Prudential Review Policy
<table>
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<tr>
<th><strong>Reference Number:</strong></th>
<th>TRIM Reference: CR17/36178</th>
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<tr>
<td><strong>Type:</strong></td>
<td>Council Policy</td>
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<tr>
<td><strong>Responsibility:</strong></td>
<td>Director Corporate Services</td>
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<td><strong>Responsible Officer (s):</strong></td>
<td>Manager Financial Services</td>
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<tr>
<td><strong>Initial Adopted Date:</strong></td>
<td>24 October 2017</td>
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<td><strong>Last Review Date:</strong></td>
<td>24 October 2017</td>
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<td><strong>Next Review Date:</strong></td>
<td>August 2020</td>
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<tr>
<td><strong>Legislation:</strong></td>
<td>Local Government Act 1999 (SA)</td>
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| **Related Documents:** | Procurement Policy  
Accounting Policies and Procedures Manual |
1 Purpose

1.1 The Local Government Act 1999 S.48 (aa1) prescribes that:

“A Council must develop and maintain prudential policies practices and procedures for the assessment of projects to ensure that the Council:

a) Acts with due care, diligence and foresight; and

b) Identifies and manages risks associated with a project; and

c) Makes informed decisions; and

d) Is accountable for the use of Council and other public resources.

1.2 This policy seeks to enhance Council’s existing policies and procedures governing Council’s strategic management processes.

2 Scope

2.1 This policy covers the prudential review requirements when consideration is being given to a project that falls within the requirements of Section 48 (1) of the Local Government Act 1999. These requirements are:

- Where the expected expenditure of the Council over the ensuing five years is likely to exceed 20% of the Council’s average annual operating expenses over the previous five financial years (as shown in Council’s audited financial statements); or

- Where the expected capital cost of the project over the ensuing five years is likely to exceed $4,000,000 (indexed, starting 2009); or

- Where the Council considers that it is necessary or appropriate. This may include events such as receiving of assets “free of charge” from developers or other tiers of government that will have a long term impact on Council’s recurrent budget.

2.2 In accordance with Section 48 (3), this policy does not apply to;

- Road construction or maintenance; and

- Drainage works.

3 Policy Statement

3.1 Projects falling within the scope of this policy require a Prudential Report and the following criteria will be applied;

3.2 Prudential Report Author

The engagement of a suitably qualified author to undertake Prudential Reviews in accordance with this policy will be made by the Chief Executive Officer. Selection will be made in alignment with Council’s Procurement Policy.
The Author will be an independent person who is skilled in the assessment of prudential issues relevant to the proposed projects against the requirements of Section 48 of the Local Government Act. This may be Council’s Internal Auditor; however, in such an instance the person must not have an interest in the proposed project.

3.3 Consideration of the Prudential Report

The engaged author will prepare a Prudential Report in accordance with this policy and the legislation for consideration of Council prior to the commencement of the project.

The preparation of a prudential report should be commenced as soon as practical following Council’s decision to investigate a project that meets the criteria of section 2.1 above. While a prudential report is not required to be received until Council makes an irreversible decision, the commencement of the prudential process should commence as soon as possible in order to identify potential project risks in the decision making process.

3.4 Public Access to the Prudential Report

The Prudential Review Report will form part of the Council Agenda papers and will be a public document unless it been determined otherwise by the Council in accordance with Section 90 of the Local Government Act 1999.

A copy of the report will be available from Council's Civic Centre during the construction or implementation of the project.

4 Confidentiality

4.1 Council will maintain the confidentiality of information provided by suppliers in any procurement process both during the process and for the period after until documents are destroyed in accordance with statutory requirements.

5 Records

5.1 Council will ensure an appropriate written audit trail of the procurement process, including supporting documentation rationale for procurement activity, decisions throughout the entire life of the procurement.

6 Complaints

6.1 Any complaint about the way in which a procurement process was undertaken will be dealt with in accordance with Council’s Grievance Policy.

7 Review

7.1 The Policy will be reviewed once per Council term or as required by legislation.
8 Access to the Policy

8.1 The Policy is available for public inspection on Council’s website www.prospect.sa.gov.au and from Customer Service at the Civic Centre, 128 Prospect Road, Prospect SA 5082.