



AGENDA

Risk Management & Audit Committee Meeting

Friday, 28 June 2024

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

Date: Friday, 28 June 2024

Time: 9.00am

**Location: Meeting Room Darrandirra (Chambers)
Level 1, Civic Centre
Harry Chan Avenue, Darwin**

**Simone Saunders
Chief Executive Officer**

RISK MANAGEMENT & AUDIT COMMITTEE MEMBERS

Chair Roland Chin

Councillor Jimmy Bouhoris

Councillor Brian O'Gallagher

Councillor Ed Smelt

Member George Araj

Member Sanja Hill

Member Joe McCabe

OFFICERS

Simone Saunders (Chief Executive Officer)

Natalie Williamson (General Manager Corporate)

Alice Percy (General Manager Innovation)

Chris Kelly (Executive Manager Corporate and Customer Service)

Irene Frazis (Executive Manager Finance)

Alexandra Vereker (Executive Manager HR & Safety)

Brooke Prince (Risk Management Coordinator)

Order Of Business

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

THAT the apology from Member Sanja Hill, 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 members were granted permission for Electronic Meeting Attendance at this Risk Management and Audit Committee Meeting held on Friday, 28 June 2024:

- Member Joe McCabe
- Member George Araj

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

Member Roland Chin made the following Declarations (updated 20/10/23):

- A. 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
- B. President of Chung Wah Society Inc
- C. Chair of Audit and Risk Committee of Venture Housing Company Limited
- D. Chair of Audit, Risk and Compliance Committee of Charles Darwin University
- E. Tiwi Land Council Audit Committee.

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

- A. any items relating to PowerWater

Councillor Brian O’Gallagher made the following Declaration (19/04/24)

- A. pre-selection for the seat of Karama at the upcoming NT Election

Councillor Ed Smelt made the following Declarations (20/10/2023):

- A. any items relating to Department of Infrastructure, Planning and Logistics, NTG

Member Sanja Hill advised of the following representations (updated 19/04/24):

- A. any items relating to Department of the Attorney-General and Justice NTG

Member Joe McCabe made the following Declarations (20/10/2023):

- A. any items relating to Alice Springs Town Council

5 CONFIRMATION OF PREVIOUS MINUTES

Risk Management & Audit Committee Meeting - 19 April 2024

6 ACTION REPORTS

6.1 RISK REVIEW AND ASSESSMENT - JUNE 2024

Author: Risk Management Coordinator

Authoriser: Executive Manager Corporate and Customer Services

Attachments:

1. Strategic Risk Heatmap Report [↓](#)
2. Operational Risk Heatmap Report [↓](#)
3. WHS Risk Heatmap Report [↓](#)
4. Project Risk Heatmap Report [↓](#)

RECOMMENDATIONS

THAT the report entitled Risk Review and Assessment June 2024 be received and noted.

PURPOSE

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

KEY ISSUES

- Risk maturity across the organisation has grown, with risks across each of the five registers being updated regularly as and when they fall due by responsible officers.
- A copy of the Strategic Risk Summary has been provided as **Attachment 1** to this report.
- A summary of the Operational Risk Summary is also provided as **Attachment 2** and includes risk details for each risk with a residual risk rating of high. There are no risks with a residual risk rating of extreme.
- Work remains ongoing to roll out the Incident module and is on track for implementation by end of financial year 2024.

DISCUSSION

At the previous RMAC meeting held in April 2024, the Committee was provided an update on the implementation of the Camms Enterprise Risk Management System, encompassing modules for the management of City of Darwin's risk register, audit programs, incidents, and compliance requirements.

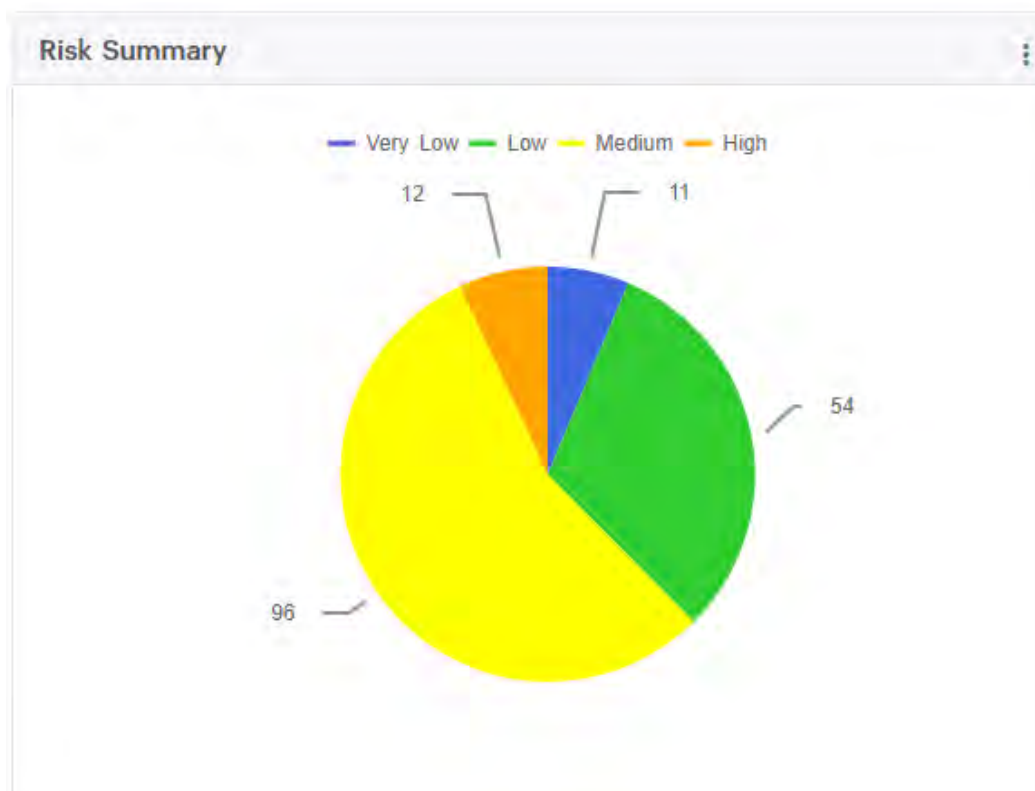
City of Darwin Risk Registers

Development of the operational, project and ICT risk registers remains ongoing and forms part of business as usual in City of Darwin's journey to risk maturity. The WHS risk register is well developed and is operating as expected. A full review of the strategic risk register is underway as part of an internal audit.

Since the last RMAC meeting only extreme and high rated risks were scheduled for review. The table below outlines the risk review frequency based on the residual risk rating of each risk, with the higher risks requiring a higher frequency of review.

Risk review deadlines and frequency													
Residual risk rating		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Extreme	Monthly												
High	Bi-monthly												
Medium	Quarterly												
Low	Half-yearly												
Very low	Annual												

Across all risk registers and risk types there are a total of 173 active risks in Camms. A summary of the residual risk ratings of across risk types is provided below:



Strategic Risk

A copy of the strategic risk summary is provided as **Attachment 1** to this report, with outcomes of the strategic risk audit to be presented to the Committee once available.

Operational Risk

There have been no significant changes to the operational risk register since the last RMAC meeting.

A risk summary is presented as **Attachment 2** to this report along with a detailed extract of all operational risks with a residual risk rating of high. There are two risks rated high in Finance, and four in Property.

Two additional workshops were held during the period and are awaiting import into Camms. These operational risks are all within appetite with no attention required from the Committee.

There are several controls currently past their review date, as shown in the document in **Attachment 2**, this is due to a hold being placed on the current review cycle for controls in order to undertake a significant body of work around consolidation and reconfiguration of system controls against Camms. This is anticipated to occur before end of this calendar year. System controls are considered from a reasonableness lens as part of the regular risk review process, even though the control review is on hold.

Camms risk education remains ongoing across the organisation, and work areas are being trained in the system as registers come online. This training is supported by guidance documents which have been prepared and are available for staff to access via the Intranet. Team members can access one-on-one training with the subject matter expert as required. Camms open door meetings are scheduled quarterly to assist with risk, compliance, and performance reporting education.

Risk workshops are being held in line with operational priorities with the flexibility to reschedule or adapt scheduled workshops to meet organisational needs.

WHS Risk

The WHS Risk Register is fully operational, and risk summary is provided as **Attachment 3** to this report.

The naming convention of the WHS risks is still in progress, with changes to be made to risk titles over the coming period, which will also include use of the new risk description field.

ICT Roadmap Risk

An update on the ICT Roadmap is presented as a separate item on this agenda.

Project Risk

A summary of project risks, grouped by responsibility, is provided as **Attachment 4** to this report.

This document also provides the detailed risk extract for the five risks currently listed as having a high residual risk. There are two risks rated high from the Civic Centre redevelopment project, and the remaining three risks are related to the stage 2 expansion at Shoal Bay Waste Management Facility (SBWMF).

Further workshops will be scheduled to finalise SBWMF stage 2 expansion and re-visit the draft SBWMF stage 7 construction register in line with project progress. Likewise, a workshop will need to be scheduled to close out risks for the ECM Upgrade 2023 project.

A summary of the individual project registers is provided:

Projects	Status
Bundilla Beach Master Plan	Risk review in regular cycle
Casuarina Aquatic and Leisure Centre redevelopment	Risk review in regular cycle
Civic Centre redevelopment	Risk review in regular cycle
ECM upgrade 2023	Finalised, ready for close-out
SBWMF stage 2 construction	Risk review complete, additional workshops required for full project update
SBWMF stage 7 expansion	In draft to be loaded into Camms

Camms Modules

As previously advised to the Committee, implementation of the Strategy, Risk, Audit and Compliance modules is now complete. Notifications and workflows for Audit, Risk, and Compliance are operational, with team members receiving task reminders across these modules.

The implementation of the Incident module remains ongoing, with planned implementation on track for end of financial year 2024.

PREVIOUS COUNCIL RESOLUTION

N/A

STRATEGIC PLAN ALIGNMENT	6 Governance Framework 6.3 Decision Making and Management
BUDGET / FINANCIAL / RESOURCE IMPLICATIONS	N/A
LEGISLATION / POLICY CONTROLS OR IMPACTS	N/A
CONSULTATION, ENGAGEMENT & COMMUNICATION	N/A
DECLARATION OF INTEREST	<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>



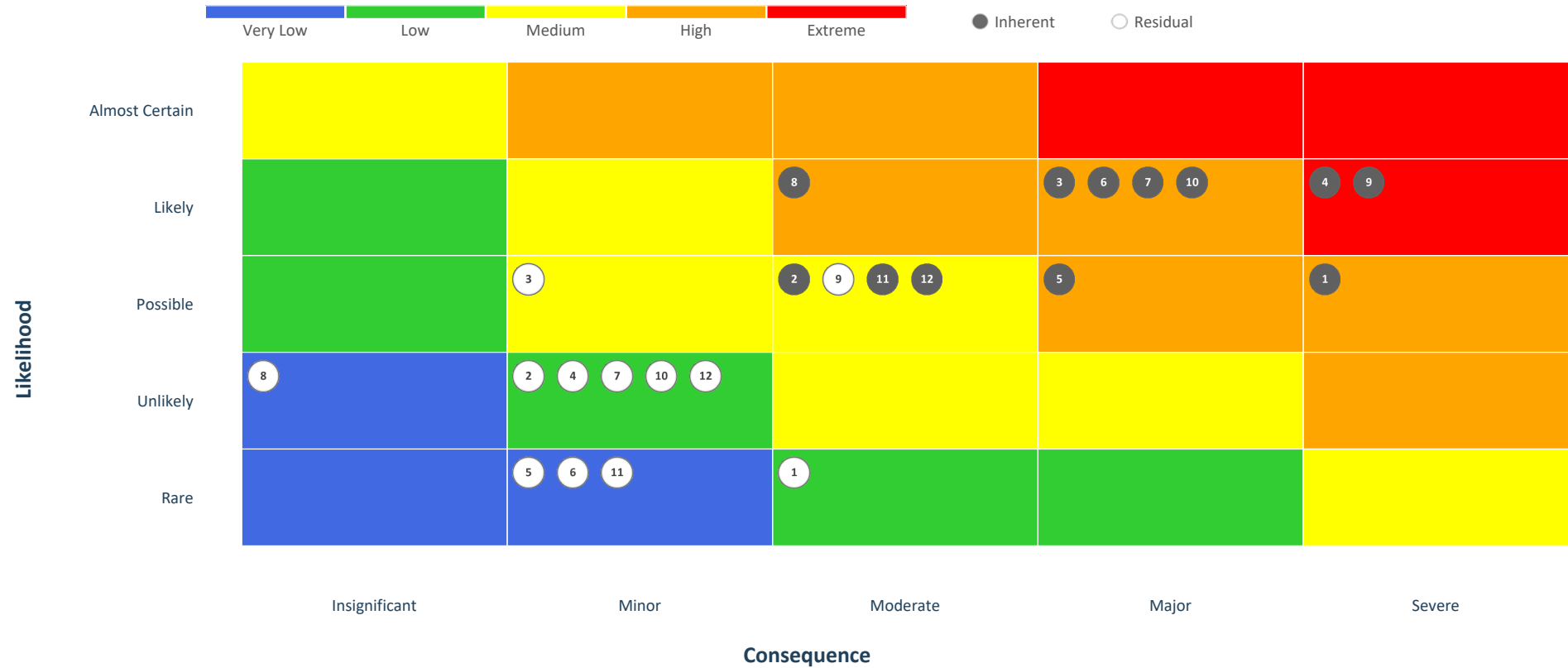
Heatmap Report

City of Darwin

Camms.

Print Date: 17-Jun-2024

HEATMAP



RISK SUMMARY

Strategic Risk

No.	Risk Title	Inherent	Residual	Trend
1	SR - 1 - Be financially sustainable into the long term	High	Low	↔
2	SR - 2 - Develop & facilitate effective relationships & partnerships & manage key stakeholders & their expectations	Medium	Low	↓
3	SR - 3 - Attract, retain and develop our people to our culture	High	Medium	↔
4	SR - 4 - Effectively design & implement fit for purpose contemporary governance practices	Extreme	Low	↓
5	SR - 5 - Prepare for, respond to, and recover from internal/external critical events	High	Very Low	↔
6	SR - 6 - Support the safety & wellbeing of staff and the community	High	Very Low	↔
7	SR - 7 - Operate in compliance with regulatory environment	High	Low	↓
8	SR - 8 - Be innovative with everything it does	High	Very Low	↓
9	SR - 9 - Identify, deliver and maintain the right infrastructure assets	Extreme	Medium	↔
10	SR - 10 - Maintain long term planning and thinking	High	Low	↓
11	SR - 11 - Design, implement & evolve the way that it delivers value to its internal & external customers	Medium	Very Low	↔
12	SR - 12 - Establish itself as a credible government for Darwin	Medium	Low	↔



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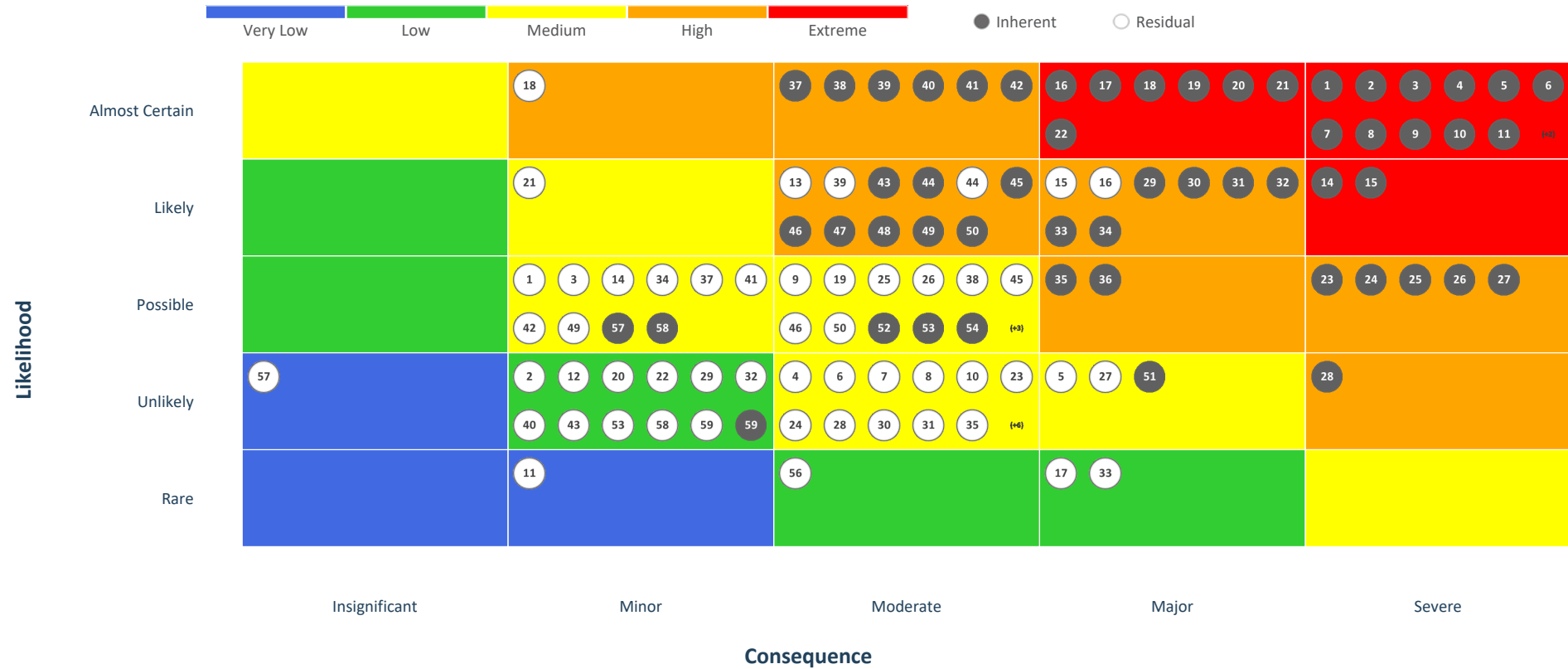
Heatmap Report

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Camms.

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HEATMAP



Additional overflowing risks denoted by the (+) icon:

Moderate x PossibleOR - 112, OR - 113, OR - 112

Moderate x UnlikelyOR - 129, OR - 19, OR - 92, OR - 21, OR - 23, OR - 25

Severe x Almost CertainOR - 126, OR - 115

RISK SUMMARY

ICT SERVICES

No.	Risk Title	Inherent	Residual	Trend
6	OR - 87 - Information held by City of Darwin not secured	Extreme	Medium	↓
7	OR - 88 - Cyber Attack: Malware, random-ware, hacking, DOS attacks, internal and external threats	Extreme	Medium	↓
8	OR - 89 - Fraud using ICT systems	Extreme	Medium	↔
9	OR - 91 - Aged ICT infrastructure and software	Extreme	Medium	↔
23	OR - 93 - ICT Disaster Recovery	High	Medium	↓
30	OR - 90 - Inadequate staff education in ICT	High	Medium	↔
51	OR - 92 - ICT resourcing and education	Medium	Medium	↓

WASTE MANAGEMENT

No.	Risk Title	Inherent	Residual	Trend
1	OR - 9 - Regulatory non compliance with EPA obligations	Extreme	Medium	↓
2	OR - 10 - Lack of appropriate Waste Service staff	Extreme	Low	↔
3	OR - 11 - Leachate damage to the environment	Extreme	Medium	↔
4	OR - 15 - Adequate waste storage capacity	Extreme	Medium	↔
5	OR - 17 - Fire at SBWMF	Extreme	Medium	↓
14	OR - 121 - Weighbridge operations failure	Extreme	Medium	
24	OR - 94 - Financially unsustainable operation at SBWMF	High	Medium	↓
25	OR - 95 - Emergency Waste Management	High	Medium	↑
26	OR - 14 - Site Safety	High	Medium	↔
28	OR - 12 - Contractor provided services	High	Medium	↑
31	OR - 86 - Lightning Strike	High	Medium	↔
33	OR - 120 - Unexploded Ordinances	High	Low	
49	OR - 16 - Waste being received that is outside of EPL	High	Medium	↔

INFRASTRUCTURE

No.	Risk Title	Inherent	Residual	Trend
10	OR - 98 - Project budget planning	Extreme	Medium	↔
19	OR - 99 - Project budget management	Extreme	Medium	↔
20	OR - 97 - Project management procedures, processes, workflows and templates	Extreme	Low	↔
21	OR - 100 - Unsuitable systems and software	Extreme	Medium	↔
22	OR - 101 - Contractor management	Extreme	Low	↔
32	OR - 103 - Resourcing and work planning	High	Low	↔
37	OR - 96 - Management of internal project communications	High	Medium	↓
40	OR - 104 - Succession planning	High	Low	↔
43	OR - 102 - Contract management	High	Low	↔

INNOVATION AND INFORMATION SERVICES

No.	Risk Title	Inherent	Residual	Trend
48	OR - 19 - Non-compliance with FOI process	High	Medium	↔

CORPORATE AND CUSTOMER SERVICE

No.	Risk Title	Inherent	Residual	Trend
27	OR - 18 - Mismanagement of personal information	High	Medium	↔
50	OR - 20 - Mismanagement of privacy issues associated with CCTV infrastructure	High	Medium	↔

PROCUREMENT

No.	Risk Title	Inherent	Residual	Trend
36	OR - 25 - Fraud and Corruption in Procurement	High	Medium	↔
38	OR - 24 - Manual procurement process	High	Medium	↔
52	OR - 21 - Inaccurate procurement needs analysis	Medium	Medium	↔
53	OR - 22 - Inadequate Vendor Selection and Management	Medium	Low	↔
54	OR - 23 - Emergency Supply Chain Management	Medium	Medium	↔

PROPERTY

No.	Risk Title	Inherent	Residual	Trend
13	OR - 126 - Lack of property data and information	Extreme	High	
15	OR - 123 - Compliance with legislation	Extreme	High	
16	OR - 128 - Non-compliant buildings	Extreme	High	
34	OR - 130 - Succession planning and single-point sensitivities	High	Medium	
39	OR - 125 - Property portfolio not managed effectively	High	High	
45	OR - 127 - Disposals and acquisitions not made with highest community and economic benefit	High	Medium	
46	OR - 124 - Lack of policy and procedures	High	Medium	
47	OR - 129 - Security of facilities	High	Medium	

OPERATIONS

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

FINANCE

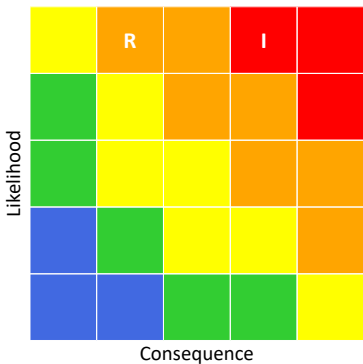
No.	Risk Title	Inherent	Residual	Trend
11	OR - 107 - Accounts Payable fraud	Extreme	Very Low	↔
12	OR - 115 - Legislative compliance	Extreme	Low	↔
17	OR - 110 - Material mis-statements and qualified accounts	Extreme	Low	↔
18	OR - 105 - Finance systems and GL structure not meeting needs	Extreme	High	↔
41	OR - 117 - Loss of revenue	High	Medium	↔
42	OR - 118 - Debt and debtor management	High	Medium	↔
44	OR - 111 - Succession and workforce planning	High	High	↔
55	OR - 112 - Role clarity	Medium	Medium	↔
56	OR - 113 - Policies and procedures	Medium	Low	↔

RISK OVERVIEW

FINANCE

OR - 105	Finance systems and GL structure not meeting needs				
Risk Categories: Legal & Compliance, Financial, Information Technology & Communications, Operations/Service Delivery, Reputation & Brand		Responsible Person: IRENE FRAZIS	Secondary Responsible Officers: SHANE NANKIVELL,SIMONE SAUNDERS	Last Reviewed Date: 27 Mar, 2024	Next Review Date: 31 Jul, 2024
Organisation > CORPORATE > FINANCE > FINANCE					
Risk Detailed Description : Finance systems and GL structure not meeting needs					

Individual Heatmap



I Inherent Risk Assessment
R Residual Risk Assessment

Effectiveness of control	
R	Partially Effective

Risk Appetite



Causes

- Operational - Human error
- Operational - Goods receipting not functioning effectively
- Operational - Quantity and value are reversed within the purchasing system
- Operational - Accounts payable workflows disappear without reason
- Operational - Officers not completing goods receipts in a timely manner
- Operational - System function for alternate officers by-passes delegations procedure
- Operational - Purchasing guideline not available
- Operational - End users are not informed and aware of what constitutes good financial practices
- Operational - Large volume of purchasing transactions across the organisation
- Operational - Character limits on first line of purchase transaction
- Operational - AP workflow not built for City of Darwin's current version of Authority
- Operational - Budget managers not understanding City of Darwin general ledger structure
- Operational - Too much freedom for budget managers to amend their program's general ledger structure

Residual Controls

Control Title	Control Owner	Control Owner Rating	Control Next Review Date
Centralised procurement function	CHRISTOPHER KELLY	Partially Effective	30 Jun, 2024
Internal SMEs in Procurement area	CHRISTOPHER KELLY	Partially Effective	30 Jun, 2024
Limited access control permissions for Authority	IRENE FRAZIS	Partially Effective	29 Sep, 2024
Chart of Accounts	IRENE FRAZIS	Partially Effective	29 Sep, 2024

Consequences

- Volume of data in goods receipting process makes it difficult for users to analyse data effectively
- Creditors miss being paid while responsible officers are on leave due to failures in the AP workflow
- Invoice approval process does not follow the responsible officer's full hierarchy, payments are only approved by the officer with the highest financial delegation required, often leaving supervisors out of the process
- Misstatement of accounts
- Incorrect financial records and history
- Difficulties in detecting fraud
- Invoices paid against incorrect purchase order
- Audit trail for transactions is not easy to follow
- Budget managers manage information in spreadsheets or other tools instead of inside Authority
- Budget managers do not understand the data in the system, or how to access it effectively
- Incorrect payment to suppliers for goods and services
- Ineffective budget management

Residual Controls

Control Title	Control Owner	Control Owner Rating	Control Next Review Date
Financial delegations for payments and approvals are system controlled based on the Delegations Register	CHRISTOPHER KELLY	Partially Effective	29 Sep, 2024
Access to requisitioning module in Authority is not provided until users have completed relevant training	SHANE NANKIVELL	Partially Effective	29 Sep, 2024
Online training in Finance systems	SHANE NANKIVELL	Partially Effective	29 Sep, 2024
General ledger journals	SHANE NANKIVELL	Partially Effective	29 Sep, 2024
Delegations Framework	SIMONE SAUNDERS	Mostly Effective	31 Dec, 2023
Suitable team structure for the Finance section	IRENE FRAZIS	Partially Effective	28 Sep, 2024
Financial reconciliation reports (incl. but not limited to balance sheet, accounts payable, creditors, goods receipting, rates Valuer General report)	SHANE NANKIVELL	Partially Effective	28 Sep, 2024
Fortnightly Accounts Payable Maintenance audit	SHANE NANKIVELL	Partially Effective	28 Sep, 2024
Monthly financial management reports	SHANE NANKIVELL	Partially Effective	28 Sep, 2024

Residual Solutions

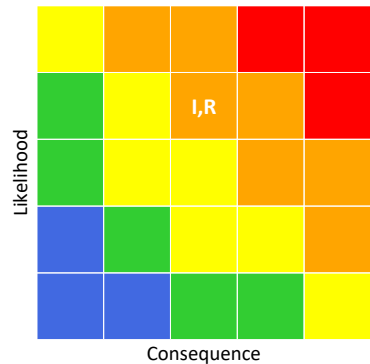
Risk Action Title	Responsible Officer	Action Status	% Completed	End Date
Create guideline for entering requisitions and purchase orders	IAIN MACPHERSON	Not Started	0	31 May, 2024
Identify any overlaps within the training module for Finance and AP with Procurement training and review training programs	SHANE NANKIVELL	Not Started	0	30 Jun, 2024
Implementation of IT Roadmap	NATALIE WILLIAMSON	In Progress	20	31 Dec, 2026
Irene to meet with Civica regarding requirements for GL restructure for system upgrade	IRENE FRAZIS	Completed	100	29 Mar, 2024

City of Darwin

Heatmap Report

OR - 111	Succession and workforce planning				
Risk Categories: Operations/Service Delivery, Legal & Compliance, Reputation & Brand, Work Health & Safety		Responsible Person: IRENE FRAZIS	Secondary Responsible Officers: SHANE NANKIVELL,SIMONE SAUNDERS	Last Reviewed Date: 27 Mar, 2024	Next Review Date: 31 Jul, 2024
Organisation > CORPORATE > FINANCE > FINANCE					
Risk Detailed Description : Succession and workforce planning					

Individual Heatmap



- I Inherent Risk Assessment
- R Residual Risk Assessment

Effectiveness of control	
R	Ineffective

Risk Appetite



Causes

- Project - Single point sensitivities
- Operational - Lack of identified back-up resources
- Operational - Failure to understand core role functions and responsibilities
- Operational - Gap identification not undertaken
- Operational - Failure to engage with team members
- Operational - Team structure is not ideal for meeting current operational needs
- Operational - Reactive recruitment
- Operational - Higher duties policy requires employee to be away for more than five days to be entitled to HDA
- Operational - Unable to recruit and retain suitably qualified employees in key roles
- Operational - Insufficient budget
- Operational - Insufficient staff resourcing
- Operational - Insufficient succession planning

Consequences

- Breach of legislation
- Compliance breach
- Loss of key staff
- Increased likelihood of fraud due to lack of system management and controls
- Delays in delivering critical functions
- Failure to keep up with best practice
- Loss of knowledge
- Disengaged workforce, absenteeism, lack of work satisfaction, poor mental health and wellbeing
- Disruption to services
- Increased operational costs
- Increase in costs
- Reduction in scope or service delivery outcomes

Residual Controls

Control Title	Control Owner	Control Owner Rating	Control Next Review Date
Planning and Performance Management Framework	ALEXANDRA VEREKER	Partially Effective	31 Dec, 2023
Restructure service delivery to respond to labour market expectations	LISA SPANN	Partially Effective	30 Sep, 2023
Enterprise Leadership Program	ALEXANDRA VEREKER	Partially Effective	30 Jun, 2023
Dedicated learning and development resources within the organisation	ALEXANDRA VEREKER	Partially Effective	30 Jun, 2023
Learning & Development Framework	ALEXANDRA VEREKER	Partially Effective	30 Jun, 2023
Annual performance reviews and staff training action plans	ALEXANDRA VEREKER	Partially Effective	30 Jun, 2023
Process and procedure manual for Finance related tasks	SHANE NANKIVELL	Partially Effective	29 Sep, 2024

Residual Solutions

City of Darwin

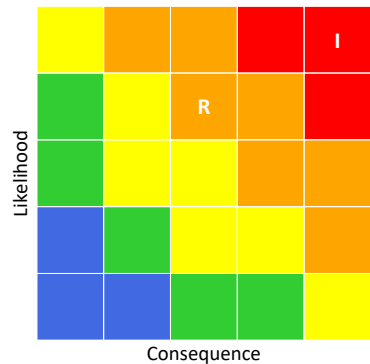
Heatmap Report

Risk Action Title	Responsible Officer	Action Status	% Completed	End Date
Complete annual PDR process for Finance team (2023)	IRENE FRAZIS	Completed	100	30 Sep, 2023
Identify training needs and opportunities for key Finance staff	IRENE FRAZIS	Not Started	0	29 Feb, 2024
Implement corporate survey action plan	IRENE FRAZIS	In Progress	20	30 Mar, 2024
Implement hot-desking of Finance team members across the organisation	IRENE FRAZIS	Not Started	0	30 Apr, 2024
Recruit to vacant Systems Accountant role	IRENE FRAZIS	In Progress	10	30 Jun, 2024
Review of Finance policy and procedure manual	SHANE NANKIVELL	In Progress	40	31 Dec, 2024
Train Payables Accountant in back-end Authority system management	IRENE FRAZIS	Deferred	80	30 Jun, 2024

PROPERTY

OR - 126	Lack of property data and information			
Risk Categories: Financial, Assets & Infrastructure, Legal & Compliance, Operations/Service Delivery, Reputation & Brand, Work Health & Safety	Responsible Person: EMMA STRUYS	Secondary Responsible Officers: ALICE PERCY, BIANCA ROBINSON	Last Reviewed Date: 17 Jun, 2024	Next Review Date: 31 Jul, 2024
Organisation > INNOVATION > GROWTH AND DEVELOPMENT SERVICES > PROPERTY				
Risk Detailed Description : Failure to hold sufficient data and information to make informed decisions regarding property portfolio				

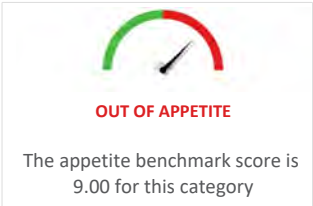
Individual Heatmap



- I Inherent Risk Assessment
- R Residual Risk Assessment

Effectiveness of control	
R	Partially Effective

Risk Appetite



Causes

- Operational - Aged assets
- Operational - Asset management system not capturing adequate property data
- Operational - Insufficient, or lack of policy and procedures for property portfolio
- Operational - Insufficient staff resourcing
- Operational - Lack of appropriate skills within specialist teams
- Operational - Lack of communication between teams
- Operational - Lack of fit-for-purpose property management system
- Operational - Lack of identified standards of work
- Operational - Lack of role clarity between Property and other teams
- Operational - Responsibility for property management is split between teams

Consequences

- Building cannot be occupied
- Current condition of buildings and facilities is unknown
- Imposition of fines, penalties and other sanctions
- Inability to manage long-term asset planning for buildings and facilities
- Inability to prioritise tasks
- Ineffective budget management
- Ineffective resource management
- Prosecution or litigation
- Reductions to and limitations of income earning potential
- Reputation damage
- Risk of injury or harm to members of the public
- Unable to determine remaining useful life for building and facility assets

Residual Controls

Control Title	Control Owner	Control Owner Rating	Control Next Review Date
Managed Insurance Portfolio	CHRISTOPHER KELLY	Mostly Effective	30 Jun, 2024
Asset data including condition assessment in Asset Management System	NICHOLAS KLEINE	Partially Effective	30 Jun, 2023
Electronic document and records management system (EDRMS)	BERNADETT HOWISON	Partially Effective	25 May, 2024
Quarterly operations meetings between Property and Building Services	BIANCA ROBINSON	Partially Effective	08 Sep, 2024
Property register	BIANCA ROBINSON	Partially Effective	08 Sep, 2024
Arrears reporting on property debtors	BIANCA ROBINSON	Partially Effective	08 Sep, 2024
Strategic decision-making framework for Property	EMMA STRUYS	Partially Effective	08 Sep, 2024
Internal property team	EMMA STRUYS	Partially Effective	08 Sep, 2024

Residual Controls

Control Title	Control Owner	Control Owner Rating	Control Next Review Date
Authority financial accounting system	IRENE FRAZIS	Partially Effective	08 Sep, 2024

Residual Solutions

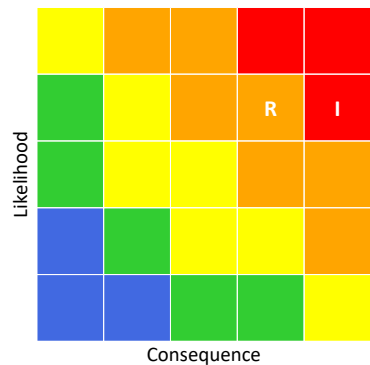
Risk Action Title	Responsible Officer	Action Status	% Completed	End Date
Development of maintenance workflow process for property portfolio	BIANCA ROBINSON	In Progress	10	14 Dec, 2023
Inclusion of maintenance schedules and regimes within the property procedure manual	BIANCA ROBINSON	Not Started	0	30 Jun, 2024
Put existing leasing and licensing agreements into City of Darwin's EDRMS	CRYSTAL HUDSON	Not Started	0	31 Dec, 2024

City of Darwin

Heatmap Report

OR - 123	Compliance with legislation				
Risk Categories: Legal & Compliance		Responsible Person: EMMA STRUYS	Secondary Responsible Officers: ALICE PERCY, BIANCA ROBINSON	Last Reviewed Date: 17 Jun, 2024	Next Review Date: 31 Jul, 2024
Organisation > INNOVATION > GROWTH AND DEVELOPMENT SERVICES > PROPERTY					
Risk Detailed Description : Regulatory non-compliance					

Individual Heatmap



Causes

- Operational - Aged assets
- Operational - Aged leases and licenses
- Operational - Insufficient budget
- Operational - Insufficient, or lack of policy and procedures for property portfolio
- Operational - Lack of building and property data
- Operational - Lack of records of lease agreements and licenses
- Operational - Lack of understanding around legislative requirements and skills to interpret legislation
- Operational - Poor understanding of existing leases
- Operational - Unclear and contradictory property legislation

Residual Controls

Control Title	Control Owner	Control Owner Rating	Control Next Review Date
Four yearly building revaluation process	N/A	N/A	
Lease agreements with tenants	N/A	N/A	
Internal property team	EMMA STRUYS	Partially Effective	08 Sep, 2024
Strategic decision-making framework for Property	EMMA STRUYS	Partially Effective	08 Sep, 2024
Strategic property plan 2030	EMMA STRUYS	Partially Effective	08 Sep, 2024
Strategic property review document 2022	EMMA STRUYS	Partially Effective	08 Sep, 2024
Quarterly operations meetings between Property and Building Services	BIANCA ROBINSON	Partially Effective	08 Sep, 2024
Property register	BIANCA ROBINSON	Partially Effective	08 Sep, 2024

Residual Solutions

Risk Action Title	Responsible Officer	Action Status	% Completed	End Date
Development of Property procedure manual	BIANCA ROBINSON	In Progress	50	30 Jun, 2026

City of Darwin

Heatmap Report

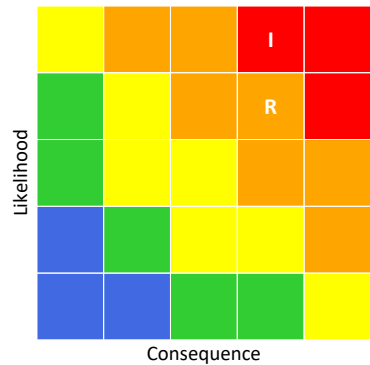
Risk Action Title	Responsible Officer	Action Status	% Completed	End Date
Development of the Property team	EMMA STRUYS	In Progress	50	31 Dec, 2024
Educate staff on property related legislation	ALICE PERCY	In Progress	20	30 Jun, 2025
Implement Strategic Property Plan 2023	EMMA STRUYS	In Progress	10	30 Jun, 2030
Land Acquisitions and Disposal Policy	BIANCA ROBINSON	Completed	100	31 Oct, 2023
Leasing and Licensing Policy	BIANCA ROBINSON	In Progress	80	30 Jun, 2024
Long-Term Leasing Policy	BIANCA ROBINSON	Completed	100	31 Oct, 2023
Prepare a list of Property related legislation	BIANCA ROBINSON	Not Started	0	30 Jun, 2024
Property team to hold workshops on strategic property plan and framework with key stakeholders	BIANCA ROBINSON	Not Started	0	31 Dec, 2024

City of Darwin

Heatmap Report

OR - 128	Non-compliant buildings				
Risk Categories: Legal & Compliance, Assets & Infrastructure, Financial, Operations/Service Delivery, Reputation & Brand, Work Health & Safety		Responsible Person: EMMA STRUYS	Secondary Responsible Officers: ALICE PERCY, BIANCA ROBINSON	Last Reviewed Date: 17 Jun, 2024	Next Review Date: 31 Jul, 2024
Organisation > INNOVATION > GROWTH AND DEVELOPMENT SERVICES > PROPERTY					
Risk Detailed Description : City of Darwin buildings and facilities not compliant with current or historical regulations					

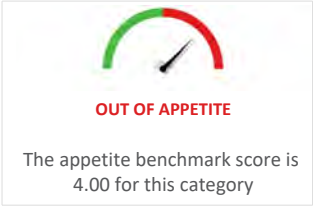
Individual Heatmap



- I Inherent Risk Assessment
- R Residual Risk Assessment

Effectiveness of control	
R	Ineffective

Risk Appetite



Causes

- Operational - Management of historical gifted assets
- Operational - Changes to legislation
- Operational - Lack of/or incomplete property related information, data, and certifications
- Operational - Unapproved building works undertaken by tenants
- Operational - Insufficient budget
- Operational - Unclear and contradictory property legislation

Consequences

- Asset funding gaps and limitations
- Building cannot be occupied
- External investigations and audits
- Significant costs for rectification and certification
- Assets continue to deteriorate whilst not in use
- Imposition of fines, penalties and other sanctions
- Increased operational costs
- Increased repairs and maintenance costs
- Loss of grant funding
- Negative media coverage
- Prosecution or litigation
- Reputation damage
- Risk of injury or harm to members of the public

Residual Controls

Control Title	Control Owner	Control Owner Rating	Control Next Review Date
Property related legislation	EMMA STRUYS	Partially Effective	18 Sep, 2024
Property register	BIANCA ROBINSON	Partially Effective	08 Sep, 2024
Quarterly operations meetings between Property and Building Services	BIANCA ROBINSON	Partially Effective	08 Sep, 2024
Strategic decision-making framework for Property	EMMA STRUYS	Partially Effective	08 Sep, 2024
Strategic property plan 2030	EMMA STRUYS	Partially Effective	08 Sep, 2024

Residual Solutions

Risk Action Title	Responsible Officer	Action Status	% Completed	End Date
Development of maintenance workflow process for property portfolio	BIANCA ROBINSON	In Progress	10	14 Dec, 2023
Development of Property procedure manual	BIANCA ROBINSON	In Progress	50	30 Jun, 2026

City of Darwin

Heatmap Report

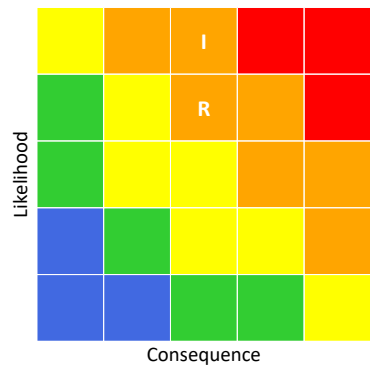
Risk Action Title	Responsible Officer	Action Status	% Completed	End Date
Inclusion of maintenance schedules and regimes within the property procedure manual	BIANCA ROBINSON	Not Started	0	30 Jun, 2024
Land Acquisitions and Disposal Policy	BIANCA ROBINSON	Completed	100	31 Oct, 2023

City of Darwin

Heatmap Report

OR - 125	Property portfolio not managed effectively				
Risk Categories: Financial, Assets & Infrastructure, Reputation & Brand		Responsible Person: EMMA STRUYS	Secondary Responsible Officers: ALICE PERCY, BIANCA ROBINSON	Last Reviewed Date: 25 Mar, 2024	Next Review Date: 31 Jul, 2024
Organisation > INNOVATION > GROWTH AND DEVELOPMENT SERVICES > PROPERTY					
Risk Detailed Description : Property portfolio not managed effectively					

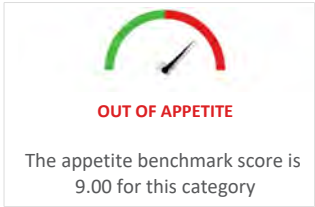
Individual Heatmap



- I Inherent Risk Assessment
- R Residual Risk Assessment

Effectiveness of control	
R	Partially Effective

Risk Appetite



Causes

- Operational - Insufficient, or lack of policy and procedures for property portfolio
- Operational - Lack of fit-for-purpose property management system
- Operational - Lack of understanding around value of property to the organisation
- Operational - Long-term lease agreements
- Operational - Not managing property on a commercial basis

Consequences

- Loss of income
- Opportunity cost of peppercorn leases against other services
- Over or under-servicing of facilities
- Reductions to and limitations of income earning potential
- Reputation damage
- Risk of injury or harm to members of the public
- Unable to undertake appropriate repairs and maintenance
- Uninformed and/or poor decision-making in asset management and maintenance

Residual Controls

Control Title	Control Owner	Control Owner Rating	Control Next Review Date
Internal property team	EMMA STRUYS	Partially Effective	08 Sep, 2024
Strategic property plan 2030	EMMA STRUYS	Partially Effective	08 Sep, 2024
Strategic decision-making framework for Property	EMMA STRUYS	Partially Effective	08 Sep, 2024
Property register	BIANCA ROBINSON	Partially Effective	08 Sep, 2024

Residual Solutions

Risk Action Title	Responsible Officer	Action Status	% Completed	End Date
Capture of building and asset condition data	BIANCA ROBINSON	Not Started	0	30 Jun, 2026
Implement property management system	EMMA STRUYS	Not Started	0	30 Jan, 2024
Implement routine property inspections	BIANCA ROBINSON	Not Started	0	30 Jun, 2024
Review and renew leases and licenses, including transition to standardised templates	BIANCA ROBINSON	In Progress	50	30 Jun, 2024



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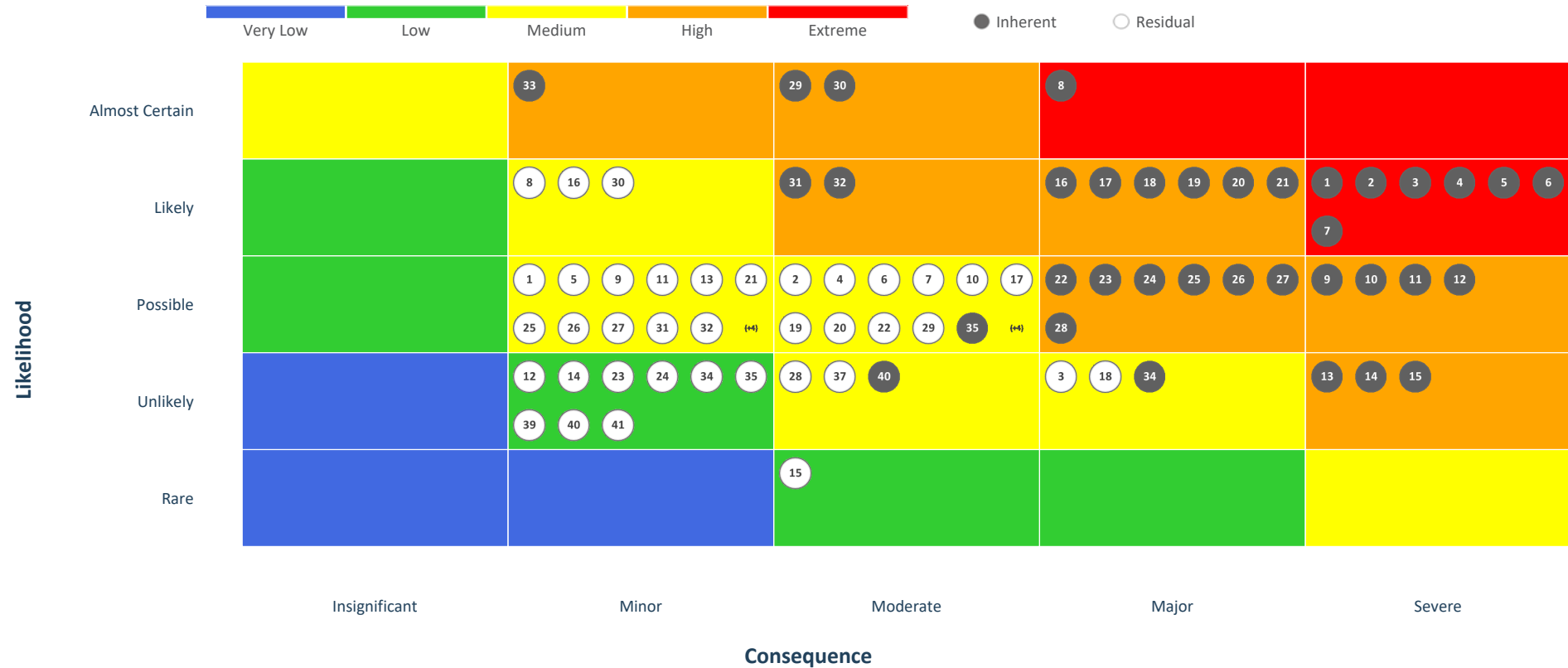
Heatmap Report

City of Darwin

Camms.

Print Date: 18-Jun-2024

HEATMAP



Additional overflowing risks denoted by the (+) icon:

Minor x PossibleWHS - 33, WHS - 35, WHS - 38, WHS - 37

Moderate x PossibleWHS - 34, WHS - 35, WHS - 40, WHS - 33

RISK SUMMARY

WORK HEALTH AND SAFETY

No.	Risk Title	Inherent	Residual	Trend
1	WHS - 2 - Notifiable Incidents	Extreme	Medium	
2	WHS - 9 - CEO and Executive WHS Due Diligence	Extreme	Medium	
3	WHS - 10 - WHS Legislative Compliance	Extreme	Medium	
4	WHS - 7 - WHS Risk Management	Extreme	Medium	
5	WHS - 17 - Hazardous Chemical and Dangerous Goods Management	Extreme	Medium	
6	WHS - 14 - Fitness for Work	Extreme	Medium	
7	WHS - 15 - Exposure to nuisance and hazardous noise levels from work activities.	Extreme	Medium	
8	WHS - 13 - WHS Resources	Extreme	Medium	
9	WHS - 1 - Incident Management	High	Medium	
10	WHS - 5 - High Risk Construction Activities (require SWMS)	High	Medium	
11	WHS - 16 - First Aid	High	Medium	
12	WHS - 26 - Electrical Safety	High	Low	
13	WHS - 21 - Vehicle Use	High	Medium	
14	WHS - 29 - Working in the Sun and the Heat	High	Low	
15	WHS - 39 - Hazardous Weather Conditions	High	Low	
16	WHS - 31 - Rehabilitation and Return to Work	High	Medium	
17	WHS - 6 - Contractor Management	High	Medium	
18	WHS - 11 - WHS Responsibilities and Accountabilities	High	Medium	
19	WHS - 8 - WHS Strategic Management	High	Medium	
20	WHS - 18 - Hazardous Manual Tasks	High	Medium	

City of Darwin

Heatmap Report

No.	Risk Title	Inherent	Residual	Trend
21	WHS - 19 - Plant and Equipment	High	Medium	
22	WHS - 20 - Chain of Responsibility - National Heavy Vehicle Legislation	High	Medium	
23	WHS - 30 - Emergency Management	High	Low	
24	WHS - 36 - Public Safety	High	Low	
25	WHS - 22 - Working remotely or alone	High	Medium	
26	WHS - 23 - Excavation and Trenching Activities	High	Medium	
27	WHS - 24 - Permit to Work and Plant and Equipment Isolation	High	Medium	
28	WHS - 28 - Concrete Pumping	High	Medium	
29	WHS - 3 - Work Health and Safety Induction	High	Medium	
30	WHS - 4 - Work Health and Safety Training and Development	High	Medium	
31	WHS - 12 - WHS Consultation	High	Medium	
32	WHS - 25 - Event Management	High	Medium	
33	WHS - 37 - Interactions with members of the public - managing difficult customers / members of the public	High	Medium	
34	WHS - 27 - Respirable Crystalline Silica	Medium	Low	
35	WHS - 32 - WHS Culture	Medium	Low	
36	WHS - 33 - WHS Records Management	Medium	Medium	
37	WHS - 34 - Infection Control from exposure to flora, fauna, biological hazards	Medium	Medium	
38	WHS - 35 - WHS Audit, Monitoring and Review	Medium	Medium	
39	WHS - 40 - Biological Hazards and Waste	Medium	Low	
40	WHS - 41 - Cash handling security	Medium	Low	
41	WHS - 38 - Personal security and safety	Medium	Low	



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Heatmap Report

City of Darwin

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Print Date: 18-Jun-2024

HEATMAP



Additional overflowing risks denoted by the (+) icon:

Minor x UnlikelyPR - 41, PR - 12, PR - 15, PR - 11, PR - 35

RISK SUMMARY

CORPORATE SERVICES

No.	Risk Title	Inherent	Residual	Trend
4	PR - 25 - Delivering the project within approved budget	Extreme	High	
	Project : PRJ-00005-Civic Centre Redevelopment			
5	PR - 33 - Current building at end of useful life and no longer fit for purpose	Extreme	High	
	Project : PRJ-00005-Civic Centre Redevelopment			
13	PR - 32 - Unknown site constraints	Extreme	Very Low	
	Project : PRJ-00005-Civic Centre Redevelopment			
15	PR - 24 - Undefined scope	Extreme	Medium	
	Project : PRJ-00005-Civic Centre Redevelopment			
25	PR - 29 - Quality of internal documentation and communication	High	Low	
	Project : PRJ-00005-Civic Centre Redevelopment			
26	PR - 30 - Effective procurement process	High	Medium	
	Project : PRJ-00005-Civic Centre Redevelopment			
27	PR - 31 - Unsuccessful procurement outcome	High	Medium	
	Project : PRJ-00005-Civic Centre Redevelopment			
28	PR - 26 - Managing stakeholder expectations in project delivery	High	Medium	
	Project : PRJ-00005-Civic Centre Redevelopment			
29	PR - 27 - Managing community expectations in project delivery	High	Medium	
	Project : PRJ-00005-Civic Centre Redevelopment			
35	PR - 28 - Meeting strategic objectives under 2030 plan	High	Medium	
	Project : PRJ-00005-Civic Centre Redevelopment			

DIGITAL INNOVATION

No.	Risk Title	Inherent	Residual	Trend
1	PR - 2 - Change management Project : PRJ-00002-ECM Upgrade 2023	Extreme	Low	↔
23	PR - 1 - Failure of new and existing technology Project : PRJ-00002-ECM Upgrade 2023	High	Low	↓
24	PR - 7 - Project Management Project : PRJ-00002-ECM Upgrade 2023	High	Low	↓
30	PR - 4 - Cost Mismanagement Project : PRJ-00002-ECM Upgrade 2023	High	Medium	↑
31	PR - 36 - Loss of data Project : PRJ-00002-ECM Upgrade 2023	High	Low	
34	PR - 35 - Stakeholder management Project : PRJ-00002-ECM Upgrade 2023	High	Low	
40	PR - 6 - Resourcing Project : PRJ-00002-ECM Upgrade 2023	Medium	Medium	↔

COMMUNITY AND REGULATORY SERVICES

No.	Risk Title	Inherent	Residual	Trend
2	PR - 8 - Undefined Scope	Extreme	Very Low	↓
	Project : PRJ-00001-Casuarina Aquatic and Leisure Centre Redevelopment			
3	PR - 9 - Delivering the project within approved budget	Extreme	Low	↓
	Project : PRJ-00001-Casuarina Aquatic and Leisure Centre Redevelopment			
22	PR - 14 - Quality of internal documentation and communication	High	Low	↔
	Project : PRJ-00001-Casuarina Aquatic and Leisure Centre Redevelopment			
32	PR - 16 - Contractor management	High	Low	↔
	Project : PRJ-00001-Casuarina Aquatic and Leisure Centre Redevelopment			
36	PR - 10 - Lifecycle Costs	High	Medium	↔
	Project : PRJ-00001-Casuarina Aquatic and Leisure Centre Redevelopment			
38	PR - 38 - Effective transition to opening facility	High	Medium	
	Project : PRJ-00001-Casuarina Aquatic and Leisure Centre Redevelopment			
39	PR - 13 - Meeting strategic objectives under Darwin-2030 plan	Medium	Very Low	↓
	Project : PRJ-00001-Casuarina Aquatic and Leisure Centre Redevelopment			
44	PR - 12 - Meeting community expectations in project delivery	Medium	Low	↔
	Project : PRJ-00001-Casuarina Aquatic and Leisure Centre Redevelopment			
45	PR - 15 - Climate conditions causing significant delay during construction phase	Medium	Low	↓
	Project : PRJ-00001-Casuarina Aquatic and Leisure Centre Redevelopment			
46	PR - 11 - Managing stakeholder expectations in project delivery	Medium	Low	↔
	Project : PRJ-00001-Casuarina Aquatic and Leisure Centre Redevelopment			

INFRASTRUCTURE

No.	Risk Title	Inherent	Residual	Trend
6	PR - 43 - Undefined scope Project : PRJ-00003-SBWMF Stage 2 Expansion	Extreme	Low	
7	PR - 44 - Delivering the project within approved budget Project : PRJ-00003-SBWMF Stage 2 Expansion	Extreme	Medium	
8	PR - 51 - Hot spots Project : PRJ-00003-SBWMF Stage 2 Expansion	Extreme	High	
9	PR - 49 - Contractor management Project : PRJ-00003-SBWMF Stage 2 Expansion	Extreme	Medium	
10	PR - 52 - Insufficient airspace Project : PRJ-00003-SBWMF Stage 2 Expansion	Extreme	High	
11	PR - 48 - Seasonal weather impacts during construction Project : PRJ-00003-SBWMF Stage 2 Expansion	Extreme	Medium	
12	PR - 47 - Quality of internal documentation and communication Project : PRJ-00003-SBWMF Stage 2 Expansion	Extreme	Low	
16	PR - 18 - Defining stakeholder roles and expectations Project : PRJ-00006-Bundilla Beach Masterplan	Extreme	Medium	↓
18	PR - 50 - Defence approval of works Project : PRJ-00003-SBWMF Stage 2 Expansion	High	Medium	
19	PR - 45 - Lifecycle costs Project : PRJ-00003-SBWMF Stage 2 Expansion	High	High	
20	PR - 46 - Managing Environment & Waste team expectations in project delivery Project : PRJ-00003-SBWMF Stage 2 Expansion	High	Medium	
21	PR - 21 - Undefined land use constraints Project : PRJ-00006-Bundilla Beach Masterplan	High	Low	↓

City of Darwin

Heatmap Report

No.	Risk Title	Inherent	Residual	Trend
33	PR - 39 - Delivering the project within approved budget	High	Low	
	Project : PRJ-00006-Bundilla Beach Masterplan			
37	PR - 22 - Developing a Masterplan that compliments existing surrounding land uses	High	Medium	↓
	Project : PRJ-00006-Bundilla Beach Masterplan			
41	PR - 40 - Meeting strategic objectives under Darwin-2030 plan	Medium	Very Low	
	Project : PRJ-00006-Bundilla Beach Masterplan			
42	PR - 41 - Contractor management during design	Medium	Low	
	Project : PRJ-00006-Bundilla Beach Masterplan			
43	PR - 42 - Effective procurement	Medium	Medium	
	Project : PRJ-00006-Bundilla Beach Masterplan			

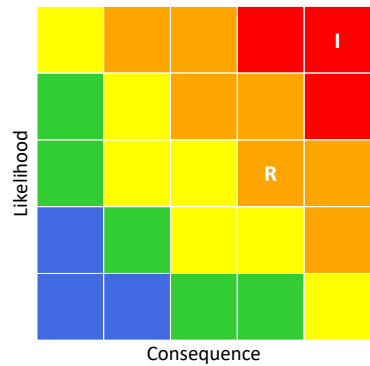
MARKETING, COMMUNICATIONS AND ENGAGEMENT

No.	Risk Title	Inherent	Residual	Trend
14	PR - 23 - Consultation fatigue	Extreme	Medium	↔
	Project : PRJ-00006-Bundilla Beach Masterplan			
17	PR - 19 - Managing community expectations	Extreme	Medium	↓
	Project : PRJ-00006-Bundilla Beach Masterplan			

CORPORATE SERVICES

PR - 25	Delivering the project within approved budget				
Risk Categories: Financial, Assets & Infrastructure, Information Technology & Communications, Legal & Compliance, Operations/Service Delivery, Reputation & Brand		Responsible Person: LYLE HEBB	Secondary Responsible Officers: NICHOLAS KLEINE,SIMONE SAUNDERS	Last Reviewed Date: 28 May, 2024	Next Review Date: 31 Jul, 2024
Organisation > CORPORATE > CORPORATE SERVICES > CORPORATE SERVICES					
Risk Detailed Description : Delivering the project within approved budget					

Individual Heatmap



- I Inherent Risk Assessment
- R Residual Risk Assessment

Effectiveness of control	
R	Partially Effective

Risk Appetite



Causes

- Project - Competing stakeholder expectations
- Project - Delays in decision-making
- Project - Economic conditions
- Project - Scope creep
- Project - Undefined scope

Consequences

- Breach of legislation
- Delay in project delivery
- Diminishing Council Reserves
- Failure to meet community expectations
- Impacts on existing loans and future borrowing capacity
- Long term viability of managing operational costs
- Low quality goods/services
- Potential to not meet City of Darwin strategic objectives
- Prosecution or litigation
- Reduction in scope or service delivery outcomes
- Reputation damage

Residual Controls

Control Title	Control Owner	Control Owner Rating	Control Next Review Date
Internal project management team	NICHOLAS KLEINE	Partially Effective	23 May, 2024
Independent quality and cost assurance advice	LYLE HEBB	Partially Effective	23 May, 2024
Active stakeholder engagement on Civic Centre Redevelopment project	LYLE HEBB	Partially Effective	11 Jul, 2024
Budget variations for Civic Centre Redevelopment project require Council approval	NICHOLAS KLEINE	Partially Effective	11 Jul, 2024
Council owned decision-making in Civic Centre Redevelopment project	NICHOLAS KLEINE	Partially Effective	06 Jul, 2024
Defined project budget for Civic Centre Redevelopment	NICHOLAS KLEINE	Partially Effective	06 Jul, 2024

Residual Solutions

City of Darwin

Heatmap Report

Risk Action Title	Responsible Officer	Action Status	% Completed	End Date
EOI process for project partnership to determine potential project costs for City of Darwin	LYLE HEBB	In Progress	50	30 Sep, 2024

City of Darwin

Heatmap Report

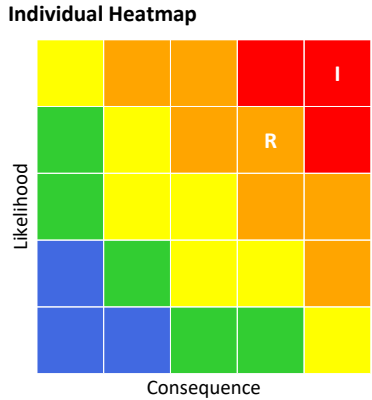
PR - 33

Current building at end of useful life and no longer fit for purpose

Risk Categories: Assets & Infrastructure, Operations/Service Delivery, Reputation & Brand	Responsible Person: LYLE HEBB	Secondary Responsible Officers: NICHOLAS KLEINE,SIMONE SAUNDERS	Last Reviewed Date: 28 May, 2024	Next Review Date: 31 Jul, 2024
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Organisation > CORPORATE > CORPORATE SERVICES > CORPORATE SERVICES

Risk Detailed Description : Current building at end of useful life and no longer fit for purpose



I Inherent Risk Assessment
R Residual Risk Assessment

Effectiveness of control	
R	Ineffective



- Causes**
 - Operational - Building plant at end of life in Civic Centre
 - Operational - Civic Centre building no longer meets operational needs
 - Operational - Design and layout of Civic Centre no longer meets contemporary building standards
 - Operational - Fire panel not compliant with current building standards
 - Operational - Undefined service level for building maintenance
- Consequences**
 - Asset funding gaps and limitations
 - Building cannot be occupied
 - Major plant failure
 - Poor customer service outcomes

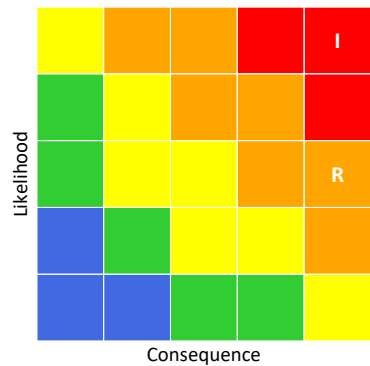
Residual Controls			
Control Title	Control Owner	Control Owner Rating	Control Next Review Date
Inform Council about building condition report outcomes	LYLE HEBB	N/A	
Financial Reserves Policy 0067.100.E.R	IRENE FRAZIS	Partially Effective	17 May, 2026
Building condition report for current Civic Centre prepared and undertaken	LYLE HEBB	Partially Effective	15 Aug, 2024

Residual Solutions				
Risk Action Title	Responsible Officer	Action Status	% Completed	End Date
Inform Council about building condition report outcomes	LYLE HEBB	Completed	100	31 Aug, 2023

INFRASTRUCTURE

PR - 51	Hot spots				
Risk Categories: Operations/Service Delivery, Environment & Waste, Financial, Legal & Compliance		Responsible Person: NICHOLAS FEWSTER	Secondary Responsible Officers: JEDDA BENNETT-KELLAM,SHANE COLEMAN	Last Reviewed Date: 27 May, 2024	Next Review Date: 31 Jul, 2024
Organisation > CORPORATE > INFRASTRUCTURE > INFRASTRUCTURE					
Risk Detailed Description : Challenges of managing existing hot spots in future site works					

Individual Heatmap



- I Inherent Risk Assessment
- R Residual Risk Assessment

Effectiveness of control	
R	Partially Effective

Risk Appetite



Causes

- Environment - Inherent conditions
- Environment - pre-existing hot spots

Consequences

- Reduction in lifespan on airspace
- Environmental impacts
- Project - Design not accepted by regulator
- Project - Increased design complexity in project delivery
- Increase in costs

Residual Controls

Control Title	Control Owner	Control Owner Rating	Control Next Review Date
Heat checks for hot spots at SBWMF	SHANE COLEMAN	Partially Effective	30 Jun, 2023
Environmental monitoring at SBWMF	SHANE COLEMAN	Partially Effective	30 Jun, 2023
Engagement of environmental auditor	N/A	N/A	
Engagement of waste subject matter expert for project	N/A	N/A	
NT EPA Regulations	N/A	N/A	
Project control group (PCG) meetings for SBWMF stage 2	N/A	N/A	

Residual Solutions

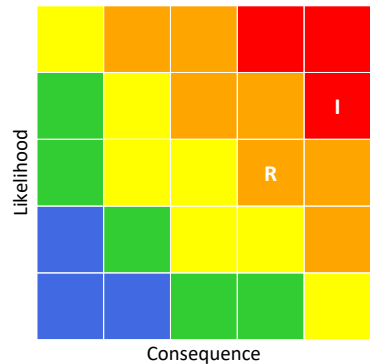
Risk Action Title	Responsible Officer	Action Status	% Completed	End Date
Environmental auditor to provide recommended treatments for hot spots	SHANE COLEMAN	In Progress	40	31 May, 2024
Include consideration of current hot spots in design	JEDDA BENNETT-KELLAM	In Progress	40	31 May, 2024

City of Darwin

Heatmap Report

PR - 52	Insufficient airspace				
Risk Categories: Operations/Service Delivery, Environment & Waste, Financial, Legal & Compliance, Reputation & Brand		Responsible Person: NICHOLAS FEWSTER	Secondary Responsible Officers: JEDDA BENNETT-KELLAM,SHANE COLEMAN	Last Reviewed Date: 27 May, 2024	Next Review Date: 31 Jul, 2024
Organisation > CORPORATE > INFRASTRUCTURE > INFRASTRUCTURE					
Risk Detailed Description : Practical completion and regulatory approvals not provided prior to depletion of existing airspace					

Individual Heatmap



- I Inherent Risk Assessment
- R Residual Risk Assessment

Effectiveness of control	
R	Partially Effective

Risk Appetite



Causes

- Project - Insufficient time to deliver project
- Operational - Consumption of airspace
- Environment - Inherent conditions
- Project - Timing of regulatory approvals in project delivery
- Project - Climate conditions

Consequences

- Reduction in lifespan on airspace
- Unable to accept waste at stage 2 of SBWMF
- Diversion of waste to other general landfill
- Decreased lifespan of general waste
- Poor waste management practices
- Increase to fees and charges for waste disposal
- Delivery of other waste cells is brought forward
- Increased operational costs

Residual Controls

Control Title	Control Owner	Control Owner Rating	Control Next Review Date
Defined project management process	NICHOLAS KLEINE	Partially Effective	15 Jun, 2024
Airspace consideration included in timeframes and planning for project construction	N/A	N/A	
Project control group (PCG) meetings for SBWMF stage 2	N/A	N/A	
Engagement of waste subject matter expert for project	N/A	N/A	

Residual Solutions

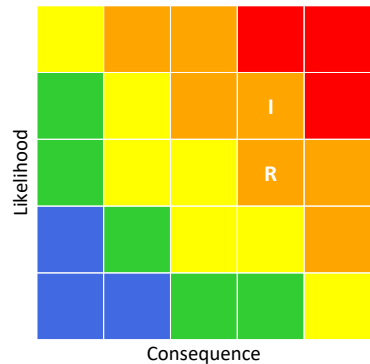
Risk Action Title	Responsible Officer	Action Status	% Completed	End Date
Design approval by NTEPA	JEDDA BENNETT-KELLAM	In Progress	80	30 Jun, 2024
Timely procurement process for project construction	JEDDA BENNETT-KELLAM	Not Started	0	01 Oct, 2024

City of Darwin

Heatmap Report

PR - 45 Lifecycle costs				
Risk Categories: Operations/Service Delivery, Assets & Infrastructure, Financial, Reputation & Brand		Responsible Person: NICHOLAS FEWSTER	Secondary Responsible Officers: JEDDA BENNETT-KELLAM,NICHOLAS KLEINE,SHANE COLEMAN	Last Reviewed Date: 27 May, 2024
Next Review Date: 31 Jul, 2024				
Organisation > CORPORATE > INFRASTRUCTURE > INFRASTRUCTURE				
Risk Detailed Description : Management of lifecycle costs of new infrastructure				

Individual Heatmap



- I Inherent Risk Assessment
- R Residual Risk Assessment

Effectiveness of control	
R	Partially Effective

Risk Appetite



Causes

- Project - Unanticipated contaminants not being considered in design
- Project - Environmental monitoring
- Operational - Consumption of airspace
- Project - Emerging technologies and changes to best practice
- Project - Budgetary impacts on quality of goods delivered
- Project - Economic conditions
- Project - Misaligned design and equipment choices
- Project - Project control group not having appropriate skills to undertake reviews
- Project - Requirement for project to meet strict budget
- Project - Uncontrollable financial impacts

Residual Controls

Control Title	Control Owner	Control Owner Rating	Control Next Review Date
Inclusion of defects liability period in SBWMF stage 2 contract	N/A	N/A	
Engagement of waste subject matter expert for project	N/A	N/A	
Project control group (PCG) meetings for SBWMF stage 2	N/A	N/A	

Residual Solutions

Risk Action Title	Responsible Officer	Action Status	% Completed	End Date
Assessment by independent environmental auditor	JEDDA BENNETT-KELLAM	In Progress	30	30 Apr, 2024
Construction approval by NTEPA	JEDDA BENNETT-KELLAM	Not Started	0	31 Dec, 2024
Design approval by NTEPA	JEDDA BENNETT-KELLAM	In Progress	80	30 Jun, 2024
Design to Environmental Management License (EMP)	JEDDA BENNETT-KELLAM	In Progress	30	30 Apr, 2024
Engagement of independent quantity surveyor for SBWMF Stage 2 project	JEDDA BENNETT-KELLAM	Not Started	0	30 Jun, 2024



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6.2 REVIEW OF FRAUD PREVENTION POLICY AND PROCEDURE

Author:	Executive Manager Corporate and Customer Services Corporate Compliance Officer
Authoriser:	General Manager Corporate
Attachments:	1. Proposed Fraud Prevention Policy (clean version) ↓ 2. Proposed Fraud Prevention Policy (tracked changes) ↓ 3. Proposed Fraud Prevention Procedure (clean version) ↓ 4. Proposed Fraud Prevention Procedure (tracked changes) ↓

RECOMMENDATIONS

1. THAT the report entitled Review of Fraud Prevention Policy and Procedure be received and noted.
2. THAT the Risk Management and Audit Committee endorse the revised Fraud Prevention Policy at **Attachment 1**.
3. THAT the Risk Management and Audit Committee endorse the revised Fraud Prevention Procedure at **Attachment 3**.

PURPOSE

The purpose of this report is to seek the Committee's endorsement of the revised Fraud Prevention Policy and Procedure.

KEY ISSUES

- City of Darwin must maintain a Fraud and Corruption Control Policy Protection Plan. This includes a Fraud Protection Policy and Procedure.
- These documents have been reviewed and wording changes, along with some updates have been made.
- References to whistleblower procedures and requirements have also been removed as these are now covered in the *Independent Commissioner Against Corruption Act 2017* (NT) and associated guidelines.

DISCUSSION

Under Regulation 6, City of Darwin must maintain a Fraud and Corruption Control Policy Protection Plan. This includes a Fraud Protection Policy and Procedure.

City of Darwin's Fraud Protection Policy and Procedure have been reviewed. This policy is a high-level statement of Council's commitment to *"developing and maintaining an organisational culture supported by appropriate controls, procedures and strategies which prevent fraud."* The intent of the policy has not changed, however there have been some wording and terminology updates. The definition of fraud has also been updated in line with changes in the Australian Standard on Fraud and Corruption, which is now known as AS8001:2021.

Similarly, the Fraud Prevention Procedure has been reviewed. The intent of the procedure remains the same, however there have been wording changes, including the definition of fraud. References to whistleblower procedures and requirements have also been removed as these are now covered in the *Independent Commissioner Against Corruption Act 2017 (NT)* and associated guidelines.

PREVIOUS COUNCIL RESOLUTION

At the 25th August 2020 meeting Council resolved [ORD278/20]:

1. THAT the report entitled ICAC Procedure and Fraud Prevention Policy is received and noted.
2. THAT Council approve the ICAC Procedure contained in **Attachment 1**.
3. THAT Council approve the revised Council Policy No. 029 *Fraud Prevention Policy* contained in **Attachment 2**.

STRATEGIC PLAN ALIGNMENT	6 Governance Framework 6.4 Accountability
BUDGET / FINANCIAL / RESOURCE IMPLICATIONS	N/A
LEGISLATION / POLICY CONTROLS OR IMPACTS	Legislation: <i>Local Government Act 2019 (NT)</i> <i>Local Government (General) Regulations 2021</i>
CONSULTATION, ENGAGEMENT & COMMUNICATION	Engagement Level: Consult
DECLARATION OF INTEREST	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).



Fraud prevention policy

Policy No. 1056.100.E.R

1 Purpose

The purpose of this policy is to outline City of Darwin’s approach to preventing fraud within and against City of Darwin, and promote a culture of compliance and awareness to minimise the risk of fraud.

2 Scope

This policy applies to all activities undertaken by City of Darwin.

3 Policy statement

3.1 Principles

City of Darwin will not tolerate fraud from Elected Members, workplace participants or others using fraudulent practices against City of Darwin, regardless of who would benefit.

This Policy and the Fraud Prevention Procedure form part of City of Darwin’s Fraud and Corruption Control Policy Protection Plan as required under *Local Government (General) Regulations 2021*.

City of Darwin’s policy on fraud prevention is based on the following principles:

- Elected Members and workplace participants are in trusted positions and are required to act with integrity, to protect public money and property, and build public confidence in City of Darwin.
- City of Darwin prevents and detects fraud through effective operational controls and procedures.
- City of Darwin manages all cases of alleged fraud in accordance with relevant policies and procedures.
- Elected Members and workplace participants must report suspected fraud or improper conduct in accordance with the *Independent Commissioner Against Corruption Act 2017* (NT) (ICAC Act).

3.2 Risk

Through the Strategic Risk Assessment, City of Darwin has identified fraud as a risk to achieving its Strategic Directions.

City of Darwin will continue to work to reduce the risk of fraud through:

- an organisational culture that incorporates fraud prevention measures into all activities
- providing the framework and tools for managers to monitor and respond
- enforcing City of Darwin’s Codes of Conduct for Elected Members and workplace participants

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Responsible Officer: Chief Financial Officer			
Electronic version current. Uncontrolled copy valid only at time of printing.			



- compliance with relevant legislation and conformity with Australian Standard 8001:2021 Fraud and Corruption Control (the Standard).

3.3 Framework

City of Darwin's commitment to preventing fraud is supported by the development and implementation of controls, procedures and strategies.

City of Darwin informs Elected Members and workplace participants about the ethical standards and conduct expected of them, through a suite of policies, procedures and training.

3.4 Conflicts of interest

City of Darwin Elected Members and workplace participants must disclose any actual or perceived conflicts of interest that may arise in the performance of their duties. All perceived and actual conflicts must be declared to the Chief Executive Officer. Elected Members are required to manage their conflicts of interest consistent with their legal obligations.

3.5 Reporting

All Elected Members and workplace participants must report suspected improper conduct, which includes fraud and corruption, in accordance with the ICAC Act. Elected Members and workplace participants are encouraged to be constantly vigilant and report any matter that they regard as suspicious.

3.6 Breach

City of Darwin will manage reports of suspected fraud in accordance with the Fraud Prevention Procedure and ICAC Act.

A breach of this policy may constitute a breach of Code of Conduct and/or criminal offence. Any workplace participant engaging in fraud may be subject to disciplinary action, legal action to recover losses and/or criminal proceedings.

3.7 Vexatious complaints

Vexatious complaints may constitute improper conduct under the ICAC Act, be an offence under the *Local Government Act 2019* (NT) and will be subject to disciplinary action.



4 Definitions

Fraud means, in accordance with the Standard, ‘dishonest activity causing actual or potential gain or loss to any person or organisation including theft of moneys or other property by persons internal and/or external to the organisation and/or where deception is used at the time, immediately before or immediately following the activity. This also includes the deliberate falsification, concealment, destruction or use of falsified documentation used or intended for use for a normal business purpose or the improper use of information or position for personal financial benefit’.

Vexatious complaint means false or misleading allegations of suspected fraud with the intent to disrupt or cause harm to another or to gain an advantage for the person making the allegations.

5 Legislative references

Independent Commissioner Against Corruption Act 2017 (NT)
Local Government Act 2019 (NT)
Local Government (General) Regulations 2021 (NT)

6 Procedures/related documents

AS 8001:2021 Fraud and Corruption Control
City of Darwin Strategic Risk Assessment
1056.010.I.R Fraud Prevention Procedure
Elected Members Code of Conduct
4000.010.I.R City of Darwin Staff Code of Conduct

7 Responsibility / Application

The Chief Executive Officer is responsible for the implementation of this policy.
The General Manager Corporate is accountable for the overall management of this policy.
All Elected Members and workplace participants are responsible for adhering to this policy.
This Policy will be reviewed every two years or as required.

Version:	Decision Number:	Adoption Date:	Next Review Date:
Responsible Officer: Chief Financial Officer			
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Fraud prevention policy

Policy No. 1056.100.E.R

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City of Darwin will continue to work to reduce the risk of fraud through:

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- providing the framework and tools for managers to monitor and respond
- enforcing City of Darwin's Codes of Conduct for Elected Members and workplace participants

Fraud prevention policy - 1056.100.E.R

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2	ORD278/20	25 August 2020	25 August 2024

Responsible Officer: Chief Financial Officer

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Page 2 of 3

Responsible Officer: Chief Financial Officer

Item 6.2 - Attachment 2



4 Definitions

Fraud means, in accordance with the Standard, 'dishonest activity causing actual or potential gain or loss to any person or organisation including theft of moneys or other property by persons internal and/or external, to the organisation and/or where deception is used at the time, immediately before or immediately following the activity. This also includes the deliberate falsification, concealment, destruction or use of falsified documentation used or intended for use for a normal business purpose or the improper use of information or position for personal financial benefit'.

Vexatious complaint means False or misleading allegations of suspected fraud with the intent to disrupt or cause harm to another or to gain an advantage for the person making the allegations.

5 Legislative references

- Independent Commissioner Against Corruption Act 2017 (NT)
- Local Government Act 2019 (NT)
- Local Government (General) Regulations 2021 (NT)

6 Procedures/related documents

- AS 8001:2021 Fraud and Corruption Control
- City of Darwin Strategic Risk Assessment
- 1056.010.I.R Fraud Prevention Procedure
- Elected Members Code of Conduct
- 4000.010.I.R City of Darwin Staff Code of Conduct

7 Responsibility / Application

- The Chief Executive Officer is responsible for the implementation of this policy.
- The General Manager Corporate is accountable for the overall management of this policy.
- All Elected Members and workplace participants are responsible for adhering to this policy.
- This Policy will be reviewed every two years or as required.

Fraud prevention policy - 1056.100.E.R Page 3 of 3

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2	ORD278/20	25 August 2020	25 August 2024

Responsible Officer: Chief Financial Officer

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- Deleted: have responsibilities in relation to fraud prevention. These are outlined in this policy, including the obligation to report suspected importer conduct to ICAC. Further information can be obtained from the Fraud Prevention Procedure and Council's Code of Conduct for Elected Members and staffworkplace participants.
- Deleted: Council City of Darwin staffworkplace participants are responsible for disclosing any actual or perceived conflicts of interest that may arise in the performance of their duties. All perceived and actual conflicts are to be declared to the Chief Executive Officer and the officer concerned to recuse themselves from the relevant decision-making process. Elected Members are required to manage their conflicts of interest consistent with their legislative obligations.¶ The Chief Financial OfficerGeneral Manager Corporate is accountable for the overall management of this policy.
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Fraud prevention procedure

Procedure No.1056.010.I.R

1 Purpose

This purpose of this procedure is to outline the definitions of fraud, the roles and responsibilities of Elected Members and workplace participants in relation to fraud, the strategies for preventing fraud and the process to be followed when identifying, investigating and reporting fraud.

2 Scope

This procedure is part of the Fraud and Corruption Control Policy Protection Plan and it applies to preventing, detecting and responding to fraud.

3 Procedure statement

Fraud has been identified as a risk to City of Darwin achieving its Strategic Directions. City of Darwin has adopted the Fraud Prevention Policy which provides the statement of principles City of Darwin aims to achieve.

This procedure guides the operation of the policy and forms part of Council’s Fraud and Corruption Control Policy Protection Plan in line with the *Local Government (General) Regulations 2021* (NT).

This procedure should be read together with the Independent Commissioner Against Corruption (ICAC) Procedure which details the obligations of Elected Members and workplace participants in accordance with the Independent Commissioner Against Corruption Act (ICAC Act).

The public and other stakeholders have an expectation that City of Darwin will take steps to reduce the risk of fraud. Elected Members and workplace participants are responsible for fraud prevention and control.

3.1 Fraud and Corruption Control Protection Plan

This plan is a collection of policies and procedures supported by internal controls, that work together to create an environment where ethical conduct is mandatory, with no tolerance for fraud.

Responsibility structures

Roles and responsibilities for fraud prevention and control are outlined in this procedure.



Fraud risk assessment

City of Darwin will assess fraud risk through:

- regular reviews of the Strategic, Operational, WHS and Project Risk Registers
- risk assessment
- testing through independent internal and external audit.

Employee awareness

Elected Members and workplace participants will be made aware of fraud prevention and control through induction procedures and awareness sessions.

Consumer and community awareness

City of Darwin promotes awareness in the community that it does not tolerate fraud in any form.

Fraud reporting systems

This procedure and City of Darwin’s ICAC Procedure provide avenues for reporting fraud internally and externally.

Protected disclosures

Any person that reports suspected fraud is provided with protection measures under the ICAC Act.

External notification

Required external notifications, such as ICAC or the Police, will be assessed on a case-by-case basis. All Elected Members and workplace participants have a legal obligation to report suspected Fraud to the ICAC in line with the ICAC Act.

Related policies and procedures

Council’s key documents that form the Fraud and Corruption Control Policy Protection Plan are:

- 1056.100.E.R Fraud Prevention Policy
- 1056.010.I.R Fraud Prevention Procedure
- ICAC Procedure
- internal controls



Fraud prevention procedure – 1056.010.I.R Page 2 of 7

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- Code of Conduct
- various registers and disclosures.

City of Darwin undertakes annual independent internal and external audits and participates in compliance reviews undertaken by the Department of Chief Minister and Cabinet.

City of Darwin recognises that fraud prevention and control helps create an open and honest culture and support a sound governance framework.

3.2 Implementation of Fraud and Corruption Control Policy Protection Plan

In implementing the Fraud and Corruption Control Policy Protection Plan, City of Darwin will:

- comply with relevant legislation
- engage and support the Risk Management and Audit Committee
- promote fraud and corruption prevention
- model ethical behaviour, consistent with Codes of Conduct
- provide fraud awareness training to help all workplace participants understand their responsibilities
- use delegations, approval processes and internal controls to reduce the opportunity for fraud
- use monitoring systems to prevent and detect fraud
- conduct regular fraud risk assessments
- develop and implement procedures for reporting suspected fraud
- train key employees on how to deal with suspected fraud, preserve evidence and apply natural justice processes.
- implement and monitor policies for:
 - the receipt of gifts and benefits
 - managing conflict of interest
 - use of motor vehicles
 - official travel.

3.3 Workplace participant requirements

Leader / team	Responsibilities
Elected members	<ul style="list-style-type: none"> • Approve policy, provide oversight and receive advice on managing risk through the Risk Management and Audit Committee.
Leadership group	<ul style="list-style-type: none"> • Implement the Fraud and Corruption Control Policy Protection Plan. • Lead by example and model ethical behaviour. • Establish controls and procedures for the prevention and detection of fraud

Fraud prevention procedure – 1056.010.I.R

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Leader / team	Responsibilities
	<ul style="list-style-type: none"> Identify fraud risks and ensure regular risk assessments are undertaken. Ensuring workplace participants are aware of their responsibilities under the Code of Conduct Ensuring workplace participants are aware of City of Darwin's policy on fraud and encouraging the prompt reporting of any instances of suspected fraud.
Senior leadership team	<ul style="list-style-type: none"> Displaying leadership in compliance with legislation and City of Darwin's policies, procedures and systems of internal control. Ensuring that they are aware of indicators of fraudulent and corrupt conduct and responding appropriately to such indicators. Establishing adequate internal controls to provide for the security and accountability of City of Darwin's resources to prevent or reduce the opportunity for fraud.
Employees	<ul style="list-style-type: none"> Maintaining awareness of fraud prevention and control and adhering to policies and procedures.

3.4 Fraud risks

The following organisational weaknesses increase the risk of fraud:

- lack of documented procedures and controls
- individuals or areas being responsible for multiple duties within an accountable process
- lack of clarity around roles and responsibilities
- not setting and enforcing delegations and permissions
- poor physical and information technology security
- not checking and reporting on transactions (exception reporting)
- high work volume
- staffing issues
- poor leadership and culture
- unrealistic expectations
- poor staff development
- close relationships with suppliers.

Fraud prevention procedure – 1056.010.I.R

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Adoption Date:

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XXXXX

Select date.

Select date.

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Indicators of potential fraud include:

- addiction issues
- higher than expected standard of living
- evasive behaviour or becoming annoyed when questioned
- not taking leave or taking leave in short blocks
- working or demanding excessive overtime
- taking control of specific duties, or the bulk of duties in a work area

Workplace participants are encouraged to look out for these signs and report anything unusual to their supervisors and/or appropriate authorities.

Some indicators of fraud may be signs of issues such as mental health problems and it is important to remember that these indicators are not proof that the person is engaging in fraud.

3.5 Prevention

It is not possible to completely prevent fraud. City of Darwin’s internal controls help minimise the risk with:

- documented operational procedures and controls
- merit based recruitment and checks to ensure the integrity of candidates
- segregation of conflicting functions such as procurement, revenue collection and accounts payable
- secondary review and approval controls
- accounting controls such as balancing procedures, stocktakes and regular reconciliations
- physical controls preventing unauthorised access to information, data and assets
- supervisory controls which monitor key day to day functions such timesheets and cash handling
- management controls such as monthly budget reporting and review, exception reporting and data analysis
- ICT controls to prevent access and changes to data such as creditors and debtors lists, and receipting/payment routines.

3.6 Detection

Fraud may be discovered through:

- use of monitoring systems
- internal or external audit
- confession by those involved
- tip-off by an informant or whistleblower
- notification by external agency
- observation and reporting by the public, colleagues or management

It is important that if fraud is suspected or observed that any available evidence is preserved and that the suspected perpetrator is not alerted to the suspicions.



It is also important to report and investigate suspected fraud as quickly as possible to minimise potential loss or damage to the organisation.

3.7 Notification

If fraud is suspected, workplace participants should:

- create a record of the suspicious activity
- where possible, ensure that information received can be verified and the facts can be determined without alerting other workplace participants of your suspicions
- where possible, gather evidence and other information relating to the suspected fraud.

The person who suspects fraud should not confront the person they suspect or speak about it with anyone else. The person they suspect will be notified if an investigation follows.

All evidence related to the notification should be recorded and everything should be kept in a central file in a secure and confidential location.

In addition to any ICAC investigation, the CEO may undertake an investigation. ICAC or the CEO may refer the matter to additional authorities including NT Police. City of Darwin’s insurers and external auditors may also be notified.

3.8 Review of internal controls and risks

Where fraud is confirmed it will trigger a review of the relevant elements of the Fraud and Corruption Control Policy Protection Plan.

Strategic risk reviews should be conducted by the Chief Executive Officer or their delegate and reviewed by Council on advice from the Risk Management and Audit Committee.

Operational risk reviews should be conducted by the relevant manager and reviewed by the Leadership Group.

After a fraud incident, a report on the incident and outcomes must be prepared for the Risk Management and Audit Committee along with any proposed responses to strengthen internal controls. City of Darwin will consider any recommendations made by the Risk Management and Audit Committee.

3.9 Disciplinary action

Disciplinary action will be taken against any person found to be involved in fraud in accordance with the provisions of City of Darwin’s Code of Conduct and relevant legislation.

3.10 Restitution or recovery of funds

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Fraud prevention procedure – 1056.010.I.R

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City of Darwin will take action against any person found to be involved in fraud to recover all losses incurred, including the cost of any action, where this is feasible.

4 Definitions

Fraud means, according to the Australian Standard on Fraud and Corruption, AS8001:2021 ‘dishonest activity causing actual or potential gain or loss to any person or organisation including theft of moneys or other property by persons internal and/or external to the organisation and/or where deception is used at the time, immediately before or immediately following the activity. This also includes the deliberate falsification, concealment, destruction or use of falsified documentation used or intended for use for a normal business purpose or the improper use of information or position for personal financial benefit.’

5 Legislative references

- Independent Commissioner Against Corruption Act 2017 (NT)
- Local Government Act 2019 (NT)
- Local Government (General) Regulations 2021 (NT)

6 Procedures / related documents

- 1056.100.E.R Fraud Prevention Policy
- 0096.100.E.R Independent Commissioner Against Corruption Procedure

7 Responsibility application

The General Manager Corporate Services Is responsible for implementation and review of this procedure.

All employees are responsible for adhering to this procedure.

This procedure will be reviewed every four years, or as required.

8 Document control

Document Number			Responsible Officer:	
Version	Decision Number	Adoption Date	History	Next Review Date
1		26/06/2020	Endorsed by RMAC following approval by SDG and SLT	
2		28/06/2024	Endorsed by RMAC following internal approval	

.....

Fraud prevention procedure – 1056.010.I.R

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Fraud prevention procedure

Procedure No.1056.010.I.R

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2 Scope

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3 Procedure statement

Fraud has been identified as a risk to City of Darwin achieving its Strategic Directions. City of Darwin has adopted the Fraud Prevention Policy which provides the statement of principles City of Darwin aims to achieve.

This procedure guides the operation of the policy and forms part of Council's Fraud and Corruption Control Policy Protection Plan in line with the *Local Government (General) Regulations 2021* (NT).

This procedure should be read together with the Independent Commissioner Against Corruption (ICAC) Procedure which details the obligations of Elected Members and workplace participants in accordance with the Independent Commissioner Against Corruption Act (ICAC Act).

The public and other stakeholders have an expectation that City of Darwin will take steps to reduce the risk of fraud. Elected Members and workplace participants are responsible for fraud prevention and control.

3.1 Fraud and Corruption Control Protection Plan

This plan is a collection of policies and procedures supported by internal controls, that work together to create an environment where ethical conduct is mandatory, with no tolerance for fraud.

Responsibility structures

Roles and responsibilities for fraud prevention and control are outlined in this procedure.

Fraud risk assessment

Fraud prevention procedure 1056.010.I.R

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DRAFT X	XXXXX	Select date.	Select date.

Responsible Officer: Enter name

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- Deleted: .
- Deleted: Fraud has been identified as a risk to Council City of Darwin achieving the Strategic Directions outlined in *Darwin 2030 City for People City of Colour*. Council City of Darwin has adopted the *Fraud Prevention Policy* which provides the statement of principles Council City of Darwin aims to achieve. This procedure operationalises that policy and forms part of Council's Fraud and Corruption Control Policy Protection Plan as required under the Regulations to the *Local Government Act 2019* (NT).¶
- Deleted: staff
- Deleted: This procedure should be read in conjunction with the Fraud Policy and Whistleblower ProcedureICAC Procedure which forms part of Council's Fraud and Corruption Control Policy Protection Plan and summarises the obligation of Elected Members and staff workplace participants in accordance with the *Independent Commissioner Against Corruption Act* (ICAC Act).¶
- Deleted: outlines/provides/<word>
- Deleted: .Council City of Darwin will implement the following ten-point strategic management model for fraud control, consistent with the model recommended by the New South Wales Independent Commission Against Corruption.¶¶
- Integrated macro policy for fraud control¶¶
- For Council City of Darwin this is the Fraud and Corruption Control Policy Protection Plan. The Fraud Protection PlanThis Plan is not a single document, but a combination of policies and procedures supported by a strong system of internal controls, that operate interdependently to create an environment in which ethical conduct is expected, encouraged and supported with no tolerance for fraud.¶¶
- ¶
- Responsibility structures¶
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- Deleted: Regulations to the Local Government Act 2019 (NT)
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- Deleted: Council
- Deleted: implement appropriate systems
- Deleted: against CouncilCity of Darwin
- Deleted: It is therefore a clear responsibility of
- Deleted: ,
- Deleted: staff and others working for Council
- Deleted: to prevent
- Deleted: The consequences of fraud can result in loss due to the fraudulent activity, a significant drain on Council's
- Deleted: City of Darwin will use a ten-point strategic for fraud control, which is recommended by New South Wale
- Formatted: Heading 4
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City of Darwin will assess fraud risk through:

- regular reviews of the Strategic, Operational, WHS and Project Risk Registers
- risk assessment
- testing through independent internal and external audit.

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Employee awareness

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Elected Members and workplace participants will be made aware of fraud prevention and control through induction procedures and awareness sessions.

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Consumer and community awareness

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City of Darwin promotes awareness in the community that it does not tolerate fraud in any form.

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Fraud reporting systems

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This procedure and City of Darwin's ICAC Procedure provide avenues for reporting fraud internally and externally.

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Protected disclosures

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Any person that reports suspected fraud is provided with protection measures under the ICAC Act.

Deleted: Conduct and disciplinary standards¶ Any workplace participant found to be involved in fraud will face disciplinary procedures in conjunction with City of Darwin's Code of Conduct and legal consequences. Instances of fraud by non-employees will face consequences as provided for by relevant legislation.¶

External notification

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Required external notifications, such as ICAC or the Police, will be assessed on a case-by-case basis.

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All Elected Members and workplace participants have a legal obligation to report suspected Fraud to the ICAC in line with the ICAC Act.

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Related policies and procedures

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Council's key documents that form the Fraud and Corruption Control Policy Protection Plan are:

Deleted: Whistleblower Policy

- 1056.100.E.R Fraud Prevention Policy
- 1056.010.I.R Fraud Prevention Procedure
- ICAC Procedure
- internal controls
- Code of Conduct
- various registers and disclosures.

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Fraud prevention procedure 1056.010.I.R

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Version:	Decision Number:	Adoption Date:	Next Review Date:
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Responsible Officer: Enter name

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Deleted: the *Local Government Act*, associated Regulations and the ICAC Act in relation to the reporting of fraud

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the receipt of gifts and benefits
conflict of interest
use of motor vehicles
travel

Deleted: development and implementation of documented processes

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employees on how to deal with suspected fraud.

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In implementing the **Fraud and Corruption Control Policy Protection Plan**, City of Darwin will:

- comply with relevant legislation
- engage and support the Risk Management and Audit Committee,
- promote fraud and corruption prevention
- model ethical behaviour, consistent with Codes of Conduct,
- provide fraud awareness training to help all workplace participants understand their responsibilities
- use delegations, approval processes and internal controls to reduce the opportunity for fraud
- use monitoring systems to prevent and detect fraud
- conduct regular fraud risk assessments,
- develop and implement procedures for reporting suspected fraud
- train key employees on how to deal with suspected fraud, preserve evidence and apply natural justice processes.
- implement and monitor policies for:
 - o the receipt of gifts and benefits
 - o managing conflict of interest
 - o use of motor vehicles
 - o official travel.

<u>Leader / team</u>	<u>Responsibilities</u>
<u>Elected members</u>	<ul style="list-style-type: none"> • <u>Approve policy, provide oversight and receive advice on managing risk through the Risk Management and Audit Committee.</u>
<u>Leadership group</u>	<ul style="list-style-type: none"> • <u>Implement the Fraud and Corruption Control Policy Protection Plan.</u> • <u>Lead by example and model ethical behaviour.</u> • <u>Establish controls and procedures for the prevention and detection of fraud</u> • <u>Identify fraud risks and ensure regular risk assessments are undertaken.</u>

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Responsible Officer: Enter name

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Leader / team	Responsibilities
	<ul style="list-style-type: none">Ensuring workplace participants are aware of their responsibilities under the Code of ConductEnsuring workplace participants are aware of City of Darwin's policy on fraud and encouraging the prompt reporting of any instances of suspected fraud.
Senior leadership team	<ul style="list-style-type: none">Displaying leadership in compliance with legislation and City of Darwin's policies, procedures and systems of internal control.Ensuring that they are aware of indicators of fraudulent and corrupt conduct and responding appropriately to such indicators.Establishing adequate internal controls to provide for the security and accountability of City of Darwin's resources to prevent or reduce the opportunity for fraud.
Employees	<ul style="list-style-type: none">Maintaining awareness of fraud prevention and control and adhering to policies and procedures.

3.4 Fraud risks

The following organisational weaknesses increase the risk of fraud:

- lack of documented procedures and controls
- individuals or areas being responsible for multiple duties within an accountable process
- lack of clarity around roles and responsibilities
- not setting and enforcing delegations and permissions
- poor physical and information technology security
- not checking and reporting on transactions (exception reporting)
- high work volume
- staffing issues
- poor leadership and culture
- unrealistic expectations
- poor staff development
- close relationships with suppliers

Indicators of potential fraud include:

- addiction issues

Fraud prevention procedure 1056.010.I.R

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- Fraud profiles
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- Deleted: h understaffing
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excessive alcohol consumption
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- honest staff workplace participants are recruited, properly trained and promoted on the basis of achievement and merit

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authorisation controls should be used to embed an
independent chain of review and authorisation

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- activation of detective controls**

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One of the most common ways in which fraudulent activity is detected is by observation and reporting by a perpetrator's colleagues. This reinforces the need for all staff workplace participants to be aware of fraud and how they should react if they suspect or are advised that fraud is occurring.¶

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Page 5 of 7

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If fraud is suspected, workplace participants should:

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4 Definitions

Fraud means, according to the Australian Standard on Fraud and Corruption, AS8001:2021, 'dishonest activity causing actual or potential gain or loss to any person or organisation including theft of moneys or other property by persons internal and/or external to the organisation and/or where deception is used at the time, immediately before or immediately following the activity. This also includes the deliberate falsification, concealment, destruction or use of falsified documentation used or intended for use for a normal business purpose or the improper use of information or position for personal financial benefit.'

5 Legislative References

- Independent Commissioner Against Corruption Act 2017 (NT)
- Local Government Act 2019 (NT)
- Local Government (General) Regulations 2021 (NT)

6 Procedures / Related Documents

- 1056.100.E.R Fraud Prevention Policy
- 0096.100.E.R Independent Commissioner Against Corruption Procedure

7 Responsibility application

- The General Manager Corporate Services Is responsible for implementation and review of this procedure.
- All employees are responsible for adhering to this procedure.
- This procedure will be reviewed every four years, or as required.

8 Document Control

Document Number			Responsible Officer:		
Version	Decision Number	Adoption Date	History	Next Review Date	
1		26/06/2020	Endorsed by RMAC following approval by SDG and SLT		
2		28/06/2024	Endorsed by RMAC following internal approval		

Fraud prevention procedure 1056.010.I.RPage 7 of 7

Version:

Decision Number:

Adoption Date:

Next Review Date:

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Responsible Officer:

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- Deleted: Elected Members approve policy, provide oversight and receive advice on managing risk through the Risk Management and Audit Committee.¶
- Strategic DirectionLeadership gGroup¶
- The Strategic DirectionLeadership Group is responsible for:¶
- Implementation of the Fraud and Corruption Control Policy Protection PlanFraud Protection Plan.¶
- Leading by example and being role models for ethical behaviour.¶
- Establishing controls and procedures for the prevention and detection of fraud in accordance with the Fraud and Corruption Control Policy Protection PlanFraud Protection Plan.¶
- Identifying fraud risk exposures and ensuring that regular assessments of those risks are undertaken.¶
- Ensuring that staff workplace participants are aware of the Code of Conduct and their responsibility for ethical conduct.¶
- Ensuring staff workplace participants are aware of Council's City of Darwin's policy on fraud and encouraging the prompt reporting of any instances of suspected fraud. ¶
- Senior leadership team¶
- Members of the Senior Leadership Team are responsible in their operational area for:¶
- Displaying leadership in compliance with legislation and Council's City of Darwin's policies, procedures and systems of internal control.¶
- Ensuring that they are aware of indicators of fraudulent and corrupt conduct and responding appropriately to such indicators.¶
- Establishing adequate internal controls to provide for the security and accountability of Council City of Darwin's resources to prevent or reduce the opportunity for fraud.¶
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6.3 MONTHLY FINANCIAL REPORTS: MARCH-APRIL 2024

Author: Executive Manager Finance

Authoriser: General Manager Corporate

Attachments: 1. Monthly Financial Report_March 2024 [↓](#)
2. Monthly Financial Report_April 2024 [↓](#)

RECOMMENDATIONS

1. THAT the report entitled Monthly Financial Reports: March – April 2024 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 March 2024 (**Attachment 1**) and April 2024 (**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 2nd Ordinary Council meeting following the period reports relate to and provide a summary and discussion of the financial position of Council for each period. If a Council meeting is not held in a month the report is circulated to Elected Members and placed on Councils website.

Summary of key results the period April 2024

- Council adopted the 2nd Budget Review 2023/24 at the Ordinary Council Meeting held 26 March 2024 [ORD047/24]. The amended budget is reflected in the March and April monthly financial reports.
- April YTD 2024 Operating deficit of \$5.4M against budgeted YTD deficit of \$14M; a favourable variance of \$8.6M.
- The favourable operational variance mainly results from lower than budgeted expenses which includes materials & services, employee expenses and interest expense.
- Capital expenditure of \$28.9M against YTD budget of \$47.5M.
- Cash and Investments balance of \$131M; \$78.5M restricted reserve cash and \$37.5M placed against variable loan offsets.

PREVIOUS COUNCIL RESOLUTION

N/A

STRATEGIC PLAN ALIGNMENT	6 Governance Framework 6.4 Accountability
BUDGET / FINANCIAL / RESOURCE IMPLICATIONS	Budget/Funding: N/A
LEGISLATION / POLICY CONTROLS OR IMPACTS	Legislation: N/A Policy: N/A
CONSULTATION, ENGAGEMENT & COMMUNICATION	Engagement Level: Inform Tactics: Monthly Financial Reports are provided to Council at the 2 nd Ordinary Council meeting for the proceeding period. Monthly Financial Reports are in the Open Agenda for public disclosure.
DECLARATION OF INTEREST	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 - MARCH 2024

Author: **Financial Controller**
 Executive Manager Finance

Authoriser: **Chief Executive Officer**

Attachments: 1. **Monthly Financial Report - March 2024** [↓](#)

RECOMMENDATIONS

THAT the report entitled Monthly Financial Report – March 2024 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 March 2024.

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 end of month.
- 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**March 2024 – Year to Date Result**

The year-to-date operating result until 31 March 2024 is a **deficit of (\$5.1M)** compared to a **YTD Budgeted deficit of (\$13.2M)** as highlighted in the table below.

After including capital income, the **Net Surplus is \$5.8M** against the YTD budgeted **deficit of (\$4.5M)**. This has resulted in a favourable **\$10.3M** variance overall (as shown in the income statement).

	Actual \$'000	Budget \$'000	Variance \$'000
Net Operating Surplus/ (Deficit)	(5,076)	(13,205)	8,129 Favourable

Commentary

The Net Operating Position has a favourable variance to the year-to-date revised budget of \$8.1M. The variance results from higher-than-expected interest on investments, lower than budgeted materials and contracts, employee costs, and interest expense, offset by lower than anticipated fees and charges. Please find below additional commentary for the material variances:

Income

Total Operating Income is tracking on budget.

User Fees & Charges

The unfavourable variance is \$2.0M. This is almost exclusively due to Waste Fees & Charges being under YTD expectations as the volume of material received through Shoal Bay is lower than anticipated. This reduction in revenue is offset by a decrease in waste related expenditure.

Interest / Investment Income

The favourable variance mainly relates to the increase in returns received on investments due to the high Reserve Bank of Australia (RBA) cash rate.

Expenditure

Total Expenses are under budget by \$7.9M. This is due to underspends in Materials & Contracts \$6.1M, Employee Expenses of \$2.2M, and interest on borrowings \$1.0M.

Materials & Contracts

Materials and Contracts expenses has an annual budget of \$61.9M and this incorporates various expenditure types. Combined, this budget line is under budget with a variance of \$6.1M. \$2.5M of this variance relates to Waste Management and the operation of Shoal Bay. This saving is partially offset by a reduction in fees and charges for Shoal Bay. Other variances relate maintenance programs and events. These are timing variances, and the budget is expected to be consumed as we enter the dry season.

Employee Expenses

Employee costs report a positive variance to budget of \$2.1M. This variance is offset in part by increases in contract and other labour sources and the variance will further reduce when leave provisioning is adjusted at year end.

Depreciation and Amortisation

Depreciation is over budget by \$1.4M, this is a non-cash expense and will be considered at a future budget review.

Interest Expenses

Interest expenses show a positive variance (\$0.97M) due to loan offsets been utilised against the variable loans and timing of the draw down for loan SBWMF Stage 2 Expansion, Phase 1.

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. Purchase of Infrastructure, Property, Plant & Equipment variance relates to timing of capital projects.

Cash and Investments Note A

City of Darwin has achieved 4.94% on weighted average interest rate on its end of month cash and investment portfolio of \$92.0M (excluding loan offset \$37.5M). 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 19 March 2024 and the board decided to leave the cash rate unchanged at 4.35%. The RBA commented "Higher interest rates are working to establish a more sustainable balance between aggregate demand and supply in the economy. Accordingly, conditions in the labour market continue to ease gradually, although they remain tighter than is consistent with sustained full employment and inflation at target. Wages growth picked up a little further in the December quarter, but appears to have peaked with indications it will moderate over the year ahead. Nevertheless, this level of wages growth remains consistent with the inflation target only on the assumption that productivity growth increases to around its long-run average. Inflation is still weighing on people's real incomes and household consumption growth is weak, as is dwelling investment... The Board will continue to pay close attention to developments in the global economy, trends in domestic demand, and the outlook for inflation and the labour market. The Board remains resolute in its determination to return inflation to target."

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 end of month was \$2.9M at the time of reporting. City of Darwin recognises the liability of invoices once goods are receipted as received.

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.

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 was 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 March 2024.

Exempt Procurement

There was no reportable exempt procurement for March 2024.

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.

S.Saunders
CEO Signed
24/04/2024

PREVIOUS COUNCIL RESOLUTION

N/A

**STRATEGIC PLAN
ALIGNMENT**

6 Governance Framework
6.3 Decision Making and Management

BUDGET / FINANCIAL / RESOURCE IMPLICATIONS	N/A
LEGISLATION / POLICY CONTROLS OR IMPACTS	<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>
CONSULTATION, ENGAGEMENT & COMMUNICATION	N/A
DECLARATION OF INTEREST	<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>

Income Statement For the Period Ended 31 March 2024	2023/24						
	March 2024					FY Revised Budget	FY Original Budget
	YTD Actual		YTD Revised Budget		Variance		
	\$'000		\$'000		\$'000	\$'000	\$'000
<u>Operating Income</u>							
Rates	63,762	70%	63,393	69%	369	84,524	84,524
Charges	2,490	3%	2,028	2%	461	2,333	2,338
Fees and Charges	18,605	20%	20,610	23%	(2,005)	27,075	29,532
Operating Grants and Subsidies	1,998	2%	2,166	2%	(168)	2,140	6,116
Interest / Investment Income	3,768	4%	2,328	3%	1,440	3,104	3,104
Other Income	995	1%	889	1%	107	2,151	2,151
Total Income	91,618		91,414		204	121,327	127,765
<u>Operating Expenses</u>							
Employee Expenses	27,931	29%	30,100	29%	2,170	40,014	40,560
Materials and Contracts	41,717	43%	47,862	46%	6,145	61,891	61,477
Elected Member Allowances	485	1%	521	0%	36	795	795
Elected Member Expenses	0	0%	28	0%	28	44	64
Council Committee & LA Allowances	5	0%	7	0%	3	10	10
Depreciation, Amortisation & Impairment	25,740	27%	24,318	23%	(1,421)	32,425	32,425
Interest Expenses	817	1%	1,783	2%	966	3,448	3,948
Total Expenses	96,694		104,620		7,925	138,627	139,279
Budgeted Operating Surplus/ (Deficit)	(5,076)		(13,205)		8,129	(17,300)	(11,514)
Capital Grants Income	10,835		8,691		2,145	11,350	952
Net Surplus/(Deficit)	5,760		(4,515)		10,274	(5,950)	(10,562)

Statement of Fund Flows Monthly Operating Position For the Period Ended 31 March 2024	2023/24				
	March 2024			FY	FY
	YTD Actual \$'000	YTD Revised Budget \$'000	Variance \$'000	Revised Budget \$'000	Original Budget \$'000
<u>Funds From Operating Activities</u>					
Net Operating Result from Income Statement	(5,076)	(13,205)	8,129	(17,300)	(11,514)
Add back depreciation (not cash)	25,740	24,318	1,421	32,425	32,425
Add back Other Non Cash Items	0	0	0	1,029	904
Net Funds Provided (or used in) Operating Activities	20,664	11,113	9,551	16,154	21,815
<u>Less Additional Outflows</u>					
Repayment of borrowings & advances	(3,685)	(3,685)	0	(5,260)	(5,614)
Purchase of Infrastructure, Property, Plant & Equipment	(26,707)	(44,312)	17,605	(55,493)	(19,020)
Total Additional Outflows	(30,392)	(47,997)	17,605	(60,753)	(24,634)
<u>Add Additional Inflows</u>					
Add Capital Grants	10,835	8,691	2,145	11,350	952
Sale of Infrastructure, Property, Plant & Equipment	80	377	(297)	500	500
Proceeds from borrowings & advances	0	6,000	(6,000)	6,000	0
Transfers from Reserves	16,833	21,817	(4,984)	25,690	1,367
Transfer from Unrestricted Cash				1,060	
Total Additional Inflows	27,748	36,884	(9,136)	44,600	2,819
Net Increase (-Decrease) in Funds	18,019	0	18,019	(0)	0

Statement of Financial Position
as at 31 March 2024

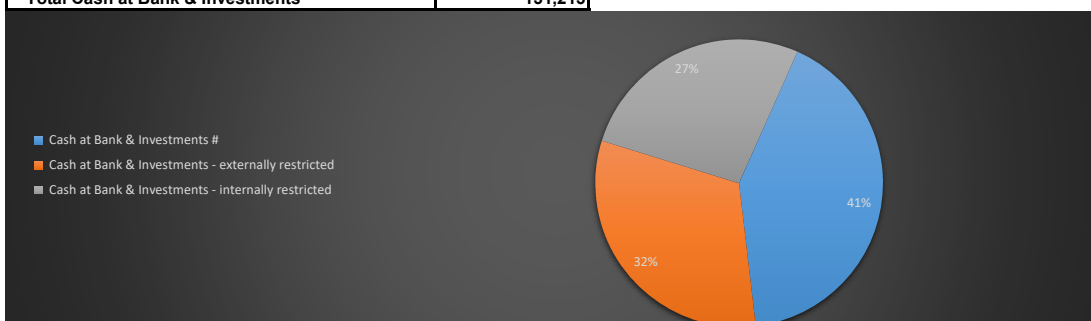
Statement of Financial Position as at 31 March 2024	2023/24			
	March 2024	Note	FY	FY
	Actual \$'000		Revised Budget \$'000	Original Budget \$'000
Current Assets				
Cash at Bank & Investments	54,419	A	17,751	18,811
Cash at Bank & Investments - externally restricted	41,517	A	39,326	39,080
Cash at Bank & Investments - internally restricted	35,276	A	28,498	39,172
Trade & Other Receivables	3,911	B	11,759	11,759
Rates & Charges Receivables	14,312	B	0	0
Inventories	257		300	300
Total Current Assets	149,692		97,634	109,122
Non-Current Assets				
Infrastructure, Property, Plant and Equipment	1,249,881		1,276,724	1,267,733
Lease Right of Use Assets	3,170		0	0
Total Non Current Assets	1,253,050		1,276,724	1,267,733
Total Assets	1,402,743		1,374,358	1,376,855
Current Liabilities				
Trade Payables & Other Payables	2,827	C	18,286	18,286
Accruals	7,289		0	0
ATO & Payroll Liabilities	99	D	0	0
Rates Revenue struck (in advance)	21,188		0	0
Borrowings	2,250		5,451	5,451
Provisions	7,087		7,689	7,689
Lease Liabilities	922		888	888
Total Current Liabilities	41,662		32,314	32,314
Non-Current Liabilities				
Trade & Other Payables	12		0	0
Borrowings	56,966		62,314	55,960
Provisions	54,401		52,738	52,738
Lease Liabilities	2,411		1,254	1,254
Total Non Current Liabilities	113,790		116,306	109,952
Total Liabilities	155,452		148,620	142,266
NET ASSETS	1,247,290		1,225,738	1,234,589
Equity				
Accumulated Surplus	308,368		295,786	294,209
Asset Revaluation Reserve	862,128		862,128	862,128
Other Reserves	76,793		67,824	78,252
TOTAL EQUITY	1,247,290		1,225,738	1,234,589

**Monthly Balance Sheet Report (Notes to the Balance Sheet)
as at 31 March 2024**

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 3.4% on weighted average interest rate on its March 2024 cash and investment portfolio of \$129.6M (including \$37.5M 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 #	54,419
Cash at Bank & Investments - externally restricted	41,517
Cash at Bank & Investments - internally restricted	35,276
Total Cash at Bank & Investments	131,213



Cash at Bank & Investments includes Cash on Call of \$37.5M

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	\$ 11,234,072	\$0	\$0	\$3,077,602	\$14,311,674
Other Trade Receivables and Other Receivables	\$ 1,692,407	\$1,475,186	\$292,668	\$450,637	\$3,910,898
Total Trade and Other Receivables	\$ 12,926,478	\$1,475,186	\$292,668	\$3,528,239	\$18,222,571

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	-\$2,794,336	-\$18,378	-\$7,110	-\$7,482	-\$2,827,306
ATO & Payroll Liabilities	-\$98,676	\$0	\$0	\$0	-\$98,676
Total Trade and Other Payables	-\$2,893,012	-\$18,378	-\$7,110	-\$7,482	-\$2,925,982

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

The Council has the following outstanding payment and reporting obligations: GST Refund of \$157,722 and PAYG withholding tax obligation of \$256,398 for the month of March 2024.

* 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.

Table 4. Member and CEO Council Credit Card Transactions for the Month
For the Month Ended 31 March 2024

Cardholder Name: CEO

Transaction Date	Amount \$	Supplier's Name		Reason for the Transaction
21-Mar-24	20.00	PAYSTAY	SOUTH WHARF	Parking
05-Mar-24	20.00	PAYSTAY	SOUTH WHARF	Parking
Total	40.00			

Cardholder Name: Lord Mayor

Transaction Date	Amount \$	Supplier's Name		Reason for the Transaction
25-Mar-24	20.00	PAYSTAY	SOUTH WHARF	Parking
18-Mar-24	20.00	PAYSTAY	SOUTH WHARF	Parking
13-Mar-24	20.00	PAYSTAY	SOUTH WHARF	Parking
Total	60.00			

INVESTMENTS REPORT TO COUNCIL
AS AT
31 March 2024

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 March 2024

Term to Maturity Category	% of Total Portfolio	Term to Maturity (Policy Max.)	Term to Maturity (Policy Min.)
Less than 1 Year			
Term Deposits	48%		
Business Online Saver Accounts	8%		
Floating Rate Notes	1%		
General Surplus on Variable Loans	30%		
Bonds	2%		
Less than 1 Year Total	89%	100%	30%
Greater than 1 Year less than 3 Years			
Term Deposits	3%		
Business Online Saver Accounts	0%		
Floating Rate Notes	6%		
Bonds	1%		
Greater than 1 Year less than 3 Years Total	10%	70%	0%
Greater than 3 Years			
Term Deposits	0%		
Business Online Saver Accounts	0%		
Floating Rate Notes	1%		
Bonds	0%		
Greater than 3 Years Total	1%	30%	0%
Greater than 5 Years			
Term Deposits	0%		
Business Online Saver Accounts	0%		
Floating Rate Notes	0%		
Greater than 5 Years Total	0%	10%	0%
Total	100%		

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 March 2024

Credit Rating - Maximum Individual Limit	ADI	Counterparty	% of Total Portfolio	Individual Counterparty Limits of Total Investments
AA-	Commonwealth Bank of Australia Ltd	Commonwealth Bank of Australia Ltd	30%	50%
	National Australia Bank Ltd	National Australia Bank Ltd	25%	50%
	Westpac Banking Corporation Ltd	Westpac Banking Corporation Ltd	27%	50%
	Northern Territory Treasury Corporation	Northern Territory Treasury Corporation	2%	50%
A+	Macquarie Bank	Macquarie Bank	1%	30%
	Suncorp Metway Limited	Suncorp Bank	6%	30%
BBB+	Bank of Queensland Ltd	Bank of Queensland Ltd	3%	10%
	Members Banking Group Limited t/as RACQ Bank	Members Banking Group Limited t/as RACQ Bank	1%	10%
BBB	Great Southern Bank	Great Southern Bank	3%	10%
	Bank Australia Limited	Bank Australia Limited	2%	10%
Grand Total			100%	
Credit Rating - Maximum Portfolio Limit			% of Total	Policy Limit
AAA to AA-			84%	100%
A+ to A-			7%	45%
BBB+ to BBB			9%	30%
BBB-			0%	0%
Total			100%	

INVESTMENT AND CASH AT CALL/OFFSET REPORT TO COUNCIL
AS AT
31 March 2024

31 March 2024												
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	ANZ Banking Group Ltd	29 March 2024	5.42%	AA-	A1+	FRN	31 March 2028	\$500,000	0.40%		
		ANZ Banking Group Ltd Total							\$500,000	0.40%		
		Commonwealth Bank of Australia Ltd		30 April 2024	4.69%	AA-	A1+	TD		\$3,071,360	2.49%	
			21 May 2024	5.41%	AA-	A1+	TD		\$3,122,364	2.53%		
			13 August 2024	5.09%	AA-	A1+	TD		\$2,000,000	1.62%		
			18 June 2024	5.06%	AA-	A1+	TD		\$2,000,000	1.62%		
			12 November 2024	5.43%	AA-	A1+	TD		\$3,000,000	2.43%		
			12 April 2024	5.25%	AA-	A1+	FRN	13 January 2026	\$2,000,000	1.62%		
			19 May 2024	5.18%	AA-	A1+	FRN	18 August 2025	\$1,000,000	0.81%		
			18 August 2024	4.24%	AA-	A1+	BOND	18 August 2025	\$1,000,000	0.81%		
			31 March 2024	4.35%	AA-	A1+	BOS		\$9,411,069	7.62%		
		Commonwealth Bank of Australia Ltd Total								\$26,604,793	21.54%	
		National Australia Bank Ltd		30 April 2024	4.54%	AA-	A1+	TD		\$1,518,333	1.23%	
			25 June 2024	5.34%	AA-	A1+	TD		\$2,000,000	1.62%		
			25 June 2024	5.50%	AA-	A1+	TD		\$3,142,715	2.74%		
			13 August 2024	5.10%	AA-	A1+	TD		\$5,000,000	4.05%		
			17 September 2024	5.15%	AA-	A1+	TD		\$2,000,000	1.62%		
			17 September 2024	5.22%	AA-	A1+	TD		\$3,000,000	2.43%		
		National Australia Bank Ltd Total								\$16,661,048	13.68%	
		Westpac Banking Corporation Ltd		3 December 2024	1.62%	AA-	A1+	TD		\$2,000,000	1.62%	
			23 April 2024	4.85%	AA-	A1+	TD		\$2,000,000	1.62%		
			11 June 2024	5.03%	AA-	A1+	TD		\$2,000,000	1.62%		
			10 September 2024	5.20%	AA-	A1+	TD		\$2,000,000	1.62%		
			22 October 2024	5.19%	AA-	A1+	TD		\$3,000,000	2.43%		
			24 September 2024	5.15%	AA-	A1+	TD		\$2,087,445	1.69%		
			12 November 2024	5.42%	AA-	A1+	TD		\$3,000,000	2.43%		
			24 April 2024	5.49%	AA-	A1+	FRN	24 April 2024	\$1,000,000	0.81%		
			28 January 2025	5.11%	AA-	A1+	TD		\$3,000,000	2.43%		
		Westpac Banking Corporation Ltd Total								\$20,087,445	16.26%	
			Northern Territory Treasury Corporation (NTTC)	15 December 2024	1.30%	AA-	A1+	BOND		\$2,000,000	1.62%	
		Northern Territory Treasury Corporation (NTTC) Total								\$2,000,000	1.62%	
		MAJOR BANK Total								\$65,853,286	53.50%	
		OTHER	Bank of Queensland Ltd	10 December 2024	5.15%	BBB+	A2	TD		\$4,000,000	3.24%	
			Bank of Queensland Ltd Total							\$4,000,000	3.24%	
			Macquarie Bank	13 May 2024	5.26%	A+	A1	FRN	12 February 2025	\$1,000,000	0.97%	
			Macquarie Bank Total							\$1,000,000	0.97%	
			Suncorp Bank	9 April 2024	5.52%	A+	A1	TD		\$1,562,827	1.27%	
				19 November 2024	4.57%	A+	A1	TD		\$2,000,000	1.62%	
				19 November 2024	5.49%	A+	A1	TD		\$3,000,000	2.43%	
				17 April 2024	5.23%	A+	A1	FRN	17 October 2025	\$1,000,000	0.81%	
			Suncorp Bank Total							\$7,562,827	6.12%	
			Bank Australia Limited	27 May 2024	5.98%	BBB	A-2	FRN	24 November 2025	\$2,000,000	1.62%	
			Bank Australia Limited Total							\$2,000,000	1.62%	
			Members Banking Group Limited t/as RACQ Bank	24 May 2024	5.84%	BBB+	A2	FRN	24 February 2026	\$1,600,000	1.30%	
			Members Banking Group Limited t/as RACQ Bank Total							\$1,600,000	1.30%	
			Great Southern Bank	8 April 2025	5.20%	BBB	A2	TD		\$4,000,000	3.24%	
			Great Southern Bank Total							\$4,000,000	3.24%	
			OTHER Total								\$20,162,827	16.48%
			INVESTMENT Total									
		VARIABLE LOAN SURPLUS	MAJOR BANK	Commonwealth Bank of Australia Ltd	31 March 2024	0.00%	AA-	A1+	General Surplus - I		\$10,000,000	8.09%
Commonwealth Bank of Australia Ltd Total									\$10,000,000	8.09%		
National Australia Bank Ltd	31 March 2024			0.00%	AA-	A1+	General Surplus - I		\$14,750,000	11.94%		
National Australia Bank Ltd Total									\$14,750,000	11.94%		
Westpac Banking Corporation Ltd	31 March 2024			0.00%	AA-	A1+	General Surplus - I		\$12,771,705	10.34%		
Westpac Banking Corporation Ltd Total									\$12,771,705	10.34%		
MAJOR BANK Total								\$37,521,705	30.37%			
VARIABLE LOAN SURPLUS Total												
Grand Total									\$123,537,819	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	\$5,781,793
NAB General Bank Funds	\$134,667
WBC General Bank Funds	\$113,921
Total Funds	\$129,568,200
Less Variable Loans Offset (Cash on Call)	-\$37,521,705
Total Investment & Cash (less offset)	\$92,046,495
Total Budgeted Investment Earnings	\$2,464,000
Year to Date Investment Earnings	\$1,417,243
Weighted Ave Rate	3.44%
Weighted Ave Rate (excluding Cash on Call)	4.94%
BBSW 90 Day Rate	4.34%
Bloomberg AusBond (Bank Bill Index)	

Trust Bank Account	\$456,989
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Capital Expenditure For The Period Ended 31 March 2024	2023/24			
	YTD Actuals	YTD Revised Budget	YTD Variance	FY Revised Budget Current Financial Year Budget
	\$	\$	\$	\$
TOTAL CAPITAL EXPENDITURE BY ASSET CLASS:				
Capital Work In Progress				
Land - Under Roads	0	0	0	0
Land and Buildings:				
Land and Improvements	0	0	0	0
Buildings	16,324,892	15,148,669	(1,176,223)	19,382,732
Infrastructure:				
Stormwater Drainage	1,928,133	2,231,750	303,617	2,669,253
Transport	4,717,699	6,104,136	1,386,437	7,108,395
Pathways	417,542	1,301,932	884,390	1,724,435
Public Lighting	403,685	1,220,137	816,452	2,523,702
Waste Management Infrastructure	1,046,276	7,436,545	6,390,269	7,506,548
Waste Remediation	0	0	0	0
Right Of Use Assets (Leases):				
Leased Land and Buildings	0	0	0	0
Other Leased Assets	0	0	0	0
Plant & Equipment, including Fleet	708,464	6,830,169	6,121,705	9,274,019
Parks & Reserves Infrastructure	1,154,578	4,041,137	2,886,559	5,248,631
Other Assets	5,600	(2,301)	(7,901)	55,784
TOTAL CAPITAL EXPENDITURE	26,706,869	44,312,174	17,605,305	55,493,499
TOTAL CAPITAL EXPENDITURE FUNDED BY*:				
Operating Income	7,528,893	13,833,438	6,304,545	17,431,338
Capital Grants	7,416,939	6,449,113	(967,826)	11,351,162
Transfer from Reserves	1,607,324	8,832,186	7,224,862	11,513,562
Borrowings	10,153,713	15,197,437	5,043,724	15,197,437
TOTAL CAPITAL EXPENDITURE FUNDING	26,706,869	44,312,174	17,605,305	55,493,499

*YTD Funding of expenditure is assumed to be consumed in line with YTD Capital Expenditure

**Report on Planned Major Capital Works
For The Period Ended 31 March 2024**

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	9,254,074	15,688,467	24,942,541	27,233,111	2,290,571	31/08/2024
Waste Management Infrastructure	Shoal Bay - Stage 2 Expansion	23,796	107,099	130,895	12,000,000	11,869,105	31/10/2024
Waste Management Infrastructure	Leachate Irrigation System - Shoal Bay (CF)	15,788,400	288,784	16,077,184	16,142,591	65,407	30/06/2023
Waste Management Infrastructure	SBWMF - Stage 3 & 4 Final Cap Design & Construction (CF)	14,970,430	251,941	15,222,370	15,268,962	46,592	30/09/2023
Waste Management Infrastructure	Shoal Bay - Leachate Ponds	7,362,783	466,198	7,828,981	7,828,980	(1)	30/09/2023
TOTAL		47,399,482	16,802,489	64,201,971	78,473,644	14,271,673	

15 **RECEIVE & NOTE REPORTS**

15.1 MONTHLY FINANCIAL REPORT - APRIL 2024

Author: **Executive Manager Finance
Financial Controller**

Authoriser: **Chief Executive Officer**

Attachments: **1. Monthly Financial Report - April 2024** [↓](#)

RECOMMENDATIONS

THAT the report entitled Monthly Financial Report – April 2024 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 30 April 2024.

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 end of month.
- 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**April 2024 – Year to Date Result**

The year-to-date operating result until 30 April 2024 is a **deficit of (\$5.4M)** compared to a **YTD Budgeted deficit of (\$14.0M)** as highlighted in the table below.

After including capital income, the **Net Surplus is \$5.4M** against the YTD budgeted **deficit of (\$5.3M)**. This has resulted in a favourable **\$10.7M** variance overall (as shown in the income statement).

	Actual \$'000	Budget \$'000	Variance \$'000
Net Operating Surplus/ (Deficit)	(5,438)	(14,036)	8,598 Favourable

Commentary

The Net Operating Position has a favourable variance to the year-to-date revised budget of \$8.6M. The variance results from higher-than-expected interest on investments, lower than budgeted materials and contracts, employee costs, and interest expense, offset by lower than anticipated fees and charges. Please find below additional commentary for the material variances:

Income

Total Operating Income is tracking on budget.

User Fees & Charges

The unfavourable variance is \$2.2M. This is almost exclusively due to Waste Fees & Charges being under YTD expectations as the volume of material received through Shoal Bay is lower than anticipated. This reduction in revenue is offset by a decrease in waste related expenditure.

Interest / Investment Income

The favourable variance mainly relates to the increase in returns received on investments due to the high Reserve Bank of Australia (RBA) cash rate.

Expenditure

Total Expenses are under budget by \$8.0M. This is due to underspends in Materials & Contracts \$5.8M, Employee Expenses of \$2.5M, and interest on borrowings \$1.2M. This is partially offset by depreciation being higher than budget by \$1.5M.

Materials & Contracts

Materials and Contracts expenses has an annual budget of \$61.9M and this incorporates various expenditure types. Combined, this budget line is under budget with a variance of \$5.8M. \$2.8M of this variance relates to Waste Management and the operation of Shoal Bay. This saving is partially offset by a reduction in fees and charges for Shoal Bay. Other variances relate to maintenance programs and events. These are timing variances, and the budget is expected to be consumed as we enter the dry season.

Employee Expenses

Employee costs report a positive variance to budget of \$2.5M. This variance is offset in part by increases in contract and other labour sources and the variance will further reduce when leave provisioning is adjusted at year end.

Depreciation and Amortisation

Depreciation is over budget by \$1.5M, this is a non-cash expense and will be considered at a future budget review.

Interest Expenses

Interest expenses show a positive variance (\$1.2M) due to loan offsets been utilised against the variable loans and timing of the draw down for loan SBWMF Stage 2 Expansion, Phase 1.

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. Purchase of Infrastructure, Property, Plant & Equipment variance relates to timing of capital projects.

Cash and Investments Note A

City of Darwin has achieved 4.95% on weighted average interest rate on its end of month cash and investment portfolio of \$92.3M (excluding loan offset \$37.5M). 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 7 May 2024 and the Board decided to leave the cash rate unchanged at 4.35%. The RBA commented "recent data indicates that, while inflation is easing, it is doing so more slowly than previously expected and it remains high. The Board expects that it will be some time yet before inflation is sustainably in the target range and will remain vigilant to upside risks. The path of interest rates that will best ensure that inflation returns to target in a reasonable timeframe remains uncertain and the Board is not ruling anything in or out. The Board will rely upon the data and the evolving assessment of risks. In doing so, it will continue to pay close attention to developments in the global economy, trends in domestic demand, and the outlook for inflation and the labour market. The Board remains resolute in its determination to return inflation to target."

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 end of month was \$6.5M at the time of reporting. City of Darwin recognises the liability of invoices once goods are receipted as received.

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.

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

Ordinary Council Meeting Agenda

28 May 2024

Please note that these reports are unaudited management financial reports. Information contained in the reports was 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 April 2024.

Exempt Procurement

Vendor	Supply	Cost	Applicable Exemption
Boule Pty Ltd T/as New Future IT	Dell PowerScale Storage Solution	\$171,881.28	Reg 38(1)(k) Major operational inconvenience

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.

J. Saunders

CEO Signed

22/05/2024

PREVIOUS COUNCIL RESOLUTION

N/A

**STRATEGIC PLAN
ALIGNMENT**

6 Governance Framework
6.3 Decision Making and Management

BUDGET / FINANCIAL / RESOURCE IMPLICATIONS	N/A
LEGISLATION / POLICY CONTROLS OR IMPACTS	<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>
CONSULTATION, ENGAGEMENT & COMMUNICATION	N/A
DECLARATION OF INTEREST	<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>

Income Statement For the Period Ended 30 April 2024	2023/24						
	April 2024					FY Revised Budget	FY Original Budget
	YTD Actual		YTD Revised Budget		Variance		
	\$'000		\$'000		\$'000	\$'000	\$'000
Operating Income							
Rates	70,829	70%	70,437	70%	392	84,524	84,524
Charges	2,825	3%	2,191	2%	634	2,333	2,338
Fees and Charges	20,823	20%	22,990	23%	(2,167)	27,075	29,532
Operating Grants and Subsidies	2,254	2%	2,166	2%	88	2,140	6,116
Interest / Investment Income	4,111	4%	2,587	3%	1,525	3,104	3,104
Other Income	1,049	1%	967	1%	82	2,151	2,151
Total Income	101,891		101,338		553	121,327	127,765
Operating Expenses							
Employee Expenses	30,911	29%	33,414	29%	2,504	40,014	40,560
Materials and Contracts	46,460	43%	52,283	45%	5,822	61,891	61,477
Elected Member Allowances	544	1%	578	1%	34	795	795
Elected Member Expenses	0	0%	34	0%	34	44	64
Council Committee & LA Allowances	6	0%	8	0%	2	10	10
Depreciation, Amortisation & Impairment	28,540	27%	27,020	23%	(1,519)	32,425	32,425
Interest Expenses	868	1%	2,036	2%	1,168	3,448	3,948
Total Expenses	107,329		115,374		8,045	138,627	139,279
Budgeted Operating Surplus/ (Deficit)	(5,438)		(14,036)		8,598	(17,300)	(11,514)
Capital Grants Income	10,835		8,763		2,073	11,350	952
Net Surplus/(Deficit)	5,397		(5,274)		10,671	(5,950)	(10,562)

Statement of Fund Flows Monthly Operating Position For the Period Ended 30 April 2024	2023/24				
	April 2024			FY	FY
	YTD Actual \$'000	YTD Revised Budget \$'000	Variance \$'000	Revised Budget \$'000	Original Budget \$'000
<u>Funds From Operating Activities</u>					
Net Operating Result from Income Statement	(5,438)	(14,036)	8,598	(17,300)	(11,514)
Add back depreciation (not cash)	28,540	27,020	1,519	32,425	32,425
Add back Other Non Cash Items	0	0	0	1,029	904
Net Funds Provided (or used in) Operating Activities	23,102	12,984	10,117	16,154	21,815
<u>Less Additional Outflows</u>					
Repayment of borrowings & advances	(3,684)	(3,684)	0	(5,260)	(5,614)
Purchase of Infrastructure, Property, Plant & Equipment	(28,947)	(47,538)	18,591	(55,493)	(19,020)
Total Additional Outflows	(32,631)	(51,222)	18,591	(60,753)	(24,634)
<u>Add Additional Inflows</u>					
Add Capital Grants	10,835	8,763	2,073	11,350	952
Sale of Infrastructure, Property, Plant & Equipment	80	418	(339)	500	500
Proceeds from borrowings & advances	0	6,000	(6,000)	6,000	0
Transfers from Reserves	15,107	23,057	(7,950)	25,690	1,367
Transfer from Unrestricted Cash	0	0	0	1,060	0
Total Additional Inflows	26,021	38,238	(12,216)	44,600	2,819
Net Increase (-Decrease) in Funds	16,492	(0)	16,492	(0)	0

Statement of Financial Position
as at 30 April 2024

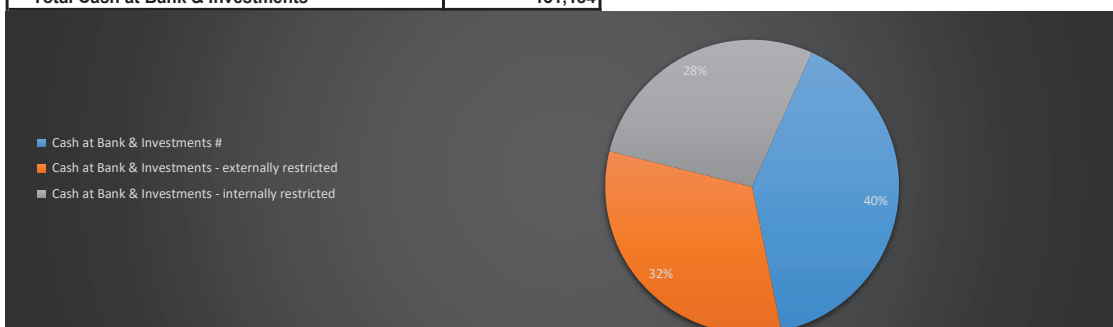
Statement of Financial Position as at 30 April 2024	2023/24			
	April 2024 Actual \$'000	Note	FY Revised Budget \$'000	FY Original Budget \$'000
Current Assets				
Cash at Bank & Investments	52,664	A	17,751	18,811
Cash at Bank & Investments - externally restricted	42,085	A	39,326	39,080
Cash at Bank & Investments - internally restricted	36,435	A	28,498	39,172
Trade & Other Receivables	3,676	B	11,759	11,759
Rates & Charges Receivables	14,312	B	0	0
Inventories	257		300	300
Total Current Assets	149,429		97,634	109,122
Non-Current Assets				
Infrastructure, Property, Plant and Equipment	1,249,321		1,276,724	1,267,733
Lease Right of Use Assets	3,170		0	0
Total Non Current Assets	1,252,491		1,276,724	1,267,733
Total Assets	1,401,920		1,374,358	1,376,855
Current Liabilities				
Trade Payables & Other Payables	6,475	C	18,286	18,286
Accruals	6,461		0	0
ATO & Payroll Liabilities	91	D	0	0
Rates Revenue struck (in advance)	14,125		0	0
Borrowings	2,303		5,451	5,451
Provisions	7,086		7,689	7,689
Lease Liabilities	922		888	888
Total Current Liabilities	37,463		32,314	32,314
Non-Current Liabilities				
Trade & Other Payables	12		0	0
Borrowings	56,966		62,314	55,960
Provisions	54,401		52,738	52,738
Lease Liabilities	2,411		1,254	1,254
Total Non Current Liabilities	113,790		116,306	109,952
Total Liabilities	151,253		148,620	142,266
NET ASSETS	1,250,667		1,225,738	1,234,589
Equity				
Accumulated Surplus	310,018		295,786	294,209
Asset Revaluation Reserve	862,128		862,128	862,128
Other Reserves	78,520		67,824	78,252
TOTAL EQUITY	1,250,667		1,225,738	1,234,589

**Monthly Balance Sheet Report (Notes to the Balance Sheet)
as at 30 April 2024**

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 3.4% on weighted average interest rate on its April 2024 cash and investment portfolio of \$129.8M (including \$37.5M 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 #	52,664
Cash at Bank & Investments - externally restricted	42,085
Cash at Bank & Investments - internally restricted	36,435
Total Cash at Bank & Investments	131,184



Cash at Bank & Investments includes Cash on Call of \$37.5M

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	\$ 11,234,072	\$0	\$0	\$3,077,602	\$14,311,674
Other Trade Receivables and Other Receivables	\$ 2,037,826	\$1,295,114	\$131,235	\$212,050	\$3,676,226
Total Trade and Other Receivables	\$ 13,271,898	\$1,295,114	\$131,235	\$3,289,652	\$11,873,838

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	-\$6,313,623	-\$98,211	-\$59,481	-\$4,082	-\$6,475,397
ATO & Payroll Liabilities	-\$91,114	\$0	\$0	\$0	-\$91,114
Total Trade and Other Payables	-\$6,404,737	-\$98,211	-\$59,481	-\$4,082	-\$6,566,511

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

The Council has no outstanding payment and reporting obligations for the month of April 2024.

* 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.

Table 4. Member and CEO Council Credit Card Transactions for the Month
For the Month Ended 30 April 2024

Cardholder Name: CEO

Transaction Date	Amount \$	Supplier's Name		Reason for the Transaction
28-Mar-24	5.00	PARKING	DARWIN CONVENTION CENTRE	Parking
Total	5.00			

Cardholder Name: Lord Mayor

Transaction Date	Amount \$	Supplier's Name		Reason for the Transaction
19-Apr-24	20.00	PAYSTAY	SOUTH WHARF	Parking
17-Apr-24	20.00	PAYSTAY	SOUTH WHARF	Parking
10-Apr-24	20.00	PAYSTAY	SOUTH WHARF	Parking
2-Apr-24	20.00	PAYSTAY	SOUTH WHARF	Parking
Total	80.00			

INVESTMENTS REPORT TO COUNCIL
AS AT
30 April 2024

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 April 2024

Term to Maturity Category	% of Total Portfolio	Term to Maturity (Policy Max.)	Term to Maturity (Policy Min.)
Less than 1 Year			
Term Deposits	49%		
Business Online Saver Accounts	8%		
Floating Rate Notes	0%		
General Surplus on Variable Loans	31%		
Bonds	0%		
Less than 1 Year Total	88%	100%	30%
Greater than 1 Year less than 3 Years			
Term Deposits	2%		
Business Online Saver Accounts	0%		
Floating Rate Notes	8%		
Bonds	1%		
Greater than 1 Year less than 3 Years Total	11%	70%	0%
Greater than 3 Years			
Term Deposits	0%		
Business Online Saver Accounts	0%		
Floating Rate Notes	1%		
Bonds	0%		
Greater than 3 Years Total	1%	30%	0%
Greater than 5 Years			
Term Deposits	0%		
Business Online Saver Accounts	0%		
Floating Rate Notes	0%		
Greater than 5 Years	0%	10%	0%
Total	100%		

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 April 2024

Credit Rating - Maximum Individual Limit	ADI	Counterparty	% of Total Portfolio	Individual Counterparty Limits of Total Investments
AA-	Commonwealth Bank of Australia Ltd	Commonwealth Bank of Australia Ltd	28%	50%
	National Australia Bank Ltd	National Australia Bank Ltd	25%	50%
	Westpac Banking Corporation Ltd	Westpac Banking Corporation Ltd	27%	50%
	Northern Territory Treasury Corporation	Northern Territory Treasury Corporation	2%	50%
A+	Macquarie Bank	Macquarie Bank	1%	30%
	Suncorp Metway Limited	Suncorp Bank	5%	30%
A-	Bank of Queensland Ltd	Bank of Queensland Ltd	6%	10%
	Members Banking Group Limited t/as RACQ Bank	Members Banking Group Limited t/as RACQ Bank	1%	10%
	Bank Australia Limited	Bank Australia Limited	2%	10%
BBB	Great Southern Bank	Great Southern Bank	3%	10%
Grand Total			100%	

Credit Rating - Maximum Portfolio Limit	% of Total	Policy Limit
AAA to AA-	82%	100%
A+ to A-	12%	60%
BBB+ to BBB	6%	30%
BBB-	0%	0%
Total	100%	

INVESTMENT AND CASH AT CALL/OFFSET REPORT TO COUNCIL
AS AT
30 April 2024

								FRN ONLY				
Instrument	Institution Category	Counterparty	Maturity Date	Interest Rate	Credit Rating (LT)	Credit Rating (ST)	Inv Type	(Maturity Date - last pmt)	Principal \$	% Portfolio		
INVESTMENT	MAJOR BANK	ANZ Banking Group Ltd	28 June 2024	5.40%	AA-	A1+	FRN	31 March 2028	\$500,000	0.42%		
		ANZ Banking Group Ltd Total							\$500,000	0.42%		
		Commonwealth Bank of Australia Ltd	30 April 2024	4.35%	AA-	A1+	BOS		\$9,444,717	7.91%		
			21 May 2024	5.41%	AA-	A1+	TD		\$3,122,364	2.61%		
			13 August 2024	5.09%	AA-	A1+	TD		\$2,000,000	1.67%		
			18 June 2024	5.06%	AA-	A1+	TD		\$2,000,000	1.67%		
			12 November 2024	5.43%	AA-	A1+	TD		\$3,000,000	2.51%		
			19 May 2024	5.18%	AA-	A1+	FRN	18 August 2025	\$1,000,000	0.84%		
			18 August 2024	4.24%	AA-	A1+	FRN	18 August 2025	\$1,000,000	0.84%		
			12 July 2024	5.25%	AA-	A1+	FRN	13 January 2026	\$2,000,000	1.67%		
		Commonwealth Bank of Australia Ltd Total							\$23,567,081	19.73%		
		National Australia Bank Ltd	25 June 2024	5.34%	AA-	A1+	TD		\$2,000,000	1.67%		
			25 June 2024	5.50%	AA-	A1+	TD		\$3,142,715	2.63%		
			13 August 2024	5.10%	AA-	A1+	TD		\$5,000,000	4.19%		
			17 September 2024	5.15%	AA-	A1+	TD		\$2,000,000	1.67%		
			17 September 2024	5.22%	AA-	A1+	TD		\$3,000,000	2.51%		
		National Australia Bank Ltd Total							\$15,142,715	12.68%		
		Westpac Banking Corporation Ltd	3 December 2024	1.62%	AA-	A1+	TD		\$2,000,000	1.67%		
			11 June 2024	5.03%	AA-	A1+	TD		\$2,000,000	1.67%		
			10 September 2024	5.20%	AA-	A1+	TD		\$2,000,000	1.67%		
			22 October 2024	5.19%	AA-	A1+	TD		\$3,000,000	2.51%		
			24 September 2024	5.15%	AA-	A1+	TD		\$2,087,445	1.75%		
			12 November 2024	5.42%	AA-	A1+	TD		\$3,000,000	2.51%		
			28 January 2025	5.11%	AA-	A1+	TD		\$3,000,000	2.51%		
			22 April 2025	5.11%	AA-	A1+	TD		\$2,000,000	1.67%		
		Westpac Banking Corporation Ltd Total							\$19,087,445	15.98%		
		Northern Territory Treasury Corporation (NTTC)	15 December 2024	1.30%	AA-	A1+	BOND		\$2,000,000	1.67%		
		Northern Territory Treasury Corporation (NTTC) Total							\$2,000,000	1.67%		
		MAJOR BANK Total								\$60,297,241	50.49%	
		OTHER	Bank of Queensland Ltd	10 December 2024	5.15%	A-	A2	TD		\$4,000,000	3.35%	
				23 October 2024	5.10%	A-	A2	TD		\$3,000,000	2.51%	
			Bank of Queensland Ltd Total							\$7,000,000	5.86%	
			Macquarie Bank	13 May 2024	5.26%	A+	A1	FRN	12 February 2025	\$1,000,000	0.84%	
			Macquarie Bank Total							\$1,000,000	0.84%	
			Suncorp Bank	19 November 2024	4.57%	A+	A1	TD		\$2,000,000	1.67%	
				19 November 2024	5.49%	A+	A1	TD		\$3,000,000	2.51%	
				17 July 2024	5.23%	A+	A1	FRN	17 October 2025	\$1,000,000	0.84%	
			Suncorp Bank Total							\$6,000,000	5.02%	
			Bank Australia Limited	27 May 2024	5.98%	BBB+	A2	FRN	24 November 2025	\$2,000,000	1.67%	
			Bank Australia Limited Total							\$2,000,000	1.67%	
			Members Banking Group Limited t/as RACQ Bank	24 May 2024	5.84%	BBB+	A2	FRN	24 February 2026	\$1,600,000	1.34%	
			Members Banking Group Limited t/as RACQ Bank Total							\$1,600,000	1.34%	
Great Southern Bank			8 April 2025	5.20%	BBB	A2	TD		\$4,000,000	3.35%		
Great Southern Bank Total									\$4,000,000	3.35%		
OTHER Total										\$21,600,000	18.09%	
INVESTMENT Total									\$81,897,241	68.58%		
VARIABLE LOAN SURPLUS			MAJOR BANK	Commonwealth Bank of Australia Ltd	30 April 2024	0.00%	AA-	A1+	General Surplus - I		\$10,000,000	8.37%
				Commonwealth Bank of Australia Ltd Total							\$10,000,000	8.37%
				National Australia Bank Ltd	30 April 2024	0.00%	AA-	A1+	General Surplus - I		\$14,750,000	12.35%
				National Australia Bank Ltd Total							\$14,750,000	12.35%
		Westpac Banking Corporation Ltd		30 April 2024	0.00%	AA-	A1+	General Surplus - I		\$12,771,705	10.69%	
		Westpac Banking Corporation Ltd Total								\$12,771,705	10.69%	
MAJOR BANK Total									\$37,521,705	31.42%		
VARIABLE LOAN SURPLUS Total									\$37,521,705	31.42%		
Grand Total									\$119,418,947	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	\$10,191,859
NAB General Bank Funds	\$134,667
WBC General Bank Funds	\$113,921
Total Funds	\$129,859,394
Less Variable Loans Offset (Cash on Call)	-\$37,521,705
Total Investment & Cash (less offset)	\$92,337,689
Total Budgeted Investment Earnings	\$2,464,000
Year to Date Investment Earnings	\$3,401,048
Weighted Ave Rate	3.39%
Weighted Ave Rate (excluding Cash on Call)	4.95%
BBSW 90 Day Rate	4.41%
Bloomberg AusBond (Bank Bill Index)	

Trust Bank Account	\$456,989
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Report on Planned Major Capital Works
For The Period Ended 30 April 2024

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	9,254,074	16,545,966	25,800,040	27,233,111	1,433,071	31/08/2024
Waste Management Infrastructure	Shoal Bay - Stage 2 Expansion	23,796	240,366	264,162	12,000,000	11,735,838	31/10/2024
Waste Management Infrastructure	Leachate Irrigation System - Shoal Bay (CF)	15,788,400	288,784	16,077,184	16,142,591	65,407	30/06/2023
Waste Management Infrastructure	SBWMF - Stage 3 & 4 Final Cap Design & Construction (CF)	14,970,430	253,003	15,223,432	15,268,962	45,530	30/09/2023
Waste Management Infrastructure	Shoal Bay - Leachate Ponds	7,362,783	466,198	7,828,981	7,828,980	(1)	30/09/2023
	TOTAL	47,399,482	17,794,317	65,193,799	78,473,644	13,279,845	

Capital Expenditure For The Period Ended 30 April 2024	2023/24			
	YTD	YTD	YTD	FY
	Actuals	Revised Budget	Variance	Revised Budget
	\$	\$	\$	Current Financial Year Budget \$
TOTAL CAPITAL EXPENDITURE BY ASSET CLASS:				
Capital Work In Progress				
Land - Under Roads	0	0	0	0
Land and Buildings:				
Land and Improvements	0	0	0	0
Buildings	17,280,678	16,560,023	(720,655)	19,382,732
Infrastructure:				
Stormwater Drainage	1,979,133	2,377,583	398,450	2,669,253
Transport	4,813,992	6,438,885	1,624,893	7,108,395
Pathways	803,290	1,442,765	639,475	1,724,435
Public Lighting	493,543	1,336,803	843,260	2,523,702
Waste Management Infrastructure	1,180,604	7,459,878	6,279,274	7,506,548
Waste Remediation	0	0	0	0
Right Of Use Assets (Leases):				
Leased Land and Buildings	0	0	0	0
Other Leased Assets	0	0	0	0
Plant & Equipment, including Fleet	1,006,684	7,625,432	6,618,748	9,274,019
Parks & Reserves Infrastructure	1,353,351	4,276,971	2,923,620	5,248,631
Other Assets	35,840	20,073	(15,767)	55,784
TOTAL CAPITAL EXPENDITURE	28,947,117	47,538,413	18,591,296	55,493,499
TOTAL CAPITAL EXPENDITURE FUNDED BY*:				
Operating Income	8,263,523	14,700,333	6,436,810	17,431,338
Capital Grants	8,626,092	8,045,278	(580,814)	11,351,162
Transfer from Reserves	1,769,462	9,595,365	7,825,903	11,513,562
Borrowings	10,288,041	15,197,437	4,909,396	15,197,437
TOTAL CAPITAL EXPENDITURE FUNDING	28,947,118	47,538,413	18,591,295	55,493,499

*YTD Funding of expenditure is assumed to be consumed in line with YTD Capital Expenditure

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 2019*:

12.1 Presentation: NSC Group - Employee Engagement Survey 2024

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 June 2024

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 ICT Roadmap - Update on Progress

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.

12.4 2023/24 Annual Financial Statements - Final 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.

12.5 Update on Internal Audit - June 2024

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.

12.6 Corporate Services Quarterly Report: January-March 2024

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 Work Health & Safety Quarterly Report: January-March 2024

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.

12.8 Notification Register - period ending 18 June 2024

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.



MINUTES

Risk Management & Audit Committee Meeting

Friday, 19 April 2024

Date: Friday, 19 April 2024

Time: 9.00am

**Location: Meeting Room 1 Bidjpidji
Level 1, Civic Centre
Harry Chan Avenue, Darwin**

**MINUTES OF CITY OF DARWIN
RISK MANAGEMENT & AUDIT COMMITTEE MEETING
HELD AT THE MEETING ROOM 1 BIDJPIDJI, LEVEL 1, CIVIC CENTRE, HARRY CHAN
AVENUE, DARWIN
ON FRIDAY, 19 APRIL 2024 AT 9.00AM**

PRESENT: Chair Roland Chin, Councillor Brian O'Gallagher, Councillor Ed Smelt, Member George Araj, Member Sanja Hill, Member Joe McCabe

OFFICERS Chris Kelly (Executive Manager Corporate and Customer Service), Alice Percy (General Manager Innovation), Alexandra Vereker (A/General Manager Corporate), Nik Kleine (Executive Manager Infrastructure), Irene Frazis (Executive Manager Finance), Brooke Prince (Risk Management Supervisor)

APOLOGY: Councillor Jimmy Bouhoris

GUESTS:

Order of Business

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4	Declaration of Interest of Members and Staff	4
5	Confirmation of Previous Minutes	4
6	Action Reports	5
6.1	Monthly Financial Reports: January - February 2024	5
6.2	Review of Investment Policy.....	5
6.3	Review of Asset Management Plan - Land Under Roads	5
6.4	Risk Review and Assessment - April 2024	5
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9	Closure of Meeting to the Public	6

1 MEETING DECLARED OPEN

COMMITTEE RESOLUTION RMAC020/24

Moved: Councillor Brian O'Gallagher

Seconded: Member Sanja Hill

The Chair declared the meeting open at 9.06 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.

CARRIED 6/0

2 APOLOGIES AND LEAVE OF ABSENCE

COMMITTEE RESOLUTION RMAC021/24

Moved: Councillor Brian O'Gallagher

Seconded: Member Sanja Hill

THAT the apology from Councillor Jimmy Bouhoris be received and noted.

CARRIED 6/0

3 ELECTRONIC MEETING ATTENDANCE

3.1 ELECTRONIC MEETING ATTENDANCE GRANTED

COMMITTEE RESOLUTION RMAC022/24

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 held on Friday, 19 April 2024:

- Member Joe McCabe

CARRIED 6/0

3.2 ELECTRONIC MEETING ATTENDANCE REQUESTED

RECOMMENDATIONS

Nil

4 DECLARATION OF INTEREST OF MEMBERS AND STAFF

4.1 DECLARATION OF INTEREST BY MEMBERS

RECOMMENDATIONS

Member Roland Chin made the following Declarations (updated 20/10/23):

- F. 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
- G. President of Chung Wah Society Inc
- H. Chair of Audit and Risk Committee of Venture Housing Company Limited
- I. Chair of Audit, Risk and Compliance Committee of Charles Darwin University
- J. Tiwi Land Council Audit Committee.

Councillor Jimmy Bouhori made the following Declarations (25/06/21):

- B. any items relating to PowerWater

Councillor Brian O’Gallagher made the following Declaration (19/04/24)

- B. pre-selection for the seat of Karama at the upcoming NT Election

Councillor Ed Smelt made the following Declarations (20/10/2023):

- A. any items relating to Department of Infrastructure, Planning and Logistics, NTG

Member Sanja Hill advised of the following representations (updated 19/04/24):

- B. any items relating to Department of the Attorney-General and Justice NTG

Member Joe McCabe made the following Declarations (20/10/2023):

- A. any items relating to Alice Springs Town Council.

4.2 DECLARATION OF INTEREST BY STAFF

RECOMMENDATIONS

Nil

5 CONFIRMATION OF PREVIOUS MINUTES

COMMITTEE RESOLUTION RMAC023/24

Moved: Member George Araj
Seconded: Councillor Ed Smelt

THAT the minutes of the Risk Management & Audit Committee Meeting held on 23 February 2024 be confirmed.

CARRIED 6/0

6 ACTION REPORTS

6.1 MONTHLY FINANCIAL REPORTS: JANUARY - FEBRUARY 2024

COMMITTEE RESOLUTION RMAC024/24

Moved: Member George Araj
Seconded: Member Sanja Hill

THAT the report entitled Monthly Financial Reports: January – February 2024 be received and noted.

CARRIED 6/0

6.2 REVIEW OF INVESTMENT POLICY

COMMITTEE RESOLUTION RMAC025/24

Moved: Member Sanja Hill
Seconded: Member George Araj

1. THAT the report entitled Review of Investment Policy be received and noted.
2. THAT the Committee recommends that Council adopts the amended Investment Policy 3301.100.E.R at **Attachment 2**.

CARRIED 6/0

6.3 REVIEW OF ASSET MANAGEMENT PLAN - LAND UNDER ROADS

COMMITTEE RESOLUTION RMAC026/24

Moved: Councillor Ed Smelt
Seconded: Member Sanja Hill

THAT the report entitled Asset Management Plan – Land Under Roads, be received and noted.

CARRIED 6/0

6.4 RISK REVIEW AND ASSESSMENT - APRIL 2024**COMMITTEE RESOLUTION RMAC027/24**

Moved: Member George Araj

Seconded: Member Sanja Hill

THAT the report entitled Risk Review and Assessment April 2024 be received and noted.

CARRIED 6/0

7 QUESTIONS BY MEMBERS**RECOMMENDATIONS**

Nil

8 GENERAL BUSINESS**RECOMMENDATIONS**

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 2019*:

12.1 ICT Roadmap - Update on Progress

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 Shoal Bay Waste Management Facility - Update April 2024

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 Audit closing Report 2022/23 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.

12.4 2023/24 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.

12.5 Unclaimed Money Policy

This matter is considered to be confidential under Section 99(2) - 51(d) 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 subject to an obligation of confidentiality at law, or in equity.

12.6 Update on Internal Audit - April 2024

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.

12.7 Notification Register - period ending 31 March 2024

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.

UNCONFIRMED

The Meeting closed at 10.31am.

The minutes of this meeting were confirmed at the Risk Management & Audit Committee held on 28 June 2024.

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CHAIR

UNCONFIRMED