



ACTION PLAN

ASSET SUSTAINABILITY RATIO

This action plan responds to an adverse audit finding on 26 November 2019 identifying a significant adverse trend, as Asset Sustainability Ratio has been below the DLGSCI standard for all 3 years reported in the annual financial report.

The City of Vincent has taken, or intends to take, the following actions to address this non-compliance issue:

Action Description	Due Date(s)	Status
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ROOT CAUSE ANALYSIS

The City has reviewed existing Asset Management Plans and determined that the asset sustainability ratio trend demonstrates that the City has not been investing sufficient monies in renewing assets in comparison to the depreciation value of our current assets.	26-Nov-2019	Completed
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REVIEW OF THE LONG TERM FINANCIAL PLAN 2018/19 TO 2027/28

On 24 September 2019, 11 November 2019, 28 January 2020 and 18 February 2020, the City held a series of Budget Workshops with Elected Members to review the Long Term Financial Plan and 10 year asset management forecasts.	24-Sep-2019 11-Nov-2019 28-Jan-2020 18-Feb-2020	Completed
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Elected members have provided feedback on budget assumptions and base modelling.

Consequently, at the Budget Workshop held 18 February 2020, the City reported that base modelling now indicated an improvement in the City's asset related ratios.

Council to approve the amended Long Term Financial Plan, modelling an improvement in the City's asset related ratios.	By 30-Jun-20	On track
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Action Description	Due Date(s)	Status
The City is currently finalising the mid-year budget review for 2019/20.	17-Mar-20	On track
<p>This review proposes an increase in the Asset Sustainability Reserve of \$250,000.</p> <p>The budget review agenda paper will be considered by Council at the Ordinary Council Meeting on 17 March 2020.</p>		

REVIEW OF THE ASSET MANAGEMENT STRATEGY

At a Budget Workshop held on 28 January 2020, Elected Members were advised that the <i>Asset Management Strategy (2010-2020)</i> was to be reviewed.	28-Jan-20	Completed
A new 10 year <i>Asset Management Strategy</i> will be developed and presented to Council in tandem with the adoption of the LTFP and the 2020/21 annual budget.	31-May-20	On track

MONITORING AND REPORTING

The Audit Committee of 26 November 2019 requested that the Asset Sustainability ratio non-compliance is tracked through the Audit Log.	10-Dec-2019	Completed
The Audit Committee's minutes were reported to, and received at the Ordinary Council Meeting on 10 December 2019.	10-Dec-2019	Completed
The Audit Log will be updated and reported to the next Audit Committee.	3-Mar-2020	On track
A copy of this action plan will be provided to the Audit Committee meeting at its next meeting.	3-Mar-2020	On track
A copy of the Council endorsed Asset Sustainability Action Plan will be provided to the Minister for Local Government.	31-Mar-2020	On track
The Asset Management Strategy will be reviewed and presented to Council in May 2020 in tandem with the development of the 2020/21 budget.		

Virginia Miltrup
EXECUTIVE DIRECTOR, COMMUNITY AND BUSINESS SERVICES
 26 February 2020