



## **AGENDA**

**FOR AUDIT COMMITTEE MEETING TO BE HELD ON**

**9 FEBRUARY 2021 AT 6.30 PM**

**IN WITTBER & DR RUBY DAVY ROOMS, SALISBURY COMMUNITY HUB,  
34 CHURCH STREET, SALISBURY**

### **MEMBERS**

Cr G Reynolds (Chairman)  
Ms P Davies  
Mr N Ediriweera  
Cr K Grenfell (Deputy Chairman)  
Mr C Johnson  
Mayor G Aldridge

### **REQUIRED STAFF**

Chief Executive Officer, Mr J Harry  
General Manager Business Excellence, Mr C Mansueto  
Manager Governance, Mr M Petrovski  
Risk and Governance Program Manager, Ms J Crook  
Internal Auditor & Risk Coordinator, Mr H Rafeeu

### **APOLOGIES**

### **LEAVE OF ABSENCE**

### **PRESENTATION OF MINUTES**

Presentation of the Minutes of the Audit Committee Meeting held on 10 November 2020.

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**REPORTS**

*Administration*

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**OTHER BUSINESS**

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## CONFIDENTIAL ITEMS

### 7.4.1 11426 External Audit Services - Acquisition Plan Recommendation

Pursuant to section 83(5) of the *Local Government Act 1999* the Chief Executive Officer has indicated that, if Council so determines, this matter may be considered in confidence under Part 3 of the *Local Government Act 1999* on grounds that:

1. Pursuant to Section 90(2) and (3)(b)(i) and (b)(ii) of the *Local Government Act 1999*, the principle that the meeting should be conducted in a place open to the public has been outweighed in relation to this matter because:
  - it relates to information the disclosure of which could reasonably be expected to confer a commercial advantage on a person with whom the council is conducting, or proposing to conduct, business, or to prejudice the commercial position of the council; and
  - information the disclosure of which would, on balance, be contrary to the public interest.
2. In weighing up the factors related to disclosure,
  - disclosure of this matter to the public would demonstrate accountability and transparency of the Council's operations
  - Non-disclosure of the matter and discussion of this item in confidence would protect council's commercial position regarding confidential information provided to council in relation to the acquisition of external audit services.

*On that basis the public's interest is best served by not disclosing the **11426 External Audit Services - Acquisition Plan** item and discussion at this point in time.*
3. Pursuant to Section 90(2) of the *Local Government Act 1999* it is recommended the Council orders that all members of the public, except staff of the City of Salisbury on duty in attendance, be excluded from attendance at the meeting for this Agenda Item.

**CLOSE**





**MINUTES OF AUDIT COMMITTEE MEETING HELD IN THE LITTLE PARA  
CONFERENCE ROOMS, 34 CHURCH STREET, SALISBURY ON**

**10 NOVEMBER 2020**

**MEMBERS PRESENT**

Cr G Reynolds (Chairman)  
Cr K Grenfell (Deputy Chairperson)  
Mr N Ediriweera (*via video conference*)  
Mr C Johnson

**OBSERVERS**

Ms Corinne Garrett, Manager Internal Audit, UHY Haines Norton,  
Chartered Accountants  
Mr William McCance, Senior Environmental Engineer, BlueSphere  
Environmental Pty Ltd (*via video conference*)

**STAFF**

Chief Executive Officer, Mr J Harry  
General Manager Business Excellence, Mr C Mansueto  
Manager Governance, Mr M Petrovski  
Risk and Governance Program Manager, Ms J Crook  
Internal Auditor & Risk Coordinator, Mr H Rafeeu  
Manager Salisbury Water, Mr B Naumann  
Acting General Manager City Infrastructure, Mr Jarred Collins

The meeting commenced at 6:34pm.

The Chairman welcomed the members, staff and the gallery to the meeting.

**APOLOGIES**

Apologies were received from Ms K Verrall.

**LEAVE OF ABSENCE**

Nil

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## PRESENTATION OF MINUTES

Moved Cr K Grenfell  
Seconded Mr C Johnson

The Minutes of the Audit Committee Meeting held on 13 October 2020,  
be taken as read and confirmed.

**CARRIED**

## REPORTS

### *Administration*

#### **4.0.1 Actions List**

Moved Mr C Johnson  
Seconded Cr K Grenfell

The information is noted.

**CARRIED**

#### **4.0.2 Future Reports for the Audit Committee**

Moved Cr K Grenfell  
Seconded Mr C Johnson

The information be received.

**CARRIED**

#### **4.0.3 Proposed Audit Committee meeting schedule for 2021**

Moved Cr K Grenfell  
Seconded Mr C Johnson

That the information be received.

**CARRIED**

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*Reports*

Consideration of items 4.2.3 and 4.2.4 were brought forward in the agenda.

**4.2.3 Management of Contaminated Sites Audit Report**

*Blue Sphere Environmental Pty Ltd representative, William McCance, Senior Environmental Engineer, presented the audit report and provided the Audit Committee an opportunity to ask questions in regard to the audit.*

Moved Cr K Grenfell  
 Seconded Mr C Johnson

That the final audit report for the Management of Contaminated Sites Audit as set out in Attachment 2 to this report (Item 4.2.3, Audit Committee, 10/11/2020) is noted and that the responses of the Administration to the Management of Contaminated Sites Audit contained therein is endorsed.

**CARRIED**

**4.2.4 Purchase Card Audit**

*UHY Haines Norton Chartered Accountants representative, Corinne Garrett, Manager Internal Audit, presented the audit report and provided the Audit Committee an opportunity to ask questions in regard to the audit.*

Moved Mr C Johnson  
 Seconded Mr N Ediriweera

That the final audit report for the Purchasing Card Audit as set out in Attachment 1 to this report (Item 4.2.4, Audit Committee, 10/11/2020) is noted and that the responses of the Administration to the Purchasing Card Audit contained therein is endorsed.

**CARRIED**

**4.2.1 Emergency Management Policy**

Moved Mr C Johnson  
 Seconded Cr K Grenfell

The Audit Committee supports the Emergency Management Policy as drafted and set out in Attachment 2 to this report (Item 4.2.1, Audit Committee, 10/11/2020) for further consideration of the Resources and Governance Committee in November 2020, with recognition of the Audit Committee comments being incorporated into the report to the Resources and Governance Committee.

**CARRIED**

**4.2.2 Revised Internal Audit Charter**

Moved Mr C Johnson  
Seconded Cr K Grenfell

The Internal Audit Charter as set out in Attachment 1 to this report (Item, 4.2.2, Audit Committee, 10/11/2020) is approved.

**CARRIED**

**4.2.5 Risk Management and Internal Controls Activities**

Moved Cr K Grenfell  
Seconded Mr N Ediriweera

1. The information is received.
2. The Update on Risk Management and Internal Controls Activities for 2020/2021, as set out in Attachment 1 to this report (Item 4.2.5, Audit Committee, 10/11/2020) is endorsed.
3. Council notes the update on outstanding actions from completed Internal Audits, as set out in Attachment 2 to this report (Item 4.2.5, Audit Committee, 10/11/2020).

**CARRIED**

**4.2.6 Update on Internal Audit Plan**

Moved Mr C Johnson  
Seconded Cr K Grenfell

That the updates made to the 2019 - 2023 Internal Audit Plan as set out in Attachment 1 to this report (Item 4.2.6, Audit Committee, 10/11/2020) are endorsed, noting the Committee’s comments.

**CARRIED**

**OTHER BUSINESS**

The Chairman thanked Ms Kristyn Verrall for her service to the Audit Committee.

The meeting closed at 8:30pm.

CHAIRMAN.....

DATE.....



<b>ITEM</b>	7.0.1
	<b>AUDIT COMMITTEE</b>
<b>DATE</b>	09 February 2021
<b>HEADING</b>	Actions List
<b>AUTHOR</b>	Janet Crook, Risk & Governance Program Manager, CEO and Governance
<b>CITY PLAN LINKS</b>	4.2 We deliver quality outcomes that meet the needs of our community 4.4 We plan effectively to address community needs and identify new opportunities

**SUMMARY** An action list has been developed to capture any actions arising out of the City of Salisbury Audit Committee meetings. These actions do not replace the minutes from the Audit Committee, or the recommendations of the Committee that were submitted to Council for endorsement. They are included in this report as an aid to the Audit Committee.

**RECOMMENDATION**

1. The information is noted

**ATTACHMENTS**

There are no attachments to this report.

**1. BACKGROUND**

- 1.1 The Audit Committee has requested that an action list be maintained and included as an item on the agenda for each meeting. This report contains a list of actions identified at previous Audit Committee meetings.
- 1.2 The list of actions does not replace the minutes from the Audit Committee, nor has it been endorsed by Council, because it does not contain any recommendations to Council and as such is not part of the action tracking system for Council recommendations.

**2. REPORT**

- 2.1 The action list contains information regarding the date on which the action was identified, a description of the action, the action owner, the expected due date for completion of the action and the current status of the action.
- 2.2 Below is the list of actions arising out of the Audit Committee, which has been compiled for the purpose of aiding the Audit Committee.
- 2.3 Actions will remain on the action list until the meeting after they have been completed. Once the action has been completed, and that completion has been reported to the Audit Committee, the item will be removed from the actions list.

2.4 There are no actions open actions on the Actions List.

No	Date	Action	Owner	Due Date	Status
16.	18/3/20	Administration to arrange for the conduct of additional training on the CoS meeting procedures.	Manager, Governance	July 2021	A date and time suitable for all Audit Committee members will be selected. Attendance via video conference will be made available.

### 3. CONCLUSION / PROPOSAL

3.1 An action list has been developed for the Audit Committee. The action list will be maintained and presented to each Audit Committee meeting with an update on status of the relevant items. Any additional actions identified by the Audit Committee will be included on the action list as they arise.

3.2 There are no open actions on the Actions List.

### CO-ORDINATION

Officer: Exec  
Date: 3/02/21

<b>ITEM</b>	7.0.2
	<b>AUDIT COMMITTEE</b>
<b>DATE</b>	09 February 2021
<b>HEADING</b>	Future Reports for the Audit Committee
<b>AUTHOR</b>	Michelle Woods, Projects Officer Governance, CEO and Governance
<b>CITY PLAN LINKS</b>	4.2 We deliver quality outcomes that meet the needs of our community
<b>SUMMARY</b>	This item details reports to be presented to the Audit Committee of Council as a result of a previous Council resolution. If reports have been deferred to a subsequent meeting, this will be indicated, along with a reason for the deferral.

**RECOMMENDATION**

1. The information be received.

**ATTACHMENTS**

There are no attachments to this report.

**1. BACKGROUND**

- 1.1 A list of resolutions requiring a future report to Council (via the Audit Committee) is presented for noting at each meeting.

**2. CONSULTATION / COMMUNICATION**

- 2.1 Internal
  - 2.1.1 Report authors and General Managers.
- 2.2 External
  - 2.2.1 Nil.

**3. REPORT**

- 3.1 The following table outlines reports to be presented to the Audit Committee as a result of a previous Council resolution:

<b>Meeting Item</b>	<b>- Heading and Resolution</b>	<b>Officer</b>
23/03/2020 4.2.2	<b>Contract Management Audit Report</b> 3. That the Administration prepare a report for the July 2021 Audit Committee meeting informing the Committee on management's progress on completion of the agreed actions.	Janet Crook
<b>Due:</b>	July 2021	

**4. CONCLUSION / PROPOSAL**

- 4.1 Future reports for the Audit Committee have been reviewed and are presented to Council for noting.

**CO-ORDINATION**

Officer: Executive Group MG  
Date: 01/02/2020 21/01/2021

<b>ITEM</b>	7.1.1
	<b>AUDIT COMMITTEE</b>
<b>DATE</b>	09 February 2021
<b>HEADING</b>	Update on Internal Audit Plan
<b>AUTHOR</b>	Hussain Rafeeu, Internal Auditor & Risk Coordinator, CEO and Governance
<b>CITY PLAN LINKS</b>	4.2 We deliver quality outcomes that meet the needs of our community 4.4 We plan effectively to address community needs and identify new opportunities
<b>SUMMARY</b>	The purpose of this report is to inform the Audit Committee of the Internal Audit Plan, and to highlight any changes made to it since it was last presented to the Audit Committee in November 2020.

### **RECOMMENDATION**

1. That the updates made to the 2021 - 2023 Internal Audit Plan as set out in Attachment 1 to this report (Item 7.1.1, Audit Committee, 09/02/2021) and the accompanying high level indicative scope for pending audits as set out in Attachment 2 (Item 7.1.1, Audit Committee, 09/02/2021) are endorsed.

### **ATTACHMENTS**

This document should be read in conjunction with the following attachments:

1. 2021-2023 Internal Audit Plan V.09.02.2021
2. Objective and Scope for Audits on the 3 Year Rolling Internal Audit Plan
3. Strategic Risk Register

### **1. BACKGROUND**

- 1.1 Attachment 1 to this report details the internal audit work to be undertaken for the 3 years 2020/21 to 2022/23. With the revision of timelines to reflect financial year, the current Internal Audit Plan 2020-2023 now represent audits planned to commence during the period 1 July 2020 to 30 June 2023.
- 1.2 The City of Salisbury operates a risk-based Internal Audit Plan, where audits are conducted in order to provide assurance on the risks identified in the Strategic Risk Register. Therefore, each of the audits outlined in the Internal Audit Plan is cross referenced to the relevant risk in the Strategic Risk Register on which it provides assurance. A copy of the current Strategic Risk Register appears as Attachment 3 to this report.
- 1.3 To consider the Audit Committee recommendations from the November 2020 meeting, the Internal Auditor and Risk Coordinator revised the Internal Audit Plan and prepared indicative scopes for all the audits in consultation with the senior management. Attachment 2 to this report sets out the indicative scopes for

pending audits. These scopes are indicative only and the final scope may vary from that set out in Attachment 2.

- 1.4 New audits are identified and included in the 3 year Internal Audit Plan, along with scopes and timelines for audit commencement agreed with Executive Management Group.
- 1.5 This report provides progress updates to the Internal Audit Plan since it was last presented to the Audit Committee in November 2020.

## **2. CONSULTATION / COMMUNICATION**

### **2.1 Internal**

- 2.1.1 City of Salisbury Executive Group
- 2.1.2 Mick Petrovski, Manager Governance, CEO and Governance
- 2.1.3 Janet Crook, Risk and Governance Program Manager, Governance

## **3. REPORT**

The key updates and changes made to the Internal Audit Plan 2020 – 2023 V.09.02.2021 are as follows:

### **3.1 Update on Completed Audits**

#### **3.1.1 Trade Card / Trading Account**

The City's Internal Auditor & Risk Coordinator has completed the Trade Card / Trading Account audit in September 2020. Management accepted all recommendations and its final report with agreed management comments and action implementation timelines appears on agenda for February 2021 Audit Committee at item 7.1.2.

#### **3.1.2 Legislative Compliance**

The City's Internal Auditor & Risk Coordinator has completed the Legislative Compliance audit in January 2021. Management accepted all recommendations and its final report with agreed management comments and action implementation timelines appears on the agenda for February 2021 Audit Committee at item 7.1.3.

### **3.2 Audits on Track per Previous Update**

#### **3.2.1 Volunteers**

To be performed by the City's Internal Auditor and Risk Coordinator, as per original plan to commence in May 2021.

#### **3.2.2 Fleet and Heavy Vehicle Management**

To be performed on co-sourced model, as per original plan to commence in June 2021.

#### **3.2.3 Payroll**

At the November 2020 Audit Committee meeting it was suggested that because External Audit looks at payroll and there are no findings, this audit could be removed. However, Internal Audit recommends performing this audit because the scope of audit is different from

External Audit, this audit will be more process driven, and because such an audit has not been done in the last 3 years. It is recommended to undertake this audit as per industry best practices as done in many other Councils. This audit can be performed by the City's Internal Auditor and Risk Coordinator and commence in July 2021 as per the original plan.

**3.2.4 Cyber Security**

To be performed on co-sourced model, as per original plan to commence in September 2021.

**3.2.5 IT Disaster Recovery**

To be performed on co-sourced model, as per original plan to commence in October 2021.

**3.2.6 High Value & Portable Asset review**

To be performed by the City's Internal Auditor and Risk Coordinator, as per original plan to commence in May 2022.

**3.2.7 Procurement**

To be performed on co-sourced model, as per original plan to commence in August 2021.

**3.3 Deferred Audits**

**3.3.1 Strategic Reporting Process**

Management recommended delaying the audit commencement from November 2020 to October 2021, because the new City Plan 2035 was approved in July 2020 and implementation is ongoing and hence it would be too early to audit its effectiveness. The audit will be performed by the City's Internal Auditor and Risk Coordinator.

**3.3.2 Event Incident Management Framework**

Management recommended delaying audit commencement from November 2020 to late March 2021 to accommodate for the Service Unit's appropriate timing after completion of key events on their Events Calendar. This audit is planned to be performed by an external service provider on a co-sourced model.

**3.3.3 Capital Works Projects**

Management recommended delaying audit commencement from December 2020 to April 2021 to accommodate for least disruption to Service Unit's operation. The audit will be performed by an external service provider on a co-sourced model.

**3.3.4 Complaint Handling**

This audit will be conducted by the City's Internal Auditor & Risk Coordinator. The audit was originally planned to be performed in January 2021, which was later considered to delay commencement until February 2021, in order to accommodate for staff availability.

**3.3.5 Data Governance**

Further to the update given at the November 2020 Audit Committee Meeting, the Administration is of the view that this audit is best placed to commence in January 2022. This audit is closely related to the organisational review that has commenced as a result of the ICAC Evaluation of the City of Playford Practices, Policies and Procedure. Therefore the Data Governance audit will be deferred until following that review.

#### 3.3.6 **Independent External Review of Internal Audit Function**

Due to cascading effect of other audits, the commencement has been slightly delayed for this audit from November 2021 to December 2021.

### 3.4 **Audits Removed from the Internal Audit Plan**

#### 3.4.1 **Post Implementation Review of The Hub**

In November 2020 Audit Committee Meeting it was agreed that this audit be removed from the Audit Plan and perform an internal review and a close out report be submitted to the Council instead.

### 3.5 **Audits Brought Forward**

#### 3.5.1 **IT Investment Strategy**

At the November 2020 Audit Committee Meeting it was agreed to revisit the timing of this audit and bring it forward. A Procurement Audit is planned for August 2021. A Cyber Security and IT Disaster Recovery Audit is planned for September and October 2021. Therefore, a June 2022 commencement date is recommended for the IT Investment Strategy Audit, bringing it forward from the original proposed commencement date of November 2022.

### 3.6 **New Audits included in the Internal Audit Plan**

#### 3.6.1 **Tree Management Framework Audit**

The audit aims to provide assurance that COS has established a Tree Management Framework for the management of its urban forest, covering policy measures in the area of tree planting, tree protection, tree removal, tree asset management, community consultation and engagement, and risk management, and ensure that the framework is adequate and implemented effectively. We plan to commence the audit in August 2022 on a co-sourced model.

#### 3.6.2 **Fraud and Corruption Prevention Control Audit**

The audit is aimed at providing assurance that current practices are effective to prevent, detect, and manage risks related to fraud, corruption, misconduct and maladministration, and ensure that controls are implemented as per agreed policies and procedures. It is planned to be performed by the City's Internal Auditor and Risk Coordinator in September 2022.

#### 3.6.3 **Grants Management Audit**

The objective of the audit is to ensure that the grants provided to City of Salisbury community and businesses are awarded to eligible recipients, and managed effectively as per approved policies and procedures and



aligned to the City Plan 2035. It is planned to commence the audit in November 2022 on a co-sourced model.

**3.6.4 Revenue and Debtors Audit**

The audit is aimed at providing assurance that there are no revenue leakages, and that the revenue charged and collected are accurate and complete, and revenue and debtor management process is effective as per approved policies and procedures in accordance with relevant legislation. It is planned to be performed by the City’s Internal Auditor and Risk Coordinator in January 2023.

**3.6.5 Risk Management Audit**

Ensure that the City of Salisbury has robust policies and procedures and framework in place for risk management and controls are in place to manage risks effectively. It is planned to be performed by the City’s Internal Auditor and Risk Coordinator in March 2023.

**3.6.6 Segregation of Duties & User Access Controls Audit**

The overall objective of this audit is to ensure that segregation of duties and appropriate user access controls are in place, there is alignment to approved delegations and no one person has system access and ability to perpetrate and conceal errors or fraud in the normal course of their duties.

It is planned to be performed by the City’s Internal Auditor and Risk Coordinator in June 2023.

**4. CONCLUSION / PROPOSAL**

4.1 This report outlines the progress made towards the completion of the Internal Audit Plan since it was last presented to the Audit Committee in November 2020.

4.2 This report seeks Audit Committee endorsement of the proposed 2020 – 2023 Audit Plan V.09.02.2021 and accompanying high level indicative scope for pending audits.

**CO-ORDINATION**

Officer: Exec  
Date: 3/02/21



City of Salisbury 3 Year Internal Audit Plan 2021 - 2023

Audit Title and Summary Description	Relevance to Risk			Risk Description	Inherent Risk	Residual Risk	Key Divisions impacted by the audit																Status Update (as of 9 Feb 2021)		
	2020/2021	2021/2022	2022/2023				Relevant Strategic Risk Number	People & Culture	Community Planning & Vitality	Community Capacity & Learning	Community Experience	Governance	Economic Development & Urban Policy	Business Systems and Solutions	Business & Admin Support	Environmental Health & Safety	Infrastructure Delivery & Management	Strategic Development Projects	Financial Services	Communications & Customer Relations	Field Services	Strategic Procurement		Property & Building	Salisbury Water
<b>Corporate Credit Card</b> Audit is to provide assurance that the corporate credit cards are used efficiently and effectively as per COS Purchase Card Guidelines.	●				Purchasing cards may be used for personal benefits, other than business use, which may lead to financial and reputation risk.	High	High	●																	Completed in September 2020 and presented to Audit Committee in November 2020
<b>Trade Card and Trading Account Audit</b> Audit is to provide assurance that the Trade Card (Bunnings Cards) and Trading Accounts (Bunnings and Delux) are used efficiently and effectively as per COS Procurement Policy.	●				Trade cards and Trading Account may be used for personal benefits, other than business use, which may lead to financial and reputation risk.	High	High	●																	Adhoc Review added to Audit Plan in Sep 2020. Completed in 2020. Report being reviewed by Mangement.
<b>Legislative compliance</b> Assurance that the policies and processes in place ensure compliance with relevant legislation.	●			7	Strategic objectives are not delivered due to inadequate monitoring and measuring of initiatives, poor planning, lack of or inappropriate resources, and lack of consultation.	High	Medium	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	Completed in January 2021 and presented to Audit Committee in February 2021.
<b>Complaint Handling</b> Assurance that processes provide for comprehensive, organisation wide handling of complaints	●			7	Strategic objectives are not delivered due to inadequate monitoring and measuring of initiatives, poor planning, lack of or inappropriate resources, and lack of consultation.	High	Medium				●	●													Commencement delayed from January 2021 to February 2021.
<b>Event Incident Management Framework</b> Assurance on the adequacy of the City of Salisbury Incident Management Framework	●			4	Inadequate response to a major incident at a Council sponsored and/or run community event, that affects public and staff safety	Very High	High	●	●	●	●														Commencement delayed from November 2020 to March 2021.
<b>Capital Works Projects</b> Assurance on the effectiveness of the processes that are in place to manage risks on capital works projects.	●			7	Strategic objectives are not delivered due to inadequate monitoring and measuring of initiatives, poor planning, lack of or inappropriate resources, and lack of consultation.	High	Medium																		Commencement delayed from December 2020 to April 2021.
<b>Volunteers</b> Audit is to provide assurance on the established processes in regard to the management of volunteers. (Area of focus will be recruitment, management, grievances, induction, acknowledgement).	●			7	Strategic objectives are not delivered due to inadequate monitoring and measuring of initiatives, poor planning, lack of or inappropriate resources, and lack of consultation.	High	Medium	●	●	●	●														Planned to commence in May 2021.
<b>Fleet and Heavy Vehicle Management</b> This audit is to provide assurance that the established governance and risk management is sufficiently robust to protect and ensure the viability of the fleet and Heavy vehicles assets.	●			6	City of Salisbury financial sustainability is compromised	High	High	●																	Planned to commence in Jun 2021.

Item 7.1.1 - Attachment 1 - 2021-2023 Internal Audit Plan V.09.02.2021

City of Salisbury 3 Year Internal Audit Plan 2021 - 2023

Audit Title and Summary Description	Relevance to Risk			Risk Description	Inherent Risk	Residual Risk	Key Divisions impacted by the audit																Status Update (as of 9 Feb 2021)	
	2020/2021	2021/2022	2022/2023				Relevant Strategic Risk Number	People & Culture	Community Planning & Vitality	Community Capacity & Learning	Community Experience	Governance	Economic Development & Urban Policy	Business Systems and Solutions	Business & Admin Support	Environmental Health & Safety	Infrastructure Delivery & Management	Strategic Development Projects	Financial Services	Communications & Customer Relations	Field Services	Strategic Procurement		Property & Subbing
<b>Payroll</b> Audit is to provide assurance that the governance and risk management is sufficiently robust to prevent, identify and correct the potential for fraud and corruption within the payroll processes and systems.	●			6	City of Salisbury financial sustainability is compromised, Organisation suffers detriment as a result of fraud, misconduct or maladministration	High	High	●																Planned to commence in Jul 2021
<b>Procurement</b> To provide assurance that the the procurement process has sufficient established governance and risk management to prevent a strain on councils ongoing sustainability.		●		6	City of Salisbury financial sustainability is compromised	High	High	●																Planned to commence in Aug 2021
<b>Cyber Security</b> To provide assurance that governance and risk management is sufficient to mitigate the likelihood and impact of a cyber attack incident.		●		9	Lack of alignment and integrity of IT Systems and data to support business needs	High	High																	Planned to commence in Sep 2021
<b>Strategic reporting process</b> Assurance on the processes and controls in place, specifically in relation to the City Plan, Business Planning and Annual Planning.	●			7	Strategic objectives are not delivered due to inadequate monitoring and measuring of initiatives, poor planning, lack of or inappropriate resources, and lack of consultation.	High	Medium	●																Schedule revised to commence in October 2021
<b>IT Disaster Recovery</b> To provide assurance that in the case of an unforeseen event that the governance and risk management in regard to IT Disaster recovery is sufficiently robust to mitigate the potential of data loss.		●		9	Lack of alignment and integrity of IT Systems and data to support business needs	Very High	High																	Scheduled to commence in Oct 2021
<b>Independent External Review of Internal Audit Function</b> Audit is to provide assurance that the IA function has		●			governance measures are not adequately planned and systematically managed to ensure the	High	High	●																Planned to commence in December 2021
<b>Data Governance</b> Assurance that City of Salisbury data governance processes ensure adequate protection of information		●		7 & 9	SR#7: Strategic objectives are not delivered due to inadequate monitoring and measuring of initiatives, poor planning, lack of or inappropriate resources, and lack of consultation. (High / Medium). SR#9: Lack of alignment and integrity of IT Systems and data to support business needs (High / High)	High	Medium	●																Commencement delayed from December 2021 to January 2022

Item 7.1.1 - Attachment 1 - 2021-2023 Internal Audit Plan V.09.02.2021

City of Salisbury 3 Year Internal Audit Plan 2021 - 2023

Audit Title and Summary Description	Relevance to Risk			Risk Description	Inherent Risk	Residual Risk	Key Divisions impacted by the audit																Status Update (as of 9 Feb 2021)	
	2020/2021	2021/2022	2022/2023				Relevant Strategic Risk Number	People & Culture	Community Planning & Vitality	Community Capacity & Learning	Community Experience	Governance	Economic Development & Urban Policy	Business Systems and Solutions	Business & Admin Support	Environmental Health & Safety	Infrastructure Delivery & Management	Strategic Development Projects	Financial Services	Communications & Customer Relations	Field Services	Strategic Procurement		Property & Subbing
<b>High Value &amp; Portable Asset review</b> Audit is to provide assurance that the established governance and risk management is sufficiently robust to manage and protect these assets.		●		6	High	High	●		●															Planned to commence in May 2022
<b>IT Investment Strategy</b> Audit is to provide assurance that the strategy around IT investment is sufficiently robust to support the current business requirements and continuous improvement initiatives.			●	9	Very High	High				●	●	●					●							Commencement brought forward from Nov 2022 to June 2022 following last Audit Committee recommendation.
<b>Tree Management Framework Audit</b> Provide assurance that COS has established a Tree Management Framework for the management of its urban forest, covering policy measures in the area of tree planting, tree protection, tree removal, tree asset management, community consultation and engagement, and risk management, and ensure that the framework is adequate and implemented effectively.			●	5	High	Medium	●		●		●						●	●	●					New Audit proposed - Planned to commence in August 2022
<b>Fraud and Corruption Prevention Control Audit</b> Provide assurance that current practices are effective to prevent, detect, and manage risks related to fraud, corruption, misconduct and maladministration, and ensure that controls are implemented as per agreed policies and procedures.			●	6	High	High	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	New Audit proposed - Planned to commence in September 2022
<b>Grants Management Audit</b> Provide assurance that the grants provide to City of Salisbury community and businesses are awarded to eligible recipients, and managed effectively as per approved policies and procedures and aligned to the City Plan 2035.			●	6 & 7	High	High		●	●	●					●		●	●						New Audit proposed - Planned to commence in November 2022
<b>Revenue and Debtors Audit</b> Ensure that there are no revenue leakages, and that the revenue charged and collected are accurate and complete, and revenue and debtor management process is effective as per approved policies and procedures in accordance with relevant legislation.			●	6	High	High											●							New Audit proposed - Planned to commence in January 2023

Item 7.1.1 - Attachment 1 - 2021-2023 Internal Audit Plan V.09.02.2021

City of Salisbury 3 Year Internal Audit Plan 2021 - 2023

Audit Title and Summary Description	Relevance to Risk			Key Divisions impacted by the audit																Status Update (as of 9 Feb 2021)							
	2020/2021	2021/2022	2022/2023	Relevant Strategic Risk Number	Risk Description	Inherent Risk	Residual Risk	People & Culture	Community Planning & Vitality	Community Capacity & Learning	Community Experience	Governance	Economic Development & Urban Policy	Business Systems and Solutions	Business & Admin Support	Environmental Health & Safety	Infrastructure Delivery & Management	Strategic Development Projects	Financial Services		Communications & Customer Relations	Field Services	Strategic Procurement	Property & Building	Salisbury Water		
<b>Risk Management Audit</b> Ensure that the City of Salisbury has robust policies and procedures and framework in place for risk management and controls are in place to manage risks effectively.			●	1-9	All Strategic Risks in the Strategic Risk Register	High	High	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	New Audit proposed - Planned to commence in March 2023
<b>Segregation of Duties &amp; User Access Controls Audit</b> Ensure that segregation of duties and appropriate user access controls are in place, and aligns to approved delegations and ensure that no one person has system access and ability to perpetrate and to conceal errors or fraud in the normal course of their duties.			●	6 & 9	City of Salisbury financial sustainability is compromised; Lack of alignment and integrity of IT Systems and data to support business needs	High	High	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	New Audit proposed - Planned to commence in June 2023	

- Presented to Audit Committee Meetings in 2020/21
- Audit Completed and Currently Being Presented to Audit Committee
- Audit Commencement Planned for a Future Period
- Proposed New Audits

Item 7.1.1 - Attachment 1 - 2021-2023 Internal Audit Plan V.09.02.2021

**INDICATIVE SCOPES FOR PENDING AUDITS - INTERNAL AUDIT PLAN 2021-2023 V.09.02.2021**

(PS. Scope is only indicative and actual scope may vary on Final Scoping document signed by CEO)

**1. COMPLAINT HANDLING AUDIT – COMMENCING IN FEBRUARY 2021**

*Rationale and Audit Objective:* As per the Local Government Act 1999 the City of Salisbury has a mandatory requirement to have a Complaints Handling Procedure. The objective of this audit is to provide assurance that the City's Complaint Handling Procedure is adequate, and ensure that the processes for handling and managing complaints are efficient and effective.

*Indicative Scope:* The specific objectives for the audit will be to ensure that:

- City meets its legislative compliance requirements relating to complaint handling and management.
- The City has formalized policies and procedures that clearly define complaints, and appropriately govern the process for handling, managing, recording and reporting complaints about the actions of the council, employees or other persons acting on behalf of the council.
- The City's complaint handling, management and reporting process is operating efficiently and effectively.
- Records of complaints are maintained and analysed for trends and lessons learned, and applied in City's strategy formulations and strengthening controls where relevant.

**2. INCIDENT MANAGEMENT FRAMEWORK AUDIT – COMMENCING IN MARCH 2021**

*Rationale and Audit Objective:* City of Salisbury sponsors and runs community events which leads to a risk that inadequate response to a major incident could affect public and staff safety, injury or death. This review is to provide assurance on the adequacy of the City of Salisbury Incident Management Framework and the current processes, risk management and controls to mitigate the risks to staff and community.

*Indicative Scope:* The specific objectives for the audit are to review and appraise the necessary legislative framework, plans, policies and procedures and practices in place, and determine if they are fit for purpose, and sufficient to safeguard and mitigate any consequences on staff, contractors, volunteers and the public in the event of any incident during a City sponsored or run event, including review of the following:

- Event management guidelines;
- Event management plans;
- Event risk assessment
- Council Community Land and Build Environ Use Policy;
- Site Emergency Procedures and testing for venues that are made available for community events;
- Event staff, volunteer and contractor induction process;
- Incident response plans and escalation process; and
- Compliance to the relevant legislative requirements

**3. CAPITAL WORKS PROJECT – COMMENCING IN APRIL 2021**

**Rationale and Audit Objective:** The City of Salisbury undertakes approximately 700 capital works projects with a value exceeding \$40m each year. This audit is to provide assurance that risks are being managed effectively and that the findings and recommendations of the April 2018 audit have been adopted or addressed to enhance the capital works processes.

**Indicative Scope:** The specific objectives for the audit will be to ensure that:

- The City has policies and procedures relating to the capital work projects process including project planning and initiation, vendor selection and contract awarding, contract management, project management, execution and delivery, change management, reporting, monitoring and review.
- The City is in compliance with any statutory and regulatory requirements within the process of delivering capital works projects.
- Capital Works Projects are in alignment with City Plan 2035 goals and objectives.
- Findings and recommendations of the April 2018 audit have been adopted or addressed to enhance the capital works processes.
- Delivery of Capital Works Projects is efficient, effective and in accordance with the processes laid out in the Project Management Manual (Release 3).

**4. VOLUNTEERS AUDIT – COMMENCING IN MAY 2021**

**Rationale and Audit Objective:** Volunteers are a major personnel resource utilised by City of Salisbury to assist with the delivery of community programs and services. The failure to properly manage volunteers may result in service interruption, financial impost and reputation risk. This review will provide City of Salisbury with assurance that the processes for managing volunteers are robust.

**Indicative Scope:** The specific objectives for the audit will be to ensure that:

- The City has policies and procedures relating to the management of volunteers.
- The City is in compliance with any statutory and regulatory requirements related to the use of volunteers.
- The use of volunteers is efficient, effective and that there are appropriate strategies in place to ensure a sustainable model in the usage and management of volunteers.

**5. FLEET AND HEAVY VEHICLES MANAGEMENT AUDIT - COMMENCING IN JUNE 2021**

**Rationale and Audit Objective:** The City of Salisbury owns and operates a significant fleet of vehicles. There a risk that the mismanagement of this fleet causes inefficiencies in regard to productivity and negative cost impact. This review is to provide assurance that the established governance and risk management in regard to management of this fleet is sufficiently robust to protect the viability of these assets.

**Indicative Scope:** The specific objectives for the audit will be to ensure that:

- The City has appropriate policies and procedures relating to the management of fleets and heavy vehicles.



- The City is in compliance with any statutory and regulatory requirements related to fleet and vehicle management.
- The usage and management of fleet and vehicles are efficient and effective.
- There are appropriate mechanisms, systems and processes in place for fleet and vehicle maintenance including preventative maintenance.
- Fleet and vehicles are appropriately tracked and monitored to ensure their safe custody and are appropriately recorded.
- Acquisitions and disposals are effective and have the required value for money as per City's relevant policies and procedures.
- All fleet and vehicles have insurances that are current and/or cancelled where they are no longer required.
- The fleet and vehicle register is current, and physical asset verification, tagging and counting takes place in a timely manner.
- The ownership and custodianship of all fleet and vehicles are appropriately maintained.

#### 6. PAYROLL AUDIT - COMMENCING IN JULY 2021

**Rationale and Audit Objective:** The payroll administration function has stringent legislative (including Payroll Tax Act 2009) requirements and is a potential target for fraud. Failure to correctly manage the payroll system has the potential consequences of financial loss and reputation damage. This review will provide assurance that there is sufficient governance and risk management established to meet compliance obligations and to prevent, identify and correct the potential for fraudulent activities associated with the payroll processes and associated systems. Although payroll is included within the external audit scope, the focus is more on true and fair view of payroll expenditure reflected on the financial statements and the internal control assessment is often not reviewed in greater depth and breadth with expanded detailed testing of the payroll process and controls as it is done in a typical internal audit. Therefore, it is recommended to cover this audit at least once in every 3 years as part of our internal audit program, as an industry best practice measure.

**Indicative Scope:** The specific objectives for the audit will be to ensure that:

- The City has appropriate policies and procedures relating to payroll.
- The City is in compliance with any statutory and regulatory requirements related to payroll management.
- The Best Practice Model controls related to payroll process are effectively implemented, and the effectiveness of each control is substantiated through sample testing.
- Employees on payroll cycles are bonafide.
- Correct pay rates are applied as per appropriate Awards and Enterprise Agreements.
- Segregation of duties are appropriate between payroll and HR process.
- Payroll reconciliation is effective.
- Allowances, Deductions, and Leave Entitlements are accurately calculated, checked and appropriately reviewed and approved in the payroll process.

## 7. PROCUREMENT AUDIT – COMMENCING IN AUGUST 2021

**Rationale and Audit Objective:** City of Salisbury has obligations under section 49 of the Local Government Act 1999 to have policies for contracts and tenders incorporating contracting out services, competitive tenders to ensure services are delivered cost effectively, the use of local goods and services and the sale and disposal of land and other assets. This audit is to provide assurance that the procurement process has sufficiently robust governance and risk management in place to meet its legislative obligations and that the procurement processes are sufficiently robust to mitigate against any compromising strain on the Council financial sustainability.

**Indicative Scope:** The specific objectives for the audit will be to ensure that:

- The City has appropriate policies and procedures relating to procurement.
- The City is in compliance with any statutory and regulatory requirements related to procurement.
- Procurement policies and procedure guidelines are adequately covering all areas of expenditure and processes are implemented effectively.
- Invoice approvals and effective delegation of authorities are in place, with proper segregation of duties.
- Record keeping processes related to procurement are in place effectively.
- Value for money is achieved through the procurement process.

Testing of purchasing card related procurement is beyond the scope of this audit as it has been audited separately.

## 8. CYBER SECURITY AUDIT – COMMENCING IN SEPTEMBER 2021

**Rationale and Audit Objective:** Cyber risk is recognised as an emerging and ever changing risk for organisations which may lead to financial loss, service interruption, data loss and/or reputation damage from an event impacting the City of Salisbury information and or information systems. This audit is to provide assurance that appropriate controls are in place to minimise the likelihood of a cyber-attack occurring and ensure that controls are in place to manage and minimize the impact of a cyber-attack, when it occurs.

**Indicative Scope:** The specific objectives for the audit will be to ensure that:

- The City has appropriate policies and procedures relating to information systems and information technology security, including a full-fledged cyber security framework.
- The City is in compliance with any statutory and regulatory requirements related to cyber security.
- Security standards are established and rolled out across the organization and are consistent with best practice industry standards.
- IS/IT critical infrastructure is identified and vulnerability assessments including penetration testing have been undertaken to ensure controls are designed adequately and implemented effectively.
- Social engineering testing is performed to ensure controls are adequate and effective.
- Data security and information security controls are adequate and implemented effectively.
- Security monitoring and alert mechanisms are in place effectively
- Protocols established for security breach scenarios are sound.

Disaster recovery plan and business continuity plan testing is beyond the scope of this audit as this is covered in a separate audit.

#### 9. STRATEGIC REPORTING PROCESS AUDIT – COMMENCING IN OCTOBER 2021

**Rationale and Audit Objective:** City of Salisbury has established its strategic plan, City Plan 2035, covering its 4 strategic key directions, followed by critical actions and performance indicators for the medium to long term. The audit will review the strategic reporting processes including but not necessarily limited to reporting on; the City Plan 2035, and other relevant plans including Annual Plan and Business Plans.

**Indicative Scope:** The specific objectives for the audit will be to ensure that:

- The City has policies and procedures governing the strategic planning process.
- The City is in compliance with statutory and regulatory requirements in terms of strategic reporting.
- Strategic plan documents align to the City's approved 4 Strategic directions and goals.
- The deliverables identified in City Plan 2035 cascades down to goals, deliverables and performance indicators reflected on other strategic planning documents.
- All required departmental and/or divisional Business Plans are established as a 4-year rolling plan covering all the essential areas and are reviewed annually by end of June.
- Budgets and resources are planned for all critical action points under immediately noticeable impact areas.
- Appropriate systems are in place to capture the strategic reporting information;
- Established mechanism report performances against strategic plans.
- The strategic information reported is effective, accurate, reliable and timely.

#### 10. IT DISASTER RECOVERY AUDIT – COMMENCING IN OCTOBER 2021

**Rationale and Audit Objective:** The information contained within City of Salisbury critical core systems is significant. The ability to promptly recover data is crucial to prevent service interruption to those core City of Salisbury systems. This review is to provide assurance that, in the case of an unforeseen event, the established procedures in regard to IT Disaster Recovery are sufficiently robust to mitigate the potential of data loss and prevention of service interruption.

**Indicative Scope:** The specific objectives for the audit will be to ensure that:

- The City has policies and procedures governing IT disaster recovery and business continuity planning and management process.
- The City is in compliance with statutory and regulatory requirements in terms of IT disaster recovery and business continuity.
- Data and information recovery/retrieval mechanisms are adequate and implemented effectively.
- A Disaster Recovery Plan (IT Business Continuity Plan) exists with the exact steps to be covered if a disaster event occurs.
- Critical systems required to be recovered following a disaster event have been identified.

- Single points of failure have been identified.
- Council service Business Continuity Plans are fully linked with IT disaster recovery arrangements.
- Server infrastructure includes testing of the ability to recover systems; and
- Appropriate backups are completed and securely held off-site.

**11. INDEPENDENT EXTERNAL REVIEW OF INTERNAL AUDIT FUNCTION – COMMENCING IN DECEMBER 2021**

**Rationale and Audit Objective:** As per the Attribute Standard 1312 of The Institute of Internal Auditors (IIA)'s International Standards for Professional Practice of Internal Auditing and the City's Internal Audit Charter, an external audit of the internal audit function is required to be performed every 5 years for quality assurance of its operation. Since the last audit was performed in 2016, the next review is due in 2021.

**Indicative Scope:** The specific objectives for the audit will be to ensure that:

- The City has appropriate policies and procedures covering the internal audit function and its processes.
- Appropriate quality assurance measures are incorporated within the internal audit process, the Internal Audit Charter and relevant policies and procedures, and are implemented effectively.
- Internal audit complies with necessary statutory and regulatory requirements and also IIA's mandatory Attribute and Performance Standards.
- Internal audit services are provided in accordance with the Internal Audit Charter, and relevant internal policies and procedures.

**12. DATA GOVERNANCE AUDIT – COMMENCING IN JANUARY 2022**

**Rationale and Audit Objective:** There is the risk that City of Salisbury data management processes could result in loss of data or the inability to utilize the data. This review will provide assurance regarding the adequacy of protection of City of Salisbury information.

**Indicative Scope:** The specific objectives for the audit will be to ensure that:

- The City has appropriate policies and procedures covering all aspects of data governance and the data management lifecycle, including collection, maintenance, usage and dissemination that are clearly defined and documented.
- Internal audit complies with necessary statutory and regulatory requirements related to data management and data governance.
- The City has an adequate governance structure and processes in place to support the management of data, including data privacy, confidentiality and Freedom of Information requests and disclosures.
- Data collection and retention levels are adequate and effective as per policies and procedures and industry best practice guidelines.
- Data and database structures are designed and developed in an efficient manner to ease data analytics and avoid data redundancies.
- Audit trails and history logs on master data changes are available for traceability and reviewed in a timely manner.
- Data inventories are maintained and managed with appropriate levels of data security level category classifications.

- Controls related to data content management, record management, data quality, data access, data security and data risk management are adequate and implemented effectively.

### 13. HIGH VALUE & PORTABLE ASSET REVIEW – COMMENCING IN MAY 2022

**Rationale and Audit Objective:** The City of Salisbury owns and operates a significant portfolio of assets; there is a risk that the mismanagement of these assets causes inefficiencies in regard to productivity and negative cost impact. This review is to provide assurance that the established governance and risk management in regard to management of this fleet is sufficiently robust to protect the viability of these assets.

**Indicative Scope:** The specific objectives for the audit will be to ensure that:

- The City has appropriate policies and procedures covering the acquisition, disposal, record keeping and reporting of high value and portable assets.
- The relevant statutory and regulatory requirements related to high value and portable assets are complied with.
- The City has maintained an asset register covering the high value and portable and attractive assets.
- Physical inventory verification of high value and portable assets are undertaken at least annually.
- All high value and portable assets are appropriately tagged with unique identification codes for ease of traceability and audit.
- Asset depreciation basis and revaluation basis are correct and assumptions are reasonable.

Review of Fleet and Vehicles will be out of scope for this audit, as that is audited separately with an expanded scope.

### 14. IT INVESTMENT STRATEGY – COMMENCING IN JUNE 2022

**Rationale and Audit Objective:** The City of Salisbury has significant reliance upon technology to maintain and drive business requirements and efficiency gains. Failure to correctly manage the future IT acquisitions and costings may impact the City of Salisbury with inefficient processes, legacy IT issues and lagging IT systems leading to inefficiencies, financial impost, service interruption and inability to maximize continued improvements. This review is to provide City of Salisbury with assurance that the IT Investment Strategy is sufficiently robust to support current and changing business requirements and continuous improvement initiatives.

**Indicative Scope:** The specific objectives for the audit will be to ensure that:

- The City has a formalized and appropriate IT Investment Strategy process document.
- The City's IT investment strategy is aligned to the deliverables in City Plan 2035.
- IT investment strategy is fully integrated with an overall IS/IT strategy.
- IT investment strategy facilitates the maintenance of critical IS/IT infrastructure.
- IT investment strategy is fully backed by business cases and feasible economically and operationally.

**15. TREE MANAGEMENT FRAMEWORK AUDIT – COMMENCING IN AUGUST 2022**

**Rationale and Audit Objective:** The City of Salisbury has a street tree population of over 76,000, made up of more than 70 different species, within its streetscapes, parks and open spaces including reserves and wetlands, which contribute to the Key Direction 2 ‘Sustaining Our Environment’ and Key Direction 3 ‘The Living City’ in our City Plan 2035. A replacement value of approximately \$3.4m for trees is included within asset class “Roads, Bridges and Footpaths” in the Audited Financial Statements for FY2019/20. COS has an ongoing Street Tree Renewal Program that aims to renew about 1,000 trees each year. To ensure the sustainability of this strategy, COS has established a Tree Management Framework for the management of its urban forest, covering policy measures in the area of tree planting, tree protection, tree removal, tree asset management, community consultation and engagement, and risk management.

This review is to provide assurance that the City of Salisbury’s Tree Management Framework is adequate and implemented effectively.

**Indicative Scope:** The specific objectives for the audit will be to ensure that:

- The City has formalized policies and procedures covering its Tree Management Framework that are adequately designed and established.
- The City’s Tree Management Framework is implemented effectively.
- The City’s tree management strategy is aligned to relevant deliverables in City Plan 2035.
- The City maintains appropriate level of traceability and verification and recording of Tree Assets reflected in the financial statements.
- Street Tree Renewal Program is implemented effectively.
- Public requests / complaints related to tree removal, tree planting, and other tree management related matters are resolved and reported effectively in accordance with clearly document policies and procedures.
- Any legislative compliance requirements related to tree management arising from Local Government Act 1999, Development Act 1993, Commonwealth Environmental Protection and Biodiversity Conservation Act 1999, Natural Resource Management Act 2004, Environmental Protection Act 1993, Electricity Act 1996, Heritage Places Act 1993, Road Traffic Act 1961, Aboriginal Heritage Act 1988 and Water Industry Act 2012, are identified and their level of compliance assessed at a high level.
- City of Salisbury has efficient processes in place to identify and manage potential tree hazards and is implemented effectively.

**16. FRAUD AND CORRUPTION PREVENTION CONTROL AUDIT – COMMENCING IN SEPTEMBER 2022**

**Rationale and Audit Objective:** The revised Fraud and Corruption Prevention and Management Policy presented to February 2021 Audit Committee states that the City of Salisbury has a zero-tolerance stance towards fraud, corruption, misconduct and maladministration. The City has various policies and procedures and internal control measures for prevention of fraud, corruption, maladministration and misconduct, and independent assessment of systems and processes takes place as part of the annual external audit and remains a part of many internal audits. Given that there are continuous changes happening within the control environment, systems, process, and stakeholders involved, the emergence of newer risk and failure of controls may occur and therefore an assessment of controls for fraud is essential.

Hence, the objective of this audit is to determine the effectiveness of fraud prevention strategies. This audit aims to ensure that current practices are effective to prevent, detect, and manage risks related to fraud, corruption, misconduct and maladministration, and ensure that controls are implemented as per agreed policies and procedures.

**Indicative Scope:** The scope of the audit is to ensure that the City:

- has an effective fraud control framework, which is integrated with their organisation-wide risk management strategy
- has appropriate, well understood and current fraud control plans, which address major risks
- has established effective fraud controls
- has adequate internal systems, training and reporting processes to support effective implementation and monitoring of fraud control plans
- regularly test, monitor and report on the effectiveness of the fraud control plan and associated practices
- review the outcomes of testing and use the insights gained to inform continuous improvement in fraud prevention and to update fraud control plans to ensure their ongoing appropriateness

#### 17. GRANTS MANAGEMENT AUDIT – COMMENCING IN NOVEMBER 2022

**Rationale and Audit Objective:** The City of Salisbury offers many grants to encourage develop and support community projects. Salisbury Grant Hub provide the ‘Salisbury Grant Hub’ to all local businesses, community groups, not-for-profits and individuals, and a web portal is created by COS in partnership with GrantGuru, with registration option for receiving alerts on new grants and updates on receiving application tips.

The website provides all information related to the grants, including background and information required for grant application process, and process to be followed in grant management, including record keeping, reporting and acquitting grand funds.

COS offers many different categories of grants available for a broad range of activities with a business or community focus, as listed on its website.

Key grant programs include:

- Community Event Sponsorship Program
- Sports and Community Clubs COVID-19 Recovery
- Minor Capital Works Grant Program
- Sports Lighting Assistance Program
- Community Grants
- Volunteer, Club Coach and Official Education Subsidy Program.

The aim of this audit is to provide assurance that the grants provide to City of Salisbury community and businesses are awarded to eligible recipients, and managed effectively as per approved policies and procedures and aligned to the City Plan 2035.

**Indicative Scope:** The specific objectives for the audit will be to ensure that:

- The City’s policies and procedures covering its grant management process are adequately developed for all categories of grants and communicated appropriately to the relevant stakeholders.

- The eligibility criteria and award process for all grant categories have been established and communicated, and have been complied with.
- Conflict of interest avoidance measures are incorporated in the grant awarding process.
- Grants schemes are aligned to City Plan 2035.
- All grants have terms and conditions or signed agreements specifying the expectations on usage and reporting requirements agreed by the Grant Recipient and COS.
- COS have a monitoring process in place to ascertain that Grant Recipients adhere to timely reporting requirements in the Grant Agreement.
- Any unused funding from the grant is dealt with appropriately as per the grant agreement or agreed terms and conditions.
- COS measures the effectiveness of the grant schemes, and use feedbacks for quality assurance purposes in future planning and grant scheme designing.

#### 18. REVENUE AND DEBTORS AUDIT – COMMENCING IN JANUARY 2023

**Rationale and Audit Objective:** The City of Salisbury has recorded total revenue of \$127.39m for FY2019/20 (\$125.75m for FY 2018/19) which includes revenue from Rates of \$101.65m for FY2019/20 (\$97.85m for FY2018/19). Rates form approximately 80% of the total revenue while Grants, Subsidies and Contributions represent 13% (\$16.22m for FY2019/20, \$20.58m for 2018/19), and fees, other charges and income represent the remaining 7% of revenue. City of Salisbury has pre-agreed chargeable price amounts for Rates, Levies, Fees, Fines, concessions, rebates etc. used for invoicing purposes for the respective years.

Debtors are reflected on the Statement of Financial Position under Trade and Other Receivables amounting to \$8.07m for FY2019/20 (\$8.97m for FY2018/19).

Although revenue and debtors testing is included within the external audit scope, the focus is more on true and fair view of revenue and debtors figure reflected on the financial statements and the internal control assessment is often not reviewed in greater depth and breadth with expanded detailed testing of the revenue and collection process and controls as it is done in a typical internal audit. Therefore, it is recommended to cover this audit at least once in every 3 years as part of our internal audit program, as an industry best practice measure.

The aim of this audit is to ensure that there are no revenue leakages, and that the revenue charged and collected are accurate and complete, and revenue and debtor management process is effective as per approved policies and procedures in accordance with relevant legislation.

**Indicative Scope:** The specific objectives for the audit will be to ensure that:

- The City has formalized policies and procedures covering its revenue and debtors process, and are adequately designed and established.
- The revenue calculation assumptions and formula get validated for accuracy and completeness on a regular basis.
- There are no inconsistencies with legislation in the application of fees, rates, levies and charges applied on the revenue invoices.



- The Best Practice Model controls related to revenue and debtors processes are effectively implemented, and the effectiveness of each control is substantiated through sample testing.
- All credit notes, debit notes, and revenue adjustments are checked and approved appropriately.
- Revenue and debtors reconciliations are performed in a timely manner.
- Any data entry errors and processing errors or exceptions are checked for accuracy and completeness for each bill-run.
- Any bad debts written off are as per approved policies and takes place when all reasonable means of collection are exhausted.
- Debt collection follows agreed procedures including timely notification, negotiating payment plans, and escalation as per agreed procedures.
- Feedback mechanism exist for collecting customer complaints data relating to billing and debt collection, and are used as input to enhance the process.

#### 19. RISK MANAGEMENT AUDIT – COMMENCING IN MARCH 2023

**Rationale and Audit Objective:** The City of Salisbury has made available on its Internet, the relevant risk management information and guidelines as follows:

- Risk Management Guide (Version 7.2) – which is the main document covering the risk management process for City of Salisbury, including the risk management stages, identification of risk, analysis of risks, assessment and evaluation of risks, treatment of risks, risk rating table, and format of strategic risk register.
- Risk Management Charter (as at Feb 2012) – covering the objectives of risk management, responsibilities of various stakeholders, risk assessment process and relationship with internal audit.
- Guide to Control Self-Assessment – explaining the procedure for using ControlTrack software tool for assessing and maintaining Financial Best Practice Model Controls.

COS is currently reviewing its strategic risk register, getting input from the senior management and EMs.

Risk Management being an integral part of our organizational process, this is one of the essential areas to incorporate in the Internal Audit Plan as a recurring audit at least every 3 years.

The objective of risk management audit is to ensure that the City of Salisbury has robust policies and procedures and framework in place for risk management and controls are in place to manage risks effectively.

**Indicative Scope:** The specific objectives for the audit will be to ensure that:

- The City has formalized and adequately designed policies, procedures and framework covering its risk management process.
- The City's risk management processes are implemented effectively as per agreed policies and procedures.
- City has a formalized risk appetite statement.
- Risk tolerance limits and thresholds are defined along with corresponding action points on the risk management plan / framework for better transparency and avoidance of doubts.
- City has up-to date registers for risk, including its strategic risk register and operational risk registers.

- Risk management is embedded within the whole organisational processes.
- Formalised and regular processes are implemented effectively for the identification of risks, assessment of risks, and treating risks.
- The status of risk treatment action plans (especially all the high risk ones) is reported to senior management in a timely manner.

## 20. SEGREGATION OF DUTIES & USER ACCESS CONTROLS AUDIT – COMMENCING IN JUNE 2023

**Rationale and Audit Objective:** The City of Salisbury has many software systems that are accessed and used by many employees relating to their different functional roles. The City has agreed approval limits and thresholds, and approved delegations that are executed through different information systems. For instance, the City has implemented financial delegations within the workflow approval process in Technology One (Finance One) system, and user profiles are created for individual users. Segregation of duties (SOD) is essential to minimize potential fraud and as an effective risk management measure to ensure that necessary demarcation of roles and responsibilities are built in within the system and performed by officers within approved delegations.

The objective of this audit is to ensure that SOD and appropriate user access controls are in place, and aligns to approved delegations and ensure that no one person has system access and ability to perpetrate and to conceal errors or fraud in the normal course of their duties.

**Indicative Scope:** The specific objectives for the audit will be to ensure that:

- The City has formalized policies and procedures on segregation of duties and process around user access controls for key information systems.
- Access controls are appropriately authorized and managed.
- Key processes are mapped for segregation of duties to prevent the same person from executing multiple steps (eg. create / modify / approve) in a transaction that could unlock the potential for fraud.
- Functional Roles with SOD violations and users with SOD violations are identified, and reviewed appropriately.
- Changes to user access rights are monitored and reviewed appropriately
- User Access rights are reviewed on a regular basis to ensure that all users are current, relevant and appropriately authorized.
- Users are appropriately trained and educated to ensure that user login credentials are not shared.
- User access controls have built in necessary general system security access controls.

CITY OF SALISBURY STRATEGIC RISK REGISTER														
Risk ID	Risk Category	Risk Description	Risk Owner	Causes	Inherent Risk			Controls	Residual Risk			Further treatment required (if residual risk rating is not acceptable)	Treatment Owner	Target Completion Date
					Consequence	Likelihood	Inherent Risk Rating		Consequence	Likelihood	Residual Risk Rating			
1	Awareness and Involvement City	Inadequate response to a business continuity or emergency event. CoS continued ability to support essential, critical business activities and access available key business resources is impacted as a result of failure to prepare for, respond to and recover from a disaster (e.g. fire, flood, explosion, earthquake, storm, aircraft crash). Impacts: Service delivery to community severely compromised, reputational damage, loss of morale and resources, compromised regulatory decisions, destruction of staff and/or public.	CEO, AG (General Managers)	<ul style="list-style-type: none"> <li>Lack of plans and procedures to inform response strategies when a business continuity or emergency event occurs</li> <li>Lack of emergency testing for relevant staff required to respond to business continuity and emergency events</li> <li>Information to facilitate action during business continuity or emergency events is insufficient or not available</li> <li>Impact of climate change on weather patterns</li> <li>COVID-19 pandemic</li> </ul>	Catastrophic	Almost Certain	Very High	<ul style="list-style-type: none"> <li>Current and maintained Business Continuity Framework (including Fire and testing regime), 3</li> <li>Business Continuity staff identified and trained on roles and responsibilities, 3</li> <li>Incident Management Team identified and trained, 4</li> <li>Current and maintained IT Disaster Recovery Plan (including testing regime), 4</li> <li>Current and maintained Emergency Management Plan, 3</li> <li>Participation in Zone Emergency Management Committee – Northern Area, 3</li> <li>Participation in LG Council Ready Program, 4</li> </ul>	Major	Possible	High	<ul style="list-style-type: none"> <li>1. Determine the manner in which the Business Continuity response documentation will be stored and continually updated.</li> <li>2. Develop and deliver training on business continuity to relevant staff.</li> <li>3. Delivery of Emergency Management Project</li> </ul>	Manager Governance	<ul style="list-style-type: none"> <li>1. 31 March 2021</li> <li>2. 31 March 2021</li> <li>3. 30 June 2021</li> </ul>
2	Accountable City	Contamination of the recycled water systems CoS experiences reduced environmental, economic and social benefits due to failure to prevent, prepare for and respond to contamination of the Salisbury Water recycled non-potable water distributed to parks, reserves, schools, industry and some residential subdivisions. Impacts: Financial cost of replacing supply with SA Water and clean up costs, financial impact of penalties, failure to fulfil commercial contractual obligations, reputational damage, regulatory or government intervention and fines, resource reduction, health risk to staff and the public.	GM Business Excellence, GM City Infrastructure	<ul style="list-style-type: none"> <li>Inadequate monitoring plans and sample testing</li> <li>Failure to respond appropriately in the event of contamination</li> <li>Failure of controls within the Recycled Water Risk Based Management Plan</li> <li>Wet weather could hamper clean up operations or contribute to a contamination event</li> <li>PFAS and PFCA infiltration</li> <li>Act of Terrorism</li> <li>Illegal dumping</li> </ul>	Catastrophic	Unlikely	Very High	<ul style="list-style-type: none"> <li>Salisbury Water supplies drink recycled Water Risk Based Management Plan including sample testing before water is pumped, 4 includes</li> <li>Salisbury Water Business Unit – monitoring plan and monitoring matrix. All water sampling is carried out by National Association of Testing Authorities (NATA) accredited staff. Laboratories performing the testing are NATA accredited.</li> <li>Supervisory Control and Data Acquisition system in place to detect faults and alert CoS staff. 24/7 remote access available by laptop by CoS staff.</li> <li>Supply contracts to customers contain Force Majeure clauses which limit liability to Council in the event that water cannot be supplied, 3</li> <li>Rapid Response Team and Call Out Officers through City Infrastructure (Council staff) in place to manage events that may lead to contamination of recycled water systems (e.g. chemical spill) (RIS support including other users), 4</li> <li>Employee Media Policy and Procedure and Elected Member Media Policy, 4</li> <li>Implementation of the Water Course Management Plan including the removal of Wetlands and desilting/removal of pollutants in waterways as required, 4</li> <li>Review of Risk Based Management Plan every two years, 4</li> <li>Maintenance of the CoS Contaminated Sites Register, 3</li> <li>Compliance with Public Health and Environmental Protection Processes, 3</li> </ul>	Major	Possible	High	<ul style="list-style-type: none"> <li>1. Implementation of report findings from the Management of Contaminated Sites Audit</li> </ul>	Manager City Infrastructure Management	1. Various
3	Awareness and Involvement City	Lack of management of public and environmental health risks Community experiences illness or injury due to a failure to deliver public and environmental health and safety outcomes for the community (includes food safety, dog and cat management, by-law enforcement and parking control). Impacts: Financial impact to rectify a health and safety incident, reputational damage, regulatory or government intervention or consequences, health risk to staff and the public.	GM City Development	<ul style="list-style-type: none"> <li>Inadequate management, monitoring or testing</li> <li>Failure to respond appropriately in the event of an incident</li> <li>Animal faeces infestation</li> <li>Noxious plants</li> <li>Failure of waste disposal contractor to meet contractual obligations.</li> </ul>	Major	Unlikely	High	<ul style="list-style-type: none"> <li>Provision of Immunisation Services, 3</li> <li>Current and maintained Animal Management Plan, 3</li> <li>Adopting the relevant initiatives within the CoS Regional Public Health Plan, 3</li> <li>Performance of Council Inspections, 3</li> <li>Undertaking Dog Patrols, 3</li> <li>Administration and management of CoS responsibilities under the Food Act, 4</li> <li>Compliance with and training on Employee Media Policy and Procedure and Elected Member Media Policy, 4</li> <li>Enforcement of the CoS responsibilities under the SA Public Health Act, 3</li> <li>Enforcement of the CoS responsibilities under the Dog and Cat Management Act, 3</li> <li>Performance of Infrastructure maintenance activities, 3</li> <li>Undertaking the Noxious Control Program, 4</li> </ul>	Major	Possible	High			

Item 7.1.1 - Attachment 3 - Strategic Risk Register

CITY OF SALISBURY STRATEGIC RISK REGISTER														
Risk ID	Risk Category	Risk Description	Risk Owner	Causes	Inherent Risk			Controls	Residual Risk			Further treatment required (if residual risk rating is not acceptable)	Treatment Owner	Target Completion Date
					Consequence	Likelihood	Inherent Risk Rating	Description	Consequence	Likelihood	Residual Risk Rating			
4	Developing and Inevitable City	Inadequate response to a major incident at a Council run community event, that affects public and staff safety  Our experiences negative impacts to our brand and image, reputational implications, and public & staff safety as a result of failure to prepare for and respond to a major incident at a Council run community event. It has been recognized that the risk relating to an incident occurring at an event sponsored or part-funded by Council is elevated however need not be reported on the Strategic Risk Register.  Impacts: Financial cost, to rectify, legal cost of failure to prevent a health and safety incident, reputational damage, regulatory and/or Government intervention or censure, injury or death of staff or member of the public, service interruption	GM City Development, GM City Infrastructure, GM Community Development, GM Business Excellence	<ul style="list-style-type: none"> <li>Inadequate procedures and plans in place to prevent incidents</li> <li>Failure to maintain staff training</li> <li>Inadequate performance of risk assessments</li> <li>Lack of asset management and maintenance</li> <li>Inadequate due diligence performed by staff in order to identify relevant risks related to the management and delivery of community events</li> </ul>	Catastrophic	Daily	Very High	<ul style="list-style-type: none"> <li>Building Control and Inspectors, 4</li> <li>Evacuation procedures and testing, 4</li> <li>Training of Incident Command Teams</li> <li>Provision and maintenance of Building safety systems – e.g. exit signs, fire extinguishers, wardens etc., induction process, 4</li> <li>Risk assessments performed for community events, 4</li> <li>Reviewed and maintained Asset management plans, 4</li> <li>Maintaining and reviewing Business Continuity Framework, 4</li> <li>Performance testing of BCP scenarios 4</li> <li>Key staff members actively participating with the Zone Emergency Management Committee – Northern Area, 5</li> <li>Maintaining and reviewing Event Management Plans 4</li> <li>Compliance with Event Management Guidelines, 4</li> </ul>	Moderate	Possible	High			
5	Asset Critical City	Failure to manage the impact of environmental and social factors on Council infrastructure, assets and services  The detrimental effect on Council assets and infrastructure caused by environmental factors, including climate change, is not adequately addressed through Council planning. The detrimental effect on Council assets and infrastructure caused by social factors, such as changes in demographics, is not adequately addressed through Council planning.  Impacts: Financial cost of dealing with the consequences of frequent frost weather related events, long term impact on infrastructure, its maintenance and replacement, operational plans and strategies are no longer valid or needed by the community, failure to adapt to a changing external environment resulting in some services becoming irrelevant and others inefficient.	GM City Development, GM City Infrastructure, GM Community Development	<ul style="list-style-type: none"> <li>Inadequate understanding and planning for factors impacting the environment</li> <li>Failure to consider environmental consequences when planning and designing infrastructure</li> <li>Inadequate modelling of weather events used within Asset Management Planning</li> <li>Inadequate infrastructure within the City to manage elements and sea level rises due to storms events</li> <li>Inadequate understanding of and planning for the impact of climate change on City infrastructure and assets</li> <li>Failure to monitor and forecast demographic changes in the City and adjust objectives and plans accordingly</li> <li>City Plan becomes obsolete or fails to anticipate the financial impact of demographic changes</li> <li>Failure to maintain a detailed infrastructure plan for the existing and future assets</li> <li>Climate Resilience and Impact on Biodiversity</li> <li>Failure to update Asset Management Plans</li> </ul>	Major	Possible	High	<ul style="list-style-type: none"> <li>Early warning systems in place to cover on roads or emergency work, implemented by DEWNR, 5</li> <li>Regular monitoring of risks like e.g. land fill sites, dams, 5</li> <li>Extreme Heat response process (for residents), 4</li> <li>One in 100 year flood and Probable Maximum Flood modelling including tidal info. in place at individual house level, using digital terrain modelling, 4</li> <li>Reviewed and maintained City Plan/Strategic Plans/Business Plans, 4</li> <li>Business Management Plan, 4</li> <li>Waleswide Managed capital program, 4</li> <li>Reviewed and maintained Asset Management Policy and Plans, 4</li> <li>Reviewed and maintained Growth Management Plan, 5</li> <li>Asset Management Committee</li> <li>Implementation of Youth Strategy and Interfaith Plan, 4</li> <li>Asset Management Infrastructure skills, 5</li> <li>Adopting Northern Adelaide Plan, 4</li> <li>Reviewed and maintained Emergency Management Plan, 5</li> <li>Participation in Zone Emergency Management Committee – Northern Area, 5</li> <li>Compliance with grant funding applications process and reviews, 5</li> <li>Compliance with Home Care Common Standards – Operating Manual, 5</li> </ul>	Moderate	Unlikely	Medium	<p>Update flood mapping periodically and communicate as necessary. Updated flood maps engaged mapping with fabrications, and completion of Community Engagement Strategy completed. Other strategies relating to Governance and Executive management responsibilities; location mapping, management and risk mitigation policy and planning and provision of information have been initiated or are ongoing (refer Flood Planning Decision Paper and Update of Council's Flood Management Strategy – Works and Services Committee 18/04/2021) (ongoing)</p> <p>Flood mapping is to be incorporated into the development process through the one Planning and Design Code being introduced across the State by the State Planning Commission (31 March 2021).</p> <p>Development of a Sustainability Plan (30 June 2021)</p>	<p>Manager Infrastructure Management / Manager Community Experience and Relationships</p> <p>Manager Economic Development &amp; Urban Policy</p> <p>GM City Development</p>	
6	Innovation and Business Development	City of Salisbury financial sustainability is compromised  Our failure to maintain service standards and invest in assets and infrastructure as a result of increased pressure on our operating surplus due to factors such as rate capping and cost shifting. Risk of our failing to appropriately manage cost and efficiency.  Impacts: Council ultimately becomes financially unsustainable, City revenue has to be raised increasingly through more traditional methods (rate capping, revenue from the sale of assets (land) is not increased for the longer term benefit of the community, financial cost associated with raising rates revenue or increasing local or district debts	GM Business Excellence, GM City Infrastructure, GM City Development	<ul style="list-style-type: none"> <li>Revenue shortfalls</li> <li>Inadequate revenue and a failure to maximise revenue from all sources</li> <li>Unplanned spending</li> <li>Inadequate valuation of assets or inaccurate depreciation</li> <li>Inadequate planning for infrastructure repairs or upgrades</li> <li>Introduction of draft legislation regarding rate capping</li> <li>Fraud, misbehaviour or maladministration</li> <li>Changes to legislative obligations imposed by other levels of government</li> <li>Potential new revenue streams opportunities are not fully investigated</li> <li>Changes to roles and responsibilities assigned to City of Salisbury by Federal or state government</li> <li>Short term revenue is maximised at the expense of longer term revenue</li> <li>Poorly structured debt funding</li> <li>Poor investment decision making</li> <li>Unknown consequences of new infrastructure provision from other levels of government or private sector investment</li> <li>Failure to encourage investment in the City</li> </ul>	Major	Unlikely	High	<ul style="list-style-type: none"> <li>Long term financial planning, by managing monitoring and reviewing, 5</li> <li>Managing monitoring and reviewing of Asset Management Plan, 4</li> <li>Underlying Quarterly Budget Review, 5</li> <li>Annual Plan and Annual Report reviewed by Audit Committee, 5</li> <li>Adhoc Proctural Review, 5</li> <li>Regular review of pricing systems fairness and equity, 4</li> <li>Appropriate execution of the Grant Management application Process, 5</li> <li>Review of Financial Information by the Budget &amp; Finance Committee, 4</li> <li>Diversification of Income (e.g. Water Business Unit, Strategic Property Development and Building Rules Get/Resto Unit, NARMA, Salisbury Memorial Park), 4</li> <li>Compliance with Budget Policies and Procedures, 5</li> <li>Business Case Modelling, 4</li> <li>Growth Action Plan, 4</li> <li>Business Support Agents, 4</li> <li>Annual external Audit activities</li> <li>Project Management Methodology, 5</li> </ul>	Major	Possible	High	<ol style="list-style-type: none"> <li>Completion of Asset Management Plans to "Future State", including function and capacity reviews to inform the LTFP and Sustainability Index (30 June 2021)</li> <li>Assess the impact of NBS Home Community Support funding changes and develop response strategy (14 December 2021)</li> <li>Implementation of relevant findings from the Asset Management audit report</li> </ol>	<ol style="list-style-type: none"> <li>Manager Infrastructure Management</li> <li>GM Community Development</li> <li>Manager Infrastructure Management and Manager Property &amp; Buildings</li> </ol>	<p>1. 30 June 2020</p> <p>2. 31 December 2021</p> <p>3. Various</p>

CITY OF SALISBURY STRATEGIC RISK REGISTER																
Risk ID	Risk Category	Risk Description	Risk Owner	Causes	Inherent Risk			Controls			Residual Risk			Further treatment required (if residual risk rating is not acceptable)	Treatment Owner	Target Completion Date
					Consequence	Likelihood	Inherent Risk Rating	Description	Consequence	Likelihood	Residual Risk Rating					
7	All City Plan directions	<p>Strategic objectives are not delivered due to inadequate monitoring and measuring of initiatives, poor planning, lack of or inappropriate resources, and lack of consultation</p> <p>Inadequate decision making. Failure to integrate governance to enable the meeting of strategic objectives.</p> <p>Impact: Organizational performance is not adequately measured and therefore cannot be managed, organizational plans and strategies are not achieved, organizational resources are not used effectively, organizational plans and strategies are not valued or directed by the community, organizational plans and strategies are not delivered in a way that is consistent with the organizational values, lack of customer / community engagement, lack of employee engagement and commitment to City objectives, poor customer service, overall lack of coherent direction, failure to meet legislative obligations, not meet community needs, reputational damage, poor organizational performance, negative impact on staff health and wellbeing.</p>	CEO, AG General Managers	<ul style="list-style-type: none"> <li>Emergence phenomena associated with an inability to execute or strategies</li> <li>Failure to monitor organizational performance against stakeholder expectations and to take action when necessary to correct it</li> <li>Failure to deliver what is expected by the local community due to a lack of alignment of strategic plans</li> <li>Limited meaningful corporate performance indicators in place</li> <li>Inconsistent reporting and data collection of corporate performance indicators</li> <li>Processes and systems fail to address customer needs</li> <li>Underused failure of infrastructure</li> <li>Intense period of organizational change and transformation</li> <li>Inadequate capability and capacity (e.g. workforce plans, training and development, technology, systems etc.)</li> <li>Failure to engage with all stakeholders in developing the City Plan</li> <li>Customer service is neither monitored or managed</li> <li>Senior management and Elected Members fail to fully and appropriately demonstrate desired organizational values</li> <li>Actual organizational structure, vision, values, norms, systems, symbols, language, beliefs and habits are inconsistent with those desired.</li> <li>Inefficient prioritization of projects and resource usage</li> </ul>	Major	Likely	High	<ul style="list-style-type: none"> <li>Compliance and Change Processes, 3</li> <li>Review of Annual Plan and Annual Report by Audit Committee, 5</li> <li>Review and approval of City Plan by elected members, 5</li> <li>Established and embedded Customer Service Framework, 4</li> <li>Monthly Strategic Executive Group meetings, 4</li> <li>Alignment of New Initiative Bid documentation to the City Plan, 4</li> <li>Strategic Planning and Accountability, 4</li> <li>Effective use of and compliance with Community Engagement Framework, 4</li> <li>Project Management Methodology, 3</li> <li>Conduct of bi-annual customer satisfaction survey, 4</li> <li>Business case development for aged care schemes, 4</li> <li>Change Management agenda, 4</li> <li>Regular performance of CEO Reviews via CEO Review Committee, 4</li> <li>Annual setting of Performance and Development Plans (PDPs), 4</li> <li>Governance Framework and Statement, 5</li> <li>Delivery of IT support through BSS division, 4</li> <li>Regularly reviewed and communicated Delegation Register, 5</li> <li>OCRA/BSF survey process, 4</li> </ul>	Medium	Unlikely	Medium	<ol style="list-style-type: none"> <li>Complete implementation of the Change Management Framework and Program</li> <li>Resourcing Plan Major Project (2 Year) (31 December 2020) (Emt developed – to be confirmed by City by December, having due consideration \$100M project)</li> <li>Monitoring and reporting of PDP completion</li> <li>Completion of relevant agreed actions arising out of the Business Systems and Solutions audit</li> </ol>	1, 2, & 3 - Manager People & Culture  4. Manager Business Systems & Solutions			
8	Innovation and Business Development	<p>Failure to ensure a safe working environment</p> <p>CoS staff and volunteers experience illness or injury. Failure to meet WHS obligations which result in a unsafe workplace. CoS recognizes that this risk is included on the Strategic Risk Register due to the seriousness with which CoS takes its obligations in relation to Work Health and Safety.</p> <p>Impact: An employee, contractor, volunteer or elected member is injured or dies as a result of a preventable incident or accident; possible financial consequences for the City of an incident affecting a member of staff including medical rehabilitation expenses, injury compensation claim, legal expenses, fines, regulatory penalties including a SafeWork SA Prohibition Notice, Inquest/Coroner or prosecution (criminal or legal consequences for senior management should policies and procedures be determined as inadequate by SafeWork SA; organizational reputation is damaged through the failure to prevent an incident or injury occurring at work; scheme losing self-funded status and resultant lack of financial sustainability.</p>	The Executive Group, Elected Members	<ul style="list-style-type: none"> <li>Inadequate controls in place to prevent incidents occurring</li> <li>Inefficient reporting of incidents and near misses</li> <li>Safe work practices not documented or communicated to employees</li> <li>Inadequate induction, training and supervision</li> <li>Inadequate hazard management system</li> <li>Organizational safety culture does not recognize the importance of following WHS policies and procedures</li> </ul>	Catastrophic	Likely	Very High	<ul style="list-style-type: none"> <li>Performance of Licensing qualifications checks, 5</li> <li>Training in WHS Procedures, 3</li> <li>Updated WHS IM Business Plan, 5</li> <li>Performance WHS Reviews, 4</li> <li>Principal WHS Committee, 5</li> <li>City Infrastructure WHS Committee, 5</li> <li>RSA, work instructions and plant risk assessments, 4</li> <li>Staff training and compliance with Code of Conduct, 4</li> <li>Compliance with Hazard and Incident reporting and investigation procedures, 4</li> <li>Members of the Local Government Workers Compensation Scheme, requiring annual external audits, 5</li> <li>Work Health Safety representative team, 5</li> <li>Support from LG CoS to other appropriate sector organizations with development/implementation of WHS policies/procedures (including benchmarking partners), 5</li> <li>Contractual arrangements with external providers to audit compliance with WHS legislation, 4</li> <li>Quarterly Executive Report highlighting trends, outstanding actions and high risk rising incidents or hazards, 4</li> </ul>	Catastrophic	Possible	Very High					

CITY OF SALISBURY STRATEGIC RISK REGISTER														
Risk ID	Risk Category	Risk Description	Risk Owner	Causes	Inherent Risk			Controls	Residual Risk			Further treatment required (if residual risk rating is not acceptable)	Treatment Owner	Target Completion Date
					Consequence	Likelihood	Inherent Risk Rating		Description	Consequence	Likelihood			
9	Innovation and Business Development	<p><b>Lack of alignment and integrity of IT systems and data to support business needs</b></p> <p>Business and community needs are not met due to lack of, ineffective or outdated IT system and business processes.</p> <p>Impacts: Organizational plans and strategies are not achieved due to a lack of IT support or infrastructure; Customer operations cause resulting in financial loss; failure to adapt to a changing external environment; inefficient and ineffective use of organizational resources; poor service delivery; reputational damage; costs of litigation and reparation of services.</p>	GM Business Excellence	<ul style="list-style-type: none"> <li>• Failure to adequately involve IT when developing plans, strategies and projects</li> <li>• Failure to consider all options when improving a system or process</li> <li>• Organizational change is not conducted in a structured and logical manner</li> <li>• Failure to support the skill set of individuals responsible for the delivery of business systems</li> <li>• Lack of business engagement and clarity of roles</li> <li>• External pressure for changes to systems</li> <li>• Lack of plans and procedures to inform response strategies when a cybersecurity incident occurs</li> <li>• Lack of monitoring of cybersecurity threats to organizational assets</li> <li>• Lack of communication/training for all staff regarding information security</li> <li>• Information to facilitate action during a cybersecurity incident is not available</li> </ul>	Major	Highly	High	<ul style="list-style-type: none"> <li>• IT Governance Framework, 3</li> <li>• Programmed testing of systems for security and reliability, 4</li> <li>• Compliance with Information Security Policies and Procedures, 4</li> <li>• Continuous Improvement Framework, 4</li> <li>• IT Disaster Recovery Plan, 2</li> <li>• Business Continuity Plans, 4</li> <li>• Incident Management Team identified and trained, 4</li> <li>• Building security and access controls, 4</li> <li>• User access system controls, 4</li> <li>• Patch management and software maintenance procedures, 4</li> <li>• Performance of Cyber Security Risk Assessments, 4</li> </ul>	Moderate	Possible	High	Delivery of relevant aspects of the Smart Salisbury governance structure	Manage Business Systems & Solutions	

<b>ITEM</b>	7.1.2
	<b>AUDIT COMMITTEE</b>
<b>DATE</b>	09 February 2021
<b>HEADING</b>	Trade Card Review
<b>AUTHOR</b>	Hussain Rafeeu, Internal Auditor & Risk Coordinator, CEO and Governance
<b>CITY PLAN LINKS</b>	4.2 We deliver quality outcomes that meet the needs of our community
<b>SUMMARY</b>	<p>The City of Salisbury's Internal Auditor &amp; Risk Coordinator has performed a trade card / trading account audit in October 2020 as an adhoc review, covering the trading account held with Bunnings and Dulux.</p> <p>Three (3) medium risk rated findings for improvement were identified, relating to financial delegations, trade card / trading account usage review, and ID verification of buyers at the point of goods dispatch for Dulux.</p>

**RECOMMENDATION**

1. That the final audit report for the Trade Card / Trading Account audit as set out in Attachment 1 to this report (Audit Committee 09/02/2021, Item No.7.1.2) is noted and that the responses of the Administration to the Trade Card / Trading Account Audit Report contained therein is endorsed.

**ATTACHMENTS**

This document should be read in conjunction with the following attachments:

1. WP1.1 Internal Audit Report Trade Card Audit\_Final\_02112020

**1. BACKGROUND**

- 1.1 The objective of this audit is to provide assurance on the effectiveness of the processes and controls in place in relation to the appropriate use and management of City of Salisbury (COS)'s Trade Card and Trading Accounts.
- 1.2 In addressing the overall objective, the agreed scope of audit included the following:
  - 1.2.1 Relevant policies and procedures are in place to adequately covers the process to be implemented for the appropriate usage and management of Trade Accounts and cards;
  - 1.2.2 Trade Account (and Card) statements are reconciled to ensure that the purchases reflecting on the statements are appropriately approved, justified and are business related;
  - 1.2.3 Perform data analysis on the Trade Accounts / Card statement report to determine whether all transactions are business related and that there is

no inappropriate use of the Trade Accounts (including Bunnings Cards), for Bunnings and Dulux contract.

- 1.2.4 Determine if any losses has been incurred for the COS due to inappropriate usage of Trade Accounts / Cards.
- 1.2.5 Identify areas for improvement in the usage and management of Trade Accounts / Cards.
- 1.3 In performing the audit, reports from Bunnings Trading Account online portal Dulux was retrieved, and compared against COS financial system (Finance One system) report, performing data analytics, and sample testing was performed on selected transactions.

## 2. CONSULTATION / COMMUNICATION

### 2.1 Internal

- 2.1.1 General Manager City Development
- 2.1.2 General Manager Business Excellence
- 2.1.3 Manager Field Services and Staff in this area
- 2.1.4 Manager Property & Building and Staff in this area
- 2.1.5 Procurement Business Partner and Strategic Procurement Staff
- 2.1.6 Accounts Payable Staff

### 2.2 External

- 2.2.1 Business Development Manager, Bunnings Group
- 2.2.2 National Corporate Account & Imaging Manager, Dulux Australia

## 3. REPORT

- 3.1 Attachment 1 to this report is the final audit report with management comments including action owners and target completion deadlines.
- 3.2 The report identified 3 medium risk findings. They are as follows:
  - 3.2.1 ***Financial delegations & Policies and Procedures:*** Expenses have been incurred on behalf of the council, without CEO approved financial delegations by one (1) contractor carpenter who is employed through Randstad, three (3) property & buildings maintenance painters and one (1) playground maintenance worker.

It was recommended:

- To ensure that all those who incur expenditure on behalf of the Council have appropriately authorized financial delegations
- To ensure that its policies and procedures reflect financial delegations as a mandatory requirement to be authorized to spend on behalf of council

Administration has agreed to implement the recommendations by 30th November 2020.

- 3.2.2 ***Trade Card / Trading Account Usage Review:*** Cardholder wise analysis couldn't be performed for Dulux trade account because Dulux current



transaction listing does not include the COS authorized buyer's details. Internal Audit also identified that one (1) of the Bunnings trade cardholders has not used the card at all since its issuance in November 2019, and still remains active, and this wasn't captured because a review has not been performed around trade card / trading account usage.

Administration has agreed with the recommendation to request for required reports from Dulux Australia, and perform timely reviews on both Bunnings and Dulux Trading Accounts.

- 3.2.3 ***ID verification of Trade Account Authorised Buyers:*** Dulux has not issued trade cards and maintains a list of authorized buyers for COS, in their system, and their current goods issuing process does not require COS authorized buyers to provide evidence of personal identification when goods are released. The audit recommended Administration to request Dulux to implement additional controls including identification verification of authorized buyers when releasing goods for COS. Administration has agreed to this recommendation and also consult further on alternate purchasing options.

3.3 The report identified that following positive findings:

- 3.3.1 All active cardholders in the Bunnings PowerPass live portal and Dulux trade account users are bonafide employees or officers approved by COS.
- 3.3.2 All purchases tested through sample selection were business expenses and we did not identify any instances of trade card misuse.
- 3.3.3 All transactions selected for detailed testing were supported by a sufficient, appropriate tax invoices and all were appropriately approved.
- 3.3.4 Bunnings and Dulux supplier statements and reports matched with COS Finance One system records and no variances have been identified.

#### 4. CONCLUSION / PROPOSAL

- 4.1 The audit was undertaken with the objective of providing assurance on the effectiveness of the processes and controls in place in relation to the appropriate use and management of City of Salisbury (COS)'s Trade Card and Trading Accounts.
- 4.2 There was no instance of trade card / trading account misuse identified from the review and a list of positive key controls were identified to be in place, with the exception of 3 findings, and management actions have been agreed for them with clear deadlines for implementation.

#### CO-ORDINATION

Officer: Exec  
Date: 3/02/21





## Internal Audit Report – Trade Card / Trading Account Audit

October 2020

**Item 7.1.2 - Attachment 1 - WP1.1 Internal Audit Report Trade Card Audit\_Final\_02112020**



Internal Audit Report – Trade Card / Trading Account Audit

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Approval and Distribution

Internal Audit Report prepared by:

Name	Position	Date
Hussain Rafeeu	Internal Auditor & Risk Coordinator	29/10/2020

Internal Audit Report authorised by:

Name	Position	Date
Mick Petrovski	Manager Governance	02/11/2020

Internal Audit Report endorsed by:

Name	Position	Date
Graham Reynolds	Audit Committee Chair	
John Harry	Chief Executive Officer	

Distribution List:

Name	Position
All GMs	General Managers
Simone Schmidt	Procurement and Business Partner

This report has been prepared solely for internal use as part of the City of Salisbury’s internal audit service. No part of this report should be made available, quoted or copied to any external party without the City of Salisbury’s Audit Committee’s prior written consent.

Item 7.1.2 - Attachment 1 - WP1.1 Internal Audit Report Trade Card Audit\_Final\_02112020



**Introduction and Background**

A trade card audit was completed in October 2020 as an ad-hoc review.

**Scope, Objectives and Approach**

The trade card audit delivered a high-level review of the controls in place relating to the use and management of the Bunnings and Dulux trade accounts.

**Key Findings**

Controls over trade card usage and management are adequate and operating effectively in most areas, except for the 3 areas for improvement identified. We did not identify any examples of trade card and trade account misuse.

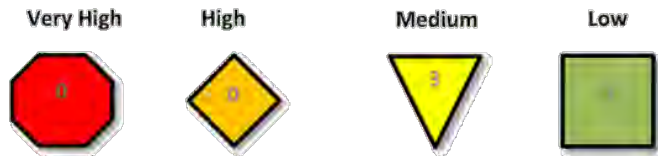
**Process Maturity**

Based on our analysis of the control framework over trade cards we have assessed process maturity to be:

1.	2.	3.	4.	5.
Initial/Chaotic	Repeatable	Defined	Managed	Optimised
	✓			

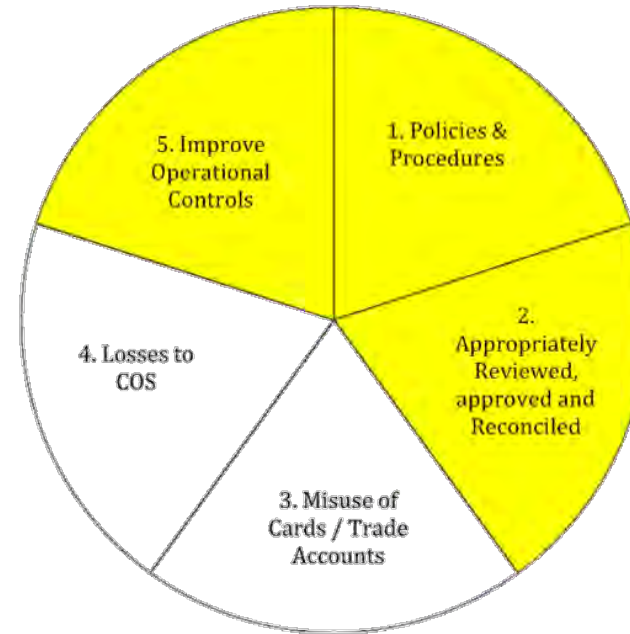
**Internal Audit Recommendations**

The following areas for improvement were identified during the internal audit.



**Risk Ratings by Audit Objective**

The three (3) medium risk rated areas for improvement were within the highlighted **audit objectives** as follows:



## 1. Introduction

We completed our internal audit on the trade cards held with Bunnings and trade accounts that the City of Salisbury ("COS") holds with Bunnings and Dulux. This is an ad-hoc review that COS management decided to undertake as complementary to the purchasing card audit.

## 2. Background

By becoming a member of Procurement Australia, the City of Salisbury ("COS") has access to purchasing through contract arrangements and discounted pricing negotiated by Procurement Australia. Currently the COS accesses such arrangement with Bunnings and Dulux Australia. Bunnings Trade Centre has issued trade account cards in the name of the relevant COS employees, and the appropriate use of these cards are expected as an obligation for the cardholder as per the terms and conditions of Bunnings Cardholder Declarations signed by cardholders. Cardholders present the cards to the Trade Centre and key in a secure PIN number for purchasing goods from Bunnings. The transaction details for the respective cardholders are recorded in an online portal called the PowerPass for which the administrative login details are shared with COS Strategic Procurement Team.

However, Dulux does not operate with trade cards, and detailed transaction reports with respective authorised COS officer's details are not available in their current billing system. A list of authorised COS officers are noted in their system and goods are dispatched to these authorised officers only.

## 3. Objective

The overall objective of this audit is to provide assurance on the effectiveness of the processes and controls in place in relation to the appropriate use and management of City of Salisbury's Trade Card and Trading Accounts.

## 4. Scope

In addressing the overall objective, the agreed scope of audit included the following:

1. Relevant policies and procedures are in place to adequately cover the process to be implemented for the appropriate usage and management of Trade Accounts and cards;
2. Trade Account (and Card) statements are reconciled to ensure that the purchases reflecting on the statements are appropriately approved, justified and are business related;
3. Perform data analysis on the Trade Accounts / Card statement report to determine whether all transactions are business related and that there is no inappropriate use of the Trade Accounts (including Bunnings Cards), for the Bunnings and Dulux contracts.
4. Determine if any losses have been incurred by the COS due to inappropriate usage of Trade Accounts / Cards.
5. Identify areas for improvement in the usage and management of Trade Accounts / Cards.

## 5. Approach

The approach adopted for this internal audit was as follows:

- Consideration of relevant policies, procedures and legislation and discussion with City of Salisbury management and staff responsible for the relevant scope areas.
- Identification of control weaknesses through analysis by internal audit.
- Identification of any discrepancies or deviations from policy, procedure or legislation.
- Retrieving statements and reports from Bunnings and Dulux, and COS Finance One System and performing data analytics on the reports.

- Discussion on control weaknesses, deviations from policy with relevant City of Salisbury staff members.
- Detailed testing on anomalies identified from data analytics, and perform sample testing of transactions.
- Development of a report identifying any weaknesses or issues and making relevant recommendations on the areas under the scope of our engagement.

### 6. Risk Assessment

There was no preliminary assessment of controls and risks in relation to the objectives of this internal audit, and it is not reflected in any of the COS risk registers. However, Internal Audit notes the following potential risks for consideration in future assessment.

Risk ID	Risk Description	Preliminary Risk Assessment	Final Risk Assessment
	<ul style="list-style-type: none"> <li>• Trade card / account payment approval process does not detect fraudulent purchases</li> <li>• Misuse of Trade Cards or fraudulent use of the Trading Account.</li> <li>• Failure to accurately record and report Trade Card and Trading Account transactions.</li> </ul>	Not assessed before	Low

We assessed the final risk, based on the outcome of the audit as low.

### 7. Positive Findings

- All active cardholders in the Bunnings PowerPass live portal and Dulux trade account users are bonafide employees or officers approved by COS.
- All purchases tested through sample selection were business expenses and we did not identify any instances of trade card misuse.
- All transactions selected for detailed testing were supported by a sufficient, appropriate tax invoice and all were appropriately approved.
- Bunnings and Dulux supplier statements and reports matched with COS Finance One system records and no variances have been identified.

### 8. Areas for Improvement

We identified 3 medium risk areas for improvement related to financial delegations and policies and procedures; trade account / card usage review; and identification verification at the point of issuing goods on trade account.

Detailed areas for improvement are included at section 9 of this report.





9. Detailed Areas for Improvement

9.1 Financial Delegation & Policies and Procedures			
Risk Rating	Area for Improvement and Impact	Recommendation	Management Response
<b>Medium</b> 	<p><b>Improvement Opportunity</b></p> <p>Sec 101(2)(a)(c) of the Local Government Act states that a delegation may be made by the CEO to an employee of the council or to the employee for the time being occupying a particular office or position or to an authorized person. COS Financial Delegations Procedure highlights the council officer positions that have financial delegations. It is industry best practice that expenses are committed on behalf of council, only by council officers with approved financial delegations. There is however no such requirement in any of the council policies and or procedures that council officers need to have financial delegation as an evidence of authority to spend on behalf of council.</p> <p>We identified that all the Trade Cardholders who incur expenses on behalf of the COS have approved financial delegations appearing on the current financial delegations register as at 1st October 2020, except for the following cases:</p> <ul style="list-style-type: none"> <li>o 1 contractor carpenter who is employed through Randstad;</li> <li>o 3 Property &amp; Buildings Maintenance Painters; and</li> <li>o 1 Playground Maintenance Worker</li> </ul> <p><b>Consequence</b></p> <p>Those incurring expenditure on behalf of council may not have been appropriately authorized with financial delegations as per the requirements of the Act, and may be regarded as non-compliance.</p>	<ol style="list-style-type: none"> <li>1. COS should ensure that all those who incur expenditure on behalf of the Council have appropriately authorized financial delegations.</li> <li>2. COS should ensure that its policies and procedures reflect financial delegations as a mandatory requirement to be authorized to spend on behalf of council.</li> </ol>	<p><b>Action Agreed by Management</b></p> <p>Agree with the recommendation. This will be organized to be undertaken over the next month, noting that due to the approval process, this can take up to a month.</p> <hr/> <p><b>Action Owner (Title)</b></p> <p>Karen Pepe (Manager Property &amp; Buildings)</p> <p>Mark Purdie (Manager Field Services)</p> <hr/> <p><b>Target Date</b></p> <p>30<sup>th</sup> November 2020.</p>

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Risk Rating	Area for Improvement and Impact	Recommendation	Management Response
<p><b>Medium</b></p> 	<p><b>Improvement Opportunity</b></p> <p>Internal Audit's review of cardholder status, usage and transaction reports in Bunnings PowerPass App online portal, identified that one cardholder has not used the card at all since its issuance in November 2019, and still remains active. The card seems to have been issued to a user that does not require a card, and it has not yet been cancelled.</p> <p>For Dulux trade account related purchases, there is a major system limitation in the transaction reports provided, because the authorized buyer's name is not appearing on their transaction list report. Therefore it is not possible to perform cardholder-wise analysis with the current report provided by Dulux Australia.</p> <p><b>Consequence</b></p> <p>In the absence of regular review of Trade Accounts / Card usage, there is a possibility that trade accounts / cards may not have been issued and used in an effective manner.</p>	<ol style="list-style-type: none"> <li>1. Request Dulux Australia to develop a customised report for COS showing the purchasing details, and invoice number for transactions related to the respective authorised buyer.</li> <li>2. Establish a process to review the Bunnings Trade Card usage in a timely manner;</li> <li>3. Ensure that the Trade Accounts / Card usage is monitored regularly to identify any anomalies including unauthorized usage, or any misuse of cards.</li> </ol>	<p><b>Action Agreed by Management</b></p> <p>Report will be requested from Dulux by Strategic Procurement. To be confirmed - frequency of receipt, whether it can be scheduled or it needs to be requested by CoS each time.</p> <p>Bunnings reports – awaiting info from Bunnings on what they can deliver, when etc.</p> <p>When reports are received, they will be reviewed by Strategic Procurement and provided to Divisional Managers for further validation of their team members' appropriate use of trade accounts / cards.</p> <p><b>Action Owner (Title)</b></p> <p>Simone Schmidt (Procurement Business Partner)</p> <p><b>Target Date</b></p> <p>By 30/06/2021</p>

9.3 Identification/Verification of Trade Cardholders / Trade Account Authorized Buyers			
Risk Rating	Area for Improvement and Impact	Recommendation	Management Response
Medium 	<p><b>Improvement Opportunity</b></p> <p>Bunnings Trade Cards are issued to individual staff members under their own names, and a security PIN number is required every time the card is to be used.</p> <p>However, Dulux has not issued similar trade cards to COS's authorized purchasing officers. Instead, the list of authorized buyers is recorded in the Dulux Australia sales and billing system. On further enquiries Internal Audit identified that Dulux Australia does not require the COS authorised purchasing officers to provide evidence of personal identification such as driver's license at the time purchase.</p> <p><b>Consequence</b></p> <p>When an authorized buyer / purchaser is not required to show a personal identification document at the time of purchasing Dulux products, there is a possibility that purchases may be made by unauthorized persons.</p>	<p>Confirm with Dulux Australia that the COS requires additional controls in the goods issuing process for COS's authorized trade account purchase officers, including a mandatory requirement to show personal identification documents like driver's license, prior to Dulux issuing goods.</p>	<p><b>Action Agreed by Management</b></p> <p>Implementation of the additional control to be discussed with Dulux.</p> <p>Strategic Procurement to consult with Manager Field Services and Manager Property &amp; Buildings to identify an alternate purchasing option, not reliant on Dulux maintaining an authorized officers list. E.g. use credit cards or monthly / annual purchase orders.</p> <p><b>Action Owner (Title)</b></p> <p>Simone Schmidt (Procurement Business Partner)</p> <p><b>Target Date</b></p> <p>By 30/06/2021</p>



Appendix I – Risk Standards

Likelihood	<b>E</b> Almost Certain	Medium	High	High	Very High	Very High
	<b>D</b> Likely	Medium	Medium	High	High	Very High
	<b>C</b> Possible	Low	Medium	High	High	High
	<b>B</b> Unlikely	Low	Low	Medium	Medium	High
	<b>A</b> Rare	Low	Low	Medium	Medium	High
		<b>1</b> Insignificant	<b>2</b> Minor	<b>3</b> Moderate	<b>4</b> Major	<b>5</b> Catastrophic
	<b>Consequence</b>					

RATING	DESCRIPTION
<b>A – Rare</b>	The event may occur only in exceptional circumstances (i.e. probability of occurrence > 20 years)
<b>B – Unlikely</b>	The event could occur at some stage (i.e. probability of occurrence within 10 – 20 years)
<b>C – Possible</b>	The event might occur at some time (i.e. probability of occurrence within 3 – 5 years)
<b>D – Likely</b>	The event will probably occur at most times (i.e. probability of occurrence within 2 years)
<b>E – Almost Certain</b>	The event is expected to occur in most times (i.e. probability of occurrence within 1 year)

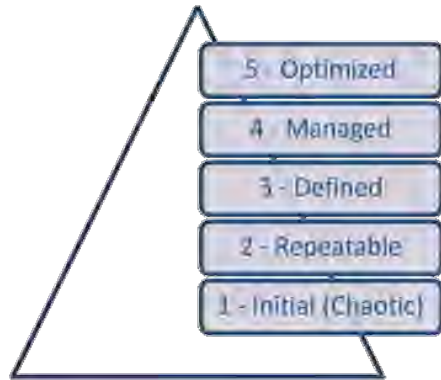


## Appendix I – Risk Standards

RATING	AREA OF IMPACT					
	Environment/ Political/ Community	Reputation	Finance	Legal/ Regulatory	Injury/Operational Management	Service Interruption
<b>1</b> <b>Insignificant</b>	Nil	Nil	Less than \$20,000	None	Nil	Minor interruption to service provision capability, e.g. less than 4 hours.
<b>2</b> <b>Minor</b>	Minor short-term environment, conservation, political or community issue.	Minor media interest	\$20,000 - \$100,000	Minor legal, regulatory or internal policy failure.	<ul style="list-style-type: none"> <li>• Unexpected/unplanned absence of a staff member.</li> <li>• Potential for minor injury.</li> <li>• First aid treatment required.</li> </ul>	Limited disruption to service provision requiring altered operational arrangements for a short period, e.g. up to 1 day
<b>3</b> <b>Moderate</b>	Environment, conservation, political or community incident requiring City intervention.	Moderate media interest	\$100,000 - \$500,000	Limited legal, regulatory or internal policy failure.	<ul style="list-style-type: none"> <li>• Unexpected/unplanned absence of a key staff member.</li> <li>• Medical treatment required.</li> </ul>	Some disruption to service provision capability requiring altered operational arrangements, e.g. between 1 day and 1 week.
<b>4</b> <b>Major</b>	Medium-term issue with major environment, conservation, political or community impact.	High media interest	\$500,000 - \$1 million	Major legal, regulatory or internal policy failure.	<ul style="list-style-type: none"> <li>• Unexpected/unplanned absence of several key staff members from a single area.</li> <li>• Significant injury to staff disabling them/dangerous near miss.</li> </ul>	Significant impairment of service provision (capability or period), e.g. between 1 week and 1 month.
<b>5</b> <b>Catastrophic</b>	Long-term issue with major environment, conservation, political or community impact.	Public censure or government inquiry	More than \$1 million	Critical legal, regulatory or internal policy failure.	<ul style="list-style-type: none"> <li>• Unexpected/unplanned absence of a significant number of staff, e.g. during a pandemic.</li> <li>• Death / critical injury to staff.</li> </ul>	Total loss of service provision capability for extended period, e.g. more than 1 month.



**Appendix II – Process Maturity Assessment Standards**



**Level 1—Initial (Chaotic)**

It is characteristic of processes at this level to be (typically) undocumented and in a state of dynamic change, tending to be driven in an ad hoc, uncontrolled, and reactive manner by users or events. This provides a chaotic or unstable environment for the processes.

At the initial level, processes are disorganized, even chaotic. Success is likely to depend on individual efforts, and is not considered to be repeatable, because processes would not be sufficiently defined and documented to allow them to be replicated.

**Level 2—Repeatable**

It is characteristic of processes at this level that some of the processes are repeatable, possibly with consistent results. Process discipline is unlikely to be rigorous, but where it exists it may help to ensure that existing processes are maintained during times of stress.

**Level 3—Defined**

It is characteristic of processes at this level that there are sets of defined and documented standard processes established and subject to some degree of improvement over time. These standard processes are in place (i.e., they are the AS-IS processes) and used to establish consistency of process performance across the organization.

**Level 4—Managed**

It is characteristic of processes at this level that, using process metrics, management can effectively control the AS-IS process (e.g., for software development). In particular, management can identify ways to adjust and adapt the process to particular projects without measurable losses of quality or deviations from specifications. Process Capability is established from this level.

**Level 5—Optimized**

It is a characteristic of processes at this level that the focus is on continually improving process performance through both incremental and innovative technological changes/improvements.



## Inherent Limitations

### *Inherent Limitations*

The services provided by City of Salisbury's Audit and Risk Unit in connection with this engagement comprise an advisory engagement which is not subject to assurance or other standards issued by the Australian Auditing and Assurance Standards Board and consequently no conclusions intended to convey assurance will be expressed.

Due to the inherent limitations of any control structure, it is possible that fraud, error or non-compliance with laws and regulations may occur and not be detected. Further the internal control structure within which the control procedures that are to be subject to the internal audit will not be reviewed in their entirety and therefore no opinion or view will be expressed as to the effectiveness of the broader control structure.

The procedures to be performed are not designed to detect all weakness in the control framework as they are performed on a sample basis only.

No warranty of completeness, accuracy or reliability can be given in relation to the statements and representations made by, and the information and documentation provided by the City of Salisbury's management or personnel. We shall seek to independently verify those sources unless otherwise noted within the report.

We are under no obligation in any way to update the report, in either written or oral form, for events occurring after the report has been issued in its final form unless specifically agreed with City of Salisbury's Council.

### *Third Party Reliance*

This report is solely for the purpose established in the Engagement Letter and for the Audit and Risk Committee, Corporate Executive and Management Information and should not be used for any other purpose or distributed to any other party without the prior written consent of the Audit and Risk Committee. Any reliance placed on the findings and recommendations captured in this report by a third party, including but not limited to City of Salisbury's external auditor is that party's sole responsibility.

### *Confidentiality*

The findings of this review are confidential. The final report, along with soft and hard copies of all associated working papers will not be distributed to any party other than the Council, Corporate Executive and Management of City of Salisbury.

<b>ITEM</b>	7.1.3
	<b>AUDIT COMMITTEE</b>
<b>DATE</b>	09 February 2021
<b>HEADING</b>	Legislative Compliance Audit - Final Report
<b>AUTHOR</b>	Hussain Rafeeu, Internal Auditor & Risk Coordinator, CEO and Governance
<b>CITY PLAN LINKS</b>	4.2 We deliver quality outcomes that meet the needs of our community 4.4 We plan effectively to address community needs and identify new opportunities
<b>SUMMARY</b>	The City of Salisbury's Internal Auditor & Risk Coordinator has performed a legislative compliance audit in January 2021, covering key legislations agreed with Administration.

Six (6) medium risk rated findings and three (3) low risk rated findings were identified. The findings are summarized as follows:

<b>Finding</b>	<b>Nature of Finding</b>	<b>Risk Level</b>
1. Tree Management Appeals Sub-Committee Reporting to Council	Partial Compliance	Low
2. Council & Committee Agenda & Notice Deadline	Partial Compliance	Medium
3. Annual Review of Confidential Orders	Partial Compliance	Medium
4. Council Resolution for Prescribed Officers	Non Compliance	Medium
5. Register of Public Roads	Partial Compliance	Medium
6. Submitting Subsidiary Audited Financial Statements to Council	Non Compliance	Medium
7. Annual Review of Code of Practice for Meeting Procedures	Non Compliance	Low
8. Legislative Compliance Monitoring System	Operational Management	Medium
9. Policies and Procedures	Operational Management	Low

#### RECOMMENDATION

1. That the final audit report for the Legislative Compliance audit as set out in Attachment 1 to this report (Audit Committee 09/02/2021, Item No.7.1.3) is noted and that the responses of the Administration to the Legislative Compliance Audit Report contained therein is endorsed.

## ATTACHMENTS

This document should be read in conjunction with the following attachments:

1. Final Internal Audit Report on Legislative Compliance Audit

### 1. BACKGROUND

1.1 The objective of this audit is to provide assurance regarding the effectiveness of the processes that are in place regarding the process for managing, monitoring, reviewing and reporting of legislative compliance matters at the City of Salisbury.

1.2 In addressing the overall objective, the agreed scope of audit included the following:

1.2.1 The City has policies and procedures governing the process for managing, monitoring, reviewing and reporting of legislative compliance matters.

1.2.2 The City is in compliance with relevant statutory and regulatory requirements specifically covering compliance and reporting requirements.

1.2.3 The City has processes in place to identify and monitor legislative non-compliances and take necessary actions.

1.2.4 The City has adequate processes for identifying and monitoring changes or updates to existing legislations or introduction of new legislations

1.2.5 Changes in relevant legislations are appropriately reflected in the City's current policies, and procedures.

1.3 Given the broad nature of applicable legislations for City of Salisbury, the audit scope agreed with Administration to assess legislative compliances for the following legislations:

1.3.1 *Local Government Act 1999*

1.3.2 *Local Government (General) Regulations 2013*

1.3.3 *Local Government (Financial Management) Regulations 2011*

1.3.4 *Local Government (Members Allowances and Benefits) Regulations 2010*

1.3.5 *Fair Work Act 1994 & 2009*

1.3.6 *Fair Work Regulations 2007 & 2009*

1.3.7 *Freedom of Information Act 1991*

1.3.8 *Local Nuisance and Litter Control Regulations 2016*

1.4 For the above legislation, a total of 295 sub-sections were tested for compliance.

1.5 The audit used the Governance Legislation Self-Audit Tool of the Local Government Association of South Australia and the Fair Work Act Ombudsman Self-Audit Checklist as a guide in compiling the test sheet questions for this review.

### 2. CONSULTATION / COMMUNICATION

2.1 Internal

2.1.1 General Manager Business Excellence

2.1.2 General Manager Community & Organisational Development

2.1.3 Manager Governance, CEO & Governance

2.1.4 Risk and Governance Program Manager, CEO & Governance

2.1.5 Executive Assistant to CEO/Mayor, CEO & Governance



- 2.1.6 Manager People & Culture, People & Organisational Development
- 2.1.7 Manager Development Services, Development Services
- 2.1.8 Manager Economic Development & Urban Policy, Economic Development & Urban Policy
- 2.1.9 Manager Infrastructure Management, Infrastructure Management
- 2.1.10 Manager Financial Services, Financial Services
- 2.1.11 Senior Accountant, Financial Services
- 2.1.12 Manager Community Experience & Relationships, Community Experience & Relationships
- 2.1.13 Team Leader Communications & Marketing, Communications & Customer Relations
- 2.1.14 Manager Environmental Health & Safety, Environmental Health & Safety
- 2.1.15 Governance Coordinator, CEO & Governance
- 2.1.16 Manager Community Capacity & Learning, Libraries & Community Centres
- 2.1.17 Governance Project Officer, CEO & Governance
- 2.1.18 Team Leader Property, Property & Buildings
- 2.1.19 Procurement Business Partner, Strategic Procurement
- 2.1.20 Team Leader – Business Services, Admin & Support Services\
- 2.1.21 Personal Assistant - Executive Office, CEO & Executives
- 2.1.22 Insurance Officer, CEO & Governance
- 2.1.23 Human Resources Support Officer, People & Culture
- 2.1.24 Governance Support Officer, CEO & Governance
- 2.2 External
  - 2.2.1 Scheme Manager, Local Government Association Mutual Liability Scheme

### 3. REPORT

- 3.1 Attachment 1 to this report is the final audit report with management comments including action owners and target completion deadlines.
- 3.2 The report identified 6 medium risk findings and 3 low risk findings. They are as follows:

- 3.2.1 **Tree Management Appeals Sub-Committee Reporting to Council – (s41(9) Partial Compliance) (Low Risk):** Section 41(9) of the *Local Government Act 1999* (the Act) requires Sub-Committees to report to the council on its activities at least quarterly, which however has not happened in case of Tree Management Appeals Sub-Committee.

It is recommended to include a standing agenda item on the Urban Services Committee, covering an update on the performance of Tree Management Appeals Sub Committee, and ensure the agenda item is reported to the Council, or including advice that the sub-committee has not met, to comply with the reporting requirement under section 41(9) of the Act.

Administration has agreed to implement the recommendations by 1<sup>st</sup> February 2021.

- 3.2.2 **Council & Committee Notice Deadline – (s83(1) & s87(4) Partial Compliance) (Medium Risk):** Section 83(1) and s87(4) of the Act requires Council and Sub-Committees meetings to be given three (3) clear days' notice. Section 3(2) and 3(3) of the Local Government (Procedures at Meetings) Regulations 2013 gives further clarity with cut-off times and day counts to be used to apply the 3 clear day rule referred to in the Act. Administration acknowledges that due to delays in finalising Agendas, the 3 clear day requirements are not met at times.

It is recommended that a strict cut-off time be followed so that the 5pm deadline for sending Notices to EMs is met, to comply with the 3 clear day timeframe required under section 83(1) and 87(4) of the Act.

Where necessary implement a process ensuring that the notice of meeting and the agenda only (where reports are not finalised) are distributed to Elected members prior to the 5pm deadline, so as to enable report finalisation and distribution of agendas with reports post the 5pm deadline.

Administration has agreed to implement the recommendations by 1<sup>st</sup> February 2021.

- 3.2.3 **Annual Review of Confidential Orders – (s91(9)(a) Partial Compliance) (Medium Risk):** Section 91(9)(a) of the Act requires annual review of Confidential Orders that operate beyond a period of 12 month. However, the City's Confidential Orders Register shows that a number of Special Orders operating beyond 12 months were not reviewed on an annual basis, and a number of Special Orders have ceased their duration of confidentiality and yet the register does not indicate that they are publicly available.

It is recommended that Administration:

1. Ensure that Special Orders operating beyond 12 months are reviewed annually as per the requirement of section 91(9)(a) of the *Local Government Act 1999*.
2. Update the Confidential Orders Register. Update the Code of Practice for Access to Meetings and Associated Documents covering internal process to be followed when Confidential Orders are lifted or revoked

Administration has agreed to implement the recommendations by 30 April 2021.

- 3.2.4 **Council Resolution for Prescribed Officers – (s111(b), Division 2 Non Compliance) (Medium Risk):** This section requires the a Council resolution must be made for this section to be applied to "Prescribed Officers", for them to complete Primary and Ordinary Returns. Council has resolved General Managers to be in this category, however COS seems to have applied this section to all Divisional Managers and some selected staff members without a corresponding council resolution.

It is recommended that Administration should ensure that a Council resolution is passed for all employees who lodge the Primary / Ordinary Returns, to comply with section 111(b) of the Local Government Act 1999. However, if, on the other hand, the intent is to require a similar declaration for operational reasons without invoking section 111(b), then a separate form must be created to make the distinction apparent.

Administration has agreed that the intent is to require a similar declaration for operational reasons for Divisional Managers / other selected employees without invoking section 111(b) and therefore will create a separate form and implement the change by 31 May 2021.

**3.2.5 Register of Public Roads – (s231) Partial Compliance) (Medium Risk):**

We identified that the current Register of Public Roads published on COS website does not include information required in section 26(e) of the LG General Regulations 2013, which is one of the required information for the public roads register required in section 231 of the Act.

It is recommended that Administration review the current Register of Public Roads and include information specified in section 26(e) of the Local Government General Regulation 2013 to comply with section 231 of the Act.

Administration has agreed to implement the recommendations by 31 December 2021.

**3.2.6 Submitting Subsidiary Audited Financial Statements to Council – (s28(2)(a) Non Compliance) (Medium Risk):**

Financial Management Regulation 2011 section 21(4) specifies the reporting timeline for Subsidiary reporting required under section 28(2)(a) of Schedule 2 of the LG Act 1999.

Section 21(4) states that "the Chief Executive Officer of a council must ensure that any audited financial statements of a subsidiary received for the purposes of clause 12(3)(a) or 28(2)(a) of Schedule 2 of the Act are laid before the council as soon as is reasonably practicable following their receipt by the Chief Executive Officer on behalf of the council (and, in any event, no later than the second meeting of the council following that receipt)".

However, there was no specific council resolution demonstrating that the Audited Financial Statements have been laid before the Council as required under this legislation.

It is recommended that Administration should:

1. Ensuring that its Regional Subsidiary Audited Financial Statements are laid before the council as per the requirements of section 21(4) of the Financial Management Regulation 2011, to comply with section 28(2)(a) of the Local Government Act 1999.

2. Reviewing the Delegations Register to include sub-delegations related to Financial Management Regulation 2011, including Section 21(4), in cases the CEO finds it necessary.

Administration has agreed to implement the first recommendation by Quarter 1 of the 2021/22 financial year and recommendation 2 by 31 March 2021.

- 3.2.7 **Annual Review of Code of Practice for Meeting Procedures – (s6(2) Non Compliance) (Low Risk):** Section 6(2) Local Government (Procedures at Meetings) Regulations 2013 requires that a council should, at least once in every financial year, review the operation of a code of practice under this regulation. However, the City's current Code of Practice for Meeting Procedures was last adopted by Council in April 2018 and due for renewal with details of new committee structure.

It is recommended that Administration ensure that the Code of Practice for Meeting Procedures is reviewed by the Council annually as required under section 6(2) of the Local Government (Procedures at Meetings) Regulations 2013.

Administration has agreed that the procedures will be reviewed and put through the Committee Council approval process in February 2021.

- 3.2.8 **Legislative Compliance Monitoring System (Medium Risk):** As a system and process improvement, we identified that City of Salisbury does not have a full-fledged system for recording, monitoring and tracking all the legislative compliance requirements and at the moment a very high level register is maintained.

It is recommended that the process for ensuring legislative compliance is reviewed for completeness and to ensure it is comprehensive; monitoring legislative compliance obligations, assignment of tasks with deadlines, requiring supporting evidence, and established workflow process. It may be beneficial for the City to consider a software system that has a built-in legislation compliance checklist database, and functionality to alert on new legislation updates as well.

Administration has agreed that the recommendation will be implemented by 30 June 2021 and that the management is in the process of purchasing RelianSys® Compliance for this purpose.

- 3.2.9 **Policies and Procedures (Low Risk):** We identified that all policies are kept up to date except for 3 policies that have passed the next review dates:

- The Informal Gatherings Policy (Council adopted January 2019 (next review January 2020).
- The Code of Practice for Meeting Procedures (Council adopted April 2018). Has an annual review requirement. See finding 7 of this report.
- Privately Funded Development Plan Amendment (council adopted in December 2014 and next review scheduled for December 2016)

It is recommended that Policy next review dates are followed up and ensure that all policies are reviewed in a timely manner.

Administration has agreed that the recommendation on policy 1 & 2 will be implemented by 28 February 2021 and recommendation on policy 3 will be implemented by 31 March 2021.

- 3.3 The report identified the following positive findings:
  - 3.3.1 The City of Salisbury is fully compliant with more than 97% of the legislative sub-section compliances tested.
  - 3.3.2 The City of Salisbury has adequate processes in place to ensure changes in relevant legislation are appropriately reflected in the City's current policies, and procedures.
  - 3.3.3 The City of Salisbury has adequate processes and controls in place to identify new legislative changes and incorporate them within the internal policies, procedures and practice.

#### **4. CONCLUSION / PROPOSAL**

- 4.1 The audit was undertaken with the objective of providing assurance on the effectiveness of the processes and controls in place in relation to City of Salisbury (COS) meeting its legislative compliance requirements.
- 4.2 Controls are in place to ensure legislative compliance requirements are met for over 97% of the legislative requirements tested, and appropriate management actions have been agreed for all action points recommended.

#### **CO-ORDINATION**

Officer:

Date:







## Legislative Compliance Checklist

107	Minutes and release of documents	LG Act 1999	91(4)	Minutes of a meeting of the Council are placed on public display in the principal office of the Council within five days after the meeting and kept on display for a period of one month	Full compliance
108	Minutes and release of documents	LG Act 1999	91(5)	Documents required to be available for inspection at the principal office of the Council under this section are available	Full compliance
109	Minutes and release of documents	LG Act 1999	91(6)& (7)	A copy of documents under s91(5) must be available for purchase on payment of a fee fixed by the Council (Local Government (General) Regulations 2013, Reg 35(b))	Full compliance
110	Minutes and release of documents	LG Act 1999	91(8)	Council has not made confidentiality orders in relation to matters contained in this subsection	Full compliance
111	Minutes and release of documents	LG Act 1999	91(9)	All confidentiality orders comply with this subsection	Partial compliance
112	Minutes and release of documents	LG Act 1999	91(9)	In the case of an order of specified duration, the duration is not extended after the expiry date or trigger; and no delegation has been given by the council to extend the duration of an order of specified duration	Full compliance
113	Access to meetings and documents—code of practice	LG Act 1999	92(1)	Council has prepared and adopted a code of practice in accordance with this section	Full compliance
114	Access to meetings and documents—code of practice	LG Act 1999	92(2)	Council has reviewed its code of practice within 12 months of the last periodic election	Full compliance





## Internal Audit Report – Legislative Compliance Audit

January 2021

**Item 7.1.3 - Attachment 1 - Final Internal Audit Report on Legislative Compliance Audit**



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**Approval and Distribution**

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Name	Position	Date
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**Internal Audit Report endorsed by:**

Name	Position	Date
Graham Reynolds	Audit Committee Chair	
John Harry	Chief Executive Officer	

**Distribution List:**

Name	Position
All GMs	General Managers
Janet Crook	Risk and Governance Program Manager

This report has been prepared solely for internal use as part of the City of Salisbury’s internal audit service. No part of this report should be made available, quoted or copied to any external party without the City of Salisbury’s Audit Committee’s prior written consent.

**Introduction and Background**

A legislative compliance audit was completed in January 2021 as per the Audit Committee approved internal audit plan for 2020/2021.

**Scope, Objectives and Approach**

The legislative compliance audit delivered a high-level review of the controls in place relating to the process for managing, monitoring, reviewing and reporting of legislative compliance matters.

**Key Findings**

Controls over the legislative compliance management, monitoring, reviewing and reporting are adequate and operating effectively in most areas, except for 6 medium risk rated and 3 low risk rated findings identified.

Finding	Nature of Finding	Risk Level
1. Tree Management Appeals Sub-Committee Reporting to Council	Partial Compliance	Low
2. Council & Committee Agenda & Notice Deadline	Partial Compliance	Medium
3. Annual Review of Confidential Orders	Partial Compliance	Medium
4. Council Resolution for Prescribed Officers	Non Compliance	Medium
5. Register of Public Roads	Partial Compliance	Medium
6. Submitting Subsidiary Audited Financial Statements to Council	Non Compliance	Medium
7. Annual Review of Code of Practice for Meeting Procedures	Non Compliance	Low
8. Legislative Compliance Monitoring System	Operational Management	Medium
9. Policies and Procedures	Operational Management	Low

**Process Maturity**

Based on our analysis of the legislative compliance control framework we have assessed process maturity to be:

1.	2.	3.	4.	5.
Initial Checks	Recognised	Defined	Managed	Optimised
	✓			

**Internal Audit Recommendations**

The following findings were identified during the internal audit.



## 1. Introduction

We completed our internal audit on the legislative compliance management, monitoring, reviewing and reporting process at the City of Salisbury. This is in line with its scheduled Internal Audit Plan for 2020/2021.

## 2. Background

South Australian Local Governments have a number of State or Commonwealth based legislations that they are required to comply with. The Office of Local Government for South Australia provides advice on the constitution and operations of local government, particularly the legal framework for councils' operation. Councils are responsible to their communities for making decisions and delivering services without intervention from the state government or the minister.

Considering the broad range of legislation applicable to local government, and the availability of resources and time constraints for this audit and also taking into account other future audits where relevant legislative compliance matters can be included within their scope, this audit performed a high level review of legislative compliance and reporting requirements on following key legislations:

- Local Government Act 1999
- Local Government (General) Regulations 2013
- Local Government (Financial Management) Regulations 2011
- Local Government (Members Allowances and Benefits) Regulations 2010
- Fair Work Act 1994 & 2009
- Fair Work Regulations 2007 & 2009
- Freedom of Information Act 1991
- Local Nuisance and Litter Control Regulations 2016

The audit used the Governance Legislation Self-Audit Tool of the Local Government Association of South Australia and the Fair Work Act Ombudsman Self-Audit Checklist as a guide in compiling the test sheet questions for this review.

## 3. Objective

The overall objective of this audit is to provide assurance regarding the effectiveness of the processes that are in place regarding the process for managing, monitoring, reviewing and reporting of legislative compliance matters.

## 4. Scope

In addressing the overall objective, the agreed scope of audit included the following:

1. The City has policies and procedures governing the process for managing, monitoring, reviewing and reporting of legislative compliance matters
2. The City is in compliance with relevant statutory and regulatory requirements specifically covering compliance and reporting requirements
3. The City has process in place to identify and monitor legislative non-compliances and take necessary actions
4. The City has adequate process for identifying and monitoring changes or updates to existing legislations or introduction of new legislations
5. Changes in relevant legislations are appropriately reflected in the City's current policies, and procedures.

## 5. Approach

The approach adopted for this internal audit was as follows:

1. Obtain the necessary information required to develop an audit program and to obtain a good knowledge of the auditable activities. This was

undertaken through research, reviewing existing procedures and policy documentation, and talking to key staff members.

2. Conduct the fieldwork, which incorporates an evaluation of the effectiveness of controls undertaken through sample testing of outcomes.
3. Discuss audit issues with staff and management throughout the audit process to remove opportunities for misunderstandings and to allow management to consider resolutions to audit issues.
4. Discuss the final audit issues with management at the exit interview. Upon conclusion, issue the draft audit report for management comments.
5. Conduct the audit in line with the Institute of Internal Auditors International Standards for Professional Practice of Internal Auditing and their Code of Ethics.
6. Communicate findings and assessments on an on-going process to ensure that there is a good understanding and acceptance of the rationale for audit opinions and recommendations.

### 6. Risk Assessment

Preliminary risk is considered to be medium, based on current residual risk rating updated on the strategic risk register.

Control	Risk Description	Pre-Audit Risk Assessment	Final Risk Assessment
7	<ul style="list-style-type: none"> <li>• Governance frameworks, systems and processes are inadequate to ensure robust decision making.</li> </ul>	Medium	Medium

We assessed the final risk, based on the outcome of the audit as Medium.

### 7. Positive Findings

- The City of Salisbury is fully compliant with more than 97% of the legislative sub-section compliances tested
- The City of Salisbury has adequate processes in place to ensure changes in relevant legislation are appropriately reflected in the City’s current policies, and procedures.
- The City of Salisbury has adequate processes and controls in place to identify new legislative changes and incorporate them within the internal policies, procedures and practice.

### 8. Findings & Areas for Improvement


We identified nine (9) risk rated findings;


- 6 rated medium and
- 3 rated low.


The detailed findings for these areas are included at section 9 of this report.




9. Detailed Findings


9.1 Tree Management Appeals Sub-Committee Reporting to Council – (s41(9) Partial Compliance)			
Risk Rating	Finding and Implication	Recommendation	Management Response
<p><b>Low</b></p> 	<p>Section 41(9) of the Local Government Act 1999 states that a committee that is performing a regulatory activity of the council must report to the council on its activities at least quarterly.</p> <p>We identified that all of the Council’s standing committees and sub-committees comply with this section, except in the case of its Tree Management Appeals Sub-Committee. The Council agenda and minutes of meetings held from July 2019 to November 2020 did not include any report of the Tree Management Appeals Sub Committee’s performance mentioned or reported to the Council through the current Urban Services Committee or previous Works and Services Committee.</p> <p>We also noted that no meetings were held by the Tree Management Appeals Sub-Committee during the period July 2019 to December 2020. The Council resolved in its December 2020 meeting that a report of tree related concerns reported and complaints related to the Streetscape Renewal Program for the past two years be provided to the Tree Management Appeals Sub-Committee in February 2021.</p> <p><b>Consequence</b></p> <p>The City is partially compliant with the legislative requirement of section 41(9) of the Local Government Act 1999.</p>	<p>Include a standing agenda item on the Urban Services Committee, covering an update on the performance of Tree Management Appeals Sub Committee, and ensure the agenda item is reported to the Council, or including advice that the sub-committee has not met, to comply with the reporting requirement under section 41(9) of the Local Government Act 1999.</p>	<p><b>Action Agreed by Management</b></p> <p>The recommendation will be implemented.</p> <hr/> <p><b>Action Owner (Title)</b></p> <p>Mick Petrovski (Manager Governance)</p> <hr/> <p><b>Target Date</b></p> <p>1 February 2021</p>


5.2 Council & Committee Notice Deadline – (s83(1) & s87(4) Partial Compliance)			
Risk Rating	Finding and Implication	Recommendation	Management Response
<b>Medium</b> 	<p>Section 83(1) of the Local Government Act states that in the case of an ordinary meeting, the chief executive officer must give each member of the council notice of the meeting at least three clear days before the date of the meeting.</p> <p>Section 87(4) of the Local Government Act states that the chief executive officer must ensure that each member of a council committee is given notice of an ordinary meeting of the committee at least three clear days before the date of the meeting.</p> <p>Section 3(2) of the Local Government (Procedures at Meetings) Regulations 2013 gives the interpretation of clear days as follows:</p> <p>In the calculation of clear days in relation to the giving of notice before a meeting:</p> <ul style="list-style-type: none"> <li>(a) the day on which the notice is given, and the day on which the meeting occurs, will not be taken into account; and</li> <li>(b) Saturdays, Sundays and public holidays will be taken into account.</li> </ul> <p>Section 3(3) states that for the purposes of the calculation of clear days under sub-regulation (2), if a notice is given after 5 p.m. on a day, the notice will be taken to have been given on the next day. Administration confirmed that the notice of meeting is provided to the Elected Members (“EMs”) on the Thursday afternoon prior to the meetings on the Monday, along with the meeting agenda with reports and attachments as a combined document. However, from time to time the Agenda is finalised too late to provide to EMs prior to 5pm on Thursday, which according to the definition in the regulations above, places them into the next day category and as a result does not meet the 3 clear day requirement.</p> <p><b>Consequence</b>                      Partial compliance to section 83(1) and 87(4) of the Act.</p>	<p>Follow a strict cut-off time so that the 5pm deadline for sending Notices to EMs is met, to comply with the 3 clear day timeframe required under section 83(1) and 87(4) of the Local Government Act 1999.</p> <p>Where necessary implement a process ensuring that the notice of meeting and the agenda only (list of matters to be considered where reports are not finalised) are distributed to Elected members prior to the 5pm deadline, so as to enable report finalisation and distribution of agendas with reports post the 5pm deadline.</p>	<p><b>Action Agreed by Management</b>                      The recommendation will be implemented.</p> <hr/> <p><b>Action Owner (Title)</b>                      Mick Petrovski (Manager Governance)</p> <hr/> <p><b>Target Date</b>                      1 February 2021</p>


5.3 Annual Review of Confidential Orders - [s91(9)(a) Partial Compliance]			
Risk Rating	Finding and Implication	Recommendation	Management Response
<p>Medium</p> 	<p>Section 91(9)(a) of the Local Government Act 1999 states that Confidential Orders that operates beyond a period of 12 months must be reviewed at least once every year. The City's Confidential Orders Register shows that a number of Special Orders operating beyond 12 months were not reviewed on an annual basis.</p> <p>We also noted that a number of Special Orders have ceased their duration of confidentiality and yet the register does not indicate that they are publicly available.</p> <p><b>Consequence</b></p> <p>Partial compliance to section 91(9)(a) of the Local Government Act 1999.</p>	<ol style="list-style-type: none"> <li>1. Ensure that Special Orders operating beyond 12 months are reviewed annually as per the requirement of section 91(9)(a) of the Local Government Act 1999.</li> <li>2. Update the Confidential Orders Register. Update the code of practice for Access to Meetings and Associated Documents covering internal process to be followed when Confidential Orders are lifted or revoked.</li> </ol>	<p><b>Action Agreed by Management</b></p> <p><b>Recommendations 1 and 2</b></p> <p>Internal process requires a six monthly review of all confidentiality orders of Council. The process will be amended to require an update in April and October in each year with a report to Executive to inform the outcome.</p> <p><b>Recommendation 3</b></p> <p>The recommendation will be implemented.</p> <p><b>Action Owner (Title)</b></p> <p>Mick Petrovski (Manager Governance)</p> <p><b>Target Date</b></p> <p><b>Recommendation 1 and 2</b></p> <p>First review and report to Executive – 30 April 2021.</p> <p><b>Recommendation 3</b></p> <p>30 April 2021</p>





9.3 Council Resolution for Prescribed Officers – (s111(b), Division 2 Non Compliance)			
Risk Rating	Finding and Implication	Recommendation	Management Response
<p>Medium</p> 	<p>Section 111(b) of the Local Government Act 1999 states that the application of the Register of Interests under Chapter 7, Part 4, Division 2, applies to any other officer, or any other officer of a class, declared by a council to be subject to the operation of this Division. These employees referred to in section 111(b) are interpreted as “Prescribed Officers” under section 112. We identified that Council Resolution Number 148/2011 declared Directors (GMs) as Prescribed Officers.</p> <p>Council has not resolved any other employees as Prescribed Officers.</p> <p>However, the City of Salisbury seems to have applied section 111(b) to its Divisional Managers and some selected employees by requiring them to complete the Primary / Ordinary Returns since 2014, using Form 5 and 6 and notifying them to lodge the returns in the prescribed format and timelines required in the Local Government Act.</p> <p>If there is intent for these officers to be Prescribed Officers in accordance with section 111(b), a Council resolution declaring such is required. If, on the other hand, the intent is to require a similar declaration for operational reasons without invoking section 111(b), then a separate form must be created to make the distinction apparent.</p> <p>Nonetheless, with either intent, the effect of the requirement for Divisional Managers and selected staff to declare their interests can be characterised as a risk reduction strategy.</p> <p><b>Implication</b></p> <p>The application of Division 2 to Divisional Managers and selected employees without a Council resolution as required under section 111(b) can be interpreted as case of legislative non-compliance.</p>	<p>Administration should ensure that a Council resolution is passed for all employees who lodge the Primary / Ordinary Returns, to comply with section 111(b) of the Local Government Act 1999.</p>	<p><b>Action Agreed by Management</b></p> <p>The intent is to require a similar declaration for operational reasons for Divisional Managers /other selected employees without invoking section 111(b). We therefore will create a separate form to be used.</p> <p><b>Action Owner (Title)</b></p> <p>Brigitte Tiss (Manager People and Culture)</p> <p><b>Target Date</b></p> <p>31 May 2021</p>

9.5 Register of Public Roads – (s231) Partial Compliance			
Risk Rating	Finding and Implication	Recommendation	Management Response
Medium 	<p>Section 26 of the Local Government (General) Regulation 2013 states that "for the purposes of subsection (2) of section 231 of the Act, a register of public roads under that section must include, in respect of each public road, the following information:</p> <p>(a) the name of the public road;</p> <p>(b) the situation of the public road;</p> <p>(c) the approximate extent of the public road;</p> <p>(d) the approximate width of the public road;</p> <p>(e) within the public road — the approximate width of the carriageway, including any associated kerbing, verges or footpaths (where formed).</p> <p>We however noted that the current Register of Public Roads published on COS website does not include information required in section 26(e) of the LG General Regulations 2013</p> <p><b>Consequence</b></p> <p>Partial compliance to section 231 of the Local Government Act 1999.</p>	<p>Review the current Register of Public Roads and include information specified in section 26(e) of the Local Government General Regulation 2013 to comply with section 231 of the Local Government Act 1999.</p>	<p><b>Action Agreed by Management</b></p> <p>The recommendation will be implemented.</p> <hr/> <p><b>Action Owner (Title)</b></p> <p>Dameon Roy (Manager Infrastructure Management, City Infrastructure)</p> <hr/> <p><b>Target Date</b></p> <p>31 December 2021</p>

9.E Submitting Subsidiary Audited Financial Statements to Council – [28(2)(a) Non-Compliance]			
Risk Rating	Finding and Implication	Recommendation	Management Response
<p>Medium</p> 	<p>City of Salisbury is obliged to comply with section 28(2)(a) of Schedule 2 of the LG Act 1999, related to the regional subsidiary reporting for NAWMA and Council Solutions for the financial year 2019/2020. Financial Management Regulation 2011 section 21(4) specifies the reporting timeline for this, which states that "the Chief Executive Officer of a council must ensure that any audited financial statements of a subsidiary received for the purposes of clause 12(3)(a) or 28(2)(a) of Schedule 2 of the Act are laid before the council as soon as is reasonably practicable following their receipt by the Chief Executive Officer on behalf of the council (and, in any event, no later than the second meeting of the council following that receipt)".</p> <p>We identified that the CEO received the FY2019/20 Audited Financial Statements of Council Solutions in September 2021 and the Senior Accountant of COS received FY2019/20 Audited Financial Statements of NAWMA in September 2020. There was no specific council resolution demonstrating that this reporting compliance has been met for the past periods and for financial year 2019/2020. We note that the Audited Financial Statements of subsidiaries form part of the City of Salisbury Draft Annual Report for 2019/2020 presented to the Council's Audit Committee in October 2020 and tabled in Council meeting held in November 2020. However, none of these meetings had any specific meeting resolution referencing to the compliance requirement of Financial Management Regulation 2011 section 21(4).</p> <p><b>Consequence</b></p> <p>The Council may not be appropriately informed of the Subsidiaries' financial position and operation, to help in necessary decision making and performing its related discharge of powers, function and duties as the governing body for the City of Salisbury.</p>	<p>City should consider:</p> <ol style="list-style-type: none"> <li>Ensuring that its Regional Subsidiary Audited Financial Statements are laid before the council as per the requirements of section 21(4) of the Financial Management Regulation 2011, to comply with section 28(2)(a) of the Local Government Act 1999.</li> <li>Reviewing the Delegations Register to include sub-delegations related to Financial Management Regulation 2011, including Section 21(4), in cases the CEO finds it necessary.</li> </ol>	<p><b>Action Agreed by Management</b></p> <p><b>Recommendation 1.</b></p> <p>(a) Administration will include within the Annual Report council item, a specific recommendation to consider the audited financial statements of NAWMA; OR</p> <p>(b) If (a) cannot be implemented within the second meeting of the Council following receipt of NAWMA audited financial statements, then Administration will submit a separate report to the Council attaching the NAWMA audited financial statements for council consideration.</p> <p><b>Recommendation 2.</b></p> <p>The recommendation will be implemented.</p> <p><b>Action Owner (Title)</b></p> <p><b>Recommendation 1.</b></p> <p>(a) Julie Kushnir (Manager Community Experience &amp; Relationships)</p> <p>(b) Kate George (Manager Finance)</p> <p><b>Recommendation 2.</b></p> <p>Mick Petrovski (Manager Governance)</p> <p><b>Target Date</b></p> <p><b>Recommendation 1.</b></p> <p>Quarter 1 of the 2021/22 Financial Year.</p> <p><b>Recommendation 2.</b></p> <p>31 March 2021.</p>

9.7 Annual Review of Code of Practice for Meeting Procedures – (s6(2) Non Compliance)			
Risk Rating	Finding and Implication	Recommendation	Management Response
<p>Low</p> 	<p>Section 6(2) of the Local Government (Procedures at Meetings) Regulations 2013 states that a council should, at least once in every financial year, review the operation of a code of practice under this regulation.</p> <p>The City's current Code of Practice for Meeting Procedures was last adopted by Council in April 2018 and due for renewal with details of new committee structure.</p> <p><b>Consequence</b></p> <p>There is a possibility that the current Code of Practice for Meeting Procedures may not have been updated with current information, and may not reflect correct information to the intended users.</p>	<p>Ensure that the Code of Practice for Meeting Procedures gets reviewed by the Council annually as required under section 6(2) of the Local Government (Procedures at Meetings) Regulations 2013.</p>	<p><b>Action Agreed by Management</b></p> <p>The recommendation will be implemented.</p> <hr/> <p><b>Action Owner (Title)</b></p> <p>Mick Petrovski (Manager Governance)</p> <hr/> <p><b>Target Date</b></p> <p>The procedures will be reviewed and put through the Committee Council approval process in February 2021.</p>

9.8 Legislative Compliance Monitoring System			
Risk Rating	Finding and Implication	Recommendation	Management Response
Medium 	<p>The City of Salisbury has a number of State or Commonwealth legislation based obligations that it is required to comply with. The Governance Division has maintained a legislative compliance register, which is made available on the intranet (last updated 4 September 2018), covering ninety six (96) different pieces of legislation applicable to the City, and identifies the corresponding regulatory reporting obligations and the managers responsible for compliance. This is the main legislative compliance monitoring sheet that the City maintains, and this is maintained at a very high level, without covering all the detailed legislative requirements in detail. Given the large volume of legislative subsections to be complied with, it may be difficult to manage compliance from a completeness and comprehensive point of view without a full-fledged system.</p> <p><b>Consequence</b></p> <p>There is a possibility that some legislative compliance requirements may not have been met due to oversight and lack of a comprehensive monitoring system.</p>	<p>That the process for ensuring legislative compliance is reviewed for completeness and to ensure it is comprehensive; monitoring legislative compliance obligations, assignment of tasks with deadlines, requiring supporting evidence, and established workflow process. It may be beneficial for the City to consider a software system that has a built-in legislation compliance checklist database, and functionality to alert on new legislation updates as well.</p>	<p><b>Action Agreed by Management</b></p> <p>The recommendation will be implemented. We are in the process of purchasing RelianSys® Compliance system for this purpose.</p> <hr/> <p><b>Action Owner (Title)</b></p> <p>Mick Petrovski (Manager Governance)</p> <hr/> <p><b>Target Date</b></p> <p>30 June 2021</p>

9.0 Policies and Procedures			
Risk Rating	Finding and Implication	Recommendation	Management Response
<p>Low</p> 	<p>The Governance Division monitors the next review dates of council endorsed policies, and all are kept up to date, except for the following:</p> <ol style="list-style-type: none"> <li>1. The Informal Gatherings Policy (Council adopted January 2019 (next review January 2020)</li> <li>2. The Code of Practice for Meeting Procedures (Council adopted April 2018). Has an annual review requirement. See finding 7 of this report.</li> <li>3. Privately Funded Development Plan Amendment (council adopted in December 2014 and next review scheduled for December 2016)</li> </ol> <p><b>Consequence</b></p> <p>There is a possibility policies may not reflect current practices and process and/or legislative requirements.</p>	<p>Policy next review dates are followed up and ensure that all policies are reviewed in a timely manner.</p>	<p><b>Action Agreed by Management</b></p> <p>Policy 1&amp;2: The recommendation will be implemented.</p> <p>Policy 3: The current policy will be reshaped to reflect the obligations on Council under the new planning system. In relation to the transition period, it is possible for a proponent to select a Development Plan Amendment pathway or a Code Amendment Pathway. It is likely that the report will recommend transitional arrangements until the Development Plan Amendment pathway is no longer an option.</p> <p><b>Action Owner (Title)</b></p> <p>Policies 1 &amp; 2: Mick Petrovski (Manager Governance)</p> <p>Policy 3: Greg Ratsch (Manager Economic Development &amp; Urban Policy, City Development)</p> <p><b>Target Date</b></p> <p>Policy 1 &amp; 2: The policy will be reviewed and put through the Committee Council approval process by 28 February 2021.</p> <p>Policy 3: 31 March 2021.</p>



Appendix I – Risk Standards

Likelihood	<b>E</b> Almost Certain	Medium	High	High	Very High	Very High
	<b>D</b> Likely	Medium	Medium	High	High	Very High
	<b>C</b> Possible	Low	Medium	High	High	High
	<b>B</b> Unlikely	Low	Low	Medium	Medium	High
	<b>A</b> Rare	Low	Low	Medium	Medium	High
		<b>1</b> Insignificant	<b>2</b> Minor	<b>3</b> Moderate	<b>4</b> Major	<b>5</b> Catastrophic
	<b>Consequence</b>					

RATING	DESCRIPTION
<b>A – Rare</b>	The event may occur only in exceptional circumstances (i.e. probability of occurrence > 20 years)
<b>B – Unlikely</b>	The event could occur at some stage (i.e. probability of occurrence within 10 – 20 years)
<b>C – Possible</b>	The event might occur at some time (i.e. probability of occurrence within 3 – 5 years)
<b>D – Likely</b>	The event will probably occur at most times (i.e. probability of occurrence within 2 years)

Item 7.1.3 - Attachment 1 - Final Internal Audit Report on Legislative Compliance Audit



Appendix I – Risk Standards

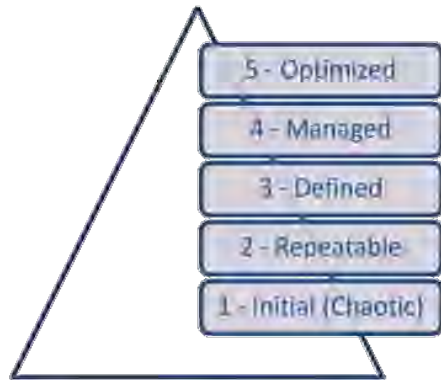
**E – Almost Certain** The event is expected to occur in most times (i.e. probability of occurrence within 1 year)

RATING	AREA OF IMPACT					
	Environment/ Political/ Community	Reputation	Finance	Legal/ Regulatory	Injury/Operational Management	Service Interruption
<b>1</b> Insignificant	Nil	Nil	Less than \$20,000	None	Nil	Minor interruption to service provision capability, e.g. less than 4 hours.
<b>2</b> Minor	Minor short-term environment, conservation, political or community issue.	Minor media interest	\$20,000 - \$100,000	Minor legal, regulatory or internal policy failure.	<ul style="list-style-type: none"> <li>• Unexpected/unplanned absence of a staff member.</li> <li>• Potential for minor injury.</li> <li>• First aid treatment required.</li> </ul>	Limited disruption to service provision requiring altered operational arrangements for a short period, e.g. up to 1 day
<b>3</b> Moderate	Environment, conservation, political or community incident requiring City intervention.	Moderate media interest	\$100,000 - \$500,000	Limited legal, regulatory or internal policy failure.	<ul style="list-style-type: none"> <li>• Unexpected/unplanned absence of a key staff member.</li> <li>• Medical treatment required.</li> </ul>	Some disruption to service provision capability requiring altered operational arrangements, e.g. between 1 day and 1 week.
<b>4</b> Major	Medium-term issue with major environment, conservation, political or community impact.	High media interest	\$500,000 - \$1 million	Major legal, regulatory or internal policy failure.	<ul style="list-style-type: none"> <li>• Unexpected/unplanned absence of several key staff members from a single area.</li> <li>• Significant injury to staff disabling them/dangerous near miss.</li> </ul>	Significant impairment of service provision (capability or period), e.g. between 1 week and 1 month.
<b>5</b> Catastrophic	Long-term issue with major environment, conservation, political or community impact.	Public censure or government inquiry	More than \$1 million	Critical legal, regulatory or internal policy failure.	<ul style="list-style-type: none"> <li>• Unexpected/unplanned absence of a significant number of staff, e.g. during a pandemic.</li> <li>• Death / critical injury to staff.</li> </ul>	Total loss of service provision capability for extended period, e.g. more than 1 month.





Appendix II – Process Maturity Assessment Standards



**Level 1—Initial (Chaotic)**

It is characteristic of processes at this level to be (typically) undocumented and in a state of dynamic change, tending to be driven in an ad hoc, uncontrolled, and reactive manner by users or events. This provides a chaotic or unstable environment for the processes.

At the initial level, processes are disorganized, even chaotic. Success is likely to depend on individual efforts, and is not considered to be repeatable, because processes would not be sufficiently defined and documented to allow them to be replicated.

**Level 2—Repeatable**

It is characteristic of processes at this level that some of the processes are repeatable, possibly with consistent results. Process discipline is unlikely to be rigorous, but where it exists it may help to ensure that existing processes are maintained during times of stress.

**Level 3—Defined**

It is characteristic of processes at this level that there are sets of defined and documented standard processes established and subject to some degree of improvement over time. These standard processes are in place (i.e., they are the AS-IS processes) and used to establish consistency of process performance across the organization.

**Level 4—Managed**

It is characteristic of processes at this level that, using process metrics, management can effectively control the AS-IS process (e.g., for software development). In particular, management can identify ways to adjust and adapt the process to particular projects without measurable losses of quality or deviations from specifications. Process Capability is established from this level.

**Level 5—Optimized**

It is a characteristic of processes at this level that the focus is on continually improving process performance through both incremental and innovative technological changes/improvements.



## Inherent Limitations

### *Inherent Limitations*

The services provided by City of Salisbury's Audit and Risk Unit in connection with this engagement comprise an advisory engagement which is not subject to assurance or other standards issued by the Australian Auditing and Assurance Standards Board and consequently no conclusions intended to convey assurance will be expressed.

Due to the inherent limitations of any control structure, it is possible that fraud, error or non-compliance with laws and regulations may occur and not be detected. Further the internal control structure within which the control procedures that are to be subject to the internal audit will not be reviewed in their entirety and therefore no opinion or view will be expressed as to the effectiveness of the broader control structure.

The procedures to be performed are not designed to detect all weakness in the control framework as they are performed on a sample basis only.

No warranty of completeness, accuracy or reliability can be given in relation to the statements and representations made by, and the information and documentation provided by the City of Salisbury's management or personnel. We shall seek to independently verify those sources unless otherwise noted within the report.

We are under no obligation in any way to update the report, in either written or oral form, for events occurring after the report has been issued in its final form unless specifically agreed with City of Salisbury's Council.

### *Third Party Reliance*

This report is solely for the purpose established in the Engagement Letter and for the Audit and Risk Committee, Corporate Executive and Management Information and should not be used for any other purpose or distributed to any other party without the prior written consent of the Audit and Risk Committee. Any reliance placed on the findings and recommendations captured in this report by a third party, including but not limited to City of Salisbury's external auditor is that party's sole responsibility.

### *Confidentiality*

The findings of this review are confidential. The final report, along with soft and hard copies of all associated working papers will not be distributed to any party other than the Council, Corporate Executive and Management of City of Salisbury.



## Legislative Compliance Checklist

## 10. Legislative Compliance Checklist

<i>Serial #</i>	<i>Legislation Area</i>	<i>Legislation</i>	<i>Sub-section</i>	<i>Compliance Requirement - as per Legislation (sub-section)</i>	<i>Test for Compliance</i>
1	Council Composition & Wards	LG Act 1999	12(4)	Did the Council ensure that all aspects of its composition are reviewed at least once in the relevant period (Local Government (General) Regulations 2013, Reg 4)?	Full compliance
2	Contracts and Transactions	LG Act 1999	37	Are all contracts signed on behalf of the City executed in one of the following ways? a) Contracts are entered into either under the common seal of the Council or b) by an officer, employee or agent authorised by the Council to enter into the contract on its behalf	Full compliance
3	The Common Seal	LG Act 1999	38(1)	City ensures that Common seal is not affixed to a document except to give effect to a resolution of the Council? (ie. where it is used, there is a corresponding Council resolution)	Full compliance
4	The Common Seal	LG Act 1999	38(2)	Affixation of the common seal is attested to by the principal member (Mayor) and the Chief Executive Officer	Full compliance
5	Council Committees	LG Act 1999	41(2)	Are all Council committees established by resolution of the Council within the purposes allowed by the Act?	Full compliance
6	Council Committees	LG Act 1999	41(3)	Membership of committees has been determined by the Council	Full compliance
7	Council Committees	LG Act 1999	41(4)	The Council has either appointed a presiding member for a committee or made provision of appointment	Full compliance
8	Council Committees	LG Act 1999	41(8)	Council has determined the reporting and other accountability requirements that are to apply in relation to the committee	Full compliance



## Legislative Compliance Checklist

9	Council Committees	LG Act 1999	41(9)	Committees performing regulatory activities report at least quarterly to the Council	Non compliance
10	Regional Subsidiary established by COS (100% shareholding)	LG Act 1999	42(1)	Council has established subsidiaries to provide a specified service(s), to manage or administer property/facilities/activities on behalf of council, or to perform a function of the council under this/another Act	N/A
11	Regional Subsidiary established by COS (100% shareholding)	LG Act 1999	42(2)	Subsidiaries established by the Council do not perform regulatory activities	N/A
12	Regional Subsidiary established by COS (100% shareholding)	LG Act 1999	42(3)	Ministerial approval has been obtained for the establishment of subsidiaries	N/A
13	Regional Subsidiary established by COS with other Councils Share	LG Act 1999	43(1)	Council has resolved to establish regional subsidiaries with at least one other Council to provide a specified service(s), carry out a specified activity or to perform a function of the councils under this/another Act	Full compliance
14	Regional Subsidiary established by COS with other Councils Share	LG Act 1999	43(2)	Ensure that the regional subsidiaries performing a regulatory activity do not perform any significant and related service activity (ie. Regulated under the regulatory activity).	Full compliance



## Legislative Compliance Checklist

15	Regional Subsidiary established by COS with other Councils Share	LG Act 1999	43(3)	Ministerial approval has been obtained for the establishment of regional subsidiaries	Full compliance
16	Delegations	LG Act 1999	44(2)	Delegations have only been made to a council committee, a subsidiary of the council, an employee of the council, the employee of the council for the time being occupying a particular office/position, or an authorised person	Full compliance
17	Delegations	LG Act 1999	44(3) & 44(3a)	Council has not delegated any of the powers under these sections	Full compliance
18	Delegations	LG Act 1999	44(6)	The council must cause a separate record to be kept of all delegations under this section. (a) The council may at any time, and must within 12 months after the conclusion of each periodic election, review the delegations for the time being in force under this section.	Full compliance
19	Delegations	LG Act 1999	44(7)	The record of delegations is available for inspection (without charge) at the principal office of the Council during normal business hours	Full compliance
20	Delegations	LG Act 1999	44(8)	A person is entitled on payment of a fee fixed by the Council to an extract from the record of delegations under s44(6)	Full compliance
21	Principal Office	LG Act 1999	45(1)	Council has nominated a place as its principal office for the purposes of this Act	Full compliance
22	Principal Office	LG Act 1999	45(2)	The principal office of the Council is open to the public for the transaction of business during hours determined by the Council	Full compliance
23	Principal Office	LG Act 1999	45(3)	Council has consulted with its local community about the manner, places and times at which its offices will be open to the public for the transaction of business, and about any significant changes to those arrangements	Full compliance



## Legislative Compliance Checklist

24	Interests in Companies	LG Act 1999	47(1)	Council has not participated in the formation of a company or acquired shares in a company except as allowed in s47(2)	Full compliance
25	Prudential Requirements	LG Act 1999	48(aa1)	Council has developed and maintained prudential management policies, practices and procedures in accordance with the section.	Full compliance
26	Prudential Requirements	LG Act 1999	48(a1)	The prudential management policies, practices and procedures are consistent with the regulations (no prescribed regulation)	Full compliance
27	Prudential Requirements	LG Act 1999	48(1) & 48(2)	Before engaging in any project, the council has given consideration to this section	Full compliance
28	Contracts and tenders policies	LG Act 1999	49(a1)	Council must develop and maintain procurement policies, practices and procedures in accordance with this section	Full compliance
29	Contracts and tenders policies	LG Act 1999	49(1)	Council must prepare and adopt policies on contracts and tenders in accordance with this section	Full compliance
30	Contracts and tenders policies	LG Act 1999	49(2)	The policies must cover the matters set out in this subsection	Full compliance
31	Contracts and tenders policies	LG Act 1999	49(4)	A policy of the Council under this section must be available for inspection at the principal office of the Council during ordinary office hours	Full compliance
32	Contracts and tenders policies	LG Act 1999	49(5)	A copy of a policy under this section must be available for purchase on payment of a fee fixed by the Council	Full compliance
33	Public consultation policies	LG Act 1999	50(1)	Council must prepare and adopt a public consultation policy	Full compliance
34	Public consultation policies	LG Act 1999	50(2)	The policy must cover the matters identified in subsections (2), (3), (4) and (5)	Full compliance
35	Public consultation policies	LG Act 1999	50(6)	Council has followed the steps in this subsection before adopting, altering or substituting its public consultation policy (unless Council determines the change is only of minor significance that would attract little (or no)	Full compliance



## Legislative Compliance Checklist

				community interest – s50(7))	
36	Public consultation policies	LG Act 1999	50(8)	A policy of the Council under this section must be available for inspection (without charge) at the principal office of the Council during ordinary office hours	Full compliance
37	Public consultation policies	LG Act 1999	50(9)	A copy of a policy under this section must be available for purchase on payment of a fee fixed by the Council	Full compliance
38	Principal member of council	LG Act 1999	51(3)	The deputy mayor (if any) has been appointed by resolution	Full compliance
39	Principal member of council	LG Act 1999	51(4)	The deputy mayor (if any) was chosen by the member of Council from amongst their own number and holds office for a term determined by the Council (not exceeding 4 years)	Full compliance
40	Declaration to be made by members of councils	LG Act 1999	60	Members have made an undertaking in the prescribed manner and form at or before the first meeting attended (Local Government (General) Regulations 2013, Reg 6)	Full compliance
41	Code of conduct for members	LG Act 1999	63	Council members must observe the code of conduct (Local Government (General) Regulations 2013, Reg 7)	Full compliance
42	Lodging of primary returns	LG Act 1999	65	Each member of the Council has submitted to the Chief Executive Officer a primary return within six weeks after election or appointment (Local Government (General) Regulations 2013, Regs 8 and 9(5))	Full compliance
43	Lodging of ordinary returns	LG Act 1999	66 & 67	Each member of Council has submitted to the Chief Executive Officer an ordinary return on or within 60 days after 30 June each year in accordance with Schedule 3. (Local Government (General) Regulations 2013, Reg 8)	Full compliance



## Legislative Compliance Checklist

44	Register of Interests	LG Act 1999	68(1)	The Chief Executive Officer maintains a Register of Interests and has caused to be entered in the Register all information furnished pursuant to this Division and Schedule 3	Full compliance
45	Inspection of Register	LG Act 1999	70(a1)	Council has published on the website the required details from the register as set out in this section	Full compliance
46	Inspection of Register	LG Act 1999	70(1)	The Register is available for inspection without charge at the principal office of the Council during ordinary office hours	Full compliance
47	Inspection of Register	LG Act 1999	70(2)	A copy of a Register under this section must be available for purchase for a fee fixed by the Council	Full compliance
48	Application of Division to members of committees and subsidiaries	LG Act 1999	72(1)	Council committee members submit returns if resolved by the Council	N/A
49	Dealing with material conflicts of interest	LG Act 1999	74(1), 75A & 75B	A council or committee member with a conflict of interest to be discussed at a meeting has informed the meeting of the conflict, and left the meeting room	Full compliance
50	Dealing with material conflicts of interest	LG Act 1999	74(5)	The Chief Executive Officer has recorded a member of council's disclosed conflict of interest in accordance with this section	Full compliance
51	Allowances	LG Act 1999	76(8) & 76(11)	Allowances commence on the conclusion of the relevant periodic election and conclude on certification of the last results of the next periodic election.	Full compliance
52	Allowances	LG Act 1999	76(9)	Allowances are adjusted on the first, second and third anniversaries of the relevant periodic elections	Full compliance
53	Allowances	LG Act 1999	76(12)	An allowance is paid in accordance with the regulations (no prescribed regulation)	Full compliance





## Legislative Compliance Checklist

54	Reimbursement of expenses	LG Act 1999	77(1)(b) & 77(2)	Council has approved, either specifically or under a policy approved by the Council to reimburse expenses of a kind prescribed by the regulations since the last periodic election (no prescribed regulation)	Full compliance
55	Reimbursement of expenses	LG Act 1999	77(3)	A policy of the Council under this section must be available for inspection at the principal office of the Council during ordinary office hours	Full compliance
56	Reimbursement of expenses	LG Act 1999	77(4)	A copy of a policy under this section must be available for purchase on payment of a fee fixed by the Council	Full compliance
57	Provision of facilities and support	LG Act 1999	78(2)	Council has specifically resolved the provision of facilities and support in accordance with this section	Full compliance
58	Register of allowances and benefits	LG Act 1999	79(1)	A register of allowances and benefits is kept by the Chief Executive Officer in accordance with this section	Full compliance
59	Register of allowances and benefits	LG Act 1999	79(2)	An appropriate record is made in the Register of the matters contained in this section	Full compliance
60	Register of allowances and benefits	LG Act 1999	79(3)	The Register under this section must be available for inspection at the principal office of the Council during ordinary office hours	Full compliance
61	Register of allowances and benefits	LG Act 1999	79(4)	An extract of the Register under this section must be available for purchase on payment of a fee fixed by the Council	Full compliance
62	Insurance of members	LG Act 1999	80	A council must take out a policy of insurance insuring every member of the council, and a spouse, domestic partner or another person who may be accompanying a member of the council, against risks associated with the performance or discharge of official functions or duties by members.	Full compliance
63	Training and	LG Act 1999	80A(1)	Council has prepared and adopted a training and development policy for	Full compliance



## Legislative Compliance Checklist

	development			its members	
64	Training and development	LG Act 1999	80A(2)	The policy is aimed at assisting members in the performance and discharge of their functions and duties and complies with any requirements prescribed by the regulations (Local Government (General) Regulations 2013, Reg 8AA)	Full compliance
65	Training and development	LG Act 1999	80A(4)	A policy of the Council under this section must be available for inspection at the principal office of the Council during ordinary office hours	Full compliance
66	Training and development	LG Act 1999	80A(5)	A copy of a policy under this section must be available for purchase on payment of a fee fixed by the Council	Full compliance
67	Frequency and timing of ordinary meetings	LG Act 1999	81(1)	Council has resolved the times and places for the holding of ordinary Council meetings	Full compliance
68	Frequency and timing of ordinary meetings	LG Act 1999	81(2)	The resolution provides for at least one ordinary meeting in each month	Full compliance
69	Frequency and timing of ordinary meetings	LG Act 1999	81(5)	Ordinary meetings are not held on Sundays, or on public holidays	Full compliance
70	Frequency and timing of ordinary meetings	LG Act 1999	81(6)	In relation to municipal councils, Ordinary meetings are not held before 5pm unless the Council resolves otherwise by a resolution supported unanimously by all members of the Council	Full compliance
71	Calling of special meetings	LG Act 1999	82(1)	The Chief Executive Officer has called a special meeting of the council in accordance with this section	Full compliance
72	Notice of ordinary or special meetings	LG Act 1999	83(1)	Each member of Council is given at least three clear days' notice of an ordinary meeting	Partial compliance



## Legislative Compliance Checklist

73	Notice of ordinary or special meetings	LG Act 1999	83(2)	In the case of a special meeting, Council members are given at least four hours' notice of the meeting	Full compliance
74	Notice of ordinary or special meetings	LG Act 1999	83(3)	Notice of a meeting of the Council complies with the requirements of this section	Full compliance
75	Notice of ordinary or special meetings	LG Act 1999	83(4)	The Chief Executive Officer provides an agenda to members with items that are described with reasonable particularity and accuracy, and supplies a copy of any documents or reports that are to be considered at the meeting (as far as this is practicable)	Full compliance
76	Notice of ordinary or special meetings	LG Act 1999	83(6)& (7)	Notice is given to Council members in accordance with this requirements of these sections	Full compliance
77	Notice of ordinary or special meetings	LG Act 1999	83(8)	The Chief Executive Officer maintains a record of all notices of meetings given under this section to members of the Council	Full compliance
78	Public notice of council meetings	LG Act 1999	84(1)	The Chief Executive Officer gives notice to the public of the times and places of meetings of the Council	Full compliance
79	Public notice of council meetings	LG Act 1999	84(1a)	The Chief Executive Officer gives notice in accordance with this subsection	Full compliance
80	Public notice of council meetings	LG Act 1999	84(2)	The notice is given at least three clear days before the date of the meeting for ordinary meetings, and as soon as practicable after the time that notice of the meeting is given to members in the case of special meetings	Full compliance
81	Public notice of council meetings	LG Act 1999	84(3)	A copy of a notice and agenda under this section must be available for purchase on payment of a fee fixed by the Council	Full compliance
82	Public notice of council meetings	LG Act 1999	84(4)	The notice and agenda are kept on public display and on the website until completion of the relevant meeting	Full compliance



## Legislative Compliance Checklist

83	Public notice of council meetings	LG Act 1999	84(5)& (6)	The Chief Executive Officer ensures that a reasonable number of copies of any document or report supplied to members of the Council for consideration at a meeting of the Council are available for inspection by members of the public in accordance with this section	Full compliance
84	Procedure at meetings	LG Act 1999	86	Members of a council have acted in accordance with the procedures for meetings established by this section	Full compliance
85	Calling and timing of committee meetings	LG Act 1999	87(1)	Ordinary meetings of Council committees are held at times and places appointed by the Council or, subject to a decision of the Council, the Council committee	Full compliance
86	Calling and timing of committee meetings	LG Act 1999	87(2)	The Council or committee has taken into account the matters in this subsection when appointing a time for the holding of an ordinary meeting of a committee	Full compliance
87	Calling and timing of committee meetings	LG Act 1999	87(4)	Notice is given to each member of a Council committee of an ordinary meeting at least three clear days before the date of the meeting	Partially Compliant
88	Calling and timing of committee meetings	LG Act 1999	87(7)	Notice is given to each member of a Council committee of a special meeting at least four hours before the commencement of the meeting	Full compliance
89	Calling and timing of committee meetings	LG Act 1999	87(8)	Notice of a committee meeting meets the requirements of this section	Full compliance
90	Calling and timing of committee meetings	LG Act 1999	87(9)	The Chief Executive Officer provides an agenda to members of a Council committee with items that are described with reasonable particularity and accuracy, and supplies a copy of any documents or reports that are to be considered at the meeting (as far as this is practicable)	Full compliance
91	Calling and timing of committee	LG Act 1999	87(11)& (12)	Notice is given to members of a Council committee in accordance with this requirements of these subsections	Full compliance



## Legislative Compliance Checklist

	meetings				
92	Calling and timing of committee meetings	LG Act 1999	87(13)	The Chief Executive Officer maintains a record of all notices of meetings given under this section	Full compliance
93	Public notice of committee meetings	LG Act 1999	88(1)	The Chief Executive Officer gives notice to the public of the times and places of meetings of a Council committee	Full compliance
94	Public notice of committee meetings	LG Act 1999	88(1a)&(2)	The Chief Executive Officer gives notice in accordance with these subsections	Full compliance
95	Public notice of committee meetings	LG Act 1999	88(3)	A copy of a notice and agenda under this section must be available for purchase on payment of a fee fixed by the Council	Full compliance
96	Public notice of committee meetings	LG Act 1999	88(4)	The notice and agenda are kept on public display and on the website until completion of the relevant meeting	Full compliance
97	Public notice of committee meetings	LG Act 1999	88(5)&(6)	The Chief Executive Officer ensures that a reasonable number of copies of any document or report supplied to members of the Council for consideration at a meeting of the Council are available for inspection by members of the public in accordance with these subsections	Full compliance
98	Proceedings of council committees	LG Act 1999	89(1)	The procedure of a council committee meeting is as prescribed by legislation, as determined by the council, or as determined by the council committee itself.	Full compliance
99	Meetings to be held in public except in special circumstances	LG Act 1999	90(1)	Subject to this section, meetings of a Council or Council committee are conducted in a place open to the public	Full compliance



## Legislative Compliance Checklist

100	Meetings to be held in public except in special circumstances	LG Act 1999	90(2),(3), (4) & (5)	A Council or Council committee meeting excluding the public is held in accordance with these subsections	Full compliance
101	Meetings to be held in public except in special circumstances	LG Act 1999	90(7)	If an order is made under s90(2), a note is made in the minutes of the making of the order and the grounds on which it is made; the basis on which the order falls within each ground; and, if relevant, the reason why the dealing with the matter in the open is not in the public interest	Full compliance
102	Meetings to be held in public except in special circumstances	LG Act 1999	90(8a) (a) & (b)	Council has adopted a policy on the holding of informal gatherings and the informal gatherings held comply with the policy.	Full compliance
103	Meetings to be held in public except in special circumstances	LG Act 1999	90(8b)	The policy made under s90(8a) complies with the regulations (Local Government (General) Regulations 2013, Reg 8AB)	Full compliance
104	Meetings to be held in public except in special circumstances	LG Act 1999	90(8d)	The policy made under s90(8a) is available for inspection without charge at the principal office and on the council website	Full compliance
105	Minutes and release of documents	LG Act 1999	91(1)& (2)	Minutes are kept of the proceedings at every meeting of the Council or a Council committee and, where relevant, contain the information specified under sections 74 and 75A	Full compliance
106	Minutes and release of documents	LG Act 1999	91(3)	Each member of the Council is provided with a copy of all minutes of the proceedings of the meeting kept under this section within five days after the meeting of Council or a Council committee	Full compliance



## Legislative Compliance Checklist

115	Access to meetings and documents—code of practice	LG Act 1999	92(4)	Council's code of practice includes any mandatory requirements prescribed by the regulations (Local Government (Procedures at Meetings) Regulations 2013, Reg 6 - Discretionary Procedures)	Full compliance
116	Access to meetings and documents—code of practice	LG Act 1999	92(5)	Council has complied with the requirements of this subsection before it has adopted, altered or substituted its code of practice and has made a copy of the code available on the website.	Full compliance
117	Access to meetings and documents—code of practice	LG Act 1999	92(6)	A code of practice of the Council under this section must be available for inspection (without charge) at the principal office of the Council during ordinary office hours	Full compliance
118	Access to meetings and documents—code of practice	LG Act 1999	92(7)	A copy of a code of practice under this section must be available for purchase on payment of a fee fixed by the Council	Full compliance
119	Meetings of electors	LG Act 1999	93(2)	The Chief Executive Officer has given notice of the time and place of a meeting of electors convened under this section at least 14 days (and not more than 28 days) before the date of the meeting	N/A
120	Meeting information on website	LG Act 1999	94A	The Chief Executive Officer has made available (so far as is reasonably practicable) for inspection on the internet, an up-to-date schedule of the dates, times and places set for meetings of the Council and Council committees	Full compliance
121	Council to have a chief executive officer	LG Act 1999	96(1)	Council has a Chief Executive Officer	Full compliance
122	Appointment	LG Act 1999	98(1) & (2)	The Council has appointed a person to act in the position of Chief	Full compliance



## Legislative Compliance Checklist

	procedures			Executive Officer if the position is vacant and until the vacancy is filled	
123	Role of chief executive officer	LG Act 1999	99(2)	The Chief Executive Officer has consulted with the council when changing the council's organisational structure or the processes, terms or conditions of senior executive officers.	Full compliance
124	Register of remuneration, salaries and benefits	LG Act 1999	105(1)&(2)&(5)	The Register of Salaries is kept by the Chief Executive Officer in accordance with these sections	Full compliance
125	Register of remuneration, salaries and benefits	LG Act 1999	105(3)	The Register under this section is be available for inspection at the principal office of the Council during ordinary office hours	Full compliance
126	Register of remuneration, salaries and benefits	LG Act 1999	105(4)	An extract from the Register under this section is available for purchase on payment of a fee fixed by the Council	Full compliance
127	Code of conduct for employees	LG Act 1999	110(4)	Council employees must observe the code of conduct (Local Government (General) Regulations 2013, Reg 8A)	Full compliance
128	Application of Division, Conduct of Employees	LG Act 1999	111(b)	Council has resolved whether any other officers or class of officers of Council are subject to the requirements of Chapter 7, Part 4, Division 2	Non compliance
129	Lodging of Primary & Ordinary Returns	LG Act 1999	113, 114 & 115(1)	The Chief Executive Officer and officers or class of officers under section 111(b) have lodged a primary and ordinary return in accordance with these sections	Full compliance
130	Register of Interests	LG Act 1999	116(1)	The Register of Interests is maintained and includes all information furnished pursuant to this Division	Full compliance





## Legislative Compliance Checklist

131	Register of Interests	LG Act 1999	116(2)	Where a person has not provided a return in the time allowed, the Chief Executive Officer has notified any person, in writing, of that fact as soon as practicable	Full compliance
132	Inspection of Register	LG Act 1999	118	The Register must be available for inspection at the request of a member of Council	Full compliance
133	Strategic management plans	LG Act 1999	122(1), (1b),(2), (3)	Council has developed and adopted strategic management plans in accordance with these subsections, including having financial projections in the long term financial plan consistent with those in the infrastructure and asset management plan	Full compliance
134	Strategic management plans	LG Act 1999	122(1a)	The Council has developed and adopted a long term financial plan for a period of at least 10 years and an infrastructure and asset management plan for a period of at least 10 years	Full compliance
135	Strategic management plans	LG Act 1999	122(1b)	The Council's long-term financial plan is consistent with the Council's infrastructure and asset management plan	Full compliance
136	Strategic management plans	LG Act 1999	122(4), (4a)	Council has undertaken a review of its strategic management plans in accordance with the requirements of these subsections	Full compliance
137	Strategic management plans	LG Act 1999	122(6)	Council has adopted a process or processes to ensure members of the public are given a reasonable opportunity to be involved in the development and review of its strategic management plans	Full compliance
138	Strategic management plans	LG Act 1999	122(7)	The strategic management plans under this section are available for inspection (without charge) and purchase (fixed fee determined by the council) at the principal office of the Council during ordinary office hours	Full compliance
139	Strategic management plans	LG Act 1999	122(8)	Council has specifically declared which plans constitute the strategic management plans of the Council	Full compliance



## Legislative Compliance Checklist

140	Annual business plans and budgets	LG Act 1999	123(1)	Council has, for each financial year, an annual business plan and a budget	Full compliance
141	Annual business plans and budgets	LG Act 1999	123(2)	Council's annual business plan meets the requirements of this subsection (Local Government (Financial Management) Regulations 2011, Reg 6)	Full compliance
142	Annual business plans and budgets	LG Act 1999	123(3)&(4)	Before adoption of the annual business plan, Council prepared a draft annual business plan and followed the steps of its public consultation policy and subsection (4)	Full compliance
143	Annual business plans and budgets	LG Act 1999	123(5)	Copies of the draft annual business plan are available at the meeting and for inspection and purchase at the principal office of the Council at least 21 days before the date of that meeting, and a copy of the draft is placed on the website	Full compliance
144	Annual business plans and budgets	LG Act 1999	123(5a)	Provision is made for the asking and answering of questions and the receipt of submissions on the Council website during the public consultation period	Full compliance
145	Annual business plans and budgets	LG Act 1999	123(6)	Council has adopted the annual business plan after considering the matters in this subsection	Full compliance
146	Annual business plans and budgets	LG Act 1999	123(7)	The budget has been considered in conjunction with the Council's annual business plan, is consistent with that plan is adopted after adoption of the annual business plan	Full compliance
147	Annual business plans and budgets	LG Act 1999	123(8)	The annual business plan and budget is adopted after 31 May and before 31 August	Full compliance
148	Annual business plans and budgets	LG Act 1999	123(9), (11)	After adoption of the annual business plan and budget, a summary has been prepared and is available in accordance with these subsections, and a copy of the annual business plan and the budget (as adopted) is available on the website	Full compliance
149	Annual business plans and budgets	LG Act 1999	123(10)	The preparation, form and content of the annual business plan, summary and budget meet the requirements of the regulations (Local Government	Full compliance



## Legislative Compliance Checklist

(Financial Management) Regulations 2011, Regs 6 and 7)					
150	Annual business plans and budgets	LG Act 1999	123(13)	Council has reconsidered the annual business plan or budget as required by the regulations (no prescribed regulation)	Full compliance
151	Accounting records to be kept	LG Act 1999	124(1)	Accounting records are kept in accordance with this section	Full compliance
152	Accounting records to be kept	LG Act 1999	124(2)	Council has determined the form and places for the keeping of accounting records	Full compliance
153	Internal control policies	LG Act 1999	125	Council has implemented and maintained appropriate policies, practices and procedures of internal control in accordance with this section	Full compliance
154	Audit committee	LG Act 1999	126(1)	Council has an audit committee	Full compliance
155	Audit committee	LG Act 1999	126(2)	Membership of Council's audit committee complies with the requirements of this subsection	Full compliance
156	Financial statements	LG Act 1999	127(1), (2)	Council has prepared for each financial year financial and other statements required by these subsections and the regulations (Local Government (Financial Management) Regulations 2011, Reg 15)	Full compliance
157	Financial statements	LG Act 1999	127(3)	The statements prepared for each financial year must be audited by the Council's auditor	Full compliance
158	Financial statements	LG Act 1999	127(4)	A copy of the audited statements have been submitted by the Council to the persons or bodies prescribed by the regulations on or before the day prescribed (Local Government (Financial Management) Regulations 2011, Reg 16)	Full compliance
159	Financial statements	LG Act 1999	127(5)	The audited statements are available for inspection (without charge) and purchase (fee fixed by the council) at the principal office of the Council during ordinary office hours	Full compliance
160	The auditor	LG Act 1999	128(1)	Council has appointed an auditor	Full compliance



## Legislative Compliance Checklist

161	The auditor	LG Act 1999	128(2)	Council's auditor has been appointed on the recommendation of the Council's audit committee	Full compliance
162	The auditor	LG Act 1999	128(2a)	The audit committee has taken into account the matters in the regulations when making a recommendation for appointment (Local Government (Financial Management) Regulations 2011, Reg 17)	Full compliance
163	The auditor	LG Act 1999	128(3)	The auditor is a registered company auditor or a firm comprising at least one registered company auditor	Full compliance
164	The auditor	LG Act 1999	128(4)	The auditor is not a member of Council or a nominated candidate for election as a member of Council	Full compliance
165	The auditor	LG Act 1999	128(4a)	The term of appointment of the auditor does not exceed 5 years	Full compliance
166	The auditor	LG Act 1999	128(6)	The auditor is not disqualified from holding office due to the conditions under this subsection	Full compliance
167	The auditor	LG Act 1999	128(7)	The appointment of the auditor is subject to the terms and conditions prescribed in the regulations (Local Government (Financial Management) Regulations 2011, Reg 22(1))	Full compliance
168	The auditor	LG Act 1999	128(8)	The Council and Council's auditor are compliant with the requirements prescribed in the regulations regarding the auditor's independence (Local Government (Financial Management) Regulations 2011, Reg 22)	Full compliance
169	The auditor	LG Act 1999	128(9)	Council's annual report contains the information required by this subsection	Full compliance
170	Conduct of audit	LG Act 1999	129(1)	Council's audit includes the matters contained in this subsection	Full compliance
171	Conduct of audit	LG Act 1999	129(2)	Council's audit has been carried out in accordance with the standards prescribed by the regulations (Local Government (Financial Management) Regulations 2011, Reg 19)	Full compliance
172	Conduct of audit	LG Act 1999	129(3), (4), (5)	The auditor has provided to the Council an audit opinion in accordance with these subsections	Full compliance
173	Conduct of audit	LG Act 1999	129(5a)	The audit opinions and advice are provided to members of the Council and	Full compliance



## Legislative Compliance Checklist

				the audit committee in accordance with this subsection	
174	Conduct of audit	LG Act 1999	129(5b), (5c)	The audit opinion and advice are placed on the agenda for consideration in accordance with these subsections	Full compliance
175	Conduct of audit	LG Act 1999	129(9)	The opinions provided under s129(3) accompany the financial statements of the Council	Full compliance
176	Annual report to be prepared and adopted	LG Act 1999	131(1)	Council has prepared and adopted an annual report relating to the operations of the Council for the financial year ending on the preceding 30 June by 30 November	Full compliance
177	Annual report to be prepared and adopted	LG Act 1999	131(2)	The annual report includes the material and matters specified in Schedule 4 as amended by regulation (no prescribed regulation)	Full compliance
178	Annual report to be prepared and adopted	LG Act 1999	131(3)	The annual report complies with the regulations (no prescribed regulation)	Full compliance
179	Annual report to be prepared and adopted	LG Act 1999	131(4)	The annual report has been provided to each member of the Council	Full compliance
180	Annual report to be prepared and adopted	LG Act 1999	131(5)	The annual report has been submitted in accordance with the subsection (Local Government (General) Regulations 2013, Reg 10)	Full compliance
181	Annual report to be prepared and adopted	LG Act 1999	131(8)	Copies of the annual report are available for inspection (without charge) and purchase (fee fixed by the council) at the principal office of the Council during ordinary office hours	Full compliance
182	Access to documents	LG Act 1999	132(1),(2)	The documents referred to in Schedule 5 are available for inspection and purchase at the principal office of the Council during ordinary office hours	Full compliance
183	Access to documents	LG Act 1999	132(3)	The documents required by this subsection are available for inspection on the website within a reasonable time after they are available at the	Full compliance



## Legislative Compliance Checklist

				principal office of the Council	
184	Related administrative standards	LG Act 1999	132A	Council has implemented and maintained appropriate policies, practices and procedures to ensure compliance with any statutory requirements and to achieve and maintain standards of good public administration	Full compliance
185	Borrowing and related financial arrangements	LG Act 1999	134(3) & (4)	The Council has obtained and considered independent and impartial advice about proposed financial arrangements before entering into financial arrangements for the purpose of managing, hedging or protecting against movements in interest rates or other costs of borrowing money	Full compliance
186	Investment powers	LG Act 1999	139(2)(a)	The Council has exercised the care, diligence and skill of a prudent person of business in exercising its power of investment	Full compliance
187	Review of investments	LG Act 1999	140	Council, at least once in every year, reviews the performance (individually and as a whole) of its investments	Full compliance
188	Duty to insure against liability	LG Act 1999	142(1)	Council has taken out and maintained insurance to cover its civil liabilities at least to the extent prescribed by regulation (Local Government (Financial Management) Regulations 2011, Reg 24)	Full compliance
189	Writing off bad debts	LG Act 1999	143(2)	Bad debts are not written off unless the Chief Executive Officer has made the certification required under this subsection	Full compliance
190	Writing off bad debts	LG Act 1999	143(3)	The delegation to write off debts include an amount above which the delegation will not apply	Full compliance
191	Basis of rating	LG Act 1999	151(5)	Before changing the basis of the rating/value of any land or imposing rates on land, the Council has prepared a report on the proposed change and followed the relevant steps set out in the public consultation policy	Full compliance
192	Declaration of general rate (including differential general rates)	LG Act 1999	153(2), (3) & (5)	Before declaring general rates, the Council has considered issues of consistency and comparability across Council areas and the implication of rates on businesses and the community	Full compliance



## Legislative Compliance Checklist

193	Notice of differentiating factors	LG Act 1999	157	If the Council has declared differential rates, the council has specified the differentiating/combination factor/s in each rates notice	Full compliance
194	Preliminary	LG Act 1999	159(3)	The Council has granted a rebate of rates in accordance with Part 1 Division 5	Full compliance
195	Valuation of land for the purposes of rating	LG Act 1999	167(1)	The Council has not declared a rate for a particular financial year before adopting the valuations that are to apply to land within its area for rating purposes	Full compliance
196	Notice of declaration of rates	LG Act 1999	170	Notice of the declaration of a rate or service charge has been published in the Gazette and in a local newspaper within 21 days after the date of declaration	Full compliance
197	Chief executive officer to keep assessment record	LG Act 1999	172(1)	The Assessment Record is kept by the Chief Executive Officer in accordance with this subsection	Full compliance
198	Chief executive officer to keep assessment record	LG Act 1999	172(2)	The Chief Executive Officer has determined the manner and form for an occupier of land to make an application under this subsection	Full compliance
199	Chief executive officer to keep assessment record	LG Act 1999	172(3)	The Chief Executive Officer has entered occupier's names in the assessment record where an application has been made	Full compliance
200	Chief executive officer to keep assessment record	LG Act 1999	172(4), (5)	Suppression of names and addresses from the assessment record have been done in accordance with these subsections	Full compliance



## Legislative Compliance Checklist

201	Alterations to assessment record	LG Act 1999	173(2)	The Chief Executive Officer has determined the manner and form for application to alter the assessment record	Full compliance
202	Alterations to assessment record	LG Act 1999	173(5)	The Council has determined a procedure for the review of decisions under this section	Full compliance
203	Inspection of assessment record	LG Act 1999	174(1)	The assessment record is available for inspection at the principal office of the Council during ordinary office hours	Full compliance
204	Inspection of assessment record	LG Act 1999	174(2)	A copy of an entry made in the assessment record is available on payment of a fee fixed by the Council	Full compliance
205	Inspection of assessment record	LG Act 1999	174(3)	A person who inspects the record is advised that the information contained in the record must not be used for a commercial purpose	Full compliance
206	Service of rate notice	LG Act 1999	180(1)	After the declaration of a rate, the imposition of a service charge, or a change in the rates liability of land, the Council has sent a rates notice to the owner or occupier of the relevant land	Full compliance
207	Service of rate notice	LG Act 1999	180(2) & 181(5)	The Council's rates notice sets out the amount of the instalment and the date on which the instalment is due (or information prescribed by the regulations if payment is to be postponed) (Local Government (General) Regulations 2013, Reg 17)	Full compliance
208	Sale of land for non-payment of rates	LG Act 1999	184(2), (3) & (4)	Before selling land for non-payment of rates, the council has sent a notice to the principal ratepayer in accordance with this section's provisions	Full compliance





## Legislative Compliance Checklist

209	Certificate of liabilities	LG Act 1999	187(1)	On application by/on behalf of a person with interest in land, the Council has issued a certificate stating the amount of any liability for rates or charges on the land, and any amount received on account of rates or charges on the land that is held in credit against future liabilities for rates or charges	Full compliance
210	Fees and charges	LG Act 1999	188(6)	The Council keeps a list of fees and charges imposed under this section on public display at the principal office of the Council	Full compliance
211	Classification	LG Act 1999	193(2)	Before resolving to exclude land from classification as community land, the Council has followed the relevant steps set out in its public consultation policy	Full compliance
212	Management plans	LG Act 1999	196(1), (7)	Council has prepared and adopted management plans for its community land where required by these subsections	Full compliance
213	Management plans	LG Act 1999	196(3), (5)	The Council's management plans meet the requirements of these subsections	Full compliance
214	Public consultation on proposed management plan	LG Act 1999	197(1)	Before adopting a management plan for community land, the Council has made copies of the proposed plan available for inspection or purchase, and has followed the relevant steps set out in its public consultation policy	Full compliance
215	Effect of management plan	LG Act 1999	199	Community land is managed in accordance with any management plan for the relevant land	Full compliance
216	Use of community land for business purposes	LG Act 1999	200(2)	Council has not approved the use of community land for a business purpose contrary to a management plan	Full compliance
217	Alienation of community land by lease or licence	LG Act 1999	202(4)	Leases and licences over community land have not been granted for a term exceeding 42 years	Full compliance
218	Alienation of	LG Act 1999	202(6)	Leases and licences are consistent with any relevant management plan	Full compliance



## Legislative Compliance Checklist

	community land by lease or licence				
219	Register	LG Act 1999	207(1)	Council has a register of all community land in its area	Full compliance
220	Register	LG Act 1999	207(2)	The register contains the information set out in this subsection	Full compliance
221	Register	LG Act 1999	207(3)	The register is available for inspection (without charge) by the public at the principal office of the Council during ordinary office hours	Full compliance
222	Register	LG Act 1999	207(4)	An extract of the register is available for purchase on payment of a fee fixed by the Council	Full compliance
223	Ownership of public roads	LG Act 1999	208(4)	The Council has published a copy of a resolution declaring a road or land to be a public road in the Gazette	Full compliance
224	Conversion of private road to public road	LG Act 1999	210(2)	At least three months before declaring that a private road is a public road, the Council has acted in accordance with this section	Full compliance
225	Special provisions for certain kinds of roadwork	LG Act 1999	215(1)	The Council has acted in accordance with this section when changing the level of a road	N/A
226	Power to assign a name, or change the name, of a road or public place	LG Act 1999	219(1a) & (4)	The Council has assigned a name to a public road created after land division, and given public notice	Full compliance
227	Power to assign a name, or change the name, of a road or public place	LG Act 1999	219(2)&(3)	If the council proposes to change the name of a public road running into the area of an adjoining Council, the Council has given two months' notice of the proposed change, considered representations made by the adjoining council and immediately notified the Registrar-General, Surveyor-General and the Valuer-General of the assignment of a name or name change	Full compliance



## Legislative Compliance Checklist

228	Power to assign a name, or change the name, of a road or public place	LG Act 1999	219(5)&(7)	Council has prepared and adopted a policy relating to the assigning of names under this section and a notice of the adoption or alteration to the policy has been published on the website	Full compliance
229	Numbering of premises and allotments	LG Act 1999	220(1a) &(1b)	The Council has assigned a number to all buildings or allotments adjoining public roads created by land division within 30 days after the issue of certificate of title	Full compliance
230	Public consultation	LG Act 1999	223(1) &(2)	Before granting the authorisation or permit to use a public road for business purposes, the Council has followed the public consultation policy and given written notices to agencies prescribed by the regulations (Local Government (General) Regulations 2013, Reg 25)	Full compliance
231	Cancellation of authorisation or permit	LG Act 1999	225(2)(a)	Before cancelling an authorisation or permit to alter public road the council has given written notice to the holder of the authorisation or permit and consider any representations made in response to the notice	Full compliance
232	Register	LG Act 1999	231(1)	Council has a register of public roads in its area	Full compliance
233	Register	LG Act 1999	231(2)	The register contains the information required by this subsection	Partial compliance
		LG (General) Regulation 2013	26		
234	Register	LG Act 1999	231(3)	The register is available for inspection (without charge) by the public at the principal office of the Council during ordinary office hours	Full compliance
235	Register	LG Act 1999	231(4)	An extract of the register is available for purchase on payment of a fee fixed by the Council	Full compliance
236	Prohibition of traffic or closure of streets or roads	LG Act 1999	234A(1), (3) & (6)	Council's decisions to close a road have been made by an absolute majority of the council; resolutions only operate to close the road for 30 days or less in a year; and the resolution did not take effect before it had met the	Full compliance



## Legislative Compliance Checklist

				procedures set out in subsection (6).	
237	Power to make by-laws	LG Act 1999	246	By-laws made by the Council comply with this section	Full compliance
238	Register of by-laws and certified copies	LG Act 1999	252(1)	Council has a register of all by-laws made or adopted by the Council	Full compliance
239	Register of by-laws and certified copies	LG Act 1999	252(2)	The register includes copy of any code, standard or other document referred to or incorporated in a by-law.	Full compliance
240	Register of by-laws and certified copies	LG Act 1999	252(3)	The register is available for inspection (without charge) by the public at the principal office of the Council during ordinary office hours	Full compliance
241	Register of by-laws and certified copies	LG Act 1999	252(4)	An extract of the register is available for purchase on payment of a fee fixed by the Council	Full compliance
242	Councils to develop policies	LG Act 1999	259(1)	Council has taken reasonable steps to prepare and adopt policies concerning the operation of Chapter 12, Part 2	Full compliance
243	Councils to develop policies	LG Act 1999	259(6)	The policy is available for inspection (without charge) by the public at the principal office of the Council during ordinary office hours	Full compliance
244	Councils to develop policies	LG Act 1999	259(7)	The policy is available for purchase on payment of a fee fixed by the Council	Full compliance
245	Appointment of authorised persons	LG Act 1999	260(3)	Council has issued identity cards to all authorised persons in accordance with this subsection	Full compliance



## Legislative Compliance Checklist

246	Procedures for review of decisions and requests for services	LG Act 1999	270(a1), (a2), (1), (2), (4a)	Council has developed and maintained policies, practices and procedures as required by these subsections	Full compliance
247	Procedures for review of decisions and requests for services	LG Act 1999	270(5)	A document concerning the policies, practices and procedures is available for inspection (without charge) and purchase (fee fixed by the council) by the public at the principal office of the Council during ordinary office hours	Full compliance
248	Procedures for review of decisions and requests for services	LG Act 1999	270(8)	Council considers a report on an annual basis in accordance with this subsection	Full compliance
249	Public health emergency	LG Act 1999	302B	Council has a member of staff designated as a responsible officer in accordance with this section	N/A
250	Member's declaration	LG (General) Regulations 2013	6	A member has made an undertaking for the purposes of section 60 of the Act under Form 2 and before a Justice of the Peace	Full compliance
251	Register of interests—members	LG (General) Regulations 2013	8(1)	Members have made a primary return pursuant to Form 3	Full compliance
252	Register of interests—members	LG (General) Regulations 2013	8(2)	Members have made an ordinary return pursuant to Form 4	Full compliance
253	Training and development	LG (General) Regulations 2013	8AA	Council has ensured its training and development policy provides that members must undertake regular training in accordance with its policy and	Full compliance



## Legislative Compliance Checklist

				complies with LGA training standards	
254	Informal gatherings and discussions	LG (General) Regulations 2013	8AB	Council's policy on the holding of informal gatherings or discussions complies with this regulation	Full compliance
255	Register of interests—officers	LG (General) Regulations 2013	9(5)	CEO/Prescribed Officers have submitted a primary return pursuant to Form 5	Full compliance
256	Annual reports	LG (General) Regulations 2013	10	The annual report is submitted by 31 December in the financial year immediately following the end of the financial year to which the annual report relates	Full compliance
257	Annual reports	LG (General) Regulations 2013	35(b)	The annual report contains the information required by this regulation	Full compliance
258	Annual Business Plans	LG (Financial Management) Regulations 2011	6	Council's Annual Business Plan complies with this regulation	Full compliance
259	Budgets	LG (Financial Management) Regulations 2011	7	Council's budgets comply with this regulation	Full compliance
260	Review of Budgets	LG (Financial Management) Regulations 2011	9(1), (2)	Council has considered financial reports in accordance with this regulation	Full compliance
261	Report on Financial Results	LG (Financial Management) Regulations 2011	10(1), (2)	Council has considered a report showing the audited financial results in accordance with this regulation	Full compliance
262	Certification of Financial Statements	LG (Financial Management) Regulations 2011	14	Council's financial statements have been certified in accordance with this regulation	Full compliance



## Legislative Compliance Checklist

263	Prescribed Day	LG (Financial Management) Regulations 2011	15	Financial statements are prepared by the second Friday in September in the financial year immediately following the end of the relevant financial year	Full compliance
264	Provision of Information	LG (Financial Management) Regulations 2011	16(1)	Council has submitted a copy of the audited financial statements for the immediately preceding financial year on or before 30 November	Full compliance
265	Membership of Audit Committee	LG (Financial Management) Regulations 2011	17(1) & (2)	The Council's audit Committee is comprised in accordance with this regulation	Full compliance
266	Reporting of Subsidiaries	LG (Financial Management) Regulations 2011	21(1)	The subsidiary's auditor has audited the financial statements of a subsidiary	Full compliance
267	Reporting of Subsidiaries	LG (Financial Management) Regulations 2011	21(4)	The Chief Executive Officer has laid any audited financial statements of a subsidiary before the council in accordance with this regulation	Partial compliance
268	Independence of Council Auditor	LG (Financial Management) Regulations 2011	22(3), (4)	The relevant persons have provided an annual statement that provides a certification in accordance with this regulation	Full compliance
269	Discretionary procedures	LG (Procedures at Meetings) Regulations 2013	6(1)	Council has adopted a code of practice for varied meeting procedures that has been passed by a two-thirds majority	Full compliance
270	Discretionary procedures	LG (Procedures at Meetings) Regulations 2013	6(2)	Council has reviewed its code of practice at least once in the financial year	Non compliance
271	Discretionary procedures	LG (Procedures at Meetings) Regulations 2013	6(5)	The code of practice is available for inspection without charge at the principal office of the Council during ordinary business hours	Full compliance



## Legislative Compliance Checklist

272	Discretionary procedures	LG (Procedures at Meetings)	6(6)	The code of practice is available to purchase for a fee from the Council	Full compliance
273	Motion s	LG (Procedures at Meetings) Regulations 2013	12(20)	The Chief Executive Officer provided a report to the Council on each question that has lapsed at the first ordinary meeting of the Council after the general election	Full compliance
274	Higher principles— Overarching Statement	Code of Conduct for Council Members	1	Council has provided training and education opportunities to assist Members to meet their responsibilities under the Local Government Act	Full compliance
275	Behavioural Code	Code of Conduct for Council Members	2	Council has adopted a process for the handling of breaches of Part 2	Full compliance
276	Behavioural Code	Code of Conduct for Council Members	2	The process has been reviewed within 12 months of a general local government election	Full compliance
277	Behavioural Code	Code of Conduct for Council Members	2.18	Complaints about behaviour alleged to have breached the Behavioural Code should be brought to the attention of the Principal Member or Chief Executive Officer of the Council, or nominated delegate/s.	Full compliance
278	Gifts and Benefits	Code of Conduct for Council Members	3.10	A gifts and benefits register is maintained and updated quarterly by the Chief Executive Officer	Full compliance
279	Gifts and Benefits	Code of Conduct for Council Members	3.10	The register is available for inspection at the principal office of the Council and on the Council website	Full compliance
280	Campaign donation returns	Code of Conduct for Council Members	3.12	Following each election an accurate campaign donation return is provided to the Chief Executive Officer of the Council as required by legislation	Full compliance
281	Gifts and Benefits	Code of Conduct for	3.1	A gifts and benefits register is maintained and updated quarterly by the	Full compliance





Legislative Compliance Checklist

		Council Employees		Chief Executive Officer	
282	Gifts and Benefits	Code of Conduct for Council Employees	3.10	The register is available for inspection at the principal office of the Council and on the Council website	Full compliance
283	Register of allowances and benefits	LG (Members Allowances and Benefits)	7	Register of Allowances and Benefits for Members maintained for section 77(1)(b), 79(1)(b)(c), and 79(2)(b) expenses	Full compliance
284	Expenses requiring council approval	Regulations 2010 LG (Members Allowances and Benefits)	6	Council approval exists for prescribed reimbursement expenses in 77(1)(b)	Full compliance
285	Publication of information concerning agencies	Regulations 2010 FOI Act 1991	9(1)(a)	An agency (other than a State Government agency) must, at intervals of not more than 12 months, cause an up-to-date information statement to be published in a manner prescribed by regulation.	Full compliance
286	Publication of information concerning agencies	FOI Act 1991	9(3)	The FOI Information Statement— (a) must identify each of the agency's policy documents; and (c) must specify the designation of the officer or officers to whom inquiries concerning the procedures for inspecting and purchasing the agency's policy documents should be made; and (d) must specify the address or addresses at which, and the times during which, the agency's policy documents may be inspected and purchased.	Full compliance
287	Provision of information to Minister	FOI Act 1991	54AA	Did the City provide to the Minister by the 10th of each month, (a) the required information related to FOI applications received for the previous month. (b) the number of contracts containing approved confidentiality clauses entered into during the previous month, as required under clause 13 (6) of Schedule 1 of the FOI Act	Full compliance



## Legislative Compliance Checklist

288	Negotiation of Enterprise Agreement	Fair Work Act 1994	76	Has the employer fulfilled the obligations under 76, as per sub-section: (1) - provide 14 days' notice to relevant employees; (2) inform employee of their right to representation; and (3) inform the registered organisations where employee is a member of (if known)?	Full compliance
289	Records to be kept	Fair Work Act 1994	102(1)	Has the employer met the recordkeeping obligations for all employees: (a) Name and address; (b) record of time (beginning & end, and breaks, and dates of Pay. (c) record of leave (annual leave, sick leave, parental leave and long service leave). (d) DOB of employees under 21 years, and (e) other records prescribed by regulation.	Full compliance
290	Records to be kept	Fair Work Act 1994	102(2)(b)	Payroll information must be verified and signed off by employee on or after each pay day, and employer must keep this record as correctness of the entries.	Full compliance
291	Records to be kept	Fair Work Act 1994	102(8)	Payslip has the minimum information requirement as per s(8).	Full compliance
292	Nuisance and litter abatement notices	Local Nuisance and Litter Control Act 2016	30(9)	In cases where there is failure to comply with abatement notice, are penalties charged as per the regulation section 30(9): A person to whom a notice is issued under this section must not, without reasonable excuse, fail to comply with the notice. Maximum penalty: (a) in the case of a body corporate—\$60 000; (b) in the case of a natural person—\$30 000. Expiation fee: \$500.	Full compliance



Legislative Compliance Checklist

293	Annual reports by councils	Local Nuisance and Litter Control Act 2016	8	A council must, in its annual report prepared pursuant to section 131 of the Local Government Act 1999 in relation to a particular financial year, include details of the performance by the council during that year of functions conferred on it under this Act, in accordance with the guidelines in Local Nuisance and Litter Control Regulations, Regulation 5.	Full compliance
294	Authorised Officers	Local Nuisance and Litter Control Act 2017	12(3)	(3) A council may appoint— (a) specified officers or employees of the council; or (b) a specified class of officers or employees of the council, to be authorised officers for the purposes of this Act. (4) An appointment— (a) may be made subject to conditions specified in the instrument of appointment; and (b) is, in the case of an appointment by a council or other appointment of a prescribed class, subject to conditions prescribed by regulation.	Full compliance



Legislative Compliance Checklist

295	Nuisance and litter abatement notices	Local Nuisance and Litter Control Act 2016	22(1)	In cases of 50L or more of Litter disposal expiations reported on Annual Report 2019/20, the fines and penaties charged are in accordance with the Act. Maximum penalty:(a) for an offence involving the disposal of any amount of class A hazardous litter—(i) in the case of a body corporate—\$250 000;(ii) in the case of a natural person—\$120 000 or imprisonment for 2 years;(b) for an offence involving the disposal of 50 litres or more of class B hazardous litter or general litter—(i) in the case of a body corporate—\$60 000;(ii) in the case of a natural person—\$30 000 or imprisonment for 6 months;(c) for an offence involving the disposal of up to 50 litres of class B hazardous litter—\$10 000;(d) for an offence involving the disposal of up to 50 litres of general litter—\$5 000.Expiation fee:(a) for an offence involving the disposal of 50 litres or more of class B hazardous litter or general litter—\$1 000;(b) for an offence involving the disposal of up to 50 litres of class B hazardous litter—\$500;(c) for an offence involving the disposal of up to 50 litres of general litter—\$210.	Full compliance
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**Conclusion:** Detailed testing of all the different legislative subsections above demonstrated that controls over the process are effective, except for the non-compliant and partial compliant cases identified above.

<b>ITEM</b>	7.1.4
	<b>AUDIT COMMITTEE</b>
<b>DATE</b>	09 February 2021
<b>HEADING</b>	Risk Management and Internal Controls Activities
<b>AUTHOR</b>	Janet Crook, Risk & Governance Program Manager, CEO and Governance
<b>CITY PLAN LINKS</b>	4.2 We deliver quality outcomes that meet the needs of our community 4.4 We plan effectively to address community needs and identify new opportunities
<b>SUMMARY</b>	This report provides an update on the risk management and internal controls activities conducted in the 2020/2021 financial year. The report also includes an update on the outstanding actions from internal audits.

**RECOMMENDATION**

1. The information is received.
2. The Update on Risk Management and Internal Controls Activities for 2020/2021, as set out in Attachment 1 to this report (Audit Committee 9/02/2021, Item No. 7.1.4) is endorsed.
3. Council notes the update on outstanding actions from completed Internal Audits, as set out in Attachment 3 to this report (Audit Committee 9/02/2021, Item No. 7.1.4).

**ATTACHMENTS**

This document should be read in conjunction with the following attachments:

1. Risk Management and Internal Controls Activities 2020/2021
2. Strategic Risk Register
3. Outstanding Actions arising out of Internal Audits

**1. BACKGROUND**

- 1.1 This report provides an update on the risk management and internal controls activities to be undertaken in the 2020/2021 financial year. The report allows the Audit Committee to monitor and review the activities and assurance they provide.

**2. REPORT**

- 2.1 Attachment 1 is a summary of the risk management and internal controls activities to be undertaken in the 2020/2021 financial year. The plan was endorsed at the August 2020 meeting of the Audit Committee.

2.2 The following activities in Attachment 1 have been updated since they were last reviewed by the Audit Committee in November 2020:

2.2.1 The Audit Committee self-assessment process has commenced and is the subject of a separate item on the Audit Committee agenda, 9 February 2021. It has been recommended that the self-assessment of the Audit Committee will take place by way of a questionnaire circulated to the Audit Committee members following the February 2021 Council meeting.

2.2.2 The review of the Fraud and Corruption Prevention Policy has been performed and is the subject of a separate item on the Audit Committee agenda, 9 February 2021.

#### **Strategic Risk Register Workshop**

2.2.3 The Executive Group performed the bi-annual review of the Strategic Risk Register on 18 January 2021. A copy of the Register appears as Attachment 2 to this report.

2.2.4 A SWOT analysis was performed whereby the Executive Group considered City of Salisbury's Strengths, Weaknesses, Opportunities and Threats as they relate to the City Plan 2035 and the Strategic Risk Register.

2.2.5 A review of the risks in the Register was also performed.

2.2.6 Consideration will be given to the outcomes of the Workshop and an updated Register will be presented to the Executive Group in February 2021. The Register will also be provided to the Elected Members to assist with their Strategic Planning Workshop on 20 & 21 February 2021.

2.2.7 The revised Register will be presented to the Audit Committee at its meeting in April 2021.

#### **Outstanding actions from completed internal audits**

2.2.8 Attachment 3 to this report provides an update on the status of all agreed items arising from completed internal audits.

2.2.9 Progress against all outstanding actions is monitored with regular updates sought from the relevant divisional managers.

### **3. CONCLUSION / PROPOSAL**

3.1 This report has provided a summary of the risk management and internal controls work performed since the last Audit Committee meeting, including the outstanding actions from Internal Audits.

#### **CO-ORDINATION**

Officer: R&GPM Exec  
Date: 28/01/21 3/02/21

Risk Management and Internal Controls Activities – July 2020 to June 2021

v1.2

Annual Plan - July 2020 to June 2021					
Activity	Type of Activity (Risk Management or Internal Controls)	Resourcing (Internal, External, Co-sourced)	Status: Completed, In progress, Not yet commenced	Rationale for piece of work	Update on progress
External Audit of financial internal controls	Internal Controls	External	Completed	This piece of work is legislatively mandated. Internal audit is heavily involved in facilitating the work.	The final report from the external auditors was delivered at the October 2020 meeting of the Audit Committee.
Completion of Control Self-Assessments and Risk Assessments through the Control Track system, including external audit preparation	Internal Controls	Internal	Not yet commenced	The external auditor's expectations are that at least one control self-assessment will be conducted annually and a risk assessment should also be conducted on financial internal controls.	Control self-assessments are performed in preparation for the performance by the external auditors of their review of the financial internal controls. This task will be commenced in April 2021.
Cash Management	Internal Controls	Internal	Completed	This work needs to be completed annually as a part of the financial internal controls framework; it includes the end of year reconciliations of petty cash and till floats.	The petty cash and till float reconciliations were performed in July 2020 for the 2019/2020 period to substantiate the information to be contained within the Annual Financial Statements. A memo to the GM Business Excellence was prepared. No issues were identified.

Risk Management and Internal Controls Activities – July 2020 to June 2021

v1.2

Annual Plan - July 2020 to June 2021					
Activity	Type of Activity (Risk Management or Internal Controls)	Resourcing (Internal, External, Co-sourced)	Status: Completed, In progress, Not yet commenced	Rationale for piece of work	Update on progress
Report on the findings of the Audit Committee self-assessments	Internal Controls	Internal	In progress	The annual self-assessment reviews the performance of the Audit Committee.	The self-assessment of the Audit Committee will take place by way of a questionnaire circulated to the Audit Committee members following the February 2021 meeting, with a view to results of the questionnaire being presented to the April 2021 meeting.  Refer separate item on the Audit Committee agenda, 9 February 2021.
Review the Fraud and Corruption Prevention Strategy	Internal Controls	Internal	In progress	The Fraud and Corruption Prevention Strategy needs to be reviewed because it has been some time since it was last reviewed and it needs to be updated to reflect changes in legislation.	The review of the Fraud and Corruption Policy has been completed. A Fraud and Corruption Prevention and Management Framework will be developed to support the policy.  Refer separate item on the Audit Committee agenda, 9 February 2021.



Risk Management and Internal Controls Activities – July 2020 to June 2021

v1.2

Annual Plan - July 2020 to June 2021					
Activity	Type of Activity (Risk Management or Internal Controls)	Resourcing (Internal, External, Co-sourced)	Status: Completed, In progress, Not yet commenced	Rationale for piece of work	Update on progress
Review of Business Continuity corporate documentation	Risk Management	External	In progress	Following the BCP Test conducted in May-June 2018 it has been determined that a comprehensive review of City of Salisbury's business continuity documentation should be conducted.	An independent review of the amended BCP documentation was commissioned (following the COVID-19 pandemic) and a report was delivered in April 2020. Recommendations from the independent report will be incorporated into the corporate documentation.
Develop documented risk management framework	Risk Management	Internal	In progress	Contributes to the vision of having an organisation wide, consistent, usable risk management framework to encourage and inform risk management.	LGRS template documentation has been obtained for review and consideration.
Develop a consistent Policy Framework	Risk Management / Governance	Internal	In progress	Supports a consistent, whole of organisation approach to the documentation of policies and procedures.	A Policy Framework document has been drafted and will be considered by the Executive Team in February 2021.
Risk maturity survey	Risk Management	Internal	In progress	Establishes a baseline of risk maturity at City of Salisbury to assist with the direction and development of the Risk Management Program.	CoS intends to utilise a tool provided by the LGRS to conduct the survey. The survey has been received and consideration of the questions has commenced prior to distribution to the General and Divisional Managers.

Risk Management and Internal Controls Activities – July 2020 to June 2021

v1.2

Annual Plan - July 2020 to June 2021					
Activity	Type of Activity (Risk Management or Internal Controls)	Resourcing (Internal, External, Co-sourced)	Status: Completed, In progress, Not yet commenced	Rationale for piece of work	Update on progress
Emergency Management Project	Risk Management	Internal	In progress	Develop, implement and review the Emergency Management Framework, including the development of tools, plans and instructional guides. Provide an integrated model of emergency management for City of Salisbury, with assigned roles & responsibilities	The Emergency Management Policy has been endorsed. Work is continuing to develop an Emergency Management Plan and Incident Operations arrangements as part of the Council Ready Program.

CITY OF SALISBURY STRATEGIC RISK REGISTER														
Risk ID	Risk Category	Risk Description	Risk Owner	Causes	Inherent Risk			Controls	Residual Risk			Further treatment required (if residual risk rating is not acceptable)	Treatment Owner	Target Completion Date
					Consequence	Likelihood	Inherent Risk Rating		Consequence	Likelihood	Residual Risk Rating			
1	Awareness and Involvement City	Inadequate response to a business continuity or emergency event. CoS continued ability to support essential, critical business activities and access available key business resources is impacted as a result of failure to prepare for, respond to and recover from a disaster (e.g. fire, flood, explosion, earthquake, storm, aircraft crash). Impacts: Service delivery to community severely compromised, reputational damage, loss of morale and resources, compromised regulatory decisions, destruction of staff and/or public.	CEO, AG (General Managers)	<ul style="list-style-type: none"> <li>Lack of plans and procedures to inform response strategies when a business continuity or emergency event occurs</li> <li>Lack of emergency testing for relevant staff required to respond to business continuity and emergency events</li> <li>Information to facilitate action during business continuity or emergency events is insufficient or not available</li> <li>Impact of climate change on weather patterns</li> <li>COVID-19 pandemic</li> </ul>	Catastrophic	Almost Certain	Critical	<ul style="list-style-type: none"> <li>Current and maintained Business Continuity Framework (including Plans and testing regime), 3</li> <li>Business Continuity staff identified and trained on roles and responsibilities, 3</li> <li>Incident Management Team identified and trained, 4</li> <li>Current and maintained IT Disaster Recovery Plan (including testing regime), 4</li> <li>Current and maintained Emergency Management Plan, 3</li> <li>Participation in Zone Emergency Management Committee – Northern Area, 3</li> <li>Participation in LG Council Ready Program, 4</li> </ul>	Major	Possible	High	<ul style="list-style-type: none"> <li>1. Determine the manner in which the Business Continuity response documentation will be stored and continually updated.</li> <li>2. Develop and deliver training on business continuity to relevant staff.</li> <li>3. Delivery of Emergency Management Project</li> </ul>	Manager Governance	<ul style="list-style-type: none"> <li>1. 01 March 2021</li> <li>2. 01 March 2021</li> <li>3. 05 June 2021</li> </ul>
2	Accountable City	Contamination of the recycled water systems CoS experiences reduced environmental, economic and social benefits due to failure to prevent, prepare for and respond to contamination of the Salisbury Water recycled non-potable water distributed to parks, reserves, schools, industry and some residential subdivisions. Impacts: Financial cost of replacing supply with SA Water and clean up costs, financial impact of penalties, failure to fulfil commercial contractual obligations, reputational damage, regulatory or government intervention and fines, resource reduction, health risk to staff and the public.	GM Business Excellence, GM City Infrastructure	<ul style="list-style-type: none"> <li>Inadequate monitoring plans and sample testing</li> <li>Failure to respond appropriately in the event of contamination</li> <li>Failure of controls within the Recycled Water Risk Based Management Plan</li> <li>Wet weather could hamper clean up operations or contribute to a contamination event</li> <li>PFAS and PFDA infiltration</li> <li>Act of Terrorism</li> <li>Illegal dumping</li> </ul>	Catastrophic	Unlikely	Critical	<ul style="list-style-type: none"> <li>Salisbury Water supplies drink recycled Water Risk Based Management Plan including sample testing before water is pumped, 4 includes</li> <li>Salisbury Water Business Unit – monitoring plan and monitoring matrix. All water sampling is carried out by National Association of Testing Authorities (NATA) accredited staff. Laboratories performing the testing are NATA accredited.</li> <li>Supervisory Control and Data Acquisition system in place to detect faults and alert CoS staff. 24/7 remote access available by laptop by CoS staff.</li> <li>Supply contracts to customers contain Force Majeure clauses which limit liability to Council in the event that water cannot be supplied, 3</li> <li>Rapid Response Team and Call Out Officers through City Infrastructure (Council staff) in place to manage events that may lead to contamination of recycled water systems (e.g. chemical spill) (RIS support including other users), 4</li> <li>Employee Media Policy and Procedure and Elected Member Media Policy, 4</li> <li>Implementation of the Water Course Management Plan including the removal of Wetlands and desilting/removal of pollutants in waterways as required, 4</li> <li>Review of Risk Based Management Plan every two years, 4</li> <li>Maintenance of the CoS Contaminated Sites Register, 3</li> <li>Compliance with Public Health and Environmental Protection Processes, 6</li> </ul>	Major	Possible	High	<ul style="list-style-type: none"> <li>1. Implementation of report findings from the Management of Contaminated Sites Audit</li> </ul>	Manager City Infrastructure Management	1. Various
3	Awareness and Involvement City	Lack of management of public and environmental health risks Community experiences illness or injury due to a failure to deliver public and environmental health and safety outcomes for the community (includes food safety, dog and cat management, by-law enforcement and parking control). Impacts: Financial impact to rectify a health and safety incident, reputational damage, regulatory or government intervention or consequences, health risk to staff and the public.	GM City Development	<ul style="list-style-type: none"> <li>Inadequate management, monitoring or testing</li> <li>Failure to respond appropriately in the event of an incident</li> <li>Animal faeces infestation</li> <li>Noxious plants</li> <li>Failure of waste disposal contractor to meet contractual obligations.</li> </ul>	Major	Unlikely	High	<ul style="list-style-type: none"> <li>Provision of Immunisation Services, 5</li> <li>Current and maintained Animal Management Plan, 5</li> <li>Adopting the relevant initiatives within the CoS Regional Public Health Plan, 5</li> <li>Performance of Council Inspections, 5</li> <li>Undertaking Dog Patrols, 5</li> <li>Administration and management of CoS responsibilities under the Food Act, 4</li> <li>Compliance with and training on Employee Media Policy and Procedure and Elected Member Media Policy, 4</li> <li>Enforcement of the CoS responsibilities under the SA Public Health Act, 5</li> <li>Enforcement of the CoS responsibilities under the Dog and Cat Management Act, 5</li> <li>Performance of Infrastructure maintenance activities, 5</li> <li>Undertaking the Noxious Control Program, 4</li> </ul>	Major	Possible	High			

Item 7.1.4 - Attachment 2 - Strategic Risk Register

CITY OF SALISBURY STRATEGIC RISK REGISTER														
Risk ID	Risk Category	Risk Description	Risk Owner	Causes	Inherent Risk			Controls	Residual Risk			Further treatment required (if residual risk rating is not acceptable)	Treatment Owner	Target Completion Date
					Consequence	Likelihood	Inherent Risk Rating	Description	Consequence	Likelihood	Residual Risk Rating			
4	Developing and Inevitable City	Inadequate response to a major incident at a Council run community event, that affects public and staff safety  CDS experiences negative impacts to CDS brand and image, operational cost implications, employee & staff safety as a result of failure to prepare for and respond to a major incident at a Council run community event. It has been recognised that the risk relating to an incident occurring at an event sponsored or part-funded by Council is elevated however need not be reported on the Strategic Risk Register.  Impacts: Financial cost, to rectify, legal cost of failure to prevent a health and safety incident, reputational damage, regulatory and/or Government intervention or censure, injury or death of staff or member of the public, service interruption	GM City Development, GM City Infrastructure, GM Community Development, GM Business Excellence	<ul style="list-style-type: none"> <li>Inadequate procedures and plans in place to prevent incidents</li> <li>Failure to maintain staff training</li> <li>Inadequate performance of risk assessments</li> <li>Lack of asset management and maintenance</li> <li>Inadequate due diligence performed by CDS in order to identify relevant risks related to the management and delivery of community events</li> </ul>	Catastrophic	Unlikely	Very High	<ul style="list-style-type: none"> <li>Building Control and Inspectors, 4</li> <li>Evacuation procedures and testing, 4</li> <li>Training of Incident Command Teams</li> <li>Provision and maintenance of Building safety systems – e.g. exit signs, fire extinguishers, wardens etc., induction process, 4</li> <li>Risk assessments performed for community events, 4</li> <li>Reviewed and maintained Asset management plans, 4</li> <li>Maintaining and reviewing Business Continuity Framework, 4</li> <li>Performance testing of BCP scenarios, 4</li> <li>Key CDS members actively participating with the Zone Emergency Management Committee – Northern Area, 5</li> <li>Maintaining and reviewing Event Management Plans, 4</li> <li>Compliance with Event Management Guidelines, 4</li> </ul>	Moderate	Possible	High			
5	Asset Critical City	Failure to manage the impact of environmental and social factors on Council infrastructure, assets and services  The detrimental effect on Council assets and infrastructure caused by environmental factors, including climate change, is not adequately addressed through Council planning. The detrimental effect on Council assets and infrastructure caused by social factors, such as changes in demographics, is not adequately addressed through Council planning.  Impacts: Financial cost of dealing with the consequences of frequent frost weather related events, long term impact on infrastructure, its maintenance and replacement, operational plans and strategies are no longer valid or needed by the community, failure to adapt to a changing external environment resulting in some services becoming irrelevant and others inefficient.	GM City Development, GM City Infrastructure, GM Community Development	<ul style="list-style-type: none"> <li>Inadequate understanding and planning for factors impacting the environment</li> <li>Failure to consider environmental consequences when planning and designing infrastructure</li> <li>Inadequate modelling of weather events used within Asset Management Planning</li> <li>Inadequate infrastructure within the City to manage elements and sea level rises due to storms events</li> <li>Inadequate understanding of and planning for the impact of climate change on City infrastructure and assets</li> <li>Failure to monitor and forecast demographic changes in the City and adjust objectives and plans accordingly</li> <li>City Plan becomes obsolete or fails to anticipate the financial impact of demographic changes</li> <li>Failure to maintain a detailed infrastructure plan for the existing and future assets</li> <li>Climate Resilience and Impact on Biodiversity</li> <li>Failure to update Asset Management Plans</li> </ul>	Major	Possible	High	<ul style="list-style-type: none"> <li>Key planning agencies (e.g. Natural Resources Wales, Environment Agency, DEFRA, etc.)</li> <li>Regular monitoring of risks (e.g. land fill sites, dams), 5</li> <li>Extreme Heat response process (for residents), 4</li> <li>One in 100 year flood and Probable Maximum Flood modelling including tidal info. in place at individual house level, using digital terrain modelling, 4</li> <li>Reviewed and maintained City Plan Strategic Plan/Business Plan, 4</li> <li>Biodiversity Management Plan, 4</li> <li>Waleswide Managed Capital Program, 4</li> <li>Reviewed and maintained Asset Management Policy and Plans, 4</li> <li>Reviewed and maintained Growth Management Plan, 5</li> <li>Asset Management Committee</li> <li>Implementation of Youth Strategy and Interfaith Plan, 4</li> <li>Asset Management Infrastructure skills, 5</li> <li>Adopting Northern Aesthetic Plan, 4</li> <li>Reviewed and maintained Emergency Management Plan, 5</li> <li>Participation in Zone Emergency Management Committee – Northern Area, 5</li> <li>Compliance with grant funding applications process and reviews, 5</li> <li>Compliance with Home Care Common Standards – Operating Manual, 5</li> </ul>	Moderate	Unlikely	Medium	<p>Update flood mapping periodically and communicate as necessary. Updated flood maps engaged mapping with fabrications, and completion of Community Engagement Strategy completed. Other strategies relating to Governance and Executive management responsibilities; location mapping, management and risk mitigation policy and planning and provision of information have been initiated or are ongoing (refer Flood Planning Decision Paper and Update of Council's Flood Management Strategy – Works and Services Committee 18/04/2021) (ongoing)</p> <p>Flood mapping is to be incorporated into the development process through the one Planning and Design Code being introduced across the State by the State Planning Commission (31 March 2021).</p> <p>Development of a Sustainability Plan (30 June 2021)</p>	<p>Manager Infrastructure Management / Manager Community Experience and Relationships</p> <p>Manager Economic Development &amp; Urban Policy</p> <p>GM City Development</p>	
6	Innovation and Business Development	City of Salisbury financial sustainability is compromised  CDS fails to maintain service standards and levels in assets and infrastructure as a result of increased pressure on CDS operating surplus due to factors such as rate capping and cost shifting. Risk of CDS failing to appropriately manage cost and efficiency.  Impacts: Council ultimately becomes financially unsustainable, City revenue has to be raised increasingly through more traditional methods (rate charge), revenue from the sale of assets (land) is not increased for the longer term benefit of the community, financial cost associated with raising rates revenue or increasing local or district debt	GM Business Excellence, GM City Infrastructure, GM City Development	<ul style="list-style-type: none"> <li>Revenue shortfalls</li> <li>Inadequate revenue and a failure to maximise revenue from all sources</li> <li>Unplanned spending</li> <li>Inadequate valuation of assets or inaccurate depreciation</li> <li>Inadequate planning for infrastructure repairs or upgrades</li> <li>Introduction of draft legislation regarding rate capping</li> <li>Fraud, misbehaviour or maladministration</li> <li>Changes to legislation/obligations imposed by other levels of government</li> <li>Potential new revenue streams/opportunities are not fully investigated</li> <li>Changes to roles and responsibilities assigned to City of Salisbury by central or state government</li> <li>Short term revenue is maximised at the expense of longer term revenue</li> <li>Poorly structured debt funding</li> <li>Poor investment decision making</li> <li>Unknown consequences of new infrastructure provision from other levels of government or private sector investment</li> <li>Failure to encourage investment in the City</li> </ul>	Major	Unlikely	High	<ul style="list-style-type: none"> <li>Long term financial planning, by managing monitoring and reviewing, 5</li> <li>Managing monitoring and reviewing of Asset Management Plan, 4</li> <li>Underlying Quarterly Budget Review, 5</li> <li>Annual Plan and Annual Report reviewed by Audit Committee, 5</li> <li>Ad hoc Proctural Review, 5</li> <li>Regular review of pricing systems fairness and equity, 4</li> <li>Appropriate execution of the Grant Management application Process, 5</li> <li>Review of Financial Information by the Budget &amp; Finance Committee, 4</li> <li>Diversification of Income (e.g. Water Business Unit, Strategic Property Development and Building Rules Get/Restor Unit, NARMA, Salisbury Memorial Park), 4</li> <li>Compliance with Budget Policies and Procedures, 5</li> <li>Business Case Modelling, 4</li> <li>Growth Action Plan, 4</li> <li>Business Support Agents, 4</li> <li>Annual external Audit activities</li> <li>Project Management Methodology, 5</li> </ul>	Major	Possible	High	<ol style="list-style-type: none"> <li>Completion of Asset Management Plans to "Future State", including function and capacity reviews to inform the LTFP and Sustainability Index (30 June 2021)</li> <li>Assess the impact of NBS Home Community Support funding changes and develop response strategy (14 December 2021)</li> <li>Implementation of relevant findings from the Asset Management audit report</li> </ol>	<ol style="list-style-type: none"> <li>Manager Infrastructure Management</li> <li>GM Community Development</li> <li>Manager Infrastructure Management and Manager Property &amp; Buildings</li> </ol>	<p>1. 30 June 2020</p> <p>2. 31 December 2021</p> <p>3. Various</p>

CITY OF SALISBURY STRATEGIC RISK REGISTER																
Risk ID	Risk Category	Risk Description	Risk Owner	Causes	Inherent Risk			Controls			Residual Risk			Further treatment required (if residual risk rating is not acceptable)	Treatment Owner	Target Completion Date
					Consequence	Likelihood	Inherent Risk Rating	Description	Consequence	Likelihood	Residual Risk Rating					
7	All City Plan directions	<p>Strategic objectives are not delivered due to inadequate monitoring and measuring of initiatives, poor planning, lack of or inappropriate resources, and lack of consultation</p> <p>Inadequate decision making. Failure to integrate governance to enable the meeting of strategic objectives.</p> <p>Impact: Organizational performance is not adequately measured and therefore cannot be managed, organizational plans and strategies are not achieved, organizational resources are not used effectively, organizational plans and strategies are not valued or directed by the community, organizational plans and strategies are not delivered in a way that is consistent with the organizational values, lack of customer / community engagement, lack of employee engagement and commitment to City objectives, poor customer service, overall lack of coherent direction, failure to meet legislative obligations, not meet community needs, reputational damage, poor organizational performance, negative impact on staff health and wellbeing.</p>	CEO, AG General Managers	<ul style="list-style-type: none"> <li>Emerging phenomena assessment which are not critical to operations or strategies</li> <li>Failure to monitor organizational performance against stakeholder expectations and to take action when necessary to correct it</li> <li>Failure to deliver what is expected by the local community due to a lack of alignment of strategic plans</li> <li>Limited meaningful corporate performance indicators in place</li> <li>Inconsistent reporting and data collection of corporate performance indicators</li> <li>Processes and systems fail to address customer needs</li> <li>Underused failure of infrastructure</li> <li>Interim period of organizational change and transformation</li> <li>Inadequate capability and capacity (e.g. workforce plans, training and development, technology, systems etc.)</li> <li>Failure to engage with all stakeholders in developing the City Plan</li> <li>Customer service is neither monitored or managed</li> <li>Senior management and Elected Members fail to fully and appropriately demonstrate desired organizational values</li> <li>Actual organizational structure, vision, values, norms, systems, symbols, language, beliefs and habits are inconsistent with those desired.</li> <li>Inefficient prioritization of projects and resource employ</li> </ul>	Major	Likely	High	<ul style="list-style-type: none"> <li>Compliance and change processes, 3</li> <li>Review of Annual Plan and Annual Report by Audit Committee, 5</li> <li>Review and approval of City Plan by elected members, 5</li> <li>Established and embedded Customer Service Framework, 4</li> <li>Monthly Strategic Executive Group meetings, 4</li> <li>Alignment of New Initiative Bid documentation to the City Plan, 4</li> <li>Strategic Planning and Accountability, 4</li> <li>Effective use of and compliance with Community Engagement Framework, 4</li> <li>Project Management Methodology, 3</li> <li>Conduct of bi-annual customer satisfaction survey, 4</li> <li>Business case development for aged care schemes, 4</li> <li>Change Management agenda, 4</li> <li>Regular performance of CEO Review via CEO Review Committee, 4</li> <li>Annual setting of Performance and Development Plans (PDPs), 4</li> <li>Governance Framework and Statement, 5</li> <li>Delivery of IT support through BSS division, 4</li> <li>Regularly reviewed and communicated Delegation Register, 5</li> <li>OCRA/BSF survey process, 4</li> </ul>	Medium	Unlikely	Medium	<ol style="list-style-type: none"> <li>Complete implementation of the Change Management Framework and Program</li> <li>Resourcing Plan Major Project (2 Year) (31 December 2020) (Draft developed – to be confirmed by City by December, having due consideration \$100M project)</li> <li>Monitoring and reporting of PDP completion</li> <li>Completion of relevant agreed actions arising out of the Business Systems and Solutions audit</li> </ol>	1, 2, & 3 - Manager People & Culture  4. Manager Business Systems & Solutions			
8	Innovation and Business Development	<p>Failure to ensure a safe working environment</p> <p>CoS staff and volunteers experience stress or injury. Failure to meet WHS obligations which result in a unsafe work place. CoS recognizes that this risk is included on the Strategic Risk Register due to the seriousness with which CoS takes its obligations in relation to Work Health and Safety.</p> <p>Impact: An employee, contractor, volunteer or elected member is injured or dies as a result of a preventable incident or accident; possible financial consequences for the City of an incident affecting a member of staff including medical rehabilitation expenses, injury compensation claim, legal expenses, fines, regulatory penalties including a SafeWork SA Prohibition Notice, Inquest findings or prosecution (criminal or legal consequences for senior management should policies and procedures be determined as inadequate by SafeWork SA; organizational reputation is damaged through the failure to prevent an incident or injury occurring at work; scheme losing self-funded status and resultant lack of financial sustainability.</p>	The Executive Group, Elected Members	<ul style="list-style-type: none"> <li>Inadequate controls in place to prevent incidents occurring</li> <li>Inefficient reporting of incidents and near misses</li> <li>Safe work practices not documented or communicated to employee</li> <li>Inadequate induction, training and supervision</li> <li>Inadequate hazard management system</li> <li>Organizational safety culture does not recognize the importance of following WHS policies and procedures</li> </ul>	Catastrophic	Likely	Very High	<ul style="list-style-type: none"> <li>WHS working arrangements (including recruitment of employees to commencement of employment and thereafter activity), 5</li> <li>Performance of Licensing qualifications checks, 5</li> <li>Training in WHS Procedures, 3</li> <li>Updated WHS IM Business Plan, 5</li> <li>Performance WHS Reviews, 4</li> <li>Principal WHS Committee, 5</li> <li>City Infrastructure WHS Committee, 5</li> <li>JSA, work instructions and plant risk assessments, 4</li> <li>Staff training and compliance with Code of Conduct, 4</li> <li>Compliance with Hazard and Incident reporting and investigation procedures, 4</li> <li>Members of the Local Government Workers Compensation Scheme, requiring annual external audits, 5</li> <li>Work Health Safety representative team, 5</li> <li>Support from LG CoS to other appropriate sector organizations with development/implementation of WHS policies/procedures (including benchmarking partners), 5</li> <li>Contractual arrangements with external providers to audit compliance with WHS legislation, 4</li> <li>Quarterly Executive Report highlighting trends, outstanding actions and high risk rising incidents or hazards, 4</li> </ul>	Catastrophic	Possible	Very High					

CITY OF SALISBURY STRATEGIC RISK REGISTER														
Risk ID	Risk Category	Risk Description	Risk Owner	Causes	Inherent Risk			Controls	Residual Risk			Further treatment required (if residual risk rating is not acceptable)	Treatment Owner	Target Completion Date
					Consequence	Likelihood	Inherent Risk Rating		Description	Consequence	Likelihood			
9	Innovation and Business Development	<p><b>Lack of alignment and integrity of IT systems and data to support business needs</b></p> <p>Business and community needs are not met due to lack of, ineffective or outdated IT system and business processes.</p> <p>Impacts: Organizational plans and strategies are not achieved due to a lack of IT support or infrastructure; Customer operations pause resulting in financial loss; failure to adapt to a changing external environment; inefficient and ineffective use of organizational resources; poor service delivery; reputational damage; costs of litigation and reparation of services.</p>	GM Business Excellence	<ul style="list-style-type: none"> <li>• Failure to adequately involve IT when developing plans, strategies and projects</li> <li>• Failure to consider all options when improving a system or process</li> <li>• Organizational change is not conducted in a structured and logical manner</li> <li>• Failure to support the skill set of individuals responsible for the delivery of business systems</li> <li>• Lack of business engagement and clarity of roles</li> <li>• External pressure for changes to systems</li> <li>• Lack of plans and procedures to inform response strategies when a cybersecurity incident occurs</li> <li>• Lack of monitoring of cybersecurity threats to organizational assets</li> <li>• Lack of continuous training for all staff regarding information security</li> <li>• Information to facilitate action during a cybersecurity incident is not available</li> </ul>	Major	Highly	High	<ul style="list-style-type: none"> <li>• IT Governance Framework, 3</li> <li>• Programmed testing of systems for security and reliability, 4</li> <li>• Compliance with Information Security Policies and Procedures, 4</li> <li>• Continuous Improvement Framework, 4</li> <li>• IT Disaster Recovery Plan, 2</li> <li>• Business Continuity Plans, 4</li> <li>• Incident Management Team identified and trained, 4</li> <li>• Building security and access controls, 4</li> <li>• User access system controls, 4</li> <li>• Patch management and software maintenance procedures, 4</li> <li>• Performance of Cyber Security Risk Assessments, 4</li> </ul>	Moderate	Possible	High	Delivery of relevant aspects of the Smart Salisbury governance structure	Manage Business Systems & Solutions	



**OUTSTANDING ACTIONS ARISING OUT OF COMPLETED INTERNAL AUDITS  
AS AT FEBRUARY 2021**

<b><i>Audit: Business Systems and Solutions</i></b>					
<b>Opportunity for Improvement</b>	<b>Risk Rating</b>	<b>Responsible Officer</b>	<b>Target Date</b>	<b>Revised Date</b>	<b>Comments</b>
<p><b>2. The current Disaster Recovery plans require updating to increase the likelihood of managing a disaster event</b></p> <p>2.b) Create a DR testing regime for major systems, that supports the business's documented MAO, RPO and RTO; <i>Action: Noted and agreed as recommended.</i></p>	High	Team Leader, Information Technology Services	30/4/2019	(b) 30/04/2021	Workshops have occurred with a draft in development. Circulation to Divisional Managers expected Feb.
<p><b>4. No Service Level Agreements, and/or Key Performance Indicator's for Business Systems and Solutions</b></p> <p>4.a) Develop a Service Catalogue. <i>Action: Noted and agreed. Will be done as part of the work in 4.c.</i></p> <p>4.b) Define SLAs with vendors, where appropriate – agreed actions from Program Review will be implemented. <i>Action: Agreed actions from the Program Review will be implemented. Service levels with vendors are articulated in relevant contract documents.</i></p> <p>4.c) Obtain business endorsement of the Helpdesk metrics to enable the business to view the service levels provided. <i>Action: Noted and agreed.</i></p> <p>4.d) Implement KPIs as documented in the Program Review, in consultation with key application owners, and other stakeholders in the business. <i>Action: Noted and agreed. See response to</i></p>	Medium	<p>4.a) –c.) Team Leader Service Desk</p> <p>4.d) Manager Business Systems and Solutions</p> <p>4.e) Team</p>	<p>30/11/2018</p> <p>28/2/2019</p> <p>28/2/2019</p>	30/04/2021	<p>Initial drafts of Service Catalogue have been developed. Lower-level details are being added during review and circulation, still on track.</p> <p>Other actions are addressed in item 8.</p>



<b><i>Audit: Business Systems and Solutions</i></b>					
<b>Opportunity for Improvement</b>	<b>Risk Rating</b>	<b>Responsible Officer</b>	<b>Target Date</b>	<b>Revised Date</b>	<b>Comments</b>
<p><i>recommendations in 1.a.</i></p> <p>4.e) Re-introduce the previously documented tools for control from the previous IT Strategy 2014-17 to provide a baseline to measure of the operational activities of the team – such as</p> <p>3.1 IT Principles, - <i>Agreed. The document will be updated</i></p> <p>3.4 IT Metrics, - <i>Agreed. The document will be updated as part of section 14 below.</i></p> <p>6.4 Governance Framework, - <i>Noted. Will be considered as part of the action detailed in 1.a.</i></p>		Leader, Information Technology Services			
<p>4.f) Build the reporting of KPI's and other operational controls into the Terms of Reference of the Steering Committees</p> <p><i>Action: Noted. Regular surveys of the performance of the IT functions will fall in line with program of Business Excellence surveys across the organisation. Refer action at 1.a.</i></p> <p>4.g) Promote and display the level of service provided by the Helpdesk against the agreed business metrics</p> <p><i>Action. Noted and agreed. As above at 4.f.</i></p> <p>4.h) Collate regular surveys as a standard measurement of Business Systems and Solutions performance, at least every 18 months</p> <p><i>Action: Noted. As above at 4.f.</i></p> <p>4.i) Include checkpoint surveys periodically for Helpdesk calls to trace ongoing customer satisfaction.</p> <p><i>Action: Noted and agreed. As above at 4.f.</i></p>		4.f) - .i) Team Leader Service Desk	4.f) - .i) 28/2/2019	31/05/2021	A new ITSM Tool has not yet been implemented to enable a customer satisfaction survey. Work to procure and implement this is well underway.

<b><i>Audit: Business Systems and Solutions</i></b>					
<b>Opportunity for Improvement</b>	<b>Risk Rating</b>	<b>Responsible Officer</b>	<b>Target Date</b>	<b>Revised Date</b>	<b>Comments</b>
<p><b>5. Maintain an up to date application register to reduce security risk and upgrade costs</b></p> <p>5.b) Determine if a policy or position is necessary for keeping software current. (e.g. No system will be x versions behind the latest version) – A formal position on this will be articulated in the next iteration of the ICT strategy/replacement document. <i>Action: A formal position on this will be articulated in the next iteration of the ICT strategy/replacement document.</i></p> <p>5.c) Once the application and support matrix / register has been re-introduced, complete a review of all major systems to determine potential upgrade projects required. <i>Action: Noted and agreed. A formal position on this will be articulated in the next iteration of the ICT strategy/replacement document.</i></p>	Medium	<p>5.b) Manager Business Systems and Solutions</p> <p>5.c) Manager Business Systems and Solutions</p>	<p>30/9/2018</p> <p>30/9/2018</p>	<p>30/04/2021</p> <p>30/06/2022</p>	<p>(b) Policy is to keep all key applications at a version no later than n-1 without formal and documented reason. This will be formalised as part of the updated governance framework as discussed in part 8.</p> <p>(c) This work has been postponed as assigned budget has been reallocated to cyber security program, and a budget bid has been submitted as part of the 2021/22 budget setting process.</p>
<p><b>6. Continued focus is required on aligning business applications to business needs</b></p> <p>6.c) Ensure a consistent structure and Terms of Reference are in place to support any Application Steering Committees, as required, including the process for documenting how a decision not to have a Committee was arrived at. (The decision and responsibility for forming and running Application Steering Committees rests with the relevant business areas). <i>Action: Noted and agreed.</i></p> <p>6.d) Develop a BSS Service Catalogue and promote</p>	Medium	<p>6.c.) Team Leader, Planning and Business Engagement Services</p> <p>6d.) Team</p>	<p>30/6/2018</p> <p>30/11/2018</p>	<p>6.e) 30/04/2021</p> <p>6.d) 30/04/2021</p>	<p>(c) This is covered by item 8 as part of the governance framework</p> <p>(d) Covered by item 4 as part of the Service Catalogue</p>

<b><i>Audit: Business Systems and Solutions</i></b>					
<b>Opportunity for Improvement</b>	<b>Risk Rating</b>	<b>Responsible Officer</b>	<b>Target Date</b>	<b>Revised Date</b>	<b>Comments</b>
throughout the organisation. <i>Action: Noted. Refer section 4. Service Catalogue will cover the information technology-related aspects of BSS</i>		Leader Service Desk			

<b><i>Audit: Business Systems and Solutions</i></b>					
<b>Opportunity for Improvement</b>	<b>Risk Rating</b>	<b>Responsible Officer</b>	<b>Target Date</b>	<b>Revised Date</b>	<b>Comments</b>
<p><b>8. Continued alignment of the Digital Strategy to the Business Strategy is required</b></p> <p>8.a) Ensure that the Digital Strategy is able to achieve the City of Salisbury's City Plan 2030 overarching strategy and vision. <i>Action: Noted and agreed. Action to be passed on to the digital strategy working group.</i></p> <p>8.b) Ensure that the Application Owners and members of the Applications Steering Committees continue to be involved in the development of the Digital Strategy. <i>Action: Noted and agreed.</i></p> <p>8.c) Ensure the IT strategy contains roadmaps and an execution plan for each system within the City of Salisbury portfolio. <i>Action: Noted and agreed. Information to be included in updated ICT Strategy.</i></p> <p>8.d) Consider changing the title of the IT strategy to an "Digital Execution Plan" or similar to reflect the outcome of the document being to define a program of work to deliver the Digital Strategy. This will assist in the measurement of goals and objectives of the strategies; <i>Action: Noted and agreed. Broader than responsibility of IT function within BSS.</i> and</p> <p>8.e) Define a program of work to deliver the Digital Strategy. <i>Action: Noted and agreed. Broader than responsibility of IT function within BSS.</i></p>	Medium	8.a)-e) Manager Business Systems and Solutions	30/11/2018	31/05/2021	Draft Smart Salisbury Framework submitted to Council in September 2020, with a further update to Strategic Executive meeting in December 2020. Feedback from December 2020 Exec review incorporated into Framework and re-presented in February 2021. The next stage involves community and organisation consultation before formal adoption by Council scheduled in May 2021.

<b><i>Audit: Contract Management</i></b>					
<b>Recommendation and Actions</b>	<b>Risk Rating</b>	<b>Responsible Officer</b>	<b>Target Date</b>	<b>Revised Date</b>	<b>Comments</b>
<p><b>There is a need to assign central ownership and to establish governance over contract management within Council</b></p> <p><b>Recommendation 1</b> Establish a governance structure to oversee contract management at the CoS. Consideration should include: a leadership team forming a sub-committee to oversight contract management and/or adding contract management to the terms of reference of an existing committee.</p> <p><b>Actions:</b> <i>Identify an Exec sponsor.</i> <i>Form a Group / Committee to oversight contract management and/or add contract management to the terms of reference of an existing Group / Committee.</i> <i>Obtain appropriate budget.</i></p>	High	GM Business Excellence & GM City Infrastructure	June 2020	March 2021	The GM Business Excellence has been assigned Executive responsibility for contract management governance. The delivery of the required outcomes covered by this audit have been delayed pending the filling of the Manager Strategic Procurement who will oversee implementation. It is proposed that the existing Procurement Steering Group Terms of Reference is refined to include contract management.

Item 7.1.4 - Attachment 3 - Outstanding Actions arising out of Internal Audits

<b><i>Audit: Contract Management</i></b>					
<b>Recommendation and Actions</b>	<b>Risk Rating</b>	<b>Responsible Officer</b>	<b>Target Date</b>	<b>Revised Date</b>	<b>Comments</b>
<p><b>There is a need to assign central ownership and to establish governance over contract management within Council</b></p> <p><b>Recommendation 2</b> Allocate responsibility (and resourcing as required) for contract management oversight to a central team/position - for example the Strategic Procurement Team. This team would be responsible, for example, for:</p> <ul style="list-style-type: none"> <li>• developing high-level contract management guidance</li> <li>• monitoring select indicators, for example contract performance, trends, risk management approaches,</li> <li>• promoting/providing training across the organisation on contract management</li> <li>• reporting to a governance committee</li> <li>• sample-based monitoring of compliance with any established contract management guidelines.</li> </ul> <p><b>Actions:</b> <i>Identify central team / position.</i> <i>Undertake resourcing Gap analysis.</i> <i>Allocate responsibility.</i> <i>Monitoring and Reporting to outcome of Recommendation 1.</i> <i>Resource accordingly.</i></p>	High	Group / Committee identified in Rec 1 to allocate responsibility to an existing team / DM	Dec 2020	June 2021	<p>Responsibility has been assigned to the Manager Strategic Procurement which is currently vacant and in the process of recruitment.</p> <p>On track. No additional comment.</p>

<b><i>Audit: Contract Management</i></b>					
<b>Recommendation and Actions</b>	<b>Risk Rating</b>	<b>Responsible Officer</b>	<b>Target Date</b>	<b>Revised Date</b>	<b>Comments</b>
<p><b>There are a lack of procedures to provide explicit guidance for contract management</b></p> <p><b>Recommendation 3</b> Develop and document a clear policy outlining expectations for contract management across Council, including clearly identified roles and responsibilities</p> <p><b>Actions:</b> <i>Develop / or review an existing Policy</i> <i>Develop a RACI matrix</i></p>	High	Existing team / DM identified in Rec 2	March 2021	To be confirmed once recruitment of Manager Strategic Procurement is finalised.	Due to the delay in finalising the recruitment process it is likely that the date complete this activity will be late 2021.

<b><i>Audit: Contract Management</i></b>					
<b>Recommendation and Actions</b>	<b>Risk Rating</b>	<b>Responsible Officer</b>	<b>Target Date</b>	<b>Revised Date</b>	<b>Comments</b>
<p><b>There are a lack of procedures to provide explicit guidance for contract management</b></p> <p><b>Recommendation 4</b> Develop a contract management framework to guide staff, incorporating:</p> <ul style="list-style-type: none"> <li>• procedures (mandatory)</li> <li>• guidelines, and</li> <li>• clarification of roles and responsibilities (for example where responsibilities start and end – including responsibility for obtaining ongoing ‘due diligence’ documentation)</li> <li>• better practice examples from across Council.</li> </ul> <p>There is opportunity to ensure that requirements align to the risk/value of different contracts.</p> <p><b>Actions:</b> <i>Develop framework, procedures.</i> <i>Develop / review templates, tools, etc...</i></p>	High	Existing team / DM identified in Rec 2	March 2021	To be confirmed once recruitment of Manager Strategic Procurement is finalised	Due to the delay in finalising the recruitment process it is likely that the date complete this activity will be late 2021.



<b><i>Audit: Contract Management</i></b>					
<b>Recommendation and Actions</b>	<b>Risk Rating</b>	<b>Responsible Officer</b>	<b>Target Date</b>	<b>Revised Date</b>	<b>Comments</b>
<p><b>There is a need for standardised storage of policies, procedures and contract documentation</b></p> <p><b>Recommendation 5</b> Implement a process to ensure that policy, procedural and contract documentation is stored in one consistent location. Additional desirable features include:</p> <ul style="list-style-type: none"> <li>• approval processes before documentation can be uploaded into the location</li> <li>• clear metadata/date information about each document</li> <li>• standard naming conventions</li> <li>• use of consistent document templates, and</li> <li>• reviewing security/access levels for documentation, including providing transparency that a document exists even if the user does not have permission to view it.</li> </ul> <p>This will assist in ensuring that staff are able to readily locate all information relevant to their roles and responsibilities.</p> <p><b>Actions:</b> <i>Review existing policies, guidelines</i> <i>Review naming convention, security etc...</i> <i>Provide training etc...</i> <i>Audit</i></p>	Low	DM Community Experience & Relationships / Team Leader Business Intelligence & Data Management  Group / Committee identified in Rec 1	June 2021		The organisation has put in place a corporate record management system, TechOne/ECM where corporate information is stored. A review will be conducted to ensure all documentation is stored appropriately and a page is created (linked to the corporate system) on the intranet for ease of reference.

<b><i>Audit: Contract Management</i></b>					
<b>Recommendation and Actions</b>	<b>Risk Rating</b>	<b>Responsible Officer</b>	<b>Target Date</b>	<b>Revised Date</b>	<b>Comments</b>
<p><b>There is a need for a consistent approach to ensuring that ‘due diligence’ documentation is updated throughout the life of contracts</b></p> <p><b>Recommendation 6</b> Implement a consistent process/set of principles to ensure that up to date due diligence documentation from contractors is maintained – for example; insurance, licences etc. This will assist the CoS to be assured that contractors are qualified/suitable for ongoing engagement.</p> <p><i>Management has not accepted recommendation 6. CoS T&amp;C’s obligate Contractors / Suppliers to obtain and maintain insurances and ensure contractors are qualified and suitable for the life of the contract. Ensuring compliance to CoS T&amp;C’s has the greatest impact of risk mitigation for the organisation. Collecting, collating, monitoring Implementing systems / processes to administer this process is resource intensive and has little to no impact to risk mitigation.</i></p> <p><b>Action:</b> <i>Strategic Procurement in collaboration with Governance conducts internal training on the importance of adhering to CoS T&amp;C’s</i></p>	High	Strategic Procurement & Governance	Dec 2020	June 2021	

Item 7.1.4 - Attachment 3 - Outstanding Actions arising out of Internal Audits

<b><i>Audit: Contract Management</i></b>					
<b>Recommendation and Actions</b>	<b>Risk Rating</b>	<b>Responsible Officer</b>	<b>Target Date</b>	<b>Revised Date</b>	<b>Comments</b>
<p><b>There is a need for a consistent approach to ensuring that ‘due diligence’ documentation is updated throughout the life of contracts</b></p> <p><b>Recommendation 7</b> Implement a consistent process to ensure that conflicts of interest in relation to ongoing contracts are regularly reviewed (for example, annually, when a new staff member is onboarded, when a contract is managed by a different contract superintendent, when a staff member undertakes higher duties in a role that requires CM), and that staff are asked to declare conflicts in relation to any contracts that they manage.</p> <p><b>Action:</b> <i>Amend the current induction / acting process to include an action to obtain Col’s for contracts the role is responsible for.</i></p> <p><i>Annual review for ‘strategic’ contracts only.</i></p> <p><i>Monitor conformance</i></p>	High	<p>People &amp; Culture</p> <p>Strategic Procurement &amp; Governance</p> <p>Governance</p>	<p>June 2020</p> <p>Ongoing</p> <p>Ongoing</p>	March 2021	<p>Page 19 of the P&amp;C Operations Manual – Register of Interests describes the process to manage the register of interests as per the LG Act Div 2, Sec 11</p> <p>An annual process to review and update Manager and other staff’s Register of Interests is distributed to relevant managers.</p> <p>Upon an offer being made HR Admin include a Register of Interest forms to new starters that are recruited in to positions that require this as part of their role and this is filed in Dataworks</p> <p>Further review and refinement of this process is to be conducted February/ March 2021.</p>

<b><i>Audit: Contract Management</i></b>					
<b>Recommendation and Actions</b>	<b>Risk Rating</b>	<b>Responsible Officer</b>	<b>Target Date</b>	<b>Revised Date</b>	<b>Comments</b>
<p><b>A need for clear staff training and awareness regarding their contract-related WHS responsibilities</b></p> <p><b>Recommendation 11</b> Develop a targeted training program to assist staff to fulfil their responsibilities in relation to WHS. For example, training on how to conduct a WHS audit, how to induct contractors, how to determine a safe work environment and how to discharge their responsibilities appropriately.</p> <p><b>Management Comment:</b> The organisational WHS Training Needs analysis covers Duty of Care for Workers, Duty of Care for Manager and Supervisors as well as WHS Responsible Officer training for Managers and Executive. A contractor management induction form is currently in place, however this will be progressively phased out following roll out of a comprehensive WHS Contractor Induction (has been developed and ready for roll out (via a portal to be accessed through the City of Salisbury web page). WHS audits are performed by competent WHS staff with a schedule in place set through the WHS&amp;IM Business Plan. Operational leaders are assigned contractor work site inspections through Skytrust with Executive updated on completion status via the P&amp;C quarterly report to Executive.</p> <p><b>Actions:</b> <i>Facilitate creation of contractor induction portal with support from IT staff</i></p>	High	Team Leader Safety & Wellbeing	September 2020	February 2021	Contractor induction portal has been created with the induction 'live' and ready for use. The induction requirements are described in the WHS Contractor Management Procedure and the WHS Induction and Training Procedure.

<b><i>Audit: Contract Management</i></b>					
<b>Recommendation and Actions</b>	<b>Risk Rating</b>	<b>Responsible Officer</b>	<b>Target Date</b>	<b>Revised Date</b>	<b>Comments</b>
<p><b>A need for clear staff training and awareness regarding their contract-related WHS responsibilities</b></p> <p><b>Recommendation 12</b> Develop a targeted training program to assist staff to fulfil their responsibilities in relation to WHS. For example, training on how to conduct a WHS audit, how to induct contractors, how to determine a safe work environment and how to discharge their responsibilities appropriately.</p> <p><b>Actions:</b> <i>Finalise review of contract templates with support from Manager Strategic Procurement</i> <i>Refer Recommendation 4 – guidelines and policy &amp; procedures to reflect this.</i></p>	High	Existing team / DM identified in Rec 2	December 2020	March 2021	<p>Review of contract templates undertaken by WHS &amp; Strategic Procurement. Legal advice received. Document updates still to occur – on track.</p> <p>Final proposal for updates to Contract Templates has been provided to Procurement Business Partner for action. External legal review has verified the proposed content.</p>

<b><i>Audit: Contract Management</i></b>					
<b>Recommendation and Actions</b>	<b>Risk Rating</b>	<b>Responsible Officer</b>	<b>Target Date</b>	<b>Revised Date</b>	<b>Comments</b>
<p><b>There is opportunity to strengthen record-keeping in relation to contracts</b></p> <p><b>Recommendation 13</b> To ensure that staff obtain and record quotations in relation to pieces of work conducted under contract:</p> <ul style="list-style-type: none"> <li>• remind staff of the importance of obtaining and recording quotations for individual pieces of work (where required), and</li> <li>• consider conducting periodic sample-based testing to ensure that key documentation, including quotations for work, is obtained and stored appropriately in the CoS records management system.</li> </ul> <p><b>Actions:</b> <i>Included in the Strategic Procurement transformation is an action to develop procedures and tools for below \$150k procurement activities. This recommendation will be addressed as part of these actions.</i></p>	Medium	Strategic Procurement	December 2020	Subject to recruitment of Manager Strategic Procurement	Due to the delay in finalising the recruitment process it is likely that the date complete this activity will be late 2021.

<b><i>Audit: Contract Management</i></b>					
<b>Recommendation and Actions</b>	<b>Risk Rating</b>	<b>Responsible Officer</b>	<b>Target Date</b>	<b>Revised Date</b>	<b>Comments</b>
<p><b>There is a need to clarify expected processes in relation to contract closure</b></p> <p><b>Recommendation 14</b>                      Formalise a process for contract closure. This can be in the form of a template, and may include but not be limited to:</p> <ul style="list-style-type: none"> <li>• capturing learnings/feedback on contract performance from a contractor’s perspective</li> <li>• reviewing whether goods/services have been received in full as paid for</li> <li>• reviewing whether discounts/savings were applied appropriately as per some contract conditions</li> <li>• identifying lessons learned and ensuring that these are communicated within the Council, to facilitate future contract management improvements.</li> </ul> <p><b>Actions:</b>                      Refer Recommendation 4.</p>	Better Practice	Existing team / DM identified in Rec 2	March 2021		The new Capital Delivery Process includes project closure. A standard template is being prepared to close out projects, which includes the closure of relevant contracts and capture learnings.

<b><i>Audit: Asset Management</i></b>					
<b>Recommendation and Actions</b>	<b>Risk Rating</b>	<b>Responsible Officer</b>	<b>Target Date</b>	<b>Revised Date</b>	<b>Comments</b>
<p><b>2.1 Focusing on customer levels of service and enhancing processes for monitoring and reporting levels of service.</b></p> <p><b>Recommendation 2.1.1</b> Engage with key stakeholders to establish performance measures and desired levels of service based on customer consultation and assessments of satisfaction. <b>Management Comment:</b> Now Council has an Asset Management Sub Committee (AMSC) and will work through the levels of service progressively for each asset category.</p> <p><b>Recommendation 2.1.2</b> Establish levels of service based on targets that are measurable, achievable, relevant and timely. <b>Management Comment:</b> Existing levels of service in place but need to change to more community centric focus.</p> <p><b>Recommendation 2.1.3</b> Implement mechanisms to ensure that performance targets are compared to actual performance and reported to key stakeholders on a regular basis. <b>Management Comment:</b> This is in place generally through the AMSC and SAMG</p> <p><b>Action:</b> <i>All Asset Managers to work with the AMSC and Council</i></p>	High	General Manager City Infrastructure (GMCI), Manager Property & Buildings (MP&B), Manager Infrastructure Management (MIM)	2023		The Strategic Asset Management Plan is being put to Council in February 2021 with the revised Levels of Service that have been completed to date. There are some Levels of Service, particularly relating to the buildings that will not be finalised for a number of years, particularly around Size, Capacity and Facility classification. Levels of Service are reviewed constantly and there are some major pieces of work to be done over the next 3 years.



<b><i>Audit: Asset Management</i></b>					
<b>Recommendation and Actions</b>	<b>Risk Rating</b>	<b>Responsible Officer</b>	<b>Target Date</b>	<b>Revised Date</b>	<b>Comments</b>
<p><b>2.2 Improving controls to ensure buildings condition assessment and 'fit for purpose' audits are performed on a regular basis.</b></p> <p><b>Recommendation 2.2.1</b> Ensure that building condition assessments and 'fit for purpose' audits are performed on a regular basis and used as part of buildings capital investment planning (including predicting expenditure for maintenance, renewals and new assets/upgrades).</p> <p><b>Management Comment:</b> Building Condition Assessment and Fit for Purpose audit has just been completed, by an external Consultant. The results and outcomes regarding levels of service will be presented to AMSC in September 2020.</p> <p><b>Action:</b> <i>Audit completed and findings and recommendations will be presented to the AMSC.</i> <i>Prioritise 21/22 and beyond capital program in line with above.</i></p>	High	MP&B	March 2021	May 2021	Audit has been completed and this was reported to the AMSC in December 2020. A buildings capital program has been prioritised in line with this information and will be reviewed once the PAS categories for Formal Recreations and Community Facilities has been endorsed by Council.

<b><i>Audit: Asset Management</i></b>					
<b>Recommendation and Actions</b>	<b>Risk Rating</b>	<b>Responsible Officer</b>	<b>Target Date</b>	<b>Revised Date</b>	<b>Comments</b>
<p><b>2.4 Defining clear criteria for upgrades and renewal of buildings</b></p> <p><b>Recommendation 2.4.1</b> Review current capital investment planning for buildings and ensure that criteria for prioritising upgrades (including construction of new assets) and renewal of buildings are clearly defined, documented and based on relevant factors including defined levels of service, condition, fit for purpose audits and forecasted future demand.</p> <p><b>Management Comment:</b> Generally in place however further improvements currently underway. Working with Council on defining 'fit for purpose' and future demand and priorities. Currently working the AMSC and developing a Place Activation Strategy to assist with this. Current condition &amp; fit for purpose audit addresses the current state with the Community Planning and Vitality Division preparing a report for ASMC regarding future demands and trends including specifications and gaps analysis with respect to Council's sporting facilities. Council's Community Hub model has been adopted with respect to the community facilities, with Burton and Ingle Farm Community Hubs being constructed over the next few years.</p> <p><b>Action:</b> Ongoing formal presentations and reports to Council Committees.</p>	High	MP&B	Ongoing		<p>See comments above</p> <p>The Building Asset Management Plan (BAMP), which contributes to the Strategic Asset Management Plan and Long term Financial Plan, details the Levels of Service for buildings, and financial forecasts to deliver and maintain these Levels of Service. The BAMP also identifies the priority of building related works, which informs Council Budget Bids.</p>

<b><i>Audit: Asset Management</i></b>					
<b>Recommendation and Actions</b>	<b>Risk Rating</b>	<b>Responsible Officer</b>	<b>Target Date</b>	<b>Revised Date</b>	<b>Comments</b>
<p><b>2.6 Improving Parks, Streetscapes and Street Trees Renewal processes and maintenance regime</b></p> <p><b>Recommendation 2.6.1</b> Review current capital investment planning in place for parks, streetscapes and street trees ensuring that renewals are planned not only on the age of the assets, but also on other relevant factors such as asset condition, asset hierarchy and asset criticality.</p> <p><b>Management Comment:</b> Currently underway with the AMSC Street tree audit completed in January 2020 to enable a review to occur. Street Tree Policy is being presented to AMSC in August 2020 for approval of Levels of Service, including principles around tree type and removal guidelines, and associated maintenance and renewal regimes.</p> <p><b>Action:</b> <i>Present process to the AMSC and Audit Committee.</i></p>	Moderate	MIM	October 2020	December 2021	<p>There is no Street Tree Policy as it has been amalgamated with the Tree Management Policy. The Tree Management Policy and Tree Removal Procedure were presented to the Asset Management Sub Committee in September.</p> <p>The priority list of streets for the 2020/21 Street Tree Renewal Program was presented to the Sub Committee. The Asset Management Plan for Street Trees has not been updated so the maintenance and renewal regimes are still to be confirmed along with Levels of Service.</p>

<b>Audit: Asset Management</b>					
<b>Recommendation and Actions</b>	<b>Risk Rating</b>	<b>Responsible Officer</b>	<b>Target Date</b>	<b>Revised Date</b>	<b>Comments</b>
<p><b>2.7 Opportunity to review contents included in the Asset Management Plans as per IPWEA standards and the ISO55000 series</b></p> <p><b>Recommendation 2.7.1</b> Review the revised asset management plans against the IPWEA standards and ensure they address the required details regarding levels of service, asset condition, lifecycle management plan, asset criticality, risk management and processes for improvement. <b>Management Comment:</b> Review occurred in 2017 to do this and close alignment was identified. Some improvements to Level of Service as above. Council currently uses the IPWEA templates. This will be revised and improved as the AMSC completes the review of assets by asset management plan.</p> <p><b>Recommendation 2.7.2</b> Review the revised asset management strategy and ensure it includes internal and external factors that may impact on asset management objectives as well as strategic risk issues and risks relating to these factors. <b>Management Comment:</b> Being considered as part of the (Strategic Asset Management Plan (SAMP) as presented to Council on 29 February 2020. Asset Management Sub-committee is working through the Levels of Service for each Asset Management Plan. This will result in the upgrade of the Asset Management Plans late in 2020.</p> <p><b>Action:</b> <i>See above.</i></p>	Better Practice	MIM & MP&B	December 2021		<p>See comments above. The Buildings Asset Management Plan will be completed by December 2021 as reported to the AMSC.</p> <p>An improvement plan is being prepared to be endorsed by SAMG. This will continue the improvements being made to Asset Mgmt and AMP's covering the period to Dec 21</p> <p>Current SAMP includes the AMSC changes in level of service which will be incorporated into the AMOP's as they are throughout this year.</p>

<b><i>Audit: Asset Management</i></b>					
<b>Recommendation and Actions</b>	<b>Risk Rating</b>	<b>Responsible Officer</b>	<b>Target Date</b>	<b>Revised Date</b>	<b>Comments</b>
<p><b>2.8 Improving controls to ensure that capitalisations are processed on a more regular basis and based on 'as constructed' drawings</b></p> <p><b>Recommendation 2.8.1</b> Process capitalisations on a more regular basis (i.e. not concentrating capitalisations towards year end).</p> <p><b>Management Comment:</b> Staff are working in line with finance policy and will adapt as required. Discussions to occur with Financial Services on appropriate frequency.</p> <p><b>Recommendation 2.8.2</b> Base asset capitalisations on 'as constructed' drawings.</p> <p><b>Management Comment:</b> Base valuations on normal industry methodology. Council now has a process of continual asset take up. Contracts are being revised and redeveloped, particularly around the Road Reseal Reconstruction Program and Building Programs, with Asset Constructed now compulsory. This is a continuous improvement project between City Infrastructure and Procurement.</p> <p><b>Action:</b> <i>Continue discussions with Financial Services Division.</i></p>	Better Practice	MIM & MP&B	Ongoing		<p>No further comments to be made.</p> <p>Council has now adopted a Capitalisation process as part of the Capital Program Closeout, which has significantly improved the Asset uptake process and making it a continuous process.</p>

<b><i>Audit: Purchase Card</i></b>					
<b>Recommendation and Actions</b>	<b>Risk Rating</b>	<b>Responsible Officer</b>	<b>Target Date</b>	<b>Revised Date</b>	<b>Comments</b>
<p><b>1. Sensitive expenditure</b>  <b>Sensitive expenditure purchased either via creditors or purchase card could cause community concern.</b></p> <p><b>Recommendation</b>                      That a separate Purchase Card Policy is developed and adopted by Council or included within the Procurement Policy. The policy needs to cover sensitive expenditure and Council's direction on the type and nature of expenses that are deemed appropriate.                      That the Procurement Framework is reviewed.</p> <p><b>Management Comment:</b>                      Agree. This will be discussed with the executives and policy will be developed or revised accordingly.</p> <p>It is noted that this recommendation can be addressed with the implementation of the recommendation under Risk 3: Policies and Procedures</p>	Very High	Procurement Business Partner	30/6/2021		Draft Policy developed and in the process of consulting with stakeholders before formal adoption.

<b><i>Audit: Purchase Card</i></b>					
<b>Recommendation and Actions</b>	<b>Risk Rating</b>	<b>Responsible Officer</b>	<b>Target Date</b>	<b>Revised Date</b>	<b>Comments</b>
<p><b>2. Spending on website compared to transactions.</b>  <b>If reporting of purchase card spending on Council's website is different to actual expenditure there could be a loss of community trust in reports provided by Council.</b></p> <p><b>Recommendation</b>            That Council review their processes and parameters around the generating of the Council quarterly purchase card report to ensure consistency and completeness of the transactions being reported. It is also suggested that a review process be implemented by an independent employee to ensure that all transactions are being captured and correctly reported on the Council website.</p> <p><b>Management Comment:</b>            Agree. Management will review the report parameters to fix any report errors for future reporting. Also, the next quarterly reporting will include any omissions identified, relating to the past period identified.</p>	High	Procurement Business Partner	31/1/2021		<p>Update Report for 2019/20 published to Council's website.</p> <p>Review of reporting parameters conducted and action being taken to implement changes.            Oct – Dec 2020 report yet to be run.</p>

<b><i>Audit: Purchase Card</i></b>					
<b>Recommendation and Actions</b>	<b>Risk Rating</b>	<b>Responsible Officer</b>	<b>Target Date</b>	<b>Revised Date</b>	<b>Comments</b>
<p><b>3. Policies and Procedures</b>  <b>If policies and procedures are not appropriate, current, consistent, thorough, and clear, inappropriate spending may occur.</b></p> <p><b>Recommendation</b>                      That a Purchase Card Policy is developed and adopted by Council or included with Council's Procurement Policy. The Policy to cover expenditure using purchase cards and Council's direction on sensitive expenditure and the type and nature of expenditure that it deems appropriate for purchasing using purchasing cards.                      That the Procurement Framework is reviewed.</p> <p><b>Management Comment:</b>                      Agree. This will be discussed with executives and policy will be developed ore revised accordingly.</p>	High	Procurement Business Partner	30/6/2021		As noted in response to recommendation 1.

Item 7.1.4 - Attachment 3 - Outstanding Actions arising out of Internal Audits



<b><i>Audit: Purchase Card</i></b>					
<b>Recommendation and Actions</b>	<b>Risk Rating</b>	<b>Responsible Officer</b>	<b>Target Date</b>	<b>Revised Date</b>	<b>Comments</b>
<p><b>4. Financial Delegation</b>  <b>If purchase limits are not set appropriately, not reviewed regularly and changes to purchaser limits are not appropriately recorded, approved and monitored, inappropriate spending could occur.</b></p> <p><b>Recommendation</b></p> <p>a) That cardholders authorised spending limits should be regularly reviewed. The review should also ensure consistency of spending limits between the limits on cardholder register, limits enabled by the bank, and financial delegations authorised by management</p> <p>b) That the Financial Delegations set by the CEO detail general financial delegations and card delegations on the same list and that this list is signed and dated by the CEO.</p> <p>c) That financial delegations in Council's software systems are regularly reviewed against the Financial Delegation document.</p> <p>d) That card delegations are not set higher than general financial delegations.</p> <p>e) That card delegations are not provided where there are no financial delegations.</p> <p><b>Management Comment:</b>            Agree. Strategic Procurement has identified that limits across bank and CoS Systems need to be reviewed for consistency – will occur as part of implementing the June 2020 credit card report with its approved recommendations.</p>	High	Procurement Business Partner	31/1//2021		COMPLETE

<b><i>Audit: Purchase Card</i></b>					
<b>Recommendation and Actions</b>	<b>Risk Rating</b>	<b>Responsible Officer</b>	<b>Target Date</b>	<b>Revised Date</b>	<b>Comments</b>
<p><b>5. Use of Cards</b>  <b>If appropriate controls are not in place and working effectively in relation to the use of purchase cards, inappropriate spending may occur and may continue to occur.</b></p> <p><b>Recommendation</b>            a) That Purchase Card Approval Forms be checked against Council's purchase card system and bank authorisations to ensure correct authorisation has occurred.  <b>Management Comment:</b>            See comments for recommendation related to Risk 5: Financial Delegations. This will get addressed in that implementation process. No separate action required.</p> <p>b) That cardholders undertake training to be made aware of how fraudulent activity could occur with their cards without their knowledge if they provide their cards to other staff to use.            c) That the transaction limit be discontinued as per report recommendation presented to Executive Group in June 2020.  <b>Management Comment:</b>            Agree that broad refresher training be provided to cardholders after implementation of the June 2020 review report recommendations, addressing changes implemented and risk of potential fraud relating to card use.</p> <p>d) That reconciliation timeframes be enforced and to introduce escalation process to senior management in cases where unreconciled purchase card transactions remain beyond a certain agreed timeline.  <b>Management Comment:</b>            Agree. This will be implemented accordingly.</p>	High	Procurement Business Partner			On track.
			b) and c) 30/6//2021		
			d) 31/1/2021		

<b><i>Audit: Purchase Card</i></b>					
<b>Recommendation and Actions</b>	<b>Risk Rating</b>	<b>Responsible Officer</b>	<b>Target Date</b>	<b>Revised Date</b>	<b>Comments</b>
<p><b>6. Use of Cards continued</b>  <b>If appropriate controls are not in place and working effectively in relation to the use of purchase cards, inappropriate spending may occur and may continue to occur.</b></p> <p><b>Recommendation</b>            e) That a Purchase Card Policy be developed which defines low cost and low value purchases and clarifies the type of expenditure that is suitable for purchase cards.</p> <p><b>Management Comment:</b>            See comments for recommendation related to Risk 3: Policies and Procedures. This will get addressed in that implementation process. No separate action required.</p> <p>f) That the Procurement Matrix be clarified to show the value beyond which a purchase order is required.            g) That the use of purchase orders for purchase cards have the same parameters and requirements that are set for creditor invoices.</p> <p><b>Management Comment</b>            Purchase Orders are paid in Finance One by matching to a creditor's invoice. Transactions/purchases paid by credit card are processed through a different module which does not interact with creditor invoice payments. Purchase Orders created but not paid against a creditor invoice require cancellation – additional resource requirement. Alternative controls are in place with supervisor /manager approval on email prior to using purchase card. Controls are considered adequate, and no further action required.</p>	High	Procurement Business Partner	e) 30/6/2021		On track.

<p><b><i>Response to Management Comments</i></b>                  We suggest that advice is sought from Finance One to determine how a purchase order could be raised for a purchase card payment. Purchase orders are important for providing suppliers with Council's terms and conditions that may detail more information than payment terms. Purchase orders can contain more information about the purchase than the purchase card transaction information. Higher value transactions need more robust procurement. If goods are ordered and payment by purchase card occurs sometime after the original order, i.e. when goods become available, not using a purchase order results in lack of legal protection regarding cost, and no control over status of the order. Purchase orders are less important where purchases are of lower value, however the current usage of purchase cards involves transactions of high value.</p>					
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<b><i>Audit: Purchase Card</i></b>					
<b>Recommendation and Actions</b>	<b>Risk Rating</b>	<b>Responsible Officer</b>	<b>Target Date</b>	<b>Revised Date</b>	<b>Comments</b>
<p><b>6. Training</b>  <b>If cardholders are not continually reminded of their responsibilities in the use of purchase cards, inappropriate spending may occur.</b></p> <p><b>Recommendation</b>            a) That additional training be provided to ensure cardholders understand how misuse and fraudulent activity could occur with their cards without their knowledge if they provide their cards to other staff to use.</p> <p><b>Management Comment:</b>            See comments for recommendation related to Risk 6: Use of Cards. This will get addressed in that implementation process. No separate action required</p> <p>b) That cardholders are required to sign a new declaration and acknowledgement form each time the card is renewed.</p> <p><b>Management Comment</b>            Agree. As part of implementing the June 2020 credit card report with its approved recommendations, cardholders will be required to sign an updated Cardholder Declaration and Acknowledgement. When replacement cards are received and issued, the additional step of signing another Cardholder Declaration and Acknowledgement can be implemented.</p>	Moderate	Procurement Business Partner	a) 30/6/2021		On track
			b) 31/1/2021		

<b><i>Audit: Management of Contaminated Sites</i></b>					
<b>Recommendation and Actions</b>	<b>Risk Rating</b>	<b>Responsible Officer</b>	<b>Target Date</b>	<b>Revised Date</b>	<b>Comments</b>
<p><b>Recommendation 1</b> Further consideration should be given to the inclusion of a source, pathway, receptor model when assessing risks related to contaminated sites or the Recycled Water Systems.</p> <p><b>Management Comment</b> a) Noted b) This recommendation is relevant only to known point source contaminated sites. Acting on the advice of the CSIRO, Council assumes that the entire catchment is contaminated ie there are unknown contaminated sites, known sites that are out of Council's control and potential for distributed contamination from historic land uses eg herbicides and pesticides applied across large areas. A thorough review of the land uses within each catchment is undertaken every 5 years, as part of the Managed Aquifer Recharge (MAR) Systems Risk-Based Management Plan. (Most recent version carried out by Consultants, WGA, 2019). This assessment requires an ongoing monitoring approach, including on-line electronic instrumentation and routine sampling and laboratory analyses on a weekly basis to assess potential contaminants that may lead to contamination of the recycled water systems. c) Previous work undertaken to assess the risk of landfills within the catchment, does not consider the potential contaminants of concern from these activities, given this can depend on the nature of the waste. To determine the risk from landfills, further review of the potential nature of the waste would be required. Once this is determined, the risk from landfills should be considered with respect to the construction of the landfill (i.e. lined, unlined or partially lined), the type of waste received and the potential receptors (i.e. groundwater or surface water).</p>	Medium	<p>Manager, Salisbury Water</p> <p>Manager, Infrastructure Management</p>	31/1/2021		<p>Consultants WGA were commissioned to perform a comprehensive risk assessment for the entire catchments. This is provided in the CoS Integrated Catchment Risk Management Plan (ICRMP) Full Council risk assessment and pollutant screening to be performed every 5 years covering our 3 catchments and 2 neighbouring catchments.</p> <p>Following the risk assessment, Council will need to update management actions and revise the monitoring and reporting program. (CoS Water Quality Monitoring and Reporting Program WQMRP – note this now a stand-alone document as recommended).</p>

<p>Landfilling activities are likely to impact the underlying shallow groundwater system and consequently there is an ongoing risk of discharge back into surface waters. The deeper groundwater systems of the Q3 and Q4 aquifers and the T1 and T2 aquifers used for MAR are generally 'protected' by overlaying dense clay aquitards. A significant body of testwork shows these aquifers are unlikely to be impacted by downward leaching from shallow groundwater meaning the risk of directly impacting the recycled water system is quite low, however ongoing monitoring is still an essential part of Council's risk management response</p>					
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<b><i>Audit: Management of Contaminated Sites</i></b>					
<b>Recommendation and Actions</b>	<b>Risk Rating</b>	<b>Responsible Officer</b>	<b>Target Date</b>	<b>Revised Date</b>	<b>Comments</b>
<p><b>Recommendation 2</b> A review of third-party contaminated sites should be undertaken using the EPA SA's Site Contamination Index, with respect to the potential for these sites to impact Council land (including surface water, groundwater, soil and vapour risks) or the Recycled Water Systems. These sites should be included in Council's corporate GIS system for consideration during the planning / approvals process.</p> <p><b>Management Comment</b> a) Noted, bearing in mind the Planning Teams approve process for development sites in the City, is based on the EPA guidelines around these sites and the EPA SA's Site Contamination Index is used as the single source of truth. b) The EPA's Site Contamination Index is one of the databases consulted in the review of the Salisbury Water Risk Based Management Plan. c) However, raising the awareness of the EPA index is worthwhile and consideration of how to integrate with Council's information portal's should be undertaken. d) Legal advice to be sought on what other Councils do in regards to third party sites.</p>	Best Practice	Manager, Salisbury Water  Manager, Infrastructure Management	31/1/2021		This forms part of the risk assessment protocols included in the revised ICRMP.  Collation of known Council and third party sites for inclusion in a GIS layer is underway.



<b><i>Audit: Management of Contaminated Sites</i></b>					
<b>Recommendation and Actions</b>	<b>Risk Rating</b>	<b>Responsible Officer</b>	<b>Target Date</b>	<b>Revised Date</b>	<b>Comments</b>
<p><b>Recommendation 3</b> The risk management system should ensure robust mechanisms are in place to ensure the system remains dynamic, iterative, and responsive to change, including completion of any outstanding reviews.</p> <p><b>Management Comment</b> Accepted. Documented review systems are set out in the documents. Some of the documents provided had not been recently reviewed.</p>	Low	<p>Manager, Salisbury Water</p> <p>Manager, Infrastructure Management</p>			<p>Included in the new ICRMP are two Risk Management Plans. The existing Managed Aquifer Recharge Risk Management Plan (MRMP) addresses stormwater harvesting and aquifer injection/recovery and recycled water reuse impacts on soil.</p> <p>A major review is performed every 5 years.</p> <p>A minor review is performed annually.</p> <p>The new Risk Management Plan under development is an integration of existing and new Stormwater Management Plans (SMP's) and focuses on shallow ground water, water courses, wetlands and the estuarine receiving environment.</p> <p>Dry Creek SMP – 20/21 Little Para - 21/22 Adams Creek - 22/23</p>

<b><i>Audit: Management of Contaminated Sites</i></b>					
<b>Recommendation and Actions</b>	<b>Risk Rating</b>	<b>Responsible Officer</b>	<b>Target Date</b>	<b>Revised Date</b>	<b>Comments</b>
<p><b>Recommendation 4</b> Suggested improvements / corrections outlined in the Mockinya Consulting letter should be undertaken, in conjunction with the following:</p> <ul style="list-style-type: none"> <li>• Identification of potential contaminants of concern;</li> <li>• Further consideration regarding the completeness of existing information;</li> <li>• Consideration for inclusion of non-Council owned sites;</li> <li>• Inclusion of any active or ongoing monitoring, investigations or management actions currently undertaken at each site;</li> <li>• Breaking down the existing information into general categories to assist in determining the confidence level of each risk assessment.</li> <li>• Breaking previous information into the relevant categories presented in the National Environmental Protection Measure (NEMP) Schedule B2 - Site Characterisation (i.e. Preliminary Site Investigation, Detailed Site Investigations, Risk Assessment); and</li> <li>• Inclusion of a potential source, pathway, receptor model in line with previous recommendations and outlining potentially contaminated media (i.e. surface water, groundwater, soil, vapour etc.)</li> </ul> <p><b>Management Comment</b> Noted and agreed that this is a future body of work. Salisbury Water already undertake a far more comprehensive catchment review and identification of 'pollutants of concern' than it is contemplated by Blue Sphere – however the focus is on the upper sections of the catchment prior to</p>	Medium	<p>Manager, Salisbury Water</p> <p>Manager, Infrastructure Management</p>	31/1/2021		<p>Refer to the ICRMP and new + modified appendices</p> <p>Appendix B Potentially Contaminating Activities, Industries and Land-uses within the Catchments</p> <p>Appendix D Hazard Mapping Protocol</p> <p>Appendix E Potentially Contaminating Activities - Dry Creek Catchment</p> <p>Appendix F Source Water Quality - Dry Creek Catchment</p> <p>Appendix G Qualitative and Quantitative Risk Assessment and Identification of Migration Pathways</p> <p>Appendix H Detailed Maximal and Residual Risk Assessment – Dry Creek Catchment</p> <p>Appendix I Potentially Contaminating Activities – Little Para Catchment</p> <p>Appendix J Source Water</p>

<p>harvesting sites. However, this risk assessment and pollutant identification and screening process can easily be extended to the full extent of the catchments without the need for substantial duplication of effort.</p>				<p>Quality - Little Para River Catchment</p> <p>Appendix K. Detailed Maximal and Residual Risk Assessment – Little Para River Catchment</p> <p>Appendix L. Potentially Contaminating Activities - Adams Creek Catchment</p> <p>Appendix M. Source Water Quality - Adams Creek Catchment</p> <p>Appendix N. Detailed Maximal and Residual Risk Assessment – Adams Creek Catchment</p> <p>Appendix O. Water Quality Monitoring Schedule And Frequency</p>
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<b><i>Audit: Management of Contaminated Sites</i></b>					
<b>Recommendation and Actions</b>	<b>Risk Rating</b>	<b>Responsible Officer</b>	<b>Target Date</b>	<b>Revised Date</b>	<b>Comments</b>
<p><b>Recommendation 5</b> The document map provided in multiple documents could be contextualised into a framework, outlining where this document fits in relation to other key documents and guidelines</p> <p><b>Management Comment</b> a) Noted, there is an additional framing with respect to associated key documents, particularly with respect to the register and the emergency response spill plan. b) This is a reference to Salisbury Waters indexes where we have an identical 'document map' in all of our key documents with colour coding to identify where the document fits in the 'structure'. c) It is agreed that it needs to be expanded and that an overarching Council structure needs to be agreed on first.</p>	Best Practice	Manager, Salisbury Water	31/1/2021		Modified document map in the ICRMP will also be applied to other relevant documents

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<b>Recommendation and Actions</b>	<b>Risk Rating</b>	<b>Responsible Officer</b>	<b>Target Date</b>	<b>Revised Date</b>	<b>Comments</b>
<p><b>Recommendation 6</b> Where potential risks cannot be adequately assessed from the existing information, further work may be required in accordance with the NEPM Schedule B2 (NEPC, 1999).</p> <p><b>Management Comment</b> Agreed and noted</p>	Medium	Manager Infrastructure Management	June 2023		Next review cycle is 2023. Budget bid to be put in 22/23

<b><i>Audit: Management of Contaminated Sites</i></b>					
<b>Recommendation and Actions</b>	<b>Risk Rating</b>	<b>Responsible Officer</b>	<b>Target Date</b>	<b>Revised Date</b>	<b>Comments</b>
<p><b>Recommendation 7</b> The consequence descriptors particularly relating to the assessment of environmental impacts and reputational risks should be revised to be more prescriptive.</p> <p>Some possible additions to the environmental aspects have been provided below for consideration:</p> <ul style="list-style-type: none"> <li>• Catastrophic – Permanent widespread irreversible impact to land, groundwater or surface water environment;</li> <li>• Major – Significant widespread impact to land, groundwater or surface water environment which can be restored within 5-10 years;</li> <li>• Moderate – Medium term impact to land, groundwater or surface water environment which can be restored within 12 months;</li> <li>• Minor – Localised impact to land, groundwater or surface water environment which can be restored in less than 12 months; and</li> <li>• Insignificant – Localised temporary impact on immediate area around asset or activity which can be restored within a month.</li> </ul> <p><b>Management Comment</b> Noted, the risk consequence descriptors will be changed accordingly.</p>	Best Practice	Manager, Infrastructure Management  Manager, Salisbury Water  Risk and Governance Program Manager	30/6/2021		ICRMP Appendix G Table G-1: Risk assessment categorisation and ranking method adapted from the Phase 1 Australian Guidelines for Water Recycling (NRMMC-EPHC-AHMC, 2006)

<b><i>Audit: Management of Contaminated Sites</i></b>					
<b>Recommendation and Actions</b>	<b>Risk Rating</b>	<b>Responsible Officer</b>	<b>Target Date</b>	<b>Revised Date</b>	<b>Comments</b>
<p><b>Recommendation 8</b> Policies, procedures, or guidance documentation should be developed to outline the intent, use and management of the Contaminated Sites Register, along with any review or feedback mechanisms.</p> <p><i>Management Comment</i> Agreed.</p>	Medium	Manager, Infrastructure Management	December 2021		Budget bid to be raised. Consider in conjunction with other risks

<b><i>Audit: Management of Contaminated Sites</i></b>					
<b>Recommendation and Actions</b>	<b>Risk Rating</b>	<b>Responsible Officer</b>	<b>Target Date</b>	<b>Revised Date</b>	<b>Comments</b>
<p><b>Recommendation 9</b> When assessing monitoring data, consideration should be given to their potential sources and their trends (i.e. are concentrations stable, increasing or decreasing).</p> <p><b>Management Comment</b> Agreed, mapping of this information will be developed as data is collected moving forward, including a protocol around in creek sampling, (timing, frequency &amp; contaminants to be assessed, including an integrated approach with Salisbury Water monitoring).</p>	Best Practice	Manager, Salisbury Water	December 2021		This is already done for MAR systems in the annual data review and submission to EPA— example report provided. This will be expanded for future catchment monitoring.



<b><i>Audit: Management of Contaminated Sites</i></b>					
<b>Recommendation and Actions</b>	<b>Risk Rating</b>	<b>Responsible Officer</b>	<b>Target Date</b>	<b>Revised Date</b>	<b>Comments</b>
<p><b>Recommendation 10</b> Further consideration should be given to the potential indicators used to assess wastewater derived impacts and emerging contaminants, and their potential fate and transport mechanisms to assess longer term impacts in addition to those used to assess individual contamination events.</p> <p><b>Management Comment</b></p> <p>a) Salisbury Water has a comprehensive protocol for assessing emerging pollutants including reviewing interstate standards, US EPA and European standards for emerging pollutants.</p> <p>b) However, this finding is noted to ensure that future sampling and laboratory analyses includes greater wastewater considerations, as sewer spill notifications are becoming more frequent. (Bearing in mind, that when SA Water notify of an effluent spill, the SA EPA is consulted in the sampling/analysis response undertaken directly downstream of the spill).</p>	Best Practice	Manager, Salisbury Water			<p>COMPLETE</p> <p>This is ongoing. Protocols to address emerging pollutants are included in the ICRMP. No further action required.</p>

Item 7.1.4 - Attachment 3 - Outstanding Actions arising out of Internal Audits

<b><i>Audit: Management of Contaminated Sites</i></b>					
<b>Recommendation and Actions</b>	<b>Risk Rating</b>	<b>Responsible Officer</b>	<b>Target Date</b>	<b>Revised Date</b>	<b>Comments</b>
<p><b>Recommendation 11</b> The management of contaminated sites should be integrated into a single framework, providing documented feedback mechanisms, and ensuring the overall risk to the CoS and the Recycled Water Systems are appropriately managed.</p> <p><b>Management Comment</b></p> <ul style="list-style-type: none"> <li>a) Noted</li> <li>b) At this point in time the Contaminated Site Register sits in the Corporate GIS system and is managed by City Infrastructure, however there is no mechanism to provide ongoing reporting in this area, other than on an incident by incident basis.</li> <li>c) Also agree that a more integrated approach across Council Departments is required. This is proposed to be done by revising the Integrated Water Cycle Management Plan into a new Integrated Catchment Risk Management Plan and up-dating all Stormwater Management Plans (SMPs) to ensure they model and monitor water quality issues as well as water quantity (ie flood management).</li> </ul>	Best Practice	Manager, Infrastructure Management  Manager, Salisbury Water	2023/2024		The ICRMP is the first step in establishing an integrated framework.

Item 7.1.4 - Attachment 3 - Outstanding Actions arising out of Internal Audits

<b><i>Audit: Management of Contaminated Sites</i></b>					
<b>Recommendation and Actions</b>	<b>Risk Rating</b>	<b>Responsible Officer</b>	<b>Target Date</b>	<b>Revised Date</b>	<b>Comments</b>
<p><b>Recommendation 12</b> Further consideration should be given to the Potential Contaminants of Concern (PCOCs) relating to historic landfilling activities within the various catchments. This should consider the location, construction, the type of waste received and the potential receptors.</p> <p><b>Management Comment</b> Historic landfilling activities are assessed in the Salisbury Water risk assessment and a comprehensive list of pollutants of concern are tested and screened. The testing and screening process needs to be applied across the entire catchment at broader selected locations to avoid unnecessary duplicated effort.</p>	Medium	Manager Infrastructure Management  Manager, Salisbury Water			COMPLETE  Potential Contaminants of Concern are already being reviewed. No Further action

<b><i>Audit: Management of Contaminated Sites</i></b>					
<b>Recommendation and Actions</b>	<b>Risk Rating</b>	<b>Responsible Officer</b>	<b>Target Date</b>	<b>Revised Date</b>	<b>Comments</b>
<p><b>Recommendation 13</b> All monitoring activities undertaken should be consolidated into a single document, outlining relevant sampling methodologies, limits or reporting, guidelines, criteria and trigger levels.</p> <p><b>Management Comment</b> Methodologies, Limit of Reporting (LOR)'s etc are a function of the testing laboratory and their capabilities. Council only contracts with NATA accredited laboratories. However, it is agreed that the consolidation of monitoring work, data trending and evaluation, and subsequent management reporting should be a priority.</p>	Best Practice	<p>Manager Infrastructure Management</p> <p>Manager, Salisbury Water</p>	June 2022		<p>Rather than an attachment to the Risk Management Plan, this should be a stand alone document – done CoS Water Quality Monitoring and Reporting Program (WQMRP) - COMPLETE</p> <p>When results are received, copies need to be circulated. Distribution lists, checking to see who needs to follow up on actions – new protocols being established with the award of a new Water Quality contract.</p>

<b><i>Audit: Management of Contaminated Sites</i></b>					
<b>Recommendation and Actions</b>	<b>Risk Rating</b>	<b>Responsible Officer</b>	<b>Target Date</b>	<b>Revised Date</b>	<b>Comments</b>
<p><b>Recommendation 14</b> Routine and ad-hoc condition inspections of Council assets should include consideration of environmental aspects and potential changes in quality over time (such as the existence of odours, seeps, or sheens etc.).</p> <p><b>Management Comment</b> The Salisbury Water Operations and Maintenance Manual incorporates SOP's that requires routine visual inspection and the use of portable instrumentation to supplement/validate permanently installed field instrumentation. However, Council will create a Standard Operating Procedure with respect to the Risk Based monitoring of potential contaminated sites including the development of an ongoing review program, with the frequency to be determined.</p>	Low	<p>Manager Infrastructure Management</p> <p>Manager, Salisbury Water</p>			<p>When performing inspections, Salisbury Water staff complete a Facilities Operations Sheet which is scanned and saved into the Enterprise Content Management System</p> <p>Ad hoc reviews are performed of assets within the Contaminated Sites Register, however a process needs to be developed for future work to be performed.</p>



<b>ITEM</b>	7.1.5
	<b>AUDIT COMMITTEE</b>
<b>DATE</b>	09 February 2021
<b>HEADING</b>	Draft Fraud and Corruption Prevention and Management Policy
<b>AUTHOR</b>	Janet Crook, Risk & Governance Program Manager, CEO and Governance
<b>CITY PLAN LINKS</b>	4.2 We deliver quality outcomes that meet the needs of our community 4.4 We plan effectively to address community needs and identify new opportunities
<b>SUMMARY</b>	The review of the Fraud and Corruption Prevention Strategy is an action on the Risk Management and Internal Controls Activities annual plan for the Audit Committee 2020/2021. The Fraud and Corruption Prevention Policy has been reviewed and is presented to the Audit Committee for endorsement and presentation to the Governance and Compliance Committee.

**RECOMMENDATION**

1. The Audit Committee supports the Fraud and Corruption Prevention and Management Policy as drafted and set out in Attachment 2 to this report (Audit Committee, 09/02/2021, Item No. 7.1.5) for further consideration of the Governance and Compliance Committee in February 2021.

**ATTACHMENTS**

This document should be read in conjunction with the following attachments:

1. Draft Fraud and Corruption Prevention and Management Policy
2. Draft Fraud and Corruption Prevention and Management Policy - CLEAN

**1. BACKGROUND**

- 1.1 The review of the Fraud and Corruption Prevention Strategy is an action on the Risk Management and Internal Controls Activities annual plan 2020/2021 for the Audit Committee.
- 1.2 City of Salisbury (“CoS”) has a Fraud and Corruption Prevention Policy which was first approved in September 2005, and a Fraud and Corruption Prevention Strategy which was approved in 2007. Both documents require comprehensive review.

**2. CONSULTATION / COMMUNICATION**

- 2.1 Internal
  - 2.1.1 Manager People & Culture, Community & Organisational Development
  - 2.1.2 Volunteer Development Officer, Community & Organisational Development

- 2.2 External
  - 2.2.1 Nil

### 3. REPORT

- 3.1 The CoS is committed to acting in the best interest of the community and to uphold the principles of honesty, integrity and transparency. CoS has a zero-tolerance stance towards fraud, corruption, misconduct and maladministration.
- 3.2 It is acknowledged that the CoS faces the operational risk of suffering detriment as a result of fraud, misconduct or maladministration. It is also acknowledged that CoS has responsibilities relating to fraud, corruption, misconduct and maladministration under the *Independent Commissioner Against Corruption Act 2012* and the *Public Interest Disclosure Act 2018*. Well documented and communicated policy documentation contributes towards CoS' mitigation efforts in relation to these risks and duties.
- 3.3 Attachment 1 sets out the draft Fraud and Corruption Prevention and Management Policy ("the Policy"), with track changes. Attachment 2 sets out a clean copy of the Policy for ease of reference.
- 3.4 The Policy has received material updates, which include:
  - 3.4.1 Updating the objectives of the Policy;
  - 3.4.2 Comprehensively setting out the definitions used in the policy and their relationship to specific pieces of legislation;
  - 3.4.3 Summarising the policy statement into the areas of prevention, controls, roles & responsibilities, and reporting fraud, corruption, misconduct or maladministration;
  - 3.4.4 Revising the applicable legislation (including removal of reference to the *Whistleblower Protection Act 1993*); and
  - 3.4.5 Updating the CoS associated procedures.
- 3.5 When conducting the review, consideration was given to the Local Government Association of SA Fraud, Corruption, Misconduct and Maladministration Prevention Model Policy. Consideration was also given to relevant policies adopted by South Australian Councils of a similar size and complexity to CoS.
- 3.6 Following adoption of the Fraud and Corruption Prevention and Management Policy, a Fraud and Corruption Prevention and Management Framework will be prepared to support the implementation of the policy objectives and statements and to replace the existing Fraud and Corruption Strategy.

### 4. CONCLUSION / PROPOSAL

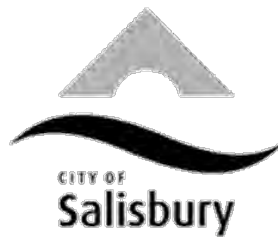
- 4.1 The Fraud and Corruption Policy has been reviewed and updated.
- 4.2 The Audit Committee is asked to support the draft Fraud and Corruption Prevention and Management Policy as drafted for presentation to the Governance and Compliance Committee.



**CO-ORDINATION**

Officer: R&GPM MG Exec  
Date: 3/02/21





## Fraud and Corruption Prevention and Management Policy

Policy Type:	Policy		
Approved By:	<u>COUNCILMANEGL</u>	Decision No:	
Approval Date:	19 September 2005	Commencement/Last Reapproval Date:	<u>22 February 2021-November 2005</u>
Review Date:	<u>February 2023-26 July 2008</u>	Internal Reference No.:	
Department:	Executive	Division:	Executive Office
Function:	<u>915 - Governance/Legal Provisions</u>	Responsible Officer:	Manager, Governance

### A - PREAMBLE

1. The City of Salisbury ~~is committed to acting in the best interest of the community and to upholding the principles of honesty, integrity and transparency. corporate value of Probity and Ethics states "We will act in the best interest of our community with honesty, integrity and transparency." The City of Salisbury is committed to maintaining the highest standards of honesty and ethical dealings.~~

### B - SCOPE

1. This policy applies to all council members, employees, contractors, consultants and volunteers of the City of Salisbury.

### C – POLICY PURPOSE/OBJECTIVES

1. ~~This policy sets out the controls that are in place to ensure accountable and transparent operations. It also articulates the mechanism for responding to the presentation of "public interest information". The purpose of this policy is to ensure that City of Salisbury:~~
  - a. properly fulfils its responsibilities under the Independent Commissioner Against Corruption Act 2012 (ICAC Act);
  - b. takes appropriate steps towards compliance with relevant legislation, policies and instruments;
  - c. provides a clear statement to all council members, employees, contractors, consultants, and volunteers through practices, policies and procedures that fraudulent conduct, Misconduct and/or Maladministration is not acceptable and will not be tolerated;
  - d. protects Council assets, interests and reputation from the risks associated with fraudulent conduct, Misconduct and/or Maladministration;
  - e. outlines the Council's approach to the prevention, detection and management of Fraud, Corruption, Misconduct and Maladministration;
  - f. fosters an ethical environment and culture which is conscious of, actively discourages, does not tolerate and appropriately deals with Fraud, Corruption, Misconduct and Maladministration;
  - g. identifies the relevant responsibilities of council members, the Audit Committee, the Chief Executive Officer, and Employees, Volunteers and Contractors;

- h. educates Employees, Volunteers and Contractors and council members about their obligations to report conduct reasonably suspected of being Fraud, Corruption, Misconduct and/or Maladministration;
- i. evaluates practices, policies and procedures it has in place in order to further advance Council systems for preventing or minimising Fraud, Corruption, Misconduct and Maladministration; and
- j. develops a consistent approach to the management of relevant conduct across the organisation through the establishment and maintenance of effective systems and internal controls to guard against Fraud, Corruption, Misconduct and Maladministration.

2. This policy will be reviewed and updated as part of City of Salisbury's policy review process.

#### **D - DEFINITIONS**

1. **Commissioner** means the person holding or acting in the office of the Independent Commissioner Against Corruption per section 4 of the ICAC Act, who has the powers and functions described at section 7 of the ICAC Act.
2. **Contractor** means a person or company that provides goods or services.
3. **Corruption in public administration**, as provided for in section 5(1) of the ICAC Act, means conduct that constitutes:
 
  - a. an offence against Part 7 Division 4 (offences relating to public officers) of the *Criminal Law Consolidation Act 1935*, which includes the following offences:
 
    - i. bribery or corruption of public officers;
    - ii. threats or reprisals against public officers;
    - iii. abuse of public office;
    - iv. demanding or requiring benefit on basis of public office;
    - v. offences relating to appointment to public office; or
  - b. an offence against the *Public Sector (Honesty and Accountability) Act 1995* or the *Public Corporations Act 1993*, or an attempt to commit such an offence; or
  - c. an offence against the *Lobbyist Act 2015*, or an attempt to commit such an offence; or
  - d. any other offence (including an offence against Part 5 (offences of dishonesty) of the *Criminal Law Consolidation Act 1935* committed by a public officer while acting in his or her capacity as a public officer or by a former public officer and related to his or her former capacity as a public officer, or by a person before becoming a public officer and related to his or her capacity as a public officer, or an attempt to commit such an offence; or
  - e. any of the following in relation to an offence referred to in a preceding paragraph:
 
    - i. aiding, abetting, counselling or procuring the commission of the offence;
    - ii. inducing, whether by threats or promises or otherwise, the commission of the offence;
    - iii. being in any way, directly or indirectly, knowingly concerned in, or party to, the commission of the offence;
    - iv. conspiring with others to affect the commission of the offence.
4. **Directions and Guidelines** means the Directions and Guidelines issued by the Commissioner and as in force from time to time pursuant to section 20 of the ICAC Act and/or section 14 of the PID Act 2018.
5. **Employee** means all City of Salisbury's employees whether they are working in a full-time, part-time or casual capacity.
6. **False disclosure** means a disclosure of information relating to Fraud or Corruption, Maladministration or Misconduct that is made by a person who knows the information to be false.
7. **Fraud** means an intentional dishonest act or omission done with the purpose of deceiving.
8. **ICAC Act** is the *Independent Commissioner Against Corruption Act 2012*.
9. **Maladministration in public administration** is defined in section 5(4) of the ICAC Act and means:
 
  - a. conduct of a public officer, or a practice, policy or procedure of a public authority, that results in an irregular and unauthorised use of public money or substantial mismanagement of public resources; or
  - b. conduct of a public officer involving substantial mismanagement in or in relation to the performance of official functions; and

- c. includes conduct resulting from impropriety, incompetence or negligence; and  
d. is to be assessed having regard to relevant statutory provisions and administrative instructions and directions.
- 10. Misconduct in public administration** is defined in section 5(3) of the ICAC Act and means:  
a. contravention of a code of conduct by a public officer while acting in his or her capacity as a public officer that constitutes a ground for disciplinary action against the officer; or  
b. other misconduct of a public officer while acting in his or her capacity as a public officer.
- 11. Office for Public Integrity (OPI)** means the office established under the ICAC Act that has the function to:  
a. receive and assess complaints about public administration from members of the public;  
b. receive and assess reports about corruption, misconduct and maladministration in public administration from inquiry agencies (including the Ombudsman), public authorities (including the Council) and public officers;  
c. refer complaints and reports to inquiry agencies, public authorities and public officers in circumstances approved by the Commissioner or make recommendations as to whether and by whom complaints and reports should be investigated;  
d. give directions or guidance to public authorities in circumstances approved by the Commissioner;  
e. perform other functions assigned to the Office by the Commissioner
- 12. PID Act** means the Public Interest Disclosure Act 2018.
- 13. Public administration** is defined at section 4 of the ICAC Act and, without limiting the acts that may comprise public administration, an administrative act within the meaning of the Ombudsman Act 1972 will be taken to be carried out in the course of public administration. For the purposes of this Policy, references to Corruption, Misconduct and Maladministration are taken to mean references to such conduct in public administration.
- 1.** Public Interest Information—information that tends to show that an employee or volunteer is or has been involved in an illegal activity; or an irregular and unauthorised use of public money; or in substantial mismanagement of public resources; or in conduct that causes a substantial risk to public health, or safety, or to the environment; or that the public officer is guilty of maladministration in or in relation to the performance of official functions.
- 2.** Fraud—to gain by criminal deception, to take what is not lawfully ones own, to gain advantage through unjust representation.
- 3.** Corruption—conduct that does or could adversely affect the honest, impartial function or duty or a breach of public trust or the misuse of information or material acquired or accessed through official functions whether or not for benefit (or harm) either directly or indirectly.  
Maladministration—includes impropriety or negligence.
- 14. Public Officer**—has the meaning given by section 4 and Schedule 1 of the ICAC Act, and includes:  
a. a council member; and  
b. an employee or officer of the Council, an employee of a local government body.  
Volunteers are not Public Officers
- 15. Volunteer**—means an individual who is registered with and has approval by the City of Salisbury to undertake activities:  
a. To be of benefit to the City of Salisbury, local community and the volunteer;  
b. of the volunteers own free will and without coercion;  
b-c. for no financial reward, a member of the public who provides a service which is of benefit to the community, who undertake activities that complement, but do not replace, the service provided by paid staff.
- 16. Relevant Authority** for the purposes of the PID Act means the person or entity that receives an appropriate disclosure of public interest information in accordance with the PID Act.
- 17. Responsible Officer** means a person who has completed any training courses approved by the Commissioner for the purposes of the Public Interest Disclosure Regulations 2019 and has been designated by the Council as a responsible officer under section 12 of the PID Act.—senior employees who have received training, to whom elected members, employees, volunteers and / or members of the public are able to present “public interest information”.
- 18.** For the purposes of the ICAC Act, misconduct or maladministration in public administration will be taken to be serious or systemic if the misconduct or maladministration —

- a. is of such a significant nature that it would undermine public confidence in the relevant public authority, or in public administration generally; and
- e-b. has significant implications for the relevant public authority or for public administration generally (rather than just for the individual public officer concerned),

## **E - POLICY STATEMENT**

City of Salisbury has a zero-tolerance stance towards Fraud, Corruption, Misconduct and Maladministration.

### **1. PREVENTION**

1.1. City of Salisbury recognises that the most effective way to prevent the occurrence of Fraud, Corruption, Misconduct and Maladministration is to instil and continually reinforce a culture of acting lawfully, ethically and in a socially responsible manner, and to support this culture with the implementation of appropriate internal control mechanisms.

1.2. Employees, Contractors, Volunteers and elected members will assist in facilitating a sound ethical culture and preventing Fraud, Corruption, Misconduct and Maladministration by:

- 1.2.1. understanding the responsibilities of their positions;
- 1.2.2. familiarising themselves with City of Salisbury policies and procedures and adhering to them;
- 1.2.3. understanding what behaviour constitutes Fraudulent or Corrupt conduct, Misconduct and/or Maladministration;
- 1.2.4. maintaining an awareness of the strategies that have been implemented by Council to minimise Fraud, Corruption, Misconduct and Maladministration;
- 1.2.5. being continuously vigilant to the potential for Fraud, Corruption, Misconduct and Maladministration to occur in the Council environment; and
- 1.2.6. reporting suspected or actual occurrences of Fraud, Corruption, Misconduct and Maladministration.

### **2. CONTROLS**

2.1. City of Salisbury will control and prevent Fraud, Corruption, Misconduct and Maladministration by:

- 2.1.1. complying with the requirements of the ICAC Act;
- 2.1.2. establishing and maintaining an effective system of internal controls and monitoring and enforcing compliance with those controls;
- 2.1.3. implementing Fraud and Corruption prevention and mitigation strategies in its operational activities;
- 2.1.4. taking appropriate action in response to allegations of fraudulent and / or corrupt activity;
- 2.1.5. where allegations are substantiated, may take disciplinary action in accordance with relevant Codes of Conduct or employment contracts;

- 2.1.6. ensuring that Public Officers, Employees, Contractors and Volunteers are aware of their obligations in relation to the prevention and reporting of Fraud, Corruption, Misconduct and Maladministration within Council through induction programs and, and regular training;
- 2.1.7. active participation in education and evaluation of practices relevant to Fraud, Corruption, Misconduct and Maladministration;
- 2.1.8. fostering a culture of honesty, integrity and accountability in which dishonest and fraudulent behaviour is actively discouraged;

### **3. ROLES AND RESPONSIBILITIES**

#### **3.1 Elected Members**

The elected members are responsible for ensuring that they:

- 3.1.1. promote community awareness of the City of Salisbury's commitment to the prevention of Fraud, Corruption, Misconduct and Maladministration;
- 3.1.2. are scrupulous in the use of City of Salisbury's information, assets, funds, property, goods or services;
- 3.1.3. act in an ethical manner at all times in the performance of duties, and complies with ethical obligations;
- 3.1.4. ensure all powers and authorities are appropriately delegated in order to minimise the risk of Fraud, Corruption, Misconduct or Maladministration;
- 3.1.5. provide mechanisms for receiving allegations of Fraud, Corruption, Misconduct and Maladministration;
- 3.1.6. develop mechanisms for receiving allegations of Fraud, Corruption, Misconduct or Maladministration including appointing a responsible officer; and
- 3.1.7. review the effectiveness of the implemented policies that ensure risks are identified and that controls implemented by management are adequate.

#### **3.2 Audit Committee**

To assist the Council in discharging its responsibility in relation to Fraud and Corruption control, the members of the Audit Committee are responsible for:

- 3.2.1. acting in an ethical manner at all times in the performance of duties, and complies with ethical obligations;
- 3.2.2. ensuring appropriate internal controls are in place and operating effectively to minimise the risk of incidents;
- 3.2.3. ensuring that risk assessments are undertaken on a regular basis; and
- 3.2.4. reviewing the effectiveness of the implemented policies that ensure risks are identified and that controls implemented by management are adequate.

#### **3.3 CEO**

The CEO is responsible for:

- 3.3.1 promoting a culture and environment in which Fraud, Corruption, Misconduct and Maladministration is discouraged and not tolerated;
- 3.3.2 ensuring all Public Officers, Employees, Contractors and Volunteers receive education regarding Fraud, Corruption, Maladministration and Misconduct;
- 3.3.3 providing adequate resources and security for the prevention of Fraud, Corruption, Misconduct and Maladministration;
- 3.3.4 ensuring the development of procedures to deter fraudulent or corrupt activity;
- 3.3.5 ensuring the development and delivery of training to Public Officers, Employees, Contractors and Volunteers to promote ethical conduct and an ethical culture;
- 3.3.6 ensuring appropriate internal controls are in place and operating effectively to minimise the risks of incidents;
- 3.3.7 ensuring that, where appropriate, proper investigations are conducted into allegations of Fraud, Corruption, Misconduct or Maladministration;
- 3.3.8 facilitating cooperation with any investigations undertaken by an external authority; and
- 3.3.9 providing mechanisms for receiving allegations of Fraud, Corruption, Misconduct or Maladministration, including appointing a Responsible Officer.

#### 3.4 Employees, Volunteers and Contractors

Employees, Volunteers and Contractors are responsible for:

- 3.4.1 complying with this policy and any related legislation, policy, protocol or procedure;
- 3.4.2 at all times in the performance of duties or in association with their role with Council, acting in an ethical manner;
- 3.4.3 undertaking awareness training or education regarding Fraud, Corruption, Maladministration and Misconduct;
- 3.4.4 complying with the PID Act;
- 3.4.5 reporting all instances of conduct known or reasonably suspected to be Fraud, Corruption, Maladministration or Misconduct in accordance with City of Salisbury's policies; and
- 3.4.6 identifying potential Fraud and Corruption risks.

#### 4. REPORTING FRAUD, CORRUPTION, MISCONDUCT OR MALADMINISTRATION

- 4.1 Any Public Officer who has or acquires knowledge of actual or suspected Corruption, or Systematic or Serious Misconduct or Maladministration in the City of Salisbury or in other public administration must report this information to the OPI as soon as practicable.
- 4.2 Nothing in this section is intended to prevent a Public Officer from reporting suspected Corruption or Systematic or Serious Misconduct or Maladministration in the City of Salisbury or in other public administration to a Relevant Authority, like a Council's Responsible Officer, for the purposes of the PID Act. Such a disclosure may be protected under the PID Act and, if made to the Council's Responsible Officer, will be managed in accordance with the Council's Public Interest Disclosure Policy and Procedure. Public Officers are encouraged to have regard to the Council's Public Interest Disclosure Procedure when determining where to direct a disclosure.



4.3 Where an Employee, council member, Contractor or Volunteer has or acquires knowledge of actual or suspected Fraud or other similar conduct that does not constitute Corruption or Systematic or Serious Misconduct or Maladministration (and is therefore not required to be reported to OPI), that knowledge should be reported to the Council's Responsible Officer. Such a disclosure may be protected under the PID Act and will be managed in accordance with the Council's Public Interest Disclosure Policy and Public Interest Disclosure Procedure.

## 5. FALSE DISCLOSURE

5.1 A person who knowingly makes a false disclosure or a false or misleading statement in a complaint or report will be guilty of an offence under the ICAC Act and the PID Act.

5.2 Employees, Contractors, Volunteers and elected members who make a false disclosure may also face disciplinary action.

~~1.1.1. The City of Salisbury will maintain a consistent approach to honesty and integrity. This approach is detailed in a range of corporate documents including:~~

- ~~• The City's Governance Framework and Statement~~
- ~~• Employee Code of Conduct~~
- ~~• Conflict of Interest Policy~~
- ~~• Procurement Policy~~
- ~~• Purchasing and Tendering Guidelines~~
- ~~• Recruitment Guidelines~~
- ~~• Employment Contracts~~
- ~~• Information Services Policy~~

~~These documents are regularly reviewed and reflect expected standards of good corporate governance.~~

~~The expectations of the City, as outlined in the relevant documentation, are communicated to all employees and volunteers through induction programs, and regular training courses.~~

~~Senior staff are expected to encourage, through their words and actions, the development and maintenance of an ethical culture across the organisation.~~

~~2. The City of Salisbury will ensure that there are an appropriate number of suitably trained "Responsible Officers" available to allow an effective avenue for the presentation of "public interest information".~~

- ~~• On receiving "public interest information", the Responsible Officer will take appropriate action in line with the Fraud and Corruption Prevention Strategy and following the steps identified in the City's Allegation Management Procedures.~~

~~Anyone who provides "public interest information" will receive appropriate protection, in terms of confidentiality and immunity, under the Whistleblower Protection Act 1993 providing they comply with the requirements and obligations of the Act.~~

## **F - LEGISLATION**

1. Local Government Act 1999
2. Whistleblower Protection Act 1993 Public Interest Disclosure Act 2018
- ~~2.~~3. Public Interest Disclosure Regulations 2019
- ~~3.~~4. Criminal Law Consolidation Act 1935
5. Ombudsman Act 1972
6. Independent Commissioner Against Corruption Act 2012
7. Criminal Law Consolidation Act 1935
8. Public Sector (Honesty and Accountability) Act 1995
9. Public Corporations Act 1993
- ~~4.~~10. Lobbyist Act 2015

## **G - REFERENCES**

1. Australian Standard AS8001-20038 (Corporate Governance – Fraud & Corruption Control)

**H - ASSOCIATED PROCEDURES**

- ~~1. Procurement Policy and Procedures~~
- ~~2. Contract Management Policy and Procedures~~
- 1. Elected Member Code of Conduct
- 2. Employee Code of Conduct
- ~~3. Employee Code of Conduct Policy of Conduct~~
- ~~3-4. Code of Conduct for Volunteers Policy~~
- ~~4. Fair Treatment Policy~~
- 5. Fraud and Corruption Prevention and Management Framework Strategy
- 6. Governance Framework and Statement
- ~~7. Risk Management Policy and Framework Strategy~~
- 8. Fair Treatment Policy and Procedures
- ~~7-9. Managing Unacceptable Performance~~
- ~~Internal Audit Strategy~~
- ~~8. New staff induction program~~
- ~~9. Volunteer induction program~~
- ~~10. Recruitment procedures~~

**Document Control**

Document ID	Fraud and Corruption Prevention Policy
Prepared by	<del>Janet Crook</del> Howard Nicholson
<del>Release Version</del>	<u>1.32</u>
Document Status	<u>Draft</u> Final
Issue Date	<u>06/01/2021</u> 14.05



## Fraud and Corruption Prevention and Management Policy

<b>Policy Type:</b>	<b>Policy</b>		
<b>Approved By:</b>	<b>COUNCIL</b>	<b>Decision No:</b>	
<b>Approval Date:</b>	<b>19 September 2005</b>	<b>Last Reapproval Date:</b>	<b>22 February 2021</b>
<b>Review Date:</b>	<b>February 2023</b>	<b>Internal Reference No.:</b>	
<b>Department:</b>	Executive	<b>Division:</b>	Executive Office
<b>Function:</b>	9 - Governance	<b>Responsible Officer:</b>	Manager, Governance

### A - PREAMBLE

1. The City of Salisbury is committed to acting in the best interest of the community and to upholding the principles of honesty, integrity and transparency.

### B - SCOPE

1. This policy applies to all council members, employees, contractors, consultants and volunteers of the City of Salisbury.

### C – POLICY PURPOSE/OBJECTIVES

1. The purpose of this policy is to ensure that City of Salisbury:
  - a. properly fulfils its responsibilities under the *Independent Commissioner Against Corruption Act 2012* (ICAC Act);
  - b. takes appropriate steps towards compliance with relevant legislation, policies and instruments;
  - c. provides a clear statement to all council members, employees, contractors, consultants, and volunteers through practices, policies and procedures that fraudulent conduct, Misconduct and/or Maladministration is not acceptable and will not be tolerated;
  - d. protects Council assets, interests and reputation from the risks associated with fraudulent conduct, Misconduct and/or Maladministration;
  - e. outlines the Council's approach to the prevention, detection and management of Fraud, Corruption, Misconduct and Maladministration;
  - f. fosters an ethical environment and culture which is conscious of, actively discourages, does not tolerate and appropriately deals with Fraud, Corruption, Misconduct and Maladministration;
  - g. identifies the relevant responsibilities of council members, the Audit Committee, the Chief Executive Officer, and Employees, Volunteers and Contractors;
  - h. educates Employees, Volunteers and Contractors and council members about their obligations to report conduct reasonably suspected of being Fraud, Corruption, Misconduct and/or Maladministration;
  - i. evaluates practices, policies and procedures it has in place in order to further advance Council systems for preventing or minimising Fraud, Corruption, Misconduct and Maladministration; and

- j. develops a consistent approach to the management of relevant conduct across the organisation through the establishment and maintenance of effective systems and internal controls to guard against Fraud, Corruption, Misconduct and Maladministration.

2. This policy will be reviewed and updated as part of City of Salisbury's policy review process.

#### D - DEFINITIONS

1. **Commissioner** means the person holding or acting in the office of the Independent Commissioner Against Corruption per section 4 of the ICAC Act, who has the powers and functions described at section 7 of the ICAC Act.
2. **Contractor** means a person or company that provides goods or services.
3. **Corruption** in public administration, as provided for in section 5(1) of the ICAC Act, means conduct that constitutes:
  - a. an offence against Part 7 Division 4 (offences relating to public officers) of the *Criminal Law Consolidation Act 1935*, which includes the following offences:
    - i. bribery or corruption of public officers;
    - ii. threats or reprisals against public officers;
    - iii. abuse of public office;
    - iv. demanding or requiring benefit on basis of public office;
    - v. offences relating to appointment to public office; or
  - b. an offence against the *Public Sector (Honesty and Accountability) Act 1995* or the *Public Corporations Act 1993*, or an attempt to commit such an offence; or
  - c. an offence against the *Lobbyist Act 2015*, or an attempt to commit such an offence; or
  - d. any other offence (including an offence against Part 5 (offences of dishonesty) of the *Criminal Law Consolidation Act 1935* committed by a public officer while acting in his or her capacity as a public officer or by a former public officer and related to his or her former capacity as a public officer, or by a person before becoming a public officer and related to his or her capacity as a public officer, or an attempt to commit such an offence; or
  - e. any of the following in relation to an offence referred to in a preceding paragraph:
    - i. aiding, abetting, counselling or procuring the commission of the offence;
    - ii. inducing, whether by threats or promises or otherwise, the commission of the offence;
    - iii. being in any way, directly or indirectly, knowingly concerned in, or party to, the commission of the offence;
    - iv. conspiring with others to affect the commission of the offence.
4. **Directions and Guidelines** means the Directions and Guidelines issued by the Commissioner and as in force from time to time pursuant to section 20 of the ICAC Act and/or section 14 of the PID Act 2018.
5. **Employee** means all City of Salisbury's employees whether they are working in a full-time, part-time or casual capacity.
6. **False disclosure** means a disclosure of information relating to Fraud or Corruption, Maladministration or Misconduct that is made by a person who knows the information to be false.
7. **Fraud** means an intentional dishonest act or omission done with the purpose of deceiving.
8. **ICAC Act** is the *Independent Commissioner Against Corruption Act 2012*.
9. **Maladministration in public administration** is defined in section 5(4) of the ICAC Act and means:
  - a. conduct of a public officer, or a practice, policy or procedure of a public authority, that results in an irregular and unauthorised use of public money or substantial mismanagement of public resources; or
  - b. conduct of a public officer involving substantial mismanagement in or in relation to the performance of official functions; and
  - c. includes conduct resulting from impropriety, incompetence or negligence; and
  - d. is to be assessed having regard to relevant statutory provisions and administrative instructions and directions.
10. **Misconduct in public administration** is defined in section 5(3) of the ICAC Act and means:
  - a. contravention of a code of conduct by a public officer while acting in his or her capacity as a public officer that constitutes a ground for disciplinary action against the officer; or

- b. other misconduct of a public officer while acting in his or her capacity as a public officer.
- 11. Office for Public Integrity (OPI)** means the office established under the ICAC Act that has the function to:
- receive and assess complaints about public administration from members of the public;
  - receive and assess reports about corruption, misconduct and maladministration in public administration from inquiry agencies (including the Ombudsman), public authorities (including the Council) and public officers;
  - refer complaints and reports to inquiry agencies, public authorities and public officers in circumstances approved by the Commissioner or make recommendations as to whether and by whom complaints and reports should be investigated;
  - give directions or guidance to public authorities in circumstances approved by the Commissioner;
  - perform other functions assigned to the Office by the Commissioner
- 12. PID Act** means the *Public Interest Disclosure Act 2018*.
- 13. Public administration** is defined at section 4 of the ICAC Act and, without limiting the acts that may comprise public administration, an administrative act within the meaning of the *Ombudsman Act 1972* will be taken to be carried out in the course of public administration. For the purposes of this Policy, references to Corruption, Misconduct and Maladministration are taken to mean references to such conduct in public administration.
- 14. Public Officer** has the meaning given by section 4 and Schedule 1 of the ICAC Act, and includes:
- a council member; and
  - an employee or officer of the Council.
- Volunteers are not Public Officers.
- 15. Volunteer** means an individual who is registered with and has approval by the City of Salisbury to undertake activities:
- To be of benefit to the City of Salisbury, local community and the volunteer;
  - of the volunteers own free will and without coercion;
  - for no financial reward.
- 16. Relevant Authority** for the purposes of the PID Act means the person or entity that receives an appropriate disclosure of public interest information in accordance with the PID Act.
- 17. Responsible Officer** means a person who has completed any training courses approved by the Commissioner for the purposes of the *Public Interest Disclosure Regulations 2019* and has been designated by the Council as a responsible officer under section 12 of the PID Act.
- 18.** For the purposes of the ICAC Act, misconduct or maladministration in public administration will be taken to be **serious or systemic** if the misconduct or maladministration —
- is of such a significant nature that it would undermine public confidence in the relevant public authority, or in public administration generally; and
  - has significant implications for the relevant public authority or for public administration generally (rather than just for the individual public officer concerned).

## E - POLICY STATEMENT

City of Salisbury has a zero-tolerance stance towards Fraud, Corruption, Misconduct and Maladministration.

### 1. PREVENTION

- City of Salisbury recognises that the most effective way to prevent the occurrence of Fraud, Corruption, Misconduct and Maladministration is to instil and continually reinforce a culture of acting lawfully, ethically and in a socially responsible manner, and to support this culture with the implementation of appropriate internal control mechanisms.
- Employees, Contractors, Volunteers and elected members will assist in facilitating a sound ethical culture and preventing Fraud, Corruption, Misconduct and Maladministration by:
  - understanding the responsibilities of their positions;

- 1.2.2. familiarising themselves with City of Salisbury policies and procedures and adhering to them;
- 1.2.3. understanding what behaviour constitutes Fraudulent or Corrupt conduct, Misconduct and/or Maladministration;
- 1.2.4. maintaining an awareness of the strategies that have been implemented by Council to minimise Fraud, Corruption, Misconduct and Maladministration;
- 1.2.5. being continuously vigilant to the potential for Fraud, Corruption, Misconduct and Maladministration to occur in the Council environment; and
- 1.2.6. reporting suspected or actual occurrences of Fraud, Corruption, Misconduct and Maladministration.

## **2. CONTROLS**

2.1. City of Salisbury will control and prevent Fraud, Corruption, Misconduct and Maladministration by:

- 2.1.1. complying with the requirements of the ICAC Act;
- 2.1.2. establishing and maintaining an effective system of internal controls and monitoring and enforcing compliance with those controls;
- 2.1.3. implementing Fraud and Corruption prevention and mitigation strategies in its operational activities;
- 2.1.4. taking appropriate action in response to allegations of fraudulent and / or corrupt activity;
- 2.1.5. where allegations are substantiated, may take disciplinary action in accordance with relevant Codes of Conduct or employment contracts;
- 2.1.6. ensuring that Public Officers, Employees, Contractors and Volunteers are aware of their obligations in relation to the prevention and reporting of Fraud, Corruption, Misconduct and Maladministration within Council through induction programs and, and regular training;
- 2.1.7. active participation in education and evaluation of practices relevant to Fraud, Corruption, Misconduct and Maladministration;
- 2.1.8. fostering a culture of honesty, integrity and accountability in which dishonest and fraudulent behaviour is actively discouraged;

## **3. ROLES AND RESPONSIBILITIES**

### **3.1 Elected Members**

The elected members are responsible for ensuring that they:

- 3.1.1. promote community awareness of the City of Salisbury's commitment to the prevention of Fraud, Corruption, Misconduct and Maladministration;
- 3.1.2. are scrupulous in the use of City of Salisbury's information, assets, funds, property, goods or services;
- 3.1.3. act in an ethical manner at all times in the performance of duties, and complies with ethical obligations;

- 3.1.4. ensure all powers and authorities are appropriately delegated in order to minimise the risk of Fraud, Corruption, Misconduct or Maladministration;
- 3.1.5. provide mechanisms for receiving allegations of Fraud, Corruption, Misconduct and Maladministration;
- 3.1.6. develop mechanisms for receiving allegations of Fraud, Corruption, Misconduct or Maladministration including appointing a responsible officer; and
- 3.1.7. review the effectiveness of the implemented policies that ensure risks are identified and that controls implemented by management are adequate.

### 3.2 Audit Committee

To assist the Council in discharging its responsibility in relation to Fraud and Corruption control, the members of the Audit Committee are responsible for:

- 3.2.1 acting in an ethical manner at all times in the performance of duties, and complies with ethical obligations;
- 3.2.2 ensuring appropriate internal controls are in place and operating effectively to minimise the risk of incidents;
- 3.2.3 ensuring that risk assessments are undertaken on a regular basis; and
- 3.2.4 reviewing the effectiveness of the implemented policies that ensure risks are identified and that controls implemented by management are adequate.

### 3.3 CEO

The CEO is responsible for:

- 3.3.1 promoting a culture and environment in which Fraud, Corruption, Misconduct and Maladministration is discouraged and not tolerated;
- 3.3.2 ensuring all Public Officers, Employees, Contractors and Volunteers receive education regarding Fraud, Corruption, Maladministration and Misconduct;
- 3.3.3 providing adequate resources and security for the prevention of Fraud, Corruption, Misconduct and Maladministration;
- 3.3.4 ensuring the development of procedures to deter fraudulent or corrupt activity;
- 3.3.5 ensuring the development and delivery of training to Public Officers, Employees, Contractors and Volunteers to promote ethical conduct and an ethical culture;
- 3.3.6 ensuring appropriate internal controls are in place and operating effectively to minimise the risks of incidents;
- 3.3.7 ensuring that, where appropriate, proper investigations are conducted into allegations of Fraud, Corruption, Misconduct or Maladministration;
- 3.3.8 facilitating cooperation with any investigations undertaken by an external authority; and
- 3.3.9 providing mechanisms for receiving allegations of Fraud, Corruption, Misconduct or Maladministration, including appointing a Responsible Officer.

### 3.4 Employees, Volunteers and Contractors

Employees, Volunteers and Contractors are responsible for:

- 3.4.1 complying with this policy and any related legislation, policy, protocol or procedure;
- 3.4.2 at all times in the performance of duties or in association with their role with Council, acting in an ethical manner;
- 3.4.3 undertaking awareness training or education regarding Fraud, Corruption, Maladministration and Misconduct;
- 3.4.4 complying with the PID Act;
- 3.4.5 reporting all instances of conduct known or reasonably suspected to be Fraud, Corruption, Maladministration or Misconduct in accordance with City of Salisbury's policies; and
- 3.4.6 identifying potential Fraud and Corruption risks.

## 4. REPORTING FRAUD, CORRUPTION, MISCONDUCT OR MALADMINISTRATION

- 4.1 Any Public Officer who has or acquires knowledge of actual or suspected Corruption, or Systematic or Serious Misconduct or Maladministration in the City of Salisbury or in other public administration must report this information to the OPI as soon as practicable.
- 4.2 Nothing in this section is intended to prevent a Public Officer from reporting suspected Corruption or Systematic or Serious Misconduct or Maladministration in the City of Salisbury or in other public administration to a Relevant Authority, like a Council's Responsible Officer, for the purposes of the PID Act. Such a disclosure may be protected under the PID Act and, if made to the Council's Responsible Officer, will be managed in accordance with the Council's Public Interest Disclosure Policy and Procedure. Public Officers are encouraged to have regard to the Council's Public Interest Disclosure Procedure when determining where to direct a disclosure.
- 4.3 Where an Employee, council member, Contractor or Volunteer has or acquires knowledge of actual or suspected Fraud or other similar conduct that does not constitute Corruption or Systematic or Serious Misconduct or Maladministration (and is therefore not required to be reported to OPI), that knowledge should be reported to the Council's Responsible Officer. Such a disclosure may be protected under the PID Act and will be managed in accordance with the Council's Public Interest Disclosure Policy and Public Interest Disclosure Procedure.

## 5. FALSE DISCLOSURE

- 5.1 A person who knowingly makes a false disclosure or a false or misleading statement in a complaint or report will be guilty of an offence under the ICAC Act and the PID Act.
- 5.2 Employees, Contractors, Volunteers and elected members who make a false disclosure may also face disciplinary action.

## F - LEGISLATION

- 1. Local Government Act 1999
- 2. Public Interest Disclosure Act 2018
- 3. Public Interest Disclosure Regulations 2019
- 4. Criminal Law Consolidation Act 1935
- 5. Ombudsman Act 1972
- 6. Independent Commissioner Against Corruption Act 2012
- 7. Criminal Law Consolidation Act 1935



8. Public Sector (Honesty and Accountability) Act 1995
9. Public Corporations Act 1993
10. Lobbyist Act 2015

#### **G - REFERENCES**

1. Australian Standard AS8001-2008 (Corporate Governance – Fraud & Corruption Control)

#### **H - ASSOCIATED PROCEDURES**

1. Elected Member Code of Conduct
2. Employee Code of Conduct
3. Employee Conduct Policy
4. Code of Conduct for Volunteers Policy
5. Fraud and Corruption Prevention and Management Framework
6. Governance Framework and Statement
7. Risk Management Policy and Framework
8. Fair Treatment Policy and Procedures
9. Managing Unacceptable Performance

#### **Document Control**

<b>Document ID</b>	Fraud and Corruption Prevention Policy
<b>Prepared by</b>	Janet Crook
<b>Release</b>	1.3
<b>Document Status</b>	Draft
<b>Issue Date</b>	06/01/2021



<b>ITEM</b>	7.1.6
	<b>AUDIT COMMITTEE</b>
<b>DATE</b>	09 February 2021
<b>HEADING</b>	Audit Committee Performance Self Assessment
<b>AUTHOR</b>	Janet Crook, Risk & Governance Program Manager, CEO and Governance
<b>CITY PLAN LINKS</b>	4.2 We deliver quality outcomes that meet the needs of our community 4.4 We plan effectively to address community needs and identify new opportunities
<b>SUMMARY</b>	Best practice indicates that the performance of the Audit Committee should be reviewed on a regular basis. One method of doing this is through a self-assessment process. This report outlines the proposed methodology for self-assessment of the Audit Committee and seeks endorsement for the conduct of the assessment following the February 2021 Council meeting.

#### **RECOMMENDATION**

1. The self-assessment survey questions, as set out in Attachment 1 to this report (Audit Committee, 09/02/2021, Item No. 7.1.6) be issued to members of the Audit Committee for completion following the February 2021 Council meeting, with results to be collated and presented at the next Audit Committee meeting.

#### **ATTACHMENTS**

This document should be read in conjunction with the following attachments:

1. Audit Committee self-assessment survey questions - 2020

#### **1. BACKGROUND**

- 1.1 It is considered best practice to review the performance of an Audit Committee on a periodic basis. One method of conducting this performance review is through a self-assessment questionnaire, completed by the members of the Audit Committee. This is the method that has been used in previous years at the City of Salisbury and it has been shown to be an effective tool.
- 1.2 Self-assessment surveys are an efficient method for conducting the performance review because they can be completed at the convenience of the Audit Committee members, without the need to arrange or attend any additional meetings or interviews.
- 1.3 It is proposed that the Audit Committee complete a self-assessment for the calendar year of 2020. A copy of the proposed self-assessment survey questions is provided as Attachment to 1 to this report.
- 1.4 The self-assessment was last completed for the period 1 July 2018 to 31 December 2019 to allow the Audit Committee a full year following the Election

in November 2018 before performing the assessment. Audit Committee members completed the self-assessment for the period following the Council meeting in November 2019. The results were collated and presented at the March 2020 Audit Committee meeting.

## **2. REPORT**


- 2.1 A performance self-assessment was previously conducted by the Audit Committee for the period 1 July 2018 to 31 December 2019. The outcomes of the self-assessment were accepted and noted by the Committee and Council in March 2020.
- 2.2 The focus of the self-assessment is primarily to drive continuous improvement in the performance and effectiveness of the Audit Committee.
- 2.3 The Audit Committee Terms of Reference were reviewed and updated by Council in October 2020. The Internal Audit Charter was reviewed and updated by the Committee and Council in November 2020. The self-assessment has taken into account the outcomes of those reviews and industry assessment examples and has been updated accordingly.
- 2.4 It is proposed that the attached self-assessment questionnaire be circulated to members of the Audit Committee for completion based on the 2020 calendar year. The questionnaire will be circulated in the form of an online survey. A link to the survey will be provided to Committee members. The results of the survey will be collated and reported back to the Committee at its April 2021 meeting.
- 2.5 The survey will be circulated to Audit Committee members following the February 2021 Council meeting. It is requested that the survey be completed by 26 March 2021.
- 2.6 As Ms Davies was not a member of the Audit Committee during 2020, she will not be required to complete the survey.

## **3. CONCLUSION / PROPOSAL**

- 3.1 The attached self-assessment survey is a useful tool for assessing the performance of the Audit Committee and identifying areas for improvement.
- 3.2 On the basis that it is good practice to conduct a self-assessment annually, it is proposed that the Audit Committee complete the attached self-assessment questions by way of an online survey, with the results disseminated to the Audit Committee at the next meeting.


## **CO-ORDINATION**


Officer: Exec  
Date: 3/02/21


	<b>2020</b>
<b>Audit Committee Self-Assessment Questionnaire</b>	

Please complete this questionnaire based on your views as a member of the Audit Committee of Council. Where a “Strongly Disagree” or “Disagree” rating is provided please include comments/information to clarify your response. Results from the self-assessment questionnaire will be used to identify areas for development/improvement in the operations of the Audit Committee.

Section A – Establishment of the Committee		Rating	Comments / Suggestions for Improvement
1.	The Terms of Reference of the Committee provide clear information on the role and functions of the Committee and its oversight responsibilities on behalf of Council.	1. Strongly Disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly Agree	
2.	Committee Members’ qualities (i.e. financial literacy and skills, understanding of City of Salisbury, industry and capital markets) as a whole, are appropriate to discharge the Committee’s oversight responsibilities on behalf of Council.	1. Strongly Disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly Agree	
3.	Committee Members demonstrate the highest level of integrity (including maintaining the utmost confidentiality and identifying, disclosing and managing conflicts of interest and acting appropriately where conflicts or interests arise).	1. Strongly Disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly Agree	
4.	New Audit Committee members are provided induction information and materials to educate them on City of Salisbury, their responsibilities, and Council’s financial reporting practices.	1. Strongly Disagree 2. Disagree 3. Neither agree nor disagree	


		<b>2020</b>
<b>Audit Committee Self-Assessment Questionnaire</b>		
<b>Section A – Establishment of the Committee</b>		<b>Rating</b>
		4. Agree 5. Strongly Agree
<b>Section B – Meetings</b>		<b>Rating</b>
		<b>Comments / Suggestions for Improvement</b>
5.	Arrangements for Committee meetings are appropriate (i.e. frequency, time of day, duration, venue, location and format).	1. Strongly Disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly Agree
6.	The Committee ensures that appropriate internal and external stakeholders attend meetings as necessary (e.g. CEO, GM Business Excellence, external audit representative, etc.)?	1. Strongly Disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly Agree
7.	All members of the Committee participate actively and constructively during meetings.	1. Strongly Disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly Agree


		<b>2020</b>
<b>Audit Committee Self-Assessment Questionnaire</b>		
Section B – Meetings	Rating	Comments / Suggestions for Improvement
8. The written materials (e.g. meeting agendas, reports, minutes and supporting documentation) provided to the Committee are appropriate, relevant, and concise.	1. Strongly Disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly Agree	
9. The written materials provided to the Committee are circulated with sufficient time to allow committee members to consider the information.	1. Strongly Disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly Agree	
10. I understand the meeting procedures and processes in place at the City of Salisbury to ensure the smooth operation of the Audit Committee.	1. Strongly Disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly Agree	
11. Audit Committee meetings are effective.	1. Strongly Disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly Agree	


	<b>2020</b>
<b>Audit Committee Self-Assessment Questionnaire</b>	


<b>Section C – Internal Audit</b>		<b>Rating</b>	<b>Comments / Suggestions for Improvement</b>
12.	The Committee appropriately considers internal audit reports, management’s responses, and actions for improvement.	1. Strongly Disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly Agree	
13.	The Internal Audit Charter is regularly reviewed and provides clear and appropriate information on the role of the Internal Audit function and its relationship to the Committee	1. Strongly Disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly Agree	
14.	I have direct and unrestricted access to the internal audit function.	1. Strongly Disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly Agree	
15.	The activities in the internal audit plan address areas of concern and provide assurance to Council.	1. Strongly Disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly Agree	




		<b>2020</b>	
<b>Audit Committee Self-Assessment Questionnaire</b>			
<b>Section C – Internal Audit</b>		<b>Rating</b>	<b>Comments / Suggestions for Improvement</b>
16.	The Committee regularly considers the audit plan and makes recommendations.	1. Strongly Disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly Agree	
<b>Section D – External Audit</b>		<b>Rating</b>	<b>Comments / Suggestions for Improvement</b>
17.	I have direct and unrestricted access to the external auditor.	1. Strongly Disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly Agree	
18.	I understand the information being presented to me by the external auditor.	1. Strongly Disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly Agree	
19.	The Committee discusses significant findings from the financial and internal controls audits with the external auditor.	1. Strongly Disagree 2. Disagree 3. Neither agree nor disagree	


		<b>2020</b>	
<b>Audit Committee Self-Assessment Questionnaire</b>			
Section D – External Audit		Rating	Comments / Suggestions for Improvement
		4. Agree 5. Strongly Agree	
20.	The Committee monitors and oversees the process for appointment of the external auditor in accordance with the Local Government Act 1999	1. Strongly Disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly Agree	
Section E – Financial Oversight		Rating	Comments / Suggestions for Improvement
21.	The Committee assesses whether the annual financial statements reflect appropriate accounting principles	1. Strongly Disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly Agree	
22.	The Committee reviews significant accounting and reporting issues, including complex or unusual transactions, highly subjective areas and significant changes in accounting policies and their corresponding impact on the financial statements.	1. Strongly Disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly Agree	


		<b>2020</b>
<b>Audit Committee Self-Assessment Questionnaire</b>		
Section E – Financial Oversight	Rating	Comments / Suggestions for Improvement
23. I believe that the annual financial statements are complete and consistent with the operations of the City of Salisbury and present fairly the state of affairs of the Council.	1. Strongly Disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly Agree	
24. I am comfortable that the Committee is able to propose and review the exercise of powers under section 130A of the <i>Local Government Act 1999</i> . Namely, the examination of any matter relating to financial management, or the efficiency and economy with which the council management or uses its resources to achieve its objectives.	1. Strongly Disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly Agree	
25. The Committee review's the City of Salisbury's significant accounting policies.	1. Strongly Disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly Agree	
26. The Committee receives sufficient information to assess and understand the process for the evaluation of the City of Salisbury's internal financial controls, and believes that the internal control testing supports its internal control assessment.	1. Strongly Disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly Agree	


		<b>2020</b>	
<b>Audit Committee Self-Assessment Questionnaire</b>			
<b>Section E – Financial Oversight</b>		<b>Rating</b>	<b>Comments / Suggestions for Improvement</b>
27.	The Committee understands and considers the internal control testing process conducted by the Administration, the internal auditor, and the external auditor to assess the process for detecting internal control issues or fraud. The Committee addresses and monitors significant deficiencies or weaknesses.	1. Strongly Disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly Agree	
28.	The Committee oversees the action taken by the Administration to resolve repeat comments from auditors, especially when related to internal controls.	1. Strongly Disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly Agree	
29.	The Committee reviews adjustments to the financial statements resulting from the external audit.	1. Strongly Disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly Agree	

	<b>2020</b>
<b>Audit Committee Self-Assessment Questionnaire</b>	

<b>Section F – Risk Management and Internal Controls</b>		<b>Rating</b>	<b>Comments / Suggestions for Improvement</b>
30.	The Committee is satisfied that there is an effective risk management framework in place at the City of Salisbury.	1. Strongly Disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly Agree	
31.	The Committee assures itself that the Chief Executive Officer and General Managers take personal responsibility for risk identification and control.	1. Strongly Disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly Agree	
32.	The Committee understands and discusses issues which present significant risks to the organisation?	1. Strongly Disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly Agree	
33.	The Committee ensures that the controls are appropriate for achieving the Council's goals and objectives, safeguarding the Council's assets and as far as possible maintaining the accuracy and reliability of council records.	1. Strongly Disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly Agree	

		<b>2020</b>	
<b>Audit Committee Self-Assessment Questionnaire</b>			
<b>Section F – Risk Management and Internal Controls</b>		<b>Rating</b>	<b>Comments / Suggestions for Improvement</b>
34.	The Committee is satisfied that Council implements and maintains appropriate policies, practices and procedures of internal control.	1. Strongly Disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly Agree	
35.	The Committee is comfortable that the Council and other committees take into account significant risks which may affect financial reporting.	1. Strongly Disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly Agree	
36.	The Committee understands and approves the process implemented by the Administration to identify, assess, and respond to risks.	1. Strongly Disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly Agree	
37.	The Committee understands the Administration’s fraud risk assessment and understands identified fraud risks.	1. Strongly Disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly Agree	

		<b>2020</b>	
<b>Audit Committee Self-Assessment Questionnaire</b>			
<b>Section G – Oversight of Other Activities</b>		<b>Rating</b>	<b>Comments / Suggestions for Improvement</b>
38.	The system for reviewing outstanding items arising from external or internal audit reports is efficient and effective.	1. Strongly Disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly Agree	
39.	I am satisfied that the Committee is provided with the opportunity to propose, and provide information relevant to, a review of the Council's strategic management plans and annual business plan.	1. Strongly Disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly Agree	
40.	I have satisfied myself that Council is meeting its fiduciary and legislative responsibilities.	1. Strongly Disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly Agree	

		<b>2020</b>
<b>Audit Committee Self-Assessment Questionnaire</b>		
<b>Section G – Oversight of Other Activities</b>		<b>Rating</b>
41.	An annual performance assessment of the Committee is conducted and any matters requiring follow-up are resolved.	1. Strongly Disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly Agree
<b>General</b>		<b>Comments / Suggestions for Improvement</b>
42.	Any further Comments or Suggestions for Improvement not already covered in the sections above?	