

## Purpose

The Local Government Act 1999 (Section 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.

This policy seeks to enhance Council’s existing policies and procedures that govern Council’s strategic management processes.”

## Scope

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. These requirements are:

- a) 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 the Council’s financial statements); or
- b) where the expected capital cost of the project over the ensuing five years is likely to exceed \$4,000,000 (indexed); or
- c) where the Council considers that it is necessary or appropriate.

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

- a) road construction or maintenance; or
- b) drainage works.

## Policy Statement

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

### Prudential Report Author

A report will be presented to Council for the consideration of the engagement of a suitably qualified author of a Prudential Review of a proposed project.

The author will be an independent person who is skilled in the assessment of prudential issues relevant to the proposed project against the requirements of Section 48 of the Local Government. This may be an employee of Council; however in such instance the person must not have an interest in the proposed project.

## Policy Statement

### 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 project commencement.

### Public Access of 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.

## Definitions

Project May include a new or discreet undertaking or activity that would involve the expenditure of money or the deployment of resources.

## Further Information

Members of the public may inspect this Policy on Council's website [www.southernmallee.sa.gov.au](http://www.southernmallee.sa.gov.au) and at the principal office of the Southern Mallee District Council at Day Street, Pinnaroo SA 5304.

On payment of a fee, a copy of this Policy may be obtained from the Council, or otherwise may be downloaded for free from the Council's website.

Any queries in relation to this Policy should be directed to the Chief Executive Officer contactable at the principal office on 8577 8002.

## Policy Review

This policy will be within two years or as required by Council.

The Council may at any time alter this policy, or substitute a new policy.

## Other Relevant Policies/Procedures

Risk Management Policy

Annual Budget Policy

Long Term Financial Plan Policy

Asset Management Policy

# Prudential and Strategic Decision Making Policy



Policy name and version no.	Prudential and Strategic Decision Making Policy Version 2
Last update	January 2018
Last Council review (resolution number)	05 / 0118
Next review date	January 2020
Responsibility	Chief Executive Officer