



AGENDA

FOR AUDIT COMMITTEE MEETING TO BE HELD ON

13 JULY 2021 AT 6:30 PM

**IN THE LITTLE PARA CONFERENCE 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

REQUIRED STAFF

Chief Executive Officer, Mr J Harry
General Manager Business Excellence, Mr C Mansueto
Manager Governance, Mr R Deco
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 09 June 2021.

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OTHER BUSINESS

CLOSE



**MINUTES OF AUDIT COMMITTEE MEETING HELD IN WITTBER MEETING ROOM,
34 CHURCH STREET, SALISBURY ON**

9 JUNE 2021

MEMBERS PRESENT

Cr G Reynolds (Chairman)
Ms P Davies (*via videoconference*)
Mr N Ediriweera (*via video conference*)
Cr K Grenfell (Deputy Chairman)
Mr C Johnson (*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

The meeting commenced at 6.33 pm

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

APOLOGIES

Nil.

LEAVE OF ABSENCE

Nil

PRESENTATION OF MINUTES

Moved Mr C Johnson
Seconded Ms P Davies

The Minutes of the Audit Committee Meeting held on 21 April 2021, be
taken as read and confirmed.

CARRIED

OTHER BUSINESS

Ms Paula Davies left the meeting at 6:47pm and did not return.

The Chair recognised the contributions of Manager Governance and Risk & Governance Program Manager to the City of Salisbury and thanked them for their service.

CONFIDENTIAL ITEMS

7.4.1 11426 External Audit Services - Tender Recommendation

Moved Cr K Grenfell

Seconded Ms P Davies

1. *Pursuant to Section 90(2) and (3)(b)(i) and (b)(ii) and (k) 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; and*
 - *tenders for the supply of goods, the provision of services or the carrying out of works.*
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 - Tender Recommendation** 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.*

CARRIED

The meeting moved into confidence at 6.34 pm.

The meeting moved out of confidence and closed at 6.48 pm.

CHAIRMAN.....

DATE.....

ITEM	7.0.1
	AUDIT COMMITTEE
DATE	13 July 2021
HEADING	Actions List
AUTHOR	Janet Crook, Risk & Governance Program Manager, CEO and Governance
CITY PLAN LINKS	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 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.

No	Date	Action	Owner	Due Date	Status
20.	21/04/21	Strategic Risk Register <ul style="list-style-type: none"> Review the controls for risk 10 Review the consequence rating for risk 5 	Risk and Governance Program Manager	30 June 2021	Complete. Refer Risk Management Activities and Internal Controls Report on the Agenda for July 2021 Audit Committee
21.	21/04/21	Revise the internal audit plan to better articulate how internal audits are derived from Council's strategic risks.	Internal Auditor and Risk Coordinator	November 2021	Complete. 3 Year Internal Audit Plan report on the agenda for the July 2021 Audit Committee
22.	21/04/21	Include an audit on the internal audit plan to review the controls for Council's rate setting process.	Internal Auditor and Risk Coordinator	November 2021	Complete. 3 Year Internal Audit Plan report on the agenda for the July 2021 Audit Committee

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.

CO-ORDINATION

Officer: R&GPM Executive
Date: 2/07/21 5/07/2021

ITEM 7.0.2

AUDIT COMMITTEE

DATE 13 July 2021

HEADING Future Reports for the Audit Committee

AUTHOR Michelle Woods, Projects Officer Governance, CEO and Governance

CITY PLAN LINKS 4.2 We deliver quality outcomes that meet the needs of our community

SUMMARY 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 is 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 At the time of preparing this report, there are currently no resolutions of Council requiring a further report to be presented to the Audit Committee.

4. CONCLUSION / PROPOSAL

- 4.1 Future reports for the Audit Committee have been reviewed and there are none that require a report to be presented at this point in time.

CO-ORDINATION

Officer: Executive Group MG
Date: 7/07/21 02/07/2021

ITEM	7.1.1
	AUDIT COMMITTEE
DATE	13 July 2021
HEADING	Bentley's Interim Report on Audit Findings
AUTHOR	Janet Crook, Risk & Governance Program Manager, CEO and Governance
CITY PLAN LINKS	4.2 We deliver quality outcomes that meet the needs of our community.
SUMMARY	City of Salisbury has engaged Bentleys to provide external audit services. The initial phase of that process comprises the conduct of an interim audit. This report attaches the presentation which will be given by Bentleys at the Audit Committee meeting in July 2021.

RECOMMENDATION

1. The information be received.

ATTACHMENTS

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

1. Interim Report on Audit Findings - 30 June 2020 - Bentleys

1. BACKGROUND

- 1.1 In accordance with section 125 of the *Local Government Act 1999* and the Audit Committee Terms of Reference, the Audit Committee will satisfy itself that appropriate policies, practices and procedures of internal control are implemented and maintained. The Audit Committee will ensure that these 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.
- 1.2 In accordance with section 126 of the *Local Government Act 1999* and the Audit Committee Terms of Reference, the Audit Committee will liaise with the Council's external auditor and review the adequacy of the accounting, internal control, reporting and other financial management systems and practices of council on a regular basis.
- 1.3 Bentleys conducted an interim audit as part of the overall 2020/2021 external audit process. Representatives from Bentleys attended at the Salisbury Community Hub from 7 to 9 June 2021 to perform a review of core financial internal controls. The Administration provided necessary documentation to Bentleys prior to their attendance at the Salisbury Community Hub.

2. REPORT

- 2.1 Bentleys representatives David Papa, Director Assurance & Advisory and Matthew Brunato, Manager Audit & Assurance will attend the July 2021 Audit Committee meeting to present the findings of the interim audit.

- 2.2 The internal assessments and reviews of the financial internal controls have been completed.
- 2.3 No 'Critical', 'Significant', or 'Area for Improvement' findings were identified by Bentleys in the audit.
- 2.4 One (1) 'Not Material' finding was identified in relation to changes in approach for planned capital works. This is as follows;

Observation –

Changes in resourcing:

- Management has, through an increased focus on planned maintenance, has identified efficiencies in the processes within the field teams that perform the repairs and maintenance (Operational Expenditure) work for Council assets.
- Management has identified some additional planned renewal works (Capital Expenditure) that these resources would be able to perform.
- This will likely result in a reduction of repair and maintenance expenditure.

Changes in resourcing:

- The approach for performing capital works is also under consideration. We understand that instead of performing works on specific infrastructure assets, planned works would be performed for a group of assets in a location.
- For example, instead of replacing a single length of kerb on a street, staff would potentially perform capital work on the kerb, road surface, footpath, etc.

Status – Bentleys confirmed that they have not identified any non-compliance with accounting standards, and do not anticipate any material concerns from an audit perspective.

Administration has taken note of the observation in the management letter.

- 2.5 Bentleys intend to issue an unmodified assurance opinion over the internal control environment of City of Salisbury.

3. CONCLUSION / PROPOSAL

- 3.1 Bentleys will complete their work on financial internal controls and the financial statements over the coming months and report their findings to the October 2021 meeting of the Audit Committee.
- 3.2 Actions arising from this audit will be followed up by the Internal Auditor & Risk Coordinator and progress on completion will be reported to the Audit Committee.

CO-ORDINATION

Officer:	R&GPM	Executive
Date:	2/07/2021	5/07/2021



June 2021

City of Salisbury

Report of Audit Finding

David Papa, Partner
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➤ Advisers ➤ Accountants ➤ Auditors



Executive summary

We are providing our interim report on the audit of City of Salisbury for the year ending 30 June 2021.

Dear Cr Graham Reynolds,

We have conducted our interim audit of City of Salisbury for the year ending 30 June 2021 and report to management and those charged with governance the following matters for information purposes and for consideration of implementation or corrective action:

At the conclusion of our testing, using the information obtained we determined if there were any material matters or concerns that would impact the decision-making ability of the users of the financial report.

The following matters are reported to management:

	Internal Controls	Financial Statements
Critical	-	-
Significant	-	-
Not Material	-	Changes in approach for planned capital works
Area for improvement	-	-

Note: an empty comment means nothing to report

We have issued an unmodified audit opinion over the financial report of City of Salisbury.

We would like to take this opportunity to thank management and staff for the assistance provided to us during the course of our audit.

Sincerely,

David Papa
Partner,
+61 8 8372 7900
dpapa@adai.bentleys.com.au



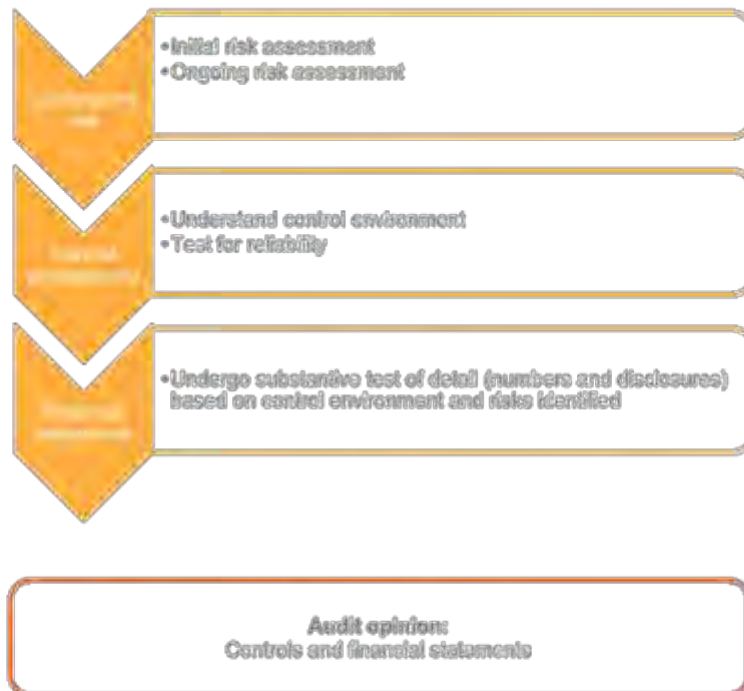
City of Salisbury - 30 June 2020

Audit approach

Helping businesses achieve their goals and aspirations.

Bentleys SA's audit approach is based on organisational and financial risk. We develop an understanding of risks for your organisation that relate to the financial statements based on our understanding of your people, your organisation and your sector. This understanding helps us build an audit program that is tailored to you each year and enables us to form an opinion on your financial statements through a target 'risk based' approach. The benefits of this approach are:

- Audit efficiency
- Increased organisational assurance
- A review of your control environment
- Timely and effective audits





Identified audit risks

We have identified financial statement risk relating to this year's audit.

As your auditor, our requirement to identify risk commences at the planning phase of our audit and continues throughout the audit process until complete and the audit report is signed. Below we have detailed identified risks relating to the financial statements.

Risks identified at planning

Area

Asset revaluations

Risk

The revaluation and useful lives assessment and timing process for buildings and infrastructure assets.

Audit Approach

We will be reviewing the fixed assets registers and independent valuations compared to the amounts reported at our year end visit.

Outcome

Pending

Area

Accounting treatment for the development of real estate

Risk

The accounting treatment for the development of real estate assets may not be in line with the accounting policy adopted by Council.

Audit Approach

We will discuss and review the accounting treatment paper prepared by management at year end and determine if in line with elected accounting policy.

Outcome

Pending



City of Salisbury 30 June 2020

Identified audit risks

We have identified financial statement risk relating to this year's audit.

Risks identified through the audit

Area

Allocation of fieldwork staff between capital and operating expenditure

Risk

Managements focus on increasing utilisation of fieldwork staff to conduct capital works (see page 6) increases the risk of incorrect allocation of time between capital and operational work.

Audit Approach

We will enhance our look into the controls around the allocation of time and the coding of time to general ledger accounts.

Outcome

Pending





Financial statement matters for the year

We bring the following financial statement matters to your attention in relation to your financial statements.

Area

Changes in approach for planned capital works

Observation

Changes in resourcing

Management has, through an increased focus on planned maintenance, has identified efficiencies in the processes within the field teams that perform the repairs and maintenance (Operational Expenditure) work for Council assets.

Management has identified some additional planned renewal works (Capital Expenditure) that these resources would be able to perform.

This will likely result in a reduction of repair and maintenance expenditure.

Change in approach

The approach for performing capital works is also under consideration. We understand that instead of performing works on specific infrastructure assets, planned works would be performed for a group of assets in a location.

For example, instead of replacing a single length of kerb on a street, staff would potentially perform capital work on the kerb, road surface, footpath, etc.

Significance

Changes in resourcing

These planned works are driven by the infrastructure asset management plans, which also drive other strategic documents, such as the long-term financial plan (LTFP) from a financing perspective. It is important to note that these initiatives have already been factored in the LTFP.

As management is redressing efficiencies in internal resources to planned capital works, it is not anticipated that the internal staff will be able to perform all planned capital works, only a portion. As such, we do not believe this will have a material impact on the financial report.

Change in approach

Regarding the changes in approach to planned capital works, there may be assets that have planned works performed prematurely per the asset management plan. In this instance, the asset would be written off and recorded 'below the line' in the financial report as other comprehensive income, and the asset would be replaced with the cost of the capital works performed.

This write-off is only expected to occur during the transition period from management previous capital works approach to this one. As the planned useful life of these assets is not changing, it should not have an effect on the depreciation expense and therefore is not expected to materially impact the operating surplus of the Council.

However, premature write-offs may impact the maintenance plans for these assets.



27 June 2020 - 30 June 2020

**Financial
statement
matters for the
year**

Recommendation

We have not identified any non-compliance with accounting standards based on our discussions and understanding of the change. Though we have identified an additional audit risk to consider further, we do not anticipate any material concerns from an audit perspective.

Management response

Noted.



7



Matters for those charged with governance

Fraud

Whilst fraud is not the primary consideration when conducting an external audit, we have not identified any fraud as a result of our audit.

We believe it is important for management to continually consider and assess the control environment of the entity to identify areas where fraud can occur and ensure that those opportunities are removed and/or monitored to reduce the risk and impact of fraud.

Legal compliance

Through our audit procedures we have become aware of non-compliance with applicable laws and regulations. In particular, there were 3 instances of non-compliance and 4 instances of partial non-compliance.

We understand 3 of the partial compliance issues have been resolved, with the remaining 1 partial and 3 non-compliance findings still outstanding with agreed timelines for completion.

This will be followed up as part of our year end visit.

Financial reporting and accounting policies

We believe the accounting policies elected for the Council are reasonable and their application provides sufficient information for use of the decision makers.

Going concern

As part of our assessment we considered the appropriateness of the going concern assumption concluded by the Council and management. Our procedures indicate that this assumption is fair and that the going concern convention is appropriate.

Cooperation with management

The management team has been helpful and cooperative throughout the conduct of this year's audit.





Where you want to be

Address a critical business issue. Gain efficiency. Achieve strategic growth. Propel your organisation's success.

Contact Bentleys.

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➤ Advisers ➤ Accountants ➤ Auditors

ITEM	7.1.2												
	AUDIT COMMITTEE												
DATE	13 July 2021												
HEADING	Internal Audit Report on Events Incident Management Framework Audit												
AUTHOR	Hussain Rafeeu, Internal Auditor & Risk Coordinator, CEO and Governance												
CITY PLAN LINKS	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	<p>As per the approved Internal Audit Plan 2021-2023, City of Salisbury engaged Galpins to perform an Event Incident Management Framework audit in May 2021.</p> <p>The audit identified 6 good practices (see section 3.2 below) contributing to the effectiveness of event incident management framework for City of Salisbury, and controls are in place and working effectively in the event incident management process, except for 3 findings and 2 improvement opportunities.</p> <p>One (1) high, one (1) medium, one (1) low risk rated finding and two (2) better practice opportunities for improvements were identified as summarized below:</p> <table> <tr> <th>Finding</th><th>Risk</th></tr> <tr> <td>1. A need to clarify stakeholder responsibilities and engagement in the risk and hazard identification process</td><td>High</td></tr> <tr> <td>2. A need to ensure incidents and hazards have been appropriately 'closed off' in SkyTrust</td><td>Medium</td></tr> <tr> <td>3. Opportunity to review and refine the risk assessment template</td><td>Low</td></tr> <tr> <td>4. Opportunity to involve risk staff in post-event evaluations</td><td>Better Practice</td></tr> <tr> <td>5. Opportunity to reflect full staff costs in event budgets</td><td>Better Practice</td></tr> </table>	Finding	Risk	1. A need to clarify stakeholder responsibilities and engagement in the risk and hazard identification process	High	2. A need to ensure incidents and hazards have been appropriately 'closed off' in SkyTrust	Medium	3. Opportunity to review and refine the risk assessment template	Low	4. Opportunity to involve risk staff in post-event evaluations	Better Practice	5. Opportunity to reflect full staff costs in event budgets	Better Practice
Finding	Risk												
1. A need to clarify stakeholder responsibilities and engagement in the risk and hazard identification process	High												
2. A need to ensure incidents and hazards have been appropriately 'closed off' in SkyTrust	Medium												
3. Opportunity to review and refine the risk assessment template	Low												
4. Opportunity to involve risk staff in post-event evaluations	Better Practice												
5. Opportunity to reflect full staff costs in event budgets	Better Practice												
RECOMMENDATION	<p>1. That the final audit report for the Event Incident Management Framework audit with management comments as set out in Attachment 1 to this report (Audit Committee, 13/07/2021, Item No.7.1.2) is noted and that the responses of the Administration to the Event Incident Management Framework Audit Report contained therein are endorsed.</p>												

ATTACHMENTS

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

1. Final Internal Audit Report on Event Incident Management Framework Audit

1. BACKGROUND

- 1.1 This audit aligns with the City's current Strategic Risk – *Inadequate response to a business continuity or emergency event, or major incident at a Council run Community event.*
- 1.2 The objective of this audit is to provide assurance regarding the effectiveness of the processes that are in place regarding the incident management framework.
- 1.3 The specific objective of this audit is to review and appraise the necessary 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:
 - 1.3.1 Event management guidelines;
 - 1.3.2 Event management plans;
 - 1.3.3 Council Community Land and Build Environ Use Policy;
 - 1.3.4 Site Emergency Procedures and testing for venues that are made available for community events;
 - 1.3.5 Event staff, volunteer and contractor induction process;
 - 1.3.6 Incident response plans and escalation process; and
 - 1.3.7 Compliance to the relevant legislative requirements.
- 1.4 In addition, this audit also reviewed and assessed the Site Emergency Procedures created for the Salisbury Community Hub with particular attention to those spaces available to the public.
- 1.5 Incidents other than those related to the City sponsored and/or run community events, are beyond the scope of this audit.

2. CONSULTATION / COMMUNICATION

- 2.1 Internal
 - 2.1.1 General Manager Community & Organisational Development.
 - 2.1.2 General Manager Business Excellence.
 - 2.1.3 Manager Governance.
 - 2.1.4 Risk and Governance Program Manager.
 - 2.1.5 Manager Community Experience & Relationships.
 - 2.1.6 Manager Community Health & Wellbeing.
 - 2.1.7 Team Leader, Events Management.
 - 2.1.8 Team Leader Safety and Wellbeing.
 - 2.1.9 Senior WHS Advisor.
 - 2.1.10 Coordinator Security Services.
 - 2.1.11 Volunteer Development Officer.
 - 2.1.12 Client Engagement Officer.
 - 2.1.13 Volunteer Program Officer.

2.2 External

- 2.2.1 Tim Muhlhausler, Partner, Galpins.
- 2.2.2 Wayne Wilson, WHS Specialist, Adelaide OHS Consultants.
- 2.2.3 Suhara Gunawardena, Auditor, Galpins.

3. REPORT

- 3.1 Attachment 1 to this report is the final audit report.
- 3.2 The report identified a number of positive findings where the audit confirmed that controls are adequate and implemented effectively. Good practices observed includes the following:
 - 3.2.1 Event incidents / identified hazards are logged in the 'SkyTrust' system. All known incidents for the period reviewed were reported and logged in a timely manner.
 - 3.2.2 A risk assessment template is in place, which was used as the basis for risk assessing all events sampled by the Audit.
 - 3.2.3 A comprehensive 'Event Management Manual' has been developed, acting as a knowledge transfer / succession tool within the Events Team.
 - 3.2.4 A 3 year events calendar and budget has been developed, allowing for forward planning of all key events.
 - 3.2.5 A volunteer management database is maintained, including evidence of training and inductions.
 - 3.2.6 Site plans were created for all sampled events, and used to support risk assessment activities.
- 3.3 All findings and recommendations are agreed with management comments and actions, identifying the relevant action owners and target action completion deadlines.
- 3.4 The audit applied a Process Maturity Assessment Standard, and established that the event incident management framework process is at a "defined" stage in its process maturity level, which demonstrates the existence of a set of defined and documented standard processes, subject to some degree of improvement over time. These standard processes, including the good practices referred to above, ensure consistency of process performance across the organisation in the Event Incident Management process.
- 3.5 The report identified 3 findings (1 high risk, 1 medium risk and 1 low risk) and 2 better practice areas for improvements, as summarized below:
 - 3.5.1 **Finding 1:** A need to clarify stakeholder responsibilities and engagement in the risk and hazard identification process (*High Risk*)

Recommendations are made to address the gaps observed in the current event incident management process, specifically relating to stakeholder responsibilities and engagement in the risk and hazard identification process.

Recommendation 1: Establish a definition of what constitutes a City of Salisbury "Event" for the purposes of interpreting and enforcing event-specific policies and business rules.

Recommendation 2: Formally agree and document the roles and responsibilities of stakeholder groups across Council in providing expertise for the planning and delivery of events, including the level of involvement expected of the WHS team in the risk assessment process and to whom a copy of the risk assessment must be provided.

Recommendation 3: Develop a business rule to determine when events are to be managed by the Events Team.

Recommendation 4: Formalise Administration's expectations regarding appropriate minimum lead times for consulting relevant stakeholders in relation to the risk assessment and risk treatment processes for events.

Recommendation 5: Define risk-based categories for the grouping of events, and assign each event to a category

Administration has agreed on these five recommendations, and target deadlines for implementation has been agreed as stated on the final report. An internal staff working party has been established to review and implement these recommendations, in line with current risk assessment processes.

3.5.2 **Finding 2:** A need to ensure incidents and hazards have been appropriately "closed off" in SkyTrust (*Medium Risk*)

The audit identified that incidents are closed in SkyTrust while there are open actions related to the hazards/incidents. It was observed in two out of nine cases tested that the hazards/incidents were closed prior to implementing the identified actions.

Administration explained the process in SkyTrust for closing incidents, which involves a two-part process, whereby, firstly an "investigation" is undertaken and close the incident/hazard when the "investigation" of incident/hazard is over. The second part of the process is closing the actions, which has its own monitoring process within SkyTrust, where action owners are assigned with resources and timelines. The investigation and action implementation are two distinct activities in SkyTrust within the incident/hazard management process. The SkyTrust has its own monitoring and escalation process for closing actions, and monitoring and escalation to relevant superiors takes place at the moment through SkyTrust.

Recommendation 6: Review the monitoring and escalation processes for incidents and hazards recorded in SkyTrust to ensure that hazards and incidents remain open until remedial actions have been confirmed as complete.

Administration agreed to:

Review *PR014 – Hazard Management Procedure*, to ensure that hazard reports are not closed until the responsible manager or delegate has verified that the hazard has been effectively controlled.

Review *PR007 – Accident/Incident Investigation & Reporting Procedure*, to ensure that the following matters are explicitly addressed:

- The purpose of an incident report (to notify relevant persons within the organisation of the occurrence of an incident and of the immediate actions taken to make the situation safe).
- The purpose of an incident investigation (to evaluate evidence for the purpose of identifying causal factors and to identify suitable controls to prevent recurrence and/ or mitigate risk to within acceptable tolerance (refer WHS risk score matrix and descriptors).
- The close off of an incident investigation may occur regardless of whether all actions arising have been completed, provided that interim controls have been verified as effective in mitigating imminent or potential future risk to within acceptable tolerance (refer WHS risk score matrix and descriptors).
- Responsible managers and their delegates are responsible for deciding when an incident investigation may be closed off and where appropriate, for reviewing controls for effectiveness at a pre-determined future date.

3.5.3 **Finding 3:** An opportunity to review and refine the risk assessment template (*Low Risk*)

The audit process identified that the current risk assessment template has not been comprehensively reviewed since 2015, and there is an opportunity to simplify the risk assessment template to increase its user friendliness and reduce the likelihood of errors or omissions.

Recommendation 7: Perform a review of the risk assessment template (involving key stakeholders from the WHS, operations, HUB security and events teams), with a view to simplifying the document.

Specifically, the risk of insufficient resourcing should be addressed as part of the risk assessment process and be included in the template to prompt consideration.

Following this review, determine and record a required next review date for the template.

Administration agreed to implement the following action plan:

- 1- Complete the revision of the risk assessment template.
- 2- Develop a 1-2 page risk assessment checklist.
- 3- Develop a scalable risk assessment or other event source material that informs of relevant risk controls measures to support the risk assessment checklist.

3.5.4 **Finding 4:** Opportunity to involve risk staff in post-event evaluations (*Better Practice*)

Audit process identified that the current risk assessment template has not been comprehensively reviewed since 2015, and there is an opportunity to simplify the risk assessment template to increase its user friendliness and reduce the likelihood of errors or omissions.

Recommendation 8: A WHS Team representative is invited to post-event evaluation meetings for all events.

Administration confirmed that a process is established now for event lead to ask all staff/volunteers who have taken part in the event to provide their feedback of the event via email and include their issues faced and recommendations for future years. Some events, a conversation with the WHS team will be required if any issues have arisen. Recommendation implemented as it is taken on board and process implemented.

3.5.5 **Finding 5:** Opportunity to reflect full staff costs in event budgets. (*Better Practice*)

Audit process identified that the budgets for events do not currently reflect the full cost of staffing, as they do not account for overtime or out-of-hours penalty rates. The audit further noted that unbudgeted cost reduces available capacity in the budget to access external contractors or internal assistance from other Council departments to ensure, for example, adequate resourcing for transportation of plant and site setup/set down. The expected overtime cost should be able to be reliably estimated based on the event calendar and past experience.

Recommendation 9: The staffing budget for the Events Team is updated to reflect the true cost of staffing by including estimates of expected overtime and penalty rate costs.

Administration has a full-fledged budget process, and any such observations would need to be discussed with relevant staff members, and therefore management response in this instance was that this matter will be discussed further with Finance Manager and General Manager Business Excellence and revise budget where required.

4. CONCLUSION / PROPOSAL

- 1.1 The audit was undertaken with the objective of providing assurance on the effectiveness of the process and controls in place regarding event incident management framework implementation.
- 1.2 A number of positive findings were identified and the process maturity for event incident management was assessed to be at the “defined” stage, where processes are defined and standardised process are in place, that are used to establish consistency of process performance across the events management process in City of Salisbury.
- 1.3 Controls are adequate and operating effectively, for all areas tested, except for 3 areas, including the need to clearly identify stakeholder roles and responsibilities (*finding 1*), the need to close off incidents and hazards in SkyTrust appropriately (*finding 2*), and the need to review and refine the risk assessment template (*finding 3*). Two other better practice observations were made as improvement opportunities.

CO-ORDINATION

Officer:	R&GPM	Executive
Date:	25/06/2021	5/07/2021



Galpins

Accountants, Auditors & Business Consultants

City of Salisbury

Internal Audit Report – Event Incident Management Framework Audit

May 2021



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Document Control

Date	Revision Number	Revision Details	Author	Reviewer
27.05.2021	V0.1	Draft audit report	Tim Muhlhausler	Wayne Wilson
08.06.2021	V1.0	Final for comment	Tim Muhlhausler	
29.06.2021	V1.1	Final – comments addressed	Tim Muhlhausler	

Entry meeting	15.04.2021
Fieldwork commenced and completed	22.04.2021- 20.05.2021
Draft report issued	28.05.2021
Exit meeting	09.06.2021
Final report issued for management comment	16.06.2021
Final report for audit committee	29.06.2021

Event Incident Management Framework Audit

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1. Executive Summary

1.1 Background

An incident management framework encompasses the processes, decisions and actions taken to resolve an incident, and support the recovery of the organisation and/ or community. The framework brings together the relevant policies and procedures, systems and personnel, agencies, and resources to enable an integrated approach to effectively manage and resolve an incident.

Given the broad nature, dimensions, and interpretation of the word "incidents", it has been decided to limit the focus of this audit to incidents related to the City of Salisbury ("COS" or "City's") staged and run community events only.

The City stages and runs community events which may pose a risk that an inadequate response to a major incident could affect public and staff safety leading to death or injury and/ or financial fines.

1.2 Objectives

The objective of this audit was to provide assurance regarding the effectiveness of the processes that are in place regarding incident management framework.

1.3 Relevant Strategic Risks

This audit aligns with the City's Strategic Risk number four (#4) being – Inadequate response to a major incident could affect public and staff safety leading to death or injury and/ or financial fines.

1.4 Good Practices Observed

- ✓ Event incidents / identified hazards are logged in the 'SkyTrust' system. All known incidents for the period reviewed were reported and logged in a timely manner.
- ✓ A risk assessment template is in place, which was used as the basis for risk assessing all events sampled by Audit.
- ✓ A comprehensive 'Event Management Manual' has been developed, acting as a knowledge transfer / succession tool within the Events Team.
- ✓ A 3 year events calendar and budget has been developed, allowing for forward planning of all key events.
- ✓ A volunteer management database is maintained, including evidence of training and inductions.
- ✓ Site plans were created for all sampled events, and used to support risk assessment activities.



1.5 Key Findings and Recommendations

This internal audit project aimed to assess the controls established to address strategic risk, 'inadequate response to a major incident at a Council run community event, that affects public and staff safety'. Based on the work undertaken, and when considering the design and/or effectiveness of controls collectively, we conclude that the control environment is: '**Partially Effective**' and the process maturity is '**Defined**'.¹

If council can satisfactorily implement treatment plans to address the one high risk finding and one moderate risk finding identified in this report, the effectiveness of the control environment would likely be considered '**Majority Effective**'. Specifically:

- There is a need to improve engagement of all relevant stakeholders in the risk identification and assessment process to ensure the process is comprehensive and relevant to the event, thereby reducing the risk of incidents. There is a need for formal business rules in relation to appropriate lead times to engage relevant stakeholders, and to define each stakeholder's role in event management and planning. In particular, clarifying who is required to be engaged in the risk assessment and the role of the WHS Team in preparation of risk assessments for events will ensure appropriately comprehensive and accurate assessments are conducted. This determination would ideally be supported by defined risk-based categories for the classification of events, and assignment of each event to a category, which would then guide the nature and extent of event planning and risk assessment required.
- There is a need to review the process for closing incidents and hazards logged in SkyTrust to ensure they are being closed out appropriately and in a timely manner, and if not, can be escalated to a relevant responsible officer to ensure that hazards are addressed and mitigated satisfactorily to prevent re-occurrence at subsequent events.

Interviews conducted by audit have identified availability of resources as a risk to the appropriate identification and mitigation of hazards. In addition to the clarification of roles and determination of lead times for engagement of stakeholders, ensuring that budgets reflect the true cost of staffing to reflect out-of-hours work, and specific consideration of resourcing pressures in risk assessments will assist in addressing these risks.

Other opportunities for improvement have also been identified through the audit. There is opportunity to regularly review and strengthen the risk assessment template to ensure it is user-friendly, and remains reflective of current practice (e.g. for controls identified in the template) for the events managed by Council. In addition, there is a need to ensure copies of the risk assessment are circulated to all key stakeholders involved in management/execution of events. The greater inclusion of WHS staff in post-event reviews is also recommended. **Findings and recommendations are summarised over page.**

¹Please refer to Appendix 1 for further information.



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Finding	Recommendation	Audit Risk Rating	Client Risk Rating	Expected Completion Date
2.1 A need to clarify stakeholder responsibilities and engagement in the risk and hazard identification process	Recommendation 1: Establish a definition of what constitutes a City of Salisbury "Event" for the purposes of interpreting and enforcing event-specific policies and business rules.	High	High	R1: 1/12/2021
	Recommendation 2: Formally agree and document the roles and responsibilities of stakeholder groups across Council in providing expertise for the planning and delivery of events, including the level of involvement expected of the WHS team in the risk assessment process and to whom a copy of the risk assessment must be provided.			R2: 31/12/2021
	These roles and responsibilities can be determined with reference to a risk-based event categorisation (see Recommendation 4), and/or linked to specific events identified in the events calendar.			R3: 31/12/2021
	Recommendation 3: Develop a business rule to determine when events are to be managed by the Events Team. This could be aligned to event risk categories (see Recommendation 4) and/or other criteria determined by the Events Team in consultation with other stakeholders.			R4: 30/06/2021
	Recommendation 4: Formalise Council's expectations regarding appropriate minimum lead times for consulting relevant stakeholders in relation to the risk assessment and risk treatment processes for events.			R5: 31/4/2022
	Recommendation 5: Define risk-based categories for the grouping of events, and assign each event to a category.			
	These categories can then be used to determine the roles and responsibilities of stakeholders (including, for example, whether an event should be led by the Events Team), nature and extent of documentation and other requirements to support event management and risk assessments.			

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Finding	Recommendation	Audit Risk Rating	Client Risk Rating	Expected Completion Date
2.2 A need to ensure incidents and hazards have been appropriately 'closed off' in SkyTrust	Recommendation 6: Review the monitoring and escalation processes for incidents and hazards recorded in SkyTrust to ensure that hazards and incidents remain open until remedial actions have been confirmed as complete.	Medium	Low	R6: completed - 18/6/2021
2.3 Opportunity to review and refine the risk assessment template	Recommendation 7: Perform a review of the risk assessment template (involving key stakeholders from the WHS, operations, HUB security and events teams), with a view to simplifying the document. Specifically, the risk of insufficient resourcing should be addressed as part of the risk assessment process and be included in the template to prompt consideration. Following this review, determine and record a required next review date for the template.	Low	Low	R7: 31/12/2021
2.4 Opportunity to involve risk staff in post-event evaluations	Recommendation 8: A WHS Team representative is invited to post-event evaluation meetings for all events.	Better Practice	Better Practice	R8: completed - 22/06/2021
2.5 Opportunity to reflect full staff costs in event budgets	Recommendation 9: The staffing budget for the Events Team is updated to reflect the true cost of staffing by including estimates of expected overtime costs.	Better Practice	Better Practice	R9: 31/07/2021

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2. Detailed Findings and Recommendations

2.1 A need to clarify stakeholder responsibilities and engagement in the risk and hazard identification process

Audit Risk Rating	Client Risk Rating
High	High

Key Findings

- There is a need to improve clarity of roles and responsibilities of the various event management stakeholders in the risk identification and assessment process and implementation of risk treatments for events.
- Staff with responsibility for risk assessments do not necessarily have appropriate expertise and training to ensure comprehensive identification of risks and controls to minimise the risk of incidents.
- There is no formal business rule stipulated by Council in relation to required lead times when consulting with relevant event stakeholders to ensure appropriate input into risk assessments and sufficient implementation time for mitigation plans.

Discussion

Event management is logistically complex and requires specialised skills to be done well and efficiently, and to ensure adequate risk management and incident management. There are available skillsets within Council across different parts of the business that if properly coordinated have the ability to comprehensively identify risks and hazards, and minimise the risk of incidents occurring.

These specialised skill sets include:

- Events Management Team – event planning, event logistics
- WHS Team – identification and assessment of risk, WHS management
- Volunteer Team – sourcing of suitable volunteers, volunteer induction, volunteer management
- HUB Security Team – event security, HUB building logistics
- Council Operations Team – event setup / set down, transport and storage of equipment
- Library Team – library logistics for indoor events

The level of involvement required of these stakeholders depends on the nature and risk profile of each event or program. The planning process needs to engage all relevant stakeholders within each group, so that each stakeholder can contribute their skills and provide valuable input into the risk assessment and mitigation process for events. At times, primary responsibility for preparing risk assessments has been assigned to staff who do not have specific training or expertise in risk management. Clarifying the level of involvement expected of the WHS Team in the risk assessment process for different events is seen as particularly important to ensuring appropriate risk mitigation outcomes.

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Whilst there exists a level of collaboration between the Events Team and other stakeholders, these collaboration arrangements are informal and the level and timing of engagement, and availability of stakeholders to assist, can vary. Throughout the audit, interviewees consistently reported a lack of lead time for their involvement in events, resulting in time pressures for identifying risks and hazards appropriately, and for implementing mitigation plans and controls to manage identified risks. Lack of availability of resources to assist with setup and set down of events was also flagged, at times resulting in staff volunteering to help who may not have appropriate manual handling training, limiting their ability to assist and increasing their risk of injury. Additionally, a lack of resources puts additional pressure on staff assisting with the event who may miss breaks and/or work unreasonably long shifts, further increasing the risk of incidents. Properly trained staff are employed within Council, and with the right planning and coordination between teams should be able to be provided capacity to assist with events where appropriate. It is important to highlight that Management have confirmed that this issue of resourcing has been discussed internally and is now being addressed, for example via utilising capacity from Operations Team staff. This work undertaken to date should be taken into account when addressing Recommendation 2 below.

The opportunity exists to formalise the roles and responsibilities of stakeholders, and to predict and plan for the timing of engagements well in advance using the existing events and program calendar. This is particularly important given the fact that events are not always led by the Events Team, and can be managed by different persons across Council who may not have the understanding and/or established relationships to effectively coordinate stakeholders in the absence of a formal process. To achieve this, a consistent definition of what constitutes a City of Salisbury "Event" would need to be established for the purposes of enforcing these roles and responsibilities. This is not currently defined, and in practice can be used to describe anything from a small community gathering or functions up to the large scale Salisbury Fringe Carnival. See Recommendation 2 and Recommendation 2.

As part of the clarification of roles and responsibilities, it would be beneficial to establish a business rule stipulating criteria for determining when management of a particular event is best led by the Events Team. Historically, some larger events have been managed by other departments which from an efficiency and risk management perspective would arguably have been more appropriately led by the Events Team, with input from the relevant department into the theme and content of the event. See Recommendation 3.

There is currently no business rule / KPI establishing the required lead times for stakeholder engagement, resulting in inconsistencies and increased risk. Establishing a business rule would ensure sufficient lead times to enable effective risk identification, adequate time to implement controls / mitigation strategies, and to plan and deliver site-specific inductions. See Recommendation 4.

The development of risk-based event categories, and assignment of all City of Salisbury events into risk-based categories, would support implementation of the above recommendations. These categories can be used to determine the nature and extent of documentation and other requirements to support event management and risk assessments². See Recommendation 5. See Appendix 4 for example guidance on the categorisation of events.

Risk Exposure

- Failure to engage all relevant stakeholders, and/or not allowing adequate lead time for their input, reduces staff's ability to effectively identify and treat risks and hazards.

² Appendix 1 and 2 provide further guidance for developing appropriate categories and requirements.

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- Lack of clarity over what events are allocated to the Events Team may result in inconsistent application of event management principles, reduced efficiency, and a general increase in exposure to event risk.

Note: Recommendations 1, 2 and 4 are considered by Audit to be the most critical for reducing the risks related to this finding

Recommendation 1	Establish a definition of what constitutes a City of Salisbury "Event" for the purposes of interpreting and enforcing event-specific policies and business rules.
Agreed Action	Identify the definition of COS "event".
Action Officer	Julie Kushnir (Manager Community Experience & Relationships)
Completion Date	1/12/2021

Recommendation 2	Formally agree and document the roles and responsibilities of stakeholder groups across Council in providing expertise for the planning and delivery of events, including the level of involvement expected of the WHS team in the risk assessment process and to whom a copy of the risk assessment must be provided. These roles and responsibilities can be determined with reference to a risk-based event categorisation (see Recommendation 4), and/or linked to specific events identified in the events calendar.
Agreed Action	Establish and document more formally, the roles and responsibilities related to event planning and delivery, including the identification of expected involvement by the WHS representative.
Action Officer	Julie Kushnir (Manager Community Experience & Relationships)
Completion Date	31/12/2021

Recommendation 3	Develop a business rule to determine when events are to be managed by the Events Team. This could be aligned to event risk categories (see Recommendation 5) and/or other criteria determined by the Events Team in consultation with other stakeholders.
Agreed Action	Adopt the above recommendation no. 3, clearly identifying the events that the Events Team shall be responsible for, including the definition of when it is required to separate infrastructure delivery from program/performance delivery
Action Officer	Julie Kushnir (Manager Community Experience & Relationships)
Completion Date	31/12/2021

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Recommendation 4	Formalise Administration's expectations regarding appropriate minimum lead times for consulting relevant stakeholders in relation to the risk assessment and risk treatment processes for events.
Agreed Action	Events team will provide the WHS team a copy of their risk assessment of the up and coming event two weeks prior to the event taking place. The day before the event, any changes to the assessment will be submitted to the WHS team for review.
Action Officer	Michelle Dagger (Team Leader Events, Place Activation and Curation) & Simon McGuinness (Team Leader Safety & Wellbeing) (in consultation with Security)
Completion Date	30/06/2021

Recommendation 5	<p>Define risk-based categories for the grouping of events, and assign each event to a category.</p> <p>These categories can then be used to determine the roles and responsibilities of stakeholders (including, for example, whether an event should be led by the Events Team), nature and extent of documentation and other requirements to support event management and risk assessments.</p> <p><i>Appendix 4 provides further guidance for developing appropriate categories and requirements.</i></p>
Agreed Action	Adopt recommendation no. 5 in addition to the preparation of an overarching Corporate Events and Public Relations plan.
Action Officer	Julie Kushnir (Manager Community Experience & Relationships)
Completion Date	31/4/2022

2.2 A need to ensure incidents and hazards have been appropriately 'closed off' in SkyTrust

Audit Risk Rating	Client Risk Rating
Medium	Low

Key Findings

- There is a lack of evidence documented in the SkyTrust system to demonstrate that responses to some identified incidents / hazards have been appropriately 'closed off'.

Discussion

Event incidents / identified hazards are logged in Council's 'SkyTrust' system. All known incidents for the period reviewed were reported and logged in a timely manner. All event incidents / hazards were flagged in SkyTrust as being closed off prior to the due date. Audit reviewed the description of actions taken to close off incidents / hazards and observed that not all actions required to properly close had been completed prior to the incidents / hazards being flagged as 'closed'. For example:

- Incident 1503 (unnecessary manual handling of goods and equipment due to lack of adequate manual handling equipment) has been closed, with the final action being *"please obtain and make readily available the moving equipment before the next event"* with no indication that this has occurred. Further, SkyTrust indicates states that the incident is closed out on the 13/04, but the due date for actioning the close out is not until 29/05. In our view, this hazard should not be closed until the moving equipment has been purchased and is available for use, or an alternative solution implemented.
- Hazard 290 (Inadequate screening off of areas of the Hub library during public events) has been closed, with the final action being that 2 named staff members *"can discuss the previous Event library related hazards (?) and resolve it between themselves"*, with no indication of the actual resolution agreed / actioned. In our view, this hazard should not be closed until a specific screening solution has been implemented.

While the process for reporting incidents is clearly defined, the processes for ensuring that incident responses are appropriately closed out, including monitoring and escalation procedures, requires review. See **Recommendation 6**.

Risk Exposure

- Hazards / incidents are not appropriately closed off, and therefore remain as a risk for future events.

Recommendation 6	Review the monitoring and escalation processes for incidents and hazards recorded in SkyTrust to ensure that hazards and incidents remain open until remedial actions have been confirmed as complete.
Accident Details	<p>1. Review the <i>PR014 – Hazard Management Procedure</i> to ensure that hazard reports are not closed until the responsible manager or delegate has verified that the hazard has been effectively controlled.</p> <p>Note that the following principles are relevant in this review:</p> <ul style="list-style-type: none"> • A hazard report may be closed once imminent or potential future risk has been adequately mitigated. • The close off of a hazard report may occur regardless of whether all actions arising have been completed provided that interim controls have been verified as effective in mitigating imminent or potential future risk to within acceptable tolerance (refer WHS risk score matrix and descriptors). • Responsible managers and their delegates are responsible for deciding when a hazard report may be closed off and where appropriate, for reviewing controls for effectiveness at a pre-determined future date. <p>2. Review the <i>PR007 – Accident/Incident Investigation & Reporting Procedure</i> to ensure that the following matters are explicitly addressed:</p> <ul style="list-style-type: none"> • The purpose of an incident report (to notify relevant persons within the organisation of the occurrence of an incident and of the immediate actions taken to make the situation safe). • The purpose of an incident investigation (to evaluate evidence for the purpose of identifying causal factors and to identify suitable controls to prevent recurrence and/ or mitigate risk to within acceptable tolerance (refer WHS risk score matrix and descriptors). • The close off of an incident investigation may occur regardless of whether all actions arising have been completed, provided that interim controls have been verified as effective in mitigating imminent or potential future risk to within acceptable tolerance (refer WHS risk score matrix and descriptors). • Responsible managers and their delegates are responsible for deciding when an incident investigation may be closed off and where appropriate, for reviewing controls for effectiveness at a pre-determined future date.
Accident Officer	Simon McGuinness (Team Leader Safety & Wellbeing)
Completion Date	30/10/2021

2.3 Opportunity to review and refine the risk assessment template

Audit Risk Rating	Client Risk Rating
Low	Low

Key Findings

- The risk assessment template, in its current form, has been in use since at least 2015 without a comprehensive review.
- There is opportunity to simplify the risk assessment template to increase its user friendliness and reduce the likelihood of errors or omissions.

Discussion

The current risk assessment template, used consistently as the basis for risk assessing events, has been in place since at least 2015. Significant changes have occurred since this time, including relocation to the HUB, COVID, and general operational and structural changes. Some template updates have been made, for example inclusion of reference to the combustible zone for the outdoor screen at the HUB, however no comprehensive review of the template has been performed. The template is fairly comprehensive, and includes all key information fields, however it is long at over 20 pages and not reflective of more modern contemporary formats.

Audit identified some examples of identified risks that have not been included as a template update (for example, the risk of insufficient resourcing). The issue of insufficient resourcing to properly manage identified risks (for example, availability of appropriately trained staff to assist with transportation of plant and site setup/set down) was raised by multiple interviewees. Staff from outside of the events or operations team are often asked to assist with these tasks, however may not have received appropriate training. One incident logged in SkyTrust during the last 18 months related to a staff member suffering a strained knee while assisting with manual handling tasks for an event, which was not part of the staff members normal work activities.

Feedback from interviews indicated a general desire to see the risk assessment template improved. There is scope to simplify the template to ensure consistency between risks and controls, and facilitate ease of completion and review. See **Recommendation 7**.

It is good practice for such reviews to occur on a regular basis (e.g. annually / biennially).

Risk Exposure

- The length and complexity of the risk assessment template reduces its useability and understandability.
- Template content that does not reflect current practice may lead to inaccurate documentation of risks and/or risk treatments, potentially resulting in failure to properly manage a risk.



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Recommendation:	<p>Perform a review of the risk assessment template (involving key stakeholders from the WHS, operations, HUB security and events teams), with a view to simplifying the document.</p> <p>Specifically, the risk of insufficient resourcing should be addressed as part of the risk assessment process and be included in the template to prompt consideration.</p> <p>Following this review, determine and record a required next review date for the template.</p>
Agreed Action Plan:	<p>Agreed. To address the recommendation, the following Action Plan will be implemented.</p> <p>A - Complete the revision of the risk assessment template.</p> <p>B - Develop a 1-2 page risk assessment checklist.</p> <p>C - Develop a scalable risk assessment or other event source material that informs of relevant risk controls measures to support the risk assessment checklist.</p>
Action Officer:	Nick Cross (Senior WHS Advisor)
Completion date:	31 December 2021



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2.4 Opportunity to involve risk staff in post-event evaluations

Audit Risk Rating	Client Risk Rating
Better Practice	Better Practice

Key Findings

- WHS staff were not consistently invited to participate in post-event evaluations.

Discussion

For the events sampled by Audit, whilst there is evidence of post-event discussions with the WHS Team in relation to specific incidents, the post event evaluation meetings did not involve the WHS Team. At the conclusion of events, there is opportunity to debrief about any new risks and hazards encountered during the event with all relevant stakeholders to ensure the risk assessment template can be updated to capture all current risks, and that all team members are aware of new risks and hazards for subsequent events.

Recommendation	A WHS Team representative is invited to post-event evaluation meetings for all events. <i>Note: the intention of this recommendation is not for a WHS Team representative to necessarily attend all post-event evaluation meetings. They may, for example, elect not to attend for smaller, lower risk events for which no incidents have occurred.</i>
Agreed Actions	Process established now for event lead to ask all staff/volunteers who have taken part in the event to provide their feedback of the event via email and include their issues faced and recommendations for future years. Some events, a conversation with the WHS team will be required if any issues have arisen.
Responsible Officer	Michelle Dagger (Team Leader Events, Place Activation and Curation) & Nick Cross (Senior WHS Advisor)
Completion Date	Completed – 22/06/2021



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2.5 Opportunity to reflect full staff costs in event budgets

Audit Risk Rating	Client Risk Rating
Better Practice	Better Practice

Key Findings

- Budgets for events do not reflect the full cost of staffing, as they do not account for overtime or out-of-hours penalty rates.

Discussion

As a condition of employment, all Event Team staff are required to work after hours and/or on weekends and public holidays as needed. In practice, events are often held after hours or on weekends, resulting in additional overtime and/or penalty rates costs. The Event Team's staffing budget does not include allowance for staff overtime or out-of-hours penalty rates. This unbudgeted cost reduces available capacity in the budget to access external contractors or internal assistance from other Council departments to ensure, for example, adequate resourcing for transportation of plant and site setup/set down. The expected overtime cost should be able to be reliably estimated based on the event calendar and past experience.

Recommendation	The staffing budget for the Events Team is updated to reflect the true cost of staffing by including estimates of expected overtime and penalty rate costs.
Agreed Actions	Discuss further with Finance Manager and General Manager Business Excellence and revise budget where required.
Responsible Officer	Julie Kushnir (Manager Community Experience & Relationships)
Completion Date	31/07/2021



Appendices

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Appendix 1. Overall Control Environment

Conclusion Rating Definitions

This internal audit project aimed to assess the controls established to address a key strategic risk or risks as documented in the Executive Summary. Based on the work undertaken, and when considering the design and/or effectiveness of controls collectively, we conclude that the control environment is one of the following ratings:

Rating	Effective	Majority Effective	Partially Effective	Requires Significant Improvement	Ineffective
Definition	Controls assessed were effective in mitigating the key strategic risk or risks	Controls assessed were largely effective in mitigating the key strategic risk or risks	Controls assessed were partially effective in mitigating the key strategic risk or risks	Controls assessed require significant improvement to mitigate the key strategic risk or risks	Controls assessed were ineffective in mitigating the key strategic risk or risks



Appendix 2. Internal Audit Finding Ratings

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

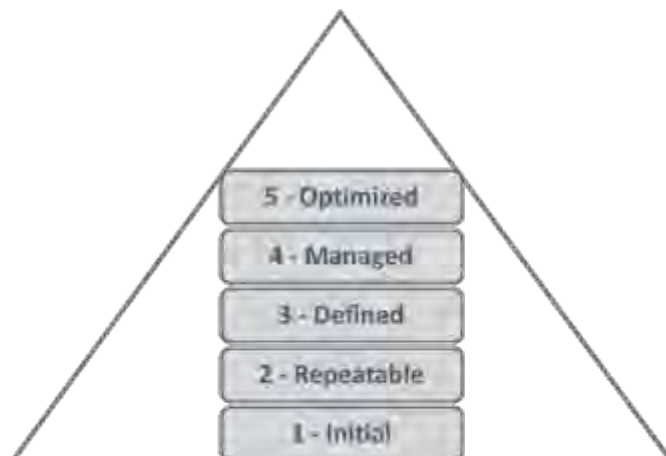
RATING	DESCRIPTION
A – Rare	The event may occur only in exceptional circumstances (i.e. probability of occurrence > 20 years)
B – Unlikely	The event could occur at some stage (i.e. probability of occurrence within 10 – 20 years)
C – Possible	The event might occur at some time (i.e. probability of occurrence within 3 – 5 years)
D – Likely	The event will probably occur at most times (i.e. probability of occurrence within 2 years)
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
1 Insignificant	Nil	Nil	Less than \$20,000	None	Nil	Minor interruption to service provision capability, e.g. less than 4 hours.
2 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"> • Unexpected/unplanned absence of a staff member. • Potential for minor injury. • First aid treatment required. 	Limited disruption to service provision requiring altered operational arrangements for a short period, e.g. up to 1 day
3 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"> • Unexpected/unplanned absence of a key staff member. • Medical treatment required. 	Some disruption to service provision capability requiring altered operational arrangements, e.g. between 1 day and 1 week.
4 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"> • Unexpected/unplanned absence of several key staff members from a single area. • Significant injury to staff disabling them/dangerous near miss. 	Significant impairment of service provision (capability or period), e.g. between 1 week and 1 month.
5 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"> • Unexpected/unplanned absence of a significant number of staff, e.g. during a pandemic. • Death / critical injury to staff. 	Total loss of service provision capability for extended period, e.g. more than 1 month.

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Appendix 3. Process Maturity Assessment Standard



Level 1—Initial

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 an unstable environment for the processes.

At the initial level, processes are disorganized. 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

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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/improvement



Appendix 4. Example guidance for the categorisation of events

Table 1 “*Categorisation of Events*” provides an example of a guide to categorising events into risk-based categories. To be classified in a category, the event should meet each of the criteria described in the applicable column.

Once a category has been selected, Table 2 “*Guidelines for Event Management Requirements*” provides guidance as to the tasks and documentation that the event organiser must complete.

Important note: These tables are provided as an example only. They are not intended to be applied as-is to the City of Salisbury. The tables require tailoring to the City of Salisbury’s specific needs and circumstances established for example via workshops with key stakeholders.

To categorise events is not a simple task and to do this the level of risk needs to be carefully thought through. The following factors are examples of things that should be considered in establishing risk-based categories for the classification of events (see Recommendation 4). This list is not exhaustive – the specific risk factors for each event must be carefully identified and considered.

- Availability of alcohol (high risk factor)
- Number of attendees
- Council staff attendance at events (increased attendance by staff generally = decreased risk)
- Experience of staff / volunteers running the event
- Location of events (e.g. indoor vs outdoor, proximity to major roads, Council premises vs 3rd party premises)
- Frequency of events (e.g. ad-hoc vs regular / recurrent events)
- Whether food is being served at the event, and the nature of this food
- Age profile of attendees (e.g. events involving minors = higher inherent risk)
- Involvement of 3rd parties (e.g. in planning or running of events)
- Existence of traffic management requirements
- Consideration of any past incidents at similar events
- Timing of the event (during normal business hours, after hours / weekends)
- Nature of activities and entertainment (e.g. skating, bouncy castles, water based events, other interactive entertainment or “moving parts” = higher risk)
- Event access control i.e. set venue with defined entry and exit points vs general venue area with open access or less control over patrons entering and leaving
- Degree of event structure (e.g. structured ceremony vs open festivals)
- Public transport requirements
- Timeframe available to plan the event (i.e. is there sufficient time to plan adequately?)
- Whether any other events (including 3rd party events) are being held at the same time that could affect the safety of attendees
- Possibility of drug use

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Table 1 – EXAMPLE Categorisation of Events

Guidelines	Category 1 Event	Category 2 Event		Category 3 Event		
Nature of Event	Small in-house events	Medium in-house events	Small - Medium external events or after hours internal events	Large in-house events	Large external events	Any other events that have been deemed a high risk
Number of Attendees	Up to 20 attendees	20 – 80 attendees	Up to 80 attendees	80+ attendees	80+ attendees	N/A
Location	Run in or on Council controlled premises	Run in or on Council controlled premises	Run in or on non-Council controlled premises; or Run in or on Council controlled premises after hours	Run in or on Council controlled premises	Run in or on non-Council controlled premises	Can be anywhere, if other risk factors present High risk location e.g. skate park, near water
Alcohol (If Yes, event should be classed as Category 3)	None	None	None	Could be Yes or No	Could be Yes or No	Could be Yes or No
Event Structure	Structured	Structured	Structured	Structured or unstructured	Structured or unstructured	Structured or unstructured
Other high risk factors (see Appendix 1)	None	None	None	Possible	Likely	Yes

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Table 2 – EXAMPLE Guidelines for Event Management Requirements

Requirements	Category 1 Event	Category 2 Event	Category 3 Event
Risk Assessment	Full risk assessment required. One risk assessment may cover multiple, similar events. Risk assessment reviewed annually, or following a significant change in circumstances or an incident.	Full risk assessment required. One risk assessment may cover multiple, similar events. Risk assessment reviewed annually, or following a significant change in circumstances or an incident.	Full, event specific risk assessment required each time event is run.
Event Management Plan	Basic event details documented (e.g. time, place, staff responsible) Emergency planning is in place and managed by a competent staff member	Focused event management plan required (being a smaller scale version of the full event management plan)	Full event management plan required (including communication plan, traffic management plan, site maps, documented discussion with all relevant support services i.e. Police, SAMFS etc.)
Security	External security generally not required	Strongly consider the need for external security, subject to risk assessment	External security must be put in place
Budgeting	Direct external costs only	All internal and external event costs, including internal staff time and intra-council recharges	All internal and external event costs, including internal staff time and intra-council recharges Encourage utilisation of pre-qualified external contractors for competitive pricing
Pre / Post event meetings	Post event meetings mandatory if any incidents / near misses are reported. Pre / post event meetings otherwise optional at the discretion of management	Pre and post event meetings strongly encouraged Post event meetings mandatory if any incidents / near misses are reported	Pre and post event meetings mandatory to improve future event organisation, and ensure coverage of all risk and organisational considerations

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City of Salisbury

Requirements	Category 1 Event	Category 2 Event	Category 3 Event
Approval for event to be held	Formal review and sign off of risk assessment by Divisional Manager prior to event	Formal review and sign off of risk assessment by Divisional Manager prior to event	Formal "go / no-go" decision by General Manager and Executive, including review of risk assessment
3 rd Party use of Council facilities / premises	3 rd party use generally not expected for category 1 events. Events may involve very low risk activities supervised by Council staff Induction in emergency evacuation must be supplied	A formal contract must be signed stating the full responsibilities of the hirer Training/induction in emergency evacuation and the position of fire extinguisher/s must be supplied and documented Hirer must be able to demonstrate suitable systems to competently manage the safety of all attendees <u>OR</u> must commit to compliance with City of Salisbury defined requirements for external hire (e.g. qualified first aid staff, assigned responsibility for safety, security requirements, etc. – checklist to be developed)	A formal contract must be signed stating the full responsibilities of the hirer Training/induction in emergency evacuation and the position of fire extinguisher/s must be supplied and documented Hirer must be able to demonstrate suitable systems to competently manage the safety of all attendees, and supply an event management plan for City of Salisbury Approval
Training for staff managing event	Risk management training at induction, with annual refresher training	Risk management training at induction, with annual refresher training	Risk management training at induction, with biennial refresher training Specific event management training at induction, with periodic refresher training

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Appendix 5. Documents reviewed

Documents reviewed by the audit team included:

- Template – Event Management Risk assessment form
- Event Calendar and budget from 1 July 2020 to 30 June 2023
- Event manual
- Event Plan template
- Site Emergency Plan – Community Hub
- All event-related incident / hazard reports from SkyTrust (Oct 2020 – April 2021)
- Volunteer Induction Return to the Worksite COVID 19
- Volunteer Management Policy
- Volunteer register (sighted via online demonstration)
- Event Volunteer Information
- Internal Event Volunteer Procedure
- Code of conduct for volunteers
- Documents (including event plans, site maps, risk assessments) related to sample of events selected for testing:
 - Harmony day
 - Salisbury Fringe Carnival
 - Salisbury Community Fun Day

Appendix 6. Staff members interviewed

- Manager Community Experience & Relationships, Business Excellence (Julie Kushnir)
- Manager Community Health & Wellbeing (Vesna Haracic)
- Team Leader, Events Management, Community Experience & Relationships, Business Excellence (Michelle Dagger)
- Senior WHS Advisor, Community Development (Nick Cross)
- Emergency Management Project Coordinator, CEO & Governance (Lee Kightley)
- Coordinator Security Services, City Infrastructure (Julian Maio)
- Volunteer Development Officer, Community Health & Wellbeing (Michelle Hodshon)
- Client Engagement Officer, Community Health & Wellbeing (Arlene Jasper)
- Volunteer Program Officer (Caroline Letchford)

Disclaimers

Inherent limitations

This report has been prepared for the information and internal use of the City of Salisbury in accordance with the scope and objectives outlined in the Executive Summary of this report. The services provided in connection with this engagement comprise an advisory engagement which is not subject to the Australian Auditing Standards or the Australian Standards on Review and Assurance Engagements. Consequently, no express opinions or conclusions have been drawn or intended to convey assurance. Due to the inherent limitations of any internal 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 have been subject to the procedures we performed operate, has not been reviewed in its entirety and, therefore, no opinion or view is expressed as to its effectiveness of the greater internal control structure. The procedures performed were not designed to detect all weaknesses in control procedures as they are not performed continuously throughout the period and the tests performed on the control procedures were on a sample basis. Any projection of the evaluation of control procedures to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

We believe that the statements made in this report are accurate, but no warranty of completeness, accuracy or reliability is given in relation to the statements and representations made by, and the information and documentation provided by, the City of Salisbury's management and personnel. We have not sought to independently verify those sources. We are under no obligation in any circumstance to update this report, in either oral or written form, for events occurring after the report has been issued in final form unless specifically agreed with the City of Salisbury. The internal audit findings expressed in this report have been formed on the above basis.

Third party reliance

This report is solely for the purpose set out in the Executive Summary of this report and for the City of Salisbury's information, and is not to be used for any other purpose or distributed to any other party without Galpins' prior written consent. This internal audit report has been prepared at the request of the City of Salisbury or its delegate in connection with our engagement to perform internal audit services. Other than our responsibility to City of Salisbury, neither Galpins nor any member or employee of Galpins undertakes responsibility arising in any way from reliance placed by a third party, including but not limited to the City of Salisbury's external auditor, on this internal audit report. Any reliance placed is that party's sole responsibility.

ITEM	7.1.3
	AUDIT COMMITTEE
DATE	13 July 2021
HEADING	Audit Committee Annual Work Plan 2021/2022
AUTHOR	Hussain Rafeeu, Internal Auditor & Risk Coordinator, CEO and Governance
CITY PLAN LINKS	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	This report introduces the Audit Committee Annual Work Plan for 2021/2022, seeking Audit Committee's input and endorsement of the Audit Committee Annual Work Plan 2021/2022 to ensure that all essential areas are covered, in performing the roles and responsibilities mandated under the <i>Local Government Act 1999</i> ("the Act") as stated in the Audit Committee's Terms of Reference ("TOR").

RECOMMENDATION

1. That the Audit Committee Annual Work Plan for 2021/2022 as set out in section 2.6 of this report (Audit Committee, 13/07/2021, Item No. 7.1.3) is adopted.

ATTACHMENTS

There are no attachments to this report.

1. BACKGROUND

- 1.1 An Annual Work Plan is a better practice instrument, recommended in the 3rd edition of 2017 *Audit Committee – A Guide to Good Practice* document jointly published by the Auditing and Assurance Standards Board, Australian Institute of Company Directors and The Institute of Internal Auditors-Australia.
- 1.2 Pursuant to section 41 of the Act, the Council has established an Audit Committee, which forms part of the Council's governance framework, to perform the roles and responsibilities as stipulated in the Act.
- 1.3 The functions and responsibilities of the Audit Committee are detailed under Special Term 1, Clause 2 of the TOR adopted by Council (resolution 0715/2020), which is stated in 1.4 below.
- 1.4 In accordance with section 126(4) of the Act the functions of the audit committee include –
 - “(a) reviewing annual financial statements to ensure that they present fairly the state of affairs of the council; and
 - (ab) proposing, and providing information relevant to, a review of the council's strategic management plans or annual business plan; and

- (ac) proposing, and reviewing, the exercise of powers under section 130A; and
- (b) liaising with the council's auditor; and
- (c) reviewing the adequacy of the accounting, internal control, reporting and other financial management systems and practices of the council on a regular basis”.

The Committee, in order to fulfil its role and provide the necessary assurance to Council, will:

- Satisfy itself that appropriate policies, practices and procedures of internal control are implemented and maintained.
- Ensure that these 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.
- Satisfy itself that the organisation is meeting its fiduciary and legislative responsibilities.

Taking into consideration both the risk and the opportunities of matters considered, so as to enable Council to act as an informed and responsible decision maker representing the interests of the community.

- 1.5 For effective oversight and transparency on the coverage of activities carried out by the Audit Committee, an annual work plan is developed elaborating on the relevant functions required under the Act, as covered in the current TOR.
- 1.6 It is also noted that the *Statutes Amendment (Local Government Review) Act 2020* assented to by the Governor on 17 June 2021, includes an expanded and more prescriptive role for the Audit Committee, stipulating the functions of Audit and Risk Committee as follows:

- “(a) reviewing annual financial statements to ensure that they present fairly the state of affairs of the council; and
- (b) proposing, and providing information relevant to, a review of the council's strategic management plans or annual business plan; and
- (c) monitoring the responsiveness of the council to recommendations for improvement based on previous audits and risk assessments, including those raised by a council's auditor; and
- (d) proposing, and reviewing, the exercise of powers under section 130A; and
- (e) liaising with the council's auditor in accordance with any requirements prescribed by the regulations; and
- (f) reviewing the adequacy of the accounting, internal control, reporting and other financial management systems and practices of the council on a regular basis; and
- (g) (i) if the council has an internal audit function—
 - (A) providing oversight of planning and scoping of the internal audit work plan; and

- (B) reviewing and commenting on reports provided by the person primarily responsible for the internal audit function at least on a quarterly basis; or
 - (ii) if the council does not have an internal audit function, reviewing and commenting on an annual report provided by the Chief Executive Officer in relation to the policies and processes adopted by the council to evaluate and improve the effectiveness of its internal control practices and procedures; and
 - (h) reviewing and evaluating the effectiveness of policies, systems and procedures established and maintained for the identification, assessment, monitoring, management and review of strategic, financial and operational risks on a regular basis; and
 - (i) reviewing any report obtained by the council under section 48(1); and
 - (j) performing any other function determined by the council or prescribed by the regulations.”
- 1.7 The *Statutes Amendment Act 2020* further states that:
- 1.7.1 s126(8)(b) - A council Audit and Risk Committee must— provide an annual report to the council on the work of the committee during the period to which the report relates.
 - 1.7.2 s126(9) - A council must ensure that the annual report of its Audit and Risk Committee is included in its annual report.
- 1.8 Given these expanded roles of the Audit Committee, the additional responsibilities have been incorporated into the proposed Audit Committee Annual Work Plan for 2021/2022, wherever possible.

2. REPORT

- 2.1 The Internal Auditor & Risk Coordinator has performed an analysis of all reports presented to the Audit Committee since 2015, and reviewed them against the requirements of the TOR and the Act, in the compilation of this Audit Committee Annual Work Plan.
- 2.2 The frequencies and categories of previous reports presented to the Audit Committee were analysed to consider timing and main categories of activities to structure the Audit Committee Annual Work Plan for 2021/2022.
- 2.3 Additionally, the commencement dates proposed in the 3 year internal audit plan and expected completion timelines are taken into account, for proposing the timing of internal audit reports to the Audit Committee.
- 2.4 The key functional areas that are referenced in the Act and TOR are used to structure the Audit Committee Annual Work Plan.
- 2.5 The relevant touch points from the TOR and the corresponding subsections from the Act are noted in the Work Program against the relevant functional roles and activities.
- 2.6 The proposed Audit Committee Annual Work Plan 2021/2022 is as follows:

Audit Committee Annual Work Plan		Relevant touch points (Act / TOR)	FY 2021 / 2022				
No.	Activity		Jul-2021	Oct-2021	Nov-2021	Feb-2022	Apr-2022
1.0	Financial Reporting	s126(4)(a)					
1.1	Review Annual Financial Statements for FY2020/21 - Review Asset Valuations 2020/21 - Review methodology and approach to Depreciation 2020/21	"		Ø			
1.2	Reviewing significant accounting and reporting issues, recent changes in standards and industry updates 2020/21	"		Ø			
1.3	Review Asset Valuations 2020/21	"	Ø	Ø			
1.4	Review methodology and approach to Depreciation 2020/21	"	Ø	Ø			
2.0	Internal Controls	s126(4)(c)					
2.1	Review LG Better Practice Model Self-Assessment (External Auditor reviews as part of Controls certification)	"	Ø				
2.2	Annual Report - Internal Controls Framework and Audit Committee sections (draft in April / Final in July)	"	Ø				
2.3	Review Internal Control Policies and Procedures	"				Ø	
3.0	Risk Management	s126(4)(c)					
3.1	Review of Strategic Risk Register	"	Ø		Ø	Ø	Ø
3.2	Risk Management & Internal Control Activities	"	Ø		Ø	Ø	Ø
3.3	LG Mutual Liability Scheme Risk Review 2021 Report	"					Ø
4.0	Internal Audit	s126(4)(c)					
4.1	Review the 3 Year Internal Audit Plan	"	Ø		Ø	Ø	Ø
4.2	Review the status of Outstanding Audit Action Points (relating to Internal Audit / External Audit / Internal Control Self Assessments / External Audit Management Letters)	"	Ø		Ø	Ø	Ø
4.3	IA Report - Event Incident Management Framework	"	Ø				
4.4	IA Report - Volunteers Audit	"			Ø		
4.5	IA Report - Capital Works Project Audit	"			Ø		
4.6	IA Report - Fleet/Heavy Vehicle Management, High Value & Portable Asset Audit	"				Ø	
4.7	IA Report - Strategic Reporting Process Audit	"				Ø	
4.8	IA Report - Cybersecurity Improvement Program Pre-Implementation Audit	"				Ø	
4.9	IA Report - IT Disaster Recovery Audit	"					Ø
4.10	IA Report - Independent External Review of Internal Audit Function	"					Ø

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4.11	IA Report - Data Governance Audit	"					Ø
4.12	In-confidence session with Internal Auditor	Better Practice		Ø			
5.0	External Audit	s126(4)(b)					
5.1	Review Interim Audit Report	"	Ø				
5.2	Review final External Audit Report	"		Ø			
5.3	Review Management Representation Letters	"	Ø	Ø			
5.4	Assess the appropriateness of Council's response to the Auditor's findings and recommendations	"	Ø	Ø			
5.5	Oversee actions to follow up on matters raised by External Auditor	"	Ø	Ø			
5.6	Meet with External Auditor to: - invite presentation of audit methodology and risk assessments within the External Audit plan - discuss any qualifications and comments made in management letter - invite comments on financial management and internal controls, relative to other benchmarks - discuss any other relevant matters	TOR 3.2	Ø	Ø			
5.6	In-confidence session with External Auditor	Better Practice		Ø			
6.0	Reporting	s126(4)(c)					
6.1	Audit Committee Self-Assessment report	"					Ø
6.2	Report on Audit Committee Work Program status and future proposals	"	Ø	Ø	Ø		Ø
7.0	Strategic, Financial and Management Planning	s126(4)(ab)					
7.1	Review Annual Report 2020/21	"			Ø		
7.2	Review Annual Plan 2021/2022 & LTFP 2021/2022 - 2030/31 (Information & Input)	"					Ø
7.3	Review Annual Plan 2021/2022 & LTFP 2022/23 - 2031/32	"					Ø
7.4	Review Annual Budget, Fees & Charges 2022/23	"					Ø
8.0	Policy and Procedure Review	s126(4)(c)					
8.1	Review Fraud and Corruption Prevention Framework	"	Ø				
8.2	Asset Review Policy	"	Ø				
8.8	Risk Management Plan / Framework	"			Ø		
8.9	Business Continuity Policy / Plan	"			Ø		
8.2	Internal Audit Manual	"					Ø
9.0	Other Matters	s126(4)(ac)					
9.1	Review/Approve Audit Committee Annual Work Program	"	Ø	Ø	Ø	Ø	Ø

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9.2	Reports on other relevant matters	"	Ø	Ø	Ø	Ø	Ø
9.3	Proposing and reviewing the exercise of powers under s130A of the Act	s130A					
9.4	Public Interest Disclosures cases reported and investigations undertaken	"					
9.5	Audit Committee Annual Report 2021/2022 – to Council on the work of the committee during the period	s126(8)(B) Statutes Amendment Act 2020					Ø

Item 7.1.3

3. CONCLUSION / PROPOSAL

3.1 This report outlines the proposed Audit Committee Annual Work Plan for 2021/2022.

CO-ORDINATION

Officer: R&GPM Executive
Date: 2/07/2021 5/07/2021

ITEM	7.1.4
	AUDIT COMMITTEE
DATE	13 July 2021
HEADING	Annual Report 2020/2021 - Internal Controls Framework and Audit Committee sections
AUTHOR	Janet Crook, Risk & Governance Program Manager, CEO and Governance
CITY PLAN LINKS	4.4 We plan effectively to address community needs and identify new opportunities. 4.5 We engage meaningfully and our community is aware of Council initiatives.
SUMMARY	The City of Salisbury Annual Report refers to the operations and financial activities of Council in the previous financial year. It also contains sections which detail the operations and membership of the Audit Committee of Council and the Financial Internal Controls Framework. This report contains the draft text for these sections of the annual report for review by the Audit Committee.

RECOMMENDATION

1. That the proposed inclusions in the annual report relating to the operations and membership of the Audit Committee for the 2020/2021 financial year as set out in Attachment 1 to this report (Item 7.1.4 Audit Committee, 13/07/2021) be approved.

ATTACHMENTS

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

1. Internal Controls Framework and Audit Committee section for inclusion in the Annual Report 2020/2021

1. BACKGROUND

- 1.1 Council is required, under Section 131 of the *Local Government Act 1999* to publish an annual report. The annual report must be prepared and adopted by 30 November each year. Contained within the annual report is information regarding Council's operating and financial activities for the previous financial year. It also includes information relating to the operations of the Audit Committee of Council. The annual report is coordinated and published by the Community Experience and Relationships Division.
- 1.2 Each year, the Audit Committee reviews the statements to be included in the annual report concerning internal audit and risk management.
- 1.3 The full annual report is presented each year to the Governance and Compliance Committee for review and recommendation to Council. To allow the Audit Committee to consider sections relevant to its operations prior to inclusion in the annual report, the relevant text is presented separately to the Audit Committee.

2. REPORT

- 2.1 The City of Salisbury's annual report is a vehicle for the publication of Council's end of financial year statements and a summary of its operating activities over the previous financial year. Financial statements will be presented to the Audit Committee for review at the October 2021 meeting.
- 2.2 The operations of the Audit Committee, together with information regarding the Financial Internal Controls Framework are outlined in the annual report. A draft of the proposed text for inclusion in the annual report on these subjects is provided as Attachment 1.
- 2.3 The proposed text is concise and prepared on the basis that the audience will be a variety of stakeholders including local residents and the Minister for Local Government. It gives a brief explanation of the Financial Internal Controls Framework, the work of the Audit Committee and its membership throughout the year.
- 2.4 Once the Audit Committee have reviewed the proposed text the next step in the process is to forward it to the Community Experience and Relationships division for inclusion in the draft annual report, which will be presented to the Governance and Compliance Committee.

3. CONCLUSION / PROPOSAL

- 3.1 The proposed inclusions in the annual report provide information relating to the operations and membership of the Audit Committee of Council in the 2020/2021 financial year. The draft text is provided for review, prior to submission for inclusion in the draft annual report.

CO-ORDINATION

Officer:	R&GPM	Executive
Date:	1/07/2021	5/07/2021

Audit Committee of Council

The Audit Committee reports to Council and is a critical component of the Council's governance framework. The Audit Committee is established in accordance with Section 126 of the Local Government Act 1999. Its role is to comply with the legislative obligations and the requirements of its terms of reference.

The Audit Committee will:

- Satisfy itself that appropriate policies, practices and procedures of internal control are implemented and maintained.
- Ensure that these 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.
- Satisfy itself that the organisation is meeting its fiduciary and legislative responsibilities.

Further information regarding the roles and responsibilities of the Audit Committee are contained in its Terms of Reference, which are available on the City of Salisbury website.

The Audit Committee consists of five members, three of whom are independent of the Council. Independent members are appointed by Council based on their individual skills, knowledge and experience to ensure the effective discharge of the Committee's responsibilities.

Audit Committee Membership July 2020 – June 2021

Name	Elected Member Or Independent Member	Dates	Attendance
Cr Graham Reynolds	Elected Member (Chairman)	July 2020 – June 2021	6 of 6 meetings
Cr Kylie Grenfell	Elected Member (Deputy Chairman)	July 2020 – June 2021	6 of 6 meetings
Mr Craig Johnson Independent consultant	Independent Member	July 2020 – June 2021	6 of 6 meetings
Mr Neil Edinwaera Director, KPMG	Independent Member	July 2020 – June 2021	6 of 6 meetings
Ms Paula Davies Professional Standards Director	Independent Member	February 2020 – June 2021	3 of 3 meetings
Ms Kristyn Verrall General Manager Governance and Strategy/General Counsel, Statewide Super	Independent Member	July 2020 – November 2020	1 of 3 meetings

Financial Internal Controls Framework

The City of Salisbury follows the Better Practice Model – Financial Internal Control for South Australian Councils. In order to demonstrate compliance with this model the City operates an extensive financial internal controls framework. The framework is designed to ensure financial processes, procedures, policies and systems are applied efficiently and effectively in order to mitigate the financial risks identified in the Model. Oversight of the financial internal controls framework is provided by the Audit Committee of Council, through the Governance Division. The internal control framework of the Council is audited by the City of Salisbury's external auditor and no critical, significant, not material or area for improvement matters were reported in relation to the internal control framework of the City of Salisbury.

Number of internal controls rating 4 or higher

The City of Salisbury utilises a risk and control management application called ControlTrack, to monitor and review its internal financial controls. There are approximately 260 controls within ControlTrack across 7 classes: Assets, Expenses, External Services, Liabilities, Revenue, Strategic Financial Planning and Financial Governance.

We use a five point rating scale when self-assessing the effectiveness of our internal financial controls (1 = ineffective, 2 = requires significant improvement, 3 = partially effective, 4 = majority effective and 5 = effective).

Of the controls assessed and reviewed in 2020/21, six controls (2%) were assessed as being partially effective, and the other controls assessed are rated as either effective or majority effective. Treatment plans have been established to improve the rating for the six controls that are assessed as partially effective.

High risk outcomes / findings from internal audits

Five high and one very high risk-rated outcome / finding from internal audits were identified and reported on to the Audit Committee in the 2020/2021 financial year. During the year, the one very high risk-rated and three high risk-rated findings are closed and resolved, and there are three high risk-rated findings outstanding at the end of 2020/2021, with agreed action plans to be completed in 2021/2022.

The City of Salisbury operates a risk-based Internal Audit Plan, where audits are conducted to provide assurance on the risks identified in the Strategic Risk Register.

The following audits were completed and reported to the Audit Committee in the 2020/2021 period:

- Management of Contaminated Sites;
- Purchase Cards;
- Trade Card Review;
- Legislative Compliance; and
- Complaints Handling Process.

An audit on the Management of Contaminated Sites was performed to provide assurance that the controls in place to prevent and manage contamination incidents / sites are robust.

An audit on Purchase Cards was performed to provide assurance on the efficiency and effectiveness of the processes and controls in place in relation to the use and management of City of Salisbury's Purchasing Cards.

A Trade Card audit was performed as an ad hoc review to provide assurance regarding the controls in place relating to the use and management of the Bunnings and Dulux trade accounts.

An audit on Legislative Compliance was performed to provide assurance regarding the controls in place relating to the process for managing, monitoring, reviewing and reporting of legislative compliance matters.

An audit on the Complaints Handling Process was performed to provide assurance regarding the effectiveness of the City of Salisbury's processes that are in place regarding the process for managing, monitoring, reviewing, and reporting on complaints received from the community relating to services or actions of the council, employees of the council, or other persons acting on behalf of the council.

The actions identified to address the risk findings from internal audits are being progressed by the Council.

ITEM	7.1.5
	AUDIT COMMITTEE
DATE	13 July 2021
HEADING	Risk Management and Internal Controls Activities
AUTHOR	Janet Crook, Risk & Governance Program Manager, CEO and Governance
CITY PLAN LINKS	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	This report provides an update on the risk management and internal controls activities conducted in the 2020/2021 financial year.

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, 13/07/2021, Item No. 7.1.5) is endorsed.

ATTACHMENTS

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

1. Risk Management and Internal Controls Activities 2020/2021
2. Fraud and Corruption Prevention and Management Framework
3. Policy Governance Framework
4. Risk Maturity Survey
5. Risk Maturity Stages
6. Strategic Risk Register

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 April 2021:

- 2.2.1 The review of the Fraud and Corruption Prevention and Management Policy has been performed and the Policy has been adopted by Council. A Fraud and Corruption Prevention and Management Framework has been developed and approved by the Executive Group. Further information on the Framework appears later in this report.
- 2.2.2 The Control Self-Assessment through the Control Track system been completed and further information on the assessment appears later in this report.
- 2.2.3 The Policy Governance Framework has been developed and approved by the Executive Group. Further information on the Policy Governance Framework appears later in this report.
- 2.2.4 Emergency Management Program - An Emergency Management Project Coordinator was seconded to the Governance Division for 2020/2021 in order to develop Council's Emergency Management Policy, Plan and Incident Operations Manual. The Emergency Management Policy and Plan have both been approved by Council and the Executive Group, respectively. The Incident Operations Manual has been drafted and is awaiting approval by the Executive Group. The Emergency Management Program has been extended for a further 12 months. Further information appears later in this report.

Fraud and Corruption Prevention and Management Framework

- 2.2.5 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 and Management Policy was adopted by Council in February 2021. The Administration undertook that, following adoption of the policy, a Fraud and Corruption Prevention and Management Framework ("the Framework") would be prepared to support the implementation of the policy objectives and statements.
- 2.2.6 The Framework was approved by the Executive Group on 7 July 2021. A copy of the Framework appears as Attachment 2 to this report for information.

Internal Financial Controls self-assessment

- 2.2.7 City of Salisbury performs an annual self-assessment of its financial internal controls using Control Track.
- 2.2.8 The External Auditors perform a review of our internal financial controls as part of their annual external audit.
- 2.2.9 The City of Salisbury (CoS) utilises a risk and control management application called ControlTrack, to monitor and review its internal financial controls across 6 classes: Assets, Expenses, External Services, Liabilities, Revenue and Strategic Financial Planning.
- 2.2.10 A five point rating scale is used when self-assessing the effectiveness of our internal financial controls (1 = ineffective, 2 = requires significant improvement, 3 = partially effective, 4 = majority effective and 5 = effective).

2.2.11 Of the controls assessed and reviewed in 2020/2021, six controls were assessed as being partially effective or lower. Treatment plans have been established to improve the rating for these six controls, as follows.

- *Asset Management Plans are prepared and renewal expenditure and programmed maintenance required is reviewed periodically to reflect changing priorities, additional asset data and other relevant factors.*

This is a control for the risk “*Fixed Asset maintenance and/or renewals are inadequately planned*”. That risk is rated residually Medium. The action plan is to complete the Asset Management Plans by 31 December 2021, owned by Manager Infrastructure Management.

- *Inventory is appropriately insured.*

This is a control for the risk “*Inventory is inadequately safeguarded*”. That risk is rated residually Low. The action plan is to identify an appropriate entity to undertake and perform the valuations task by 31 December 2021, owned by the Insurance Officer.

- *There is a process in place to follow up and action incomplete purchase orders.*

This is a control for the risk “*Purchase orders are either recorded inaccurately or not recorded at all*”. That risk is rated residually Medium. The action plan is to develop a report which will check divisions’ outstanding commitments by 30 September 2021, owned by the Manager Strategic Procurement.

- *There is a process to ensure staff are aware of policies and procedures referenced in the Better Practice Model.*

This is a control for the risk “*Staff are not aware of their responsibilities to ensure good governance including compliance with policies, procedures and relevant legislation*”. That risk is rated residually Medium. The action plan is to develop implement and embed the Policy Framework by 30 October 2021, owned by the Governance Coordinator.

- *There is a process in place to ensure the fees and charges are applied in accordance with those adopted in the fees and charges register.*

This is a control for the risk “*Council does not apply User Pay principles consistently*”. That risk is rated residually Low. The action plan is to implement a period review process of fees and charges raised through webform as amount and account type by 28 February 2022, owned by the Senior Management Accountant.

- *There is a contract management process in place throughout the term of the contract to ensure that supplier/contractor meet their obligations.*

This is a control for the risks “*Council does not obtain value for money in relation to its contracting*” and “*Council is not able to demonstrate that all probity issues have been addressed in the Contracting process*”. Those risks are both rated residually Medium.

The action plan is to implement a Contract Management Framework by 31 December 2021, owned by the Manager Strategic Procurement.

- 2.2.12 The Treatment Plans will be monitored with the Improvement Owners to completion.

Policy Governance Framework

- 2.2.13 In 2019 the ICAC undertook an evaluation of the practices, policies and procedures of the City of Playford. A number of recommendations were made that, while pertinent to the evaluation for the City of Playford, were deemed by the Deputy Commissioner to be relevant to other councils and public authorities. One of those recommendations was concerning the creation, approval, dissemination, education and review of Council Policies in the form of development of a Policy Framework.
- 2.2.14 Development of a Policy Governance Framework was considered appropriate in order to ensure that a consistent approach is taken by all stakeholders and Policy Owners within the organisation when developing and reviewing Policies and Procedures.
- 2.2.15 In line with the ICAC recommendations, a Policy Framework has been developed for CoS. When developing the Policy Framework a mapping task was performed to identify current policies and procedures, both those endorsed by the Executive Group and also Council. The Policy Framework includes information regarding the lifecycle of a policy/procedure - creation, approval, dissemination (including registration on Council's electronic document management system and Council's Internet/Intranet), education and review - and also a library of definitions for consistent use in all Policies and Procedures.
- 2.2.16 The Policy Governance Framework has been approved by the Executive Group and a copy of the Framework appears as Attachment 3 to this report for information.

Emergency Management Program

- 2.2.17 The Emergency Management Program has been extended until 30 June 2022.
- 2.2.18 To date the Program has delivered, amongst other things, the Emergency Management Policy, Plan and Incident Operations Manual (the latter will be presented to the Executive Group in July 2021).
- 2.2.19 Following the delivery of these initiatives, it is deemed necessary for the Emergency Management Program to continue for a further 12 months. The purpose for the continued operation of the role is the development, implementation, embedding and maintenance of a robust incident management framework (including emergency and business continuity management) that enables the City of Salisbury to effectively prevent, prepare for, respond to and recover from emergency and business continuity events and continue to deliver critical services while minimising the impact to the organisation and the community.
- 2.2.20 Responsibilities of the role will include providing advice, support and guidance on incident management processes; conducting education and training sessions with staff; implementing activities to build the staff and

community's awareness and capacity in relation to incident management; and maintenance of corporate documents including tools, plans and instructional guides.

Risk Maturity Survey

- 2.2.21 A Risk Maturity Survey designed by Local Government Risk Services (LGRS) was circulated to the Executive Group and Divisional Heads for completion. The results of the survey are designed to establish a baseline of risk maturity at CoS to assist with the further direction and development of the Risk Management Program.
- 2.2.22 Attached to this report as Attachment 4 and Attachment 5 are copies of the risk maturity survey tool, and risk maturity stages, respectively.
- 2.2.23 The risk maturity survey tool intended to help the evaluators through five focus areas that are considered to be key aspects of an effective Enterprise Risk Management (ERM) process. In each of the five focus areas, the tool includes brief descriptors of critical elements of an ERM process that are important to the strength of that focus area. The evaluators needed to consider whether each of the critical elements is currently present at the CoS.
- 2.2.24 The results received have been consolidated and provided to the LGRS for them to analyse and report upon to CoS. That report will set out CoS' current stage of risk maturity and will assist CoS to determine next steps for the Risk Management Program. A report on the results of the survey will be prepared for the Executive Group to consider.

Strategic Risk Register

- 2.2.25 Discussion was had at the April 2021 Audit Committee meeting regarding the Strategic Risk Register. Changes have been made to the Register as a result of the discussions and are set out in Attachment 6 to this report.
- 2.2.26 The material changes to the Register are:
 - Risk 5 (City of Salisbury financial sustainability is compromised by internal decisions and / or external events.) – residual risk rating has been re-visited and updated from Major/Possible – High, to Major/Unlikely – Medium.
 - Risk 7 – Following discussions between Manager Governance and the CEO, the description of this risk has changed from “Failure to ensure a safe working environment” to “Immature and inadequate work health safety policies and procedures result in an unsafe working environment”. This provides a more accurate description of the risk faced by Council. As a result, bearing in mind the controls in place, the residual rating for the risk has been reduced from Catastrophic / Possible – High, to Major / Unlikely – Medium
 - Risk 10 – The risk description has been changed to read “City of Salisbury reputation suffers due to services provided not meeting community needs and expectations, resulting in a reduction in business investment.” Please refer to the red text in risk 10 to see the updates to the risk.

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.

CO-ORDINATION

Officer:	R&GPM	MG	Executive
Date:	2/07/2021		5/07/2021

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

v1.4

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	Completed	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.	The Administration has performed Control self-assessments in preparation for the external auditors' review of the financial internal controls. This task is completed. Further information is provided in the Risk Management and Controls Activities Report July 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.
Report on the findings of the Audit Committee self-assessments	Internal Controls	Internal	Completed	The annual self-assessment reviews the performance of the Audit Committee.	The self-assessment of the Audit Committee took the form of an electronic survey circulated to the Audit Committee members following the February 2021 meeting.

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

v1.4

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 the Fraud and Corruption Prevention Strategy	Internal Controls	Internal	Completed	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 has been developed and approved by the Executive Group. Further information is provided in the Risk Management and Controls Activities Report July 2021.
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.	Further review of the business continuity corporate documentation will form a part of the ongoing Emergency Management Project during 2021/2022. Further information is provided in the Risk Management and Controls Activities Report July 2021.
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.	Development of the Risk Management Policy and Framework will continue in 2021/2022.

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

v1.4

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
Develop a consistent Policy Framework	Risk Management / Governance	Internal	Completed	Supports a consistent, whole of organisation approach to the documentation of policies and procedures.	A Policy Governance Framework has been approved by the Executive Group. Further information is provided in the Risk Management and Controls Activities Report July 2021.
Risk maturity survey	Risk Management	Internal	Completed	Establishes a baseline of risk maturity at City of Salisbury to assist with the direction and development of the Risk Management Program.	The Risk Maturity Survey has been completed by General and Divisional Managers. Further information is provided in the Risk Management and Controls Activities Report July 2021.
Emergency Management Project	Risk Management	Internal	Completed	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 and Emergency Management Plan have been endorsed. The Incident Operations document has been approved by the Executive Group. Further information is provided in the Risk Management and Controls Activities Report July 2021.



Fraud and Corruption Prevention and Management Framework

Procedure Type:	Procedure	Decision No:	
Approved By:	Executive Group	Last Reapproval Date:	
Approval Date:	7 July 2021	Internal Reference No.:	
Review Date:	June 2023	Division:	CIO & Exec
Department:	CEO and Governance	Responsible Officer:	Manager Governance
Function:	9 - Governance		

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INTRODUCTION / PREAMBLE

The City of Salisbury (CoS) is committed to acting in the best interests of the community and to upholding the principles of honesty, integrity and transparency.

CoS is committed to a Fraud & Corruption Prevention and Management Framework that provides a robust approach designed to protect public funds and assets as well as the integrity, security and reputation of the Council. CoS is proactive in its approach to managing fraud and misconduct risk.

In addition, the CoS adheres to its corporate values which drive the community outcomes we need, are unique to our organisation, can be used as a guide as to how we go about our business, and can be shared with our community.

Our values are:

- Respectful
- Accountable
- Collaborative
- Helpful

Our Values are our commitment to the community, and describe what they can expect when the community interacts with CoS, and to also help guide our decisions about services we deliver.

This Framework supports the Fraud and Corruption Prevention and Management Policy and sets out the procedure to be followed regarding the prevention and management of fraud, corruption, misconduct and maladministration at the CoS.

The corporate values and culture, governance and risk management frameworks, and controls work together to prevent, detect and respond to potential or actual fraudulent and corrupt conduct.

SCOPE

This Framework applies to all elected members, independent Audit Committee members, employees, contractors, consultants and volunteers of CoS.

DEFINITIONS

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.

Contractor means a person or company that provides goods or services.

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 (SA), 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 (SA) or the Public Corporations Act 1993 (SA), or an attempt to commit such an offence; or
- c. an offence against the Lobbyist Act 2015 (SA), 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.

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.

Employee means all City of Salisbury's employees whether they are working in a full-time, part-time or casual capacity.

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.

Fraud means an intentional dishonest act or omission done with the purpose of deceiving.

ICAC Act is the Independent Commissioner Against Corruption Act 2012 (SA).

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.

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.

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

PID Act means the Public Interest Disclosure Act 2018 (SA).

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 (SA) 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.

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.

Volunteers are not Public Officers

Reasonable suspicion means personally having grounds at the time for suspecting the Fraud, Corruption, Misconduct or Maladministration and those grounds (even if they are subsequently found to be false or non-existent), when judged objectively, are reasonable.

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.

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 (SA) and has been designated by the Council as a responsible officer under section 12 of the PID Act.

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
- b. has significant implications for the relevant public authority or for public administration generally (rather than just for the individual public officer concerned).

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;
- c. for no financial reward.

OUR APPROACH TO FRAUD AND CORRUPTION

CoS has a zero-tolerance stance towards Fraud, Corruption, Misconduct and Maladministration.

This Fraud and Corruption Prevention and Management Framework (“the Framework”) document aligns to the Australian Standard AS8001:2008 Fraud and Corruption Controls and the Risk Management program within CoS, providing an integrated strategy with four main control elements, enabling compliance with legislation and supporting our culture of effective decision making, good corporate governance and ethical leadership.

The four main control elements are: Planning & Resourcing, Prevention, Detection and Response. (see Diagram 1)

Diagram 1. Fraud and Corruption Control Elements (source AS8001:2008)



FRAUD AND CORRUPTION PLANNING AND RESOURCING

This planned and resourced approach implements an effective framework in addressing fraud and corruption risk, and minimising opportunities for fraudulent activities. Planning and resourcing overarches the prevention, detection and response control elements, ensuring strategies are in place and providing assurance to the organisation.

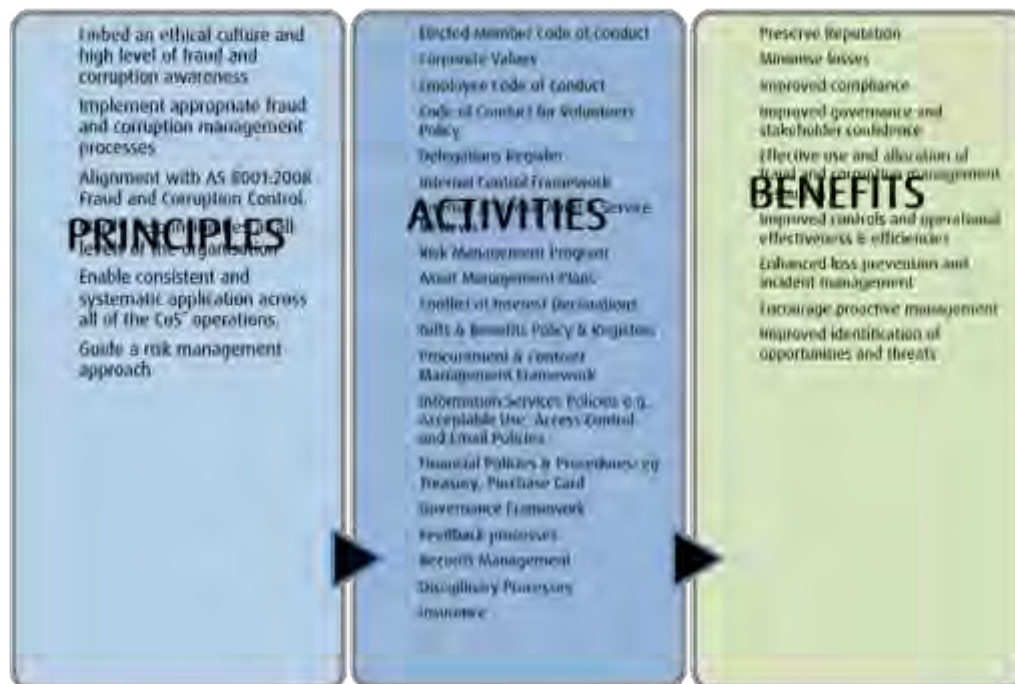
Integrated Policy & Framework

The Framework should be read in conjunction with the Fraud & Corruption Prevention & Management Policy ("the Policy"). The Policy outlines Council's commitment to fraud and corruption management. Objectives for the fraud and corruption management program, include:

- To introduce and embed an ethical culture and high level of fraud and corruption awareness throughout all levels of CoS to support the prevention, detection, assessment, reporting, action and investigation of Fraud and Corruption.
- To implement consistent fraud and corruption management processes to manage fraud and corruption throughout CoS' organisational systems and functions in line with fraud and corruption standards including AS 8001:2008 Fraud and Corruption Control.
- To clarify the responsibilities within the Framework to enable the consistent and systematic application of our fraud and corruption management approach within all of the Council's operations.
- To guide a risk management approach to fraud and corruption control to ensure pro-active management strategies are implemented to mitigate against events occurring and ensure robust contingency plans to lessen the impact of events if they were to materialise.

Integration of the fundamental fraud risk principles into all activities across CoS provides a standardised approach to ensure shared learnings and continual improvement resulting in many benefits to the management of our fraud risk exposure (Diagram 2).

Diagram 2: Integration of Fraud & Corruption Management



Dedicated Resources & Support

The Governance Division is responsible for administering the Policy and overseeing the fraud and corruption management program. The Governance Division provides guidance, training, information and documented resources, coordinates fraud and corruption management systems reporting and integrates feedback and learning into the continuous improvement of the fraud and corruption management program. A key focus is to build fraud and corruption management capability across the CoS to improve decision making outcomes and minimise the organisational exposure to fraud and corruption.

Fraud Control Roles and Responsibilities

CoS will ensure clear responsibility and accountability for the implementation and monitoring of this Framework including supporting policies, procedures and activities. It is critical that Elected Members, Employees, Contractors and Volunteers understand their obligations and that everyone clearly understands their role in minimising the opportunity for Fraud, Corruption, Misconduct and Maladministration in an increasingly complex working environment.

Specific roles and responsibilities for the Elected Members, Audit Committee, Chief Executive Officer, Employees, Volunteers and Contractors are set out in the Policy. Overarching corporate responsibilities (Diagram 3) are aligned to the Risk Management Framework and are as follows:

Diagram 3: Roles and Responsibilities



All those working for, engaged with or representing the Council are required to act in an ethical manner when performing their roles and responsibilities. Details of additional corporate roles and responsibilities as well as more specific operational roles and responsibilities follow are summarised as follows:

Council

Council is responsible for adopting and reviewing the Policy and Framework. This ensures a fraud and corruption management process across the CoS that reflects the expectations of the organisation and its community and complies with legislated requirements. Council will, by its actions and behaviours, illustrate to the community its commitment to the prevention of Fraud, Corruption, Misconduct and Maladministration, ensure all powers and authorities are appropriately delegated to minimize fraud and corruption risk, and review the effectiveness of implemented policies.

Audit Committee

As part of its advisory and assurance role to Council, the Audit Committee reviews the fraud risk profile annually, monitors the exposure of Council, fraud and corruption management processes and management information systems. The Committee provides guidance, support and advice to the Council on the reports received, including its opinion on whether the fraud and corruption management program is effective and aligned to community and Council expectations. The Committee ensures that appropriate internal controls are in place and operating effectively, and that risk assessments are undertaken on a regular basis.

Chief Executive Officer

Council has delegated various powers and functions to the CEO to enable the setting of policy, procedures, behaviours and culture to assist with fraud and corruption management at the CoS. The CEO provides leadership and ensures appropriate resourcing, training and delegations are in place for an effective fraud and corruption management program that delegates decision making down to the appropriate level. The fraud and corruption management program supports an effective and comprehensive assurance program (internal audit). The CEO has a role to ensure the timely investigation and reporting of fraud and corruption issues, overseeing the appointment of Responsible Officers pursuant to the PID Act, providing mechanisms for the receipt of allegations of Fraud, Corruption, Misconduct and Maladministration, and providing information requested by enquiring agencies during the assessment or investigation into reports of fraud or corruption.

General Managers

General Managers and the CEO have high level oversight of operational fraud risks across their division and escalate issues or concerns regarding fraud risks to the Governance Division for monitoring. Along with the CEO, General Managers ensure appropriate resourcing is in place for an effective fraud and corruption management program, and model and encourage fraud and corruption management behaviour to foster integration of a fraud and corruption management culture.

Responsible Officers

The Responsible Officers pursuant to the PID Act, as designated by the CEO, are the Manager Governance, the Manager People and the Risk and Governance Program Manager who have the responsibility to:

- Receive information reported by an informant;
- Undertake an assessment;
- Ensure adequate resources are available to respond to the incident;
- Isolate the area of investigation to prevent destruction or manipulation of evidence;
- Undertake an investigation or appoint an external investigator and report to the CEO, or the Mayor in the case that the informant is the CEO;
- Advise other appropriate external authorities as required; and

- Support and protect the informant lodging the report and ensure that the entire process is undertaken in accordance with this Framework and those outlined in the PID Act 2018 Policy.

Senior Leadership Team

As individual operational risk owners, managers implement fraud and corruption management processes across the span of their responsibility to minimise the opportunity for operational fraud risk. This includes determining fraud risk management accountability at an operational level, including control assurance reporting and ascertaining whether fraud risk ownership is delegated.

Employees, Volunteers and Contractors

Contribute to the management of operational fraud risk including implementation of the fraud and corruption management process across the span of their responsibility.

All leaders will demonstrate integrity and fairness in decision making and an open honest relationship in their dealings with others. Specific fraud and corruption prevention strategies will be implemented that are consistent with overall corporate strategies, which include:

- Defining clear lines for supervisory responsibilities and accountabilities,
- Reinforcing the need for disciplinary measures when required,
- Adopting preventative measures to deter and detect instances of fraud and/or corruption, and
- Reporting all incidents of fraud and/or corruption.

Employees of the CoS will act ethically and responsibly in all their actions, behave in a responsible manner in accordance with the *Employee Conduct Policy* and *Corporate Values* and disclose any suspected instances of fraud and/or corruption to a Responsible Officer. Employees will undertake necessary awareness training or education.

Governance Division

Responsible for coordinating the fraud and corruption management program including updating and enhancing the Policy and Framework.

FRAUD AND CORRUPTION PREVENTION

Implementation & Maintenance of integrity framework

CoS' *Employee Conduct Policy* and *Corporate Values* support ethical and constructive decision making. These decision making guidelines can assist employees in determining an appropriate course of action when faced with an ethical dilemma, and help to ensure that behaviours meet the standards required.

A risk based approach to fraud & corruption helps managers to understand the risks associated with all levels of business and highlights areas where pressure, opportunity and rationalisation can occur. These three elements are otherwise known as the 'Fraud Triangle' (Diagram 4)

Diagram 4: Fraud Triangle



The Fraud Triangle depicts that individuals are motivated to commit fraud when three elements come together:

- **Pressure** - pressure on the individual is often the motivation behind fraud and can be either personal financial pressure, such as debt problems, or workplace debt problems, such as a shortfall in revenue. The pressure is often perceived pressure and seen by the individual as without a legal or sanctioned solution and is not open for group remedy or discussion.
- **Opportunity** - the opportunity to commit fraud is the means by which the individual will defraud the organisation. In this stage the individual sees a solution and they often abuse their position to solve the perceived financial problem in a way that they believe is unlikely to be discovered. In many cases, the ability to solve the problem in secret, is key to the perception of a viable opportunity.
- **Rationalisation** - the ability to rationalise the crime is the final stage in the fraud triangle. This is a cognitive, ethical stage and requires the individual to be able to justify the crime in a way that is acceptable to his or her internal moral compass, often based on external factors, such as a need to take care of family, or a mitigating the harm done by the crime.

Internal Controls

Robust internal control structures are already in place and risk management processes continue to be assessed and reviewed to ensure their effectiveness. They will be subject to an internal and external audit function to monitor the effectiveness of those internal controls. Individual officers are responsible for daily operations and for maintaining cost-effective internal control structures within their organisational responsibility which require employees to follow standard practices when conducting Council business, to act in accordance with best practice, and to adhere to agreed internal control systems which may include:

- management of excessive buildup of annual leave
- segregation of duties
- staff induction, education & training
- reconciliations
- security of assets, records and information systems
- supervision and internal checks
- clear reporting lines
- performance management, and

- consideration of risk and risk management strategies

Fraud & Corruption Risk Assessment

In alignment with the Risk Management Policy and Framework, the CoS will undertake an operational fraud and corruption risk assessment as part of its broader risk management program. The fraud and corruption risk will be assessed with the identification of appropriate controls and further risk treatments for mitigation outlined at a corporate risk level quantifying the nature and method of the risks to be managed.

Training & Employee Awareness

All employees will be provided training and awareness to ensure they understand the minimum standards of behaviour required of them. This training is included as part of the induction program and will include advice about ethical behaviour and awareness of fraud and corruption risks. Refresher training will be completed by all staff in the form of annual Code of Conduct training. The organisational values are also embedded into position descriptions and the Performance Development Plan.

Employee Screening

In considering the suitability of applicants for roles identified as having a greater fraud and corruption risk ("prescribed positions"), the People Division will require Police Checks to be undertaken as part of the selection process when filling those prescribed positions. If an applicant refuses to provide a Police Check as required as a mandatory requirement of the recruitment process for a prescribed position, then an offer of employment will not be made to the applicant.

Customer, Supplier & Community Awareness

Awareness will be raised to recognise any fraud and corruption risk posed by external parties, customers, suppliers and the community in general. Through this framework and related fraud and corruption management tools, staff in relevant roles will be informed as to how to report suspected instances of fraudulent or corrupt behaviour and the approved method for the management of this reporting. The Policy will be available to customers, suppliers and the community via the City of Salisbury website.

FRAUD AND CORRUPTION DETECTION

Detection Systems

The CoS will have detection systems to monitor data and identify irregularities and warning signals. In addition to management's ongoing monitoring and review, internal controls will be implemented to all activities identified as posing a fraud risk. These internal controls will be subject to being audited with an internal audit schedule implemented annually based on risk. These internal audits provide assurance on the effectiveness of internal controls established by management, particularly those that prevent and detect fraud and corruption.

Internal and External Audit Activities

The fraud and corruption management program supports an effective and comprehensive assurance program (internal and external audit). The CoS' internal audit program is to include both systematic and ad hoc audits to test compliance, and effectiveness of internal controls. The findings of these audits are reported to Council via the Audit Committee, to ensure that any identified adverse trends or deficiencies are appropriately actioned.

Notification Systems

Council encourages the reporting of suspicious behaviour and provides support for employees, volunteers, contractors, elected members and community to report suspected instances of fraud and/or corruption via the following mechanisms:

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- Verbal; by telephone or in person, to one of the Responsible Officers
- Email; addressed to the Responsible Officer
- Post; addressed as Confidential to the Responsible Officer 34 Church Street, Salisbury, SA 5108.

Reporting may be internal, direct to the CoS, to be handled by one of the Council's Responsible Officers, or externally, direct to the Ombudsman or OPI.

This is a choice to be made by the individual at their discretion, however it is recommended that consideration be given to the PID Act Policy when deciding where to direct any disclosures.

Public Interest Disclosure Protection

Council is committed to ensuring the support and protection of those who report suspected instances of Fraud, Corruption, Misconduct or Maladministration under its PID Act Policy.

Protection from reprisal action is provided for those who make a disclosure and each method of the notification system provides the opportunity for the complainant to report the suspect behaviours anonymously.

It must be noted that making purposely false and defamatory reports of suspicious behaviours by CoS employees, contractors, elected members or volunteers is an offence under the ICAC Act.

RESPONDING TO DETECTED FRAUD AND CORRUPTION INCIDENTS

Investigation Systems

All reported instances of fraud and corruption will be subject to an investigation process, conducted by a Responsible Officer and / or the Internal Auditor, with the appointment of an external consultant if required. The Responsible Officer will report to the CEO (or the Mayor in the case that the respondent is the CEO) and be fair and independent of the work area, the individual lodging the report and/or any other person(s) involved in the investigation. They will investigate the substance of the allegation to determine whether there is evidence in support of the matters raised, or alternatively, to disprove the report made. In the event of a report being made, the Responsible Officer will notify the individual that they are under investigation.

Investigations will be undertaken promptly, have accurate evidence collection, ensure procedural fairness, and be of the highest standards of quality. They will also be undertaken with the aim to identify opportunities to improve organisational policies, procedures and systems and will make recommendations accordingly. At the conclusion of an investigation, the Responsible Officer will submit a written report to the CEO who will determine whether the matter is to be referred to external agencies (see below: External Reporting).

Conduct & Disciplinary Systems

Fraud and corruption is a crime and will not be tolerated. Where a staff member has been alleged to have engaged in fraud or corruption, they will be subject to Council's disciplinary process. Employees are expected to act in an ethical manner and in accordance with the standards of behaviour set out in the *Employee Conduct Policy*, and *Corporate Values*.

External Reporting & Investigations

In accordance with the ICAC Act, public authorities and public officers are required to report matters that are reasonably suspected to involve Fraud and/or Corruption to the:

- Office of Public Integrity (OPI).
- The South Australian Police, for criminal matters.

The Independent Commissioner Against Corruption's Directions and Guidelines document outlines the reporting obligations of public authorities and its officers where there is occasion that Corruption, Misconduct and/or Maladministration in public administration is reasonably suspected.

Reports made to the OPI should identify the matter in relation to what is suspected, and the public officer/s involved. It will include a statement outlining how we became aware of the conduct, the evidence known, any relevant documentation and details of those aware of the issue that can give evidence relevant to the conduct.

Upon receiving reports of reasonably suspected fraud or corruption, the OPI or the Commissioner will assess the complaint. The OPI may make a recommendation to the Commissioner as to how the complaint should be dealt with. Alternatively, the OPI may refer the matter directly to the Ombudsman or public authority, in circumstances approved by the Commissioner.

Any formal requests from the OPI, the Commissioner or the Ombudsman for information regarding a report of fraud or corruption to the OPI will be responded to appropriately.

Recovery of Proceeds of Fraud or Corruption

When a case has been fully investigated and been proven, Council will aim, where possible, to seek full reimbursement of any financial loss incurred.

Fidelity Guarantee Insurance

Council is provided insurance cover by Local Government Risk Services for Fidelity Guarantee insurance (terms and conditions apply).

RELATED DOCUMENTS, REFERENCES & APPENDICES

- Risk Management Policy & Framework
- Public Interest Disclosure Act 2018 Policy / Procedure
- Employee Conduct Policy
- Code of Conduct for Volunteers Policy
- Corporate Values
- ISO 8001:2008 Fraud and Corruption Controls
- Independent Commission Against Corruption Act 2012 (SA)
- Public Interest Disclosure Act 2018 (SA)
- Public Interest Disclosure Regulations 2019 (SA)
- Managing Unacceptable Performance



POLICY GOVERNANCE FRAMEWORK

Approved by:	Executive Group
Responsible Division:	Governance
First Issued/Approved:	March 2021
Last Reviewed:	N/A
Next Review Date:	March 2025

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Executive Commitment

The City of Salisbury is committed to ensuring all policies and procedures are contemporary, consistent and relevant to legislation.

The cornerstone of strong governance is the creation, implementation and ongoing reviewing and management of an agreed Policy Governance Framework.

This Policy Governance Framework outlines the process for all stages of the policy lifecycle that guide the development of effective policies. Creation, approval, dissemination, revocation and review are key stages in the policy lifecycle. This framework provides guidance to ensure the following objectives are achieved:

- Transparent and evidence based decision making;
- Clarity of responsibility and acceptance of accountability;
- Adherence to policy, with non-negotiable compliance paramount;
- High quality policies that are relevant, consistent and contemporary.

All policies requiring significant changes will be reviewed by the Executive Group prior to final approval and endorsement by the Executive Group for operational policies or Council for Council endorsed policies.

Purpose

In accordance with Section 59 of the *Local Government Act 1999*, developing, adopting and reviewing policies is a prime responsibility of the Council.

The purpose of the Policy Framework is to provide structured policy development protocols and guidance on the processes, tools, systems, templates, references and plans to deliver a high quality, relevant policy suite for the organisation.

This Policy Governance Framework provides a structure and process for the initiation, development, adoption and review of Council's policy and procedure documents, ensuring they:

- Are appropriate and effective
- Are developed in a consultative, comprehensive and consistent manner
- Underpin and support Council strategic objectives as articulated in the Community Plan
- Provide a clear understanding of the Council and management responsibilities in policy development and review
- Ensure consistency with and meet the compliance requirements of legislation.

Scope

- This Policy Governance Framework provides the guidelines within which all policy/procedure documents for the City of Salisbury will be developed and applies to all Council employees, contractors and management.

Definitions

Council Endorsed Policies/Procedures are policies/procedures that are either required by legislation or impact on the Community in some way. Many of these policies may require consultation with the community and often relate to the goods, services and activities provided to or by the Council.

Corporate Policies/Procedures are internal policies/procedures and address the organisational business of Council.

Procedures define the specific actions required to apply or implement a policy. A guideline is simply to give an overview of how to perform a task whereas a Procedure tells us step by step what to do. Most policies are supported by procedures, which ensure that policies are practicable and workable. Policies themselves should not document procedural arrangements that are not related to decision making. This

information should be laid out in a procedure which is referenced in the relevant policy document.

Roles and Responsibilities

Applicable Body	Responsibility
Council (Elected Body)	<ul style="list-style-type: none"> • Review and provide feedback on Council endorsed policies • Approve draft policies for public consultation where required • Formally endorse policies requiring Council approval • Ensure there is consideration of relevant policies as part of Council decision making • Adhere to all Policies
Executive Group	<ul style="list-style-type: none"> • Consider all new Council Policies prior to presentation to Council for endorsement. • Consider all Corporate Policies for approval. • Consider all Procedures that are associated with a Council Policy or affect a significant number of staff for approval. • Adhere to all policies
Divisional Managers	<ul style="list-style-type: none"> • Ensure relevant policies are developed and reviewed in accordance with the Policy Governance Framework. • For Council endorsed policies, determine if consultation is required with appropriate areas within and outside the organisation concerning relevant issues such as environmental, waste, legislative compliance etc. • For Corporate Policies, determine if consultation is required with appropriate areas within the organisation concerning relevant issues e.g. WHS, Risk Management Industrial Relations etc. • Ensure Division staff are aware of the Policies and Procedures relevant to their roles and Division. • Consider if additional policies and/or procedures will assist staff in their decision making. • Ensure contractors are aware of relevant Council policies and procedures. • Ensure that the Policy Review Schedule is adhered to. • Allocate responsibility for the development and review of specific policies to individual Policy Authors. • Review draft policies and make recommendations regarding endorsement. • Dissemination and education relating to new and

	<p>updated policies to appropriate staff within the Division.</p> <ul style="list-style-type: none"> • Adhere to all Policies. • Report non-adherence to policies and procedures to the relevant General Manager.
Policy Authors	<ul style="list-style-type: none"> • Develop policies for approval that are clearly defined, contemporary and consistent. • Develop appropriate consultation, implementation and dissemination strategies to be applied in respect of new or reviewed policies. • Communicating with relevant stakeholders about the newly adopted and reviewed policies and procedures. • Identifying and coordinating any training and education required. • Registration of updated policy/procedure on Council's Electronic Document Management System. • Placing the updated policy/procedure on Council's website and Intranet as appropriate.
Governance	<ul style="list-style-type: none"> • Manage the Policy Review Schedule advising the responsible Policy Author/Divisional Manager when policies are due for review and undertaking regular reviews to ensure compliance. • Assist staff with a coordinated quality assurance approach to the format of policies, analysing for consistency. • Develop, monitor and review the Policy Governance Framework. • Provide advice and training for staff on the Policy Governance Framework.
Risk and Governance Program Manager	<ul style="list-style-type: none"> • Provide support to policy authors seeking guidance regarding the Risk Management Framework and associated Risk Assessments.
Internal Committees	<ul style="list-style-type: none"> • Review and provide feedback and recommendations for corporate policies related to Work Health and Safety and industrial relations for the organisation.
Employees (including permanent/temporary/labour hire employees and trainees who receive remuneration from the City of Salisbury), volunteers & contractors.	<ul style="list-style-type: none"> • Read and understand the Policies and Procedures relevant to your role. • Participate in education/training related to relevant policies and procedures. • Contribute to policy and procedure reviews as required. • Report non-adherence to policies and procedures to the relevant Divisional Manager.

Policy/Procedure Definition

Policy

A policy identifies and guides expected standards of conduct and decision making and outlines the organisation's commitment to the intent of the policy. Policies must be concise, include a clear outline of requirements and objectives, articulate to whom it applies and clearly define the discharge of responsibilities for a policy.

All policies must be consistently adhered to and it is incumbent upon Executive and Management to ensure a culture that promotes adherence.

A policy contains:

- Statement of Intent – Provides context for the requirement(s) and objective(s) of the policy
- Scope – Specifies who the policy applies to and who must adhere to the content
- Link to relevant legislation and references (cross references to related procedures)
- Responsibilities
- Approval/change history/review schedule
- Avenue for feedback and further information

Procedure

A procedure articulates how the policy is applied by outlining the high level steps required to perform a task to comply with the policy intent.

A procedure contains:

- Purpose – explains the application of the Policy
- Link to references and supporting documentation (cross references to the associated policy)
- Procedure:
 - Structured rules that underpin the intent of the Policy
 - High-level steps to decision making
 - Clear boundaries and expectations
 - Clearly discharging responsibilities to appropriate positions
- Approval/change history/Review Schedule
- Avenue for feedback and further information

Policy/Procedure Content Development

Formatting Style Guide

All documentation will be consistent with the Council template (provided as an attachment to this document).

The font to be used for Policies and Procedures will be DaxOT-Regular size 12 and the numbering to be used will be waterfall numbering (1., 1.1, 1.1.1 etc)

Policy/Procedure Formulation

The development of a policy/procedure will involve:

- Consideration of whether a policy/procedure is the best way to achieve the desired outcome, or whether the incidence is infrequent and a decision of Council or management is preferred;
- Research on the topic, including legislative requirements and what other organisations' policies/procedures contain;
- Whether a new policy/procedure is required or whether an existing policy/procedure should be updated, amalgamated with another policy/procedure or revoked.

Community consultation will be undertaken if required by legislation and/or Council's Public Consultation Policy or deemed necessary. In the case of Corporate policies and procedures, consultation with relevant areas within the organisation dealing with WHS, Industrial or Workplace Relations, Risk Management etc should be undertaken.

Policies and Procedures will:

- Ensure clarity and consistency of approach;
- Involve consultation with relevant stakeholders during preparation;
- Be developed and reviewed where there is a statutory requirement to do so or where there is a policy decision of Council or if Council deems a review necessary;
- Be developed to assist staff in being fair and consistent;
- Be clearly written and understood
- Will not duplicate what is in legislation or standards (other than a reference to it)
- Be current and accurate
- Clearly articulate responsibility, expectation and accountability.

Policy/Procedure Principles

There are some basic key principles that should be applied when developing or reviewing policies.

- No reproduction/duplication of legislation or relevant standards unless for WHS Policies and Procedures which should be then hyperlinked (however reference to the relevant standard or section of legislation should be included);
- Consideration of coverage/incorporation of the policy issue into existing policies.
- Linkage to one or more City Plan outcomes and/or objectives, if relevant;
- Only include policy material that assists in decision making. Procedural content should be referred to as a separate procedure or guidelines document;
- Consistent naming conventions and terminology;
- Provide reference to related policies and procedures;
- Policies should be reviewed holistically with the aim of consolidating policies on associated topics where feasible to minimise confusion or the need to take guidance from multiple policies;
- Care should be taken to ensure a Policy is actually required on a given topic or whether a simple decision of Council is a better instrument. Generally this will be guided on the frequency of the situation and the consistency of general condition, if both of these are low; a decision of Council may be the preferred option.
- Where a decision of Council impacts on an existing Policy, the Subject Matter Expert (SME) should review, update and refer the Policy to Council for re-endorsement or in the case of a Policy no longer considered appropriate, for discontinuation.

Policy/Procedure Naming Hierarchy/Categorisation

Council policies/procedures will comply with a standard naming hierarchy as follows:

Main topic of the policy/procedure in alphabetical order

A standard format and naming hierarchy of policies will ensure a consistent and professional approach to the management of policies.

Council Policies are to be displayed on Council's website in alphabetical order using the Primary title. Corporate Policies are to be displayed on Council's Intranet in alphabetical order.

Policy/Procedure Approval

Council Endorsed Policies/Procedures

Council policies and procedures detail Council's position and accepted role in relation to goods, services and activities provided to or by Council.

New policies/procedures or those requiring significant changes resulting in changes to service levels will be developed by the Department appropriate to the topic being considered and then presented to the relevant Committee for Council approval.

Where the Policy/Procedure being reviewed only has minor changes it shall be referred to the Governance and Compliance Committee which is responsible for the review of Council Policies/Procedures in accordance with its Terms of Reference.

Corporate Policies/Procedures

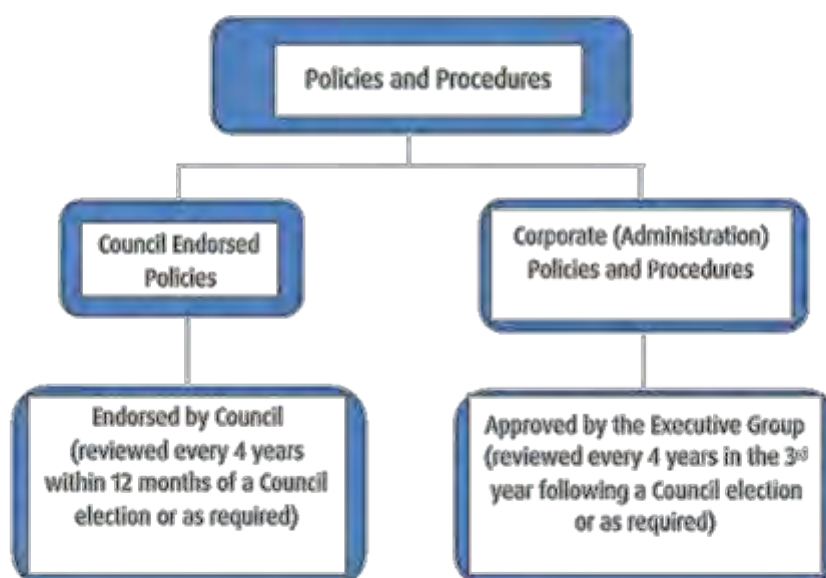
Corporate Policies and Procedures relate specifically to the operational, management, administrative or staffing matters of Council, which is the function of the Chief Executive Officer (Refer sections 99 and 107 of the *Local Government Act 1999*). These policies/procedures are subject to a separate administrative review and approval process than that of Council policies, involve consultation with staff as appropriate and must be approved by the Executive Group after development or review by the relevant General/Divisional Manager(s).

Review Cycle

Council policies will be reviewed and approved within 12 months of a Council election, unless legislative provisions exist for review, in which case review is to be carried out in accordance with the provision, or if Council deems it appropriate to review a policy.

Corporate policies and procedures endorsed by the Executive Group are to be reviewed every 4 years in the 3rd year following a Council election except as required by legislation or Council Policy and position.

This schedule allows for reviews to be conducted on a rolling or staggered basis with Council Policies being within 12 months of a Council election and then Corporate Policies in the third year enabling greater consideration to be given to each policy and a more even distribution of review of policies over Committee or Executive Group meetings.



Approval and Implementation Steps

Document	Steps by Author	Review Period	Access
Council Policy/ Procedure	<ul style="list-style-type: none"> Policy/Procedure drafted or reviewed General Manager approves new policy/procedure or changes to policy/procedure proceeding to steps below 	<ul style="list-style-type: none"> New Policy/Procedure – as required Reviewed Policy/Procedure – within 12 months 	<ul style="list-style-type: none"> Website Elected Member Portal Front counter – via

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	<ul style="list-style-type: none"> • Review by relevant staff and Governance Division • Determine if consultation is required with appropriate areas within and outside the organisation concerning relevant issues such as environmental, waste, legislative compliance etc. • Prepare a report to the Executive Group where significant changes to the policy or service levels are required. • Prepare a report to Council via the relevant Committee for new policies/procedures or Governance and Compliance Committee for review policies/procedures • If a Council Procedure associated with a Council Policy – prepare a report to Council with the Policy attached for noting • Once adopted by Council the relevant Policy/Procedure Owner/Department completes the front table with the Resolution Number and date of adoption and has loaded on Dataworks, the Internet and the Intranet and EM Portal if relevant. • Policy Owner and relevant Department considers what dissemination/training is required (if any) and implements dissemination/training ensuring that training occurs as part of induction for new staff. 	of a Council election and thereafter as required, or as required by legislation or if deemed necessary	<p>computers in Library</p> <ul style="list-style-type: none"> • Dataworks
Corporate Policy/ Procedure	<ul style="list-style-type: none"> • Policy/procedure drafted or reviewed • General Manager approves 	<ul style="list-style-type: none"> • New policy/procedure – as required 	<ul style="list-style-type: none"> • Intranet • Dataworks • May be

	<p>presentation of new policy/procedure or changes to policy/procedure proceeding to steps to the Executive Group</p> <ul style="list-style-type: none"> • Review by relevant staff and Governance Division • Consultation with appropriate areas of the organisation concerning relevant issues such as WHS, Risk • Once approved, the relevant Policy/Procedure Owner/Department completes the front table with the Resolution Number and date of adoption and has loaded on Dataworks, the Internet and the Intranet and EM Portal if relevant. • Policy Owner and relevant Department considers what dissemination/training is required (if any) and implements dissemination/training ensuring that training occurs as part of induction for new staff 	<ul style="list-style-type: none"> • Review policy/procedure – in the 3rd year post Council election • Earlier as deemed necessary 	<p>provided to the community and Elected Members on request to relevant General Manager</p>
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Policy Maintenance

The relevant Divisional Manager will ensure the Policies are maintained and the appropriate policies are accessible to the public.

ATTACHMENT 1 – POLICY TEMPLATE



City of Salisbury Values: Respectful, Accountable, Collaborative, Helpful

TITLE: Name of Document

Approved by:

Responsible Division:

First Issued/Approved:

Last Reviewed:

Next Review Date:

1. Introduction/Purpose

Statement placing policy in context. (One or two sentences)

Statement that highlights the City of Salisbury values and how this Policy relates to those values.

e.g. The City of Salisbury values of Respectful, Accountable, Collaborative, Helpful underpin everything that we do and this policy

Sets out the elected Council's position, objectives, roles and responsibilities and is used to make decisions when enacting Council's Strategies

Policies that are required to be presented to Council are those required by legislation, reflect a strategic direction, and any that have a direct impact or involve Elected Members.

2. Scope

Outlines to whom the policy is applicable.

e.g. This Policy is applicable to all Elected Members, Employees and Contractors of the City of Salisbury.

3. Legislative Requirements and Corporate Policy Context

List any relevant legislation and City Plan Outcomes/Links if relevant.

Examples:

Local Government Act 1999 – Section/s

Local Government (General) Regulations 2013 – Regulation/s

South Australian Work Health and Safety Act 2012 – Section/s

South Australian Work Health and Safety Regulations 2012 – Regulation/s

4. Interpretation/Definitions

Provide definitions for any words, phrases or acronyms that may need clarification, have a particular meaning and/or are not widely known – Refer to Library of Generic Definitions for definitions of a general nature.

5. Policy Statements

A policy is a high level commitment of the Council or Administration (depending on the authorising body) to guide present and future decisions in relation to specific issues or principles or acceptable behaviour and action.

The Policy Statements outline the general principles of the Policy and the steps of a Procedure

5.1

6. Related Policies and Procedures

If applicable – or may be part of a separate document

6.1

7. Approval and Change History

Version	Approval Date	Approval By	Change
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8. Availability

- 8.1 The Policy is available to be downloaded, free of charge, from Council's website www.salisbury.sa.gov.au
- 8.2 The Policy will be available for inspection without charge at the Civic Centre during ordinary business hours and a copy may be purchased at a fee as set annually by Council.

City of Salisbury Community Hub
34 Church Street, Salisbury SA 5108
Telephone: 84068222
Email: city@salisbury.sa.gov.au

9. Review

Outlines the period in which a policy will be reviewed.

E.g. This Policy will be reviewed:

- If a new Policy - within 12 months of a Council election and thereafter as necessary; or
- The frequency dictated in legislation; or
- Earlier in the event of changes to legislation or related Policies and Procedures; or
- If deemed necessary by Council.

Further Information

For further information on this Policy please contact:

Responsible Officer: Position Title
Address: 34 Church Street, Salisbury SA 5108
Telephone: 8406 8222
Email: city@salisbury.sa.gov.au

ATTACHMENT 2 – PROCEDURE TEMPLATE



City of Salisbury Values: Respectful, Accountable, Collaborative, Helpful

TITLE: Name of Document

Approved by:

Responsible Division:

First Issued/Approved:

Last Reviewed:

Next Review Date:

1. Introduction/Purpose

Statement placing procedure in context. (One or two sentences)

Statement that highlights the City of Salisbury values and how this procedure relates to those values.

e.g. The City of Salisbury values of Respectful, Accountable, Collaborative, Helpful underpin everything that we do and this policy

Sets out the elected Council's position, objectives, roles and responsibilities and is used to make decisions when enacting Council's Strategies

Procedures that are required to be presented to Council are those required by legislation, reflect a strategic direction, and any that have a direct impact or involve Elected Members.

2. Scope

Outlines to whom the procedure is applicable.

e.g. This Procedure is applicable to all Elected Members, Employees and Contractors of the City of Salisbury.

3. Legislative Requirements and Corporate Policy Context

List any relevant legislation and City Plan Outcomes/Links if relevant.

Examples:

Local Government Act 1999 – Section/s

Local Government (General) Regulations 2013 – Regulation/s

South Australian Work Health and Safety Act 2012 – Section/s

South Australian Work Health and Safety Regulations 2012 - Regulation/s

4. Interpretation/Definitions

Provide definitions for any words, phrases or acronyms that may need clarification, have a particular meaning and/or are not widely known – Refer to the attached Library of Generic Definitions for definitions of a general nature.

5. Procedure Statements

A procedure articulates how the associated policy is applied by outlining the high level steps required to perform a task to comply with the policy intent.

6. Related Policies and Procedures

If applicable – or may be part of a separate document

7. Steps of the Procedure

Needs to include:

- *Structured rules that underpin the intent of the Policy*
- *High-level steps to decision making*
- *Clear boundaries and expectations*
- *Clearly discharging responsibilities to appropriate positions*
- *Clear contact details and submission instructions for applications e.g. Application for Internal Review of a Council Decision.*

8. Approval and Change History

Version	Approval Date	Approval By	Change
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8. Availability

- 8.1 The Procedure is available to be downloaded, free of charge, from Council's website www.salisbury.sa.gov.au
- 8.2 The Procedure will be available for inspection without charge at the Civic Centre during ordinary business hours and a copy may be purchased at a fee as set annually by Council.

City of Salisbury Community Hub
 34 Church Street, Salisbury SA 5108
 Telephone: 84068222
 Email: city@salisbury.sa.gov.au

9. Review

Outlines the period in which a procedure will be reviewed.

E.g. This Procedure will be reviewed:

- If a new Procedure - within 12 months of a Council election and thereafter as necessary; or
- The frequency dictated in legislation; or
- Earlier in the event of changes to legislation or related Policies and Procedures; or
- If deemed necessary by Council.

Further Information

For further information on this Procedure, please contact:

Responsible Officer: Position Title
 Address: 34 Church Street, Salisbury SA 5108
 Telephone: 8406 8222
 Email: city@salisbury.sa.gov.au

ATTACHMENT 3 – GLOSSARY OF GENERIC DEFINITIONS

Words and Phrases defined by the Local Government Act 1999 and associated regulations have the same meaning as contained within the relevant Act or Regulations

	Act	Local Government Act 1999
	Business Unit	Discrete areas of the organisation that operate on commercial or business principles.
	Chief Executive Officer	The appointed Chief Executive Officer or Acting Chief Executive Officer or nominee.
	Clear days	<p>The days between the:</p> <p>Post of a notice of a meeting and the day the meeting is held excluding both the day on which the notice is given and the day of the meeting, eg when notices are given on a Thursday for a following Monday meeting, the clear days are Friday, Saturday and Sunday; or</p> <p>Holding of a meeting and the day and the day the minutes are released excluding the day of the meeting and the day the minutes are released.</p> <p>In the calculation of clear days in relation to giving notice before a meeting:</p> <ol style="list-style-type: none"> The day on which the notice is given, and the day on which the meeting occurs, will not be taken into account; and Saturdays, Sundays and public holidays will be taken into account. If a notice is given after 5pm on a day, the notice will be taken to have been given on the next day.
	Community Consultation	The process Councils undertake to obtain community views on issues as an input to decision making. The Act requires Council to adopt a public consultation policy and apply it when

ATTACHMENT 3 – GLOSSARY OF GENERIC DEFINITIONS

		consulting on particular matters.
	Community Engagement	All-encompassing term that incorporates all forms of community participation in decisions that affect them. The International Association for Public Participation (IAP2) identifies and defines differing levels of Community Engagement on a spectrum. These are inform, consult, involve, collaborate and empower. These underpin the approach behind the City of Salisbury's Community Engagement Framework.
	Compliance	Conformity with current statutory requirements
	Council	<p>The City of Salisbury</p> <p>6—Principal role of a council</p> <p>A council is, under the system of local government established by this Act, established to provide for the government and management of its area at the local level and, in particular—</p> <ul style="list-style-type: none"> (a) to act as a representative, informed and responsible decision-maker in the interests of its community; and (b) to provide and co-ordinate various public services and facilities and to develop its community and resources in a socially just and ecologically sustainable manner; and (c) to encourage and develop initiatives within its community for improving the quality of life of the community; and (d) to represent the interests of its community to the wider community; and (e) to exercise, perform and discharge the powers, functions and duties of local government under this and other Acts in relation to the area for which it is constituted. <p>7—Functions of a council</p> <p>The functions of a council include—</p> <ul style="list-style-type: none"> (a) to plan at the local and regional level for the development and future requirements of its area;

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ATTACHMENT 3 – GLOSSARY OF GENERIC DEFINITIONS

		<p>(b) to provide services and facilities that benefit its area, its ratepayers and residents, and visitors to its area (including general public services or facilities (including electricity, gas and water services, and waste collection, control or disposal services or facilities), health, welfare or community services or facilities, and cultural or recreational services or facilities);</p> <p>(c) to provide for the welfare, well-being and interests of individuals and groups within its community;</p> <p>(d) to take measures to protect its area from natural and other hazards and to mitigate the effects of such hazards;</p> <p>(e) to manage, develop, protect, restore, enhance and conserve the environment in an ecologically sustainable manner, and to improve amenity;</p> <p>(f) to provide infrastructure for its community and for development within its area (including infrastructure that helps to protect any part of the local or broader community from any hazard or other event, or that assists in the management of any area);</p> <p>(g) to promote its area and to provide an attractive climate and locations for the development of business, commerce, industry and tourism;</p> <p>(h) to establish or support organisations or programs that benefit people in its area or local government generally;</p> <p>(i) to manage and, if appropriate, develop, public areas vested in, or occupied by, the council;</p> <p>(j) to manage, improve and develop resources available to the council;</p> <p>(k) to undertake other functions and activities conferred by or under an Act.</p>
	Council land	Includes all community land or freehold land, road and road reserves within the City of Salisbury Council area (except Transport SA roads which are in the care and control of the Department of Infrastructure and Transport.)
	Council Member	An elected member of the City of Salisbury.

ATTACHMENT 3 – GLOSSARY OF GENERIC DEFINITIONS

	Council resources	May include: <ul style="list-style-type: none"> • Materials published by Council; • Facilities and goods owned by the Council; • Attendance and participation at functions and events; • Access to Council information; and • Media services
	Council staff	Any person that is employed full time, part-time or casually by the Council who receives remuneration for their work.
	Customer	A person or legal entity that is liable to pay rates, residents of the City and visitors to the area.
	Deputation	A person or group of persons who wish to appear personally before a council or council committee in order to address the council or committee (as the case may be) on a particular matter.
	Formal motion	A motion: <ol style="list-style-type: none"> i. That the meeting proceed to the next business; or ii. That the question be put; or iii. That the question lie on the table; or iv. That the question be adjourned; or v. That the meeting be adjourned.
	General election	A general election of council members held: <ol style="list-style-type: none"> a) Under section 5 of the <i>Local Government (Elections) Act 1999</i>; or b) Pursuant to a proclamation or notice under the <i>Local Government Act 1999</i> (SA).
	Meetings of Council	Refers to subcommittee, committee and council meetings held in accordance with Chapter 6 (Meetings) of the <i>Local Government Act 1999</i> .

ATTACHMENT 3 – GLOSSARY OF GENERIC DEFINITIONS

	Minister	The Minister for Local Government or other minister of the South Australian government vested with responsibility for the <i>Local Government (Elections) Act 1999</i> .
	Presiding member	The person who is the presiding member of a council committee and includes any person who is presiding at a particular meeting.
	Written notice	Includes a notice given in a manner or form determined by the council which includes either legibly hand written or typed and either in paper or electronic form.

ATTACHMENT 4 – COUNCIL ENDORSED POLICIES AND PROCEDURES
(To be updated as and when Policies/Procedures are added, deleted or amended.)

Name of Policy	Responsible Department
Affordable and Community Housing Policy – Surplus Council Owned Land	City Development
Asset Depreciation Policy	Business Excellence
Asset Management Policy	City Infrastructure
Building Upgrade Agreements Policy	City Development
Business Units Reserves Policy	Business Excellence
Caretaker Policy ^o	CEO and Governance
Charges for Use of Council Land for Business Purposes Policy	City Infrastructure
Club Fee Policy	City Infrastructure
Code of Conduct for Council Members – Dealing with Complaints Procedure ^o	CEO and Governance
Code of Practice for Access to Meetings and Associated Documents ^o	CEO and Governance
Code of Practice for Meeting Procedures ^o	CEO and Governance
Community Club Financial Guarantee Policy	City Infrastructure
Community Consultation Policy	Business Excellence
Community Diversity – Access and Inclusion Policy	Community Development
Community Recreation Facilities Signage Policy	City Infrastructure
Community Recreation Facilities Sponsorship Policy	City Infrastructure
Compliments, Comments and Complaints Procedure	Business Excellence
Credit Card Policy	Business Excellence
Development Act 1993 and Development Regulations 2008 Delegation Policy	City Development
Disposal of Assets Other than Land	Business Excellence
Disposal of Land Policy	City Infrastructure
Elected Member Allowances, Facilities and	CEO and Governance

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Support Policy ^o	
Elected Member Induction Policy ^o	CEO and Governance
Elected Member Recognition Policy ^o	CEO and Governance
Elected Members Records Management Policy ^o	Business Excellence
Elected Members Training and Development ^o	CEO and Governance
Emergency Management Policy	CEO and Governance
Enforcement Policy	City Development
Extreme Heat Policy	Community Development
Financial Hardship Policy 2020	Business Excellence
Flag Policy	CEO and Governance
Food Act 2001 – Inspection Fees	City Development
Footpath Policy	City Infrastructure
Footpath Trading Policy	City Development
Fraud and Corruption Prevention and Management Policy (to be endorsed by Council Feb 2021)	CEO and Governance
Hardship Policy for Residential Salisbury Water Customers	Business Excellence
Informal Gatherings Policy	CEO and Governance
Internal Review of Council Decisions	CEO and Governance
Landscape Design Policy	City Infrastructure
Liquor Licences Policy	City Infrastructure
Local Government Act - Order Making Policy	City Development
Media Policy	Business Excellence
Mobile Food Vendors Policy	City Development
Naming of Roads and Public Places Policy	City Development
Open Space Reserve Fund	Business Excellence
Outdoor Facility Hire Policy	City Infrastructure
Plaques and Memorials Policy	Community Development
Playspace Policy	City Infrastructure
Private Parking Areas Act - Private Parking Agreements Policy	City Development
Privately Funded Development Plan	City Development

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Amendments Policy	
Procurement Policy	Business Excellence
Protocol for Civic Events and Functions Organised by the City of Salisbury	CEO and Governance
Prudential Management Policy	CEO and Governance
Public Interest Disclosure Act 2018 Policy/Procedure	CEO and Governance
Rate Rebate Policy	Business Excellence
Representation of the City of Salisbury by Elected Members ^o	Business Excellence
Safe Environment	Community Development
Salisbury Community Hub and Civic Plaza / Inparrinthe Kumangka – Bookings Policy	Business Excellence
Salisbury Water Flow Restrictions Policy for Residential Customers	Business Excellence
Sports Club Directional Signage on Council Reserves	City Infrastructure
Sub-Licence Approval	City Infrastructure
Temporary Road Closures	City Infrastructure
Transfer of Cemetery Licences	Community Development
Treasury	Business Excellence
Tree Management Framework and Tree Removal Procedure	City Infrastructure
Undergrounding of Power Cables	City Infrastructure
Vandalism and Graffiti Rewards Program	City Infrastructure
Verge Development by Residents	City Infrastructure
Walkway Closures	City Infrastructure

^o Elected Member Policies

ATTACHMENT 5 – EXECUTIVE GROUP APPROVED POLICIES AND PROCEDURES*(To be updated as and when Policies/Procedures are added, deleted or amended.)*

Name of Policy	Responsible Department
Acceptable Use Policy	Business Excellence
Accident, Incident Investigation and Reporting Procedure	Business Excellence
Asset Depreciation Policy	Business Excellence
Asset Revaluation Policy	Business Excellence
Building Upgrade Finance Enforcement Procedure	City Development
Business Systems Review Policy	Business Excellence
Capitalisation Policy	Business Excellence
Code of Conduct for Volunteers Policy	Community Development
Children and Vulnerable People Policy and Relevant History or Criminal Screening Procedures	Business Excellence
City of Salisbury Continuous Improvement Framework	CEO & Governance
Confined Space Management Procedure	Business Excellence
Corrective and Preventative Action Procedure	Business Excellence
Purchase Card Policy	Business Excellence
Dataworks Quality Control Guidelines	Business Excellence
Defence Reserve Leave Policy	Business Excellence
Delegated Officers Procedure	City Development
Development Assessment of Council Developments	City Development
Development Infrastructure Assessment Procedure	City Development
Drug and Alcohol Policy and Procedures	Business Excellence
Electrical Safety Procedure	Business Excellence
Emergency Family Leave Policy	Business Excellence
Employee Conduct Policy	Business Excellence
Exit Interview Policy	Business Excellence

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Fair Treatment Policy and Procedure	Business Excellence
First Aid Procedure	Business Excellence
Funds Carried Forward Policy	Business Excellence
Gifts and Benefits Policy	CEO & Governance
Hazard Management Procedure	Business Excellence
Higher Duties Guidelines	Business Excellence
Impairment Admin Policy	Business Excellence
Inclement Weather Procedure	Business Excellence
Information Privacy Policy	Business Excellence
Information Services Policy	Business Excellence
Information Services Security Policy	Business Excellence
Internet Access and Email Policy	Business Excellence
Internet Access Guidelines	Business Excellence
Isolation Procedure	Business Excellence
IT Change Management Guideline	Business Excellence
Management of Unsatisfactory Performance and Misconduct Policy	Business Excellence
Occupation Violence Policy	Business Excellence
Personal Protective Equipment Procedure	Business Excellence
Procurement Framework	Business Excellence
Public Infrastructure Agreement Procedure	City Development
Records Management Procedures	Business Excellence
Refund or Waive Development Application Fee Procedure	City Development
Smoke Free Workplace Policy	Business Excellence
Study Assistance Procedure	Business Excellence
Sundry Debtors Policy and Procedure	Business Excellence
Systems Access Policy	Business Excellence
Use of Public Transport and Taxis Policy	Business Excellence
Vehicle Policy	City Infrastructure
Volunteer Management Policy	Community Development
WHS Asbestos Management Procedure	Business Excellence
WHS Confined Space Management Procedure	Business Excellence

WHS Consultation and Communication Procedure	Business Excellence
WHS Contractor Management Procedure	Business Excellence
WHS Document Management Procedure	Business Excellence
WHS Emergency Management Policy and Procedure	Business Excellence
WHS Induction and Training Procedure	Business Excellence
WHS Internal Audit Procedure	Business Excellence
WHS Planning and Program Development Procedure	Business Excellence
WHS Plant Procedure	Business Excellence
Work Experience Procedure	Business Excellence
Working Remotely Guidelines	Business Excellence
Workplace Flexibility Policy	Business Excellence

Focus Area 1	Risk Culture: Endorsement of Management, staff and Elected Members in the value of investing time, processes and infrastructure into the Council's most significant risk exposures is an important and necessary condition that must be in place.
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No	Description of key elements	Score 2 if element present in Council, 1 if element is partly present or 0 if you think it is not present	Comments if any
1	Management and the Elected members have an understanding of the objectives of risk management		
2	The CEO embraces the need and provides adequate endorsement of an enterprise-wide approach to risk oversight that seeks to obtain a top-down view of the Council's biggest risk exposures		
3	The elected body is supportive of administrations efforts to implement an enterprise-wide approach to risk oversight.		
4	Management has risk management capabilities and competencies.		
5	Management has formally presented an overview to the Elected members about the Council's processes that represent its approach to risk management.		
6	The management includes risk management in their meeting agenda to discuss the most significant risks facing the Council.		
7	Both the Elected body and Management view risk management as an ongoing process that will continually evolve over time.		
8	Management regard risk management as an ongoing process rather than just a		
9	Management and the elected members have engaged in risk management related training or other knowledge enhancing activities.		
10	Management has established the required resourcing for supporting the risk management function		
11	Resources have been dedicated to support the risk management function		
12	The Council periodically obtains an objective assessment of its risk management processes (e.g. through internal audit)		
13	The Council identifies and subsequently implements changes to improve its risk management processes.		
14	Council has trained all staff including management team and additionally Elected Members on risk and described the both positive and negative aspects of risks		
15	The Council engages in explicit (e.g., identifiable, defined, formal, etc.) efforts to identify the Council's important risks at least annually.		

16	The Council engages in identifiable processes to regularly scan the environment in an effort to identify unknown, but potentially emerging risks such as competitor moves, new regulations, changing community expectations, etc..		
17	Management has a documented process to accumulate information about risks identified across the Council to create an aggregate inventory of enterprise-wide		
18	The risk program is reviewed by senior management to identify improvement opportunities and assess the level of investment in risk management activities		
19	Risk management framework includes measures for accountability and management of risk and controls at business level		
20	Management links risks identified by the risk management process to strategic goals in the Council's strategic plan to evaluate the impact of those risks on the strategic success of the Council.		
Raw score for focus area 1		0	

Focus Area 2 Risk Appetite: The full benefits of identifying and assessing risks can only be realised if the Council has articulated its risk appetite. Without some description of the Council's willingness to take on risks as it seeks to achieve its objectives, the Elected Members and Management are unable to know when risks should be taken or when risks should be managed. While determining the Council's appetite for risk taking can be challenging, it is important that the Elected Members and Management make some attempt to articulate its overall appetite for risk taking. This focus area in the risk survey tool is intended to help the evaluator assess the effectiveness of the organisation in determining its risk appetite.			
No	Description of key elements	Score 2 if element present in Council, 1 if element is partly present or 0 if you think it is not present	Comments if any
21	The Elected Members and Management along with the Audit Committee have engaged in discussions to articulate the Council's overall appetite for risk taking.		
22	The Elected members have concurred with the Council's risk appetite.		
23	The Council has defined its risk appetite for different types of risks (e.g., WHS, Finance, Community).		
24	Risk appetite statement contains both quantitative and qualitative elements which are linked to strategy		
25	The Council has documented its overall appetite in their policy/framework		
Raw score for focus area 2		0	

Focus Area 3 Integration with Strategic planning: Successful leaders know that risks must be taken in order to generate returns. Effective ERM can be an important input and consideration into the determination and execution of any Council's strategy. ERM provides critical insights into the portfolio of existing and emerging risk exposures that can contribute to the strategic success of the Council. This focus area in the assessment tool helps the evaluator assess the extent to which enterprise-wide risk considerations are incorporated into the Council's strategic planning process			
No	Description of key elements	Score 2 if element present in Council, 1 if element is partly present or 0 if you think it is not present	Comments if any
26	The Council has a formal strategic planning process.		
27	The strategic plan is reviewed and updated at least annually.		
28	The Council's existing risk profile (i.e. output from the risk management processes) is an important input for the strategic planning process		
29	Management with explicit responsibility for enterprise-wide risk management are actively engaged in the strategic planning process.		
30	The Council's risk management processes encourage the consideration of opportunities where the Council can take informed risks to generate incremental returns.		
31	The Council's strategic plan has been communicated to all staff so that they can understand how their actions can create or prevent risks that effect the achievement of the Council's strategic objectives.		
32	The entity's risk management framework is embedded in its operational, process and		
33	Management are held accountable through their performance agreements for managing risk including responsibility for strengthening the risk culture of their		
Raw score for focus area 3		0	

Focus Area 4 Risk Identification/ Assessment/ Reporting: Many organisations find that when they engage in activities to identify risks, they identify a large number of potential risk events, sometimes numbering into the hundreds or thousands. While all risks identified may have relevance to the organisation, some risks are notably more important to the achievement of objectives than others. Therefore, organisations need some method to prioritise risks that encourages a consistent consideration of both the likelihood of the risk occurring and the impact of the event to the organisation, if the risk occurs. This section of the assessment tool guides evaluators through the consideration of a number of elements that are important to a robust risk assessment process to determine if the organisation has developed an effective enterprise-wide set of metrics to consistently assess the risks the organisation faces.			
No	Description of key elements	Score 2 if element present in Council, 1 if element is partly present or 0 if you think it is not present	Comments if any
34	The Council defines the time period over which risks should be assessed (e.g., the next 3 years) to ensure consistency in management's evaluations.		
35	The Council considers an integrated score that incorporates both the likelihood and impact assessments that results in a risk rating that helps prioritise the Council's most significant risk exposures.		
36	Relevant member of management team has provided his or her risk assessments of each risk identified.		
37	The risk management process encourages monitoring of significant risks on a regular basis (more than once a year)		
38	The management team is encouraged to meet formally review the results of the risk assessments and to discuss any variances in individual risk assessments.		
39	Each member of the management team and key staff has provided input into the risk		
40	Relevant staff have provided input into the risk identification process in their		
41	The Council's risk management framework provides guidance on how to identify, assess,		
42	Formal governance arrangements are in place to discuss and understand shared risks between the Council and any other subsidiaries.		
43	Frequency of regular reviews, evaluation and reporting of all significant risks are documented in the framework/policy /plan		
44	Is technology being used to do regular risk reviews and keep staff accountable for reviewing risks		
45	Reporting of risk occurs on a regular basis enabling the consideration of key issues in a		

Raw score for focus area 4		0	
Focus Area 5	Risk Monitoring and Reporting: Many organisations find that when they engage in activities to identify risks, they identify a large number of potential risk events, sometimes numbering into the hundreds or thousands. While all risks identified may have relevance to the organisation, some risks are notably more important to the achievement of objectives than others. Therefore, organisations need some method to prioritise risks that encourages a consistent consideration of both the likelihood of the risk occurring and the impact of the event to the organisation, if the risk occurs. This section of the assessment tool guides evaluators through the consideration of a number of elements that are important to a robust risk assessment process to determine if the organisation has developed an effective enterprise-wide set of metrics to consistently assess the risks the organisation faces.		
No	Description of key elements	Score 2 if element present in Council, 1 if element is partly present or 0 if you think it is not present	Comments if any
46	Is there a fixed frequency of risk reporting conducted in your Council?		
47	Monitoring of significant risks occurred based on the frequency in the		
48	The management team has met formally to review the results of the independent assessments and to discuss any variances in risk assessments.		
49	The framework articulates a risk reporting structure based on priority		
50	There is linkage of risk function with internal audit or any other assurance function		
51	Formal governance arrangements and reporting of shared risks have occurred between the Council and any other subsidiaries.		
52	Regular reviews, evaluation and reporting of all significant risks have been undertaken as per the framework/plan/policy.		
53	Technology is used for real time risk information and is used to identify, analyse and measure risks and trends.		
54	Governance framework facilitates recording, monitoring and reporting on shared risk		
55	Reporting of risk occurs on a regular basis enabling the consideration of key issues in a		
Raw score for focus area 5			



CITY OF SALISBURY STRATEGIC RISK REGISTER																
Step 1: Risk Identification						Step 2: Risk Assessment		Step 3: Risk Response & Treatment - Mitigation Controls			Step 4: Control Evaluation		Step 5: Risk Monitor & Control (blank if none required)			
Risk ID	Risk Type	Risk Category	Risk Description	Risk Owner	Causes	Inherent Risk			Controls	Residual Risk			Current Status	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				
1	Strategic	A welcoming and livable City	<p>Inadequate response to a business continuity or emergency event, or major incident at a Council run Community event.</p> <p>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).</p> <p>CoS experiences negative impacts to CoS' brand and image, legal and cost 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 recognised that the risk relating to an incident occurring at an event sponsored or partnered by Council is still relevant however need not be recorded on the Strategic Risk Register.</p> <p>Impacts: Service delivery to community severely compromised, reputational damage, loss of morale and resources, compromised regulatory decisions, death/critical injury of staff and/or public, financial costs to rectify, legal cost of failure to prevent a health and safety incident, regulatory or Government censure.</p>	CEO, All General Managers	<ul style="list-style-type: none">Lack of plans and procedures to inform response strategies when a business continuity or emergency event occursLack of communication/training for relevant staff required to respond to business continuity and emergency eventsInformation to facilitate action during business continuity or emergency events is insufficient or not availableImpact of climate change on weather patternsCOVID-19 pandemicInadequate procedures and plans in place to prevent incidentsFailure to maintain staff trainingInadequate performance of risk assessmentsLack of asset management and maintenanceInadequate due diligence performed by CoS in order to identify relevant risks related to the management and delivery of community events	Catastrophic	Almost Certain	High	<ul style="list-style-type: none">Current and maintained Business Continuity Framework (including Plans and testing regime), 4Business Continuity staff identified and trained on roles and responsibilities, 3Incident Management Team identified and trained, 4Current and maintained IT Disaster Recovery Plan (including testing regime), 4Current and maintained Emergency Management Plan, 3Participation in Zone Emergency Management Committees - Northern Area, 5Participation in IG Council Ready Program, 5Distribution and maintenance of effective VPN network access to all relevant staff, 5Effective and regularly reviewed COVID action plans, 5Building Control and Inspections, 4Evacuation procedures and testing, 4Provision and maintenance of Building safety systems - e.g. exit signs, fire extinguishers, wardens etc., induction process, 4Risk assessments performed for community events, 4Reviewed and maintained Asset management plans, 4Maintaining and reviewing Business Continuity Framework, 4Performance testing of BCP scenarios 4Key ICT members actively participating within the Zone Emergency Management Committee - Northern Area, 5Maintaining and reviewing Event Management Plans 4Compliance with Event Management Guidelines, 4Training of all potential event owners on risk identification and due diligence assessment, 4Formal information exchange between City Infrastructure bookings and Events Team to identify community events involving CoS assets, 4	Moderate	Possible	High	At Tolerance	<p>1. Develop and deliver training on business continuity to relevant staff.</p> <p>2. Delivery of Emergency Management Project</p>	Manager Governance	<p>1. 30 June 2021</p> <p>2. 30 June 2021</p>
2	Strategic	A sustainable City	<p>Contamination of the recycled water systems</p> <p>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-drinking water distributed to parks, reserves, schools, industry and some new residential sub-divisions.</p> <p>Impacts: Financial cost of replacing supply with SA Water and clean-up costs, financial impact of rectification, failure to fulfil commercial contractual obligations, reputational damage, regulatory or government intervention and/or fines, revenue reduction, health risk to staff and community.</p>	GM Business Excellence, GM City Infrastructure	<ul style="list-style-type: none">Inadequate monitoring plans and sample testingFailure to respond appropriately in the event of contaminationFailure of controls within the Recycled Water Risk Based Management PlanWet weather could hamper clean-up operations or contribute to a contamination eventPFAS and PFOA infiltration.Act of TerrorismIllegal dumping	Catastrophic	Possible	High	<ul style="list-style-type: none">Salisbury Water Business Unit - Recycled Water Risk-Based Management Plan including sample testing before water injections are commenced, 4 includes: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.Supervisory Control and Data Acquisition system in place to detect faults and alert CoS staff. 24/7 remote access availability by laptop by CoS staff.Supply contracts to customers contain Force Majeure clauses which limit liability to Council in the event that water cannot be supplied, 5Rapid Response Team and Call Out Officers through City Infrastructure (Council staff) in place to manage events that may lead to contamination of recycled water system (e.g. chemical spill) (24/7 support including after hours), 4Employee Media Policy and Procedure and Elected Member Media Policy, 4Implementation of the Water Course Management Plan including the removal of Wetlands and desilting/removal of pollutants in waterways as required, 4Review of Risk Based Management Plan every five years, 4Maintenance of the CoS Contaminated Sites Register, 3	Major	Unlikely	Medium	Below Tolerance	<p>1. Implementation of relevant findings from the Management of Contaminated Sites Audit</p>	Manager Salisbury Water Manager Infrastructure Management	<p>1. Various</p>

CITY OF SALISBURY STRATEGIC RISK REGISTER																		
Step 1: Risk Identification						Step 2: Risk Assessment		Step 3: Risk Response & Treatment - Mitigation Controls			Step 4: Control Evaluation		Step 5: Risk Monitor & Control (blank if none required)					
Risk ID	Risk Type	Risk Category	Risk Description	Risk Owner	Causes	Inherent Risk			Controls			Residual Risk			Current Status	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				
3	Strategic	A welcoming and livable City	<p>Lack of management of public and environmental health risks</p> <p>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).</p> <p>Impacts: Financial impact to rectify a health and safety incident, reputational damage, regulatory or Government intervention or censure/fines, health risk to staff and the public.</p>	GM City Development	<ul style="list-style-type: none">Inadequate management, monitoring or testingFailure to respond appropriately in the event of an incidentAnimal/vermin infestationNoxious plantsFailure of waste disposal contractor to meet contractual obligations.	Major	Unlikely	High	<ul style="list-style-type: none">Compliance with Public Health and Environmental Policies and Procedures, 4Provision of Immunisation Services, 5Current and maintained Animal Management Plan, 5Activating the relevant initiatives within the CoS Regional Public Health Plan, 5Performance of General Inspections, 5Undertaking Dog Patrols, 5Administration and management of CoS' responsibilities under the Food Act, 4Compliance with and training on Employee Media Policy and Procedure and Elected Member Media Policy, 4Enforcement of the CoS' responsibilities under the SA Public Health Act, 5Enforcement of the CoS' responsibilities under the Dog and Cat Management Act, 5Performance of infrastructure maintenance activities, 5Undertaking the Mosquito Control Program, 4Accurate completion of Food Safety Audit Report Questionnaire, 4Accurate completion of Food Safety Inspection Checklists, 4Provision of all Food Safety Inspection documentation to relevant business Proprietors, 4	Major	Possible	High	At Tolerance					
4	Strategic	A sustainable City	<p>Failure to manage the impact of environmental and social factors on Council infrastructure, assets and services</p> <p>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.</p> <p>Impact: Financial cost of dealing with the consequences of frequent freak weather related events, long term impact on infrastructure, its maintenance and replacement, organisational plans and strategies are no longer valued or desired by the community, failure to adapt to a changing external environment resulting in some services becoming irrelevant and others insufficient.</p>	GM City Development, GM City Infrastructure, GM Community Development	<ul style="list-style-type: none">Inadequate understanding and planning for factors impacting the environmentFailure to consider environmental consequences when planning and designing infrastructureInsufficient modelling of weather events used within Asset Management PlanningInadequate infrastructure within the City to manage stormwater and sea level rises due to storm eventsInadequate understanding of and planning for the impact of climate change on City infrastructure and assetsFailure to monitor and forecast demographic changes in the City and adjust objectives and plans accordinglyCity Plan becomes obsolete or fails to anticipate the financial impact of demographic changesFailure to maintain a social infrastructure plan for the existing and future assetsCoastal inundation and impact on biodiversityFailure to update Asset Management Plans	Major	Possible	High	<ul style="list-style-type: none">Early warning system of text alerts based on Bureau of Meteorology data, implemented by BEMHR, 5Regular monitoring of risk sites e.g. land fill sites, dams, 5Extreme Heat response process (for residents), 4One in 100 year flood and Probable Maximum Flood modelling including tidal info. in place at individual house level, using digital terrain modelling, 4Reviewed and maintained City Plan/Strategic Plans/Business Plans, 4Bushfire Management Plan, 4Watercourse Management capital program, 4Reviewed and maintained Asset Management Policy and Plans, 4Reviewed and maintained Growth Management Plan, 5Asset Management CommitteeImplementation of Youth Strategy and Intercultural Plan, 4Asset Management infrastructure audits, 5Adapting Northern Adelaide Plan, 4Reviewed and maintained Emergency Management Plan, 3Participation in Zone Emergency Management Committee - Northern Area, 5Compliance with grant funding applications process and reviews, 5Compliance with Home Care Common Standards - Operating Manual, 5Reviewed and maintained Learning Strategy, Wellbeing Strategy & Intercultural Strategy, 4Social Infrastructure Assessment Framework, 3Planning controls, 4Strategic Land Review, 5Flood mapping is updated periodically and communicated as necessary and is incorporated into the development plan process, 4	Moderate	Unlikely	Medium	Below Tolerance	<p>1. Development of a Sustainability Plan.</p> <p>2. Delivery of Emergency Management Project (including review of Emergency Management Plan)</p>	GM City Development Manager Governance	<p>1. 30 June 2021</p> <p>2. 30 June 2021</p>		

CITY OF SALISBURY STRATEGIC RISK REGISTER																	
Step 1: Risk Identification						Step 2: Risk Assessment		Step 3: Risk Response & Treatment - Mitigation Controls			Step 4: Control Evaluation		Step 5: Risk Monitor & Control (blank if none required)				
Risk ID	Risk Type	Risk Category	Risk Description	Risk Owner	Causes	Inherent Risk			Controls		Residual Risk			Current Status	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				
5	Strategic	Innovation and Business Development	<p>City of Salisbury financial sustainability is compromised by internal decisions and / or external events.</p> <p>CoS fails to maintain service standards and invest in assets and infrastructure as a result of increased pressure on CoS operating surplus due to factors such as rate capping and cost shifting. Risk of CoS failing to appropriately manage cost and efficiency. CoS fails to identify opportunities for alternative sources of revenue. Insufficient budgeting for the completion of the strategic plan.</p> <p><i>Impacts:</i> Council ultimately becomes financially unsustainable, City revenue has to be raised increasingly through more traditional methods (rate rises), revenue from the sale of assets (land) is not invested for the longer term benefit of the community, financial cost associated with falling rates revenue or increasing bad or doubtful debts</p>	GM Business Excellence, GM City Infrastructure, GM City Development	<ul style="list-style-type: none">Insufficient or reduction in grant fundingInadequate revenue and a failure to maximise revenue from all sourcesUnplanned spendingInadequate valuation of assets or inaccurate depreciationInadequate planning for infrastructure repairs or upgradesIntroduction of draft legislation regarding rate cappingFraud, misconduct or maladministrationChanges to legislation/obligations imposed by other levels of governmentPotential new revenue streams/opportunities are not fully investigatedChanges to roles and responsibilities assigned to City of Salisbury by federal or state governmentShort term revenue is maximised at the expense of longer term revenuePoorly structured debt fundingPoor investment decision makingUnknown consequences of new infrastructure provision from other levels of government or private sector investmentFailure to encourage investment in the CityIncreased expectations of the community in relation to the demand for and breadth of services and standards delivered by CoSCouncil ultimately becomes financially unsustainableCity revenue has to be raised increasingly through more traditional methods (rate rises)Revenue from the sale of assets (land) is not invested for the longer term benefit of the communityFinancial cost associated with falling rates revenue or increasing bad or doubtful debts	Major	Unlikely	High	<ul style="list-style-type: none">Long term financial planning, by managing monitoring and reviewing, 5Managing monitoring and reviewing of Asset Management Plans, 4Undertaking Quarterly Budget Reviews, 5Annual Plan and Annual Report reviewed by Audit Committee, 5Adhoc Prudential Reviews, 5Regular reviews of rating system fairness and equity, 4Appropriate execution of the Grant Management application Process, 3 (subject of an internal audit in November 2022)Review of Financial information by the Budget & Finance Committee, 4Diversification of income (e.g. Water Business Unit, Strategic Property Development and Building Rules Certification Unit, NAWMA, Salisbury Memorial Park), 4Compliance with Budget Policies and Procedures, 5Business Case Modelling, 4Growth Action Plan, 4Business Support Agenda, 4Annual external Audit activitiesProject Management Methodology, 3	Major	Unlikely	Medium	Below Tolerance	<p>1. Implementation of relevant findings from the Asset Management audit report</p> <p>2. Implementation of the findings from the Grants Management Audit (scheduled for November 2022)</p> <p>3. Implementation of the Project Management Methodology</p>	<p>1. Manager Infrastructure Management and Manager Property & Buildings</p> <p>2. TBD</p> <p>3. GM City Infrastructure</p>	<p>1. Various</p> <p>2. TBD</p> <p>3. 31 May 2021</p>	
6	Strategic	All City Plan Directions	<p>Ineffective governance results in the provision of services which do not meet community expectations.</p> <p>Inadequate decision making. Failure to integrate governance to enable the meeting of strategic objectives.</p> <p><i>Impacts:</i> Organisational performance is not adequately measured and therefore cannot be managed, organisational plans and strategies are not achieved, organisational resources are not used effectively, organisational plans and strategies are not valued or desired by the community, organisational plans and strategies are not delivered in a way that is consistent with the organisational values, lack of customer / community engagement, lack of employee engagement and commitment to City objectives, poor customer service, council lacks a coherent direction, failure to meet legislative obligations, not meeting community needs, reputational damage, poor organisational performance, negative impact on staff health and wellbeing.</p>	CEO, All General Managers	<ul style="list-style-type: none">Inadequate performance measures which are not linked to objectives or strategiesFailure to consistently conduct Post Implementation Reviews and measure benefits realisationFailure to monitor organisational performance against stakeholder expectations and to take action when necessary to correct itFailure to deliver what is expected by the local community due to a lack of alignment of strategic plansLimited meaningful corporate performance indicators in placeInconsistent reporting and data collection of corporate performance indicatorsProcesses and systems fail to address customer needsInadequate capability and capacity (e.g. workforce plans, training and development, technology, systems etc.)Failure to engage with all stakeholders in developing the City PlanCustomer service is neither monitored or managedInsufficient prioritisation of projects and resource savingProjects approved are not consistent with the strategic direction of CoS	Major	Unlikely	High	<ul style="list-style-type: none">Compliance with Budget Process, 5Review of Annual Plan and Annual Report by Audit Committee, 5Review and approval of City Plan by elected members, 5Established and embedded Customer Service Framework, 4Monthly Strategic Executive Group meetings, 4Alignment of New Initiative Bid documentation to the City Plan, 4Strategic Planning and Accountability, 4Effective use of and compliance with Community Engagement Framework, 4Project Management Methodology, 3Conduct of bi-annual customer satisfaction survey, 4Business case development for aged care schemes, 4Regular performance of CEO Review via CEO Review Committee, 4Governance Framework and Statement, 3Delivery of IT support through BSS division, 4Regularly reviewed and communicated Delegations Register, 5OC/ABEF survey process, 4Regular Strategic Project Reporting, 4Skilled and experienced staff, 4Performance of Contract Management, 4Infrastructure Maintenance Activities, 5Succession Planning, 4IG Performance Excellence Program benchmarking activity, 4	Moderate	Unlikely	Medium	At Tolerance	<p>1. Resourcing Plan Major Project (2 Year)</p> <p>2. Timely Completion of relevant agreed actions arising out of Internal Audits</p> <p>3. Implementation of the Project Management Methodology</p> <p>4. Review the Governance Framework and Statement</p>	<p>1. General Managers</p> <p>2. Various</p> <p>3. GM City Infrastructure</p> <p>4. Manager Governance</p>	<p>1. 30 June 2021</p> <p>2. Various</p> <p>3. 31 May 2021</p> <p>4. 31 July 2021</p>	

CITY OF SALISBURY STRATEGIC RISK REGISTER																		
Step 1: Risk Identification						Step 2: Risk Assessment		Step 3: Risk Response & Treatment - Mitigation Controls				Step 4: Control Evaluation		Step 5: Risk Monitor & Control (blank if none required)				
Risk ID	Risk Type	Risk Category	Risk Description	Risk Owner	Causes	Inherent Risk			Controls			Residual Risk			Current Status	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	Strategic	Innovation and Business Development	<p>Immature and inadequate work health safety policies and procedures result in an unsafe working environment</p> <p>Council staff and volunteers experience illness or injury. Failure to meet WHS obligations which result in an unsafe workplace. Council recognises that this risk is included on the Strategic Risk Register due to the seriousness with which Council takes its obligations in relation to Work Health and Safety.</p> <p>Impacts: An employee, contractor, volunteer or elected member is injured or dies as a result of a preventable incident or accident; potential financial consequences for the City of an incident affecting a member of staff including; medical/rehabilitation expenses, injury compensation claim, legal expenses, fines; regulatory censure including a SafeWork SA Prohibition Notice, Improvement Notice or prosecution/conviction; legal consequences for senior management should policies and procedures be determined as inadequate by SafeWork SA; organisational reputation is damaged through the failure to prevent an accident or injury occurring at work; scheme losing self-insured status and resultant lack of financial sustainability.</p>	The Executive Group, Elected Members	<ul style="list-style-type: none">Inadequate controls in place to prevent incidents occurringInsufficient reporting of incidents and near missesSafe work practices not documented or communicated to employeesInadequate induction, training and supervisionInadequate hazard management systemOrganisational safety attitude does not recognise the importance of following WHS policies and procedures	Catastrophic	Likely	High	<ul style="list-style-type: none">WHS training and e-learning (mandatorily required for all employees on commencement of employment and thereafter routinely), 5Performance of licensing qualifications checks, 5Training in WHS Procedures, 3Updated WHS IM Business Plan, 5Performance WHS Reviews, 4Principal WHS Committee, 5City Infrastructure WHS Committee, 5JSA, work instructions and plant risk assessments, 4Staff training on and compliance with Code of Conduct, 4Compliance with Hazard and incident reporting and investigation procedures, 4Members of the Local Government Workers Compensation Scheme, requiring annual external audits, 5Work Health Safety representative team, 5Support from LG Sector/other councils/private sector organisations with development/implementation of WHS policies/procedures (including benchmarking partners), 5Contractual arrangements with external providers to assist compliance with WHS obligations, 4Quarterly Executive Report highlighting trends, outstanding actions and high risk rating incidents or hazards, 4Embedding of organisational values, 3	Major	Unlikely	Medium	At Tolerance	<ol style="list-style-type: none">Training to be provided on WHS ProceduresImplementation of the Du Pont Survey	Manager People & Culture	<div>1. 30 June 2022</div> <div>2. 30 June 2022</div>		
8	Strategic	Innovation and Business Development	<p>Lack of alignment and integrity of IT systems and data to support service delivery</p> <p>Information management systems are not integrated resulting in ineffective business processes. Ineffective data management results in poor reporting and decision making due to insufficient data collection and storage. Ineffective IT security leaves the organisation vulnerable to cyber attacks. Failure to keep pace with cyber changes.</p> <p>Impacts: Organisational plans and strategies are not achieved due to a lack of IT support or infrastructure; organisational disruption; financial loss; data theft; data fraud; breach of legislation; failure to adapt to a changing external environment; inefficient and ineffective use of organisational resources; poor service delivery; reputational damage; costs of litigation and restoration of services.</p>	City Business Excellence	<ul style="list-style-type: none">Failure to adequately involve IT when developing plans, strategies and projectsFailure to consider all options when improving a system or processOrganisational change is not conducted in a structured and logical mannerFailure to support the skill set of individuals responsible for the delivery of business systemsLack of business engagement and clarity of rolesExternal pressure for changes to systemsLack of plans and procedures to inform response strategies when a cybersecurity incident occursCyber attack (unauthorised access/network intrusion, denial of service, vulnerability exploitation, malware, social engineering, hacking, phishing, ransomware)Business Continuity / Disaster Recovery Plans not tested or properly documentedMobile device management with the potential for a lost or stolen device being used to access Council systemsLack of auditing and logging functions to capture eventsLack of monitoring of cybersecurity threats to organisational assetsLack of communication/training for all staff regarding information securityInformation to facilitate action during a cybersecurity incident is not availableStaff fraud	Major	Likely	High	<ul style="list-style-type: none">IT Governance Framework, 3Programmed testing of systems for security and reliability, 4Penetration testing, 4Compliance with Information Security Policies and Procedures, 4Continuous Improvement Framework, 4Documented and tested IT Disaster Recovery Plan, 3Documented and tested Business Continuity Plans, 4Incident Management Team identified and trained, 4Building security and access controls, 4User access system controls, 4Patch management and software maintenance procedures, 4Performance of Cyber Security Risk Assessments, 4Audit logs for access to systems, 4Documented and embedded Fraud & Corruption Prevention & Management Policy and Framework, 3Documented and implemented Cyber Security Program, 3	Moderate	Possible	High	Below Tolerance	<ol style="list-style-type: none">Delivery of relevant aspects of the Smart Salisbury governance structureImplementation of Cyber Security ProgramDevelopment and implementation of the Smart Salisbury Framework, including the Digital StrategyImplementation of IT roadmapCouncil approval of Fraud & Corruption Prevention & Management FrameworkTraining provided on Fraud & Corruption Prevention and Management policy and frameworkExecutive Group approval of Disaster Recovery Plan	<div>(1. - 4.) Manager Business Systems & Solutions</div> <div>5. & 6. Manager Governance</div> <div>7. Manager Business Systems & Solutions</div>	<div>1. 7 May 2021</div> <div>2. 30 June 2022</div> <div>3. 28 May 2021</div> <div>4. 30 June 2021</div> <div>5. 31 July 2021</div> <div>6. 30 September 2021</div> <div>7. 31 May 2021</div>		

CITY OF SALISBURY STRATEGIC RISK REGISTER																	
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						Consequence	Likelihood	Inherent Risk Rating	Description		Consequence	Likelihood	Residual Risk Rating				
9	Strategic	A sustainable City	<p>Climate Change negatively impacts on City of Salisbury's operations, infrastructure, services and the community. Failure to adapt to climate change.</p> <p>Manifestations of climate change include higher temperatures, altered rainfall patterns, and more frequent or intense extreme events such as heatwaves, drought and storms.</p> <p>Impacts: increased demands for services, service delivery to community is compromised, reduced ability to raise income, financial cost of dealing with the consequences of frequent freak weather related events, long term impact on infrastructure, its maintenance and replacement, failure to adapt to a changing external environment resulting in some services becoming irrelevant or insufficient, organisational plans and strategies are not achieved or delivered in a way that is consistent with our values, not meeting community needs, reputational damage.</p> <p>Increased incidence of death and serious illness, especially the elderly.</p> <p>Decreased water quality, impacts on rivers and wetlands ecosystems.</p> <p>Increased damage to foundations.</p> <p>Increased fire danger.</p> <p>Increased flood damage</p> <p>Salt water intrusion into ground water and coastal wetlands, mangroves. Increased coastal flooding.</p>	All General Managers	<ul style="list-style-type: none">Failure to keep pace with climate changeBusiness plans fail to adequately address evolving impacts of climate changeLack of plans and procedures to inform response strategies when climate change related event occursInformation to facilitate action is insufficient or not availableLack of communication and/or training for relevant staffImpact of climate change on weather patterns (e.g. more heatwaves, decreased precipitation, increased severity of drought, more intense rain and storms, increased mean sea level)Inadequate monitoring plans and testing of recycled water systemsWeather events contribute to a recycled water system contamination eventLack of asset management or maintenanceInadequate understanding of and planning for factors impacting the environmentInadequate understanding of and planning for the impact of climate change on infrastructure and assetsFailure to consider environmental consequences when planning and designing infrastructureInsufficient modelling of weather events used within Asset Management PlanningInadequate infrastructure to manage stormwater and sea level risesCoastal inundation and impact on biodiversityFailure to update Asset Management PlansLack of adequate resourcing for climate and environmental sustainability	Major	Almost Certain	<ul style="list-style-type: none">Current and maintained Business Continuity Framework (including Plans and testing regime), 4Business Continuity staff identified and trained on roles and responsibilities, 3Incident Management Team identified and trained, 4Current and maintained IT Disaster Recovery Plan (including testing regime), 4Current and maintained Emergency Management Plan, 4Participation in Zone Emergency Management Committees - Northern Area, 5Salisbury Water Business Unit - Recycled Water Risk-Based Management Plan including sample testing before water injections are commenced, 4Rapid Response Team and Call Out Officers through City Infrastructure (Council staff) in place to manage events that may lead to contamination of recycled water system (24/7 support including after hours), 4Implementation of the Water Course Management Plan including the renewal of Wetlands and desilting/removal of pollutants in waterways as required, 4Building Control and Inspections, 4Evacuation procedures and testing, 4Early warning system of text alerts based on Bureau of Meteorology data, implemented by BEMER, 5Regular monitoring of risk sites e.g. land fill sites, dams, 5Extreme Heat response process (for residents), 4One in 100 year flood and Probable Maximum Flood modelling including tidal info. in place at individual house level, using digital terrain modelling, 4Reviewed and maintained City Plan/Strategic Plans/Business Plans, 4Bushfire Management Plan, 4Watercourse Management capital program, 4Reviewed and maintained Asset Management Policy and Plans, 4Reviewed and maintained Growth Management Plan, 5Effective underground management procedures, 5Asset Management infrastructure audits, 5Adapting Northern Adelaide Adaptation Plan, 4Compliance with Home Care Common Standards - Operating Manual, 5Reviewed and maintained Learning Strategy, Wellbeing Strategy & Intracultural Strategy, 4Adequate insurance, 5	Moderate	Possible	High	Below Tolerance	<ul style="list-style-type: none">1. Development of an Environmental and Sustainability Strategy2. Climate Change Governance and Physical Risk Assessment3. Implementation of Adaptation Plan - Adapting Northern Adelaide4. Develop and deliver training on business continuity to relevant staff.	(1. - 3.) GM City Development 4. Manager Governance	<ul style="list-style-type: none">1. 30 June 20212. Gov Assessment - 31 May 2021, Physical Assessment 30 June 20213. Ongoing - actions reviewed every two years.4. 30 June 2021		
10	Strategic	A growing City that creates new opportunities	<p>City of Salisbury reputation suffers due to services provided not meeting community needs and expectations, resulting in a reduction in business investment.</p> <p>Impacts: Loss of community trust in Council; Negative media reporting; increased customer complaints; negative impact on staff health and wellbeing; loss of investment opportunity; failure to attract investment from the private sector; negative impact on the City of Salisbury brand.</p>	All General Managers	<ul style="list-style-type: none">Elected Member cohesionLack of or ineffective community consultation and engagementIncreased regulatory activityFailure to undertake legislative requirementsGovernment inquiryNegative media interestStaff dissatisfactionPoor performanceFailure to deliver successful projectsFailure to deliver services expected by the communityCustomer service is not properly monitored or managedNot meeting strategic objectivesInadequate capability and capacity (e.g. workforce plans, training and development, technology, systems)Inadequate business advisory servicesInconsistent investment opportunities for businessInfrastructure fails to support investment and business activityPoorly planned urban growth	Moderate	Likely	<ul style="list-style-type: none">Relevant training provided to Elected Members (e.g. Chairing meetings and Meeting Procedures), 4Communicated and embedded Employee Code of Conduct, 5Documented and embedded Employee Conduct Policy, 4Media Policy, 4Positive relationships fostered with media and Salisbury Business Association, 4Embedded organisational values, 4Documented People & Culture policies and procedures, 4Employee induction procedures, 4Documented and embedded Volunteers Policy, 4Documented Community Consultation Policy, 4Community Perception Survey, 4Effective and comprehensive Community Consultation Process, 4Comprehensive budget process, 4Provision of general business information and expert advice at Polaris Business and Innovation Centre, 4Cost effective business related workshops and seminars, 4Small Business Mentoring Program, 4Provision of online resources for starting a business, growing a business and developing digital in business, 4Investment attraction via Invest in Salisbury website, 3Salisbury Community Hub as a stimulus to investment, 5Positive relationships fostered and maintained with local business leaders and relevant State Government teams, 5Effective Small Business Friendly Council initiatives, 4Polaris Centre Client Satisfaction Scorecard conducted by newbus, 4	Moderate	Unlikely	Medium	At Tolerance	<ul style="list-style-type: none">1. Salisbury City Centre / John Street upgrade2. GM City Development	1. GM City Development	<ul style="list-style-type: none">3. Late 2022 - date to be determined.		

ITEM	7.1.6
	AUDIT COMMITTEE
DATE	13 July 2021
HEADING	3-Year Internal Audit Plan 2021/22-2023/24
AUTHOR	Hussain Rafeeu, Internal Auditor & Risk Coordinator, CEO and Governance
CITY PLAN LINKS	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	Recommendations from the last Audit Committee are incorporated on the 3 year Internal Audit Plan 2021/22 to 2023/2024, and highlight any changes made to it since it was last presented to the Audit Committee in April 2021.

RECOMMENDATION

1. That the updates made to the 3 year Internal Audit Plan 2021/22 to 2023/2024 as set out in Attachment 2 to this report (Audit Committee, 13/07/2021, Item No.7.1.6) and the accompanying high level indicative scope for pending audits as set out in Attachment 3 of this report (Audit Committee, 13/07/2021, Item No. 7.1.6), are endorsed.

ATTACHMENTS

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

1. Strategic Risk Register Mapping to Internal Audits
2. 3 year Internal Audit Plan 2021/22 to 2023/2024
3. Indicative Scope for Pending Internal Audits

1. BACKGROUND

- 1.1 Feedback was received in the last Audit Committee meeting in April 2021, to review the internal audit plan against the Strategic Risk Register to ensure that all strategic risks have mapped internal audit assurance engagements and demonstrate the rationale for selecting and prioritizing audits.
- 1.2 The Strategic Risk Register was reviewed to determine and list down all internal audits and reviews performed since 2007 for all causes of risks identified for the strategic risks in the Strategic Risk Register.
- 1.3 Where it was identified that no audits have been undertaken in the past since 2007 to provide assurance against certain causes of risks in the Strategic Risk Register, a potential audit for that area is noted and marked as “New”.
- 1.4 A total of 16 potential new audits are identified in this process, to be included in the Internal Audit Plan covering future periods.

- 1.5 Indicative scopes for all the remaining audits are prepared in consultation with the senior management. However, further preliminary research and meetings are required to prepare realistic indicative scope for the new potential audits identified, and therefore this will get updated in the November Audit Committee.
- 1.6 This report provides progress updates to the Internal Audit Plan since it was last presented to the Audit Committee in April 2021, covering:
- 1.6.1 New audits identified from review of Strategic Risk Register [see 3.1 & 3.2];
 - 1.6.2 Key changes to the 3 year Internal Audit Plan [see 3.3]
 - 1.6.3 Update on completed audits [see 3.4];
 - 1.6.4 Status of ongoing audits [see 3.5];
 - 1.6.5 Audits that are removed or consolidated to prioritize new audits identified, and justification for removal or consolidation [see 3.6 & 3.7];
 - 1.6.6 Status of pending audits [see 3.8];
 - 1.6.7 Rationale and justification on revised pending audits included in the 3-year Internal Audit Plan [see 3.9]; and
 - 1.6.8 Strategic Risk links for new audits identified, linking to the Causes of Risks from the Strategic Risk Register [see 3.10].

2. CONSULTATION / COMMUNICATION

2.1 External

- 2.1.1 Craig Johnson, Independent Audit Committee Member, City of Salisbury

3. REPORT

The outcome of the Strategic Risk Register review is summarized in 3.1 below. A more detailed schedule with the key Strategic Risk Register columns including risk description, causes, and controls, along with corresponding internal audit potential areas is given in attachment 1.

3.1 Strategic Risk Register Review Outcome and Risk Mapping to Internal Audits

STRATEGIC RISK REGISTER				INTERNAL AUDITS - MAPPED FOR ASSURANCE		
Risk ID	Risk Description	Inherent Risk	Residual Risk	Prior Audits	Audits for the 3 Year Internal Audit Plan 2021/22-2023/24	NEW / Current Audit Start Dates
1	Inadequate response to a business continuity or emergency event, or major incident at a Council run Community event.	Very High	High	Event Incident Management Framework Audit (Dec 2016)	Event Incident Management Framework Audit - Jun 2021 (reported in Jul 2021 AC)	-
				Compliance With Building Inspections Policy (Sep 2014)	Property Maintenance Audit	NEW
				LGRS BCP Exercise Audit (June 2018)	Business Continuity Audit	NEW
				BCP Desktop Audit (Nov 2014)		
				LG Risk Evaluation Audit (Nov 2019)	Risk Management Audit	Mar-23
2	Contamination of the recycled water systems	High	Medium	Management of Contaminated Sites Audit (Aug 2020)		
				LG Risk Evaluation Audit (Nov 2019)	Risk Management Audit	Mar-23

STRATEGIC RISK REGISTER				INTERNAL AUDITS - MAPPED FOR ASSURANCE		
Risk ID	Risk Description	Inherent Risk	Residual Risk	Prior Audits	Audits for the 3 Year Internal Audit Plan 2021/22-2023/24	NEW / Current Audit Start Dates
3	Lack of management of public and environmental health risks	High	High	Public and Environmental Health Management Audit (Dec 2017)		
				Administration of the Food Act (Mar 2011)		-
				Food Safety Audit (Apr 2020)		
				LG Risk Evaluation Audit (Nov 2019)	Risk Management Audit	Mar-23
4	Failure to manage the impact of environmental and social factors on Council infrastructure, assets and services	High	Medium		By-Laws Management and Enforcement Process Audit	NEW
				Strategic Development Projects Audit (Mar 2018)		
					Tree Management Framework Audit	Aug-22
				LG Risk Evaluation Audit (Nov 2019)	Risk Management Framework Process Audit	Mar-23
5	City of Salisbury financial sustainability is compromised by internal decisions and / or external events.	High	Medium		Social Infrastructure Assessment Framework Audit	NEW
					Environmental Sustainability & Climate Change Risk Management Audit	NEW
				Corporate Credit Card Audit (Oct 2020)		
				Trade Card and Trading Account Audit (Nov 2020)		
				Financial Sustainability Audit (Jun 2019)		
				Asset Management Audit (Mar 2020)		
				Payroll Audit (Sep 2010; March 2017)	Payroll Audit [Removed now]	Jul-21
				Procurement Audit (Sep 2014)	Procurement Audit [Removed now]	Aug-21
				Fraud and Corruption Prevention Control Audit (Jan 2013)	Fraud and Corruption Prevention Control Audit	Sep-22
				Grants Management Audit (Sep 2012)	Grants Management Audit	Nov-22
					Fleet/Heavy Vehicle Management, High Value & Portable Asset Audit	Jun-21
					Revenue and Debtors Audit	Jan-23
				LG Risk Evaluation Audit (Nov 2019)	Risk Management Audit	Mar-23
					Segregation of Duties & User Access Controls Audit	Jun-23
					Rates Setting Process Audit	NEW
					Budgetary Control Audit	NEW
					Investment Decision Making Process Audit	NEW

STRATEGIC RISK REGISTER				INTERNAL AUDITS - MAPPED FOR ASSURANCE		
Risk ID	Risk Description	Inherent Risk	Residual Risk	Prior Audits	Audits for the 3 Year Internal Audit Plan 2021/22-2023/24	NEW / Current Audit Start Dates
6	Ineffective governance results in the provision of services which do not meet community expectations.	High	Medium	Legislative compliance Audit (Jan 2021)		
				Complaint Handling Process Audit (Mar 2021)		
				Contractor Management Audit (Jan 2020)		
				Volunteers Audit (Mar 2008)	Volunteers Audit	Jun-21
				Capital Works Projects Audit (Mar 2018)	Capital Works Projects Audit	Aug-21
					Strategic Reporting Process Audit	Oct-21
					Data Governance Audit	Jan-22
				LG Risk Evaluation Audit (Nov 2019)	Risk Management Audit	Mar-23
					Independent Post Implementation Audit of Major Projects	NEW
					Training & Competency Effectiveness Audit	NEW
					Performance Review of Strategic Business Units	NEW
7	Failure to ensure a safe working environment	Very High	Medium	Event Incident Management Framework Audit (Dec 2016)	Event Incident Management Framework Audit - Jun 2021 (reported in Jul 2021 AC)	
				LG Risk Evaluation Audit (Nov 2019)	Risk Management Audit	Mar-23
8	Lack of alignment and integrity of IT systems and data to support service delivery	High	High	Business Systems and Solutions Audit (Apr 2018)		
					Cyber Security Implementation Project Pre-Implementation Audit	Sep-21
					IT Disaster Recovery Audit	Oct-21
					IT Investment Strategy Audit	Jun-22
					Segregation of Duties & User Access Controls Audit	Jun-23
					Data Governance Audit	Jan-22
					Business Continuity Audit	NEW
9	Climate Change negatively impacts on City of Salisbury's operations, infrastructure, services and the community. Failure to adapt to climate change.	Very High	High	LG Risk Evaluation Audit (Nov 2019)	Risk Management Audit	Mar-23
					Environmental Sustainability & Climate Change Risk Management Audit	NEW

STRATEGIC RISK REGISTER				INTERNAL AUDITS - MAPPED FOR ASSURANCE		
Risk ID	Risk Description	Inherent Risk	Residual Risk	Prior Audits	Audits for the 3 Year Internal Audit Plan 2021/22-2023/24	NEW / Current Audit Start Dates
10	City of Salisbury reputation suffers due to services provided not meeting community needs	High	Medium	LG Risk Evaluation Audit (Nov 2019)		
				People & Culture Risk Review (Jun 2015)		
				Program Review of Twelve25 Salisbury Youth Enterprise Centre (Sep 2012)		
					Community Perception Survey Effectiveness Audit	NEW
					Community Consultation Process Audit	NEW
					Internal Communication & Public Media Release Audit	NEW
					Economic Development Initiatives Effectiveness Audit - Polaris Centre	NEW

3.2 Key Observations from the Strategic Risk Register Review

3.2.1 A total of 16 new potential audits are identified as follows, which were not subject to previous audits and are not reflected on the current internal audit plan:

- Budgetary Control Audit [SR5]
- Business Continuity Audit [SR1&8]*
- By-Laws Management and Enforcement Process Audit [SR3]
- Community Consultation Process Audit [SR10]
- Community Perception Survey Effectiveness Audit [SR10]
- Economic Development Initiatives Effectiveness Audit - Polaris Centre [SR10]
- Environmental Sustainability & Climate Change Risk Management Audit [SR4&9]*
- Independent Post Implementation Audit of Major Projects [SR6]
- Internal Communication & Public Media Release Audit [SR10]
- Investment Decision Making Process Audit [SR5]
- Performance Reviews of Strategic Business Units [SR6]
- KPIs and Performance Management Audit [SR6]
- Property Maintenance Audit [SR1]
- Rates Setting Process Audit [SR5]
- Social Infrastructure Assessment Framework Audit [SR4]
- Training & Competency Effectiveness Audit [SR 1,6&8]*

P.S: Strategic Risk number is noted above in brackets [].

3.2.2 Some of the new potential audits are linked to more than one strategic risk, indicated by *, perhaps suggesting a need to prioritise these audits over others. Similarly the Risk Management Audit currently listed on the Internal Audit Plan is linked to all the Strategic Risk and may need to be prioritised.

3.2.3 This report seeks Audit Committee's feedback, comments and priorities on these 16 new potential audits, for the Administration to determine relative

priorities and bring back a further report to the Audit Committee covering indicative scopes and timeframes for commencement.

3.2.4 Given the current resource constraints, Administration is of the view that the new potential audits identified can be scheduled for the 3rd year 2023/2024 and possibly adding to a fourth year 2024/2025.

3.2.5 It is also noted that with every audit, the implementation of audit actions often add to unplanned budget expenditure, in addition to workload and resource commitments.

3.2.6 The strategic risk link, for these new audits are listed in 3.10 below, identifying the relevant strategic risk cause or risk factors that have not been assured through internal audit testing in the past, relating to the new potential audits.

3.3 Key Changes to the 3 year Internal Audit Plan 2021/22 to 2023/2024

Key updates and changes made to the Internal Audit Plan are as follows:

- New audits are included following the review of Strategic Risk Register to identify potential internal audit areas, and with the inclusion of additional audits a further year is added to the plan, resulting in a 4 year Internal Audit Plan 2021/22 to 2024/25.
- Some audits in the original 3 year Internal Audit Plan 2021-2023 are removed and some audits merged, considering resource and risk priorities.
- The “Rationale for Inclusion” is expanded further to summarize the key reasons for including the audit in the revised 4 year Internal Audit Plan.

3.4 Update on Completed Audits

3.4.1 Event Incident Management Framework Audit

This audit is completed by Galpins and being presented to the July 2021 Audit Committee.

3.5 Update on Ongoing Audits

3.5.1 Capital Works Project Audit

The audit has commenced with Galpins on a co-sourced model, and audit is 60% complete as at the end of June 2021. The final audit report with management comments is planned to be presented to the November 2021 Audit Committee.

3.5.2 Volunteer Management Audit

This audit is performed internally by the City’s Internal Auditor & Risk Coordinator and is 90% complete as at the end of June 2021. The final audit report with management comments is planned to be presented to the November 2021 Audit Committee.

3.6 Update on Audits Removed from the Internal Audit Plan

3.6.1 Payroll Audit

Following the review of Strategic Risk Register, the strategic risks and causes related to payroll process were in the area of fraud and unplanned spending and it was decided that this area can be assured through the Fraud &

Corruption Prevention Control audit as well. As such it was decided to remove a full-fledged audit of the payroll process from the Internal Audit plan, as it also gets partly assured every year by the external auditor through the certification of internal controls testing.

3.6.2 Procurement Audit

For the same reasons above in 3.6.1, it is decided to remove the procurement audit from the internal audit and cover relevant touchpoints within the scope of the planned Fraud & Corruption Prevention Control audit.

3.6.3 Segregation of Duties & User Access Controls Audit

For the same reasons above in 3.6.1, it is decided to remove this audit from the internal audit and cover relevant touchpoints within the scope of the planned Fraud & Corruption Prevention Control audit. There are no specific touchpoints on the strategic risk register related to this other than the fraud risk and are more of an operational nature, hence it is best to remove from the internal audit plan from a resource optimization point of view as well.

3.7 Update on Audits Consolidated and/or Commencement Dates Revised

3.7.1 Fleet and Heavy Vehicle Management Audit, merged with High Value and Portable Asset Audit

From an internal audit resource utilization point of view it is established that these two audits are better merged into one audit and undertaken at the same time. The commencement date is **deferred** accordingly from June 2021 to **August 2021** to accommodate for staff availability.

3.7.2 Fraud & Corruption Prevention Control Audit

Given the removal of Procurement and Payroll audit which were originally scheduled to commence in Q1 of 2021/2022 and that the scope of these audits are now narrowed and concisely revised to fit into the Fraud & Corruption Prevention Control Audit, it is perhaps timely to **bring forward** this audit from September 2022 to **March 2022**. This is also in line with the strategic risk priority and the fact that the Fraud and Corruption Prevention & Management Policy has been rolled out in June 2021, it may be timely to undertake an audit in this area in Q3/Q4 of 2021/2022.

3.8 Current Position of Pending Audits on the Internal Audit Plan

All other audits are on track as per original plan advised to the last Audit Committee meeting in April 2021, and no changes on the need for delaying or bringing forward of any audits are identified at this stage

3.9 Rationale, Overall Objective & Strategic Risk Relevance for Pending Audits

The rationale for selecting the audits to be included in the Internal Audit Plan is given below with the overall audit objectives for the respective audit. See attachment 3 for the indicative scope for the audits.

3.9.1 Fleet and Heavy Vehicles Management Audit – merged with High Value and Portable Asset Audit, and commencement date deferred from June 2021 to September 2021. See 3.6.1 above.

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.

Relevant Causes in the Strategic Risk Register (SR5):

- Unplanned spending
- Inadequate valuation of assets or inaccurate depreciation
- Inadequate planning for infrastructure repairs or upgrades

3.9.2 Cyber Security Implementation Project Pre-implementation Audit –

Scope revised to undertake a Cybersecurity Improvement Program pre-implementation audit. Commencement date is September 2021 as originally agreed for the Cybersecurity Audit.

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.

It is acknowledged that COS has initiated a 5 year Cybersecurity Improvement Program, and that program implementation is still in the early stages.

The objective of this audit is to assist management in identifying any gaps or areas for improvements in the approach, design and implementation strategy of the Cybersecurity Improvement Program after reviewing the COS's current cybersecurity control environment.

Relevant Causes in the Strategic Risk Register (SR8):

- Lack of plans and procedures to inform response strategies when a cybersecurity incident occurs
- Cyber-attack (Unauthorised access/network intrusion, denial of service, vulnerability exploitation, malware, social engineering, hacking, phishing, ransomware)
- Mobile device management with the potential for a lost or stolen device being used to access Council systems
- Lack of auditing and logging functions to capture events
- Lack of monitoring of cybersecurity threats to organisational assets
- Lack of communication/training for all staff regarding information security
- Information to facilitate action during a cybersecurity incident is not available

3.9.3 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.

Relevant Causes in the Strategic Risk Register (SR6):

- Inadequate performance measures which are not linked to objectives or strategies
- Failure to deliver what is expected by the local community due to a lack of alignment of strategic plans
- Limited meaningful corporate performance indicators in place
- Inconsistent reporting and data collection of corporate performance indicators
- Processes and systems fail to address customer needs
- Failure to engage with all stakeholders in developing the City Plan

3.9.4 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 the 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.

Relevant Causes in the Strategic Risk Register (SR8):

- Lack of plans and procedures to inform response strategies when a cybersecurity incident occurs
- Lack of auditing and logging functions to capture events

3.9.5 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.

3.9.6 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.

Relevant Causes in the Strategic Risk Register (SR 6&8):

- Limited meaningful corporate performance indicators in place
- Inconsistent reporting and data collection
- Lack of auditing and logging functions to capture events
- Failure to consider all options when improving a system or process

3.9.7 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.

Relevant Causes in the Strategic Risk Register (SR8):

- Lack of business engagement and clarity of roles
- External pressure for changes to systems
- Failure to adequately involve IT when developing plans, strategies and projects
- Failure to consider all options when improving a system or process
- Organisational change is not conducted in a structured and logical manner

3.9.8 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.

Relevant Causes in the Strategic Risk Register (SR4):

- Inadequate understanding and planning for factors impacting the environment
- Failure to consider environmental consequences when planning and designing infrastructure

3.9.9 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. Key processes including payroll, procurement and segregation of duties and access controls will be included among other potential areas for audit.

Relevant Causes in the Strategic Risk Register (SR5):

- Fraud, misconduct or maladministration
- Unplanned spending

3.9.10 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
- Youth Sponsorship Program
- 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, procedures and/or Council endorsed Terms of Reference and Guidelines and aligned to the City Plan 2035.

Relevant Causes in the Strategic Risk Register (SR5):

- Insufficient or reduction in grant funding

3.9.11 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.

Relevant Causes in the Strategic Risk Register (SR5):

- Inadequate revenue and a failure to maximise revenue from all sources
- Financial cost associated with falling rates revenue or increasing bad or doubtful debts
- City revenue has to be raised increasingly through more traditional methods (rate rises)
- Potential new revenue streams/opportunities are not fully investigated
- Short term revenue is maximised at the expense of longer term revenue
- Revenue from the sale of assets (land) is not invested for the longer term benefit of the community

3.9.12 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.

Relevant Causes in the Strategic Risk Register (SR1-10):

- Inadequate performance of risk assessments (SR2)
- Inadequate controls in place to prevent incidents occurring
- Insufficient reporting of incidents and near misses
- Safe work practices not documented or communicated to employees
- Inadequate induction, training and supervision
- Inadequate hazard management system
- Organisational safety attitude does not recognise the importance of following WHS policies and procedures

3.9.13 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.

3.10 Strategic Risk Relevance for New Audits

The rationale for selecting the audits to be included in the Internal Audit Plan is following the Strategic Risk Register review and identification of strategic risk causes that has not been previously assured through internal audit. The new audits and their relevant strategic causes are listed below:

3.10.1 Budgetary Control Audit

Relevant Causes in the Strategic Risk Register (SR5):

- Unplanned spending

3.10.2 Business Continuity Audit

Relevant Causes in the Strategic Risk Register (SR1&8):

- Lack of plans and procedures to inform response strategies when a business continuity or emergency event occurs
- Lack of communication/training for relevant staff required to respond to business continuity and emergency events

- Information to facilitate action during business continuity or emergency events is insufficient or not available
- Impact of climate change on weather patterns
- COVID-19 pandemic
- Inadequate procedures and plans in place to prevent incidents
- Inadequate valuation of assets or inaccurate depreciation
- Inadequate planning for infrastructure repairs or upgrades
- Business Continuity / Disaster Recovery Plans not tested or properly documented

3.10.3 By-laws Management and Enforcement Process Audit

Relevant Causes in the Strategic Risk Register (SR5):

- Inadequate management, monitoring or testing
- Animal/vermin infestation
- Noxious plants
- Failure of waste disposal contractor to meet contractual obligations.

3.10.4 Community Consultation Process Audit

Relevant Causes in the Strategic Risk Register (SR10):

- Failure to undertake legislative requirements
- Lack of or ineffective community consultation and engagement

3.10.5 Community Perception Survey Effectiveness Audit

Relevant Causes in the Strategic Risk Register (SR10):

- Elected Member cohesion
- Lack of or ineffective community consultation and engagement
- Failure to deliver services expected by the community
- Customer service is not properly monitored or managed
- Not meeting strategic objectives

3.10.6 Economic Development Initiatives Effectiveness Audit - Polaris Centre

Relevant Causes in the Strategic Risk Register (SR10):

- Failure to deliver successful projects
- Failure to deliver services expected by the community
- Not meeting strategic objectives

3.10.7 Environmental Sustainability & Climate Change Risk Management Audit

Relevant Causes in the Strategic Risk Register (SR10):

- Business plans fail to adequately address evolving impacts of climate change
- Lack of plans and procedures to inform response strategies when climate change related event occurs
- Information to facilitate action is insufficient or not available
- Lack of communication and/or training for relevant staff
- Impact of climate change on weather patterns (e.g. more heatwaves, decreased precipitation, increased severity of drought, more intense rain and storms, increased mean sea level)
- Inadequate monitoring plans and testing of recycled water systems

- Weather events contribute to a recycled water system contamination event
- Lack of asset management or maintenance
- Inadequate understanding of and planning for factors impacting the environment
- Inadequate understanding of and planning for the impact of climate change on infrastructure and assets
- Failure to consider environmental consequences when planning and designing infrastructure
- Insufficient modelling of weather events used within Asset Management PLanning
- Inadequate infrastructure to manage stormwater and sea level rises
- Coastal inundation and impact on biodiversity
- Failure to update Asset Management Plans
- Lack of adequate resourcing for climate and environmental sustainability

3.10.8 Independent Post Implementation Audit of Major Projects Audit

Relevant Causes in the Strategic Risk Register (SR6):

- Failure to consistently conduct Post Implementation Reviews and measure benefits realization

3.10.9 Internal Communication & Public Media Release Audit

Relevant Causes in the Strategic Risk Register (SR10):

- Government inquiry
- Negative media interest
- Inadequate capability and capacity (e.g. workforce plans, training and development, technology, systems)

3.10.10 Investment Decision Making Process Audit

Relevant Causes in the Strategic Risk Register (SR5):

- Poor investment decision making
- Failure to encourage investment in the City
- Unknown consequences of new infrastructure provision from other levels of government or private sector investment

3.10.11 KPIs and Performance Management Audit

Relevant Causes in the Strategic Risk Register (SR6):

- Limited meaningful corporate performance indicators in place
- Inconsistent reporting and data collection of corporate performance indicators
- Customer service is neither monitored nor managed

3.10.12 Performance Review of Strategic Business Units

Relevant Causes in the Strategic Risk Register (SR6):

- Failure to monitor organisational performance against stakeholder expectations and to take action when necessary to correct it

3.10.13 Property Maintenance Audit

Relevant Causes in the Strategic Risk Register (SR1):

- Lack of asset management and maintenance

3.10.14 Rates Setting Process Audit***Relevant Causes in the Strategic Risk Register (SR5):***

- Inadequate revenue and a failure to maximise revenue from all sources
- Introduction of draft legislation regarding rate capping
- Fraud, misconduct or maladministration
- Changes to legislation/obligations imposed by other levels of government
- Potential new revenue streams/opportunities are not fully investigated
- Council ultimately becomes financially unsustainable
- City revenue has to be raised increasingly through more traditional methods (rate rises)
- Financial cost associated with falling rates revenue or increasing bad or doubtful debts

3.10.15 Social Infrastructure Assessment Framework Audit***Relevant Causes in the Strategic Risk Register (SR4):***

- Failure to monitor and forecast demographic changes in the City and adjust objectives and plans accordingly
- City Plan becomes obsolete or fails to anticipate the financial impact of demographic changes
- Failure to maintain a social infrastructure plan for the existing and future assets

3.10.16 Training & Competency Effectiveness Audit***Relevant Causes in the Strategic Risk Register (SR6&8):***

- Inadequate capability and capacity (e.g. workforce plans training and development, technology, systems etc.)
- Failure to support the skill set of individuals responsible for the delivery of business systems

Indicative scopes for these new audits will be prepared when they are agreed in principle to be included in the 3 year internal audit plan.

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 April 2021.
- 4.2 This report seeks Audit Committee's feedback, comments and priority on the new potential audits identified as a result of Strategic Risk Register review, and endorsement of the proposed 3 year Internal Audit Plan 2021/22 to 2023/2024 and accompanying high level indicative scope for pending audits.

CO-ORDINATION

Officer:	IA&RC	Executive
Date:	02/07/2021	5/07/2021

[illegible]

Item 7.1.6 - Attachment 1 - Strategic Risk Register Mapping to Internal Audits

City of Los Angeles - Department of Public Works									
Task 1: Risk Identification				Task 2: Risk Assessment				Task 3: Risk Mitigation	
Item ID	Item Type	Item Category	Risk Description	Item Status	Item Priority	Item Impact	Item Mitigation	Item Status	Item Date
1	Task	Task 1: Risk Identification	Identify and document all risks associated with the project, including risks to the project's success, the organization's reputation, and the community's well-being.	Identified	High	High	Identified	Identified	Identified
2	Task	Task 2: Risk Assessment	Assess the likelihood and potential impact of each risk identified in Task 1.	Assessed	High	High	Assessed	Assessed	Assessed
3	Task	Task 3: Risk Mitigation	Develop and implement a risk mitigation plan to address the risks identified in Task 1 and Task 2.	Mitigated	High	High	Mitigated	Mitigated	Mitigated
4	Task	Task 4: Risk Monitoring	Monitor the project's progress and the effectiveness of the risk mitigation plan.	Monitored	High	High	Monitored	Monitored	Monitored
5	Task	Task 5: Risk Reporting	Report the project's progress and the effectiveness of the risk mitigation plan to the project's stakeholders.	Reported	High	High	Reported	Reported	Reported
6	Task	Task 6: Risk Review	Review the project's progress and the effectiveness of the risk mitigation plan at the end of the project.	Reviewed	High	High	Reviewed	Reviewed	Reviewed
7	Task	Task 7: Risk Closure	Close the project and the risk mitigation plan.	Closed	High	High	Closed	Closed	Closed
8	Task	Task 8: Risk Archiving	Archive the project's progress and the effectiveness of the risk mitigation plan.	Archived	High	High	Archived	Archived	Archived
9	Task	Task 9: Risk Communication	Communicate the project's progress and the effectiveness of the risk mitigation plan to the project's stakeholders.	Communicated	High	High	Communicated	Communicated	Communicated
10	Task	Task 10: Risk Evaluation	Evaluate the project's progress and the effectiveness of the risk mitigation plan.	Evaluated	High	High	Evaluated	Evaluated	Evaluated
11	Task	Task 11: Risk Mitigation Plan Development	Develop a risk mitigation plan to address the risks identified in Task 1 and Task 2.	Developed	High	High	Developed	Developed	Developed
12	Task	Task 12: Risk Mitigation Plan Implementation	Implement the risk mitigation plan to address the risks identified in Task 1 and Task 2.	Implemented	High	High	Implemented	Implemented	Implemented
13	Task	Task 13: Risk Mitigation Plan Monitoring	Monitor the project's progress and the effectiveness of the risk mitigation plan.	Monitored	High	High	Monitored	Monitored	Monitored
14	Task	Task 14: Risk Mitigation Plan Reporting	Report the project's progress and the effectiveness of the risk mitigation plan to the project's stakeholders.	Reported	High	High	Reported	Reported	Reported
15	Task	Task 15: Risk Mitigation Plan Review	Review the project's progress and the effectiveness of the risk mitigation plan at the end of the project.	Reviewed	High	High	Reviewed	Reviewed	Reviewed
16	Task	Task 16: Risk Mitigation Plan Closure	Close the project and the risk mitigation plan.	Closed	High	High	Closed	Closed	Closed
17	Task	Task 17: Risk Mitigation Plan Archiving	Archive the project's progress and the effectiveness of the risk mitigation plan.	Archived	High	High	Archived	Archived	Archived
18	Task	Task 18: Risk Mitigation Plan Communication	Communicate the project's progress and the effectiveness of the risk mitigation plan to the project's stakeholders.	Communicated	High	High	Communicated	Communicated	Communicated
19	Task	Task 19: Risk Mitigation Plan Evaluation	Evaluate the project's progress and the effectiveness of the risk mitigation plan.	Evaluated	High	High	Evaluated	Evaluated	Evaluated
20	Task	Task 20: Risk Mitigation Plan Mitigation	Mitigate the risks identified in Task 1 and Task 2.	Mitigated	High	High	Mitigated	Mitigated	Mitigated

[illegible]

[illegible]

[illegible]

[illegible]

City of Salisbury 3 Year Internal Audit Plan 2021/22 - 2023/24

Audit Title	Audit Title and Summary Description	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	Relevance to Risk			Rationale for Inclusion	Internal Key Stakeholder/Department Responsible	Review Update (on 13 July 2021)
									Risk Description	Inherent Risk	Residual Risk			
Corporate Credit Card Audit	Corporate Credit Card Audit is to provide assurance that the corporate credit cards are used efficiently and effectively as per GDS Purchase Card Guidelines.								Purchasing cards may be used for personal benefit, other than business use, which may lead to financial and reputation risk.	High	High	Following the Auditor General's report 4 of 2020 titled "Examination of credit card use and management: The Council's Credit Card" and the recommendations, the GDS wanted to ensure our performance against the observations identified and to ensure an independent detailed review of our controls in place in the use and management of our purchasing cards and determine efficiency and effectiveness of our controls and identify any gaps and areas for improvement.	People & Culture; Business Systems and Solutions; Financial Services and Strategic Procurement.	Completed in December 2021 Reviewed by Audit Committee in December 2021
Trade Card and Trading Account Audit	Trade Card and Trading Account Audit is to provide assurance that the Trade Card (Business Cards) and Trading Accounts (Banking and Debt) are used efficiently and effectively as per GDS Procurement Policy.								Trade cards and Trading Account may be used for personal benefit, other than business use, which may lead to financial and reputation risk.	High	High	Administration decided to take up this audit along with the Purchasing Card audit, as the Trade Card and Trading Account usage has similar aspects that may be subject to misuse and fraud, and an independent assurance review has not been performed in the past to ensure that the Cards are used effectively for business use.	People & Culture; Business Systems and Solutions; Financial Services; Field Services; Property & Building and Strategic Procurement.	Completed in December 2021 Reviewed by Audit Committee in December 2021
Legislative compliance Audit	Legislative compliance Assurance that the policies and processes in place ensure compliance with relevant legislation.								Effective governance results in the provision of services which do not meet community expectations.	High	Medium	A need for this audit is derived from risk 7 of the City's Strategic Risk Register, "Governance frameworks, systems and processes are inadequate to ensure robust decision making". The impact of this could lead to a failure in meeting legislative requirements. Failure to meet legislative compliance obligations may lead to financial penalties and/or government or regulatory intervention, in addition to reputational damage.	All Divisions	Completed in December 2021 Reviewed by Audit Committee in December 2021
Complaint Handling Audit	Complaint Handling Assurance that processes provide for comprehensive, organisation wide handling of complaints								Effective governance results in the provision of services which do not meet community expectations.	High	Medium	As per the GDS Act 1999, GDS has a mandatory requirement to have a Complaints Handling Procedure. The objective of this audit is to provide assurance that the City's Complaints Handling Procedure is robust, and ensure that the processes for handling and managing complaints are efficient and effective.	Community Capacity & Learning; Governance; Strategic Development; Property & Building and Communications & Customer Relations.	Completed in December 2021 Reviewed by Audit Committee in December 2021
Event Incident Management Framework Audit	Event Incident Management Framework Assurance on the adequacy of the City of Salisbury Incident Management Framework								Inadequate response to a business emergency or emergency event, or major incident in a Council run Community event.	Very High	High	GDS 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's Incident Management Framework and the current processes, risk management and controls to mitigate the risks to staff and community.	People & Culture; Community Planning & Vitality; Community Capacity & Learning; Governance and Communications & Customer Relations.	Report released for presentation to July 2021 AGM.
Capital Works Projects Audit	Capital Works Projects Assurance on the effectiveness of the processes that are in place to manage risks on capital works projects.								Effective governance results in the provision of services which do not meet community expectations.	High	Medium	The City undertakes approximately 700 capital works projects with a value exceeding £40m each year, and this audit is aimed to provide assurance that risks are being managed effectively in the delivery of capital works projects.	Economic Development & Urban Policy; Infrastructure Delivery & Management; Strategic Development; Projects; Financial Services; Property & Building	Completed in December 2021 Reviewed by Audit Committee in December 2021
Volunteers Audit	Volunteers Audit is to provide assurance on the established processes in relation to the management of volunteers. Areas of focus will be recruitment, management, grievance, induction, acknowledgement.								Effective governance results in the provision of services which do not meet community expectations.	High	Medium	Volunteers are a major personnel resource utilized by the City to assist with the delivery of community programs and services. The failure to properly manage volunteers may result in service interruption, financial impact and reputational risk. This review is intended to provide assurance that the processes for managing volunteers are robust.	People & Culture; Community Planning & Vitality; Community Capacity & Learning; Governance; Financial Services	Completed in December 2021 Reviewed by Audit Committee in December 2021

City of Salisbury 3 Year Internal Audit Plan 2021/22 - 2023/24

Audit Title	Audit Title and Summary Description	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	Relevance to Risk			Rationale for Inclusion	Internal Key Stakeholders / Divisions Impacted	Status Update (as at 13 July 2021)
								Risk Description	Inherent Risk	Residual Risk			
Fleet and Heavy Vehicle Management Audit	Fleet and Heavy Vehicle Management This audit is to provide assurance that the the established governance and risk management is sufficiently robust to protect and ensure the viability of the fleet and heavy vehicles assets.							City of Salisbury financial sustainability is compromised by internal decisions and / or external events.	High	Medium	The City owns and operates a significant fleet of vehicles. There is a risk that the mismanagement of this fleet causes liabilities 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.	People & Culture; Community Engagement; Economic Development & Urban Policy; Strategic Development Projects; Financial Services; Field Services; and Strategic Procurement.	Minor work, mostly vehicle and insurance assets, health and safety management. Commenced 2021 by August/September.
Payroll Audit	Payroll 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.							City of Salisbury financial sustainability is compromised by internal decisions and / or external events.	High	Medium	The payroll administration function has stringent legislative (including Payroll Tax Act 2005) 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 controls 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 the cost fair value of payroll expenditure reflected on the financial statements and the internal control assessment is often not reviewed in greater depth and breadth with expected detailed testing of the payroll process and controls as it done in a typical external 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.	People & Culture; and Financial Services	City of Salisbury Strategic Regional Review. We intend to commence from 1st April and complete internal audit program by August/Sept.
Procurement Audit	Procurement To provide assurance that the the procurement process has sufficient established governance and risk management to prevent a strain on council's ongoing sustainability.							City of Salisbury financial sustainability is compromised by internal decisions and / or external events.	High	Medium	The City has legislative obligations under the Act, to have policies for contracts and tenders incorporating outsourcing services, competitive tenders to ensure services are delivered cost effectively, the use of local goods and services and the use and disposal of land and other assets. This audit is to provide assurance that the procurement process has sufficiently robust governance and risk management controls 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.	People & Culture; Business Systems and Solutions; Infrastructure Delivery & Management; Field Services; and Financial Services.	City of Salisbury Strategic Regional Review. We intend to commence from 1st April and complete internal audit program by August/Sept.

City of Sydney 3 Year Internal Audit Plan 2021/22 - 2023/24

Audit Title	Audit Title and Summary Description	Governance Framework	Economic Impact	Social Inclusion	Cultural Heritage	Environmental Sustainability	Risk Rating	Narrative Risk Description	Inherent Risk	Residual Risk	Rationale for Evaluation	Internal Key Stakeholder / Document Impacted	Status Update (as at 15 Jun 2021)
Cyber Security Audit To provide assurance that governance and risk management is sufficient to mitigate the likelihood and impact of a cyber attack incident.	Cyber Security To provide assurance that governance and risk management is sufficient to mitigate the likelihood and impact of a cyber attack/incident.						B	Lack of alignment and integrity of IT systems and data to support service delivery. Cyber risks are regarded 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's information system. 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 minimise the impact of a cyber attack, if/when it occurs.	High	High		Business Systems and Solutions and Financial Services	The findings indicate that while there have been some improvements since the last year, overall the current state of cybersecurity remains inadequate. The audit identified several weaknesses in the current framework, particularly around policy development, asset management, vulnerability assessment, incident response planning and testing, and staff awareness training. These weaknesses could potentially result in significant harm to the Council's operations and its ability to deliver services effectively.
Strategic reporting process Audit	Strategic reporting process Assurance on the processes and controls in place, specifically in relation to the City Plan, Business Planning and Annual Planning.						D	Ineffective governance results in the provision of services which do not meet community expectations.	High	Medium	City of Sydney has established its strategic plan, City Plan 2036, covering its 4 strategic key directions, followed by critical actions and performance indicators for the next five to long term. The audit will review the strategic reporting processes including but not necessarily limited to reporting on the City Plan 2036, and other relevant plans including Annual Plan and Business Plans.	People & Culture; Governance; Business Systems and Solutions; Environmental Health & Safety; Financial Services Communications & Customer Relations and Strategic Procurement	The audit found no material issues or concerns related to the strategic reporting process.
IT Disaster Recovery Audit	IT Disaster Recovery 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 false loss.						C	Lack of alignment and integrity of IT systems and data to support service delivery	Very High	High	The information contained within the City's critical core systems is significant. The ability to promptly recover data is crucial to prevent service interruptions to those core 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 generation of service disruption.	Community Engagement; Economic Development & Urban Policy and Business Systems and Solutions.	This internal audit was conducted under the IIAA and was completed successfully.
Independent External Review of Internal Audit Function	Independent External Review of Internal Audit Function Audit is to provide assurance that the IA function has appropriate policies and procedures, systems and process in place to ensure that audits of high-quality standards are performed, reported and communicated consistently to relevant stakeholders, to add value to the COS objectives effectively and efficiently.						H/A	Internal control, risks and governance measures are not adequately planned and systematically managed to ensure the implementation of proactive and reactive controls to achieve COS goals and objectives efficiently and effectively, and internal audit engagements performed are not up-to expected quality standards and not adding value for business excellence improvement.	High	High	As per the Attribute Standard 2382 of The Institute of Internal Auditors' (IIA) 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 2015, the next review is due in 2020.	People & Culture; Governance and Financial Services.	The external audit was completed successfully and the findings were addressed.

City of Salisbury 3 Year Internal Audit Plan 2021/22 - 2023/24

Audit Title	Audit Title and Summary Description	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	Relevance to Risk			Rationale for Inclusion	Internal Key Stakeholder / Delivery Department	Status Update (as at 11 July 2021)
								Risk Description	Inherent Risk	Residual Risk			
Data Governance Audit	Data Governance Assurance that City of Salisbury data governance processes ensure adequate protection of information and effective data management required to meet business needs.							CR16: Ineffective governance results in the provision of services which do not meet community expectations. (High / Medium) SR18: Lack of alignment and integrity of IT systems and data to support service delivery (High / High)	High	Medium	There is the risk that City's data management processes could result in loss of data or the inability to utilise the data. This review will provide assurance regarding the adequacy of protection of City of Salisbury information.	People & Culture; Community Experience; Economic Development & Urban Policy; Business Systems and Solutions; Financial Services and Communications & Customer Relations.	On completion, recommendations for January 2022.
Post Implementation Review of The Hub	Post Implementation Review of The Hub The post Hub review is to provide assurance that the full benefits have been realised.							City of Salisbury financial sustainability is compromised	High	High			Completed (Post Hub Review agreed to Audit Committee Meeting)
High Value & Portable Asset review	High Value & Portable Asset review Audit is to provide assurance that the established governance and risk management is sufficiently robust to manage and protect these assets.							City of Salisbury financial sustainability is compromised by internal decisions and / or external events.	High	Medium	The City 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 capital cost impact. This review is to provide assurance that the established governance and risk management is robust to protect the viability of these assets.	People & Culture; Community Experience; Economic Development & Urban Policy; Infrastructure Delivery & Management; Business Systems and Solutions; Financial Services and Strategic Procurement.	Completed (Recommendations for March 2022)
IT Investment Strategy Audit	IT Investment Strategy Audit is to provide assurance that the strategy around IT investment is sufficiently robust to support the current business requirements and continuous improvement initiatives.							Link of alignment and integrity of IT systems and data to support service delivery	Very High	High	The City has significant reliance upon technology to maintain and drive business requirements and efficiency gains. Failure to correctly manage the future IT capabilities and offerings may impact the City of Salisbury with inefficient processes, legacy IT issues and lagging IT systems leading to inefficiencies, financial impact, service interruption and inability to maximise 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.	Governance; Economic Development & Urban Policy; Business Systems and Solutions; Financial Services and Strategic Procurement	On completion, recommendations for 2022.
Tree Management Framework Audit	Tree Management Framework Audit Provide assurance that CCS 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.							Failure to manage the impact of environmental and social factors on Council infrastructure, assets and services	High	Medium	The City has a street tree population of over 70,000, made up of more than 70 different species, within its streetscape, parks and open spaces including reserves and wetlands, which contribute to the City's Vision 2030 'Remaining Our Environment' and Key Objective 3 'The Living City' in our City Plan 2025. A replacement value of approximately \$2.4m for trees is included within asset class 'Roads, Bridges and Footpaths' in the Audited General Statements for 2020/21. CCS has an ongoing Street Tree Renewal Program that aims to renew about 3,000 trees each year. To ensure the sustainability of this strategy, CCS 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's Tree Management Framework is adequate and implemented effectively.	Community Planning & Welfare; Community Experience; Economic Development & Urban Policy; Environmental Health & Safety; Financial Services; Communications & Customer Relations and Field Services.	Completed (Recommendations for 2022)

City of Salisbury 3 Year Internal Audit Plan 2021/22 - 2023/24

Audit Title	Audit Title and Summary Description	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	Relevance to Risk			Rationale for Inclusion	Internal Key Stakeholder / Delivery Requirement	Status Update (as at 13 July 2021)
								Risk Description	Inherent Risk	Residual Risk			
Fraud and Corruption Prevention Control Audit	Fraud and Corruption Prevention Control Audit 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.							City of Salisbury financial sustainability is compromised by internal decisions and/or external events.	High	Medium	The revised Fraud and Corruption Prevention and Management Policy states that the City 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 central environment, system, process, and stakeholders involved, the emergence of newer risks 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 also 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.	All Directors	Completed through 1. Approved Recommendation to Year 2021 (including covering existing and emerging risks).
Grants Management Audit	Grants Management Audit Provide assurance that the grants payable 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 2025.							SRSS: City of Salisbury financial sustainability is compromised by internal decisions and/or external events. SRSS: Ineffective governance results in the provision of services which do not meet community expectations.	High	Medium	The City often many grants to encourage develop and support community projects. City often many different categories of grants available for a broad range of activities with a business or community focus, as listed on its website. This audit is to provide assurance that the grants payable 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 2025.	Community Planning & Welfare Community Capacity & Learning Community Experience Infrastructure Delivery & Management Economic Development & Urban Policy Financial Services and Communications & Customer Relations	Completed through 1. Approved Recommendation to Year 2021 (including covering existing and emerging risks).

City of Salisbury 3 Year Internal Audit Plan 2021/22 - 2023/24







Audit Title	Audit Title and Summary Description	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	Relevance to Risk			Rationale for Inclusion	Internal Key Stakeholders / Delivery Requirement	Status Update (as at 13 July 2021)
							Risk Description	Inherent Risk	Residual Risk			
Revenue and Debtors Audit	Revenue and Debtors Audit Ensure that there are no revenue leakage, 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.						City of Salisbury financial sustainability is compromised by internal decisions and/or external events.	High	Medium	The City has recorded a total revenue of \$122.31m for FY2021/22 (\$125.59m for FY2020/21), of which 40% is from Rates, 15% from Grants, Subsidies and Contributions, and remaining 45% from fees, and other chargeable items. City of Salisbury has pre-agreed chargeable price amounts for Rates, Grants, Fees, Fines, concessions, rebates etc. used for invoicing purposes for the respective years. Debtors collected on the Statement of Financial Position under Trade and Other Receivables amounts to \$2.07m for FY2021/22 (\$1.59m for FY2020/21). 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 figures reflected on the financial statements and the internal control environment 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 leakage, 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.	Business & Admin Support and Financial Services	High Impact (Community & Economy)
Risk Management Audit	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.						All Salisburys Risks in the Strategic Risk Register	High	High	Risk Management being an integral part of our organisational process, this is one of the essential areas to incorporate in the Internal Audit Plan and reviewing 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 are operating effectively.	All Divisions	Low Impact (Community & Economy)
Segregation of Duties & User Access Controls Audit	Segregation of Duties & User Access Controls Audit Ensure that segregation of duties and appropriate user access controls are in place, and signs 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.						City of Salisbury financial sustainability is compromised by internal decisions and/or external events Lack of alignment and integrity of IT systems and data to support service delivery	High High	Medium High	The City 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 created 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 reduce potential fraud and as an effective risk management measure to ensure that necessary demonstration 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 signs 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.	All Divisions	Low Impact (Community & Economy) Low Impact (Community & Economy)

City of Salisbury 3 Year Internal Audit Plan 2021/22 - 2023/24

Audit Title	Audit Title and Summary Description	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	Relevance to Risk			National or International	Internal Key Stakeholder / Delivery Impact	Status Update (as at 13 July 2021)
									Risk Description	Inherent Risk	Residual Risk			
Budgetary Control Audit									City of Salisbury financial sustainability is compromised by internal decisions and / or external events.	High	Medium	Strategic Risk Register Review lead to identification of Risk Causes and Factors, that have not been assessed through internal audit testing in the past.	YSC	New Audit - from Strategic Risk Register Review
Business Continuity Audit									City inadequate response to a business continuity or emergency event, or major incident at a Council run community asset.	Very High (High)	High	Strategic Risk Register Review lead to identification of Risk Causes and Factors, that have not been assessed through internal audit testing in the past.	YSC	New Audit - from Strategic Risk Register Review
By-Laws Management and Enforcement Process Audit									Lack of management of public and environmental health risks	High	High	Strategic Risk Register Review lead to identification of Risk Causes and Factors, that have not been assessed through internal audit testing in the past.	YSC	New Audit - from Strategic Risk Register Review
Community Consultation Process Audit									City of Salisbury reputation suffers due to services provided not meeting community needs	High	Medium	Strategic Risk Register Review lead to identification of Risk Causes and Factors, that have not been assessed through internal audit testing in the past.	YSC	New Audit - from Strategic Risk Register Review
Community Perception Survey Effectiveness Audit									City of Salisbury reputation suffers due to services provided not meeting community needs	High	Medium	Strategic Risk Register Review lead to identification of Risk Causes and Factors, that have not been assessed through internal audit testing in the past.	YSC	New Audit - from Strategic Risk Register Review
Economic Development Initiatives Effectiveness Audit - Polaris Centre									City of Salisbury reputation suffers due to services provided not meeting community needs	High	Medium	Strategic Risk Register Review lead to identification of Risk Causes and Factors, that have not been assessed through internal audit testing in the past.	YSC	New Audit - from Strategic Risk Register Review
Environmental Sustainability & Climate Change Risk Management Audit									City Failure to manage the impact of environmental and social factors on Council infrastructure, assets and services into Climate Change negatively impacts on City of Salisbury's operations, infrastructure, services and the community. Failure to adapt to climate change.	High / Very High	Medium / High	Strategic Risk Register Review lead to identification of Risk Causes and Factors, that have not been assessed through internal audit testing in the past.	YSC	New Audit - from Strategic Risk Register Review
Independent Post Implementation Audit of Major Projects									Effective governance results in the provision of services which do not meet community expectations.	High	High	Strategic Risk Register Review lead to identification of Risk Causes and Factors, that have not been assessed through internal audit testing in the past.	YSC	New Audit - from Strategic Risk Register Review
Internal Communication & Public Media Release Audit									City of Salisbury reputation suffers due to services provided not meeting community needs	High	Medium	Strategic Risk Register Review lead to identification of Risk Causes and Factors, that have not been assessed through internal audit testing in the past.	YSC	New Audit - from Strategic Risk Register Review
Investment Decision Making Process Audit									City of Salisbury financial sustainability is compromised by internal decisions and / or external events.	High	Medium	Strategic Risk Register Review lead to identification of Risk Causes and Factors, that have not been assessed through internal audit testing in the past.	YSC	New Audit - from Strategic Risk Register Review
KPIs and Performance Management Audit									Effective governance results in the provision of services which do not meet community expectations.	High	High	Strategic Risk Register Review lead to identification of Risk Causes and Factors, that have not been assessed through internal audit testing in the past.	YSC	New Audit - from Strategic Risk Register Review
Performance Review of Strategic Business Units									Effective governance results in the provision of services which do not meet community expectations.	High	High	Strategic Risk Register Review lead to identification of Risk Causes and Factors, that have not been assessed through internal audit testing in the past.	YSC	New Audit - from Strategic Risk Register Review

City of Salisbury 3 Year Internal Audit Plan 2021/22 - 2023/24

Audit Title	Audit Title and Summary Description	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	Relevance to Strategic Objectives	Relevance to Risk			Rationale for Inclusion	Internal Key Stakeholder / Directors Inquiries	Status Update (as at 11 July 2021)
									Risk Description	Inherent Risk	Residual Risk			
Property Maintenance Audit								1	Inadequate response to a business continuity or emergency event, or major incident at a Council run Community event.	Very High	High	Strategic Risk Register Review lead to identification of Risk Causes and Factors, that have not been assessed through internal audit testing in the past.	YSC	Final Audit / Item Closed and Regular Review
Rates Setting Process Audit								2	City of Salisbury financial sustainability is compromised by internal decisions and / or external events.	High	Medium	Strategic Risk Register Review lead to identification of Risk Causes and Factors, that have not been assessed through internal audit testing in the past.	YSC	Final Audit / Item Closed and Regular Review
Social Infrastructure Assessment Framework Audit								3	Failure to manage the impact of environmental and social factors on Council infrastructure, assets and services	High	Medium	Strategic Risk Register Review lead to identification of Risk Causes and Factors, that have not been assessed through internal audit testing in the past.	YSC	Final Audit / Item Closed and Regular Review
Training & Competency Effectiveness Audit								4	Skills inadequate response to a business continuity or emergency event, or major incident at a Council run Community event. Skills ineffective governance results in the provision of services which do not meet community expectations. Skills lack of alignment and integrity of IT systems and data to support service delivery	Very High; High; High; High	High; Medium; High	Strategic Risk Register Review lead to identification of Risk Causes and Factors, that have not been assessed through internal audit testing in the past.	YSC	Final Audit / Item Closed and Regular Review

	Presented to Audit Committee Meetings in 2021/22
	Audit Completed and Currently Being Presented to Audit Committee
	Audit Commencement Planned for a Future Period
	Proposed New Audit
	Ongoing Audit
	Removed from Plan

INDICATIVE SCOPES FOR PENDING AUDITS - INTERNAL AUDIT PLAN 2021-2023

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

1. FLEET , HEAVY VEHICLES MANAGEMENT AND PORTABLE ASSETS AUDIT

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.
- 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.

2. CYBER SECURITY IMPLEMENTATION PROJECT PRE-IMPLEMENTATION AUDIT

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

- Perform a needs assessment for the Cybersecurity Improvement Program to determine gap and priority areas.
- Give an opinion on the adequacy of the Cybersecurity Improvement Program design and implementation plan.
- Identify any gaps or areas for improvements in the approach, design and implementation strategy of the Cybersecurity Improvement Program.
- Make recommendations to enhance the delivery and effectiveness of the Cybersecurity Improvement Program, including action priorities to strengthen the cybersecurity control environment.

As part of the needs assessment for the Cybersecurity Improvement Program, a high level review of COS's cybersecurity control environment factors should be assessed, including (but not limited to the) following objectives / areas:

- Identify any new policies and procedures that need to be developed as part of the Cybersecurity Improvement Program.
- Ensure that the City has appropriate policies and procedures relating to the selection and implementation of Information Systems Communication Technology (ICST) services provided by external parties, including software as a service, platform as a service and all externally hosted solutions.
- Ensure that the City complies with key statutory and regulatory requirements related to cyber security.
- Ensure that security standards are established and rolled out across the organization and are consistent with best practice industry standards that are relevant to the size and scale of COS's operation.
- Identify critical infrastructure and systems for performing vulnerability assessments including penetration testing to ensure controls are designed adequately and implemented effectively, and prioritised appropriately within the Cybersecurity Improvement Program.
- Determine the need, if any, for social engineering testing as part of the COS's cybersecurity strategy and establish the level of incorporation within the Cybersecurity Improvement Program.
- Ensure that COS's data security and information security controls are adequate and implemented effectively.
- Ensure that Cybersecurity risks arising from/within information systems held at 3rd party premises where COS data/information is stored and passed through, are appropriately managed.
- Ensure that COS's current insurance policies cover cybersecurity breaches and risks adequately.
- Ensure that previous internal audit and review findings are implemented within the agreed timelines.

Disaster recovery plan and business continuity plan testing is beyond the scope of this audit as these are scheduled as part of a separate audit.

3. STRATEGIC REPORTING PROCESS AUDIT

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.

4. IT DISASTER RECOVERY AUDIT

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.

5. INDEPENDENT EXTERNAL REVIEW OF INTERNAL AUDIT FUNCTION

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.

6. DATA GOVERNANCE AUDIT

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 sharing, data security and data risk management are adequate and implemented effectively.

7. IT INVESTMENT STRATEGY

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.

8. TREE MANAGEMENT FRAMEWORK AUDIT

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.

9. FRAUD AND CORRUPTION PREVENTION CONTROL AUDIT

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

10. GRANTS MANAGEMENT AUDIT

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.

11. RISK MANAGEMENT AUDIT

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.

PS. Indicative scopes for these new audits will be prepared when they are agreed in principle to be included in the 3 year internal audit plan.

ITEM	7.1.7
	AUDIT COMMITTEE
DATE	13 July 2021
HEADING	Outstanding Actions Arising From Internal Audits
AUTHOR	Hussain Rafeeu, Internal Auditor & Risk Coordinator, CEO and Governance
CITY PLAN LINKS	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	This report provides an update on the outstanding actions arising from previously completed internal audits, including the status update on Contract Management Audit, which was noted as an Audit Committee Action Point from April 2020 Audit Committee meeting. A specific update on this is included under 2.1.

RECOMMENDATION

1. That the Audit Committee endorses the update in this report and the full Internal Audit Log Actions Register in Attachment 1 to this report (Audit Committee, 13/07/2021, Item No.7.1.7) for Council approval.

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

1. Internal Audit Log Actions Register

1. BACKGROUND

- 1.1 This report provides a status update on the outstanding action points from past internal audits, showing a summary position, and numbers by risk rating and the movement of positions since it was last presented to the April 2021 Audit Committee meeting.

2. REPORT

2.1 Update on the Contract Management Audit Report

An Audit Committee action point was noted in the April 2020 meeting, for Administration to report on the **status of the Contract Management Audit**.

A Contract Management Audit was performed by Galpins in December 2019, and reported 7 findings (4 high, 1 medium, 1 low risk rated and 1 better practice).

The implementation of recommendations from this audit was delayed due to resource constraints and with the recruitment of a new Strategic Manager Procurement in March 2021, resolution of these actions triggered at full speed.

As of today, 3 out of 7 findings have been closed and confirmed by Internal Auditor & Risk Coordinator as appropriately resolved. The closed 3 findings are all high risk findings, and there is **only 1 high risk finding remaining now**, which is scheduled to be completed by end of October 2021.

There are 4 findings remaining open, and all have reasonable completion dates agreed. Following is a summary of the actions pending.

1. There is a lack of framework / procedure to provide explicit guidance for contract management (**High Risk**). The remaining action is now to develop a Contract Management Framework.

[**Update:** An external party is now engaged to deliver this, and Manager Strategic Procurement is following up this, with the aim of completing it by 31/10/2021].

2. There is opportunity to strengthen record-keeping in relation to contracts (**Medium Risk**). Recommendation was to ensure that staff obtain and record quotations in relation to pieces of work conducted under contract; remind staff of the importance of obtaining and recording quotations for individual pieces of work (where required), and to 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.

[**Update:** It was agreed that once CM Framework document, tools/templates, policy completed, and then internal training and awareness sessions for key internal stakeholder groups will be undertaken to resolve this finding. Targeted to be completed by 31/10/2021].

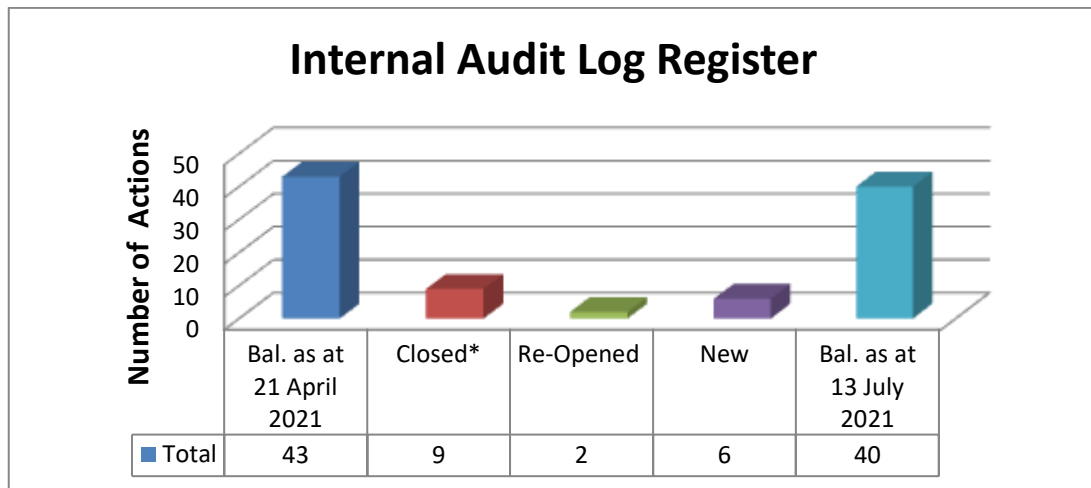
3. There is a need for standardised storage of policies, procedures and contract documentation (**Low Risk**). Recommendation was to implement a process to ensure that policy, procedural and contract documentation is stored in one consistent location, with desirable features including approval process, capturing metadata, standard naming conventions, use of standard templates etc.

[**Update:** This areas will get resolved with the implementation of the new CM Framework, to be completed by 31/10/2021].

4. There is a need to clarify expected processes in relation to contract closure (**Better Practice**).

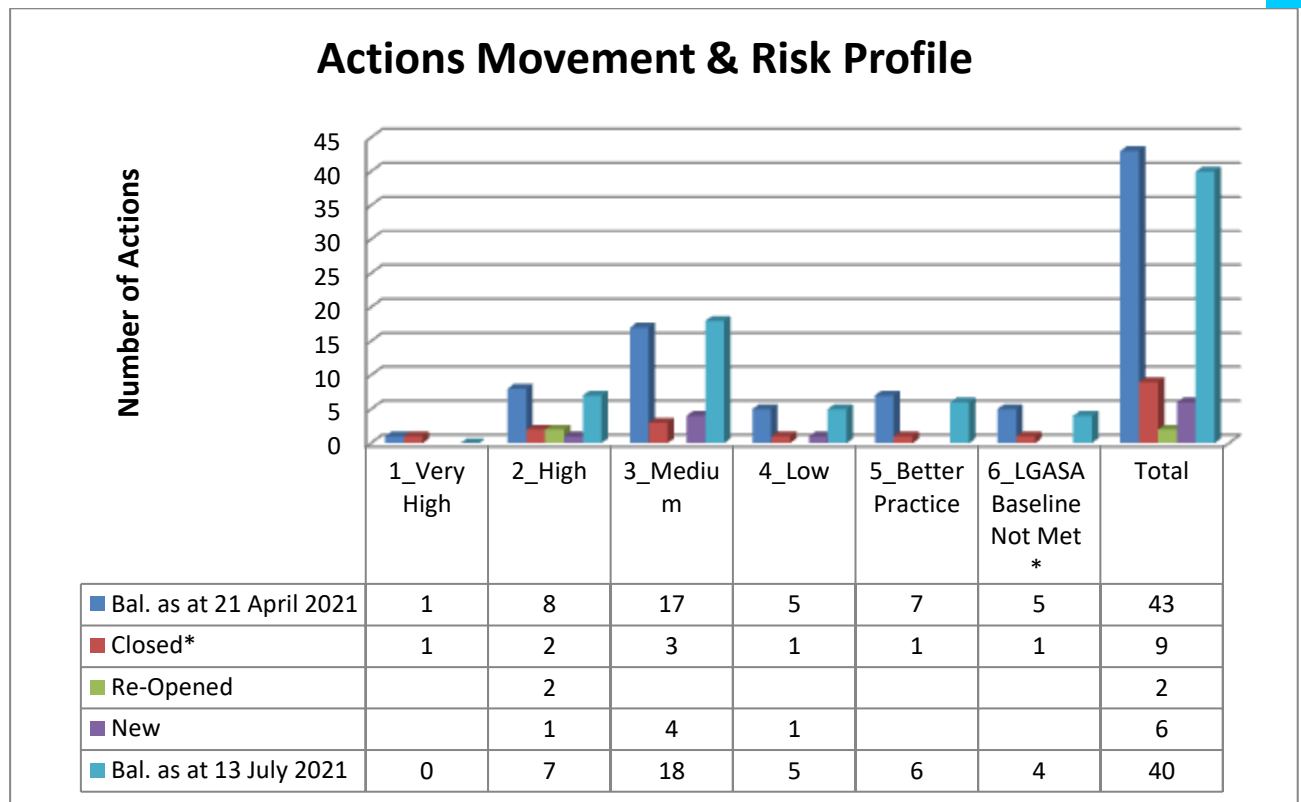
[**Update:** This will get resolved with the development of the new contract management framework, to be completed by 31/10/2021].

- 2.2 A high level summary on **movement of actions** from internal audits are shown below.



2.3 Total number of outstanding Audit actions reported to April 2021 Audit Committee was 43, of which 9 were closed, 2 re-opened and with 6 new additions, the closing balance of tasks to be completed by 13 July 2021 is 40 now.

2.4 The risk profile summary position is shown below.



2.5 The 6 new additions are from the Complaints Handling Process Audit reported to Audit Committee in April 2021.

Closed Actions

2.6 2 high risk tasks that were reported as closed are now Re-opened because there were some actions pending, and they are added back to the pending tasks list. These are related to the Purchase Card Audit, undertaken in October 2020. Administration has been advised on what further supporting documentation and actions required to close these re-opened 2 tasks.

- 2.7 The 9 closed Actions include 1 very high risk, 2 high risk, 3 medium risk, 1 low risk, 1 better practice task and 1 task from the LGASA Risk Revaluation report .
- 2.8 A total of 22 findings from the Outstanding Audit Log register are in closed status now, including 13 reported as closed in April 2021 and 9 additional actions closed upto July 2021.
- 2.9 The City's Internal Auditor & Risk Coordinator tested and confirmed that **all of the 22 closed actions are resolved**. There are no reported closed actions that are currently pending to be tested and validated by the Internal Auditor & Risk Coordinator. These **22 actions summarized in below table** will therefore be removed from the next Audit Committee reporting as they are implemented and verified by the Internal Auditor & Risk Coordinator.

Log #	Report Date	Audit	Risk Rating	Title: Finding/Opportunity for Improvement	Recommendations	Status	Audit Comment as at 13/07/2021
39	30-Oct-20	5. Purchase Card	1_Very High	"Sensitive expenditure" purchased either via creditors or purchase card could cause community concern.	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.	Closed	Resolved.
13	19-Dec-19	2. Asset Management	2_High	2.2 Improving controls to ensure buildings condition assessment and 'fit for purpose' audits are performed on a regular basis.	1. 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).	Closed	Resolved.
18	24-Jan-20	3. Contract Management	2_High	1. There is a need to assign central ownership and to establish governance over contract management within Council	1. 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. 2. 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: <ul style="list-style-type: none"> <input type="checkbox"/> developing high-level contract management guidance <input type="checkbox"/> monitoring select indicators, for example contract performance, trends, risk management approaches, <input type="checkbox"/> promoting/providing training across the organisation on contract management <ul style="list-style-type: none"> <input type="checkbox"/> reporting to a governance committee <input type="checkbox"/> sample-based monitoring of compliance with any established contract management guidelines. 	Closed	Resolved.

Log #	Report Date	Audit	Risk Rating	Title: Finding/Opportunity for Improvement	Recommendations	Status	Audit Comment as at 13/07/2021
21	24-Jan-20	3. Contract Management	2_High	4. There is a need for a consistent approach to ensuring that 'due diligence' documentation is updated throughout the life of contracts	<p>6. 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>7. 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>	Closed	<p>6. Agree with management that this recommendation is not practical. Considered acceptable and closed. Resolved.</p> <p>7. Resolved.</p>
22	24-Jan-20	3. Contract Management	2_High	5. A need for clear staff training and awareness regarding their contract-related WHS responsibilities	<p>10. Review the WHS responsibilities placed on project officers and the Council in relation to WHS and Contractor engagement. Consider and confirm, at a strategic level, the level of responsibility Council wants to accept in managing contractor WHS compliance (note – Audit found that Council currently accepts a high level of responsibility). Confirm the intent of responsibilities for project officers in relation to WHS.</p> <p>11. 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>	Closed	Resolved.
40	30-Oct-20	5. Purchase Card	2_High	2. Variance in Executive's Purchase Card Spending reported on Website compared to actual Purchase Card transactions.	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.	Closed	Resolved.
43	30-Oct-20	5. Purchase Card	2_High	5. Timely acquittal and Reconciliation of Purchase Card Statements.	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.	Closed	Resolved.
15	19-Dec-19	2. Asset Management	3_Medium	2.6 Improving Parks, Streetscapes and Street Trees Renewal processes and maintenance regime	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.	Closed	Resolved.

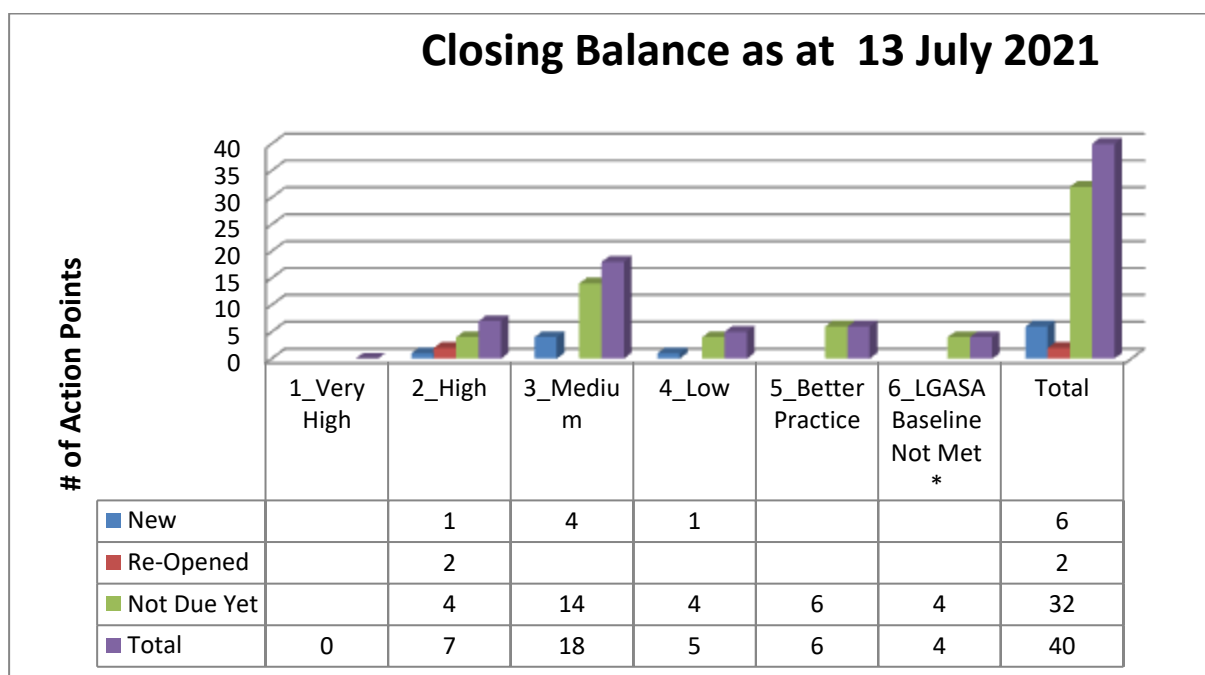
Log #	Report Date	Audit	Risk Rating	Title: Finding/Opportunity for Improvement	Recommendations	Status	Audit Comment as at 13/07/2021
25	03-Aug-20	4. Management of Contaminated Sites	3_Medium	1. Contaminated Sites Register does not currently consider the source, pathway, receptor model when assessing risks related to contaminated sites or the Recycled Water Systems.	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.	Closed	Resolved.
28	03-Aug-20	4. Management of Contaminated Sites	3_Medium	4. Suggested improvements / corrections outlined in the Mockinya Consulting Letter.	<p>Suggested improvements / corrections outlined in the Mockinya Consulting letter should be undertaken, in conjunction with the following:</p> <ul style="list-style-type: none"> • Identification of potential contaminants of concern; • Further consideration regarding the completeness of existing information; • Consideration for inclusion of non-Council owned sites; <ul style="list-style-type: none"> • Inclusion of any active or ongoing monitoring, investigations or management actions currently undertaken at each site; • Breaking down the existing information into general categories to assist in determining the confidence level of each risk assessment. • 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 • 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.) 	Closed	No specific action recommended, considered closed. Resolved.
36	03-Aug-20	4. Management of Contaminated Sites	3_Medium	12. Potential Contaminants of Concern (PCOCs) relating to historic landfilling activities	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.	Closed	Resolved.
45	02-Nov-20	6. Trade Card Review	3_Medium	1. Policies & Procedures on having Financial Delegation & for Trade Card and Trading Account spending	<ol style="list-style-type: none"> 1. COS should ensure that all those who incur expenditure on behalf of the Council have appropriately authorized financial delegations. 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. 	Closed	Resolved.
47	02-Nov-20	6. Trade Card Review	3_Medium	3. Identification Verification of Trade Cardholders / Trade Account Authorised Buyers	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.	Closed	Resolved.

Log #	Report Date	Audit	Risk Rating	Title: Finding/Opportunity for Improvement	Recommendations	Status	Audit Comment as at 13/07/2021
49	02-Feb-21	7. Legislative Compliance	3_Medium	2. Partial compliance with s83(1) & s87(4) - on Council & Committee notice deadline not meeting the 3 clear day requirement	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. 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.	Closed	Resolved.
27	03-Aug-20	4. Management of Contaminated Sites	4_Low	3. Risk Management system lacking a robust mechanism for the system to remain dynamic, iterative, and responsive to change including completion of any outstanding reviews.	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.	Closed	Resolved.
48	02-Feb-21	7. Legislative Compliance	4_Low	1. Partial compliance with s41(9) - on Tree Management Appeals Sub-Committee Reporting to Council	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.	Closed	Resolved.
17	19-Dec-19	2. Asset Management	5_Better Practice	2.8 Improving controls to ensure that capitalisations are processed on a more regular basis and based on 'as constructed' drawings	1. Process capitalisations on a more regular basis (i.e. not concentrating capitalisations towards year end). 2. Base asset capitalisations on 'as constructed' drawings.	Closed	Resolved.
29	03-Aug-20	4. Management of Contaminated Site	5_Better Practice	5. Document Map to contextualise into a Framework	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	Closed	Resolved.
31	03-Aug-20	4. Management of Contaminated Sites	5_Better Practice	7. Revision of The Consequence Descriptors, relating to Environmental Impacts and Reputational Risk	The consequence descriptors particularly relating to the assessment of environmental impacts and reputational risks should be revised to be more prescriptive. Some possible additions to the environmental aspects have been provided below for consideration: <ul style="list-style-type: none"> • Catastrophic – Permanent widespread irreversible impact to land, groundwater or surface water environment; • Major – Significant widespread impact to land, groundwater or surface water environment which can be restored within 5-10 years; • Moderate – Medium term impact to land, groundwater or surface water environment which can be restored within 12 months; • Minor – Localised impact to land, groundwater or surface water environment which can be restored in less than 12 months; and • Insignificant – Localised temporary impact on immediate area around asset or activity which can be restored within a month. 	Closed	Resolved.

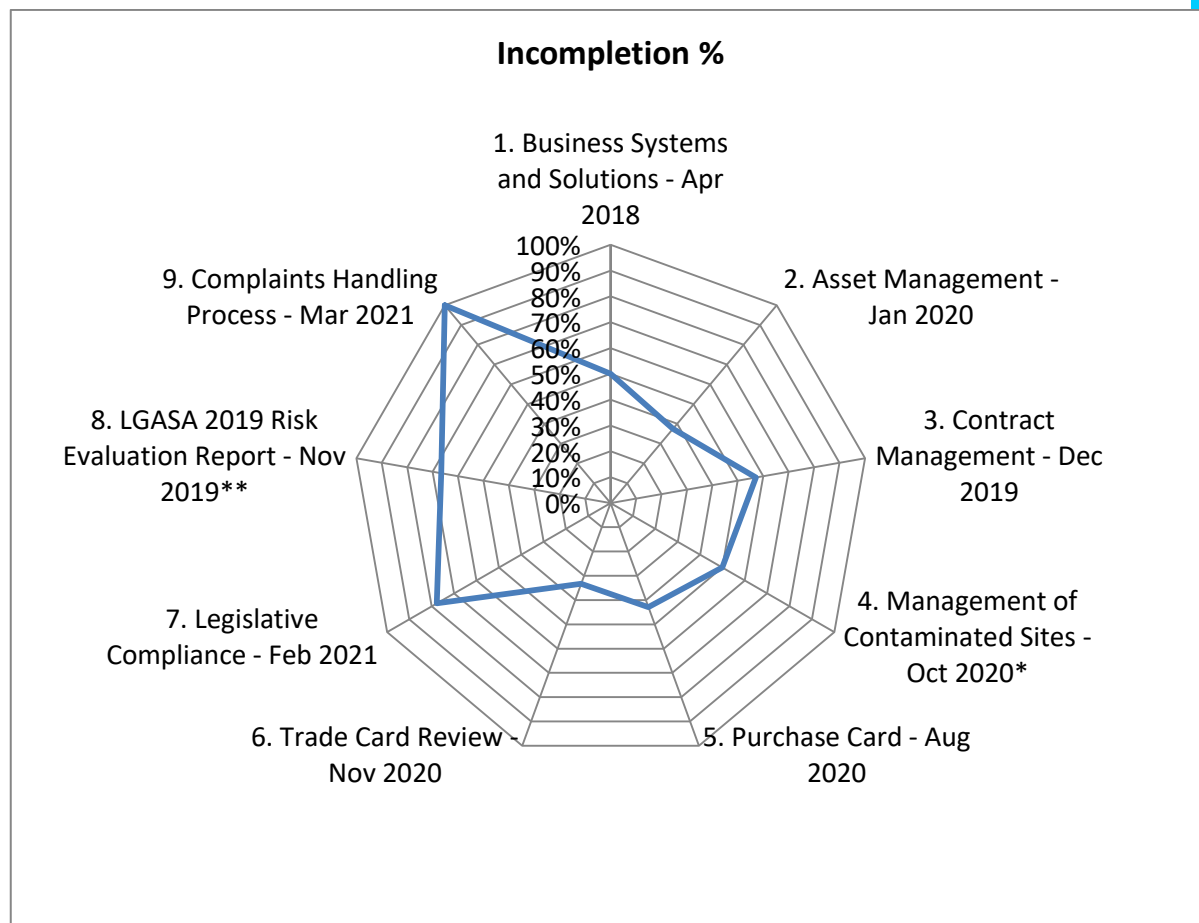
Log #	Report Date	Audit	Risk Rating	Title: Finding/Opportunity for Improvement	Recommendations	Status	Audit Comment as at 13/07/2021
34	03-Aug-20	4. Management of Contaminated Sites	5_Better Practice	10. Potential indicators used to assess Wastewater Derived Impacts and Emerging Contaminants	Further 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.	Closed	Resolved.
7	19-Nov-19	8. LGASA 2019 Risk Evaluation Report	6_LGASA Baseline Not Met	Roads and Foot Paths	It is recommended to put a process in place, whereby CoS can request for sighting an appropriate current public liability insurance certificate prior to approval of the permit.	Closed	Do not see this as a legislative requirement under s221. Considered closed. Resolved.
9	19-Nov-19	8. LGASA 2019 Risk Evaluation Report	6_LGASA Baseline Not Met	Update the Emergency Management Plan.	<p>The Emergency Management Plan was finalised in 2012 and since then has not been updated. City of Salisbury is currently in the process of developing an Emergency Management project which will review the current Emergency Management Plan. In addition, City of Salisbury is working with the Council Ready Program to assist with its emergency management needs. As per the Council Ready Program, the Emergency Management Plan needs to be reviewed every 5 years in order to take into account relevant and current emergency scenarios and Council staff responsible for emergency management. As the document is older than 5 years, sector baseline was not met.</p> <p>It is recommended for CoS to work with the LGA Emergency Management team to update the Emergency Management Plan which is already currently in process.</p>	Closed	Resolved.

Outstanding Actions

2.10 There are 40 Actions remaining on the Audit Log Register as at 13 July 2021 to be closed still.



- 2.11 The 40 outstanding actions are made up of 2 re-opened tasks, 6 new additions, and 32 actions not due yet based on current agreed deadlines.
- 2.12 Actions outstanding as at 13 July 2021 is further broken down by audits in below graph, showing the incompleteness percentages out of the total number of findings per audit.



- 2.13 The number of actions remaining can be read easily from the following table used to plot the above graph.

2.14 Audit	Total # Actions	Pending	Incompletion %
1. Business Systems and Solutions - Apr 2018	10	5	50%
2. Asset Management - Jan 2020	8	3	38%
3. Contract Management - Dec 2019	7	4	57%
4. Management of Contaminated Sites - Oct 2020*	14	7	50%
5. Purchase Card - Aug 2020	7	3	43%
6. Trade Card Review - Nov 2020	3	1	33%
7. Legislative Compliance - Feb 2021	9	7	78%
8. LGASA 2019 Risk Evaluation Report - Nov 2019**	6	4	67%
9. Complaints Handling Process - Mar 2021	6	6	100%
TOTAL	70	40	

* Findings were not risk rated on the report

** Findings were not risk rated, but identified as "LGASA Sector Baseline Not Met".

- 2.15 Following the last April 2021 Audit Committee, a follow up action to trigger closure of old outstanding action was instructed by the CEO, advising the Manager Governance to issue an Internal Memo to all action owners having outstanding actions past 100 days from the original completion date. The memo also urged action owners to prioritise action closure and work out an action plan and to liaise with the relevant General Managers to work out resource arrangements if further resources are required.
- 2.16 The 7 high risk findings, includes the 2 re-opened actions, 4 actions that are within the agreed completion dates, and 1 new finding included in the register which is not due yet.
- 2.17 All of the 7 pending High Risk rated findings are within the revised target completion dates.
- 2.18 A full list of the Internal Audit Log Actions Register, covering the findings based on Very High Risk, High Risk, Medium Risk, Low Risk, Best Practice, and LGASA Base Line Not Met are included in Attachment 1.

3. CONCLUSION / PROPOSAL

- 3.1 This report provides a summary of the position on outstanding actions from past internal audits, since the last Audit Committee meeting.
- 3.2 A total of 22 Actions have been closed and tested to be resolved, and will be removed from the Audit Log Register.

CO-ORDINATION

Officer:	IA&RC	R&GPM	Executive
Date:	1/7/2021	2/07/2021	5/7/2021

Log #	Report Date	Audit	Risk Rating	Findings/Opportunity for Improvement	Recommendations	Management Response - Action Agreed	Responsible Officer	Target Date	Review Date	Administration's Further Comments	Status	Audit Comment as at 06/07/2021
43	02/04/21	7. Legislative Compliance	Medium	6. Non-compliance with 26(2)(a) - not submitting NAWMA Audited Financial Statements to Council as required.	City should consider: 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 Regulations 2011, to comply with section 26(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 CTO finds it necessary.	Recommendation 1. (a) Administration will include within the Annual Report council size, a specific recommendation to consider the audited financial statements of NAWMA; OR (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. Recommendation 2. The recommendation will be implemented.	1. Jojo Sabinir (Manager Community Experience & Relationships) (b) Kate George (Manager Finance) 2. Rudi Deco (Manager Governance)	1. Quarter 1/2021 2. 31 March 2021		1. Archiving receipts of NAWMA audited financial statements. Noted in COS Annual report checklist. 2. Review completed. Review outcome is that this section is not included as a delegable power in the instruments of delegation provided by LGA and Norman Warehouse. Action not required.	Not Due Yet	Action 1 not due yet, and action 2 considered closed.
45	02/04/21	7. Legislative Compliance	Medium	8. Establish a Legislative Compliance Monitoring System	That the process for ensuring legislative compliance is reviewed for completeness and to ensure it is comprehensive, measuring 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 legislative compliance checklist database, and functionality to alert on new legislation updates as well.	The recommendation will be implemented. We are in the process of purchasing Reliance® Compliance system for this purpose.	Rudi Deco (Manager Governance)	30/06/2021	30/11/2021	Budget is required to purchase Reliance Compliance Module.	Not Due Yet	Reliance® Compliance has not been bought yet, but a separate module is implemented now for Delegations.
46	22/05/2021	9. Complaints Handling Process	Medium	2. Performance Monitoring and Reporting on Management of Complaints	1. Incorporate within the relevant policies and procedures, the reporting requirements and frequencies covering performance reporting on service standards. 2. Establish a mechanism to record and measure actual performance against all service standards. 3. Establish a monthly reporting process on actual performance against all agreed service standards for complaints and requests for services. 4. Review the key performance indicators and service standards for complaints handling included within the Community Experience Charter and also the CCC Procedure, to ensure they are suitable and realistic.	1. The recommendation will be implemented. 2. There is significant work required in developing a report on performance against all service standards. Under the reporting against service standards is undertaken within each business unit on a monthly basis. Investigation and copying of the solution will be required. 3. A customised monthly report will be developed to track the progress of the Operational Service Standards listed in the Community Service Framework. 4. The key performance indicators listed in the Community Experience Charter will be reviewed to ensure they are relevant and realistic.	Hannah Walters (Project Manager Community Experience)	30/12/2021			New	Not due yet
47	25/06/2021	9. Complaints Handling Process	Medium	3. Escalation Process for Tier 1, Tier 2 and Tier 3 Complaints	Ensure that escalation process implemented covers Tier 3 complaints as per the requirements of CCC Procedure, and/or revise the CCC Procedure accordingly.	This will get engaged as part of the Exception Community Experience Project implementation scope, and implement the Complaints handling Tier escalation process.	Hannah Walters (Project Manager Community Experience) / Gail Page (General Manager Community & Organisational Development).	30/12/2021			New	Not due yet

OUTSTANDING ACTIONS ARISING OUT OF COMPLETED INTERNAL AUDITS
(July 2021)

Log #	Report Date	Audit	Risk Rating	Info: Finding Opportunity for Improvement	Recommendations	Management Response / Action Agreed	Responsible Officer	Target Date	Review Date	Administration's Further Comments	Status	Audit Comment as at 13/07/2021
16	20-Oct-20	5. Purchase Card	High	"Sensitive expenditure" purchased either via credit card or purchase card could cause community concern.	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 decision on the type and nature of expenses that are deemed appropriate. That the Procurement Framework is reviewed.	Agree. This will be discussed with the executives and policy will be developed or revised accordingly. It is noted that this recommendation can be addressed with the implementation of the recommendation under Risk 3: Policies and Procedures	Shirone Schmidt, Procurement Business Partner	30/06/2021		Council Adopted on 24 May 2021. Resolution : 0054/2021	Closed	Resolved.
17	30-Apr-18	1. Business Systems and Solutions	Low	2. The current Disaster Recovery plans require updating to increase the likelihood of managing a disaster event	2.b) Create a DR testing regime for major systems, that supports the business's documented MAO, RPO and RTO.	Noted and agreed as recommended.	Karl Rahner, Team Leader, Information Technology Services	30/06/2019	30/06/2021	A draft Disaster Recovery Plan has been developed and is currently being reviewed by an external contractor. The DRP is due to be completed and approved by June in May 2021 Update - 6 July 2021: External provider has identified some issues that require further development, especially in the testing of the proposed DR Plan. The revised completion date has been set to end of September 2021.	Not Due Yet	
18	19-Dec-19	2. Asset Management	High	2.1 Focusing on customer levels of service and extending processes for monitoring and reporting levels of service.	1. Engage with key stakeholders to establish performance measures and desired levels of service based on customer consultation and assessment of satisfaction. 2. Establish levels of service based on targets that are measurable, achievable, relevant and timely. 3. Implement mechanisms to ensure that performance targets are compared to actual performance and reported to key stakeholders on a regular basis.	1. Now Council has an Asset Management Sub Committee (AMSC) and will work through the levels of service progressively for each asset category. 2. Existing levels of service in place but need to change to more community centric focus. 3. This is in place generally through the AMSC and SAMG	General Manager City Infrastructure, Karen Pope, Manager Property & Buildings, Damien Day, Manager Infrastructure Management	31/12/2023	31/12/2022	1 & 2 addressed, as it is included in the SAMG to be approved by SAMG and Council, targeted to be completed by 20/05/2021. 3. LOG to be confirmed in the AMOP (Asset Management Operational Plan) for all classes of asset. AMOP is to be completed by 31/12/2022.	Not Due Yet	
19	19-Dec-19	2. Asset Management	High	2.2 Improving controls to ensure buildings condition assessment and 'fit for purpose' audits are performed on a regular basis.	1. 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 asset acquisition).	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 2021. Audit completed and findings and recommendations will be presented to the AMSC. Priority 21/22 and beyond capital program in line with above.	Karen Pope, Manager Property & Buildings	30/06/2021	30/06/2021	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 Recreation and Community Facilities has been endorsed by Council.	Closed	Resolved.

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34	19-Dec-19	2. Asset Management	High	2.4 Defining clear criteria for upgrades and renewal of buildings	1. 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 assets and forecasted future demand.	Centrally 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 & fit for purpose audit addresses the current state with the Community Planning and Vitality Division preparing a report for AMSC regarding future demands and trends including specifications and gaps/imply with respect to Council's operating facilities. Council's Community Hub model has been adopted with respect to the community facilities, with Barton and Ingle Farm Community Hubs being constructed over the next few years. Ongoing formal presentations and reports to Council Committees.	Karen Pope, Manager Property & Buildings	Ongoing	31/12/2021	See comments above 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. The Community Planning & Vitality Division put a report to the Community Wellbeing & Sport Committee in May 2021, Item 5.1.3 - Place Activation Strategy - Federal Recreation, Building Condition audit completed in 2019 and this information is used to develop capital programs. Building Asset Management Plan to be redrafted and reported back to the AMSC by December 2021	Not Done Yet	
38	24-Jun-20	1. Contract Management	2. High	1. There is a need to assign central ownership and to establish governance over contract management within Council	1. Establish a governance structure to oversee contract management at the CoS. Consideration should include a leadership team forming a sub-committee to oversee contract management and/or adding contract management to the terms of reference of an existing committee. 2. Allocate responsibility (and resourcing to required) for contract management oversight to a central team/position - for example the Strategic Procurement Team. This team would be responsible, for example, for: a) developing high-level contract management guidance b) monitoring select indicators, for example contract performance, trends, risk management approaches, c) promoting/providing training across the organisation on contract management d) reporting to a governance committee e) sample-based monitoring of compliance with any established contract management guidance.	1. Identify an Issue sponsor. Form a Group / Committee to oversee contract management and/or add contract management to the terms of reference of an existing Group / Committee. Obtain appropriate budget. 2. Identify central team / position. Undertake resourcing Gap analysis. Allocate responsibility. Monitoring and Reporting to outcome of Recommendation 1. Resource accordingly.	1. GM Business Excellence & GM City Infrastructure 2. Group / Committee identified in Dec 1 to offload responsibility to an existing team / DM	1. 30/06/2020 2. 31/12/2020 1. 31/05/2021 2. 31/12/2021	1. 31/05/2021 2. 31/12/2021	1. 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 revised to include contract management. - Action Completed. 2. Responsibility has been assigned to the Manager Strategic Procurement which is currently vacant and in the process of recruitment. Action completed.	Closed	Revised.

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19	24-Jun-20	3. Contract Management	High	2. There are a lack of framework / procedures to provide explicit guidance for contract management	3. Develop and document a clear policy outlining expectations for contract management across Council, including clearly identified roles and responsibilities 4. Develop a contract management framework to guide staff, incorporating: a) procedures (mandatory) b) guidelines, and c) clarification of roles and responsibilities (for example where responsibilities start and end – including responsibility for obtaining ongoing 'due diligence' documentation) d) better practice examples from across Council. There is opportunity to ensure that requirements align to the objectives of different contracts.	1. Develop / or review an existing Policy Develop a RACI matrix (Responsible, Accountable, Consulted, Informed) 2. Develop framework, procedures. Develop / review templates, tools, etc...	Existing team / DfM Identified in Rec 2	31/03/2021	31/03/2021	1. Manager Strategic Procurement has presented outline of Contract Management policy, ownership, framework and support structure to key internal stakeholders 2. Engagement of management consultant to develop CMI Framework document and supporting Tools/Templates to commence first work of July. 3. Policy document to be completed by Manager Strategic Procurement	Not Due Yet	Reasonably on track, with the commencement of new Manager Strategic Procurement.
20	24-Jun-20	3. Contract Management	High	4. There is a need for a consistent approach to ensuring that 'due diligence' documentation is updated throughout the life of contracts	6. Implement a consistent procedure of principles to ensure that up to date due diligence documentation from contractors is maintained – for example; insurance, licenses etc. This will assist the CoS to be assured that contractors are qualified/suitable for ongoing engagement. 7. 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 CoS), and that staff are asked to declare conflicts in relation to any contracts that they manage.	6. Strategic Procurement in collaboration with Governance conducts internal training on the importance of adhering to CoS T&C's 7. a) Amend the current induction / onboarding process to include an action to obtain CoS for contracts the role is responsible for. b) Annual review for 'strategic' contracts only. c) Monitor compliance	6. Strategic Procurement ; and Mick Patrowski, Manager Governance 7. a) Beigun Tiso, Manager, People & Culture b) Strategic Procurement; and Mick Patrowski, Manager Governance c) Mick Patrowski, Manager Governance	6. 31/12/2020; 7. a) 30/06/2021; b) ongoing c) Ongoing	6. 30/06/2021 7. 30/06/2021	6. Management has not adopted recommendation 6. CoS T&C's obligate Contractors / Suppliers to obtain and maintain insurance and ensure contractors are qualified and suitable for the life of the contract. Ensuring compliance to CoS T&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. 7. Page 19 of the T&C Operations Manual – Register of Interests describes the process to manage the register of interests as per the LG Act Div 2, Sec 11 An annual process to review and update Manager and other staff's Register of Interests is identified as relevant management. Upon an offer being made HR Admin include a Register of Interest form to new starters that are recruited in to positions that require CoS as part of their role and this is filed in Personnel	Closed	6. Agree with management that this recommendation is not practical. Considered acceptable and closed. Resolved. 7. Resolved.

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33	24-Jun-20	3. Contractor Management	1 (High)	5. A need for clear staff training and awareness regarding their contract-related WHS responsibilities	<p>10. Review the WHS responsibilities placed on project officers and the Council in relation to WHS and Contractor engagement. Consider and confirm, at a strategic level, the level of responsibility Council wants to accept in managing contractor WHS compliance (note – Audit found that Council currently accepts a high level of responsibility). Confirm the intent of responsibilities for project officers in relation to WHS.</p> <p>11. 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>10. 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.</p> <p>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&M Business Plan. Operational leaders are assigned contractor work site inspections through Skywest with Executive updated on completion status via the P&C quarterly report to Executive.</p> <p>Facilitate creation of contractor induction portal with support from IT staff.</p> <p>11. Finalise review of contractor templates with support from Manager Strategic Procurement. Refer Recommendation 4 – guidelines and policy & procedures to reflect this.</p>	<p>10. Simon McGinness, Team Leader Safety & Wellbeing</p> <p>11. Edoing team / BM identified in Rec 2</p>	<p>10. 30/07/2020</p> <p>11. 31/12/2020</p>	<p>10. 28/07/2021</p> <p>11. 31/03/2021</p>	<p>10. Contractor induction portal has been created with the induction 'live' and ready for use.</p> <p>The induction requirements are described in the WHS Contractor Management Procedure and the WHS Induction and Training Procedure.</p> <p>Action Completed</p> <p>11. Review of contract templates undertaken by WHS & Strategic Procurement. Legal advice received. Document updates still to occur – on track.</p> <p>Rail proposal for updates to Contract Templates has been provided to Procurement Business Partner for action.</p> <p>External legal review has validated the proposed content. Completed.</p>	Closed	Resolved.
40	28-Oct-20	5. Purchase Card	1 (High)	2. Variance in Executive's Purchase Card Spending reported on Website compared to actual Purchase Card transactions.	<p>The 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>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>	<p>Simone Schmitt, Procurement Business Partner</p>	<p>31/01/2021</p>		<p>25/01/2021 - 06-Dec-2020 report published to CoS website.</p> <p>Action Completed</p>	Closed	Resolved.

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43	20-04-20	5. Purchase Card	5 High	3. Purchase Card Policy not in place, and Procurement Framework not reviewed before the next review date.	<p>a) That a Purchase Card Policy is developed and adopted by Council or included with Council's Procurement Policy.</p> <p>b) 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.</p> <p>c) That the Procurement Framework is reviewed, and clarified to show the value beyond which a PO is required.</p> <p>d) 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>e) That the Procurement Minute be clarified to show the value beyond which a purchase order is required.</p> <p>f) That the use of Purchase Orders for purchase cards have the same parameters and requirements that are set for creditor invoices.</p>	Agree. This will be discussed with executives and policy will be developed or revised accordingly.	Simone Schmidt, Procurement Business Partner	30/06/2021	30/12/2021	Council Adopted on 24 May 2021, Resolution : 0954/2021	Resolved	Administration confirmed actions as advised. However, actions a & b only resolved, and actions c, d, e & f remain open.
43	20-04-20	5. Purchase Card	7 High	4. Review of Financial Delegations, cardholder limits and limits enabled by Bank for consistency	<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 line and that this line 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>f) That the transaction limit be discontinued as per report recommendations presented to Executive Group in June 2020.</p> <p>g) That Purchase Card Approval Forms be checked against Council's purchase card system and bank authorisations to ensure correct authorisation has occurred.</p>	Agree. Since the Procurement has identified that limits across bank and Card Systems need to be reviewed for consistency – will occur as part of implementing the June 2020 credit card report with its approved recommendations.	Simone Schmidt, Procurement Business Partner	a) - 31/03/2021; b) - 30/06/2021	30/12/2021	Will review further.	Resolved	Testing reveals that Card Limit review is still pending. Items re opened.

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49	30-Oct-20	5. Purchase Card	Low	5. Timely expenditure and reconciliation of Purchase Card Statements.	4) That reconciliation timescales be enforced and to introduce escalation process to senior management in cases where unreconciled purchase card transactions remain beyond a certain agreed timeframe.	4) Agree. This will be implemented accordingly.	Simone Schmidt, Procurement Business Partner	31/01/2021		25/01/21 - Scheduled report being provided to GMBE monthly. Action Complete	Closed	Resolved.
50	22/05/2021	9. Complaints Handling Process	High	1. Lack of a Complaints Handling & Management System	Establish a centralised system to capture information on complaints, and use the system for handling, managing and reporting on complaints received and resolved; either through an existing software solution or by introducing a dedicated complaints management system. Ensure that all complaints are recorded, and reported to the management on a regular basis, including complaints received via telephone calls, and from walk-in community members.	Investigation will need to be undertaken to find a suitable program to capture all complaints in the one place and identify handling requirements. This forms part of a current project undertaken called the Exceptional Community Experience Project.	Rhannah Walters (Project Manager Community Experience)	30/06/2021			Open	
51	20-Apr-18	1. Business Systems and Solutions	Medium	4. No Service Level Agreements, under Key Performance Indicators for Business Systems and Solutions	<p>4.a) Develop a Service Catalogue.</p> <p>4.b) Define SLAs with vendors, where appropriate – agreed actions from Program Review will be implemented.</p> <p>4.c) Obtain business endorsement of the Helpdesk matrix to enable the business to view the service levels provided.</p> <p>4.d) Implement KPIs as documented in the Program Review, in consultation with key application owners, and other stakeholders in the business.</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, - Agreed. The document will be updated</p> <p>2.4 IT Masterplan, - Agreed. The document will be updated as part of section 14 below.</p> <p>6.4 Governance Framework, - Noted. Will be considered as part of the action detailed in 1.a.</p> <p>4.9 Build the reporting of KPI's and other operational controls into the Terms of Reference of the Steering Committee</p> <p>4.g) Promote and display the level of service provided by the Helpdesk against the agreed business metrics</p> <p>4.h) Collate regular surveys as a standard measurement of Business Systems and Solutions performance, at least every 18 months</p> <p>4.i) Include checkpoint surveys periodically for Helpdesk calls to trace ongoing customer satisfaction.</p>	<p>4.a) Noted and agreed. Will be done as part of the work in 4.e.</p> <p>4.b) Agreed actions from the Program Review will be implemented. Service levels with vendors are articulated in relevant contract documents.</p> <p>4.c) Noted and agreed.</p> <p>4.d) Noted and agreed. See response to recommendations in 1.a.</p> <p>4.e) Noted. Will be considered as part of the action detailed in 1.a.</p> <p>4.f) 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.</p> <p>4.g) Noted and agreed. As above at 4.f.</p> <p>4.h) Noted. As above at 4.f.</p> <p>4.i) Noted and agreed. As above at 4.f.</p>	David Brown, Manager Business Systems and Solutions	4.a-b) 30/11/2018 4.c-g) 20/02/2019	30/11/2021	<p>Initial drafts of Service Catalogue have been developed. Lower-level details are being added during review and consultation, still on track. Other actions are addressed in Item 8.</p> <p>A new ITSM Tool has not yet been implemented to enable a customer satisfaction survey. Work to procure and implement this is well underway.</p> <p>Update - 6 July 2021:</p> <p>The analysis has been completed and an action plan for the ITSM tool will be submitted w/c 9 July 2021. Subject to approval of the proposed approach it is anticipated the new ITSM tool and service catalogue will be completed by the end of November 2021</p>	Not Done Yet	

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3	30-Apr-18	1. Business Systems and Solutions	Medium	5. Maintain an up-to-date application register to reduce security risk and upgrade costs	5.b) Determine if a policy or position is necessary for keeping software current. (e.g. No system will be a version behind the latest version) - A formal position on this will be articulated in the next iteration of the ICT strategy/replacement document. 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.	5) A formal position on this will be articulated in the next iteration of the ICT strategy/replacement document. 5b) Noted and agreed. A formal position on this will be articulated in the next iteration of the ICT strategy/replacement document.	David Baxter, Manager Business Systems and Solutions	30/09/2018	10/01/2021 01/06/2023	(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 2. (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.	Not Done Yet	
4	30-Apr-18	1. Business Systems and Solutions	Medium	6. Coordinated focus is required on aligning business applications to business needs	6.c) Ensure a consistent structure and Terms of Reference are in place to support any Application Steering Committee, as required, including the process for documenting how a decision not to have a Committee was arrived at. (The decision and responsibility for funding and running Application Steering Committees rests with the relevant business areas). 6.d) Develop a SSS Service Catalogue and promote throughout the organisation.	6) Noted and agreed. 6) Noted. Refer section 4. Service Catalogue will cover the information technology-related aspects of SSS	6.c.) Team Leader, Planning and Business Engagement Services 6.d.) Team Leader Service Desk	6.c) 30/06/2018 6.d) 30/11/2018	30/11/2021	(c) This is covered by Item 8 as part of the governance framework (d) Covered by Item 4 as part of the Service Catalogue	Not Done Yet	
5	30-Apr-18	1. Business Systems and Solutions	Medium	8. Continued alignment of the Digital Strategy to the Business Strategy is required	8.a) Ensure that the Digital Strategy is able to address the City of Salisbury's City Plan 2030 overarching strategy and vision. 8.b) Ensure that the Application Owners and members of the Applications Steering Committee continue to be involved in the development of the Digital Strategy. 8.c) Ensure the IT strategy contains roadmaps and an execution plan for each system within the City of Salisbury portfolio. 8.d) Consider changing the title of the IT strategy to an "Digital Executive Plan" or similar to reflect the outcome of the document being to define a program of work to deliver the Digital Strategy. This will exist in the measurement of goals and objectives of the strategy. 8.e) Define a program of work to deliver the Digital Strategy.	8) Noted and agreed. Action to be passed on to the digital strategy working group. 8) Noted and agreed. 8) Noted and agreed. Information to be included in updated ICT Strategy. 8) Noted and agreed. Broader than responsibility of IT function within SSS. 8) Noted and agreed. Broader than responsibility of IT function within SSS.	David Baxter, Manager Business Systems and Solutions	30/11/2018	30/06/2021	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 Executive meeting 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. Update - 6 July 2021: Incorporating feedback from the Executive Group on the draft Smart Salisbury Strategic Plan and working through the planning for the community consultation phase	Not Done Yet	

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35	19-Dec-19	2. Asset Management	Medium	2.6 Improving Parks, Streetscapes and Street Trees Removal processes and maintenance regime	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.	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. Action: Present process to the AMSC and Audit Committee.	Doreen Roy, Manager Infrastructure Management	Oct-20	Dec-21	Tree Audit is completed and Street Tree Management Plan adapted by Council resolution 04782/20, covering the factors recommended in the Audit. Action Completed.	Closed	Resolved.
33	24-Jun-20	3. Contract Management	Low	6. There is opportunity to strengthen record-keeping in relation to contracts	9. To ensure that staff obtain and record quotations in relation to places of work conducted under contract: a) remind staff of the importance of obtaining and recording quotations for individual places of work (where required), and b) 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.	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.	Strategic Procurement	31/02/2020	31/10/2021	Close CM Framework document, toolkits/templates, policy completed. Strategic Procurement will undertake internal training and awareness sessions for the key internal stakeholder groups. This training will include awareness of existing processes for keeping of documents (Dataworks, Finance One and other supporting systems) - in accordance with current Procurement Framework.	Not Due Yet	
34	07-Aug-20	4. Management of Contaminated Sites	Medium	1. Contaminated Sites Register does not currently consider the source, pathway, receptor model when assessing risks related to contaminated sites or the Recycled Water Systems.	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>a) 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 by these 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 chloride instrumentation and routine sampling and laboratory analysis on a weekly basis to assess potential contaminants that may lead to contamination of the recycled water systems.</p> <p>b) Previous work undertaken to assess the risk of landfill within the catchment, does not consider the potential consequences of seepage from these activities, given this can depend on the nature of the waste. To determine the risk from landfill, further review of the potential nature of the waste would be required. Once this is determined, the risk from landfill should be considered with respect to the construction of the landfill (i.e. lined, unlined or partially lined), the type of waste worked and the potential receptors (i.e. groundwater or surface water). Landfilling activities are likely to impact the underlying shallow groundwater system and consequently there is an ongoing risk of discharge back into the environment. The assessment undertaken in 2016, 2017 and 2018.</p>	Bruce Naumann, Manager, Salinity Water	31/03/2021		<p>Consultants WGA were commissioned to perform a comprehensive risk assessment for the entire catchment. This is provided in the CoS Integrated Catchment Risk Management Plan (ICRMP).</p> <p>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 is recommended).</p> <p>2022 - Risk assessment with these factors will be taken into account when the actual risk assessment is undertaken as per ICRMP, and measures are in place now for that. Action considered complete. (C34)</p>	Closed	Resolved.

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28	05-Aug-20	4. Management of Contaminated Sites	Medium	4. Suggested improvements / corrections outlined in the Mockings Consulting Letter.	<p>Suggested improvements / corrections outlined in the Mockings Consulting letter should be undertaken, in conjunction with the following:</p> <ul style="list-style-type: none">• Identification of potential contaminants of concern;• Further consideration regarding the completeness of existing information;• Consideration for inclusion of non-Council owned sites;• Inclusion of any active or ongoing monitoring, investigations or management actions currently undertaken at each site;• Breaking down the existing information into general categories to assist in determining the confidence level of each risk assessment;• 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 Investigation, Risk Assessment; and• 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.)	<p>Noted and agreed that this is a large 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 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>Further Comments: Appendix D Hazard Mapping Protocol Appendix E Potentially Contaminating Activities - Dry Creek Catchment Appendix F Source Water Quality - Dry Creek Catchment Appendix G Qualitative and Quantitative Risk Assessment and Identification of Migration Pathways Appendix H Detailed Medium and Residual Risk Assessment - Dry Creek Catchment Appendix I Potentially Contaminating Activities - Little Para Catchment Appendix J Source Water Quality - Little Para River Catchment Appendix K Detailed Medium and Residual Risk Assessment - Little Para River Catchment Appendix L Potentially Contaminating Activities - Adams Creek Catchment Appendix M Source Water Quality - Adams Creek Catchment Appendix N Detailed Medium and Residual Risk Assessment - Adams Creek Catchment</p>	<p>Bravo Nazzari, Manager, Salisbury Water;</p> <p>Damon Roy, Manager Infrastructure Management</p>	30/01/2021		<p>Refer to the ICIMP and new + modified appendices Appendix B Potentially Contaminating Activities, Industries and Land-uses within the Catchments</p> <p>21/4/21 - Management has incorporated better practices than the earlier recommended action, within the Integrated Contaminated Risk Management Plan, and implementation is going as per plan.</p>	Closed	<p>No specific action recommended, considered closed.</p> <p>Resolved.</p>
30	03-Aug-20	4. Management of Contaminated Sites	Low	6. Further work as per National Environmental Protection Measure (NEMP) Schedule B2 - Site Characterisation	Where potential risks cannot be adequately assessed from the existing information, further work may be required in accordance with the NEMP Schedule B2 (NEMP, 1999).	Agreed and acted	Damon Roy, Manager Infrastructure Management	30/06/2020		Next review cycle is 2023. Budget bid to be put in 2023, to do the Site Characterisation in accordance with NEMP Schedule B2.	Not Done Yet	
36	03-Aug-20	4. Management of Contaminated Sites	Low	8. Policies and Procedures related to the intent, use and management of the Contaminated Sites Register.	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.	Agreed.	Damon Roy, Manager Infrastructure Management	30/12/2021		Budget bid to be raised. Consider in conjunction with other risks	Not Done Yet	

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35	01-Aug-20	4. Management of Council-owned Sites	1. Medium	12. Potential Contaminants of Concern (POCCs) relating to historic landfilling activities	Further consideration should be given to the Potential Contaminants of Concern (POCCs) relating to historic landfilling activities within the various catchments. This should consider the location, construction, the type of waste received and the potential responses.	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.	Doreen Roy, Manager Infrastructure Management			COMPLETE Potential Contaminants of Concern are already being reviewed, and included in the ICOSP. See audit report. No Further action	Closed	Resolved.
44	30-Oct-20	5. Purchase Card	1. Medium	6. Training on effective use of Purchase Card	a) That additional training be provided to ensure cardholders understand how minor and fraudulent activity could occur with their cards without their knowledge if they provide their cards to other staff to use. b) That cardholders are required to sign a new declaration and acknowledgement form each time the card is renewed.	a) Agree that broad refresh 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. 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.	Simone Schmidt, Procurement Business Partner	a) 31/12/2021 b) 30/06/2021	30/09/2021	a) Completed; b) On track Current cardholders will be issued with a new Declaration Form to be signed, completion date 30/09/2021	Not Due Yet	
45	02-Nov-20	6. Trade Card Review	1. Medium	1. Policies & Procedures on having Financial Delegation & for Trade Card and Trading Account spending	1. COS should ensure that all those who incur expenditure on behalf of the Council have appropriately authorised financial delegation. 2. COS should ensure that its policies and procedures reflect financial delegation as a mandatory requirement to be authorised to spend on behalf of council.	Agree with the recommendations. This will be organised to be undertaken over the next month, noting that due to the approval process, this can take up to a month.	Karen Pope (Manager Property & Buildings) Mark Padilo (Manager Field Services)	30/11/2020		All required financial delegation authorities are in place - Complete Procurement policies and procedures already reflect that all Council spend must be approved with the delegated authorities.	Closed	Resolved.
46	02-Nov-20	6. Trade Card Review	1. Medium	2. Trade Card Usage Review	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. 2. Establish a process to review the Bunnings Trade Card usage in a timely manner. 3. Ensure that the Trade Accounts / Card usage is monitored regularly to identify any anomalies including unauthorised usage, or any misuse of cards.	Report will be requested from Dulux by Strategic Procurement. To be confirmed - frequency of review, whether it can be scheduled or it needs to be requested by COS each time. Bunnings reports - nothing into Bunnings on what they can deliver, when etc. 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.	Simone Schmidt (Procurement Business Partner)	30/06/2021	30/07/2021	1. Yet to be completed, revised deadline by 30/09/2021. Actions 2 related to Dulux Trade Account, subject to the report in Action 1. 2 & 3 completed for purchases from Bunnings.	Not Due Yet	
47	02-Nov-20	6. Trade Card Review	1. Medium	3. Identification Verification of Trade Cardholders/ Trade Account Authorised Buyers	Confirm with Dulux Australia that the COS requires additional controls in the goods issuing process for COS's authorised trade account purchase officers, including a mandatory requirement to show personal identification documents like driver's license, prior to Dulux issuing goods.	Implementation of the additional control to be discussed with Dulux. Strategic Procurement to consult with Manager Field Services and Manager Property & Buildings to identify an alternate purchasing option, not reliant on Dulux authorising an authorised officers like E.g. use credit cards or monthly / annual purchase orders.	Simone Schmidt (Procurement Business Partner)	30/06/2021		New alternative process agreed with Dulux, whereby goods are now ordered over the phone, and delivered to COS Store and not issued to staff. Therefore no personal identification is required. No further action required to resolve this.	Closed	Resolved.

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49	02-Feb-21	7. Legislative Compliance	1. Medium	2. Partial compliance with s83(1) & s83(4) - on Council & Committee notice deadline for meeting the	Where necessary implement a process ensuring that the notice of meeting and the agenda only (list of matters to be considered) are distributed to	The recommendation will be implemented.	Nick Petrovski (Manager Governance)	1/02/2021		Where reports are occasionally not prepared on time to meet the deadline, Business Paper emails containing the relevant notices and the list of agenda items to be considered at meetings are emailed to Elected Members by 5pm. Process often is made to meet 5pm.	Closed	Resolved.
50	02-Feb-21	7. Legislative Compliance	1. Medium	3. Partial compliance with s91(9)(a) - partially met the annual review requirement of Confidential Orders	1. Ensure that Special Orders expiring 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.	Recommendations 1 and 2 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. Recommendation 3 The recommendation will be implemented.	Radi Doo (Manager Governance)	30/04/2021	30/06/2021	Administration considers recommendations 1 and 2 to be complete. The Target Date for completion of Recommendation 3 should not be before 30 October 2021, in order to allow for the LG Referrals to be passed by Full Council and an implementation plan for the required changes to be established.	Not Due Yet	1 & 2 resolved and 3 pending.
51	02-Feb-21	7. Legislative Compliance	1. Medium	4. Non-compliance with s111(h) Division 3 - by not having a Council Resolution for Prescribed Officers requiring to complete Primary / Secondary Returns	Administration should ensure that a Council resolution is passed for all employees who lodge the Primary / Ordinary Returns, to comply with section 111(h) of the Local Government Act 1999.	The intent is to require a similar declaration for operational workers for Municipal Managers and/or selected employees without involving section 111(h). We therefore will create a separate form to be used.	Jane Lawes (Human Resource Business Partner)	31/03/2021	31/03/2021	List of Prescribed Officers and report presented to the 9th June 2021 Executive Group Meeting, and further review of this is ongoing.	Not Due Yet	
52	02-Feb-21	7. Legislative Compliance	1. Medium	5. Partial compliance with s231 - Register of Public Roads not having information required under s231 of the LG General Regulation	Review the current Register of Public Roads and include information specified in section 26(3) of the Local Government General Regulation 2013 to comply with section 231 of the Local Government Act 1999.	The recommendation will be implemented.	Duncan Roy, Manager Infrastructure Management	30/02/2021			Not Due Yet	

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60	28/05/2021	8. Compliance Handling Process	Medium	4. Trend Analysis on Complaints Data for Strategy Formulation	COS should perform data analysis on complaints received and resolved to identify trends and lessons learned and appropriately apply as input within COS's strategy formulation process.	This will be incorporated as part of the Exceptional Community Experience Project scope and implemented.	Hannah Walters (Project Manager Community Experience)	30/06/2021			New	Not Due Yet
61	28/05/2021	9. Complaints Handling Process	Medium	5. Ownership and Responsibility for Implementation of the CCC Procedure	Identify a responsible owner for implementation and monitoring of complaints and update list on the CCC Procedure accordingly.	Current structure and roles and responsibilities to be reviewed.	Gail Page (General Manager Community & Organisational Development)	30/06/2021			New	Not Due
23	24-Jun-20	2. Contract Management	Low	3. There is a need for standardised storage of policies, procedures and contract documentation	3. Implement a process to ensure that policy, procedural and contract documentation is stored in one consistent location. Additional desirable features include: a) approval processes before documentation can be uploaded into the location b) clear metadata/date information about each document c) standard naming conventions d) use of consistent document templates, and e) reviewing security/access levels for documentation, including providing transparency that a document exists even if the user does not have permission to view it. This will assist in ensuring that staff are able to readily locate all information relevant to their roles and responsibilities.	Review existing policies, guidelines Review naming convention, security etc... Provide training etc... Audit	DM Community Experience & Relationships/ Team Leader Business Intelligence & Data Management Group / Committee Identified in Rec 1	30/06/2021	30/10/2021	Once CM Framework document, tool/templates, policy completed, Strategic Procurement will undertake internal training and awareness sessions for key internal stakeholder groups. This training will include awareness of existing processes for keeping of documents (Dataworks, Finance One and other supporting systems) - in accordance with current Documentation Framework.	Not Due Yet	
24	02-Aug-20	4. Management of Contaminated Sites	Low	3. Risk Management system lacking a robust mechanism for the system to remain dynamic, iterative, and responsive to change including completion of any outstanding reviews.	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.	Accepted. Documented review systems are set out in the documents. Some of the documents provided had not been recently reviewed.	Deane Norman, Manager, Salinity Water			Included in the new ICRMP are two Risk Management Plans. The existing Managed Aquifer Recharge Risk Management Plan (MARMP) addresses groundwater harvesting and aquifer infiltration/recovery and regulated water source impacts on cell. A major review is performed every 5 years. A minor review is performed annually. The new Risk Management Plan under development is an integration of existing and new Stormwater Management Plans (SWMP's) and focuses on shallow ground water, water courses, wetlands and the estuarine receiving environment. Bay Creek SWMP - 2021 Little Park - 2022 Adams Creek - 2023	Closed	Resolved

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50	05-Aug-20	4. Management of Contaminated Sites	Low	14. Consideration of Environmental Aspects and Potential Changes in Quality Over Time, when performing Asset Inspections.	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 drips etc.).	The Salisbury Water Operations and Maintenance Manual incorporates SOW's that require 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.	Damon Roy, Manager Infrastructure Management	5/12/2021		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.	Not Done Yet	
48	02-Feb-21	8. Legislative Compliance	Low	1. Partial compliance with s41(9) - on Tree Management Appeals Sub-Committee Reporting to Council	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.	The recommendation will be implemented.	Mick Petrovski (Manager Governance)	1/02/2021	30-Apr-21	Urban Services Committee agenda 15 Feb 2021 contained an update on the performance of the Tree Management Appeals Sub-Committee. This was then reported to the Council on 22 February. An advice that the Tree Management Appeals Sub-Committee did not meet is yet to be built into the Council agenda.	Closed	Received.
34	02-Feb-21	8. Legislative Compliance	Low	2. Non-compliance with s6(2) of LG (Procedures at Meetings) Regulation 2003 - by not having reviewed the Code of Practice for Meeting Procedures annually	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 2003.	The recommendation will be implemented.	Radi Doce (Manager Governance)	28/02/2021	30/10/2021	LG Referrals are yet to be finalised. Recommended that the Revised Date for this action be updated to 30 October 2021 in order to allow for the LG Referrals to be passed by Parliament and an implementation plan for the required changes to be established.	Not Done Yet	Due date deferred to accommodate LG Referrals to be passed by parliament.
36	02-Feb-21	8. Legislative Compliance	Low	9. Review Informal Gathering Policy, Code of Practice for Meeting Procedures, and Privately Funded Development Plan Amendment Procedures, by its agreed next review dates.	Policy and review dates are followed up and ensure that all policies are reviewed in a timely manner.	Policy 1&2: The recommendation will be implemented. Policy 3: The current policy will be redrafted 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.	1 & 2. Radi Doce (Manager Governance) 3. Greg Busch (Manager Resource Development & Urban Policy, City Development)	1. 28/02/2021 2. 31/03/2021	30/10/2021	The Revised Date for the review of the Code of Practice for Meeting Procedures and Informal Gatherings Policy should be updated to 30 October 2021 to allow for the LG Referrals to be passed by Parliament and an implementation plan for the required changes to be established.	Not Done Yet	Due date deferred to accommodate LG Referrals to be passed by parliament.

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15	25/03/2021	9. Compliance Monitoring Process	Low	6. Policies and Procedures	Ensure that CCG's Internal Review of Council Decisions Policy and Procedure is reviewed and updated to reflect current practices as per the requirements of 270(1) of the Act.	Agree with recommendations.	Joy Rowett (Governance Coordinator)	30/06/2021	30/06/2021	To allow for the LO Returns to be passed by Parliament and an implementation plan for the required changes to be established, due date extended.	New	
16	18-Dec-19	2. Asset Management	High Potential	2.7 Opportunity to review contents included in the Asset Management Plans as per IPWEA standards and the ISO55000 codes	1. 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 condition, risk management and processes for improvement. 2. 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 data relating to these factors.	1. 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. 2. 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. Action: See above.	Darren Day, Manager Infrastructure Management Karen Pope, Manager Property & Buildings	30/12/2021	See comments above. The Buildings Asset Management Plan will be completed by December 2021 as reported to the AMSC. An improvement plan is being prepared to be endorsed by SAMC. This will continue the improvements being made to Asset Mgmt and AMP's covering the period to Dec 21 Current SAMP includes the AMSC changes in level of service which will be incorporated into the AMOP for Buildings which will be completed by 30/12/2021.	Not Due Yet		
17	19-Dec-19	2. Asset Management	Low Potential	2.8 Improving controls to ensure that capitalisations are processed on a more regular basis and based on 'as constructed' drawings	1. Process capitalisations on a more regular basis (i.e. not concentrating capitalisations towards year end). 2. Base asset capitalisations on 'as constructed' drawings.	1. Staff are working in line with finance policy and will adapt as required. Discussions to occur with Financial Services on appropriate frequency. 2. Base valuations on normal industry methodology. Council now has a process of continual asset take up. Comments are being revised and redeveloped, particularly around the Road Asset Reconstruction Program and Building Programs, with Asset Construction now complete. This is a continuous improvement project between City Infrastructure and Procurement. Continue discussions with Financial Services Division.	Darren Day, Manager Infrastructure Management Karen Pope, Manager Property & Buildings			We have implemented a process to perform asset capitalisation on completed projects based on close out checklist implemented covering the requirements for 1 & 2.	Closed	Resolved.
22	24-Jun-20	3. Contract Management	Low Potential	7. There is a need to clarify expected processes in relation to contract closure	10. Formalise a process for contract closure. This can be in the form of a template, and may include but not be limited to: a) capturing knowledge/feedback on contract performance from a contractor's perspective b) reviewing whether goods/services have been received in full as paid for c) reviewing whether discounts/allowances were applied appropriately as per some contract conditions d) identifying lessons learned and ensuring that these are communicated within the Council, to facilitate future contract management improvements.	Refer Recommendation 4.	Ben Kempster, Manager Strategic Procurement	30/06/2021	30/06/2021	Process and documents used for formal contract closure will be part of Contract Management Framework, to be completed as part of external management consultant engagement. This will be one of the tools/templates that will form part of the CM structure.	Not Due Yet	

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26	02-Aug-20	4. Management of Contaminated Sites	1. High Priority	2. Review of 2nd Party contaminated Sites Using EPA SA's Site Contamination Index.	A review of third-party contaminated sites should be undertaken using the EPA SA's Site Contamination Index, with respect to the potential for those sites to impact Council land (including surface water, groundwater, soil and exposed sites) or the Recycled Water Systems. These sites should be included in Council's corporate GIS system for consideration during the planning / approvals process.	<p>a) Noted, working to refine the Planning Terms 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.</p> <p>b) The EPA's Site Contamination Index is one of the databases consulted in the review of the Salisbury Water Risk Based Management Plan.</p> <p>c) However, noting the awareness of the EPA index is worthwhile and consideration of how to integrate with Council's information portal's should be undertaken.</p> <p>d) Legal advice to be sought on what other Councils do in regards to third party sites.</p>	Duncan Ray, Manager Infrastructure Management	31/03/2021	31/03/2021	Details around how the Index will be referred to as part of the project process will be established.	Not Due Yet	
27	03-Aug-20	4. Management of Contaminated Sites	1. High Priority	5. Document map to centralise into a Framework	The document map provided in multiple documents could be consolidated into a framework, outlining where this document fits in relation to other key documents and guidelines	<p>a) Noted, there is an document mapping with respect to associated key documents, particularly with respect to the register and the emergency response civil plan.</p> <p>b) This is a reference to Salisbury Water Index 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'.</p> <p>c) It is agreed that it needs to be expanded and that an overarching Council structure needs to be agreed on that.</p>	Bruce Nunnem, Manager, Salisbury Water	31/03/2021		Modified document map in the ICRMP will also be applied to other relevant documents	Closed	Resolved.
28	03-Aug-20	4. Management of Contaminated Sites	1. High Priority	7. Revision of The Consequence Descriptions, relating to Environmental Impacts and Reputational Risk	<p>The consequence descriptions particularly relating to the assessment of environmental impacts and reputational risks should be revised to be more prescriptive. Some possible additions to the environmental aspects have been provided below for consideration:</p> <ul style="list-style-type: none"> Catastrophic – Permanent widespread irreversible impact to land, groundwater or surface water environment; Major – Significant widespread impact to land, groundwater or surface water environment which can be restored within 5-10 years; Moderate – Medium term impact to land, groundwater or surface water environment which can be restored within 12 months; Minor – Localised impact to land, groundwater or surface water environment which can be restored in less than 12 months; and Indifferent – Localised temporary impact on immediate area around asset or activity which can be restored within a month. 	<p>Noted, the risk consequence descriptions will be changed accordingly.</p>	<p>Duncan Ray, Manager Infrastructure Management;</p> <p>Bruce Nunnem, Manager, Salisbury Water;</p> <p>Just Crook, Risk and Governance Program Manager</p>	30/06/2021		<p>Risk Descriptors revised and implemented in SAMP, ICRMP Appendix G</p> <p>Table G-1: Risk assessment categorisation and ranking method adapted from the Phase 1 Australian Guidelines for Water Recycling (NRMMC-WPHC-AIDMC, 2006).</p> <p>Action Complete.</p>	Closed	Resolved.
29	05-Aug-20	4. Management of Contaminated Sites	1. High Priority	9. Identification of Potential Sources and their Trends when accessing monitoring data related to Contaminated Sites.	When accessing monitoring data, consideration should be given to their potential sources and their trends (i.e. are concentrations stable, increasing or decreasing).	Best Practice	Bruce Nunnem, Manager, Salisbury Water	31/02/2021		<p>This is already done for MAR systems in the annual data review and submission to EPA – example report provided.</p> <p>This will be expanded for future catchment monitoring.</p>	Not Due Yet	

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34	09-Aug-20	4. Management of Contaminated Sites	High Priority	10. Potential indicators used to assess Wastewater Derived Impacts and Emerging Contaminants	Further consideration should be given to the potential indicators used to assess wastewater derived impacts and emerging contaminants, and their potential fire and transport mechanisms to assess longer term impacts in addition to those used to assess individual contamination events.	a) Salisbury Water has a comprehensive protocol for assessing emerging pollutants including reviewing interstate standards, US EPA and European standards for emerging pollutants. b) However, this finding is noted to ensure that future sampling and laboratory analysis 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).	Steve Mannam, Manager, Salisbury Water			COMPLETE This is ongoing. Protocols to address emerging pollutants are included in the ICRMP. No further action required.	Closed	Resolved.
35	03-Aug-20	4. Management of Contaminated Sites	Medium Priority	11. Management of Contaminated Sites Integrated into a Single Framework	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 Respected Water Systems are appropriately managed.	a) Noted 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. 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).	Darren Ray, Manager Infrastructure Management	2023/2024		The ICRMP is the first step in establishing an integrated framework.	Not Due Yet	
37	03-Aug-20	4. Management of Contaminated Sites	High Priority	13. Consolidate Monitoring activities into a single document	All monitoring activities undertaken should be consolidated into a single document, outlining relevant sampling methodologies, limits or reporting, guidelines, criteria and trigger levels.	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.	Darren Ray, Manager Infrastructure Management Manager, Salisbury Water	30/06/2022		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 Where results are received, copies need to be circulated. Distribution list, checking to see who needs to follow up on actions – new protocols being established with the award of a new Water Quality contract.	Not Due Yet	
6	19-Nov-19	8. LGAS's 2019 Risk Evaluation Report	High Priority	Risk Management Systems	It is recommended that City of Salisbury update their Risk Charter and Guide in line with the new ISO 31000:2018 Risk management guidelines and also put a process in place to ensure the documents are reviewed as per the Council's document management processes.	Risk Management Guide and Risk Management Charter are to be reviewed and updated. The document review requirements will be set out in the final documents and will reflect Council's document management processes. The ongoing review of the risk management systems documentation will be included in the Audit Committee work plan.	Just Cook (Risk and Governance Program Manager)	20/06/2019	20/06/2021	This action has commenced and a working draft policy and framework are in existence. The document review forms part of the Governance Workplan update plan for 2021	Not Due Yet	

Log #	Report Date	Audit	Risk Rating	Future Finding/Opportunity for Improvement	Recommendations	Management Response - Action Agreed	Responsible Officer	Target Date	Review Date	Administration's Further Comments	Status	Audit Comment as at 06/07/2021
7	19-Nov-19	S. LGASA 2019 Risk Evaluation Report	High	Roads and Footways	It is recommended to put a process in place, whereby CofS can request the signing on appropriate consentable liability insurance certificate prior to approval of the permit.	The applicant's consent is noted.		N/A	N/A	No further action to be taken	Closed	Does not constitute a legislative requirement under d24. Considered closed. Resolved.
8	19-Nov-19	S. LGASA 2019 Risk Evaluation Report	Medium	Risk assessment specific to Railway Interference	One of the duties as a Road Manager is to have risk assessment process in place, if Council has Railway Interference. It is recommended to have a risk assessment in place.	Team Leader Civil and Transport will take the process forward. They will oversee the agreement to determine the outstanding actions and close the outstanding actions.	David Goodway (Team Leader Civil and Transport)	1/12/2020	30/12/2021	Action to ensure the data are identified including the audit of railway crossings and an operational risk register will be updated covering these areas. Relevant forms will be filled in and communicated to relevant stakeholders.	Not Due Yet	
9	19-Nov-19	S. LGASA 2019 Risk Evaluation Report	Medium	Update the Emergency Management Plan.	The Emergency Management Plan was finished in 2018 and since then has not been updated. City of Salisbury is currently in the process of developing an Emergency Management project which will replace the current Emergency Management Plan. In addition, City of Salisbury is working with the Council Ready Program to assist with its emergency management needs. As per the Council Ready Program, the Emergency Management Plan needs to be reviewed every 5 years in order to take into account relevant and current emergency scenarios and Council staff responsible for emergency management. As the document is older than 5 years, a new baseline was not met. It is recommended for CofS to work with the LGA Emergency Management team to update the Emergency Management Plan which is already currently in process.	Council will engage with the LGA Council Ready Program in order to update its Emergency Management documentation.	Janet Cook (Risk and Governance Program Manager)	1/12/2020	30/04/2021	The Emergency Management Plan adopted by Council in April 2021.	Closed	Resolved.
10	19-Nov-19	S. LGASA 2019 Risk Evaluation Report	Medium	Risk Assessment specific to Emergency Management Plan	CofS has documented risk assessments however it was noted that they were outdated and require to be conducted again in line with current emergency scenarios. It is recommended that Council conduct risk assessments specific to emergency management and include all current emergency scenarios relevant to CofS.	CofS will work with the Council Ready Program to conduct risk assessments specific to emergency management and subsequently document these risk assessments	Janet Cook (Risk and Governance Program Manager)	30/06/2021	30/06/2021	Action is on track. Risk assessments have been completed	Not Due Yet	

Log #	Report Date	Audit	Risk Rating	Findings/Opportunity for Improvement	Recommendations	Management Response / Action Agreed	Responsible Officer	Target Date	Review Date	Administration's Further Comments	Status	Audit Comment as at 03/07/2021
111	19-Nov-19	S. LORRA 2019 Risk Evaluation Report	Low	Findings/Opportunity for Improvement	Although selected staff have been trained on emergency operations, the details are not documented in the Emergency Management Plan as it proved to review date and ensure relevant staff details have not been included in the plan. It is recommended that the list of current staff trained on emergency management procedures are updated during the review of the Emergency Management Plan.	Training on emergency management procedures will form part of the development of the revised Emergency Management Plan and will be conducted upon completion of the Council Ready Program.	Jane Crook (Risk and Governance Program Manager)	30/06/2021	30/06/2021	The development of the Incident Operations Manual has not yet fully incorporated with emergency duties during an emergency event. Training for those staff will now be part of the roll out of the Incident Operations Manual.	Not Done Yet	

ITEM	7.1.8
	AUDIT COMMITTEE
DATE	13 July 2021
HEADING	Asset Policy Review
AUTHOR	Matthew Coldwell, Senior Accountant Projects & Assets, Business Excellence
CITY PLAN LINKS	4.4 We plan effectively to address community needs and identify new opportunities
SUMMARY	This report seeks consideration by the Audit Committee prior to submitting to Council the opportunity to review our Asset Depreciation Policy within the statutory required review period.

RECOMMENDATION

1. That the information be received.
2. That the Audit Committee recommends the Asset Depreciation Policy, as set out in Attachment 1 to this report (Audit Committee 13/07/2021 Item No. 7.1.8), to Council for adoption.

ATTACHMENTS

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

1. Asset Depreciation Policy

1. BACKGROUND

- 1.1 The development and adoption of accounting policies and procedures with regard to assets, is an essential component of the long term financial management and asset management planning of Council. It is an important step in ensuring the consistency of the financial information being presented to its users, especially within the context of Council assets worth approximately \$2.1 billion in total.

2. CITY PLAN CRITICAL ACTION

- 2.1 Council governance and practices

3. CONSULTATION / COMMUNICATION

- 3.1 Internal
 - 3.1.1 Nil
- 3.2 External
 - 3.2.1 Nil

4. REPORT

- 4.1 The requirements for treatment of infrastructure assets are governed by Australian Accounting Standards, the *Local Government Act 1999*, and the *Local*

Government (Financial Management) Regulations 2011 and consequently require a limited amount of policy decisions to be made by the Council with respect to infrastructure assets.

- 4.2 However, the Asset Depreciation Policy is tabled to Council, as it states the Depreciation Method to be applied in calculating the depreciation on Council infrastructure assets, enabling Council to appropriately consider its policy position via the stand alone policy attached.
- 4.3 There are no changes in the policy position from the previous review.

5. CONCLUSION / PROPOSAL

- 5.1 The attached policy is provided for Audit Committee review prior to Councils consideration and is reflective of a need for council policy decisions in relation to our infrastructure assets.
- 5.2 In endorsing this policy, Council is not making any changes to their current policy position.

CO-ORDINATION

Officer:	Executive
Date:	5/07/2021



Asset Depreciation Policy

Policy Type:	Policy		
Approved By:	Council	Decision No:	2013/2041, 2015/0681, 2017/2172, 0252/2019
Approval Date:	25 November 2013	Last Reapproval Date:	22 July 2019
Review Date:	July 2021	Internal Reference No.:	
Department:	Business Excellence	Division:	Financial Services
Function:	7 – Financial Management	Responsible Officer:	Manager Financial Services

A – PREAMBLE

1. The Accounting Standard AASB 116 – Property, Plant & Equipment prescribes the accounting treatment for property, plant and equipment so that users of the financial report can discern information about an entities investment in its property plant and equipment and the changes in such investment. One of the principal issues in accounting for property, plant and equipment is how a recognised asset is to be depreciated, taking into consideration its cost /fair value, it's remaining useful life, any residual value at the conclusion of its useful life and the depreciation method by which the consumption of the assets economic benefits are consumed. This can have significant implications for the operating result of the Council.

B – SCOPE

1. This policy directs those Council officers who are charged with accounting for Councils assets and related purposes.

C – POLICY PURPOSE/OBJECTIVES

1. This policy specifies what depreciation method, is to be applied to Councils assets.

D - DEFINITIONS

1. *Property, plant and equipment* – Tangible items that are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and are expected to be used during more than one accounting period.
2. *Recognition* – The cost of an item of property, plant & equipment shall be recognised as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the entity; and the cost of the item can be measured reliably.
3. *Fair Value* – The price that would be received to sell an asset in an orderly transaction between market participants at the measurement date¹.
4. *Cost* - The amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction.

¹ AASB 0013 Fair Value Measurement; paragraph 9

5. *Depreciation* – The systematic allocation of the depreciable amount of an asset over its useful life
6. *Depreciable Amount* – The cost / fair value of an asset, or other amount substituted for cost / fair value, less its residual value.
7. *Residual Value* – The amount that the Council would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.
8. *Useful Life* – The period over which an asset is expected to be available for use by the Council; or the number of production or similar units expected to be obtained from the asset.

E - POLICY STATEMENT

1. AASB 116 Property, Plant and Equipment, states that the depreciation method used by an organisation to depreciate an item of Property, plant and equipment shall reflect the pattern in which the assets future economic benefits are expected to be consumed.
As such, Council has elected to use the straight line depreciation methodology for all its assets on the basis that the economic benefits provided by the assets (the service provided), are generally used in a consistent manner throughout the useful life of the asset. This methodology results in a constant depreciation charge over the useful life of the asset, provided that the asset's useful life or residual values do not change.
2. Estimates for useful lives, asset measurements, conditions and residuals used to calculate depreciation charges are based on information derived from the prior knowledge and experience of asset managers and the audit and inspection of assets conducted by both officers of Council and appropriately experienced external parties.
3. Councils applied depreciation methods and estimates for asset useful lives and residual values are reviewed on an annual basis to ensure their continued relevance and appropriateness in accordance with Australian Accounting Standards.

F - LEGISLATION

1. Local Government Act 1999
2. Local Government (Financial Management) Regulations 2011.

G - REFERENCES

1. AASB 13 – Fair Value Measurement
2. AASB 116 – Property, Plant & Equipment
3. AASB 108 – Accounting Policies, Changes in Accounting Estimates and Errors
4. UIG 1030 – Depreciation of Long Lived Physical Assets

H - ASSOCIATED PROCEDURES

- ~~1. Asset Depreciation Procedure~~
- ~~2. Asset Capitalisation Procedure~~
- ~~3.2. Asset Revaluation Procedure~~

Document Control

Document ID	Asset Depreciation Policy
Prepared by	Matthew Coldwell
Version	0.1
Document Status	XXX
Issue Date	XXX