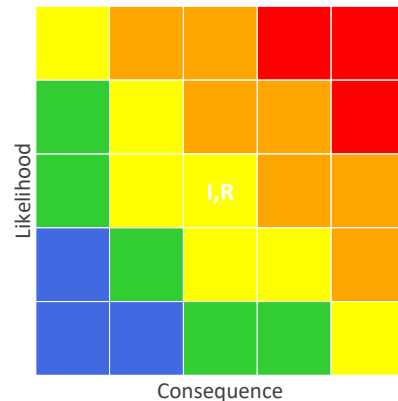
Risk Category: Operations/Service Delivery

Responsible person: STEPHEN THACKER

Last Reviewed Date:

Next Review Date: 30 Jun, 2023

## Individual Heatmap

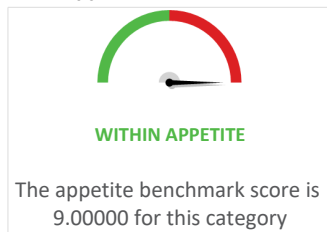


I Inherent Risk Assessment  
R Residual Risk Assessment

## Effectiveness of control

I	N/A
R	Partially Effective

## Risk Appetite



## Causes

- Governance - Failure to ensure organisational culture change and development programs are in place
- HR - Failure to develop and maintain working relationships with staff and other representatives
- HR - Failure to identify and plan to have the right people in the right jobs at the right time
- IT - Failure to have appropriate project planning in place
- Operational - Ineffective staff management
- Operational - Insufficient staff resourcing
- Operational - Insufficient succession planning
- Operational - Insufficient training budget for ICT
- Operational - Poor organisational culture
- Operational - Project plans not completed for new software and ICT systems
- Training - Failure to undertake appropriate staff training

## Consequences

- Change management processes become more significant
- Conflict with existing contracts
- Conflict with vendor
- Disruption to services
- Errors in documentation
- Failure to meet budget
- Failure to meet KPI's/outputs of contracts
- Failure to meet timeframes
- Failure to purchase goods and services required
- Financial loss
- ICT team not able to effectively support business systems
- Inappropriate contract variations
- Increased expense for more significant ICT upgrades
- Increased likelihood of data loss
- Increased risk of cyber security breaches
- Increased vulnerabilities from old software

## Existing Risk Controls

Control Title	Control Owner	Control Owner Rating	Control Next Review Date
Risk Registers	BROOKE PRINCE	Partially Effective	30 Jun, 2023
Recruitment processes have capacity to incorporate financial incentives eg: relocation costs	ALEXANDRA VEREKER	Partially Effective	30 Jun, 2023
Targeted recruitment campaign	ALEXANDRA VEREKER	Partially Effective	30 Jun, 2023
Background checks and other recruitment controls	SALLY LOWING	Partially Effective	30 Jun, 2023
Training records held by HR team	ALEXANDRA VEREKER	Partially Effective	30 Jun, 2023
Training for contractors	NICHOLAS FEWSTER	Partially Effective	30 Jun, 2023
Staff training on information management and data security	CHRISTOPHER KELLY	Partially Effective	30 Jun, 2023
Staff training in procurement processes	CHRISTOPHER KELLY	Partially Effective	30 Jun, 2023
Review the training needs analysis annually to ensure all activities conducted at CoD have adequate, appropriate and legally required training provided to workers.	ALEXANDRA VEREKER	Mostly Effective	31 Jul, 2023

## Existing Risk Controls

Control Title	Control Owner	Control Owner Rating	Control Next Review Date
Staff supervision	RON QUINN	Partially Effective	30 Jun, 2023
Annual performance reviews and staff training action plans	ALEXANDRA VEREKER	Partially Effective	30 Jun, 2023

## Risk Actions

Risk Action Title	Responsible Officer	Action Status	% Completed	End Date
Appoint a dedicated Project Manager	STEPHEN THACKER	In Progress	10	30 May, 2023
Appoint ICT Steering Committee	CHRISTOPHER KELLY	In Progress	40	30 Apr, 2023



## PR - 7 Project Management

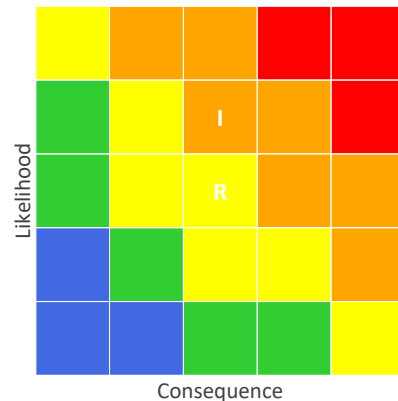
Risk Category: Information Technology &amp; Communications

Responsible person: ALICE PERCY

Last Reviewed Date:

Next Review Date: 30 Jun, 2023

## Individual Heatmap

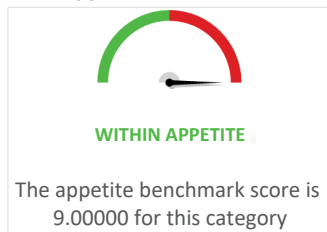


**I** Inherent Risk Assessment  
**R** Residual Risk Assessment

## Effectiveness of control

**I** N/A  
**R** Partially Effective

## Risk Appetite



## Causes

- Compliance - Failure to adequately communicate responsibilities and accountabilities to contractors.
- Compliance - Failure to adequately communicate responsibilities and accountabilities.
- Compliance - Failure to develop, manage and maintain policy, procedure and document frameworks
- Compliance - Failure to hold project prestart meeting with key stakeholders
- Compliance - Failure to identify deficiencies within current processes
- Compliance - Failure to undertake appropriate procurement
- Engagement - Failure to consult and actively engage with stakeholders
- Engagement - Failure to develop, manage and maintain strategic processes without internal consultation and buy-in
- Governance - Failure to provide adequate training and resources.
- HR - Failure to identify and plan to have the right people in the right jobs at the right time
- IT - Failure to have appropriate project planning in place
- IT - Failure to keep up with digital innovation and ICT best practice
- Operational - Inadequate financial systems and oversight
- Operational - Inadequate ongoing staff training
- Operational - Ineffective staff management
- Operational - Insufficient contract management for software
- Operational - Insufficient internal controls and governance
- Operational - Insufficient ongoing staff training
- Operational - Insufficient staff resourcing
- Operational - Ongoing legacy issues
- Operational - Poor budget management
- Operational - Project plans not completed for new software and ICT systems
- Strategic - Failure to develop, manage and maintain organisational performance linked to KPIs

## Existing Risk Controls

Control Title	Control Owner	Control Owner Rating	Control Next Review Date
Risk Registers	BROOKE PRINCE	Partially Effective	30 Jun, 2023
Project Management	NICHOLAS KLEINE	Partially Effective	30 Jun, 2023
City of Darwin IT Roadmap	CHRISTOPHER KELLY	Partially Effective	31 Dec, 2023

## Consequences

- Change management processes become more significant
- Conflict with existing contracts
- Conflict with vendor
- Delayed decision making
- Disruption to services
- Failure to meet budget
- Failure to meet KPI's/outputs of contracts
- Failure to meet timeframes
- Failure to retain documentation
- Financial loss
- ICT systems are compromised
- ICT team not able to effectively support business systems
- Inappropriate contract variations
- Increased likelihood of data loss
- Increased risk of cyber security breaches
- Increased susceptibility to spam, phishing and other digital attacks
- Increased vulnerabilities from old software
- Insufficient education on new systems, processes, and technology in ICT space
- Software is no longer supported by the vendor
- Wrong procurement method used

Risk Actions

Risk Action Title	Responsible Officer	Action Status	% Completed	End Date
Appoint a dedicated Project Manager	STEPHEN THACKER	In Progress	10	30 May, 2023
Appoint ICT Steering Committee	CHRISTOPHER KELLY	In Progress	40	30 Apr, 2023



| camms**risk**

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**6.2 REVIEW OF INVESTMENT POLICY**

**Author:** Financial Controller

**Authoriser:** General Manager Corporate

**Attachments:** 1. Draft Investment Policy - Policy 0024 (Tracked Changes) [↓](#)  
2. Investment Policy - Policy 0024 Revised [↓](#)

**RECOMMENDATIONS**

1. THAT the report entitled Review of Investment Policy be received and noted.
2. THAT the Committee recommend that Council adopts the amended *Policy 0024 – Investment Policy*.

**PURPOSE**

The purpose of this report is to provide the reviewed and updated Investment Policy to RMAC for comment.

**KEY ISSUES**

- Council's Investment Policy is due for review in April 2023.
- Council supplied a copy of the Investment Policy to Amicus Advisory for comment and recommendations.
- Amicus Advisory commented that City of Darwin's Investment policy is one of the most conservative policies for Local Governments that they have seen, and have proposed one change to the policy.
- The change proposed by Amicus Advisory relates to clause 3.6.8 regarding safe custody, where they recommend the deletion of the words "by a major bank."

**DISCUSSION**

Council's investment policy – *Policy 0024 – Investment Policy (Attachment 1)* is due to be reviewed by April 2023. Council is required to review the investment policy every twelve months.

As part of the review, City of Darwin forwarded the policy to City of Darwin's investment advisors Amicus Advisory to provide comment and recommendations on the policy.

Amicus Advisory only had one recommended change, and that related to clause 3.6.8 regarding safe custody. The recommendation was to remove the words "by a major bank." The reasoning behind this recommended change was market driven. There has been a change in the field where National Australia Bank no longer provides this service and Commonwealth Bank is participating on fewer and fewer deals. Most of Amicus's clients are transitioning to Curve Securities to have them hold the bonds for a cost of 5 basis points. For the remaining two major banks, ANZ charges 7 basis points and Westpac does not provide the service.

Amicus Advisory commented on the risk stating; *"In terms of risks, the bonds are actually held by an independent custodian not Curve (and the same with the major banks) and you still have the normal protections of the Austraclear system where the bonds are registered. We would judge the risks of having Curve hold the securities are comparable to having Laminar as your Austraclear proxy. In both cases the major risk is fraud with a rogue employee of Laminar or Curve trading the bonds in your account at an off-market price to a third party that would need to be complicit (as the trades need to match in the Austraclear system) and somehow the fraudsters managing to get the money out of the third party's account (which could be difficult). Exactly the same risk exists at a major bank, but the difference is if the fraud was substantial and wide-spread (potentially involving securities other than your own) the loss could exceed the limits of Curve or Laminar's PI insurance. However it unlikely to exceed a major bank's capacity to make you whole. These risks are very remote, but the point is, it is not a major increase in risk and not an increase in risk over having Laminar as your Austraclear proxy which was the situation for a number of years."*

Amicus Advisory also made comment that with Commonwealth Bank participating in fewer deals, they may also eventually retract their service of providing safe custody. Hence it would be prudent to have the provision in our policy to be able to move the bonds to another (non-major bank) custodian. They continued their advice to state that they still recommend that we use Commonwealth Bank where possible, and that this amendment to the policy will give us the needed flexibility going forward to participate in a greater variety of opportunities and to prepare a contingency position should Commonwealth Bank have a change of policy and withdraw their service.

Amicus Advisory stated that overall, the City of Darwin Investment Policy was one of the most conservative Local Government Investment Policies they have seen, and verbally advised that if there was appetite, they were prepared to put in writing a recommendation to extend the maximum term for BBB- and above investments to 5 years from the current 3-year term. They advised they did not include this in the proposed changes as it was raised during a previous review and there was no appetite from the Council to amend the investment timeframes. If it was deemed appropriate to make the amendment, this would increase the access that Council has to a greater number of deals, in particular floating rate notices (FRNs) that are currently offering very attractive rates of return, however most of these deals are sitting outside the 3-year term to maturity and outside the scope of the current policy. It would, however, marginally increase the risk to Council as the term to maturity would increase, but that risk is acceptable according to Amicus Advisory.

Amicus Advisory proposed no further amendments to the policy.

**PREVIOUS COUNCIL RESOLUTION**

At the 12 April 2022 meeting Council resolved [ORD172/22]:

1. THAT the report Review of Investment Policy 0024.100.E.R be received and noted. 2. THAT Council adopts the Amended Investment Policy 024.100.E.R at <b>Attachment 1</b> .	
<b>STRATEGIC PLAN ALIGNMENT</b>	6 Governance Framework 6.4 Accountability
<b>BUDGET / FINANCIAL / RESOURCE IMPLICATIONS</b>	N/A
<b>LEGISLATION / POLICY CONTROLS OR IMPACTS</b>	<p>The <i>Local Government Act 2019</i>, section 194, sets out the requirements in relation to investments of money. The <i>Act</i> provides Council may, by resolution, adopt a policy for investing money that is consistent with the <i>Act</i> and <i>Guidelines</i>.</p> <p><i>Guideline 4 – Investments</i>, was repealed on 1 July 2021 and at this stage the Minister has not issued a new <i>Guideline</i>. Most of the requirements in the current policy are still based on the requirements from the repealed guideline including but not limited to; mandatory conditions, prohibited investments, investment limits and approved investments.</p>
<b>CONSULTATION, ENGAGEMENT &amp; COMMUNICATION</b>	Amicus Advisory
<b>DECLARATION OF INTEREST</b>	<p>The report author does not have a conflict of interest in relation to this matter.</p> <p>The report authoriser does not have a conflict of interest in relation to this matter.</p> <p>If a conflict of interest exists, staff will not act in the matter, except as authorised by the CEO or Council (as the case requires).</p>



# INVESTMENT POLICY

## No. 0024.100.E.R

GOVERNANCE

### 1 PURPOSE

The Investment Policy establishes the rules City of Darwin adopts in investing funds not required to meet immediate liquidity needs with the exception of trust funds.

This policy is supplemented by Investment Procedures, which are not required to be adopted by Council. The procedures form part of Council's internal controls.

### 2 SCOPE

To invest Council's funds with consideration of risk and at the most favourable rate of return available to it at the time for the investment type. While exercising the power to invest, consideration is to be given to preservation of capital, liquidity and the return on investment.

Primary objectives of the policy are to:

- ensure the investment portfolio is structured to provide sufficient liquidity to meet all reasonably anticipated cash flow requirements
- minimise risk of capital losses through prudent management of credit risk, diversification of investments and ensuring investments do not need to be sold in adverse market conditions incurring a capital loss on sale
- earn interest
- ensure that funds are invested in accordance with legislative requirements
- identify the range of approved and prohibited investments
- set boundaries for exposure to the risks associated with investments
- ensure that Council maintains adequate control of its investments
- establish a framework for monitoring investments
- meet, or exceed, an agreed benchmark return appropriate to the risk tolerance of Council on a long-term basis.

Section 194 of the *Local Government Act 2019* (NT) sets out the requirements of Council with respect to an Investments Policy. Specifically, Council may by resolution, adopt a policy for investing money that is consistent with this Act and the Minister's Guidelines

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## INVESTMENT POLICY 0024.100.E.R

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**3 POLICY STATEMENT****3.1 Legislative Framework****3.1.1 Local Government Act**

Section 194(1) of the *Local Government Act 2019* (NT) states that 'a council may invest money not immediately required for the purposes of the Council'.

**3.1.2 Local Government Investment Guidelines**

Section 194(3) of the *Local Government Act 2019* (NT) states that 'a Council may, by resolution, adopt a policy that is consistent with this Act and the Ministers Guidelines'.

**3.1.3 Delegation of Authority**

In accordance with Section 40(2) of the *Local Government Act 2019* (NT) Council has delegated the authority for implementation of the Investment Policy to the Chief Executive Officer.

In accordance with Section 168 of the *Local Government Act 2019* (NT) the Chief Executive Officer has delegated implementation and management of the Investment Policy, subject to financial limits, to the Chief Financial Officer.

This policy is however subject to any instrument of delegation or variation thereto issued from time to time by the Council or Chief Executive Officer.

**3.1.4 Prudent Person Rule**

The Prudent Person Rule requires officers to exercise the same care, diligence and skill that a prudent person would exercise in managing the affairs of other persons. Acting prudently applies to selecting investments and requires an individual to consider diversification, appropriateness of the product, risk and anticipated return, liquidity, independent financial advice and to have a clear understanding of the product. Under no circumstances, must an individual make an investment for speculative purposes.

**3.1.5 Ethics and Conflicts of Interest**

Officers shall refrain from personal activities that would conflict with the proper execution and management of Council's investment portfolio. This policy requires officers to disclose any conflict of interest to the Chief Executive Officer.

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**3.2 Authorised Investments****3.2.1 Approved Investments**

Investments are limited to the NT Local Government legal and regulatory requirements including the Minister's Guidelines. If there is any conflict or contradiction between this policy and the legal requirements the legal requirements must prevail. The policy should be amended as soon as practicable after noting that a conflict or contradiction exists.

In addition to the legal requirements and without approval by specific resolution of Council investments are limited to:

- Local/State/Commonwealth Government Bonds, Debentures or Securities
- interest bearing securities issued by an Australian Prudential Regulation Authority, regulated authorised deposit taking institution.

All investments are subject to the Investment Limits stated in this policy.

**3.2.2 Mandatory Conditions**

There are certain mandatory conditions that all investments must comply with:

- all investments must be in the name of City of Darwin. If using the services of an Investment Advisor or Broker, Council must ensure ownership is retained
- all investments must be denominated in Australian dollars
- all investments must be placed through a licensed financial services institution with a current Australian Financial Services Licence issued by the Australian Securities and Investment Commission, unless placed directly with the issuing entity whose interest-bearing securities must be compliant with the investment policy.

**3.2.3 Prohibited Investments**

This policy prohibits any investment carried out for speculative purposes including:

- subordinated bank debt (all bank debt should be senior)
- derivative based instruments
- principal only investments
- standalone securities issued that have underlying futures, options, forward contracts and swaps of any kind
- shares of any kind
- investment denominated in foreign or cryptocurrencies.

**3.3 Environmental, Social and Governance (ESG) Investing**

Where financial institutions are offering equivalent investment returns with the same or similar credit rating and assessed financial risk and the investment fits within the provisions of this Investment Policy, preference will be given to placing funds with institutions identified as having the higher ESG standards which may include, but not limited to, investing with institutions not financing fossil fuel companies.

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### 3.4 Risk Management Guidelines

Council is risk averse; risk aversion is the reluctance to invest in a product with a higher risk compared with a product with lower risk, but possibly lower returns. Risk can never be completely mitigated and no investment is risk free.

This policy outlines the limits on investments that assist in mitigating risk within Council's control without unnecessary detrimental impact on investment returns.

Investments are to comply with the following key criteria:

- (a) Credit Risk – limit overall credit exposure of the portfolio
- (b) Counterparty Credit Risk – limit exposure to individual counterparties/ institutions' risk of default in repayment of interest and/or principal
- (c) Diversification – setting limits to the amounts invested in a particular product (concentration risk), with a particular financial institution or government authority to reduce credit, liquidity and market risks
- (d) Interest Rate Risk – the risk the fair market value of the investment fluctuates significantly due to changes in underlying interest rates
- (e) Liquidity Risk – the risk council is unable to redeem the investment at a fair price within a timely period
- (f) Market Risk – the risk the fair value or trading price of an investment will fluctuate due to changes in market conditions, including but not limited to credit, interest rate and maturity risk
- (g) Maturity Risk – limiting of market and liquidity risk through managing individual investment maturities and timing of investment redemptions on a portfolio basis
- (h) Grant Funding Conditions – conditions related to grant funding available to invest must be complied with.

### 3.5 Investment Limits

#### 3.5.1 Term to Maturity

The portfolio is to be invested with the following term to maturity constraints:

Maturity Band	Minimum Portfolio Exposure	Maximum Portfolio Exposure
<1 year	30%	100%
>1 year	0%	70%
>3 years	0%	30%
>5 years	0%	10%

All investments greater than 5 years must be issued by a government entity or carry a long term rating of AA- or above from S&P (or an equivalent ratings agency) at the point of purchase or be issued by a Major Bank.

All investments rated BBB+ or below by S&P (or an equivalent ratings agency) must not have a maturity greater than 3 years at the point of purchase.

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**3.5.2 Liquidity Requirements**

The term of investments must also take into account Council's long term financial plan and liquidity requirements. The portfolio must be structured so that there are always sufficient funds available to meet weekly operational and capital cash requirements.

**3.5.3 Credit Ratings**

Credit ratings are a guide or standard for an investor, which indicate the ability of a debt issuer or debt issue to meet the obligations of repayment of interest and principal. Credit rating agencies such as Moody's, Standard and Poor's (S&P) and Fitch Rating make these independent assessments based on a certain set of quantitative and qualitative assessment criteria.

Ratings in no way guarantee the investment or protect Council against investment losses. The prescribed ratings should not be misinterpreted as an implicit guarantee of the credit worthiness of investments or entities that have such ratings. Even given this challenge, ratings provide the best independent information available as to the credit risk inherent in the investments.

The following table provides a comparison of the rating equivalents between the different rating agencies:

Rating Comparison Table	Moody's		Standard & Poor's		Fitch	
Investment Grade (Credit Risk Level)	Long Term	Short Term	Long Term	Short Term	Long Term	Short Term
Highest (Minimum Credit Risk)	Aaa	P-1 (Prime-1)	AAA	A-1+	AAA	F1+
Very High (Very Low Credit Risk)	Aa1		AA+		AA+	
	Aa2		AA		AA	
	Aa3		AA-		AA-	
High (Low Credit Risk)	A1		A+	A-1	A+	F1/F1+
	A2	P-2/P-1	A		A	F1
	A3	P-2/P-1	A-	A-2	A-	F2/F1
Good (Moderate Credit Risk)	Baa1	P-2 (Prime-2)	BBB+		BBB+	F2
	Baa2	P-3/P-2	BBB	A-3	BBB+	F3/F2
	Baa3	P-3 (Prime-3)	BBB-		BBB-	F3

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To limit overall credit exposure of the portfolio, Council has placed the following limits on portfolio credit ratings:

Credit Rating (S&P or equivalent)	Maximum Total Investments
AAA to AA- (or Major Bank Senior Debt) and below	100%
A+ to A-	45%
BBB+ to BBB	30%

Major Banks for the purpose of this policy are defined as ANZ, CBA, NAB, Westpac and their wholly owned and guaranteed subsidiaries. Council is not permitted to purchase an investment with a credit rating lower than 'BBB'. In the event an investment is rated by S&P and another ratings agency (either Fitch or Moody's) the S&P rating will apply in the first instance to prevent "ratings arbitrage" between ratings agencies.

### 3.5.4 Policy Breaches & 'Grandfathering'

If any investment is made in breach to this investment policy, that instrument will be divested as soon as it is practical (taking into account the costs and benefits of doing so). This will also apply to any investment that is downgraded and as a result no longer falls within the policy guidelines.

Any investment purchased when compliant with the investment policy may be held to maturity or sold as Council believes best, dependent on the individual circumstances, so long as the risk management strategy for the investment is in accordance with the principles of the Investment Guidelines as above, the prevailing legislation and the prudent person principles.

Specifically, Grandfathering will apply to any investment that:

- Was made ineligible by a previous change to the external legislation if that change allows for grandfathering.
- Is made ineligible as a result of a change to this investment policy.
- Is in breach of the investment policy due to a change of circumstance. (e.g. because the investment has been downgraded or has had its credit rating withdrawn post purchase).
- Due to a change of portfolio size or composition (e.g. because the overall portfolio size has decreased and as a result the percentage of total portfolio limit which applies to individual remaining investments increases and therefore causes a breach)".

### 3.5.5 Individual Counterparty Credit Framework (diversification)

The individual credit guidelines to be adopted will be based on the Standard and Poor's (S&P) ratings system criteria (or Moody's / Fitch equivalent if an S&P rating is not available). The maximum available limits in each rating category are as follows:

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Credit Rating	Maximum Individual Limit
Federal Government	100%
AAA to AA- (or Major Bank Senior Debt or State or Territory Government)	50%
A+ to A-	30%
BBB+ to BBB	10%

### 3.6 Administration of Policy

#### 3.6.1 Investment Register

Council must keep an up to date Investment Register supported by appropriate documentary evidence for each investment held.

For external audit purposes, certificates must be obtained from the financial institutions confirming the investments held on the Council's behalf as at 30 June each year and reconciled to the Investment Register.

#### 3.6.2 Reporting

A monthly investment report will be provided to Council containing the following:

- List of investments by financial institution.
- Total cash and investments held.
- Percentage exposure to individual financial institutions.
- Adherence to the investment limits set in this policy.
- Investment portfolio performance against established benchmarks, including budget.

#### 3.6.3 Benchmark

The performance of the investment portfolio shall be compared to the Bloomberg Ausbond Bank Bill Index (Bank Bill Index) as quoted at the end of each month.

#### 3.6.4 Variations to Policy

The Chief Executive Officer is authorised to approve temporary variations to the policy if required by legislative changes. All changes to the policy will be reported to Council within 30 days. All other variations to the policy are required to be authorised by Council.

#### 3.6.5 Investment Procedures

The Investment Procedures supplement this policy and define the procedures that officers must adhere to when managing investments including, but not limited to, authorisation, placement, redemption and reinvestment.

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**3.6.6 Quotation for Purchase and Sale of Investments**

The investing officer must satisfy themselves that they are obtaining a fair market price for all investments made at all times. This may be accomplished by obtaining three (3) independent quotes from reputable market makers where the investment is widely traded or where it is not widely traded by reference to other similar instruments that are traded in the market place.

If this is not possible or impractical, the investing officer can rely on representations made by an Independent Advisor with no conflicts of interest regarding the purchase or sale of the investment.

For the avoidance of doubt the investing officer must not rely on representations made by the buyer, seller or broker or any other person with a potential conflict of interest or pecuniary interest in the buying or selling transaction.

**3.6.7 Investment Strategy**

On a monthly basis and in conjunction with this Investment Policy, an Investment Strategy will be formulated and included in the monthly reports from the Investment Advisor, taking into consideration the following:

- council's cash flow requirements and implications for the portfolio liquidity profile.
- allocation of investment types, credit quality, counterparty exposure and term to maturity
- current and projected market conditions and any likely impacts on relative positioning in terms of the portfolio and any necessary policy implications
- relative return outlook; risk-reward considerations; assessment of the market cycle and hence constraints on risk
- appropriateness of overall investment types for Council's portfolio
- projected investment portfolio size for the forthcoming year.

**3.6.8 Safe Custody**

All investments must be settled and held directly in safe custody ~~by a major bank~~ or via Council's Austraclear account to be maintained by Council as an associate member of Austraclear and operated by Council's Austraclear proxy provider.

**3.6.9 Investment Advisor**

Independent investment advice should be obtained on a regular basis in relation to Council's policy, strategy and tactics.

The advisor must be an independent person who has no actual or potential conflict of interest in relation to investment products being recommended and is free to choose the most appropriate product within the terms and conditions of the investment policy.

The independent advisor is required to provide written confirmation that they do not have any actual or potential conflicts of interest in relation to the investments they are recommending or reviewing, including that they are not receiving any commission or other benefits in relation to the investments being recommended or reviewed. Any

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commissions or other fees available to the advisor and which the advisor receives must be rebated in full to Council.

### 3.6.10 Investment Advisor Performance Assessment

Investment Advisor performance may be measured annually by returns on the investment portfolio net of fees when compared with likely performance of the investment portfolio without external advice.

The Council can enter into a biennial contractual arrangement with the Investment Advisor with the Council having an option to renew for a further two years.

In renewing the contractual arrangement, the Council should also take into account the risks taken to achieve the returns and any other services the Investment Advisor may provide such as reporting, valuations, assistance with audit requirements, current market information and alerts all of which have an indirect benefit to Council in saving internal resources such as staff time.

### 3.6.11 Trading Policy

Council will make every effort and will undertake cash flow forecasting to match investment maturities to cash flow requirements to minimise liquidation of investments prior to scheduled maturities and any associated penalties either explicit in the form of break costs or implicit in terms of broker fees, market spreads and potential loss of capital caused by selling at a value less than the ultimate redemption price.

Investments will be acquired with the intention of holding them to maturity, and cash liquidity requirements will be managed to ensure that Council avoids a situation which will require a forced sale of these assets in normal circumstances.

However, if Investment Policy Limits have been breached due to a change in the overall size of the investment portfolio, external or internal changes to investment policy parameters or for any other reason, then investments may be sold prior to maturity. Under these situations Council has the authority to make the necessary arrangements to withdraw from the investment as soon as practicable.

Council may also sell assets prior to maturity in the following circumstances:

If the asset is liquid, easily tradeable, can be sold without significant loss and was purchased as part of a "liquidity buffer" against the event of unforeseen and unexpected liquidity requirements. If Council judges the asset has deteriorated in credit quality and there is a material risk of further market price deterioration or ultimate default if it continues to held and Council, upon seeking external advice from a competent and reputable advisor, is advised that a sale of the asset is in the best interests of Council for risk management purposes to potentially minimise any future losses.

For the avoidance of doubt, Council will not adopt an active trading strategy buying and selling assets on broker recommendations for the purposes of enhancing returns through the accumulation of capital profits.

Council will not view maximum and minimum allocations in investment categories as

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‘target’ allocations. The portfolio should in normal circumstances be operated with a degree of margin around any policy restrictions.”

### 3.6.12 Trust Funds

Trust funds are excluded from this policy.

## 4 DEFINITIONS

**Counterparty** refers to the other individual or institution to an agreement or contract.

## 5 LEGISLATIVE REFERENCES

All investments are to be made in accordance with the following:

*Local Government Act 2019* (NT) Part 10.2

*Local Government (General) Regulations 2021* (NT) – Regulation 17

Guidelines pursuant to the Act, and

Australian Accounting Standards

## 6 PROCEDURES AND RELATED DOCUMENTS

Procedure - FIN04.01 - Investments End of Month

Procedure - FIN04.05 - Investments Report to Council

Procedure - FIN04.07 - New Investments, Rollovers & Redemptions

## 7 RESPONSIBILITY AND APPLICATION

The Chief Financial Officer is responsible for ensuring that this policy is understood and adhered to by all Council staff.

This policy will be reviewed annually or more often as required.

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# INVESTMENT POLICY

## No. 0024.100.E.R

GOVERNANCE

### 1 PURPOSE

The Investment Policy establishes the rules City of Darwin adopts in investing funds not required to meet immediate liquidity needs with the exception of trust funds.

This policy is supplemented by Investment Procedures, which are not required to be adopted by Council. The procedures form part of Council's internal controls.

### 2 SCOPE

To invest Council's funds with consideration of risk and at the most favourable rate of return available to it at the time for the investment type. While exercising the power to invest, consideration is to be given to preservation of capital, liquidity and the return on investment.

Primary objectives of the policy are to:

- ensure the investment portfolio is structured to provide sufficient liquidity to meet all reasonably anticipated cash flow requirements
- minimise risk of capital losses through prudent management of credit risk, diversification of investments and ensuring investments do not need to be sold in adverse market conditions incurring a capital loss on sale
- earn interest
- ensure that funds are invested in accordance with legislative requirements
- identify the range of approved and prohibited investments
- set boundaries for exposure to the risks associated with investments
- ensure that Council maintains adequate control of its investments
- establish a framework for monitoring investments
- meet, or exceed, an agreed benchmark return appropriate to the risk tolerance of Council on a long-term basis.

Section 194 of the *Local Government Act 2019* (NT) sets out the requirements of Council with respect to an Investments Policy. Specifically, Council may by resolution, adopt a policy for investing money that is consistent with this Act and the Minister's Guidelines

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**3 POLICY STATEMENT****3.1 Legislative Framework****3.1.1 Local Government Act**

Section 194(1) of the *Local Government Act 2019* (NT) states that 'a council may invest money not immediately required for the purposes of the Council'.

**3.1.2 Local Government Investment Guidelines**

Section 194(3) of the *Local Government Act 2019* (NT) states that 'a Council may, by resolution, adopt a policy that is consistent with this Act and the Ministers Guidelines'.

**3.1.3 Delegation of Authority**

In accordance with Section 40(2) of the *Local Government Act 2019* (NT) Council has delegated the authority for implementation of the Investment Policy to the Chief Executive Officer.

In accordance with Section 168 of the *Local Government Act 2019* (NT) the Chief Executive Officer has delegated implementation and management of the Investment Policy, subject to financial limits, to the Chief Financial Officer.

This policy is however subject to any instrument of delegation or variation thereto issued from time to time by the Council or Chief Executive Officer.

**3.1.4 Prudent Person Rule**

The Prudent Person Rule requires officers to exercise the same care, diligence and skill that a prudent person would exercise in managing the affairs of other persons. Acting prudently applies to selecting investments and requires an individual to consider diversification, appropriateness of the product, risk and anticipated return, liquidity, independent financial advice and to have a clear understanding of the product. Under no circumstances, must an individual make an investment for speculative purposes.

**3.1.5 Ethics and Conflicts of Interest**

Officers shall refrain from personal activities that would conflict with the proper execution and management of Council's investment portfolio. This policy requires officers to disclose any conflict of interest to the Chief Executive Officer.

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**3.2 Authorised Investments****3.2.1 Approved Investments**

Investments are limited to the NT Local Government legal and regulatory requirements including the Minister's Guidelines. If there is any conflict or contradiction between this policy and the legal requirements the legal requirements must prevail. The policy should be amended as soon as practicable after noting that a conflict or contradiction exists.

In addition to the legal requirements and without approval by specific resolution of Council investments are limited to:

- Local/State/Commonwealth Government Bonds, Debentures or Securities
- interest bearing securities issued by an Australian Prudential Regulation Authority, regulated authorised deposit taking institution.

All investments are subject to the Investment Limits stated in this policy.

**3.2.2 Mandatory Conditions**

There are certain mandatory conditions that all investments must comply with:

- all investments must be in the name of City of Darwin. If using the services of an Investment Advisor or Broker, Council must ensure ownership is retained
- all investments must be denominated in Australian dollars
- all investments must be placed through a licensed financial services institution with a current Australian Financial Services Licence issued by the Australian Securities and Investment Commission, unless placed directly with the issuing entity whose interest-bearing securities must be compliant with the investment policy.

**3.2.3 Prohibited Investments**

This policy prohibits any investment carried out for speculative purposes including:

- subordinated bank debt (all bank debt should be senior)
- derivative based instruments
- principal only investments
- standalone securities issued that have underlying futures, options, forward contracts and swaps of any kind
- shares of any kind
- investment denominated in foreign or cryptocurrencies.

**3.3 Environmental, Social and Governance (ESG) Investing**

Where financial institutions are offering equivalent investment returns with the same or similar credit rating and assessed financial risk and the investment fits within the provisions of this Investment Policy, preference will be given to placing funds with institutions identified as having the higher ESG standards which may include, but not limited to, investing with institutions not financing fossil fuel companies.

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### 3.4 Risk Management Guidelines

Council is risk averse; risk aversion is the reluctance to invest in a product with a higher risk compared with a product with lower risk, but possibly lower returns. Risk can never be completely mitigated and no investment is risk free.

This policy outlines the limits on investments that assist in mitigating risk within Council's control without unnecessary detrimental impact on investment returns.

Investments are to comply with the following key criteria:

- (a) Credit Risk – limit overall credit exposure of the portfolio
- (b) Counterparty Credit Risk – limit exposure to individual counterparties/ institutions' risk of default in repayment of interest and/or principal
- (c) Diversification – setting limits to the amounts invested in a particular product (concentration risk), with a particular financial institution or government authority to reduce credit, liquidity and market risks
- (d) Interest Rate Risk – the risk the fair market value of the investment fluctuates significantly due to changes in underlying interest rates
- (e) Liquidity Risk – the risk council is unable to redeem the investment at a fair price within a timely period
- (f) Market Risk – the risk the fair value or trading price of an investment will fluctuate due to changes in market conditions, including but not limited to credit, interest rate and maturity risk
- (g) Maturity Risk – limiting of market and liquidity risk through managing individual investment maturities and timing of investment redemptions on a portfolio basis
- (h) Grant Funding Conditions – conditions related to grant funding available to invest must be complied with.

### 3.5 Investment Limits

#### 3.5.1 Term to Maturity

The portfolio is to be invested with the following term to maturity constraints:

Maturity Band	Minimum Portfolio Exposure	Maximum Portfolio Exposure
<1 year	30%	100%
>1 year	0%	70%
>3 years	0%	30%
>5 years	0%	10%

All investments greater than 5 years must be issued by a government entity or carry a long term rating of AA- or above from S&P (or an equivalent ratings agency) at the point of purchase or be issued by a Major Bank.

All investments rated BBB+ or below by S&P (or an equivalent ratings agency) must not have a maturity greater than 3 years at the point of purchase.

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**3.5.2 Liquidity Requirements**

The term of investments must also take into account Council's long term financial plan and liquidity requirements. The portfolio must be structured so that there are always sufficient funds available to meet weekly operational and capital cash requirements.

**3.5.3 Credit Ratings**

Credit ratings are a guide or standard for an investor, which indicate the ability of a debt issuer or debt issue to meet the obligations of repayment of interest and principal. Credit rating agencies such as Moody's, Standard and Poor's (S&P) and Fitch Rating make these independent assessments based on a certain set of quantitative and qualitative assessment criteria.

Ratings in no way guarantee the investment or protect Council against investment losses. The prescribed ratings should not be misinterpreted as an implicit guarantee of the credit worthiness of investments or entities that have such ratings. Even given this challenge, ratings provide the best independent information available as to the credit risk inherent in the investments.

The following table provides a comparison of the rating equivalents between the different rating agencies:

Rating Comparison Table	Moody's		Standard & Poor's		Fitch	
Investment Grade (Credit Risk Level)	Long Term	Short Term	Long Term	Short Term	Long Term	Short Term
Highest (Minimum Credit Risk)	Aaa	P-1 (Prime-1)	AAA	A-1+	AAA	F1+
Very High (Very Low Credit Risk)	Aa1		AA+		AA+	
	Aa2		AA		AA	
	Aa3		AA-		AA-	
High (Low Credit Risk)	A1		A+	A-1	A+	F1/F1+
	A2	P-2/P-1	A		A	F1
	A3	P-2/P-1	A-	A-2	A-	F2/F1
Good (Moderate Credit Risk)	Baa1	P-2 (Prime-2)	BBB+		BBB+	F2
	Baa2	P-3/P-2	BBB	A-3	BBB+	F3/F2
	Baa3	P-3 (Prime-3)	BBB-		BBB-	F3

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To limit overall credit exposure of the portfolio, Council has placed the following limits on portfolio credit ratings:

Credit Rating (S&P or equivalent)	Maximum Total Investments
AAA to AA- (or Major Bank Senior Debt) and below	100%
A+ to A-	45%
BBB+ to BBB	30%

Major Banks for the purpose of this policy are defined as ANZ, CBA, NAB, Westpac and their wholly owned and guaranteed subsidiaries. Council is not permitted to purchase an investment with a credit rating lower than 'BBB'. In the event an investment is rated by S&P and another ratings agency (either Fitch or Moody's) the S&P rating will apply in the first instance to prevent "ratings arbitrage" between ratings agencies.

### 3.5.4 Policy Breaches & 'Grandfathering'

If any investment is made in breach to this investment policy, that instrument will be divested as soon as it is practical (taking into account the costs and benefits of doing so). This will also apply to any investment that is downgraded and as a result no longer falls within the policy guidelines.

Any investment purchased when compliant with the investment policy may be held to maturity or sold as Council believes best, dependent on the individual circumstances, so long as the risk management strategy for the investment is in accordance with the principles of the Investment Guidelines as above, the prevailing legislation and the prudent person principles.

Specifically, Grandfathering will apply to any investment that:

- Was made ineligible by a previous change to the external legislation if that change allows for grandfathering.
- Is made ineligible as a result of a change to this investment policy.
- Is in breach of the investment policy due to a change of circumstance. (e.g. because the investment has been downgraded or has had its credit rating withdrawn post purchase).
- Due to a change of portfolio size or composition (e.g. because the overall portfolio size has decreased and as a result the percentage of total portfolio limit which applies to individual remaining investments increases and therefore causes a breach)".

### 3.5.5 Individual Counterparty Credit Framework (diversification)

The individual credit guidelines to be adopted will be based on the Standard and Poor's (S&P) ratings system criteria (or Moody's / Fitch equivalent if an S&P rating is not available). The maximum available limits in each rating category are as follows:

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Credit Rating	Maximum Individual Limit
Federal Government	100%
AAA to AA- (or Major Bank Senior Debt or State or Territory Government)	50%
A+ to A-	30%
BBB+ to BBB	10%

### 3.6 Administration of Policy

#### 3.6.1 Investment Register

Council must keep an up to date Investment Register supported by appropriate documentary evidence for each investment held.

For external audit purposes, certificates must be obtained from the financial institutions confirming the investments held on the Council's behalf as at 30 June each year and reconciled to the Investment Register.

#### 3.6.2 Reporting

A monthly investment report will be provided to Council containing the following:

- List of investments by financial institution.
- Total cash and investments held.
- Percentage exposure to individual financial institutions.
- Adherence to the investment limits set in this policy.
- Investment portfolio performance against established benchmarks, including budget.

#### 3.6.3 Benchmark

The performance of the investment portfolio shall be compared to the Bloomberg Ausbond Bank Bill Index (Bank Bill Index) as quoted at the end of each month.

#### 3.6.4 Variations to Policy

The Chief Executive Officer is authorised to approve temporary variations to the policy if required by legislative changes. All changes to the policy will be reported to Council within 30 days. All other variations to the policy are required to be authorised by Council.

#### 3.6.5 Investment Procedures

The Investment Procedures supplement this policy and define the procedures that officers must adhere to when managing investments including, but not limited to, authorisation, placement, redemption and reinvestment.

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**3.6.6 Quotation for Purchase and Sale of Investments**

The investing officer must satisfy themselves that they are obtaining a fair market price for all investments made at all times. This may be accomplished by obtaining three (3) independent quotes from reputable market makers where the investment is widely traded or where it is not widely traded by reference to other similar instruments that are traded in the market place.

If this is not possible or impractical, the investing officer can rely on representations made by an Independent Advisor with no conflicts of interest regarding the purchase or sale of the investment.

For the avoidance of doubt the investing officer must not rely on representations made by the buyer, seller or broker or any other person with a potential conflict of interest or pecuniary interest in the buying or selling transaction.

**3.6.7 Investment Strategy**

On a monthly basis and in conjunction with this Investment Policy, an Investment Strategy will be formulated and included in the monthly reports from the Investment Advisor, taking into consideration the following:

- council's cash flow requirements and implications for the portfolio liquidity profile.
- allocation of investment types, credit quality, counterparty exposure and term to maturity
- current and projected market conditions and any likely impacts on relative positioning in terms of the portfolio and any necessary policy implications
- relative return outlook; risk-reward considerations; assessment of the market cycle and hence constraints on risk
- appropriateness of overall investment types for Council's portfolio
- projected investment portfolio size for the forthcoming year.

**3.6.8 Safe Custody**

All investments must be settled and held directly in safe custody or via Council's Austraclear account to be maintained by Council as an associate member of Austraclear and operated by Council's Austraclear proxy provider.

**3.6.9 Investment Advisor**

Independent investment advice should be obtained on a regular basis in relation to Council's policy, strategy and tactics.

The advisor must be an independent person who has no actual or potential conflict of interest in relation to investment products being recommended and is free to choose the most appropriate product within the terms and conditions of the investment policy.

The independent advisor is required to provide written confirmation that they do not have any actual or potential conflicts of interest in relation to the investments they are recommending or reviewing, including that they are not receiving any commission or other benefits in relation to the investments being recommended or reviewed. Any

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commissions or other fees available to the advisor and which the advisor receives must be rebated in full to Council.

### 3.6.10 Investment Advisor Performance Assessment

Investment Advisor performance may be measured annually by returns on the investment portfolio net of fees when compared with likely performance of the investment portfolio without external advice.

The Council can enter into a biennial contractual arrangement with the Investment Advisor with the Council having an option to renew for a further two years.

In renewing the contractual arrangement, the Council should also take into account the risks taken to achieve the returns and any other services the Investment Advisor may provide such as reporting, valuations, assistance with audit requirements, current market information and alerts all of which have an indirect benefit to Council in saving internal resources such as staff time.

### 3.6.11 Trading Policy

Council will make every effort and will undertake cash flow forecasting to match investment maturities to cash flow requirements to minimise liquidation of investments prior to scheduled maturities and any associated penalties either explicit in the form of break costs or implicit in terms of broker fees, market spreads and potential loss of capital caused by selling at a value less than the ultimate redemption price.

Investments will be acquired with the intention of holding them to maturity, and cash liquidity requirements will be managed to ensure that Council avoids a situation which will require a forced sale of these assets in normal circumstances.

However, if Investment Policy Limits have been breached due to a change in the overall size of the investment portfolio, external or internal changes to investment policy parameters or for any other reason, then investments may be sold prior to maturity. Under these situations Council has the authority to make the necessary arrangements to withdraw from the investment as soon as practicable.

Council may also sell assets prior to maturity in the following circumstances:

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### 3.6.12 Trust Funds

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## 4 DEFINITIONS

**Counterparty** refers to the other individual or institution to an agreement or contract.

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Guidelines pursuant to the Act, and

Australian Accounting Standards

## 6 PROCEDURES AND RELATED DOCUMENTS

Procedure - FIN04.01 - Investments End of Month

Procedure - FIN04.05 - Investments Report to Council

Procedure - FIN04.07 - New Investments, Rollovers & Redemptions

## 7 RESPONSIBILITY AND APPLICATION

The Chief Financial Officer is responsible for ensuring that this policy is understood and adhered to by all Council staff.

This policy will be reviewed annually or more often as required.

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**6.3 MONTHLY FINANCIAL REPORTS: JANUARY / FEBRUARY 2023**

**Author:** Executive Manager Finance  
Senior Accountant

**Authoriser:** General Manager Corporate

**Attachments:** 1. Monthly Financial Report\_January 2023 [↓](#)  
2. Monthly Financial Report\_February 2023 [↓](#)

**RECOMMENDATIONS**

1. THAT the report entitled Monthly Financial Reports: January / February 2023 be received and noted.

**PURPOSE**

The purpose of this report is to provide the Monthly Financial Reports to the Risk Management and Audit Committee as requested at the meeting held 17 June 2022.

**KEY ISSUES**

- At the Risk Management and Audit Committee meeting held 17 June 2022, Council Officers committed to provide to the RMAC Committee the Monthly Financial Reports, as tabled at Ordinary Council.
- Monthly Financial Reports for the months of January 2023 (**Attachment 1**) and February 2023 (**Attachment 2**) are provided.
- Monthly Financial Reports have now been included in the RMAC Report Schedule on an ongoing basis.

**DISCUSSION**

The Monthly Financial Reports are presented to Council at the 2<sup>nd</sup> Ordinary Council meeting following the period reports relate to and provide a summary and discussion of the financial position of Council for each period.

Summary of key results for the 28 February 2023 reporting period:

- Net deficit of \$8.79M against budgeted YTD deficit of \$12.81M; a favourable variance of \$4.09M
- The favourable operational variance mainly results from lower than budgeted expenses and higher earnings on investments.
- Capital expenditure of \$25.4M against YTD budget of \$37.75M
- Approved Ministerial external borrowings executed and drawn down with proceeds for 22/23 at \$31M, variance to budget is the \$7.5M for CAALC with grant approval still pending
- Cash and Investments balance of \$134.3M; \$84.6M restricted reserve cash and \$34.5M placed against variable loan offsets
- Borrowings balance of \$64M (current and non current)

**PREVIOUS COUNCIL RESOLUTION**

N/A

<b>STRATEGIC PLAN ALIGNMENT</b>	6 Governance Framework 6.4 Accountability
<b>BUDGET / FINANCIAL / RESOURCE IMPLICATIONS</b>	<b>Budget/Funding:</b> N/A
<b>LEGISLATION / POLICY CONTROLS OR IMPACTS</b>	<b>Legislation:</b> N/A <b>Policy:</b> N/A
<b>CONSULTATION, ENGAGEMENT &amp; COMMUNICATION</b>	<b>Engagement Level:</b> Inform <b>Tactics:</b> Monthly Financial Reports are provided to Council at the 2 <sup>nd</sup> Ordinary Council meeting for the proceeding period. Monthly Financial Reports are in the Open Agenda for public disclosure.
<b>DECLARATION OF INTEREST</b>	The report author does not have a conflict of interest in relation to this matter.  The report authoriser does not have a conflict of interest in relation to this matter.  If a conflict of interest exists, staff will not act in the matter, except as authorised by the CEO or Council (as the case requires).

**15 RECEIVE & NOTE REPORTS****15.1 MONTHLY FINANCIAL REPORT - JANUARY 2023**

**Author:** Senior Accountant  
Executive Manager Finance

**Authoriser:** General Manager Corporate

**Attachments:** 1. Monthly Financial Report - January 2023 [↓](#)

**RECOMMENDATIONS**

THAT the report entitled Monthly Financial Report – January 2023 be received and noted.

**PURPOSE**

The purpose of this report is to provide a summary of the financial position of Council for the period ended 31 January 2023.

Further, this report and the contents are required to be presented to Council in compliance with the *Local Government (General) Regulations 2021*.

**KEY ISSUES**

The Monthly Financial Report includes:

- Income Statement, which compares actual YTD income and expenditure against YTD budget.
- Fund Flow Statement (Monthly Operating Position), which outlines the effect on General Funds.
- Statement of Financial Position (Balance Sheet), which outlines what Council owns (assets) and what it owes (liabilities) at a point in time.
- Notes to the Balance Sheet, this includes further details on the Cash Balance, Trade Debtors, Trade Creditors, and a statement on Council's current payment and reporting obligations.
- Investments, which provides details of treasury activities, investments as at 31 January 2023.
- Rates and Receivables Report which provides a summary of outstanding rates and debtors.
- Procurement Reporting, which is a summary of contract variations and exempt procurement.
- Capital Expenditure and Funding, which compares YTD capital expenditure and funding against YTD budget.
- Planned Major Projects Capital Works, provides a high-level financial overview of our major projects at a point in time.

**DISCUSSION****January 2023 – Year to Date Result**

The year-to-date operating result until 31 January 2023 is a **deficit of (\$9.89M)** compared to a **Budgeted deficit of (\$12.84M)** as highlighted in the table below.

After including capital income, the **Net Deficit is (\$8.81M)** against the budgeted **deficit of (\$11.61M)**. This has resulted in a favourable **\$2.80M** variance overall (as shown in the income statement).

	<b>Actual \$'000</b>	<b>Budget \$'000</b>	<b>Variance \$'000</b>
<b>Net Operating Surplus/ (Deficit)</b>	<b>(9,893)</b>	<b>(12,841)</b>	<b>2,949 Favourable</b>

**Commentary**

The Net Operating Position has a favourable variance to the budget of \$2.95M. The variance results from lower than budgeted materials and contracts, employee costs, and depreciation, offset by lower than anticipated fees and charges received for the period ending 31 January 2023. Please find below additional commentary for the material variances:

**Income**

Total Operating Income is tracking below budget by \$0.837M.

**User Fees & Charges**

The unfavourable variance is \$2.34M. This is mainly due to Waste Fees & Charges being under YTD expectations and is partially offset by a decrease in waste related expenditure.

**Operating Grants and Subsidies**

The favourable variance of grants received is mainly related to the timing of the actual receipt of grants compared to budget forecasts with the exception of the FAA grant which is tracking higher than estimated budget. This will be addressed in a budget review.

**Interest / Investment Income**

The favourable variance mainly relates to the increase in returns received on investments due to the increasing RBA cash rate.

**Expenditure**

Total Expenses are under budget by \$3.78M. This is due to underspends in Employee Expenses of \$0.84M, Materials & Contracts \$2.75M and Depreciation being under budget by \$1.39M.

**Employee Expenses**

Employee costs report a positive variance to budget of \$0.84M this relates to timing of employee leave and employee vacancies. It is expected that as vacancies are filled and year end entitlements are adjusted for in June 2023, that this variance will reduce.

## Ordinary Council Meeting Agenda

28 February 2023

**Materials & Contracts**

Materials and Contracts expenses has an annual budget of \$58.97M and this incorporates various expenditure types. Combined, this budget line is under budget with a variance of \$2.75M. This predominately relates to expenses associated with waste management at shoal bay, which is offset by a reduction in revenue.

There are other programs that are underspent, including Darwin Entertainment Centre, City Parking, and City Maintenance. At the end of January 2023, the variances appear mainly timing variances and most of these areas are expected to return to budget by year-end.

Programs that are tracking as overspent YTD include Parks & Reserves due to utilities, and Information Communication & Technology. These variances are largely due to timing between budgeted profiles and actual expenses. Identified permanent variances will be revised in the 2<sup>nd</sup> Budget Review.

**Depreciation and Amortisation**

Depreciation is a non-cash expense and is under budget by \$1.39M. The variance relates to timing of asset capitalisations and changes to useful lives on assets that were revalued in 2021-22 as part of the end of financial year process.

**Other Expenses**

This relates to the repayment of unspent grant funds of \$1.26M for Urban Oval Lighting, the budget will be realigned in the 2<sup>nd</sup> Budget Review.

**Statement of Fund Flows**

The variances are related to a mismatch in the timing of projects and budget profiles, and the reasons described above under operating statement commentary. Major variances will be addressed in the 2<sup>nd</sup> Budget Review.

**Cash and Investments Note A**

City of Darwin has achieved 3.28% on weighted average interest rate on its January cash and investment portfolio of \$109.03M (excluding loan offset \$28.5M). There have been no investment policy breaches in this month.

The Investment Reports include surplus cash funds that are placed against variable loans. These funds are considered 'at call' as they can be accessed in short time frames.

**Treasury Comment**

The RBA met on the 7<sup>th</sup> of February and there was an increase of the cash rate target by 25 basis points. Australia's inflation is high at 7.8% over the twelve months to the December 2022 quarter. The RBA board said it expects to increase interest rates further over the period ahead. The size and timing of future interest rate increases will continue to be determined by the national/global economic data and the RBA's assessment of the outlook for inflation and the labour market. Any increases by the RBA will increase City of Darwin's interest (borrowing) expenses and increase interest income.

**Accounts Receivable (Trade Debtors) Note B**

This section considers the receipt timing of Rates collection and any general Debtors outstanding. The report also includes information on aged debtors including general debtors, infringements, and Rates arrears.

**Accounts Payable (Trade Creditors) Note C**

Accounts Payable owing at 31 January 2023 was \$4.02M at the time of reporting. City of Darwin recognises the liability of invoices once goods are receipted.

## Ordinary Council Meeting Agenda

28 February 2023

**Other notes to the financial reports**

The Council has met its payment and reporting obligations for GST, Fringe Benefits Tax, PAYG withholding tax, superannuation, and insurance for the month of January 2023.

Our internal accounting conventions for monthly reporting currently recognise the Council Rates that are attributable to that month and then progressively throughout the year.

Please note that these reports are unaudited management financial reports. Information contained in the reports were current as at the date of the reports and may not reflect any event or circumstances which occurred after the date the reports were completed.

**Procurement Reporting**

Under the Local Government (General) Regulations, Council is required to disclose at the next Council meeting and on the City of Darwin website:

- contract variations:
  - where a tender was not required, however the total cost exceeds \$100,000, or
  - where a contract requiring a tender is varied by 10%.
- exempt procurement greater than \$100,000

**Contract Variations**

There were no reportable contract variations for January 2023.

**Exempt Procurement**

VENDOR		SUPPLY		COST	APPLICABLE EXEMPTION
DCA HOLDINGS LTD	CITIES PTY	PAYSTAY STREET TRANSACTION FEES	ON	\$184,182.04	REG 38(1)(H) ONLY ONE SUPPLIER

**Certification by the CEO to the Council**

That, to the best of the CEO's knowledge, information and belief:

- (1) The internal controls implemented by the council are appropriate; and
- (2) The council's financial report best reflects the financial affairs of the council.



CEO Signed  
21 February 2023

**PREVIOUS COUNCIL RESOLUTION**

N/A

**STRATEGIC PLAN ALIGNMENT**

6 Governance Framework  
6.3 Decision Making and Management



## Ordinary Council Meeting Agenda

28 February 2023

<b>BUDGET / FINANCIAL / RESOURCE IMPLICATIONS</b>	N/A
<b>LEGISLATION / POLICY CONTROLS OR IMPACTS</b>	<p>Part 2 Division 7 the <i>Local Government (General) Regulations 2021</i> require that a monthly financial report is presented to Council each month setting out:</p> <p>(a) the actual income and expenditure of the council for the period from the commencement of the financial year up to the end of the previous month; and</p> <p>(b) the most recently adopted annual budget; and</p> <p>(c) details of any material variances between the most recent actual income and expenditure of the council and the most recently adopted annual budget.</p> <p>Regulation 17(5) Part 2 Division 7 the <i>Local Government (General) Regulations 2021</i> require that the monthly report must be accompanied by:</p> <p>(a) a certification, in writing, by the CEO to the council that, to the best of the CEO's knowledge, information and belief:</p> <p>(i) the internal controls implemented by the council are appropriate; and</p> <p>(ii) the council's financial report best reflects the financial affairs of the council; or</p> <p>(b) if the CEO cannot provide the certification – written reasons for not providing the certification.</p> <p>The report is compliant with the requirements of the <i>Local Government Act 2019</i> and <i>Local Government (General) Regulations 2021</i>.</p>
<b>CONSULTATION, ENGAGEMENT &amp; COMMUNICATION</b>	N/A
<b>DECLARATION OF INTEREST</b>	<p>The report authors do not have a conflict of interest in relation to this matter.</p> <p>The report authoriser does not have a conflict of interest in relation to this matter.</p> <p>If a conflict of interest exists, staff will not act in the matter, except as authorised by the CEO or Council (as the case requires).</p>

Income Statement For the Period Ended 31 January 2023	2022/23						
	2023 YTD Actual		2023 YTD Budget		Variance	FY Revised Budget	FY Original Budget
	\$'000		\$'000		\$'000	\$'000	\$'000
<u>Operating Income</u>							
Rates	46,760	71%	46,792	70%	(31)	80,215	80,215
Charges	1,373	2%	1,396	2%	(23)	2,282	2,282
Fees and Charges	12,049	18%	14,394	22%	(2,345)	24,521	24,521
Operating Grants and Subsidies	2,519	4%	2,185	3%	334	2,771	5,760
Interest / Investment Income	1,929	3%	953	1%	976	1,633	1,633
Other Income	1,422	2%	1,171	2%	251	1,764	1,763
<b>Total Income</b>	<b>66,053</b>		<b>66,890</b>		<b>(837)</b>	<b>113,186</b>	<b>116,174</b>
<u>Operating Expenses</u>							
Employee Expenses	21,902	29%	22,742	29%	840	39,394	38,893
Materials and Contracts	33,351	44%	36,097	45%	2,746	58,965	57,593
Elected Member Allowances	360	0%	427	1%	67	733	733
Elected Member Expenses	1	0%	37	0%	36	64	64
Council Committee & LA Allowances	4	0%	5	0%	1	10	10
Council Committee & LA Expenses	0	0%	0	0%	(0)	0	0
Depreciation, Amortisation & Impairment	18,424	24%	19,816	25%	1,392	33,971	33,971
Interest Expenses	643	1%	606	1%	(37)	2,022	2,354
Other Expenses	1,260	2%	-	0%	(1,260)	-	-
<b>Total Expenses</b>	<b>75,946</b>		<b>79,732</b>		<b>3,786</b>	<b>135,159</b>	<b>133,618</b>
<b>Budgeted Operating Surplus/ (Deficit)</b>	<b>(9,893)</b>		<b>(12,841)</b>		<b>2,949</b>	<b>(21,973)</b>	<b>(17,444)</b>
Capital Grants Income	1,085		1,233		(147)	10,873	9,360
<b>Net Surplus/(Deficit)</b>	<b>(8,807)</b>		<b>(11,608)</b>		<b>2,801</b>	<b>(11,099)</b>	<b>(8,084)</b>

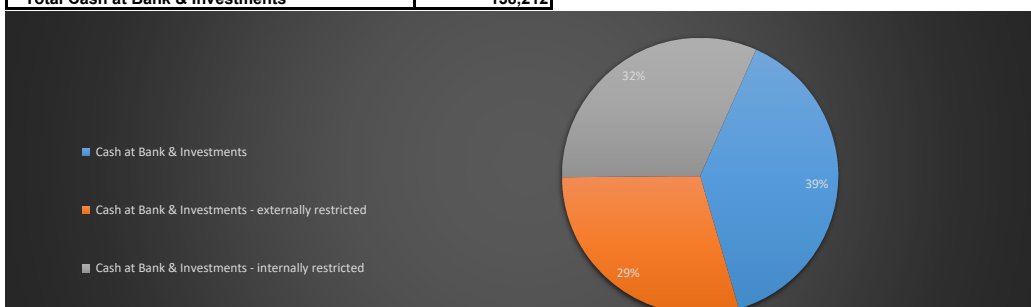
Statement of Fund Flows  Monthly Operating Position For the Period Ended 31 January 2023	2022/23				
	Jan 2023 YTD Actual \$'000	YTD Revised Budget \$'000	YTD Variance Revised Budget \$'000	FY Revised Budget \$'000	FY Original Budget \$'000
<b><u>Funds From Operating Activities</u></b>					
Net Operating Result from Income Statement	(9,893)	(12,841)	2,949	(21,973)	(17,444)
Add back depreciation (not cash)	18,424	19,816	(1,392)	33,971	33,971
Add back Other Non Cash Items	0	0	0	708	708
<b>Net Funds Provided (or used in) Operating Activities</b>	<b>8,532</b>	<b>6,975</b>	<b>1,557</b>	<b>12,706</b>	<b>17,235</b>
<b><u>Less Additional Outflows</u></b>					
Repayment of borrowings & advances	(1,801)	(1,801)	0	(4,203)	(5,248)
Purchase of Infrastructure, Property, Plant & Equipment	(23,682)	(34,705)	11,023	(55,395)	(60,499)
<b>Total Additional Outflows</b>	<b>(25,484)</b>	<b>(36,506)</b>	<b>11,023</b>	<b>(59,598)</b>	<b>(65,747)</b>
<b><u>Add Additional Inflows</u></b>					
Add Capital Grants	1,085	1,233	(147)	10,873	9,360
Sale of Infrastructure, Property, Plant & Equipment	271	429	(158)	736	736
Proceeds from borrowings & advances	31,000	23,500	7,500	24,000	35,500
Transfers from Reserves	6,934	4,369	2,565	11,283	2,916
<b>Total Additional Inflows</b>	<b>39,291</b>	<b>29,530</b>	<b>9,760</b>	<b>46,892</b>	<b>48,512</b>
<b>Net Increase (-Decrease) in Funds</b>	<b>22,339</b>	<b>0</b>	<b>22,339</b>	<b>0</b>	<b>0</b>

Statement of Financial Position as at 31 January 2023	2022/23				2021/22
	Jan 2023 Actual \$'000	Note	FY Revised Budget \$'000	FY Original Budget \$'000	FY Audited \$'000
<b>Current Assets</b>					
Cash at Bank & Investments	53,616	A	12,073	28,312	19,965
Cash at Bank & Investments - externally restricted	40,614	A	38,444	38,266	43,752
Cash at Bank & Investments - internally restricted	43,981	A	41,804	30,122	47,778
Trade & Other Receivables	2,353	B	11,646	11,646	12,089
Rates & Charges Receivables	24,607	B	0	0	0
Inventories	282		400	400	304
<b>Total Current Assets</b>	<b>165,454</b>		<b>104,366</b>	<b>108,746</b>	<b>123,888</b>
<b>Non-Current Assets</b>					
Infrastructure, Property, Plant and Equipment	1,254,364		1,219,438	1,224,542	1,249,378
Lease Right of Use Assets	3,682		0	0	3,682
<b>Total Non Current Assets</b>	<b>1,258,046</b>		<b>1,219,438</b>	<b>1,224,542</b>	<b>1,253,060</b>
<b>Total Assets</b>	<b>1,423,500</b>		<b>1,323,804</b>	<b>1,333,288</b>	<b>1,376,948</b>
<b>Current Liabilities</b>					
Trade Payables & Other Payables	4,015	C	22,069	22,069	20,254
Accruals	4,773		0	0	0
ATO & Payroll Liabilities	364	D	0	0	0
Other Current Liabilities / Payables	3,780		0	0	0
Rates Revenue struck (in advance)	33,476		0	0	0
Borrowings	969		6,438	5,392	2,770
Provisions	7,801		6,086	6,086	12,182
Lease Liabilities	837		862	862	837
<b>Total Current Liabilities</b>	<b>56,016</b>		<b>35,455</b>	<b>34,409</b>	<b>36,043</b>
<b>Non-Current Liabilities</b>					
Trade & Other Payables	14		0	0	14
Borrowings	63,244		48,384	59,884	32,244
Provisions	55,436		28,195	28,195	51,048
Lease Liabilities	3,004		2,458	2,458	3,004
<b>Total Non Current Liabilities</b>	<b>121,698</b>		<b>79,037</b>	<b>90,537</b>	<b>86,310</b>
<b>Total Liabilities</b>	<b>177,714</b>		<b>114,492</b>	<b>124,946</b>	<b>122,353</b>
<b>NET ASSETS</b>	<b>1,245,786</b>		<b>1,209,312</b>	<b>1,208,342</b>	<b>1,254,595</b>
<b>Equity</b>					
Accumulated Surplus	299,063		305,136	316,025	300,937
Asset Revaluation Reserve	862,128		823,929	823,929	862,128
Other Reserves	84,596		80,247	68,388	91,530
<b>TOTAL EQUITY</b>	<b>1,245,786</b>		<b>1,209,312</b>	<b>1,208,342</b>	<b>1,254,595</b>

**Monthly Balance Sheet Report (Notes to the Balance Sheet)  
as at 31 January 2023**
**Note A. Details of Cash and Investments Held**

Investments Report attached, which provides details of treasury activities, investments as at the end of the Month. City of Darwin has achieved 2.53% on weighted average interest rate on its January 2023 cash and investment portfolio of \$137.5M (including \$28.5M Variable Loans Surplus/Offset). There have been no investment policy breaches in this month. The Investment Reports include surplus cash funds that are placed against variable loans. These funds are considered 'at call' as they can be accessed in short time frames.

Cash at Bank & Investments	\$'000
Cash at Bank & Investments	53,616
Cash at Bank & Investments - externally restricted	40,614
Cash at Bank & Investments - internally restricted	43,981
<b>Total Cash at Bank &amp; Investments</b>	<b>138,212</b>



Note B. Statement of Trade Debtors*	Past Due 1 – 30 Days	Past Due 31 – 60 Days	Past Due 61-90 Days	Past Due 90+ Days	Total *
Rates & Charges Debtors	\$21,581,500	\$0	\$0	\$3,025,883	\$24,607,383
Other Trade Receivables and Other Receivables	\$1,067,046	\$811,024	\$275,628	\$198,832	\$2,352,530
<b>Total Trade and Other Receivables</b>	<b>\$22,648,546</b>	<b>\$811,024</b>	<b>\$275,628</b>	<b>\$3,224,715</b>	<b>\$26,959,913</b>

Note C. Statement on Trade Creditors*	Past Due 1 – 30 Days	Past Due 31 – 60 Days	Past Due 61-90 Days	Past Due 90+ Days	Total
General Trade Creditors	3,305,933.90	689,750.29	13,328.75	6,439.96	\$4,015,453
Other Trade Payables & Other Payables	\$363,922	\$0	\$0	\$0	\$363,922
<b>Total Trade and Other Payables</b>	<b>\$3,669,856</b>	<b>\$689,750</b>	<b>\$13,329</b>	<b>\$6,440</b>	<b>\$4,379,375</b>

**Note D. Statement on Australian Tax Office (ATO) and Payroll Obligations**

The Council has met its payment and reporting obligations for GST, Fringe Benefits Tax, PAYG withholding tax, superannuation, and insurance for the month of January 2023.

\* Please note that these reports are unaudited management financial reports. Information contained in the reports were current as at the date of the reports and may not reflect any event or circumstances which occurred after the date the reports were completed.

**INVESTMENTS REPORT TO COUNCIL**  
**AS AT**  
**31 January 2023**

**Investment and Cash at Call/Offset Distribution by Term to Maturity**

**Term to Maturity Policy Limits**

There have been no breaches in Term to Maturity Policy limits for the month of January 2023

Term to Maturity Category	% of Total Portfolio	Term to Maturity (Policy Max.)	Term to Maturity (Policy Min.)
<b>Less than 1 Year</b>			
Term Deposits	64%		
Business Online Saver Accounts	2%		
Floating Rate Notes	1%		
General Surplus on Variable Loans	23%		
Bonds	0%		
<b>Less than 1 Year Total</b>	<b>90%</b>	<b>100%</b>	<b>30%</b>
<b>Greater than 1 Year less than 3 Years</b>			
Term Deposits	2%		
Business Online Saver Accounts	0%		
Floating Rate Notes	5%		
Bonds	2%		
<b>Greater than 1 Year less than 3 Years Total</b>	<b>9%</b>	<b>70%</b>	<b>0%</b>
<b>Greater than 3 Years</b>			
Term Deposits	0%		
Business Online Saver Accounts	0%		
Floating Rate Notes	2%		
Bonds	0%		
<b>Greater than 3 Years Total</b>	<b>2%</b>	<b>30%</b>	<b>0%</b>
<b>Greater than 5 Years</b>			
Term Deposits	0%		
Business Online Saver Accounts	0%		
Floating Rate Notes	0%		
<b>Greater than 5 Years Total</b>	<b>0%</b>	<b>10%</b>	<b>0%</b>
<b>Total</b>	<b>100%</b>		

**Investment Distribution by Portfolio Credit Rating**

**Portfolio Distribution Credit Rating Limits**

There have been no breaches in Portfolio Credit Rating Limits for the month of January 2023

Credit Rating - Maximum Individual Limit	ADI	Counterparty	% of Total Portfolio	Individual Counterparty Limits of Total Investments
<b>AA-</b>	Commonwealth Bank of Australia Ltd	Commonwealth Bank of Australia Ltd	32%	50%
	National Australia Bank Ltd	National Australia Bank Ltd	27%	50%
	Westpac Banking Corporation Ltd	Westpac Banking Corporation Ltd	19%	50%
	Northern Territory Treasury Corporation	Northern Territory Treasury Corporation	2%	50%
<b>A+</b>	Macquarie Bank	Macquarie Bank	1%	30%
	Suncorp Metway Limited	Suncorp Bank	4%	30%
<b>BBB+</b>	Bank of Queensland Ltd	Bank of Queensland Ltd	5%	10%
	Bendigo & Adelaide Bank Ltd	Bendigo & Adelaide Bank Ltd	5%	10%
<b>BBB</b>	AMP Bank Ltd	AMP Bank Ltd	4%	10%
	Bank Australia Limited	Bank Australia Limited	2%	10%
<b>Grand Total</b>			<b>100%</b>	
<b>Credit Rating - Maximum Portfolio Limit</b>			<b>% of Total</b>	<b>Policy Limit</b>
AAA to AA-			79%	100%
A+ to A-			5%	45%
BBB+ to BBB			16%	30%
BBB-			0%	0%
<b>Total</b>			<b>100%</b>	

INVESTMENT AND CASH AT CALL/OFFSET REPORT TO COUNCIL  
AS AT

31 January 2023

Instrument	Institution Category	Counterparty	Maturity Date	Interest Rate	Credit Rating (LT)	Credit Rating (ST)	Inv Type	FRN ONLY (Maturity Date -last pmt)	Principal \$	% Portfolio
INVESTMENT	MAJOR BANK	Commonwealth Bank of Australia Ltd	14 February 2023	0.80%	AA-	A1+	TD		\$1,502,934	1.21%
			14 February 2023	1.90%	AA-	A1+	TD		\$1,500,000	1.21%
			14 February 2023	3.20%	AA-	A1+	BOS		\$2,090,462	1.69%
			21 March 2023	2.03%	AA-	A1+	TD		\$2,000,000	1.61%
			2 May 2023	2.14%	AA-	A1+	TD		\$1,500,000	1.21%
			2 May 2023	2.50%	AA-	A1+	TD		\$1,500,000	1.21%
			28 March 2023	2.38%	AA-	A1+	TD		\$1,500,000	1.21%
			23 May 2023	2.79%	AA-	A1+	TD		\$1,000,000	0.81%
			13 June 2023	4.09%	AA-	A1+	TD		\$3,000,000	2.42%
			20 February 2023	4.24%	AA-	A1+	BOND	18 August 2025	\$1,000,000	0.81%
			20 February 2023	3.85%	AA-	A1+	FRN	18 August 2025	\$1,000,000	0.81%
			4 April 2023	3.86%	AA-	A1+	TD		\$1,500,000	1.21%
			18 April 2023	3.94%	AA-	A1+	TD		\$2,000,000	1.61%
			18 April 2023	3.92%	AA-	A1+	TD		\$1,500,000	1.21%
			14 March 2023	3.81%	AA-	A1+	TD		\$1,512,452	1.22%
			11 April 2023	3.88%	AA-	A1+	TD		\$1,009,994	0.81%
			11 April 2023	4.47%	AA-	A1+	FRN	11 January 2024	\$1,000,000	0.81%
			28 November 2023	4.46%	AA-	A1+	TD		\$1,012,949	0.82%
			13 April 2023	4.21%	AA-	A1+	FRN	13 January 2026	\$2,000,000	1.61%
		Commonwealth Bank of Australia Ltd Total							\$29,128,790	23.48%
		National Australia Bank Ltd	2 May 2023	2.02%	AA-	A1+	TD		\$1,518,333	1.22%
			28 March 2023	1.91%	AA-	A1+	TD		\$1,504,852	1.21%
			23 May 2023	4.13%	AA-	A1+	TD		\$1,512,282	1.22%
			23 May 2023	4.08%	AA-	A1+	TD		\$1,550,610	1.51%
			28 February 2023	3.63%	AA-	A1+	TD		\$1,000,000	0.81%
			13 June 2023	4.11%	AA-	A1+	TD		\$2,000,000	1.61%
			20 June 2023	4.16%	AA-	A1+	TD		\$1,511,984	1.22%
			20 June 2023	4.12%	AA-	A1+	TD		\$1,550,245	1.48%
			25 July 2023	3.93%	AA-	A1+	TD		\$1,545,616	1.25%
			25 July 2023	4.26%	AA-	A1+	TD		\$1,529,182	1.23%
			14 March 2023	3.73%	AA-	A1+	TD		\$1,544,358	1.24%
			11 April 2023	3.88%	AA-	A1+	TD		\$1,509,243	1.22%
			1 August 2023	4.18%	AA-	A1+	TD		\$4,000,000	3.09%
		National Australia Bank Ltd Total							\$22,276,515	18.31%
		Westpac Banking Corporation Ltd	5 December 2023	1.22%	AA-	A1+	TD		\$2,000,000	1.61%
			3 December 2024	1.62%	AA-	A1+	TD		\$2,000,000	1.61%
			23 January 2024	1.40%	AA-	A1+	TD		\$1,500,000	1.21%
			21 February 2023	0.98%	AA-	A1+	TD		\$2,000,000	1.61%
			28 February 2023	3.65%	AA-	A1+	TD		\$1,000,000	0.81%
			25 July 2023	4.11%	AA-	A1+	TD		\$2,000,000	1.61%
			26 September 2023	4.68%	AA-	A1+	TD		\$2,000,000	1.61%
			14 November 2023	4.44%	AA-	A1+	FRN		\$3,000,000	2.42%
			24 April 2023	4.42%	AA-	A1+	FRN	24 April 2024	\$1,000,000	0.81%
		Westpac Banking Corporation Ltd Total							\$16,500,000	13.30%
		Northern Territory Treasury Corporation (NTTC)	15 December 2024	1.30%	AA-	A1+	BOND		\$2,000,000	1.61%
		Northern Territory Treasury Corporation (NTTC) Total							\$2,000,000	1.61%
		MAJOR BANK Total							\$69,966,306	56.71%
		OTHER							\$1,000,000	0.81%
		AMP Bank Ltd	3 October 2023	2.30%	BBB	A2	TD		\$1,000,000	0.81%
			25 July 2023	4.45%	BBB	A2	TD		\$1,000,000	0.81%
			4 April 2023	4.00%	BBB	A2	TD		\$2,000,000	1.61%
			7 March 2023	3.95%	BBB	A2	TD		\$1,519,847	1.23%
		AMP Bank Ltd Total							\$5,519,847	4.45%
		Bank of Queensland Ltd	7 March 2023	3.65%	BBB+	A2	TD		\$1,541,743	1.24%
			11 April 2023	3.77%	BBB+	A2	TD		\$1,515,707	1.22%
			16 May 2023	4.15%	BBB+	A2	TD		\$3,000,000	2.42%
		Bank of Queensland Ltd Total							\$6,067,450	4.88%
		Bendigo & Adelaide Bank Ltd	14 February 2023	0.85%	BBB+	A2	TD		\$1,503,826	1.21%
			21 February 2023	0.85%	BBB+	A2	TD		\$1,504,027	1.21%
			21 February 2023	1.25%	BBB+	A2	TD		\$1,504,430	1.21%
			21 March 2023	1.25%	BBB+	A2	TD		\$1,542,298	1.24%
		Bendigo & Adelaide Bank Ltd Total							\$6,054,580	4.88%
		Macquarie Bank	13 February 2023	3.87%	A+	A1	FRN	12 February 2025	\$1,000,000	0.81%
		Macquarie Bank Total							\$1,000,000	0.81%
		Suncorp Bank	28 February 2023	2.80%	A+	A1	TD		\$1,503,406	1.21%
			20 June 2023	4.20%	A+	A1	TD		\$1,500,000	1.21%
			30 May 2023	4.15%	A+	A1	TD		\$1,006,847	0.81%
			17 April 2023	4.20%	A+	A1	FRN	17 October 2025	\$1,000,000	0.81%
		Suncorp Bank Total							\$5,010,253	4.04%
		Bank Australia Limited	24 February 2023	4.70%	BBB	A-2	FRN	24 November 2025	\$2,000,000	1.61%
		Bank Australia Limited Total							\$2,000,000	1.61%
		OTHER Total							\$25,642,129	20.87%
		INVESTMENT Total							\$95,547,435	77.58%
		VARIABLE LOAN SURPLUS							\$10,000,000	8.06%
		MAJOR BANK							\$10,000,000	8.06%
		Commonwealth Bank of Australia Ltd	14 February 2023	0.00%	AA-	A1+	General Surplus -		\$11,000,000	8.87%
		Commonwealth Bank of Australia Ltd Total							\$11,000,000	8.87%
		National Australia Bank Ltd	14 February 2023	0.00%	AA-	A1+	General Surplus -		\$11,000,000	8.87%
		National Australia Bank Ltd Total							\$11,000,000	8.87%
		Westpac Banking Corporation Ltd	14 February 2023	0.00%	AA-	A1+	General Surplus -		\$7,500,000	6.05%
		Westpac Banking Corporation Ltd Total							\$7,500,000	6.05%
		MAJOR BANK Total							\$28,500,000	22.98%
		VARIABLE LOAN SURPLUS Total							\$28,500,000	22.98%
		Grand Total							\$124,047,435	100%
		N.B.								
		*INV TYPE - FRN = interest rate is the 'Coupon Margin' established on issue date, this plus 3M BBSW provides the yield for the current coupon period.								
		*MATURITY DATE - FRN = the interest coupon payment date not actual FRN maturity date (paid every 91 days).								
		CBA General Bank Funds							\$13,260,982	
		NAB General Bank Funds							\$220,162	
		WBC General Bank Funds							\$0	
		Total Funds							\$137,528,578	
		Less Variable Loans Offset (Cash on Call)							-\$28,500,000	
		Total Investment & Cash (less offset)							\$109,028,578	
		Total Budgeted Investment Earnings							\$992,937	
		Year to Date Investment Earnings							\$1,525,558	
		Weighted Ave Rate							2.53%	
		Weighted Ave Rate (excluding Cash on Call)							3.28%	
		BBSW 90 Day Rate							3.37%	
		Bloomberg AusBond (Bank Bill Index)							3.03%	
		Trust Bank Account							\$456,989	

Ordinary Council Meeting

28 February 2023

**Member and CEO Council Credit Card Transactions for the Month  
For the Month Ended 31 January 2023**
Cardholder Name: CEO

Transaction Date	Amount \$	Supplier's Name	Reason for the Transaction
<b>Total</b>	-		

Cardholder Name: Lord Mayor

Transaction Date	Amount \$	Supplier's Name	Reason for the Transaction
25-Jan-23	103.30	PUMA ENERGY KATHERINE	Puma Petrol - LGANT Katherine Council Visit
<b>Total</b>	<b>103.30</b>		



Capital Expenditure For The Period Ended 31 January 2023	2022/23			
	YTD Actuals	YTD Revised Budget #	YTD Variance	FY Revised Budget (Current Financial Year)
	\$	\$	\$	\$
<b>TOTAL CAPITAL EXPENDITURE BY ASSET CLASS:</b>				
Land - Under Roads	0	0	0	0
<b>Land and Buildings:</b>				
Land and Improvements	0	0	0	0
Buildings	3,893,495	8,799,224	4,905,729	17,162,834
<b>Infrastructure:</b>				
Stormwater Drainage	1,232,731	1,239,103	6,372	2,339,876
Transport	2,301,452	2,485,084	183,632	6,807,829
Pathways	978,992	1,096,881	117,889	1,801,175
Public Lighting	467,754	754,647	286,893	1,040,111
Waste Management Infrastructure	11,740,795	14,910,405	3,169,610	15,660,405
Waste Remediation	0	0	0	0
<b>Right Of Use Assets (Leases):</b>				
Leased Land and Buildings	0	0	0	0
Other Leased Assets	0	0	0	0
<b>Plant &amp; Equipment, including Fleet</b>	1,323,423	1,925,345	601,922	3,887,652
<b>Parks &amp; Reserves Infrastructure</b>	1,617,636	3,166,079	1,548,443	6,284,085
<b>Other Assets</b>	126,000	328,420	202,420	411,044
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>23,682,278</b>	<b>34,705,188</b>	<b>11,022,910</b>	<b>55,395,011</b>
<b>TOTAL CAPITAL EXPENDITURE FUNDED BY*:</b>				
Operating Income	8,547,773	8,547,773	0	16,280,027
Capital Grants	1,486,174	1,486,174	0	12,046,473
Transfer from Reserves	5,865,497	5,865,497	0	8,262,767
Borrowings	18,805,744	18,805,744	0	18,805,744
<b>TOTAL CAPITAL EXPENDITURE FUNDING</b>	<b>34,705,188</b>	<b>34,705,188</b>	<b>0</b>	<b>55,395,011</b>

\*Funding of expenditure is assumed to be accessible for CAPEX in line with YTD Budget

Capital projects with overspends total \$530k at will be addressed in upcoming Budget Reviews.

# Revised Budget is the Original Budget plus adopted Carryforwards and Budget Variations

Please note that these reports are unaudited management financial reports. Information contained in the reports were current as at the date of the reports and may not reflect any event or circumstances which occurred after the date the reports were completed.

**Report on Planned Major Capital Works  
For The Period Ended 31 December 2022**

Class of Assets	By Major Capital Project	Total Prior Year(s) Actuals \$ (A)	YTD Actuals \$ (B)	Total Actuals \$ (C = A + B)	Total Planned Budget \$ (D)	Total Yet to Spend \$ (E = D - C)	Expected Project Completion Date
Buildings	Casuarina Aquatic & Leisure Centre	360,585	3,229,189	3,589,774	25,000,000	21,410,226	30/06/2024
Waste Management Infrastructure	Shoal Bay - Stage 2 Expansion	0	21,000	21,000	12,000,000	11,979,000	30/06/2024
Waste Management Infrastructure	Leachate Irrigation System - Shoal Bay (CF)	13,150,746	2,406,333	15,557,078	14,425,069	(1,132,009)	30/06/2023
Waste Management Infrastructure	SBWMF - Stage 3 & 4 Final Cap Design & Construction (CF)	8,754,737	5,680,619	14,435,355	14,000,000	(435,355)	30/06/2023
Waste Management Infrastructure	Shoal Bay - Leachate Ponds	0	3,205,248	3,205,248	7,500,000	4,294,753	30/06/2023
Waste Management Infrastructure	Leachate Storage Tanks & Infrastructure	5,624,943	56,305	5,681,249	5,752,400	71,151	Completed
<b>TOTAL</b>		<b>27,891,011</b>	<b>14,598,693</b>	<b>42,489,704</b>	<b>78,677,469</b>	<b>36,187,765</b>	

**15 RECEIVE & NOTE REPORTS****15.1 MONTHLY FINANCIAL REPORT - FEBRUARY 2023**

**Author:** Senior Accountant  
Executive Manager Finance  
Executive Manager Corporate and Customer Services

**Authoriser:** General Manager Corporate

**Attachments:** 1. Monthly Financial Report - February 2023 [↓](#)

**RECOMMENDATIONS**

THAT the report entitled Monthly Financial Report – February 2023 be received and noted.

**PURPOSE**

The purpose of this report is to provide a summary of the financial position of Council for the period ended 28 February 2023.

Further, this report and the contents are required to be presented to Council in compliance with the *Local Government (General) Regulations 2021*.

**KEY ISSUES**

The Monthly Financial Report includes:

- Income Statement, which compares actual YTD income and expenditure against YTD budget.
- Fund Flow Statement (Monthly Operating Position), which outlines the effect on General Funds.
- Statement of Financial Position (Balance Sheet), which outlines what Council owns (assets) and what it owes (liabilities) at a point in time.
- Notes to the Balance Sheet, this includes further details on the Cash Balance, Trade Debtors, Trade Creditors, and a statement on Council's current payment and reporting obligations.
- Investments, which provides details of treasury activities, investments as at 28 February 2023.
- Rates and Receivables Report which provides a summary of outstanding rates and debtors.
- Procurement Reporting, which is a summary of contract variations and exempt procurement.
- Capital Expenditure and Funding, which compares YTD capital expenditure and funding against YTD budget.
- Planned Major Projects Capital Works, provides a high-level financial overview of our major projects at a point in time.

**DISCUSSION****February 2023 – Year to Date Result**

The year-to-date operating result until 28 February 2023 is a **deficit of (\$10.13M)** compared to a **Budgeted deficit of (\$14.22M)** as highlighted in the table below.

After including capital income, the **Net Deficit is (\$8.79M)** against the budgeted **deficit of (\$12.81M)**. This has resulted in a favourable **\$4.02M** variance overall (as shown in the income statement).

	<b>Actual</b> <b>\$'000</b>	<b>Budget</b> <b>\$'000</b>	<b>Variance</b> <b>\$'000</b>
<b>Net Operating Surplus/ (Deficit)</b>	<b>(10,129)</b>	<b>(14,219)</b>	<b>4,090 Favourable</b>

**Commentary**

The Net Operating Position has a favourable variance to the budget of \$4.09M. The variance results from lower than budgeted materials and contracts, employee costs, and depreciation, offset by lower than anticipated fees and charges received for the period ending 28 February 2023. Please find below additional commentary for the material variances:

**Income**

Total Operating Income is tracking below budget by \$0.21M.

**User Fees & Charges**

The unfavourable variance is \$2.21M. This is mainly due to Waste Fees & Charges being under YTD expectations and is partially offset by a decrease in waste related expenditure.

**Operating Grants and Subsidies**

The favourable variance of grants received is mainly related to the timing of the actual receipt of grants compared to budget forecasts with the exception of the FAA grant which is tracking higher than estimated budget.

**Interest / Investment Income**

The favourable variance mainly relates to the increase in returns received on investments due to the increasing RBA cash rate.

**Expenditure**

Total Expenses are under budget by \$4.30M. This is due to underspends in Employee Expenses of \$0.88M, Materials & Contracts \$2.75M and Depreciation being under budget by \$1.83M.

**Employee Expenses**

Employee costs report a positive variance to budget of \$0.87M this relates to timing of employee leave and employee vacancies. It is expected that as vacancies are filled and year end entitlements are adjusted for in June 2023, that this variance will reduce.

**Materials & Contracts**

Materials and Contracts expenses has an annual budget of \$58.94M and this incorporates various expenditure types. Combined, this budget line is under budget with a variance of \$2.75M. This predominately relates to expenses associated with waste management at shoal bay, which is offset by a reduction in revenue.

There are other programs that are underspent, including City Parking, and City Maintenance. At the end of February 2023, the variances appear to be mainly timing variances and most of these areas are expected to return to budget by year-end.

Programs that are tracking as overspent YTD include Parks & Reserves due to utilities, and Information Communication & Technology. These variances are largely due to timing between budgeted profiles and actual expenses. Identified permanent variances will be revised in Budget Reviews.

**Depreciation and Amortisation**

Depreciation is a non-cash expense and is under budget by \$1.83M. The variance relates to timing of asset capitalisations and changes to useful lives on assets that were revalued in 2021-22 as part of the end of financial year process. This will be adjusted as part of the 2<sup>nd</sup> Budget Review.

**Other Expenses**

This relates to the repayment of unspent grant funds of \$1.26M for Urban Oval Lighting, the budget will be realigned in the 2<sup>nd</sup> Budget Review.

**Statement of Fund Flows**

The variances are related to a mismatch in the timing of projects and budget profiles, and the reasons described above under operating statement commentary.

**Cash and Investments Note A**

City of Darwin has achieved 3.67% on weighted average interest rate on its February cash and investment portfolio of \$99.67M (excluding loan offset \$34.5M). There have been no investment policy breaches in this month.

The Investment Reports include surplus cash funds that are placed against variable loans. These funds are considered 'at call' as they can be accessed in short time frames.

**Treasury Comment**

The RBA met on the 7<sup>th</sup> of March and there was an increase of the cash rate target by 25 basis points. Australia's inflation is still high. The RBA board said it expects to increase interest rates further over the period ahead. The size and timing of future interest rate increases will continue to be determined by the national/global economic data and the RBA's assessment of the outlook for inflation and the labour market. Any increases by the RBA will increase City of Darwin's interest (borrowing) expenses and increase interest income.

**Accounts Receivable (Trade Debtors) Note B**

This section considers the receipt timing of Rates collection and any general Debtors outstanding. The report also includes information on aged debtors including general debtors, infringements, and Rates arrears.

**Accounts Payable (Trade Creditors) Note C**

Accounts Payable owing at 28 February 2023 was \$4.22M at the time of reporting. City of Darwin recognises the liability of invoices once goods are receipted.

## Ordinary Council Meeting Agenda

28 March 2023

**Other notes to the financial reports**

The Council has met its payment and reporting obligations for GST, Fringe Benefits Tax, PAYG withholding tax, superannuation, and insurance for the month of February 2023.

Our internal accounting conventions for monthly reporting currently recognise the Council Rates that are attributable to that month and then progressively throughout the year.

Please note that these reports are unaudited management financial reports. Information contained in the reports were current as at the date of the reports and may not reflect any event or circumstances which occurred after the date the reports were completed.

**Procurement Reporting**

Under the Local Government (General) Regulations, Council is required to disclose at the next Council meeting and on the City of Darwin website:

- contract variations:
  - where a tender was not required, however the total cost exceeds \$100,000, or
  - where a contract requiring a tender is varied by 10%.
- exempt procurement greater than \$100,000

**Contract Variations**

There were no reportable contract variations for February 2023.

**Exempt Procurement**

Vendor	Supply	Cost	Applicable Exemption
Intuit	VxRail Maintenance and Tech Refresh	\$255,310.92	Reg 38(1)(d) Renewal of Existing Licence
Veolia Environmental Services	Supply of fuel for Benevap machine	\$102,703.03	Reg 38(1)(h) Only one supplier
Veolia Environmental Services	Supply of fuel for Benevap machine	\$241,013.35	Reg 38(1)(h) Only one supplier

**Certification by the CEO to the Council**

That, to the best of the CEO's knowledge, information and belief:

- (1) The internal controls implemented by the council are appropriate; and
- (2) The council's financial report best reflects the financial affairs of the council.



CEO Signed  
22 March 2023

## Ordinary Council Meeting Agenda

28 March 2023

<b>PREVIOUS COUNCIL RESOLUTION</b> N/A	
<b>STRATEGIC PLAN ALIGNMENT</b>	6 Governance Framework 6.3 Decision Making and Management
<b>BUDGET / FINANCIAL / RESOURCE IMPLICATIONS</b>	N/A
<b>LEGISLATION / POLICY CONTROLS OR IMPACTS</b>	<p>Part 2 Division 7 the <i>Local Government (General) Regulations 2021</i> require that a monthly financial report is presented to Council each month setting out:</p> <p>(a) the actual income and expenditure of the council for the period from the commencement of the financial year up to the end of the previous month; and</p> <p>(b) the most recently adopted annual budget; and</p> <p>(c) details of any material variances between the most recent actual income and expenditure of the council and the most recently adopted annual budget.</p> <p>Regulation 17(5) Part 2 Division 7 the <i>Local Government (General) Regulations 2021</i> require that the monthly report must be accompanied by:</p> <p>(a) a certification, in writing, by the CEO to the council that, to the best of the CEO's knowledge, information and belief:</p> <p>(i) the internal controls implemented by the council are appropriate; and</p> <p>(ii) the council's financial report best reflects the financial affairs of the council; or</p> <p>(b) if the CEO cannot provide the certification – written reasons for not providing the certification.</p> <p>The report is compliant with the requirements of the <i>Local Government Act 2019</i> and <i>Local Government (General) Regulations 2021</i>.</p>
<b>CONSULTATION, ENGAGEMENT &amp; COMMUNICATION</b>	N/A

## Ordinary Council Meeting Agenda

28 March 2023

<b>DECLARATION OF INTEREST</b>	<p>The report authors do not have a conflict of interest in relation to this matter.</p> <p>The report authoriser does not have a conflict of interest in relation to this matter.</p> <p>If a conflict of interest exists, staff will not act in the matter, except as authorised by the CEO or Council (as the case requires).</p>
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Income Statement For the Period Ended 28 February 2023	2022/23						
	2023 YTD Actual		2023 YTD Budget		Variance	FY Revised Budget	FY Original Budget
	\$'000		\$'000		\$'000	\$'000	\$'000
<u>Operating Income</u>							
Rates	53,519	70%	53,476	70%	43	80,215	80,215
Charges	1,576	2%	1,571	2%	5	2,282	2,282
Fees and Charges	14,167	19%	16,380	21%	(2,214)	24,521	24,521
Operating Grants and Subsidies	2,841	4%	2,396	3%	445	2,771	5,760
Interest / Investment Income	2,316	3%	1,089	1%	1,227	1,633	1,633
Other Income	1,588	2%	1,303	2%	284	1,764	1,763
<b>Total Income</b>	<b>76,007</b>		<b>76,216</b>		<b>(209)</b>	<b>113,186</b>	<b>116,174</b>
<u>Operating Expenses</u>							
Employee Expenses	25,114	29%	25,991	29%	877	39,394	38,893
Materials and Contracts	37,778	44%	40,532	45%	2,754	58,935	57,593
Elected Member Allowances	410	0%	488	1%	78	733	733
Elected Member Expenses	1	0%	43	0%	42	64	64
Council Committee & LA Allowances	4	0%	27	0%	23	40	10
Council Committee & LA Expenses	0	0%	0	0%	(0)	0	0
Depreciation, Amortisation & Impairment	20,816	24%	22,647	25%	1,832	33,971	33,971
Interest Expenses	753	1%	706	1%	(46)	2,022	2,354
Other Expenses	1,260	1%	0	0%	(1,260)	0	0
<b>Total Expenses</b>	<b>86,135</b>		<b>90,435</b>		<b>4,299</b>	<b>135,159</b>	<b>133,618</b>
<b>Budgeted Operating Surplus/ (Deficit)</b>	<b>(10,129)</b>		<b>(14,219)</b>		<b>4,090</b>	<b>(21,973)</b>	<b>(17,444)</b>
Capital Grants Income	1,335		1,410		(75)	10,873	9,360
<b>Net Surplus/(Deficit)</b>	<b>(8,793)</b>		<b>(12,809)</b>		<b>4,015</b>	<b>(11,099)</b>	<b>(8,084)</b>

Statement of Fund Flows Monthly Operating Position For the Period Ended 28 February 2023	2022/23				
	Feb 2023	YTD	YTD Variance	FY	FY
	YTD Actual \$'000	Revised Budget \$'000	Revised Budget \$'000	Revised Budget \$'000	Original Budget \$'000
<b>Funds From Operating Activities</b>					
Net Operating Result from Income Statement	(10,129)	(14,219)	4,090	(21,973)	(17,444)
Add back depreciation (not cash)	20,816	22,647	(1,832)	33,971	33,971
Add back Other Non Cash Items	0	0	0	708	708
<b>Net Funds Provided (or used in) Operating Activities</b>	<b>10,687</b>	<b>8,428</b>	<b>2,259</b>	<b>12,706</b>	<b>17,235</b>
<b>Less Additional Outflows</b>					
Repayment of borrowings & advances	(1,801)	(1,801)	0	(4,203)	(5,248)
Purchase of Infrastructure, Property, Plant & Equipment	(25,424)	(37,750)	12,326	(55,395)	(60,499)
<b>Total Additional Outflows</b>	<b>(27,226)</b>	<b>(39,551)</b>	<b>12,326</b>	<b>(59,598)</b>	<b>(65,747)</b>
<b>Add Additional Inflows</b>					
Add Capital Grants	1,335	1,410	(75)	10,873	9,360
Sale of Infrastructure, Property, Plant & Equipment	271	490	(219)	736	736
Proceeds from borrowings & advances	31,000	23,500	7,500	24,000	35,500
Transfers from Reserves	6,885	5,722	1,163	11,283	2,916
<b>Total Additional Inflows</b>	<b>39,491</b>	<b>31,122</b>	<b>8,368</b>	<b>46,892</b>	<b>48,512</b>
<b>Net Increase (-Decrease) in Funds</b>	<b>22,953</b>	<b>0</b>	<b>22,953</b>	<b>0</b>	<b>0</b>

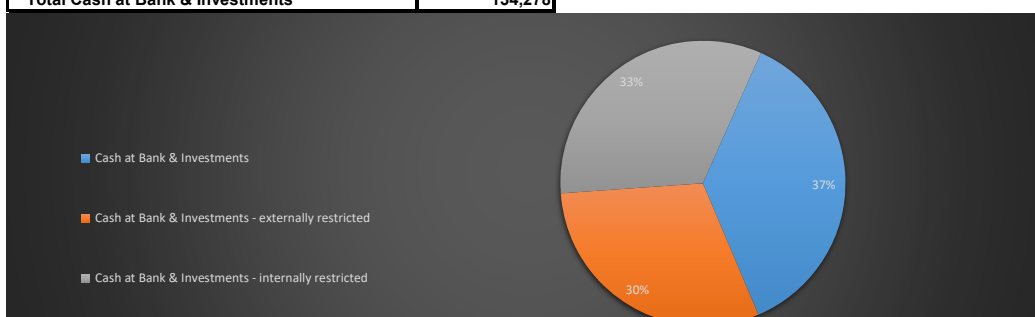
Statement of Financial Position as at 28 February 2023	2022/23				2021/22
	Feb 2023 Actual \$'000	Note	FY Revised Budget \$'000	FY Original Budget \$'000	FY Audited \$'000
<b>Current Assets</b>					
Cash at Bank & Investments	49,632	A	12,073	28,312	19,965
Cash at Bank & Investments - externally restricted	40,606	A	38,444	38,266	43,752
Cash at Bank & Investments - internally restricted	44,040	A	41,804	30,122	47,778
Trade & Other Receivables	4,551	B	11,646	11,646	12,089
Rates & Charges Receivables	20,449	B	0	0	0
Inventories	265		400	400	304
<b>Total Current Assets</b>	<b>159,542</b>		<b>104,366</b>	<b>108,746</b>	<b>123,888</b>
<b>Non-Current Assets</b>					
Infrastructure, Property, Plant and Equipment	1,253,715		1,219,438	1,224,542	1,249,378
Lease Right of Use Assets	3,682		0	0	3,682
<b>Total Non Current Assets</b>	<b>1,257,397</b>		<b>1,219,438</b>	<b>1,224,542</b>	<b>1,253,060</b>
<b>Total Assets</b>	<b>1,416,939</b>		<b>1,323,804</b>	<b>1,333,288</b>	<b>1,376,948</b>
<b>Current Liabilities</b>					
Trade Payables & Other Payables	4,224	C	22,069	22,069	20,254
Accruals	4,624		0	0	0
ATO & Payroll Liabilities	359	D	0	0	0
Other Current Liabilities / Payables	3,836		0	0	0
Rates Revenue struck (in advance)	26,781		0	0	0
Borrowings	969		6,438	5,392	2,770
Provisions	7,811		6,086	6,086	12,182
Lease Liabilities	837		862	862	837
<b>Total Current Liabilities</b>	<b>49,441</b>		<b>35,455</b>	<b>34,409</b>	<b>36,043</b>
<b>Non-Current Liabilities</b>					
Trade & Other Payables	14		0	0	14
Borrowings	63,244		48,384	59,884	32,244
Provisions	55,436		28,195	28,195	51,048
Lease Liabilities	3,004		2,458	2,458	3,004
<b>Total Non Current Liabilities</b>	<b>121,698</b>		<b>79,037</b>	<b>90,537</b>	<b>86,310</b>
<b>Total Liabilities</b>	<b>171,139</b>		<b>114,492</b>	<b>124,946</b>	<b>122,353</b>
<b>NET ASSETS</b>	<b>1,245,800</b>		<b>1,209,312</b>	<b>1,208,342</b>	<b>1,254,595</b>
<b>Equity</b>					
Accumulated Surplus	299,027		305,136	316,025	300,937
Asset Revaluation Reserve	862,128		823,929	823,929	862,128
Other Reserves	84,645		80,247	68,388	91,530
<b>TOTAL EQUITY</b>	<b>1,245,800</b>		<b>1,209,312</b>	<b>1,208,342</b>	<b>1,254,595</b>

### Monthly Balance Sheet Report (Notes to the Balance Sheet) as at 28 February 2023

#### Note A. Details of Cash and Investments Held

Investments Report attached, which provides details of treasury activities, investments as at the end of the Month. City of Darwin has achieved 2.65% on weighted average interest rate on its February 2023 cash and investment portfolio of \$134.2M (including \$34.5M Variable Loans Surplus/Offset). There have been no investment policy breaches in this month. The Investment Reports include surplus cash funds that are placed against variable loans. These funds are considered 'at call' as they can be accessed in short time frames.

Cash at Bank & Investments	\$'000
Cash at Bank & Investments	49,632
Cash at Bank & Investments - externally restricted	40,606
Cash at Bank & Investments - internally restricted	44,040
<b>Total Cash at Bank &amp; Investments</b>	<b>134,278</b>



Note B. Statement of Trade Debtors*	Past Due 1 – 30 Days	Past Due 31 – 60 Days	Past Due 61-90 Days	Past Due 90+ Days	Total *
Rates & Charges Debtors	\$17,328,140	\$0	\$0	\$3,120,738	\$20,448,878
Other Trade Receivables and Other Receivables	\$2,689,112	\$1,250,118	\$277,747	\$333,988	\$4,550,965
<b>Total Trade and Other Receivables</b>	<b>\$20,017,252</b>	<b>\$1,250,118</b>	<b>\$277,747</b>	<b>\$3,454,726</b>	<b>\$24,999,843</b>

Note C. Statement on Trade Creditors*	Past Due 1 – 30 Days	Past Due 31 – 60 Days	Past Due 61-90 Days	Past Due 90+ Days	Total
General Trade Creditors	\$4,220,390	\$266,152	\$3,300	\$5,658	\$4,495,500
Other Trade Payables & Other Payables	\$359,162	\$0	\$0	\$0	\$359,162
<b>Total Trade and Other Payables</b>	<b>\$4,579,552</b>	<b>\$266,152</b>	<b>\$3,300</b>	<b>\$5,658</b>	<b>\$4,854,662</b>

#### Note D. Statement on Australian Tax Office (ATO) and Payroll Obligations

The Council has met its payment and reporting obligations for GST, Fringe Benefits Tax, PAYG withholding tax, superannuation, and insurance for the month of February 2023.

\* Please note that these reports are unaudited management financial reports. Information contained in the reports were current as at the date of the reports and may not reflect any event or circumstances which occurred after the date the reports were completed.

**INVESTMENTS REPORT TO COUNCIL  
AS AT  
28 February 2023**

**Investment and Cash at Call/Offset Distribution by Term to Maturity**

**Term to Maturity Policy Limits**

There have been no breaches in Term to Maturity Policy limits for the month of February 2023

Term to Maturity Category	% of Total Portfolio	Term to Maturity (Policy Max.)	Term to Maturity (Policy Min.)
<b>Less than 1 Year</b>			
Term Deposits	56%		
Business Online Saver Accounts	2%		
Floating Rate Notes	1%		
General Surplus on Variable Loans	28%		
Bonds	0%		
<b>Less than 1 Year Total</b>	<b>87%</b>	<b>100%</b>	<b>30%</b>
<b>Greater than 1 Year less than 3 Years</b>			
Term Deposits	3%		
Business Online Saver Accounts	0%		
Floating Rate Notes	6%		
Bonds	2%		
<b>Greater than 1 Year less than 3 Years Total</b>	<b>12%</b>	<b>70%</b>	<b>0%</b>
<b>Greater than 3 Years</b>			
Term Deposits	0%		
Business Online Saver Accounts	0%		
Floating Rate Notes	2%		
Bonds	0%		
<b>Greater than 3 Years Total</b>	<b>2%</b>	<b>30%</b>	<b>0%</b>
<b>Greater than 5 Years</b>			
Term Deposits	0%		
Business Online Saver Accounts	0%		
Floating Rate Notes	0%		
<b>Greater than 5 Years</b>	<b>0%</b>	<b>10%</b>	<b>0%</b>
<b>Total</b>	<b>100%</b>		

**Investment Distribution by Portfolio Credit Rating**

**Portfolio Distribution Credit Rating Limits**

There have been no breaches in Portfolio Credit Rating Limits for the month of February 2023

Credit Rating - Maximum Individual Limit	ADI	Counterparty	% of Total Portfolio	Individual Counterparty Limits of Total Investments
<b>AA-</b>	Commonwealth Bank of Australia Ltd	Commonwealth Bank of Australia Ltd	30%	50%
	National Australia Bank Ltd	National Australia Bank Ltd	27%	50%
	Westpac Banking Corporation Ltd	Westpac Banking Corporation Ltd	24%	50%
	Northern Territory Treasury Corporation	Northern Territory Treasury Corporation	2%	50%
<b>A+</b>	Macquarie Bank	Macquarie Bank	1%	30%
	Suncorp Metway Limited	Suncorp Bank	3%	30%
<b>BBB+</b>	Bank of Queensland Ltd	Bank of Queensland Ltd	5%	10%
	Bendigo & Adelaide Bank Ltd	Bendigo & Adelaide Bank Ltd	1%	10%
	Members Banking Group Limited t/as RACQ Bank	Members Banking Group Limited t/as RACQ Bank	1%	10%
<b>BBB</b>	AMP Bank Ltd	AMP Bank Ltd	4%	10%
	Bank Australia Limited	Bank Australia Limited	2%	10%
<b>Grand Total</b>			<b>100%</b>	
<b>Credit Rating - Maximum Portfolio Limit</b>			<b>% of Total</b>	<b>Policy Limit</b>
AAA to AA-			83%	100%
A+ to A-			4%	45%
BBB+ to BBB			13%	30%
BBB-			0%	0%
<b>Total</b>			<b>100%</b>	



Capital Expenditure For The Period Ended 28 February 2023	2022/23			
	YTD	YTD	YTD	FY
	Actuals	Revised Budget	Variance	Revised Budget
	\$	\$	\$	Current Financial Year Budget \$
<b>TOTAL CAPITAL EXPENDITURE BY ASSET CLASS:</b>				
Capital Work In Progress				
Land - Under Roads	0	0	0	0
<b>Land and Buildings:</b>				
Land and Improvements	0	0	0	0
Buildings	4,735,391	8,926,207	4,190,816	17,162,834
<b>Infrastructure:</b>				
Stormwater Drainage	1,232,731	1,380,769	148,038	2,339,876
Transport	2,695,956	4,001,859	1,305,903	6,807,829
Pathways	997,264	1,213,039	215,775	1,801,175
Public Lighting	485,985	759,647	273,662	1,040,111
Waste Management Infrastructure	11,814,346	15,160,405	3,346,059	15,660,405
Waste Remediation	0	0	0	0
<b>Right Of Use Assets (Leases):</b>				
Leased Land and Buildings	0	0	0	0
Other Leased Assets	0	0	0	0
<b>Plant &amp; Equipment, including Fleet</b>	1,555,971	2,070,658	514,687	3,887,652
<b>Parks &amp; Reserves Infrastructure</b>	1,780,462	3,908,929	2,128,467	6,284,085
<b>Other Assets</b>	126,000	328,420	202,420	411,044
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>25,424,106</b>	<b>37,749,933</b>	<b>12,325,827</b>	<b>55,395,011</b>
<b>TOTAL CAPITAL EXPENDITURE FUNDED BY*:</b>				
Operating Income	10,992,339	10,992,339	0	16,280,027
Capital Grants	1,761,353	1,761,353	0	12,046,473
Transfer from Reserves	6,190,497	6,190,497	0	8,262,767
Borrowings	18,805,744	18,805,744	0	18,805,744
<b>TOTAL CAPITAL EXPENDITURE FUNDING</b>	<b>37,749,933</b>	<b>37,749,933</b>	<b>0</b>	<b>55,395,011</b>

\*Funding of expenditure is assumed to be consumed in line with YTD Revised Budget  
 2023 YTD Capital projects with overspends total \$532k will be addressed in upcoming Budget Reviews  
 Revised Budget is the Original Budget plus adopted Carryforwards and Budget Variations

**Report on Planned Major Capital Works  
For The Period Ended 28 February 2023**

Class of Assets	By Major Capital Project	Total Prior Year(s) Actuals \$  (A)	YTD Actuals \$  (B)	Total Actuals \$  (C = A + B)	Total Planned Budget \$  (D)	Total Yet to Spend \$  (E = D - C)	Expected Project Completion Date
Buildings	Casuarina Aquatic & Leisure Centre	360,585	4,048,357	4,408,943	25,000,000	20,591,057	30/06/2024
Waste Management Infrastructure	Shoal Bay - Stage 2 Expansion	0	21,000	21,000	12,000,000	11,979,000	30/06/2024
Waste Management Infrastructure	Leachate Irrigation System - Shoal Bay (CF)	13,150,746	2,411,298	15,562,043	14,425,069	(1,136,974)	30/06/2023
Waste Management Infrastructure	SBWMF - Stage 3 & 4 Final Cap Design & Construction (CF)	8,754,737	5,746,950	14,501,687	14,000,000	(501,687)	30/06/2023
Waste Management Infrastructure	Shoal Bay - Leachate Ponds	0	3,205,248	3,205,248	7,500,000	4,294,753	30/06/2023
Waste Management Infrastructure	Leachate Storage Tanks & Infrastructure	5,624,943	56,305	5,681,249	5,752,400	71,151	Completed
<b>TOTAL</b>		<b>27,891,011</b>	<b>15,489,158</b>	<b>43,380,169</b>	<b>78,677,469</b>	<b>35,297,300</b>	



**Table 4. Member and CEO Council Credit Card Transactions for the Month  
For the Month Ended 28 February 2023**

Cardholder Name: CEO

Transaction Date	Amount \$	Supplier's Name	Reason for the Transaction
24-Feb-23	21.43	UBER	Airport transfers - DRW - CCCLM meeting
06-Feb-23	155.00	THE RAIN FLORIST	Flowers sent to hospital
01-Feb-23	5.00	CBA	Corporate Credit Card Annual fee
<b>Total</b>	<b>181.43</b>		

Cardholder Name: Lord Mayor

Transaction Date	Amount \$	Supplier's Name	Reason for the Transaction
14-Feb-23	20.00	PAYSTAY	Car Parking Fee account top up
08-Feb-23	20.00	PAYSTAY	Car Parking Fee account top up
01-Feb-23	5.00	CBA	Corporate Credit Card Annual fee
<b>Total</b>	<b>45.00</b>		

**7 QUESTIONS BY MEMBERS**

**8 GENERAL BUSINESS**

**8.1**

Common No.

THAT

**9 CLOSURE OF MEETING TO THE PUBLIC**

THAT pursuant to Section 65 (2) of the Local Government Act and Regulation 8 of the Local Government (Administration) Regulations the meeting be closed to the public to consider the Confidential Items of the Agenda.

**RECOMMENDATIONS**

That Council considers the confidential report(s) listed below in a meeting closed to the public in accordance with Section 99(2) of the Local Government Act:

**12.1 2022/23 Annual Financial Statements - Audit Work Plan**

This matter is considered to be confidential under Section 99(2) - 51(c)(iv) of the Local Government Act, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with information that would, if publicly disclosed, be likely to subject to subregulation 51(3) – prejudice the interests of the council or some other person.

**12.2 Audit Closing Report 2021/22 Observations Update**

This matter is considered to be confidential under Section 99(2) - 51(c)(iv) of the Local Government Act, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with information that would, if publicly disclosed, be likely to subject to subregulation 51(3) – prejudice the interests of the council or some other person.

**12.3 Update on Internal Audit Plan - April 2023**

This matter is considered to be confidential under Section 99(2) - 51(c)(i) of the Local Government Act, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with information that would, if publicly disclosed, be likely to cause commercial prejudice to, or confer an unfair commercial advantage on, any person.

**12.4 Shoal Bay Waste Management Facility - Update April 2023**

This matter is considered to be confidential under Section 99(2) - 51(c)(iv) of the Local Government Act, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with information that would, if publicly disclosed, be likely to subject to subregulation 51(3) – prejudice the interests of the council or some other person.

**12.5 Work Health & Safety Quarterly Report: January - March 2023**

This matter is considered to be confidential under Section 99(2) - 51(a) and 51(c)(iv) of the Local Government Act, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with information about the employment of a particular individual as a member of the staff or possible member of the staff of the council that could, if publicly disclosed, cause prejudice to the individual and information that would, if publicly disclosed, be likely to subject to subregulation 51(3) – prejudice the interests of the council or some other person.

**12.6 Corporate Services Quarterly Report: January - March 2023**

This matter is considered to be confidential under Section 99(2) - 51(a) and 51(c)(iv) of the Local Government Act, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with information about the employment of a particular individual as a member of the staff or possible member of the staff of the council that could, if publicly disclosed, cause prejudice to the individual and information that would, if publicly disclosed, be likely to subject to subregulation 51(3) – prejudice the interests of the council or some other person.

**12.7 Notification Register - April 2023**

This matter is considered to be confidential under Section 99(2) - 51(a) and 51(f) of the Local Government Act, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with information about the employment of a particular individual as a member of the staff or possible member of the staff of the council that could, if publicly disclosed, cause prejudice to the individual and subject to

subregulation 51(2) – information in relation to a complaint of a contravention of the code of conduct.

#### **12.8 Enterprise Leadership Update**

This matter is considered to be confidential under Section 99(2) - 51(a) of the Local Government Act, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with information about the employment of a particular individual as a member of the staff or possible member of the staff of the council that could, if publicly disclosed, cause prejudice to the individual.



# **MINUTES**

## **Risk Management & Audit Committee Meeting**

**Friday, 24 February 2023**

**MINUTES OF CITY OF DARWIN  
RISK MANAGEMENT & AUDIT COMMITTEE MEETING  
HELD AT THE COUNCIL CHAMBERS DARRANDIRRA, LEVEL 1, CIVIC CENTRE, HARRY  
CHAN AVENUE, DARWIN  
ON FRIDAY, 24 FEBRUARY 2023 AT 9.00AM**

**PRESENT:** Chair Roland Chin, Councillor Jimmy Bouhoris, Councillor Brian O'Gallagher, , Member Sanja Hill, Member Ninad Sinkar

**OFFICERS:** Simone Saunders (Chief Executive Officer), Steve Thacker (General Manager Corporate / CFO), Chris Kelly (Executive Manager Corporate & Customer Service), Alice Percy (General Manager Innovation), Irene Frazis (Executive Manager Finance). Brooke Prince, Senior Risk & Assurance Advisor, Michael Devlin, Senior ICT Coordinator

**APOLOGY:** Councillor Morgan Rickard, Member Shane Smith

**GUESTS:** N/A

**Order Of Business**

<b>1</b>	<b>Meeting Declared Open .....</b>	<b>3</b>
<b>2</b>	<b>Apologies and Leave of Absence .....</b>	<b>3</b>
<b>3</b>	<b>Electronic Meeting Attendance.....</b>	<b>3</b>
<b>4</b>	<b>Declaration of Interest of Members and Staff .....</b>	<b>4</b>
<b>5</b>	<b>Confirmation of Previous Minutes .....</b>	<b>5</b>
<b>6</b>	<b>Action Reports .....</b>	<b>5</b>
6.1	Risk Review and Assessment - February 2023 .....	5
6.2	Monthly Financial Reports: September 2022 - December 2022.....	5
<b>7</b>	<b>Questions by Members .....</b>	<b>6</b>
<b>8</b>	<b>General Business.....</b>	<b>6</b>
<b>9</b>	<b>Closure of Meeting to the Public .....</b>	<b>6</b>

## 1 MEETING DECLARED OPEN

### RECOMMENDATIONS

The Chair declared the meeting open at 9.05 am.

### ACKNOWLEDGEMENT OF COUNTRY

We the members of City of Darwin acknowledge that we are meeting on Larrakia Country.

We recognise and pay our respects to all Larrakia people, Traditional Owners and Custodian Elders of the past and present.

We support emerging Larrakia leaders now and into the future.

We are committed to working together with all Larrakia to care for this land and sea for our shared future

## 2 APOLOGIES AND LEAVE OF ABSENCE

### COMMITTEE RESOLUTION RMAC001/23

Moved: Councillor Brian O'Gallagher

Seconded: Councillor Jimmy Bouhoris

THAT the following apologies be received and noted

- Councillor Morgan Rickard
- Member Shane Smith

**CARRIED 5/0**

## 3 ELECTRONIC MEETING ATTENDANCE

### 3.1 ELECTRONIC MEETING ATTENDANCE GRANTED

### COMMITTEE RESOLUTION RMAC002/23

Moved: Chair Roland Chin

Seconded: Member Sanja Hill

THAT the Committee note that pursuant to Section 98 (3) of the Local Government Act, the following members were granted permission for Electronic Meeting Attendance at this Risk Management and Audit Committee Meeting, 24 February 2023:

- Mr Ninad Sinkar

**CARRIED 5/0**

### 3.2 ELECTRONIC MEETING ATTENDANCE REQUESTED



**RECOMMENDATIONS**

Nil

**4 DECLARATION OF INTEREST OF MEMBERS AND STAFF****4.1 DECLARATION OF INTEREST BY MEMBERS****COMMITTEE RESOLUTION RMAC003/23**

Moved: Chair Roland Chin

Seconded: Member Sanja Hill

Member Shane Smith made the following Declarations

- D. Mr Shane Smith – in his role as Commercial Manager of Gold Medal Services, a Director of Territory Tarmac Rally and an Executive Director of Assurance Advisory (23/10/20)
- E. Mr Shane Smith Director of Territory Tarmac Rally, an event which will require engagement and support from City of Darwin. (27/11/20)
- F. Mr Shane Smith advised that he is no longer an Executive Director of Assurance Advisory. (27/11/20).

Member Roland Chin made the following Declarations (administratively updated 16/02/23):

- G. Treasurer of St John Ambulance Australia(NT) Inc.; Director of SJA (NT) Endowment Company Pty Ltd as trustee for The St John Ambulance (NT) Endowment Trust; Director of St John Ambulance Australia NT Holdings Pty Ltd; St John Ambulance Australia Ltd – Finance, Audit & Risk subcommittee.
- H. President of Chung Wah Society Inc.
- I. Northern Territory General Practice Education Ltd – Finance and Audit Committee
- J. Chair of Audit and Risk Committee of Venture Housing Company Limited
- K. Chair of Audit, Risk and Compliance Committee of Charles Darwin University
- L. Tiwi Land Council Audit Committee

Alderman Jimmy Bouhoris made the following Declarations (25/06/21):

- B. Any items relating to PowerWater.

Member Sanja Hill advised of the following representations (21/10/22):

- B. Currently providing advisory services to NTG, YMCA and MACC.

**CARRIED 5/0**

## 4.2 DECLARATION OF INTEREST BY STAFF

### RECOMMENDATIONS

Nil

## 5 CONFIRMATION OF PREVIOUS MINUTES

### COMMITTEE RESOLUTION RMAC004/23

Moved: Councillor Brian O'Gallagher

Seconded: Councillor Jimmy Bouhoris

That the minutes of the Risk Management & Audit Committee Meeting held on 21 October 2022 be confirmed.

**CARRIED 5/0**

## 6 ACTION REPORTS

### 6.1 RISK REVIEW AND ASSESSMENT - FEBRUARY 2023

#### COMMITTEE RESOLUTION RMAC005/23

Moved: Member Sanja Hill

Seconded: Councillor Brian O'Gallagher

1. THAT the report entitled Risk Review and Assessment February 2023 be received and noted.

**CARRIED 5/0**

### 6.2 MONTHLY FINANCIAL REPORTS: SEPTEMBER 2022 - DECEMBER 2022

#### COMMITTEE RESOLUTION RMAC006/23

Moved: Member Sanja Hill

Seconded: Councillor Jimmy Bouhoris

1. THAT the report entitled Monthly Financial Reports: September 2022 – December 2022 be received and noted.

**CARRIED 5/0**

## 7 QUESTIONS BY MEMBERS

### RECOMMENDATIONS

THAT the following Questions by Members be received and noted.

**7.1** Nil

## **8 GENERAL BUSINESS**

### **RECOMMENDATIONS**

**8.1** Nil

## **9 CLOSURE OF MEETING TO THE PUBLIC**

### **RECOMMENDATIONS**

THAT pursuant to Section 65 (2) of the Local Government Act and Regulation 8 of the Local Government (Administration) Regulations the meeting be closed to the public to consider the Confidential Items of the Agenda.

**RECOMMENDATIONS**

That Council considers the confidential report(s) listed below in a meeting closed to the public in accordance with Section 99(2) of the Local Government Act:

**12.1 Cybersecurity Update**

This matter is considered to be confidential under Section 99(2) - 51(c)(iii) of the Local Government Act, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with information that would, if publicly disclosed, be likely to prejudice the security of the council, its members or staff.

**12.2 Shoal Bay Waste Management Facility - Update February 2023**

This matter is considered to be confidential under Section 99(2) - 51(c)(iv) of the Local Government Act, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with information that would, if publicly disclosed, be likely to subject to subregulation 51(3) – prejudice the interests of the council or some other person.

**12.3 Work Health & Safety Quarterly Report: October - December 2022**

This matter is considered to be confidential under Section 99(2) - 51(a) and 51(c)(iv) of the Local Government Act, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with information about the employment of a particular individual as a member of the staff or possible member of the staff of the council that could, if publicly disclosed, cause prejudice to the individual and information that would, if publicly disclosed, be likely to subject to subregulation 51(3) – prejudice the interests of the council or some other person.

**12.4 Notification Register - February 2023**

This matter is considered to be confidential under Section 99(2) - 51(a) and 51(f) of the Local Government Act, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with information about the employment of a particular individual as a member of the staff or possible member of the staff of the council that could, if publicly disclosed, cause prejudice to the individual and subject to subregulation 51(2) – information in relation to a complaint of a contravention of the code of conduct.

**12.5 Corporate Services Quarterly Report: October - December 2022**

This matter is considered to be confidential under Section 99(2) - 51(a) and 51(c)(iv) of the Local Government Act, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with information about the employment of a particular individual as a member of the staff or possible member of the staff of the council that could, if publicly disclosed, cause prejudice to the individual and information that would, if publicly disclosed, be likely to subject to subregulation 51(3) – prejudice the interests of the council or some other person.

**12.6 Risk Management and Audit Committee - Reappointments**

This matter is considered to be confidential under Section 99(2) - 51(a) of the Local Government Act, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with information about the employment of a particular individual as a member of the staff or possible member of the staff of the council that could, if publicly disclosed, cause prejudice to the individual.

**12.7 Update on Internal Audit Plan - February 2023**

This matter is considered to be confidential under Section 99(2) - 51(c)(i) of the Local Government Act, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with information that would, if publicly disclosed, be likely to cause commercial prejudice to, or confer an unfair commercial advantage

on, any person.

**The Meeting closed at 9.44 am.**

**The minutes of this meeting were confirmed at the Risk Management & Audit Committee held on 21 April 2023.**

.....  
**CHAIR**