



## **AGENDA**

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

**9 NOVEMBER 2021 AT 6:30 PM**

**IN LITTLE PARA CONFERENCE ROOMS, SALISBURY COMMUNITY HUB,  
34 CHURCH STREET, SALISBURY**

### **MEMBERS**

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

### **REQUIRED STAFF**

Chief Executive Officer, Mr J Harry  
General Manager Business Excellence, Mr C Mansueto  
Manager Governance, Mr R Deco  
Team Leader Corporate Governance, Mr B Kahland  
Internal Auditor & Risk Coordinator, Mr H Rafeeu

### **APOLOGIES**

### **LEAVE OF ABSENCE**

### **PRESENTATION OF MINUTES**

Presentation of the Minutes of the Public and Confidential Audit Committee Meetings held on 12 October 2021.

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## REPORTS

### *Administration*

- 7.0.1 Future Reports for the Audit Committee (please note there are no forward reports as a result of a Council resolution to be listed at this time)
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### *For Decision*

- 7.1.1 Audit Committee Annual Work Plan 2021/2022 ..... 13
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- 7.1.5 Internal Audit Report on Volunteer Management Audit..... 87

### *For Information*

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## OTHER BUSINESS

## CLOSE



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

**12 OCTOBER 2021**

**MEMBERS PRESENT**

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

**OBSERVERS**

Mr David Papa, Partner, Bentleys  
Mr. Matthew Brunato, Manager, Bentleys

**STAFF**

Chief Executive Officer, Mr J Harry  
General Manager Business Excellence, Mr C Mansueto  
Manager Governance, Mr R Deco  
Team Leader Corporate Governance, Mr B Kahland  
Internal Auditor & Risk Coordinator, Mr H Rafeeu  
Manager Financial Services, Ms K George (*from 6.52pm*)  
Senior Accountant, Ms T Aplin (*from 6.52 pm*)  
Assistant Accountant, Ms M Hamilton (*from 6.52 pm*)

The meeting commenced at 6:33 pm

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

**APOLOGIES**

Nil.

**LEAVE OF ABSENCE**

Nil

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## PRESENTATION OF MINUTES

Moved Cr K Grenfell  
Seconded Ms P Davies

The Minutes of the Audit Committee Meeting held on 13 July 2021, be taken as read and confirmed.

**CARRIED**

## REPORTS

### *Administration*

#### **7.0.2 Actions List**

Moved Mr C Johnson  
Seconded Cr K Grenfell

That Council:

1. Notes the report.

**CARRIED**

#### **Bringing Forward Confidential Item 7.4.1**

Moved Ms P Davies  
Seconded Cr K Grenfell

1. That Confidential Agenda Item 7.4.1 be brought forward to this point on the agenda.

**CARRIED**



## CONFIDENTIAL ITEMS

### 7.4.1 In-Confidence Session with the External Auditor as per approved Audit Committee Annual Work Plan 2020/2021 (*verbal discussion*)

Moved Ms P Davies  
Seconded Cr K Grenfell

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

1. Pursuant to Section 90(2) and (3)(b)(i) and (b)(ii) and (d)(i) and (d)(ii) of the *Local Government Act 1999*, the principle that the meeting should be conducted in a place open to the public has been outweighed in relation to this matter because:
  - it relates to information the disclosure of which could reasonably be expected to confer a commercial advantage on a person with whom the council is conducting, or proposing to conduct, business, or to prejudice the commercial position of the council; and
  - information the disclosure of which would, on balance, be contrary to the public interest; and
  - commercial information of a confidential nature (not being a trade secret) the disclosure of which could reasonably be expected to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party; and
  - commercial information of a confidential nature (not being a trade secret) the disclosure of which would, on balance, be contrary to the public interest.
2. In weighing up the factors related to disclosure,
  - disclosure of this matter to the public would demonstrate accountability and transparency of the Council's operations

*On that basis the public's interest is best served by not disclosing the **In-Confidence Session with the External Auditor as per approved Audit Committee Annual Work Plan 2020/2021 (verbal discussion)** 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 the Chief Executive Officer and External Auditor, be excluded from attendance at the meeting for this Agenda Item.

Moved into confidence at 6:36pm

At the request of the Audit Committee Chairman, the Chief Executive Officer vacated the room.

Moved out of confidence at 6:52pm

*For Decision*

**7.1.1 Report to the Audit Committee for the year ended 30 June 2021, prepared by Bentleys**

Moved Cr K Grenfell  
Seconded Mr C Johnson

That Council:

1. Approves Bentleys' Final Report on Audit Findings 30 June 2021, appearing as Attachment 4 to this report (Audit Committee 12 October 2021, Item 7.1.1)
2. Notes the Management Representation Letter requested by the Bentleys, appearing as Attachment 5 to this report (Audit Committee 12 October 2021, Item 7.1.1), is signed by management.

**CARRIED**

**7.1.2 End of Financial Year Statement and Analysis**

Moved Ms P Davies  
Seconded Mr C Johnson

That Council:

1. Receives the information.
2. Approves, in accordance with Section 126(4)(a) of the Local Government Act 1999, that the Audit Committee's advice that it has reviewed the annual financial statements of the Council for the year ended 30 June 2021 and is satisfied they present fairly the state of affairs of Council, noting that a going concern question was considered by the Audit Committee and deemed no concern due to availability of funds as per note 11 to the Financial Statements.
3. Approves, in accordance with Regulation 22 of the Local Government (Financial Management) Regulations 2011 clauses (3) (a) and (4), that the Chief Executive Officer and the Chair of the City of Salisbury Audit Committee sign the statement to certify the independence of the Council Auditor, Bentleys.
4. Approves that the draft analysis of the Annual Financial Statements, as presented in Attachment 1 to this report (Audit Committee 13 October 2021, Item 7.1.2), be included in the End of Year Financial Statements Report to Council.

**CARRIED**

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**MWON1 In-Camera Session**

Moved Mr N Ediriweera  
Seconded Ms P Davies

That in-camera sessions with external auditor and internal auditor are to be held without management.

**CARRIED**

**OTHER BUSINESS**

Nil

## CONFIDENTIAL ITEMS

### 7.4.2 In-Confidence Session with the Internal Auditor as per approved Audit Committee Annual Work Plan 2021/2022 (*verbal discussion*)

Moved Cr K Grenfell  
Seconded Ms P Davies

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

1. Pursuant to Section 90(2) and (3)(b)(i) and (b)(ii) and (d)(i) and (d)(ii) of the *Local Government Act 1999*, the principle that the meeting should be conducted in a place open to the public has been outweighed in relation to this matter because:
  - it relates to information the disclosure of which could reasonably be expected to confer a commercial advantage on a person with whom the council is conducting, or proposing to conduct, business, or to prejudice the commercial position of the council; and
  - information the disclosure of which would, on balance, be contrary to the public interest; and
  - commercial information of a confidential nature (not being a trade secret) the disclosure of which could reasonably be expected to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party; and
  - commercial information of a confidential nature (not being a trade secret) the disclosure of which would, on balance, be contrary to the public interest.
2. In weighing up the factors related to disclosure,
  - disclosure of this matter to the public would demonstrate accountability and transparency of the Council's operations

On that basis the public's interest is best served by not disclosing the **In-Confidence Session with the Internal Auditor as per approved Audit Committee Annual Work Plan 2021/2022 (*verbal discussion*)** 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 the Chief Executive Officer and Internal Auditor of the City of Salisbury, be excluded from attendance at the meeting for this Agenda Item.

**CARRIED**

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*In order to comply with item MWON1, the Chief Executive Officer left the room for the discussion.*

The meeting moved into confidence at 7:15pm.

The meeting moved out of confidence at 7:59pm .

The meeting closed at 7:59pm.

CHAIRMAN.....

DATE.....



**ITEM** 7.0.2

**AUDIT COMMITTEE**

**DATE** 09 November 2021

**HEADING** Actions List

**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** 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 the Council for adoption. They are included in this report to support the Audit Committee.

**RECOMMENDATION**

That Council:

1. Notes the report.

**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.

**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 meeting, which has been compiled for the purpose of supporting the Audit Committee.
- 2.3 Actions will remain on the action list until reported as 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
24.	13/07/2021	Provide an assurance map for the City of Salisbury and include an intermediate update on the status of overall risk management practices and plans at the City of Salisbury.	Internal Auditor and Risk Coordinator	November 2021	Partly completed, see Agenda Item 7.1.3, rescheduled to March 2022.

### 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.



<b>ITEM</b>	7.1.1
	<b>AUDIT COMMITTEE</b>
<b>DATE</b>	09 November 2021
<b>HEADING</b>	Audit Committee Annual Work Plan 2021/2022
<b>AUTHOR</b>	Hussain Rafeeu, Internal Auditor & Risk Coordinator, CEO and Governance
<b>CITY PLAN LINKS</b>	4.2 We deliver quality outcomes that meet the needs of our community 4.4 We plan effectively to address community needs and identify new opportunities
<b>SUMMARY</b>	Subsequent changes to the Audit Committee Annual Work Plan for 2021/2022 are attached for further consideration by the Audit Committee.

**RECOMMENDATION**That Council:

1. Approves the revised Audit Committee Annual Work Plan for 2021/2022 as set out in Attachment 1 to this report (Audit Committee, 9 November 2021, Item No.7.1.1).

**ATTACHMENTS**

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

1. Audit Committee Annual Work Plan 2021-2022

**1. BACKGROUND**

- 1.1 The Annual Work Plan was presented to the Audit Committee at its meeting held on 13 July 2021.
- 1.2 The Audit Committee Annual Work Plan was introduced from July 2021 onwards, as a better practice instrument, recommended in the 3<sup>rd</sup> 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.
- 1.3 The purpose of the Audit Committee Annual Work Plan is to ensure that all essential areas are covered by the Audit Committee, in performing its roles and responsibilities mandated under the *Local Government Act 1999* (“the Act”) as stated in the Audit Committee’s Terms of Reference.
- 1.4 The Audit Committee Terms of Reference (TOR) were last reviewed and approved by the Council in August 2021.

## 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 the Audit Committee Annual Work Plan 2021/2022.
- 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 considered, 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 key changes made to the Audit Committee Annual Work Plan approved in August 2021 are as follows:
  - 2.6.1 New Items Added
    - Risk Management Policy/Framework/Roadmap review (Policy & Roadmap review scheduled for Nov 2021 and Framework review scheduled for Apr 2022)
    - Assurance Map review (scheduled for Mar 2022)
    - Update Report on Work Health & Safety Audits and Risks (scheduled for Nov 2021)
  - 2.6.2 Items Removed
    - Annual Report 2020/2021 review – given that there are no legislative requirements for the Audit Committee to review the Annual Report, and that key components that go into the Annual Report including Audited Financial Statement, Financial Analysis and Audit Committee section on Internal Controls are reviewed by Audit Committee separately, the review of full Annual Report is excluded from the Audit Committee agenda.
    - Treasury Policy review originally scheduled for October 2021 Audit Committee submission is now excluded from the Audit Committee Annual Work Plan 2021-2022 as the Policy is not due for next review until October 2022.
  - 2.6.3 Items Rescheduled
    - The Capital Works Project Audit Report originally scheduled to be presented to Audit Committee in November 2021 is now rescheduled to the next Audit Committee meeting to be held in February 2022 as the report is not yet finalised with management comments in time for the November 2021 Audit Committee.

**3. CONCLUSION / PROPOSAL**

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



### Audit Committee Work Plan 2021/2022

(Updated for 09/11/2021)

No.	Activity	Relevant Touch points (LG Act / TOR)	FY 2021 / 2022					Comments
			Jul-21	Oct-21	Nov-21	Feb-22	Apr-22	
<b>1.0</b>	<b>Financial Reporting</b>	<b>s126(4)(a)</b>						
1.1	Review Annual Financial Statements for FY2020/21 - Review Asset Valuations 2020/21 - Review methodology and approach to Depreciation 2020/21	"		🕒				
1.2	Reviewing significant accounting and reporting issues, recent changes in standards and industry updates 2020/21	"		🕒				
1.3	Review Asset Valuations 2020/21	"	🕒	🕒				
1.4	Review methodology and approach to Depreciation 2020/21	"	🕒	🕒				
<b>2.0</b>	<b>Internal Controls</b>	<b>s126(4)(c)</b>						
2.1	Review Better Practice Model Self-Assessment (External Auditor reviews as part of Controls certification)	"	🕒					
2.2	Annual Report - Internal Controls Framework and Audit Committee sections (draft in April / Final in July)	"	🕒					
2.3	Review Internal Control Policies and Procedures	"				🕒		
<b>3.0</b>	<b>Risk Management</b>	<b>s126(4)(c)</b>						
3.1	Review of Strategic Risk Register	"	🕒		🕒	🕒	🕒	
3.2	Risk Management & Internal Control Activities	"	🕒		🕒	🕒	🕒	
3.3	LG Mutual Liability Scheme Risk Review 2021 Report	"					🕒	
3.1	Review Risk Management Policy/Framework/Roadmap	"			🕒			New item added to give AC further update
3.4	Assurance Map	"					🕒	New item added to give AC further update

Audit Committee Work Plan 2021/2022								
(Updated for 09/11/2021)								
		Relevant Touch points (LG Act / TOR)	FY 2021 / 2022					Comments
No.	Activity		Jul-21	Oct-21	Nov-21	Feb-22	Apr-22	
4.0	Internal Audit	s126(4)(c)						
4.1	Review Internal Audit Plan	"	🕒		🕒	🕒	🕒	
4.2	Review the status of Outstanding Audit Action Points (relating to Internal Audit / External Audit / Internal Control Self Assessments / External Audit Management Letters)	"	🕒		🕒	🕒	🕒	
4.3	IA Report - Event Incident Management Framework	"	🕒					
4.4	IA Report - Volunteers Audit	"			🕒			
4.5	IA Report - Capital Works Project Audit	"				🕒		Audit Report <b>rescheduled</b> to next meeting as management comments are being finalised.
4.6	IA Report - Fleet/Heavy Vehicle Management, High Value & Portable Asset Audit	"				🕒		
4.7	IA Report - Strategic Reporting Process Audit	"					🕒	
4.8	IA Report - Cybersecurity Improvement Program Pre-Implementation Audit	"				🕒		
4.9	IA Report - IT Disaster Recovery Audit	"					🕒	
4.10	IA Report - Independent External Review of Internal Audit Function	"					🕒	
4.11	IA Report - Data Governance Audit	"					🕒	
4.12	In-confidence session with Internal Auditor	Better Practice		🕒				
4.13	Update Report on Work Health & Safety Audits and Risks	s126(4)(c)			🕒			<b>New</b> Item included to update AC on WHS audits and Risks
5.0	External Audit	s126(4)(b)						
5.1	Review Interim Audit Report	"	🕒					

### Audit Committee Work Plan 2021/2022

(Updated for 09/11/2021)

No.	Activity	Relevant Touch points (LG Act / TOR)	FY 2021 / 2022					Comments
			Jul-21	Oct-21	Nov-21	Feb-22	Apr-22	
5.2	Review final External Audit Report	"		☐				
5.3	Review Management Representation Letters	"	☐	☐				
5.4	Assess the appropriateness of Council's response to the Auditor's findings and recommendations	"	☐	☐				
5.5	Oversee actions to follow up on matters raised by External Auditor	"	☐	☐				
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	☐	☐				
5.6	In-confidence session with External Auditor	Better Practice		☐				
<b>6.0</b>	<b>Reporting</b>	s126(4)(c)						
6.1	Audit Committee Self-Assessment report	"					☐	
6.2	Report on Audit Committee Workprogram status and future proposals	"	☐	☐	☐	☐	☐	Standard Agenda Item, review on need arising basis.
<b>7.0</b>	<b>Strategic, Financial and Management Planning</b>	s126(4)(ab)						

Audit Committee Work Plan 2021/2022								
(Updated for 09/11/2021)								
		Relevant Touch points (LG Act / TOR)	FY 2021 / 2022					Comments
No.	Activity		Jul-21	Oct-21	Nov-21	Feb-22	Apr-22	
7.1	Review Annual Report 2020/21	"			✘			Full Annual Report <b>excluded</b> from presenting to AC because relevant key components like Audited Financial Statements and AC Section for Annual Report already presented to AC
7.2	Review Annual Plan 2021/22 & LTFP 2021/22 - 2030/31 (Information & Input)	"					✘	
7.3	Review Annual Plan 2021/22 & LTFP 2022/23 - 2031/32	"					✘	
7.7	Review Annual Budget, Fees & Charges 2021/22	"						
7.4	Review Annual Budget, Fees & Charges 2022/23	"					✘	
8.0	Policy and Procedure Review	s126(4)(c)						
8.1	Review Fraud and Corruption Prevention Framework	"	✘					
8.2	Asset Review Policy	"	✘					
8.6	Treasury Policy	"		✘				Policy next review due date is Oct 2022, hence <b>excluded</b> from this year AC Annual Plan.
8.7	Risk Management Plan / Framework	"			✘			
8.8	Business Continuity Policy / Plan	"				✘		
8.9	Internal Audit Manual	"					✘	
9.0	Other Matters	s126(4)(ac)						
9.1	Review/Approve Audit Committee Annual Work Program	"	✘	✘	✘	✘	✘	



### Audit Committee Work Plan 2021/2022

(Updated for 09/11/2021)

No.	Activity	Relevant Touch points (LG Act / TOR)	FY 2021 / 2022					Comments
			Jul-21	Oct-21	Nov-21	Feb-22	Apr-22	
9.2	Reports on other relevant matters	"	☐	☐	☐	☐	☐	
9.3	Proposing and reviewing the exercise of powers under s130A of the Act (if any)	s130A						
9.4	Public Interest Disclosures cases reported and investigations undertaken (if any)	"						
9.5	Audit Committee Annual Report 2021/22	s126(8)(B) Statutes Amendment Act 2020					☐	

☐	Past Reporting / Review
☐	Current Month Reporting / Review
☐	Future Reporting / Review
☐	Excluded / Removed



<b>ITEM</b>	7.1.2
	<b>AUDIT COMMITTEE</b>
<b>DATE</b>	09 November 2021
<b>HEADING</b>	3-Year Internal Audit Plan 2021/22-2023/24
<b>AUTHOR</b>	Hussain Rafeeu, Internal Auditor & Risk Coordinator, CEO and Governance
<b>CITY PLAN LINKS</b>	4.2 We deliver quality outcomes that meet the needs of our community 4.4 We plan effectively to address community needs and identify new opportunities
<b>SUMMARY</b>	Recommendations from the last Audit Committee are incorporated in 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**That Council:

1. Approves the updates made to the 3-year Internal Audit Plan 2021/2022 to 2023/2024 as set out in Attachment 1 to this report (Audit Committee, 09/11/2021, Item No.7.1.2).
2. Approves the accompanying high-level indicative scope for pending audits as set out in Attachment 2 of this report (Audit Committee, 09/11/2021, Item No. 7.1.2).

**ATTACHMENTS**

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

1. 3 Year Internal Audit Plan 2021/2022 to 2023/2024
2. Indicative Scope for Pending Internal Audits

**1. BACKGROUND**

- 1.1 The Strategic Risk Register and risk causes were reviewed and mapped against all internal audits and reviews performed since 2007 and a mapping summary was presented to the July 2021 Audit Committee.
- 1.2 A total of 16 potential new audits were identified in this process, for inclusion in the Internal Audit Plan covering future periods.
- 1.3 Given the resource availability, eight of these new audits are included in the proposed three-year Internal Audit Plan for 2021/2022 to 2023/2024.

These are:

- 1.3.1 Budgetary Control Audit
- 1.3.2 Rates Setting Process Audit
- 1.3.3 By-Laws Management and Enforcement Process Audit

- 1.3.4 Community Consultation Process & Community Perception Survey Effectiveness Audit [Two of the new audits combined into one]
- 1.3.5 Economic Development Initiatives Effectiveness Audit - Polaris Centre
- 1.3.6 Environmental Sustainability & Climate Change Risk Management Audit
- 1.3.7 Independent Post Implementation Audit of Major Projects
- 1.4 The remainder of the following audits are noted for potential inclusion in FY 2025 or for prioritisation as and when required:
  - 1.4.1 Business Continuity Audit
  - 1.4.2 Internal Communication & Public Media Release Audit
  - 1.4.3 Investment Decision Making Process Audit
  - 1.4.4 KPIs and Performance Management Audit
  - 1.4.5 Performance Review of Strategic Business Units
  - 1.4.6 Property Maintenance Audit
  - 1.4.7 Social Infrastructure Assessment Framework Audit
  - 1.4.8 Training & Competency Effectiveness Audit

## 2. CONSULTATION / COMMUNICATION

- 2.1 Internal
  - 2.1.1 Manager Governance
  - 2.1.2 General Managers

## 3. REPORT

This report provides progress updates to the Internal Audit Plan since it was last presented to the Audit Committee in July 2021 as follows:

### 3.1 Key Changes to the 3-year Internal Audit Plan 2021/2022 to 2023/2024

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

- No new audits are included in the 3-year Internal Audit Plan 2021/2022 to 2023/2024.
- Completed audits presented to the Audit Committee, relating to 2020/2021 are now removed from this current 3-year Internal Audit Plan 2021/2022 to 2023/2024:
  - Corporate Credit Card Audit
  - Trade Card and Trading Account Audit
  - Legislative compliance Audit
  - Complaint Handling Audit
  - Event Incident Management Framework Audit

- The Status column is updated commenting on reasons for delays in audit commencement, delays in audit report finalisation, and proposed new commencement timelines.

### **3.2 Update on Completed Audits**

#### **3.2.1 Volunteer Management Audit**

This audit is completed internally by the Internal Auditor and Risk Coordinator, and the report is presented to this November 2021 Audit Committee meeting.

### **3.3 Update on Ongoing Audits**

#### **3.3.1 Capital Works Project Audit**

This audit was undertaken by Galpins on a co-sourced model, and the draft audit report was issued by Galpins on 20<sup>th</sup> August 2021. An exit audit closure meeting was held with Galpins and the City Infrastructure Team, and clarifications from Galpins were given to all concerns raised during the meeting. We're now awaiting formal management comments on the audit report to finalise the report.

### **3.4 Current Position of Pending Audits on the Internal Audit Plan**

- The Cybersecurity Improvement Program pre-implementation audit commencement has been rescheduled from September 2021 to November 2021 due to extra time required to finalise the scoping document. The scoping document was signed off by the CEO on 13 Oct 2021 and a "tender by invitation" process was undertaken afterwards. An external cybersecurity consultancy firm is now awarded to commence the audit in early/mid November 2021.
- The Fleet, Heavy Vehicle, High Value & Portable Assets Audit was scheduled to start in August 2021, however rescheduled as the scoping document is yet to be signed off for approval.
- The IT Disaster Recovery Audit commencement is rescheduled from Oct 2021 to Mar 2022 due to the retiming of the Cybersecurity Improvement Program Pre-Implementation Audit.
- The Strategic Reporting Process Audit commencement is rescheduled from Oct 2021 to Mar 2022 due to the flow on effect of having to reschedule Fleet, Heavy Vehicle, High Value & Portable Assets Audit commencement.
- All other audits are progressing as originally scheduled, as reported to the Audit Committee in July 2021.
- The indicative scope for the audits scheduled for commencement in 2022/2023 and 2023/2024 are yet to be prepared and will get updated to the next Audit Committee.

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

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

Strategic Risk Number	Risk Description	Strategic Risk		Relevant Causes from Strategic Risk Register	Audit Ref	Audit Title	Audit Title and Summary Description	3 YEAR INTERNAL AUDIT PLAN - 2021/2022 to 2023/2024			Rationale for Inclusion	Internal Key Stakeholder Divisions Impacted	Status Update (as at 9 November 2021)
		Inherent Risk	Residual Risk					2021/2022	2022/2023	2023/2024			
6	Ineffective governance results in the provision of services which do not meet community expectations.	High	Medium		1	<b>Volunteers Audit</b>	<b>Volunteers</b> Audit is to provide assurance on the established processes in regard to the management of volunteers. (Area of focus will be recruitment, management, grievances, induction, acknowledgement).	✓			Volunteers are a major personnel resource utilised 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 reputation risk. This review is intended to provide assurance that the processes for managing volunteers are robust.	People & Culture ; Community Planning & Vitality; Community Capacity & Learning; Community Experience; Financial Services	Report finalised for presenting to November 2021 AC.
6	Ineffective governance results in the provision of services which do not meet community expectations.	High	Medium	• Projects approved are not consistent with the strategic direction of CoS	2	<b>Capital Works Projects Audit</b>	<b>Capital Works Projects</b> Assurance on the effectiveness of the processes that are in place to manage risks on capital works projects.	✓			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	Draft Report issued by Galpins (20/8/21) and waiting for Management Comments to finalise the report.
5	City of Salisbury financial sustainability is compromised by internal decisions and / or external events.	High	Medium	• Unplanned spending • Inadequate valuation of assets or inaccurate depreciation • Inadequate planning for infrastructure repairs or upgrades	3	<b>Fleet, Heavy Vehicle, High Value &amp; Portable Assets Audit</b>	<b>Fleet, Heavy Vehicle, High Value &amp; Portable Assets</b> This audit is to provide assurance that the established governance and risk management is sufficiently robust to protect and ensure the viability of the fleet, heavy vehicles, high value and portable assets.	✓			The City owns and operates a significant fleet of vehicles. There is 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.	People & Culture ; Community Experience; Economic Development & Urban Policy; Strategic Development Projects; Financial Services; Field Services; and Strategic Procurement .	Audit was scheduled to start in August 2021, however rescheduled as the scoping document is yet to be signed off for approval.
8	Lack of alignment and integrity of IT systems and data to support service delivery	High	High	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	4	<b>Cyber Security Improvement Program - Pre-implementation Audit</b>	<b>Cyber Security Improvement Program - Pre-implementation Audit</b> 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.	✓			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's information systems. The City acknowledges the need to strengthen cybersecurity controls and have initiated a 5 year Cybersecurity Improvement Program covering the elements of policy, awareness, defence, incident management and remediation, advisory, security solutions, and independent vulnerability assessments. A panel of contractors have been selected to provide services for this Cybersecurity Improvement Program, and given that the program has not commenced, Administration decided that there is less value add in undertaking a cybersecurity audit when a 5 year Cybersecurity Implementation Project is in pipeline to address cybersecurity. GM Business Excellence recommended to undertake a pre-implementation review of the Cybersecurity Implementation Project instead, to identify any gaps in the Program.	Business Systems and Solutions; and Financial Services	The Cybersecurity Improvement Program pre-implementation audit commencement has been rescheduled from September 2021 to November 2021 due to extra time required to finalise the scoping document. The scoping document was signed off by the CEO on 13 Oct 2021 and a "tender by invitation" process was undertaken afterwards. An external cybersecurity consultancy firm is now awarded to commence the audit in early/mid November 2021
N/A	Internal controls, risks and governance measures are not adequately planned and systematically managed to ensure the implementation of proactive and reactive controls to achieve COS's goals and objectives efficiently and effectively, and internal audit engagements performed are not upto expected quality standards and not adding value for business excellence improvement.	High	High	N/A	5	<b>Independent External Review of Internal Audit Function</b>	<b>Independent External Review of Internal Audit Function</b> 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 standard are performed, reported and communicated consistently to relevant stakeholders, to add value to the COS objectives effectively and efficiently.	✓			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.	People & Culture ; Governance; and Financial Services.	On schedule, to commence in December 2021, on a co-sourced model.

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

Strategic Risk Number	Risk Description	Strategic Risk		Relevant Causes from Strategic Risk Register	Audit Ref	3 YEAR INTERNAL AUDIT PLAN - 2021/2022 to 2023/2024						Internal Key Stakeholder Divisions Impacted	Status Update (as at 9 November 2021)
		Inherent Risk	Residual Risk			Audit Title	Audit Title and Summary Description	2021/2022	2022/2023	2023/2024	Rationale for Inclusion		
6 & 8	SR#6: Ineffective governance results in the provision of services which do not meet community expectations. (High / Medium). SR#8: Lack of alignment and integrity of IT systems and data to support service delivery (High / High)	High	Medium	<ul style="list-style-type: none"> <li>Limited meaningful corporate performance indicators in place</li> <li>Inconsistent reporting and data collection</li> </ul>	6	<b>Data Governance Audit</b>	<b>Data Governance</b> Assurance that City of Salisbury data governance processes ensure adequate protection of information and effective data management required to meet business needs.	☑			There is the risk that City's 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.	People & Culture ; Community Experience; Economic Development & Urban Policy; Business Systems and Solutions; Financial Services; and Communications & Customer Relations.	On schedule, to commence in January 2022
8	Lack of alignment and integrity of IT systems and data to support service delivery	Very High	High	<ul style="list-style-type: none"> <li>Lack of plans and procedures to inform response strategies when a cybersecurity incident occurs</li> <li>Lack of auditing and logging functions to capture events</li> </ul>	7	<b>IT Disaster Recovery Audit</b>	<b>IT Disaster Recovery</b> To provide assurance that in the case of an unforeseen event that the governance and risk management in regard to IT Disaster recovery is sufficiently robust to mitigate the potential of data loss.	☑			The information contained within the City's critical core systems is significant. The ability to promptly recover data is crucial to prevent service interruption 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 prevention of service interruption.	Community Experience; Economic Development & Urban Policy; and Business Systems and Solutions.	Rescheduled commence from Oct 2021 to Mar 2022 due to cascading effect of having to reschedule Cybersecurity Improvement Program Pre-implementation Audit
6	Ineffective governance results in the provision of services which do not meet community expectations.	High	Medium	<ul style="list-style-type: none"> <li>Inadequate performance measures which are not linked to objectives or strategies</li> <li>Failure to deliver what is expected by the local community due to a lack of alignment of strategic plans</li> <li>Limited meaningful corporate performance indicators in place</li> <li>Inconsistent reporting and data collection of corporate performance indicators</li> </ul>	8	<b>Strategic reporting process Audit</b>	<b>Strategic reporting process</b> Assurance on the processes and controls in place, specifically in relation to the City Plan, Business Planning and Annual Planning.	☑			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.	People & Culture ; Governance; Business Systems and Solutions; Environmental Health & Safety; Financial Services; Communications & Customer Relations; and Strategic Procurement	Rescheduled commence from Oct 2021 to Mar 2022 due to cascading effect of having to reschedule Fleet, Heavy Vehicle, High Value & Portable Assets Audit
5	City of Salisbury financial sustainability is compromised by internal decisions and / or external events.	High	Medium	<ul style="list-style-type: none"> <li>Fraud, misconduct or maladministration</li> <li>Unplanned spending</li> </ul>	9	<b>Fraud and Corruption Prevention Control Audit</b>	<b>Fraud and Corruption Prevention Control Audit</b> Provide assurance that current practices are effective to prevent, detect, and manage risks related to fraud, corruption, misconduct and maladministration, and ensure that controls are implemented as per agreed policies and procedures.	☑			<p>The revised Fraud and Corruption Prevention and Management Policy states that the City has a zero-tolerance stance towards fraud, corruption, misconduct and maladministration.</p> <p>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.</p> <p>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.</p> <p>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.</p>	All Divisions	Commencement brought forward from Sep 2022 to Mar 2022 considering resource availability and strategic risk priority.
8	Lack of alignment and integrity of IT systems and data to support service delivery	Very High	High	<ul style="list-style-type: none"> <li>Lack of business engagement and clarity of roles</li> <li>External pressure for changes to systems</li> <li>Failure to adequately involve IT when developing plans, strategies and projects</li> <li>Failure to consider all options when improving a system or process</li> <li>Organisational change is not conducted in a structured and logical manner</li> </ul>	10	<b>IT Investment Strategy Audit</b>	<b>IT Investment Strategy</b> Audit is to provide assurance that the strategy around IT investment is sufficiently robust to support the current business requirements and continuous improvement initiatives.	☑			The City 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 impact, 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.	Governance; Economic Development & Urban Policy; Business Systems and Solutions; Financial Services; and Strategic Procurement	Rescheduled commencement from June 2022 to July 2022 due to cascading effect of having to reschedule commencement of other audits.






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

Strategic Risk					3 YEAR INTERNAL AUDIT PLAN - 2021/2022 to 2023/2024								
Strategic Risk Number	Risk Description	Inherent Risk	Residual Risk	Relevant Causes from Strategic Risk Register	Audit Ref	Audit Title	Audit Title and Summary Description	2021/2022	2022/2023	2023/2024	Rationale for Inclusion	Internal Key Stakeholder Divisions Impacted	Status Update (as at 9 November 2021)
4	Failure to manage the impact of environmental and social factors on Council infrastructure, assets and services	High	Medium	<ul style="list-style-type: none"><li>• Inadequate understanding and planning for factors impacting the environment</li><li>• Failure to consider environmental consequences when planning and designing infrastructure</li></ul>	11	Tree Management Framework Audit	<b>Tree Management Framework Audit</b> Provide assurance that COS has established a Tree Management Framework for the management of its urban forest, covering policy measures in the area of tree planting, tree protection, tree removal, tree asset management, community consultation and engagement, and risk management, and ensure that the framework is adequate and implemented effectively.				The City 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's Tree Management Framework is adequate and implemented effectively.	Community Planning & Vitality; Community Experience; Economic Development & Urban Policy; Environmental Health & Safety; Financial Services; Communications & Customer Relations; and Field Services .	On schedule to commence in August 2022
5 & 6	SR#5: City of Salisbury financial sustainability is compromised by internal decisions and / or external events. SR#6 Ineffective governance results in the provision of services which do not meet community expectations.	High	Medium	<ul style="list-style-type: none"><li>• Insufficient or reduction in grant funding</li></ul>	12	Grants Management Audit	<b>Grants Management Audit</b> Provide assurance that the grants provide to City of Salisbury community and businesses are awarded to eligible recipients, and managed effectively as per approved policies and procedures and aligned to the City Plan 2035.				The City offers many grants to encourage develop and support community projects.  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. This audit is to provide assurance that the grants provide to City of Salisbury community and businesses are awarded to eligible recipients, and managed effectively as per approved policies and procedures and aligned to the City Plan 2035.	Community Planning & Vitality; Community Capacity & Learning; Community Experience; Infrastructure Delivery & Management; Economic Development & Urban Policy; Financial Services; and Communications & Customer Relations.	On schedule to commence in November 2022
5	City of Salisbury financial sustainability is compromised by internal decisions and / or external events.	High	Medium	<ul style="list-style-type: none"><li>• Inadequate revenue and a failure to maximise revenue from all sources</li><li>• Financial cost associated with failing rates revenue or increasing bad or doubtful debts</li><li>• City revenue has to be raised increasingly through more traditional methods (rate rises)</li><li>• Potential new revenue streams/opportunities are not fully investigated</li><li>• Short term revenue is maximised at the expense of longer term revenue</li><li>• Revenue from the sale of assets (land) is not invested for the longer term benefit of the community</li></ul>	13	Revenue and Debtors Audit	<b>Revenue and Debtors Audit</b> Ensure that there are no revenue leakages, and that the revenue charged and collected are accurate and complete, and revenue and debtor management process is effective as per approved policies and procedures in accordance with relevant legislation.				The City has recorded a total revenue of \$127.39m for FY2019/20 (\$125.75m for FY 2018/19), of which 80% is from Rates, 13% from Grants, Subsidies and Contributions, and remaining 7% from fees, and other charges/income. 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 reflected on the Statement of Financial Position under Trade and Other Receivables amounts 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.	Business & Admin Support; and Financial Services	On Schedule to commence in January 2023
1-9	All Strategic Risks in the Strategic Risk Register	High	High	<ul style="list-style-type: none"><li>• Inadequate performance of risk assessments</li></ul>	14	Risk Management Audit	<b>Risk Management Audit</b> Ensure that the City of Salisbury has robust policies and procedures and framework in place for risk management and controls are in place to manage risks effectively.				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 in place to manage risks are operative effectively.	All Divisions	On schedule to commence in March 2023

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

Strategic Risk					3 YEAR INTERNAL AUDIT PLAN - 2021/2022 to 2023/2024								
Strategic Risk Number	Risk Description	Inherent Risk	Residual Risk	Relevant Causes from Strategic Risk Register	Audit Ref	Audit Title	Audit Title and Summary Description	2021/2022	2022/2023	2023/2024	Rationale for Inclusion	Internal Key Stakeholder Divisions Impacted	Status Update (as at 9 November 2021)
5	City of Salisbury financial sustainability is compromised by internal decisions and / or external events.	High	Medium	• Unplanned spending	15	Budgetary Control Audit				✓	Strategic Risk Register Review lead to identification of Risk Causes and factors, that have not been assured through internal audit testing in the past.	TBC	New Audit - from Strategic Risk Register Review - scheduled to commence in May 2023
5	City of Salisbury financial sustainability is compromised by internal decisions and / or external events.	High	Medium	• Inadequate revenue and a failure to maximise revenue from all sources • Introduction of draft legislation regarding rate capping • Fraud, misconduct or maladministration	16	Rates Setting Process Audit					Strategic Risk Register Review lead to identification of Risk Causes and factors, that have not been assured through internal audit testing in the past.	TBC	New Audit recommended by Audit Committee in April 2021, which is also captured in the Strategic Risk Register Review, scheduled to commence in May 2023
3	Lack of management of public and environmental health risks	High	High	• Inadequate management, monitoring or testing • Animal/vermin infestation • Noxious plants	18	By-Laws Management and Enforcement Process Audit				✓	Strategic Risk Register Review lead to identification of Risk Causes and factors, that have not been assured through internal audit testing in the past.	TBC	New Audit - from Strategic Risk Register Review - scheduled to commence in Sep 2023
10	City of Salisbury reputation suffers due to services provided not meeting community needs	High	Medium	• Failure to undertake legislative requirements • Lack of or ineffective community consultation and engagement	19	Community Consultation Process, and Community Perception Survey Effectiveness Audit				✓	Strategic Risk Register Review lead to identification of Risk Causes and factors, that have not been assured through internal audit testing in the past.	TBC	New Audit - from Strategic Risk Register Review - scheduled to commence in Nov 2023
10	City of Salisbury reputation suffers due to services provided not meeting community needs	High	Medium	• Failure to deliver successful projects • Failure to deliver services expected by the community • Not meeting strategic objectives	21	Economic Development Initiatives Effectiveness Audit - Polaris Centre				✓	Strategic Risk Register Review lead to identification of Risk Causes and factors, that have not been assured through internal audit testing in the past.	TBC	New Audit - from Strategic Risk Register Review - scheduled to commence in Feb 2024
48/9	SR4: Failure to manage the impact of environmental and social factors on Council infrastructure, assets and services SR9: 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	• Inadequate understanding and planning for factors impacting the environment • Failure to consider environmental consequences when planning and designing infrastructure • Insufficient modelling of weather events used within Asset Management Planning • Inadequate infrastructure within the City to manage stormwater and sea level rises due to storm events • Inadequate understanding of and planning for the impact of climate change on City infrastructure and assets. • Coastal inundation and impact on biodiversity • Failure to update Asset Management Plans	22	Environmental Sustainability & Climate Change Risk Management Audit				✓	Strategic Risk Register Review lead to identification of Risk Causes and factors, that have not been assured through internal audit testing in the past.	TBC	New Audit - from Strategic Risk Register Review - scheduled to commence in Apr 2024
6	Ineffective governance results in the provision of services which do not meet community expectations.	High	High	• Failure to consistently conduct Post Implementation Reviews and measure benefits realisation	23	Independent Post Implementation Audit of Major Projects				✓	Strategic Risk Register Review lead to identification of Risk Causes and factors, that have not been assured through internal audit testing in the past.	TBC	New Audit - from Strategic Risk Register Review - scheduled to commence in May 2024

 Audit Completed and Currently Being Presented to Audit Committee  
 Ongoing Audits  
 Audit Commencement Planned for a Future Period

**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:

- 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.

**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 cascade 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.





<b>ITEM</b>	7.1.3  <b>AUDIT COMMITTEE</b>
<b>DATE</b>	09 November 2021
<b>HEADING</b>	Risk Management and Internal Controls Activities
<b>AUTHOR</b>	Hussain Rafeeu, Internal Auditor & Risk Coordinator, CEO and Governance
<b>CITY PLAN LINKS</b>	4.2 We deliver quality outcomes that meet the needs of our community 4.4 We plan effectively to address community needs and identify new opportunities
<b>SUMMARY</b>	<p>This report provides an update on the risk management and internal controls activities undertaken (or planned) for 2021/2022.</p> <p>As a new initiative, an Enterprise Risk Management Roadmap is developed with agreed timelines to accomplish key milestone deliverables as follows:</p> <ul style="list-style-type: none"><li>- Develop an Enterprise Risk Management Policy (by Nov 2021)</li><li>- Develop an Enterprise Risk Management Framework (by Mar 2022)</li><li>- Develop an Overall Assurance Map (by Mar 2022)</li><li>- Review and Update Business Continuity Plan (BCP) for Critical Functions (by Mar 2022)</li><li>- Develop Operational Risk Registers for All Divisions (by Jun 2022).</li></ul>

**RECOMMENDATION**That Council:

1. Notes the update on Risk Management and Internal Controls Activities for 2021/2022 since the 13<sup>th</sup> July 2021 Audit Committee meeting, as set out in Attachment 1 to this report (Audit Committee, 09/11/2021, Item No. 7.1.3).
2. Adopts the Enterprise Risk Management Policy, as set out in Attachment 2 to this report (Audit Committee, 09/11/2021, Item No. 7.1.3).
3. Notes the Enterprise Risk Management Program Roadmap, as set out in Attachment 3 to this report (Audit Committee, 09/11/2021, Item No. 7.1.3).
4. Notes the Updated Strategic Risk Register as set out in Attachment 4 to this report (Audit Committee, 09/11/2021, Item No. 7.1.3).

**ATTACHMENTS**

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

1. Risk Management and Internal Controls Activities 2020/2021
2. Enterprise Risk Management Policy
3. Enterprise Risk Management Program Roadmap 2021-2022 - City of Salisbury
4. Strategic Risk Register Nov 2021

**1. BACKGROUND**

- 1.1 This report provides an update on the risk management and internal controls activities undertaken (or planned) for 2020/2021. 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** for the 2021/2022 financial year.
- 2.2 The following activities in Attachment 1 have been updated since they were last reviewed by the Audit Committee in July 2021:
  - 2.2.1 The Audited Financial Statements for FY 2020/2021 and Independent Auditors reports were presented to the October 2021 Audit Committee meeting. A Draft **Independent Assurance Report on Internal Controls** for the City of Salisbury for the year ending 30 June 2021 was presented to the October 2021 Audit Committee meeting and a final report was issued, with same opinion in October 2021.
  - 2.2.2 The next round of **Control Self-Assessment and Risk Assessment of Financial Controls Best Practice Model** managed through the Control Track online portal is scheduled to commence in April 2022 to make the self-assessment results available for the new external auditor for the interim audit review of financial internal controls.
  - 2.2.3 **Petty Cash Till-Float Reconciliation** was performed by the Internal Auditor & Risk Coordinator for the FY2020/2021 as it was done historically as an internal control measure. No variances were identified.
  - 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 Program documentation. The Emergency Management Program has been extended for a further 12 months to complete related tasks including the improvement and update of the Business Continuity Plan (BCP) for critical functions.
  - 2.2.5 As part of the **BCP corporate documentation review**, the Emergency Management Incident Operations Framework was drafted and presented to the Executive Group Meeting in October 2021 and is undergoing further review on roles and responsibilities and budget implications before it gets finalised. The BCP is built in as a milestone deliverable under the newly developed Enterprise Risk Management Roadmap 2021/2022.

- 2.2.6 As part of the review of the current risk management process in place, the **status of key risk management documentation is identified** as follows:
- A Risk Management Charter was developed in February 2012 as the overarching risk management policy document.
  - A Risk Management Guide version 7.2 was developed and communicated to staff in January 2017.
- As part of continuous improvement, the Enterprise Risk Management Policy will replace the current Risk Management Charter (consistent with LGA model policy structure), and the Enterprise Risk Management Framework will replace the current Risk Management Guide.
- 2.2.7 An **Enterprise Risk Management (ERM) Policy** is developed as set out in Attachment 2, outlining the Council's commitment to identifying, analysing, assessing, evaluating and managing organisational risks that may impact on the Council achieving its business objectives.
- 2.2.8 The ERM Policy aligns to the Australian Standard (AS) ISO 31000:2018 Risk Management Guidelines (the Standard) and has used the Local Government Association of South Australia (LGASA) model risk management policy as a guide.
- 2.2.9 The Internal Auditor and Risk Coordinator has developed an **Enterprise Risk Management (ERM) Program Roadmap** outlining the following 15 critical actions that are scheduled to be accomplished in order to materialise the ERM policy into action, as set out in Attachment 3:
- Develop Risk Appetite Statement(s)
  - Review Risk Matrix (Rating Table & Thresholds)
  - Develop Internal Controls Management Procedure
  - Develop Controls Assurance Procedure
  - Develop Enterprise Risk Management Procedure
  - Perform an Operational Risk Register – Gap Analysis
  - Develop Operational Risk Registers for All Divisions
  - Develop Business Continuity Plans for Critical Functions
  - Training / Awareness & Embedding ERM Implementation Culture
  - Perform Risk Assessment & Review Risk Registers
  - Determine ERM Reporting Structure / Frequency
  - Review ERM Policy & ERM Framework
  - Develop COS's Assurance Map & Review/Report Annually
- 2.2.10 The ERM Roadmap provides a blueprint plan for the Council to develop the documents, tools and templates to be used, and to embed a risk management culture across the whole organisation and provide training and implementation of the enterprise risk management process.
- 2.2.11 The ERM Roadmap in Attachment 3 also clearly outlines the theoretical models and process or systems that will be used in the development of the ERM Framework, clearly articulating the specific key milestone deliverables as outcomes of the ERM Program.

- 2.2.12 The **Strategic Risk Register** is updated, highlighting all new additions in red text and striking through text that has become obsolete. The main areas of change are in the risk treatment owners and timelines. There are no changes noted in the risk ratings, as no further risk assessments took place during this period.

**3. CONCLUSION / PROPOSAL**

- 3.1 This report has provided a summary of the risk management and internal controls activities undertaken and planned for 2021/2022, since the last Audit Committee meeting.

Risk Management and Internal Controls Activities – July 2021 to June 2022

v1.4

Annual Plan - July 2021 to June 2022					
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
1. 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 for FY2020/2021 was delivered at the October 2021 meeting of the Audit Committee.
2. Completion of Control Self-Assessments and Risk Assessments through the Control Track system, including external audit preparation	Internal Controls	Internal	Not yet commenced	The external auditor's expectations are that at least one control self-assessment will be conducted annually and a risk assessment should also be conducted on financial internal controls.	The next round of control self-assessments will commence around April 2022.
3. 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 2021 for the 2020/2021 period to substantiate the information to be contained within the Annual Financial Statements. A memo to the GM Business Excellence was prepared. No issues were identified.

Risk Management and Internal Controls Activities – July 2021 to June 2022

v1.4

Annual Plan - July 2021 to June 2022					
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
4. Report on the findings of the Audit Committee self-assessments	Internal Controls	Internal	Not yet commenced	The annual self-assessment reviews the performance of the Audit Committee.	To commence in Feb 2022.
5. Review the Fraud and Corruption Prevention Strategy	Internal Controls	Internal	Completed	The Fraud and Corruption Prevention Strategy was reviewed and replaced with a Policy and a Framework.	The Fraud and Corruption Policy was adopted by Council in February 2021 and the Fraud and Corruption Prevention and Management Framework was approved by the Executive Group in July 2021.
6. Emergency Management Project	Risk Management	Internal	In progress	Develop, implement and review the Emergency Management Framework, including the development of tools, plans and instructional guides. Provide an integrated model of emergency management for City of Salisbury, with assigned roles & responsibilities	The Emergency Management Policy and Emergency Management Plan have been endorsed. The Incident Operations document has been approved by the Executive Group. The Project completed from a design and documentation point of view and in terms of control implementation point of view is continuing on an ongoing basis. Some related BCP for critical functions is in progress as noted under Activity 6.

Risk Management and Internal Controls Activities – July 2021 to June 2022

v1.4

Annual Plan - July 2021 to June 2022					
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
7. 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. The Further information is provided in the Risk Management and Controls Activities Report November 2021.
8. 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.	An Enterprise Risk Management (ERM) Policy is developed, and an update report on ERM Program Roadmap is updated in November 2021 Audit Committee Agenda. The ERM Framework document is to be developed under this ERM Program Road Map and action owners and timelines have been agreed, to be completed by March 2022.
9. ERM Program Roadmap	Risk Management	Internal	In progress	Following the development of an ERM Policy, it was decided that a Road Map is developed to ensure effective implementation is monitored as per an agreed plan.	ERM Program Road Map is developed.



Risk Management and Internal Controls Activities – July 2021 to June 2022

v1.4

Annual Plan - July 2021 to June 2022					
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
10. ERM Roadmap Deliverable – Assurance Map	Risk Management	Internal	In progress	CEO asked to prepare an overall Assurance Map for the City of Salisbury to determine where we are in terms of assurance. Audit Committee has also asked for a brief on this as was agreed as an action item.	The Internal Auditor & Risk Coordinator has researched into the best model or framework to use for this map and it was identified that IIA recommends to use their Three Lines Model as a better practice model for assurance mapping, which is also used in LGASA Financial Better Practice Model. In other local government councils, this model has been used as well. The Assurance Map is being developed using IIA Three Lines Model as the base model, with a target completion deadline by 30 Mar 2022.
11. ERM Roadmap Deliverable – Operational Risk Registers for all Divisions	Risk Management	Internal	Not yet commenced	As part of the ERM Program Road Map deliverable.	





## ENTERPRISE RISK MANAGEMENT POLICY

<b>Procedure Type:</b>	<b>Policy</b>
<b>Related Policies and Procedures:</b>	<ul style="list-style-type: none"> <li>• Enterprise Risk Management Framework</li> <li>• Business Continuity Plan</li> <li>• Emergency Management Plan</li> <li>• Relevant Work Health &amp; Safety (WHS) Policies and Procedures</li> <li>• Fraud and Corruption Prevention and Management Policy</li> </ul>
<b>Date Adopted:</b>	
<b>Next Review Date:</b>	
<b>Department:</b>	CEO and Governance
<b>Function:</b>	Governance
<b>Responsible Officer:</b>	Manager Governance

### 1. PREAMBLE

- 1.1. This Policy documents the City of Salisbury (the Council or COS)'s commitment to identifying, analysing, assessing, evaluating and managing organisational risks that may impact on the Council achieving its business objectives.
- 1.2. This Policy aligns with the Australian Standard (AS) ISO 31000:2018 Risk Management Guidelines (the Standard).

### 2. PURPOSE

- 2.1. The overall objective of this Policy is to ensure that the Council applies and embeds a systematic risk management approach across the Council in relation to all activities, functions, service delivery and decision-making.
- 2.2. This Policy is intended to enable an integrated approach to risk management through:
  - 2.2.1. seeking a commitment to core risk management principles;
  - 2.2.2. defining responsibilities for risk identification, assessment, evaluation and treatment programs across the Council operations;
  - 2.2.3. the application of an Enterprise Risk Management Framework that provides the tools and programs to underpin Council's approach to achieving a balance between the costs of managing risk and anticipated benefits;
  - 2.2.4. ensuring a systematic approach is used to manage risks and that appropriate treatment and risk mitigation strategies are applied, reviewed, monitored and reported;
  - 2.2.5. developing and nurturing an organisational ethos and culture, which integrates risk management processes into management activities at strategic, project and operational levels; and
  - 2.2.6. achieving the Council's goals, objectives, targets and community expectations within an acceptable level of risk appetite, tolerance and capacity.

### 3. DEFINITIONS

**Consequences:** Outcome of an event affecting objectives, where outcomes can be certain or uncertain and can have positive or negative, direct or indirect effects on objectives, can be expressed qualitatively or quantitatively, that can escalate through cascading and cumulative effects.

**Controls:** Measures which maintain and/or modify risk which may include processes, policies, practices, or other conditions and/or actions planned or undertaken.

**Enterprise Risk Management:** Coordinated activities to direct and control an organisation with regard to risk.

**Enterprise Risk Management Framework:** Set of components that provide the foundations and organisational arrangements for designing, implementing, monitoring, reviewing, reporting and continually improving risk management.

**Event:** Occurrence or a change of a particular set of circumstances.

**Risk:** Effect of uncertainty on the achievement of objectives; an effect is a deviation from the expected. It can be positive, negative or both and can address, create or result in opportunities and threats.

**Risk Analysis:** The process to comprehend the nature of risk and to determine the level of risk or the magnitude of a risk or combination of risks, expressed in terms of the combination of consequences and their likelihood.

**Risk Appetite:** The amount and type of risk that the Council is willing to pursue or retain. The City of Salisbury's risk appetite statement is outlined within the Enterprise Risk Management Framework.

**Risk Assessment:** The overall process of risk identification, risk analysis and risk evaluation.

**Risk Capacity:** Council's level and type of risk it is able to support in pursuit of its objectives.

**Risk Evaluation:** The process of comparing the results of risk analysis with risk criteria to determine whether the risk and/or its magnitude is acceptable or tolerable and assists in the decision about risk treatment.

**Risk Identification:** The process of finding, recognising and describing risks, which involves the identification of risk sources, events, their causes and their potential consequences, Risk identification can involve historical data, theoretical analysis, informed and expert opinions, and stakeholder's needs.

**Risk Matrix:** The tool for ranking and displaying risks by defining ranges for consequence and likelihood.

**Risk Register:** Register of all identified risks, their consequences, likelihood, rating and treatments.

**Risk Tolerance:** Council's readiness to bear the risk after risk treatment in order to achieve objectives.

**Risk Treatment:** a process of selecting and implementing additional controls/measures to further mitigate the risk. Risk treatment can involve:

Avoiding the risk by deciding not to start or continue with activity that gives rise to the risk;

Taking or increase risk in order to pursue an opportunity;

Removing the risk source;

Changing the likelihood by implementing additional controls;

Changing the consequences;

Transferring or sharing the risk with another party or parties including contracts, insurance and risk financing; and

Retaining the risk by informed decision, including the acceptance of residual risks and the level of risk depending on risk criteria.

#### 4. POLICY STATEMENT

- 4.1. Council is committed to embedding a strategic, consistent and structured enterprise-wide approach to risk management that aligns with ISO 31000:2018 Risk Management – Guidelines (the Standard).
- 4.2. Council will adopt and implement an Enterprise Risk Management Framework based on the 8 principles of effective and efficient risk management as per the Standard, to systematically approach to identify, assess, evaluate and treat (mitigate) risks to ensure that the Council achieves its strategic goals whilst recording and managing its operational risks.
- 4.3. Council is committed to making the necessary resources available to assist those accountable and responsible for managing risk.
- 4.4. Management will lead, actively participate in and have complete oversight over all aspects of risk management within their areas of responsibility and embed an effective risk management culture within all activities, functions, and service delivery of the Council.
- 4.5. Risk register(s) will be developed for strategic risks, operational risks and project risks and the registers will be periodically and consistently reviewed in accordance with set timeframes identified in the Enterprise Risk Management Framework.

#### 5. LEGISLATIVE REQUIREMENT AND POLICY CONTEXT

- 5.1. Section 125 of the *Local Government Act 1999* ('LG Act') requires Council to ensure that appropriate policies practices and procedures of internal control are implemented and maintained in order to assist the Council to carry out its activities in an efficient and orderly manner to achieve its objectives.
- 5.2. Section 132A of the LG Act requires Council to ensure that appropriate policies, practices and procedures are implemented and maintained in order to ensure compliance with statutory requirements and achieve and maintain standards of good public administration.
- 5.3. Section 134(4) (b) of the LG Act requires Council to adopt risk management policies, controls and systems.
- 5.4. Section 125(3) of *The Statutes Amendment (Local Government Review) Act 2020* states that a Council must ensure that appropriate policies, systems and procedures relating to risk management are implemented and maintained in order to assist the Council to carry out its activities in an efficient and orderly manner to achieve its objectives, inform appropriate decision making, facilitate appropriate prioritisation of finite resources and promote appropriate mitigation of strategic, financial and operational risks relevant to the Council.

## 6. ROLES & RESPONSIBILITIES

### 6.1. Council

The Council is responsible for the adoption of this Policy and Framework, and overseeing the systematic approach to managing risk across the Council operations.

The Council is responsible for ensuring that appropriate policies, practices and procedures of internal control are implemented and maintained in order to assist the Council to carry out its activities in an efficient and orderly manner to achieve its objectives, to ensure adherence to management policies, to safeguard the Council's assets.

### 6.2. Audit Committee

The Audit Committee has strategic oversight responsibility for Council's risk management activities and is responsible for reviewing the adequacy of the accounting, internal controls, reporting and other financial management systems and practices of the Council on a regular basis. This includes implementing and maintaining the policies, practices and procedures of internal control referred to in 6.1 above.

The Audit Committee, together with the CEO, has responsibility for ensuring that Council has an effective Enterprise Risk Management Policy and Framework which ensures efficient and effective operation of Council business for the achievement of the Council's objectives.

### 6.3. Chief Executive Officer (CEO)

The CEO has the responsibility for ensuring that:

- An Enterprise Risk Management Policy and Framework and necessary systems are established, implemented and maintained; and
- Risk management is embedded within the organisational culture and integrated into the Council's activities and functions.

### 6.4. The Executive Group

Members of the Executive Group are responsible for:

- Oversight of the effective implementation of Enterprise Risk Management Policy and Framework;
- Monitoring overall strategic levels of risk across the organisation;
- Commitment to promotion of this Policy and the Framework whilst monitoring Council's overall risk profile and controls;
- Reporting the status of Council's risk profile and mitigation strategies to the Audit Committee;
- The implementation, management and evaluation of risk management, in accordance with the Policy and Framework within their areas of responsibility;
- Integrating risk management processes with other planning processes and management activities, particularly the annual business planning process;
- Identification of and remediation of operational risks;
- Undertaking the risk management program as per the requirements of the Policy and Framework; and
- Ensuring that risk-based information is recorded in Council's Risk Register(s).



**6.5. Divisional Managers**

Divisional Managers are responsible for:

- Developing operational and project risk registers for the respective divisions and ensuring that the registers are kept up-to-date;
- Implementing the risk management process as per the Enterprise Risk Management Framework within the operational context of their respective division; and
- Assisting the Executive Group in the implementation of the Enterprise Risk Management Policy and Framework.

**6.6. Central Risk Management working group (Internal Audit, Risk, Governance & WHS)**

Within the context of this Policy, the Manager Governance coordinates the Central Risk Management Function (which includes the Internal Auditor & Risk Coordinator and other specialist staff with assumed responsibility in the areas of Risk, Governance and WHS). The Central Risk Management working group will:

- Facilitate the central role in assisting Executive Management Group and Divisional Managers in the implementation of Enterprise Risk Management Policy and Framework;
- Ensure appropriate systems and processes are incorporated in the design of the Council's Enterprise Risk Management Framework;
- Develop and maintain the Council's strategic risk register in consultation with the Executive Management Group;
- Assist the divisional staff members in training and providing risk workshops for the identification, assessment and evaluation of risks and provide necessary support to embed risk management processes into operational, management and strategic processes;
- Ensure regular risk management monitoring including the review of operational risk registers and reporting to Executive Management Group and Audit Committee;
- Provide specialist advice to corporate risk owners in the management of specific risks; and
- Monitoring the identification of known and emerging risks and ensuring they are addressed within the enterprise risk management framework.
- The Internal Auditor and Risk Coordinator will contribute to the Central Risk Management Function in a consultative capacity that does not contradict internal audit independence and appropriately manage conflict of interest and segregation of duties in case of performing internal audit of the Enterprise Risk Management Policy or Framework.

**6.7. Employees, Volunteers and Contractors (Workers)**

All Council Workers are responsible for:

- Identifying, assessing, evaluating and managing risks in their daily activities and projects in the implementation of the Council's Enterprise Risk Management Policy and Framework;
- Notifying Divisional Managers of any new operational, project and strategic risks identified in their respective functional areas during the execution of their routine operational and functional roles;
- Working closely with Divisional Managers to update the risk register(s) including key areas under causes, controls and risk action plans, action owners and completion timeframes; and
- Completing and resolving the relevant risk mitigation actions in a timely manner.

**7. AVAILABILITY**

The Policy will be available on Council's web site with hard copies supplied on request.

The Framework is available to Council employees on Council's intranet.

**8. FURTHER INFORMATION**

For further information on this Policy please contact:

Responsible Officer: Manager Governance  
Address: 34 Church Street, Salisbury SA 5108  
Telephone: 8406 8222  
Email: [RDeco@salisbury.sa.gov.au](mailto:RDeco@salisbury.sa.gov.au)

**Review History**

Document History	Version No:	Issue Date:	Description of Change
	1.0	09/11/2021	

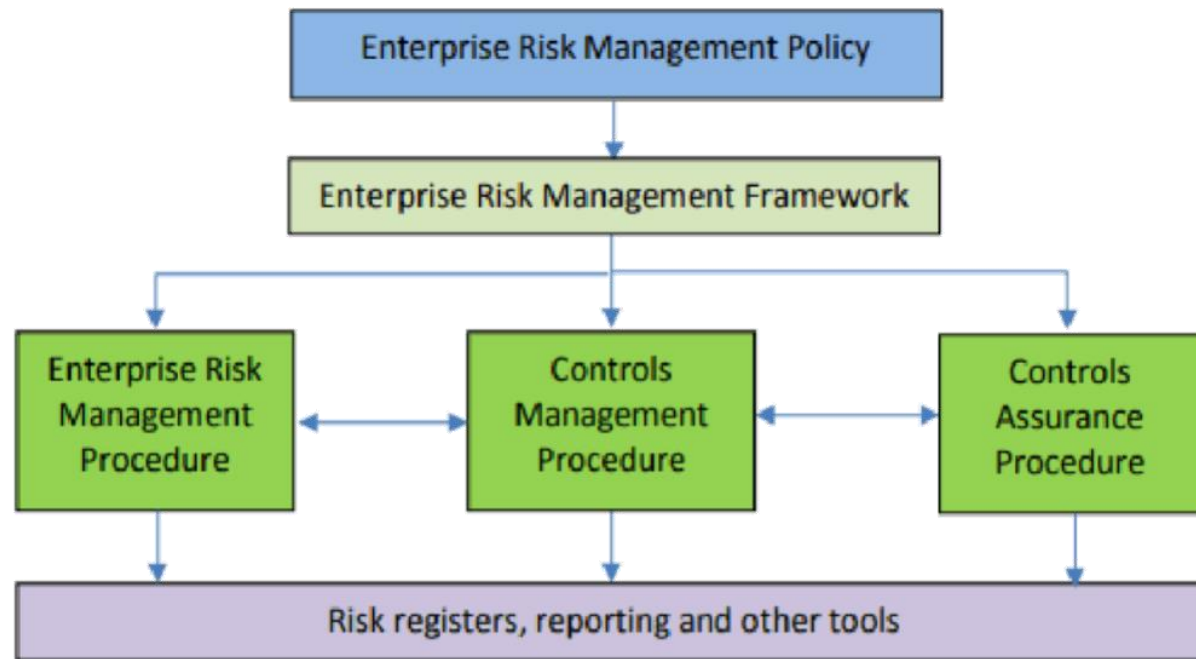


# Enterprise Risk Management (ERM) Program Roadmap

(City of Salisbury - 2021 / 2022)

City of Salisbury – ERM Program Road Map (2021/2022)

Prepared by: Internal Auditor & Risk Coordinator



COS looks at risk management strategically from the perspective of the entire organisation and establish an Enterprise Risk Management program, which has an overarching ERM Policy and an ERM Framework. The ERM Framework will encompass relevant process / procedures in the area of risk, controls and assurance required for the whole of organisation risk management. The ERM Framework will ensure implementation of relevant risk registers, reporting and other tools to embed effective risk management culture within the organisation.

City of Salisbury – ERM Program Road Map (2021/2022)

Prepared by: Internal Auditor & Risk Coordinator

## 1. COS's Risk Management Approach





The ERM Framework will be developed using this conceptual model, encompassing how the ERM system will work as an integrated system covering relevant policies & procedures, having effective controls, having an independent internal audit & assurance function and effectively managing whole of organisation risk.

The ERM Process will revolve around protecting and enhancing values, and managing strategic and business risks that may hinder from achieving the goals and objectives that are aligned to City Plan 2035 critical actions and corporate indicators.

## 2. COS's Risk Management Framework

City of Salisbury – ERM Program Road Map (2021/2022)

Prepared by: Internal Auditor & Risk Coordinator



City of Salisbury – ERM Program Road Map (2021/2022)

This is the typical ERM Process that will be reflected within the ERM Framework.

The ERM Process works as a cycle of continuing activities from establishing the risk context within the relevant Divisions, to risk assessment, risk treatment and monitoring and review. The process for communication and consultation with relevant stakeholders, roles and responsibilities for monitoring and review, and frequency will be clearly stipulated within the ERM Framework.

The relevant tools and templates to be used in each process will be developed. As part of the ERM Framework implementation process, Divisional Managers will have the responsibility to develop and maintain a LIVE operational risk register for their respective division, and will cover the risks, details of assessment, treatment plans and outcomes, which will have to be reported, monitored and reviewed on an ongoing basis.

Prepared by: Internal Auditor &amp; Risk Coordinator

### 3. Enterprise Risk Management (ERM) Process / Procedure

The Internal Controls Management Procedure will be one of the key components of the ERM Framework document. Effective control mechanisms at various levels of the organisation will form an integral part of the ERM design functionality to ensure that the control environment, risk assessment, control and monitoring activities and ICT measures are built in within the operations, reporting and compliance functions, across the whole organisation.

The outcome from this procedure will get reflected on the Risk Registers by specifying preventative and detective controls which will be identified in the risk assessment stage and also at the risk treatment stage to strengthen and bridge any gaps in controls.

The Risk Matrix will be applied in determining risk levels and assessing effectiveness of controls as part of the ongoing risk register review.

City of Salisbury – ERM Program Road Map (2021/2022)



Prepared by: Internal Auditor & Risk Coordinator

#### 4. Internal Controls Management Procedure



The ERM Framework will recognise Control Assurance Procedure as a critical component for effective risk management, because preventative controls gives quality assurance and detective controls reflect the existence of quality controls as well.



City of Salisbury – Enterprise Risk Management Road Map (2021/2022)



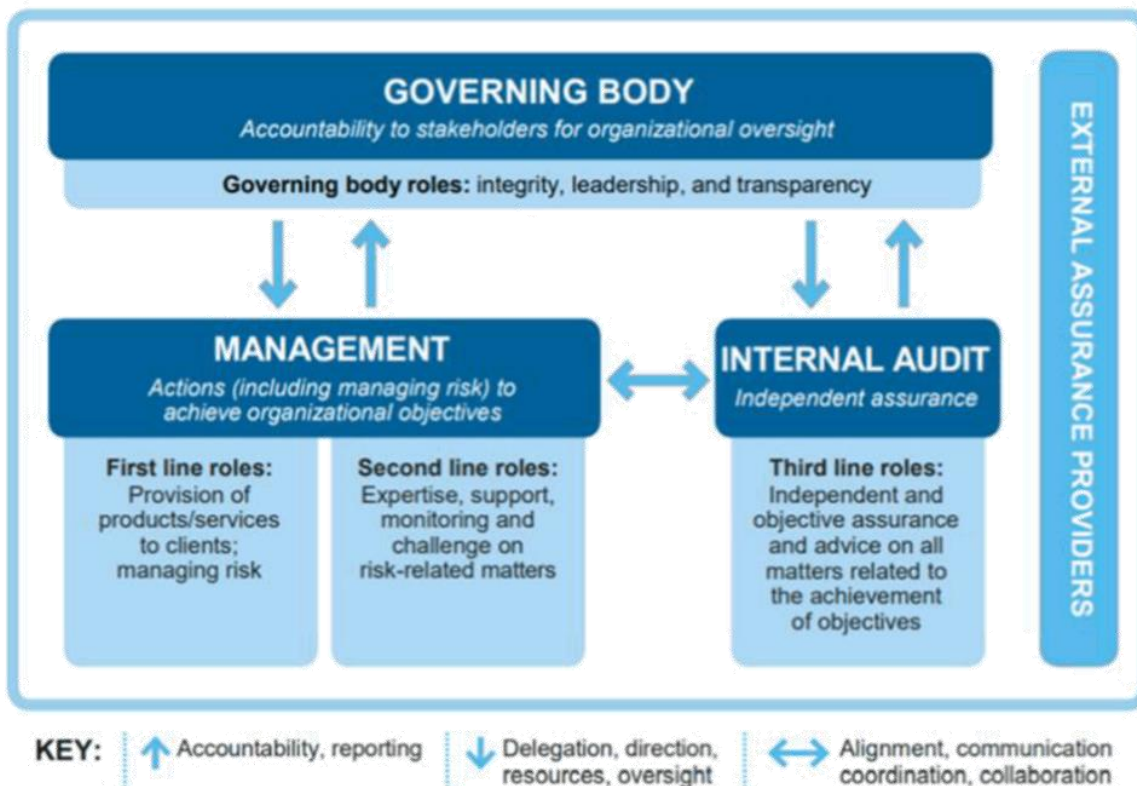
The Control Assurance procedure will capitalise on the application of the famous Governance, Risk & Control (GRC) model of assurance in the design of controls within the ERM Framework.

The Central Risk Management Team (including the Manager Governance, Internal Auditor & Risk Coordinator, and specialist staffs in Governance, Risk & WHS side) will facilitate the ERM Framework implementation with necessary training, risk workshops, and application of various tools.

Prepared by: Internal Auditor & Risk Coordinator (19/10/2021)

## 5. Control Assurance Procedure

## The IIA's Three Lines Model



Source: IIA – Institute of Internal Auditors

City of Salisbury – ERM Program Road Map (2021/2022)

Prepared by: Internal Auditor & Risk Coordinator

IIA defines Assurance Map as “A tool which visually presents all assurance activities of the organisation, both internal and external, as they apply to the organisation’s risks”.

IIA 3 Lines Model is an Industry better practice framework model for Assurance, recommended by IIA and also used in LGASA Financial Better Practice Model.

Hence, this will be used as the base model for COS’s Assurance Map, which will be one of the key strategic tools integral to the ERM Framework.

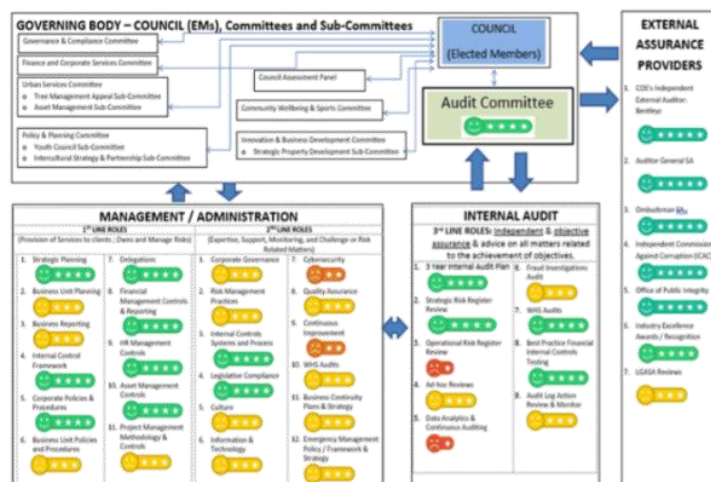
## 6. COS’s Overall Assurance Model

## City of Salisbury Assurance Map – Three Lines Model

Assurance Mapping – “a tool which visually presents all assurance activities of the organisation, both internal and external, as they apply to the organisation’s risks” defined by the Institute of Internal Auditors [auditors](#).

IGAC Model – Governance, Risk & Compliance Activities encompass all the Assurance Activities.

Three Lines Model – Industry better practice Framework model for Assurance, recommended by IIA and also used in UGA&A Financial Better Practice Model.



The Assurance Map will list down **key areas** of the organisation where there is 1<sup>st</sup> line of Assurance, 2<sup>nd</sup> line of assurance, 3<sup>rd</sup> line of Assurance, and Assurance from External Parties.

These key areas will then be given an **assurance score rating** between 1 to 5 (reflecting the quality level of assurance ranging from poor, below average, average, above average to excellent). This score will be determined for each of the key areas based on expected levels of assurance controls and identifying gaps compared to actual process / controls, which will be analysed using a risk control matrix.

The Assurance Map can then be reviewed annually to determine improvement over time and can be used as one of the high level tools.

**Key areas for 1<sup>st</sup> Line of Assurance** can be: corporate policies and procedures, strategic planning, business unit planning, delegations, asset management controls, etc.

**Key areas for 2<sup>nd</sup> line of assurance** can be: corporate governance, risk management, legislative compliance, BCP & Emergency Management Plans, etc.

**Key areas for 3<sup>rd</sup> line of assurance** can be: Independent Internal Audit, Fraud investigations, audit log action register reviews, independent risk assessments, data analytics and continuous auditing etc.

Key external assurance providers can be: external auditor, ICAC/OPI/Ombudsman reviews, ISO & Quality Accreditations etc.

City of Salisbury – ERM Program Road Map (2021/2022)

Prepared by: Internal Auditor & Risk Coordinator

## 7. Assurance Map (Sample Data Only)



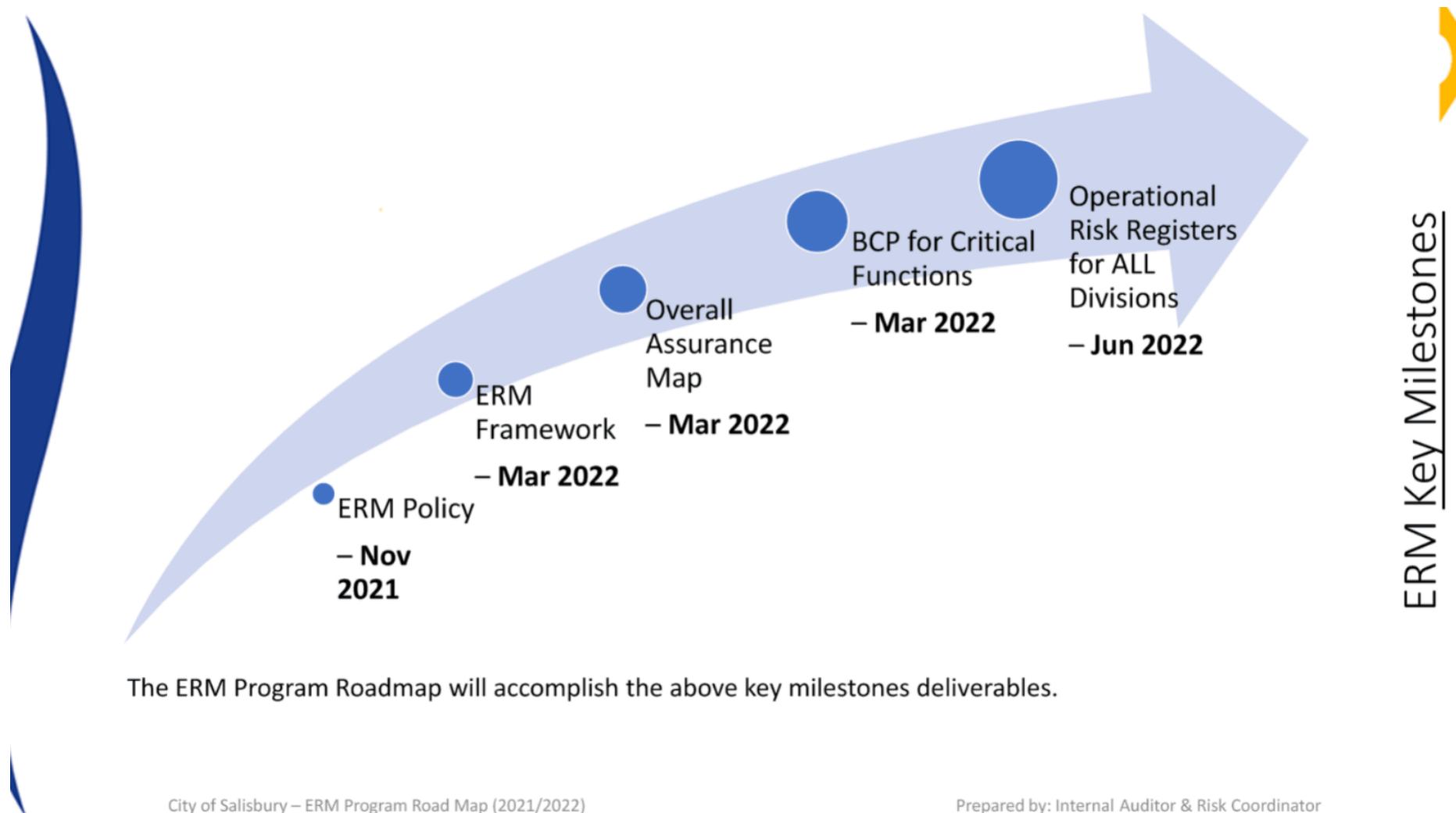
No.	Action	Owner(s)	Deadline	Comments
1	Develop Enterprise Risk Management Policy	IARC/TLCG/MG	30/11/2021	Drafted
2	Develop Enterprise Risk Management Framework	IARC/TLCG/MG	31/03/2022	
3	Develop Risk Appetite Statement(s)	IARC/TLCG/MG	31/12/2021	
4	Review Risk Matrix (Rating Table & Thresholds)	IARC/TLCG/MG	31/01/2022	
5	Develop Internal Controls Management Procedure	IARC/TLCG/MG	31/01/2022	
6	Develop Controls Assurance Procedure	IARC/TLCG/MG	28/02/2022	
7	Develop Enterprise Risk Management Procedure	IARC/TLCG/MG	31/03/2022	
8	Perform an Operational Risk Register – Gap Analysis	IARC	30/11/2021	
9	Develop Operational Risk Registers for All Divisions	DM	30/06/2022	
10	Develop Business Continuity Plans for Critical Functions	EMPC/TLCG	31/03/2022	
11	Training / Awareness & Embedding ERM Implementation Culture	IARC/TLCG/MG	30/04/2022	
12	Perform Risk Assessment & Review Risk Registers	DMs / GMs	-	Ongoing
13	Determine ERM Reporting Structure / Frequency	MG	31/03/2022	
14	Review ERM Policy & ERM Framework	IARC/TLCG/MG	-	Biannually
15	Develop COS's Assurance Map & Review/Report Annually	IARC	30/03/2022	

This table summarises the 15 critical actions encompassing the ERM Program Roadmap, and all other models & information above this table are only contextualisation inputs to these key actions.

City of Salisbury – ERM Program Road Map (2021/2022)

Prepared by: Internal Auditor & Risk Coordinator

ERM Road Map (Actions / Timelines)





CITY OF SALISBURY STRATEGIC RISK REGISTER																			
Step1: 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	Description				Consequence	Likelihood	Residual Risk				
1	Strategic	A welcoming and liveable 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 &amp; 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"><li>• Lack of plans and procedures to inform response strategies when a business continuity or emergency event occurs</li><li>• Lack of communication/training for relevant staff required to respond to business continuity and emergency events</li><li>• Information to facilitate action during business continuity or emergency events is insufficient or not available</li><li>• Impact of climate change on weather patterns</li><li>• COVID-19 pandemic</li><li>• Inadequate procedures and plans in place to prevent incidents</li><li>• Failure to maintain staff training</li><li>• Inadequate performance of risk assessments</li><li>• Lack of asset management and maintenance</li><li>• Inadequate due diligence performed by CoS in order to identify relevant risks related to the management and delivery of community events</li></ul>	Catastrophic	Almost Certain	Very High	<ul style="list-style-type: none"><li>• Current and maintained Business Continuity Framework (including Plans and testing regime), 4</li><li>• Business Continuity staff identified and trained on roles and responsibilities, 3</li><li>• Incident Management Team identified and trained, 4</li><li>• Current and maintained IT Disaster Recovery Plan (including testing regime), 4</li><li>• Current and maintained Emergency Management Plan, 3</li><li>• Participation in Zone Emergency Management Committees – Northern Area, 5</li><li>• Participation in LG Council Ready Program, 5</li><li>• Distribution and maintenance of effective VPN network access to all relevant staff, 5</li><li>• Effective and regularly reviewed COVID action plans, 5</li><li>• Building Control and Inspections, 4</li><li>• Evacuation procedures and testing, 4</li><li>• Provision and maintenance of Building safety systems – e.g. exit signs, fire extinguishers, wardens etc., induction process, 4</li><li>• Risk assessments performed for community events, 4</li><li>• Reviewed and maintained Asset management plans, 4</li><li>• Maintaining and reviewing Business Continuity Framework, 4</li><li>• Performance testing of BCP scenarios 4</li><li>• Key ICT members actively participating within the Zone Emergency Management Committee – Northern Area, 5</li><li>• Maintaining and reviewing Event Management Plans 4</li><li>• Compliance with Event Management Guidelines, 4</li><li>• Training of all potential event owners on risk identification and due diligence assessment, 4</li><li>• Formal information exchange between City Infrastructure bookings and Events Team to identify community events involving CoS assets, 4</li></ul>	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. <del>30-June-2021</del> <b>30 Mar 2022</b></p> <p>2. <del>30-June-2021</del> <b>completed with the exception of BCP actions pending</b></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 impost 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"><li>• Inadequate monitoring plans and sample testing</li><li>• Failure to respond appropriately in the event of contamination</li><li>• Failure of controls within the Recycled Water Risk Based Management Plan</li><li>• Wet weather could hamper clean-up operations or contribute to a contamination event</li><li>• PFAS and PFOA infiltration.</li><li>• Act of Terrorism</li><li>• Illegal dumping</li></ul>	Catastrophic	Possible	High	<ul style="list-style-type: none"><li>• Salisbury Water Business Unit – Recycled Water Risk-Based Management Plan including sample testing before water injections are commenced, 4 includes:</li><li>• Salisbury Water Business Unit – monitoring plan and monitoring matrix. All water sampling is carried out by National Association of Testing Authorities (NATA) accredited staff. Laboratories performing the testing are NATA accredited.</li><li>• Supervisory Control and Data Acquisition system in place to detect faults and alert CoS staff. 24/7 remote access availability by laptop by CoS staff.</li><li>• Supply contracts to customers contain Force Majeure clauses which limit liability to Council in the event that water cannot be supplied, 5</li><li>• Rapid Response Team and Call Out Officers through City Infrastructure (Council staff) in place to manage events that may lead to contamination of recycled water system (e.g. chemical spill) (24/7 support including after hours), 4</li><li>• Employee Media Policy and Procedure and Elected Member Media Policy, 4</li><li>• Implementation of the Water Course Management Plan including the renewal of Wetlands and desilting/removal of pollutants in waterways as required, 4</li><li>• Review of Risk Based Management Plan every five years, 4</li><li>• Maintenance of the CoS Contaminated Sites Register, 3</li></ul>	Major	Unlikely	Medium	Below Tolerance	<p>1. Implementation of relevant findings from the Management of Contaminated Sites Audit</p>	<p>Manager Salisbury Water</p> <p>Manager Infrastructure Management</p>	<p>1. Various. <b>On track within the Audit Log Action Register timelines.</b></p>			

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3	Strategic	A welcoming and liveable 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 impost 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"><li>• Inadequate management, monitoring or testing</li><li>• Failure to respond appropriately in the event of an incident</li><li>• Animal/vermon infestation</li><li>• Noctious plants</li><li>• Failure of waste disposal contractor to meet contractual obligations.</li></ul>	Major	Likely	High	<ul style="list-style-type: none"><li>• Compliance with Public Health and Environmental Policies and Procedures, 4</li><li>• Provision of Immunisation Services, 5</li><li>• Current and maintained Animal Management Plan, 5</li><li>• Activating the relevant initiatives within the CoS Regional Public Health Plan, 5</li><li>• Performance of General Inspections, 5</li><li>• Undertaking Dog Patrols, 5</li><li>• Administration and management of CoS’ responsibilities under the Food Act, 4</li><li>• Compliance with and training on Employee Media Policy and Procedure and Elected Member Media Policy, 4</li><li>• Enforcement of the CoS’ responsibilities under the SA Public Health Act, 5</li><li>• Enforcement of the CoS’ responsibilities under the Dog and Cat Management Act, 5</li><li>• Performance of infrastructure maintenance activities, 5</li><li>• Undertaking the Mosquito Control Program, 4</li><li>• Accurate completion of Food Safety Audit Report Questionnaire, 4</li><li>• Accurate completion of Food Safety Inspection Checklists, 4</li><li>• Provision of all Food Safety Inspection documentation to relevant business Proprietors, 4</li></ul>	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"><li>• Inadequate understanding and planning for factors impacting the environment</li><li>• Failure to consider environmental consequences when planning and designing infrastructure</li><li>• Insufficient modelling of weather events used within Asset Management Planning</li><li>• Inadequate infrastructure within the City to manage stormwater and sea level rises due to storm events</li><li>• Inadequate understanding of and planning for the impact of climate change on City infrastructure and assets</li><li>• Failure to monitor and forecast demographic changes in the City and adjust objectives and plans accordingly</li><li>• City Plan becomes obsolete or fails to anticipate the financial impact of demographic changes</li><li>• Failure to maintain a social infrastructure plan for the existing and future assets</li><li>• Coastal inundation and impact on biodiversity</li><li>• Failure to update Asset Management Plans</li></ul>	Major	Possible	High	<ul style="list-style-type: none"><li>• Early warning system of text alerts based on Bureau of Meteorology data, implemented by DEWNR, 5</li><li>• Regular monitoring of risk sites e.g. land fill sites, dams, 5</li><li>• Extreme Heat response process (for residents), 4</li><li>• One in 100 year flood and Probable Maximum Flood modelling including tidal info. in place at individual house level, using digital terrain modelling, 4</li><li>• Reviewed and maintained City Plan/Strategic Plans/Business Plans, 4</li><li>• Bushfire Management Plan, 4</li><li>• Watercourse Management capital program, 4</li><li>• Reviewed and maintained Asset Management Policy and Plans, 4</li><li>• Reviewed and maintained Growth Management Plan, 5</li><li>• Asset Management Committee</li><li>• Implementation of Youth Strategy and Intercultural Plan, 4</li><li>• Asset Management infrastructure audits, 5</li><li>• Adapting Northern Adelaide Plan, 4</li><li>• Reviewed and maintained Emergency Management Plan, 3</li><li>• Participation in Zone Emergency Management Committee – Northern Area, 5</li><li>• Compliance with grant funding applications process and reviews, 5</li><li>• Compliance with Home Care Common Standards – Operating Manual, 5</li><li>• Reviewed and maintained Learning Strategy, Wellbeing Strategy &amp; Intracultural Strategy, 4</li><li>• Social Infrastructure Assessment Framework, 3</li><li>• Planning controls, 4</li><li>• Strategic Land Review, 5</li><li>• Flood mapping is updated periodically and communicated as necessary and is incorporated into the development plan process, 4</li></ul>	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>	<p>GM City Development</p> <p>Manager Governance</p>	<p>1. 30 June 2021 - 28 Feb 2022</p> <p>2. 30 June 2021 - completed</p>		



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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"><li>Insufficient or reduction in grant funding</li><li>Inadequate revenue and a failure to maximise revenue from all sources</li><li>Unplanned spending</li><li>Inadequate valuation of assets or inaccurate depreciation</li><li>Inadequate planning for infrastructure repairs or upgrades</li><li>Introduction of draft legislation regarding rate capping</li><li>Fraud, misconduct or maladministration</li><li>Changes to legislation/obligations imposed by other levels of government</li><li>Potential new revenue streams/opportunities are not fully investigated</li><li>Changes to roles and responsibilities assigned to City of Salisbury by federal or state government</li><li>Short term revenue is maximised at the expense of longer term revenue</li><li>Poorly structured debt funding</li><li>Poor investment decision making</li><li>Unknown consequences of new infrastructure provision from other levels of government or private sector investment</li><li>Failure to encourage investment in the City</li><li>Increased expectations of the community in relation to the demand for and breadth of services and standards delivered by CoS</li><li>Council ultimately becomes financially unsustainable</li><li>City revenue has to be raised increasingly through more traditional methods (rate rises)</li><li>Revenue from the sale of assets (land) is not invested for the longer term benefit of the community</li><li>Financial cost associated with falling rates revenue or increasing bad or doubtful debts</li></ul>	Major	Likely	High	<ul style="list-style-type: none"><li>Long term financial planning, by managing monitoring and reviewing, 5</li><li>Managing monitoring and reviewing of Asset Management Plans, 4</li><li>Undertaking Quarterly Budget Review, 5</li><li>Annual Plan and Annual Report reviewed by Audit Committee, 5</li><li>Adhoc Prudential Reviews, 5</li><li>Regular reviews of rating system fairness and equity, 4</li><li>Appropriate execution of the Grant Management application Process, 3 (subject of an internal audit in November 2022)</li><li>Review of Financial information by the Budget &amp; Finance Committee, 4</li><li>Diversification of income (e.g. Water Business Unit, Strategic Property Development and Building Rules Certification Unit, NAWMA, Salisbury Memorial Park), 4</li><li>Compliance with Budget Policies and Procedures, 5</li><li>Business Case Modelling, 4</li><li>Growth Action Plan, 4</li><li>Business Support Agenda, 4</li><li>Annual external Audit activities</li><li>Project Management Methodology, 3</li></ul>	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 &amp; Buildings</p> <p>2. TBD</p> <p>3. GM City Infrastructure</p>	<p>1. Various - <b>On track, monitored separately under the Audit Log Action Register</b></p> <p>2. <b>N/A - Audit not undertaken yet.</b></p> <p>3. <b>31-May-2021-completed with the implementation of new Capital Delivery Framework</b></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"><li>Inadequate performance measures which are not linked to objectives or strategies</li><li>Failure to consistently conduct Post Implementation Reviews and measure benefits realisation</li><li>Failure to monitor organisational performance against stakeholder expectations and to take action when necessary to correct it</li><li>Failure to deliver what is expected by the local community due to a lack of alignment of strategic plans</li><li>Limited meaningful corporate performance indicators in place</li><li>Inconsistent reporting and data collection of corporate performance indicators</li><li>Processes and systems fail to address customer needs</li><li>Inadequate capability and capacity (e.g. workforce plans, training and development, technology, systems etc.)</li><li>Failure to engage with all stakeholders in developing the City Plan</li><li>Customer service is neither monitored or managed</li><li>Insufficient prioritisation of projects and resource scoping</li><li>Projects approved are not consistent with the strategic direction of CoS</li></ul>	Major	Likely	High	<ul style="list-style-type: none"><li>Compliance with Budget Process, 5</li><li>Review of Annual Plan and Annual Report by Audit Committee, 5</li><li>Review and approval of City Plan by elected members, 5</li><li>Established and embedded Customer Service Framework, 4</li><li>Monthly Strategic Executive Group meetings, 4</li><li>Alignment of New Initiative Bid documentation to the City Plan, 4</li><li>Strategic Planning and Accountability, 4</li><li>Effective use of and compliance with Community Engagement Framework, 4</li><li>Project Management Methodology, 3</li><li>Conduct of bi-annual customer satisfaction survey, 4</li><li>Business case development for aged care schemes, 4</li><li>Regular performance of CEO Review via CEO Review Committee, 4</li><li>Governance Framework and Statement, 3</li><li>Delivery of IT support through BSS division, 4</li><li>Regularly reviewed and communicated Delegations Register, 5</li><li>OCI/ABEF survey process, 4</li><li>Regular Strategic Project Reporting, 4</li><li>Skilled and experienced staff, 4</li><li>Performance of Contract Management, 4</li><li>Infrastructure Maintenance Activities, 5</li><li>Succession Planning, 4</li><li>LG Performance Excellence Program benchmarking activity, 4</li></ul>	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. <b>30-June-2021 - Due to change in Executive Members deadline revised to 30 Jun 2022</b></p> <p>2. Various - <b>on track, followed separately under Audit Log Action Register</b></p> <p>3. <b>31-May-2021-completed with the implementation of new Capital Delivery Framework</b></p> <p>4. <b>31-July-2021- due to change in key staff and restructure, deadline moved to 31 Mar 2022.</b></p>			

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7	Strategic	Innovation and Business Development	<p>Immature and inadequate work health safety policies and procedures result in an unsafe working environment</p> <p><del>CoS staff and volunteers experience illness or injury.</del> Failure to meet WHS obligations which result in an unsafe workplace. CoS recognises that this risk is included on the Strategic Risk Register due to the seriousness with which CoS takes its obligations in relation to Work Health and Safety.</p> <p><i>Impacts:</i> 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"><li>• Inadequate controls in place to prevent incidents occurring</li><li>• Insufficient reporting of incidents and near misses</li><li>• Safe work practices not documented or communicated to employees</li><li>• Inadequate induction, training and supervision</li><li>• Inadequate hazard management system</li><li>• Organisational safety attitude does not recognise the importance of following WHS policies and procedures</li></ul>	Catastrophic	Likely	Very High	<ul style="list-style-type: none"><li>• WHS training and e-learning (mandatorily required for all employees on commencement of employment and thereafter routinely), 5</li><li>• Performance of Licensing qualifications checks, 5</li><li>• Training in WHS Procedures, 3</li><li>• Updated WHS IM Business Plan, 5</li><li>• Performance WHS Reviews, 4</li><li>• Principal WHS Committee, 5</li><li>• City Infrastructure WHS Committee, 5</li><li>• JSA, work instructions and plant risk assessments, 4</li><li>• Staff training on and compliance with Code of Conduct, 4</li><li>• Compliance with Hazard and incident reporting and investigation procedures, 4</li><li>• Members of the Local Government Workers Compensation Scheme, requiring annual external audits, 5</li><li>• Work Health Safety representative team, 5</li><li>• Support from LG Sector/other councils/private sector organisations with development/implementation of WHS policies/procedures (including benchmarking partners), 5</li><li>• Contractual arrangements with external providers to assist compliance with WHS obligations, 4</li><li>• Quarterly Executive Report highlighting trends, outstanding actions and high risk rating incidents or hazards, 4</li><li>• Embedding of organisational values, 3</li></ul>	Major	Unlikely	Medium	At Tolerance	<p>1. Training to be provided on WHS Procedures</p> <p>2. <del>implementation of the Du Pont Survey</del> <b>Completed: Replaced with COS Safety Survey</b></p>	Manager People & Culture	<p>1. Ongoing</p> <p>2. 30 June 2021</p>	
8	Strategic	Innovation and Business Development	<p><b>Lack of alignment and integrity of IT systems and data to support service delivery</b></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>	GM Business Excellence	<ul style="list-style-type: none"><li>• Failure to adequately involve IT when developing plans, strategies and projects</li><li>• Failure to consider all options when improving a system or process</li><li>• Organisational change is not conducted in a structured and logical manner</li><li>• Failure to support the skill set of individuals responsible for the delivery of business systems</li><li>• Lack of business engagement and clarity of roles</li><li>• External pressure for changes to systems</li><li>• Lack of plans and procedures to inform response strategies when a cybersecurity incident occurs</li><li>• Cyber attack (Unauthorised access/network intrusion, denial of service, vulnerability exploitation, malware, social engineering, hacking, phishing, ransomware)</li><li>• Business Continuity / Disaster Recovery Plans not tested or properly documented</li><li>• Mobile device management with the potential for a lost or stolen device being used to access Council systems</li><li>• Lack of auditing and logging functions to capture events</li><li>• Lack of monitoring of cybersecurity threats to organisational assets</li><li>• Lack of communication/training for all staff regarding information security</li><li>• Information to facilitate action during a cybersecurity incident is not available</li><li>• Staff fraud</li></ul>	Major	Likely	High	<ul style="list-style-type: none"><li>• IT Governance Framework, 3</li><li>• Programmed testing of systems for security and reliability, 4</li><li>• Penetration testing, 4</li><li>• Compliance with Information Security Policies and Procedures, 4</li><li>• Continuous Improvement Framework, 4</li><li>• Documented and tested IT Disaster Recovery Plan, 3</li><li>• Documented and tested Business Continuity Plans, 4</li><li>• Incident Management Team identified and trained, 4</li><li>• Building security and access controls, 4</li><li>• User access system controls, 4</li><li>• Patch management and software maintenance procedures, 4</li><li>• Performance of Cyber Security Risk Assessments, 4</li><li>• Audit logs for access to systems, 4</li><li>• Documented and embedded Fraud &amp; Corruption Prevention &amp; Management Policy and Framework, 3</li><li>• Documented and implemented Cyber Security Program, 3</li></ul>	Moderate	Possible	High	Below Tolerance	<p>1. Delivery of relevant aspects of the Smart Salisbury governance structure</p> <p>2. Implementation of Cyber Security Program</p> <p>3. Development and implementation of the Smart Salisbury Framework, including the Digital Strategy</p> <p>4. Implementation of IT roadmap</p> <p>5. Council approval of Fraud &amp; Corruption Prevention &amp; Management Framework</p> <p>6. Training provided on Fraud &amp; Corruption Prevention and Management policy and framework</p> <p>7. Executive Group approval of Disaster Recovery Plan</p>	<p>1,3 - Director Business Transformation</p> <p>5. &amp; 6. Manager Governance</p> <p>7. Manager Business Systems &amp; Solutions</p> <p>2,4&amp;7 - Manager Business Systems &amp; Solutions</p>	<p>1. <del>7-May-2021</del> 30 Jan 2022 (in progress)</p> <p>2. 30 June 2022 (in progress)</p> <p>3. <del>28-May-2021</del> 28 Feb 2022 (in progress)</p> <p>4. <del>30-June-2021</del> 30 Mar 2022 (in progress)</p> <p>5. <del>31-July-2021</del> - completed</p> <p>6. <del>30-September-2021</del> 30 Mar 2022</p> <p>7. <del>31-May-2021</del> 31 Jan 2022</p>	



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						Consequence	Likelihood	Inherent Risk	Description		Consequence	Likelihood	Residual Risk				
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"><li>Failure to keep pace with climate change</li><li>Business plans fail to adequately address evolving impacts of climate change</li><li>Lack of plans and procedures to inform response strategies when climate change related event occurs</li><li>Information to facilitate action is insufficient or not available</li><li>Lack of communication and/or training for relevant staff</li><li>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)</li><li>Inadequate monitoring plans and testing of recycled water systems</li><li>Weather events contribute to a recycled water system contamination event</li><li>Lack of asset management or maintenance</li><li>Inadequate understanding of and planning for factors impacting the environment</li><li>Inadequate understanding of and planning for the impact of climate change on infrastructure and assets</li><li>Failure to consider environmental consequences when planning and designing infrastructure</li><li>Insufficient modelling of weather events used within Asset Management Planning</li><li>Inadequate infrastructure to manage stormwater and sea level rises</li><li>Coastal inundation and impact on biodiversity</li><li>Failure to update Asset Management Plans</li><li>Lack of adequate resourcing for climate and environmental sustainability</li></ul>	Major	Almost Certain	Very High	<ul style="list-style-type: none"><li>Current and maintained Business Continuity Framework (including Plans and testing regime), 4</li><li>Business Continuity staff identified and trained on roles and responsibilities, 3</li><li>Incident Management Team identified and trained, 4</li><li>Current and maintained IT Disaster Recovery Plan (including testing regime), 4</li><li>Current and maintained Emergency Management Plan, 4</li><li>Participation in Zone Emergency Management Committees – Northern Area, 5</li><li>Salisbury Water Business Unit – Recycled Water Risk-Based Management Plan including sample testing before water injections are commenced, 4</li><li>Rapid Response Team and Call Out Officers through City Infrastructure (Council staff) in place to manage events that may lead to contamination of recycled water system (24/7 support including after hours), 4</li><li>Implementation of the Water Course Management Plan including the renewal of Wetlands and desilting/removal of pollutants in waterways as required, 4</li><li>Building Control and Inspections, 4</li><li>Evacuation procedures and testing, 4</li><li>Early warning system of text alerts based on Bureau of Meteorology data, implemented by DEWNR, 5</li><li>Regular monitoring of risk sites e.g. land fill sites, dams, 5</li><li>Extreme Heat response process (for residents), 4</li><li>One in 100 year flood and Probable Maximum Flood modelling including tidal info. in place at individual house level, using digital terrain modelling, 4</li><li>Reviewed and maintained City Plan/Strategic Plans/Business Plans, 4</li><li>Bushfire Management Plan, 4</li><li>Watercourse Management capital program, 4</li><li>Reviewed and maintained Asset Management Policy and Plans, 4</li><li>Reviewed and maintained Growth Management Plan, 5</li><li>Effective undergrowth management procedures, 5</li><li>Asset Management infrastructure audits, 5</li><li>Adapting Northern Adelaide Adaptation Plan, 4</li><li>Compliance with Home Care Common Standards – Operating Manual, 5</li><li>Reviewed and maintained Learning Strategy, Wellbeing Strategy &amp; Intracultural Strategy, 4</li><li>Adequate insurance, 5</li></ul>	Moderate	Possible	High	Below Tolerance	<p>1. Development of an Environmental and Sustainability Strategy</p> <p>2. Climate Change Governance and Physical Risk Assessment</p> <p>3. Implementation of Adaptation Plan - Adapting Northern Adelaide</p> <p>4. Develop and deliver training on business continuity to relevant staff.</p>	(1. - 3.) GM City Development  4. Manager Governance	<p>1-30-June-2021</p> <p><del>2-Gov-Assessment-31-May-2021-</del></p> <p>Physical-Assessment-30-June-2021</p> <p>1-2: 28 Feb 2022</p> <p>3. Ongoing - actions reviewed every two years.</p> <p>4. 30-June-2021 - 31 Mar 2022</p>	
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"><li>Elected Member cohesion</li><li>Lack of or ineffective community consultation and engagement</li><li>Increased regulatory activity</li><li>Failure to undertake legislative requirements</li><li>Government inquiry</li><li>Negative media interest</li><li>Staff dissatisfaction</li><li>Poor performance</li><li>Failure to deliver successful projects</li><li>Failure to deliver services expected by the community</li><li>Customer service is not properly monitored or managed</li><li>Not meeting strategic objectives</li><li>Inadequate capability and capacity (e.g. workforce plans, training and development, technology, systems)</li><li>Inadequate business advisory services</li><li>Insufficient investment opportunities for business</li><li>Infrastructure fails to support investment and business activity</li><li>Poorly planned urban growth</li></ul>	Moderate	Likely	High	<ul style="list-style-type: none"><li>Relevant training provided to Elected Members (e.g. Chairing meetings and Meeting Procedures), 4</li><li>Communicated and embedded Employee Code of Conduct, 5</li><li>Documented and embedded Employee Conduct Policy, 4</li><li>Media Policy, 4</li><li>Positive relationships fostered with media and Salisbury Business Association, 4</li><li>Embedded organisational values, 4</li><li>Documented People &amp; Culture policies and procedures, 4</li><li>Employee induction procedures, 4</li><li>Documented and embedded Volunteers Policy, 4</li><li>Documented Community Consultation Policy, 4</li><li>Community Perception Survey, 4</li><li>Effective and comprehensive Community Consultation Process, 4</li><li>Comprehensive budget process, 4</li><li>Provision of general business information and expert advice at Polaris Business and Innovation Centre, 4</li><li>Cost effective business related workshops and seminars, 4</li><li>Small Business Mentoring Program, 4</li><li>Provision of online resources for starting a business, growing a business and developing digital in business, 4</li><li>Investment attraction via Invest in Salisbury website, 3</li><li>Salisbury Community Hub as a stimulus to investment, 5</li><li>Positive relationships fostered and maintained with local business leaders and relevant State Government teams, 5</li><li>Effective Small Business Friendly Council initiatives, 4</li><li>Polaris Centre Client Satisfaction Scorecard conducted by newfocus, 4</li></ul>	Moderate	Unlikely	Medium	At Tolerance	1. Salisbury City Centre / John Street upgrade	1. GM City Development	1. Late 2022 - date to be determined.	

<b>ITEM</b>	7.1.4
	<b>AUDIT COMMITTEE</b>
<b>DATE</b>	09 November 2021
<b>HEADING</b>	Outstanding Actions Arising From Internal Audits
<b>AUTHOR</b>	Hussain Rafeeu, Internal Auditor & Risk Coordinator, CEO and Governance
<b>CITY PLAN LINKS</b>	4.2 We deliver quality outcomes that meet the needs of our community 4.4 We plan effectively to address community needs and identify new opportunities
<b>SUMMARY</b>	This report provides an update on the status of outstanding actions arising from previously completed internal audits.

**RECOMMENDATION**That Council:

1. Notes the update in this report and the full Internal Audit Log Actions Register in Attachment 1 to this report (Audit Committee, 09/11//2021, Item No.7.1.4).

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

1. Internal Audit Log Actions Register Nov 2021

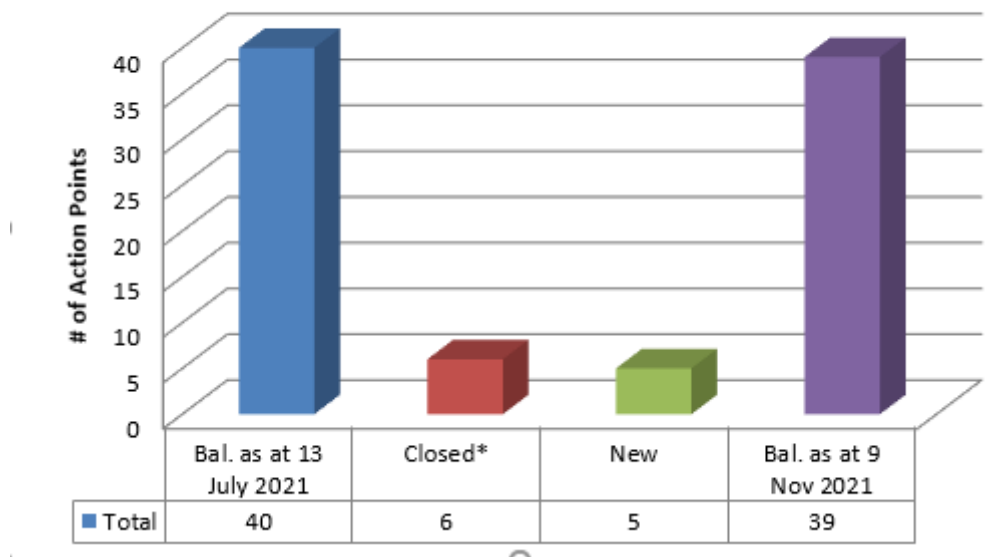
**1. BACKGROUND**

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

**2. REPORT**

- 2.1 A high-level summary on the **movement of actions** from internal audits is shown below.

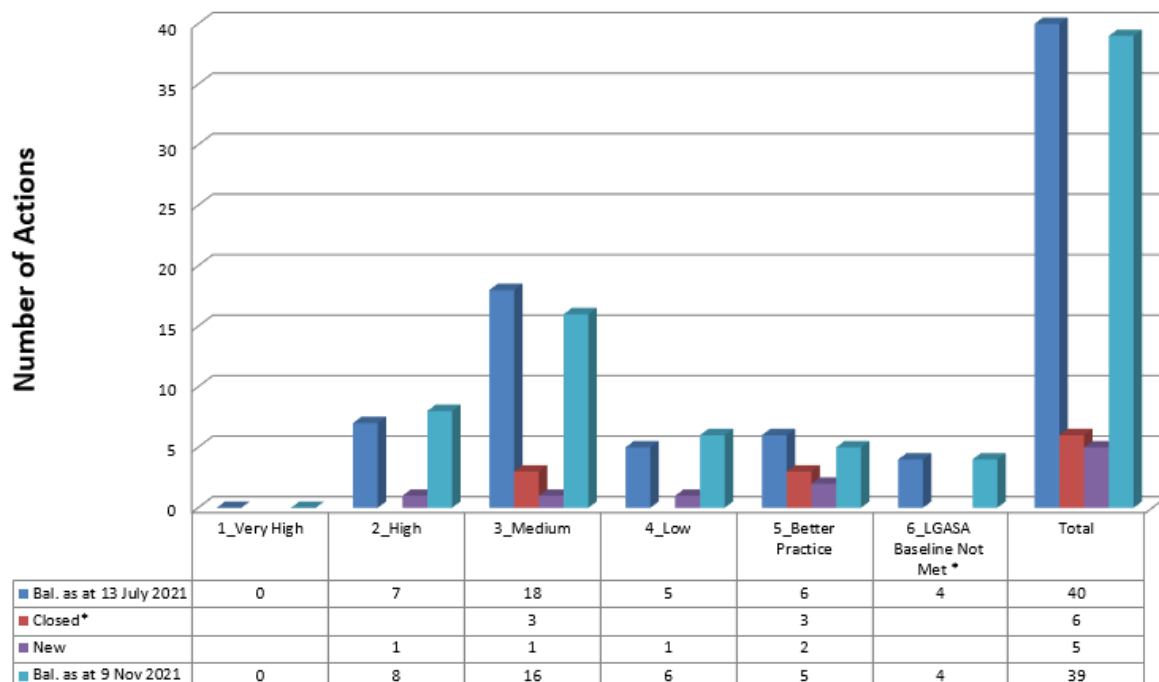
### Internal Audit Log Register



2.2 The total number of outstanding Audit actions reported to the July 2021 Audit Committee was 40, of which six were closed. With five new additions, the closing balance of total audit actions to be completed by 9 November 2021 is now 39.

2.3 The risk profile summary position is shown below.

### Internal Audit Log Actions - Movement



2.4 The five new additions are from the Events Incident Management Audit report presented to Audit Committee in July 2021.

2.5 Out of the six closed Actions, three are medium risk and three are Better Practice Actions. There are no very high-risk actions pending.

2.6 None of the eight high-risk rated actions were resolved during this reporting period.

### Closed Actions

2.7 Six actions are reported as closed and three were tested by the Internal Auditor and Risk Coordinator and confirmed as fully resolved. The other three reported closed actions are yet to be tested by the auditor for verification.

2.8 Closed Actions are as follows:

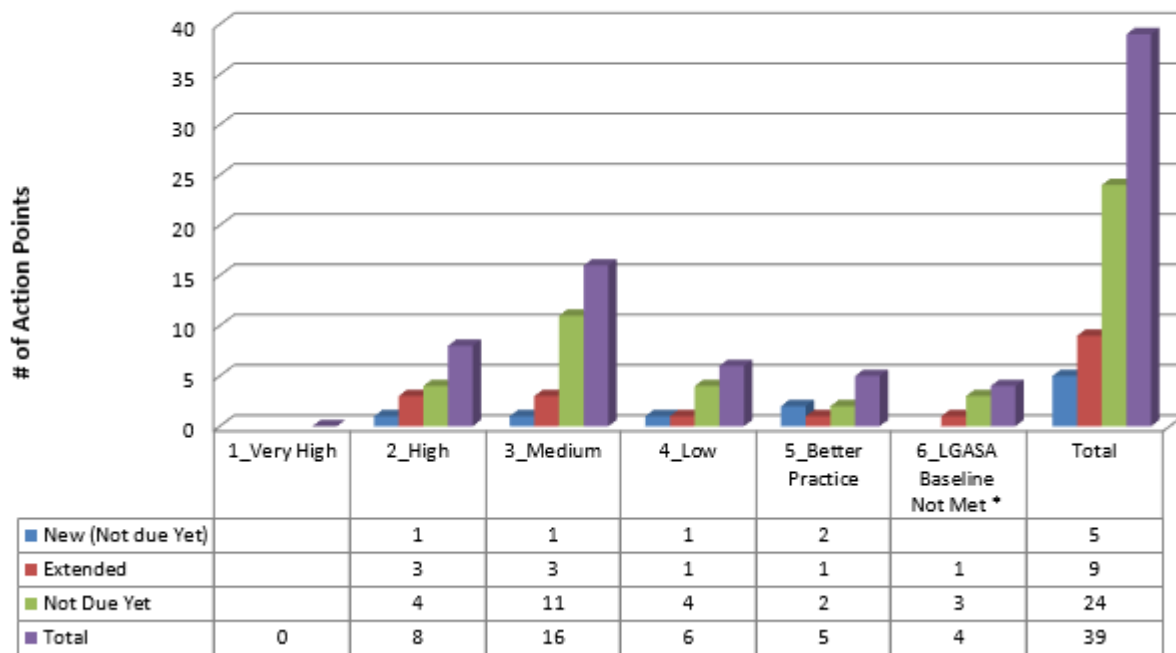
Log #	Report Date	Audit	Risk Rating	Title: Finding/Opportunity for Improvement	Recommendations	Status	Audit Comment as at 09/11/2021	Resolved
37	03-Aug-20	4. Management of Contaminated Sites	5 Better Practice	13. Consolidate Monitoring activities into a single document	All monitoring activities undertaken should be consolidated into a single document, outlining relevant sampling methodologies, limits or reporting, guidelines, criteria and trigger levels.	Closed	Confirmed as completed with WQMRP as the single document.	To be tested by Auditor
46	02-Nov-20	6. Trade Card Review	3 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 unauthorized usage, or any misuse of cards.	Closed	Considered Closed as actions taken appropriately.	Yes
51	02-Feb-21	7. Legislative Compliance	3 Medium	4. Non-compliance with s111(b) Division 2 - 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(b) of the Local Government Act 1999.	Closed		Yes
53	02-Feb-21	7. Legislative Compliance	3 Medium	6. Non-compliance with s28(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 Regulation 2011, to comply with section 28(2)(a) of the Local Government Act 1999. 2. Reviewing the Delegations Register to include sub-delegations related to Financial Management Regulation 2011, including Section 21(4), in cases the CEO finds it necessary.	Closed		To be tested by Auditor
66	29-Jun-21	10. Event Incident Management Framework	5 Better Practice	Opportunity to involve risk staff in post-event evaluations	8. A WHS Team representative is invited to post-event evaluation meetings for all events	Closed		To be tested by Auditor
67	29-Jun-21	10. Event Incident Management Framework	5 Better Practice	Opportunity to reflect full staff costs in event budgets	9. The staffing budget for the Events Team is updated to reflect the true cost of staffing by including estimates of expected overtime costs.	Closed		Yes

### Outstanding Actions

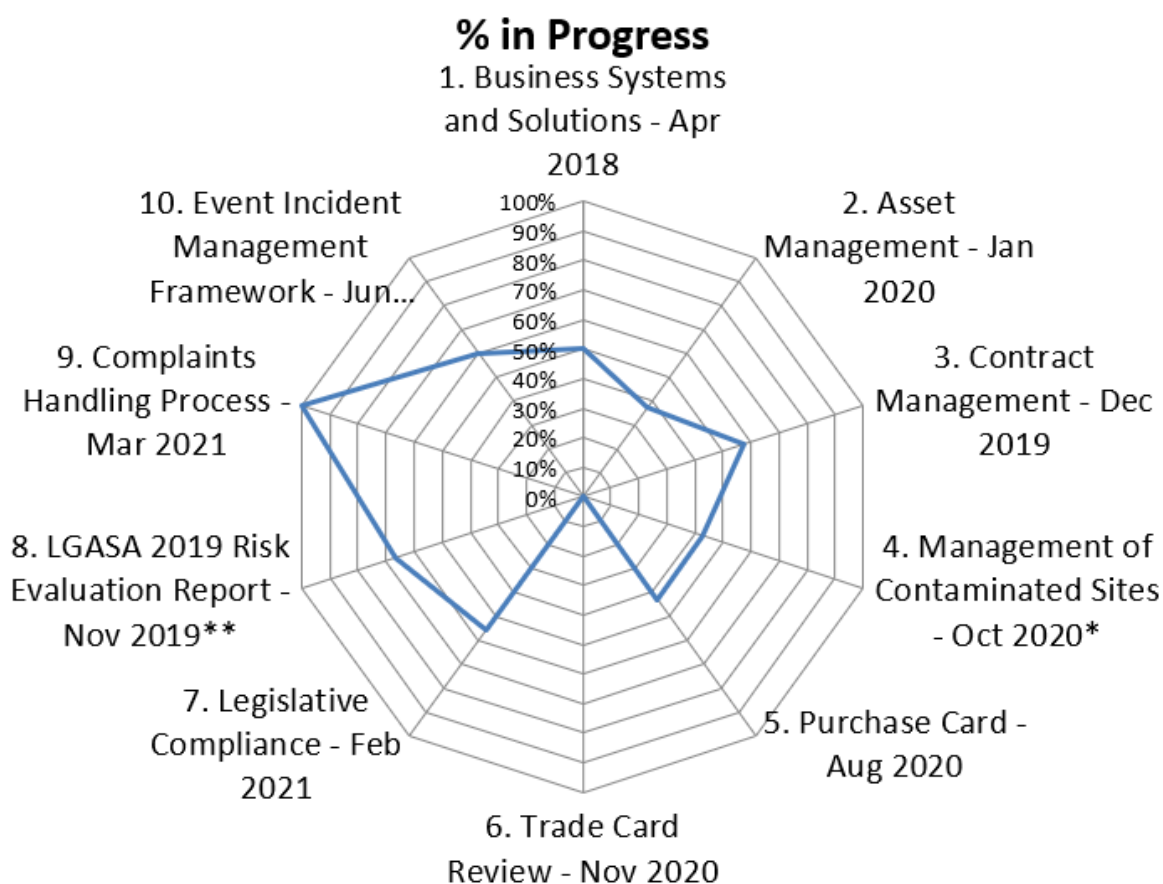
2.9 There are 39 Actions remaining on the Audit Log Register as at 9 November 2021 to be closed.



### Closing Balance as at 9 Nov 2021



- 2.10 The 39 outstanding actions are made up of five new additions, nine actions that have been further extended from its deadline agreed in July 2021 report, and 24 actions that are not yet due based on the previous agreed deadline in the July 2021 report.
- 2.11 Actions outstanding as at 9 November 2021 are further broken down by audits in the below graph, showing the progress percentages of the total number of findings per audit.



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

Audit	Total # Actions	Pending	% in Progress
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	6	43%
5. Purchase Card - Aug 2020	7	3	43%
6. Trade Card Review - Nov 2020	3	0	0%
7. Legislative Compliance - Feb 2021	9	5	56%
8. LGASA 2019 Risk Evaluation Report - Nov 2019**	6	4	67%
9. Complaints Handling Process - Mar 2021	6	6	100%
10. Event Incident Management Framework - Jun 2021	5	3	60%
<b>TOTAL</b>	<b>75</b>	<b>39</b>	
* Findings were not risk rated on the report			
** Findings were not risk rated, but identified as "LGASA Sector Baseline Not Met".			

2.13 The number of actions remaining outstanding is a cumulative effect of past pending actions. Action owners are identified and followed up in a structured manner, with realistic deadlines agreed.

2.14 For Business Systems & Solutions Audit Actions, these are now undertaken as part deliveries within the Business Transformation (BT) Project, and Administration has established the BT team and is Administration is also finalising the recruitment of further resources.

- 2.15 All of the eight pending High Risk rated findings are within the revised target completion dates.
- 2.16 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 six actions have been closed out of which three remain to be tested by the Internal Auditor & Risk Coordinator to mark them as resolved.
- 3.3 There were nine actions for which the July 2021 agreed deadlines have been extended during this reporting period.
- 3.4 A total of 39 actions remain to be closed.

Log #	Report Date	Audit	Risk Rating	Title: Finding/Opportunity for Improvement	Recommendations	Management Response / Action Agreed	Responsible Officer	Target Date	Revised Date	Administration's Further Comments	Status	Audit Comment as at 09/11/2021	Resolved
1	30-Apr-18	1. Business Systems and Solutions	2_High	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. 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 Exec in May 2021	Lynette Paltridge (Manager Business Systems and Solutions)	30/04/2019	30/09/2021 31/12/2021	<p><b>Update - 6 July 2021:</b> 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.</p> <p><b>Update 19/10/2021</b> The vendor has provided information back to the City of Salisbury, which is now under consideration. The extended time required to find a suitable Team Leader for the infrastructure area has created some delays. With this position filled and due to commence mid-November, the Manager Business Systems and Solution to work with the vendor to completion</p>	Extended		No
2	30-Apr-18	1. Business Systems and Solutions	3_Medium	4. No Service Level Agreements, and/or Key Performance Indicator's 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 metrics 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>3.4 IT Metrics, - 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.f) Build the reporting of KPI's and other operational controls into the Terms of Reference of the Steering Committees</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</p>	<p>(a) Noted and agreed. Will be done as part of the work in 4.c.</p> <p>(b) Agreed actions from the Program Review will be implemented. Service levels with vendors are articulated in relevant contract documents.</p> <p>(c) Noted and agreed.</p> <p>(d) Noted and agreed. See response to recommendations in 1.a.</p> <p>(e) Noted. Will be considered as part of the action detailed in 1.a.</p> <p>(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>(g) Noted and agreed. As above at 4.f.</p> <p>(h) Noted. As above at 4.f.</p> <p>(i) Noted and agreed. As above at 4.f.</p>	Lynette Paltridge (Manager Business Systems and Solutions)	4.a)-b) 30/11/2018 4.c)-f) 28/02/2019	30/11/2021	<p>Initial drafts of Service Catalogue have been developed. Lower-level details are being added during review and circulation, 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><b>Update - 6 July 2021:</b> The market scan has been completed and an acquisition plan for the ITSM tool will be submitted w/e 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> <p><b>Update 19/10/2021</b> Work with the vendor has commenced, however the lack of a Team Leader for ITS has meant this has not been finalised. The new team member is due to commence mid November and this will enable the Manager Business Systems and Solution to work with the vendor to completion.</p>	Not Due Yet		No

Lo #	Report Date	Audit	Risk Rating	Title: Finding/Opportunity for Improvement	Recommendations	Management Response / Action Agreed	Responsible Officer	Target Date	Revised Date	Administration's Further Comments	Status	Audit Comment as at 09/11/2021	Resolved
12	30-Apr-18	1. Business Systems and Solutions	3_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 x versions 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.	b) A formal position on this will be articulated in the next iteration of the ICT strategy/replacement document. c) Noted and agreed. A formal position on this will be articulated in the next iteration of the ICT strategy/replacement document.	Lynette Paltridge (Manager Business Systems and Solutions)	30/09/2018	b) 30/04/2021 c) 30/06/2022	(b) Policy is to keep all key applications at a version no later than n-1 without formal and documented reason. This will be formalised as part of the updated governance framework as discussed in part 8. <b>Completed - as the requirement was to determine a position.</b> (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. <b>This work has been postponed pending the work of the Business Transformation team who will be reviewing the system applications.</b>	Not Due Yet	b - completed; c - pending.	No
4	30-Apr-18	1. Business Systems and Solutions	3_Medium	6. Continued 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 Committees, as required, including the process for documenting how a decision not to have a Committee was arrived at. (The decision and responsibility for forming and running Application Steering Committees rests with the relevant business areas). 6.d) Develop a BSS Service Catalogue and promote throughout the organisation.	c) Noted and agreed. d) Noted. Refer section 4. Service Catalogue will cover the information technology-related aspects of BSS	Lynette Paltridge (Manager Business Systems and Solutions)	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  <b>Update 19/10/2021</b> See Update in item 3	Not Due Yet		No
5	30-Apr-18	1. Business Systems and Solutions	3_Medium	8. Continued alignment of the Digital Strategy to the Business Strategy is required	8.a) Ensure that the Digital Strategy is able to achieve 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 Committees 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 Execution Plan" or similar to reflect the outcome of the document being to define a program of work to deliver the Digital Strategy. This will assist in the measurement of goals and objectives of the strategies; 8.e) Define a program of work to deliver the Digital Strategy.	a) Noted and agreed. Action to be passed on to the digital strategy working group. B) Noted and agreed. C) Noted and agreed. Information to be included in updated ICT Strategy. d) Noted and agreed. Broader than responsibility of IT function within BSS. e) Noted and agreed. Broader than responsibility of IT function within BSS.	Lynette Paltridge (Manager Business Systems and Solutions)	30/11/2018	30/09/2024 <b>31/03/2022</b>	Draft Smart Salisbury Framework submitted to Council in September 2020, with a further update to Strategic Executive meeting in December 2020. Feedback from December 2020 Exec review incorporated into Framework and represented in February 2021. The next stage involves community and organisation consultation before formal adoption by Council scheduled in May 2021. <b>Update - 6 July 2021:</b> Incorporating feedback from the Executive Group on the draft Smart Salisbury Strategic Plan and working through the planning for the community consultation phase. <b>Update 19/10/2021</b> Draft Smart Salisbury Strategic Plan included in a report to the Innovation and Business Development Committee meeting in September. Report reviewed at Exec coordination and deferred pending further discussion/workshop, which is to be scheduled, via the Business Transformation Team.	Extended		No

Lo #	Report Date	Audit	Risk Rating	Title: Finding/Opportunity for Improvement	Recommendations	Management Response / Action Agreed	Responsible Officer	Target Date	Revised Date	Administration's Further Comments	Status	Audit Comment as at 09/11/2021	Resolved
6	19-Nov-19	8. LGASA 2019 Risk Evaluation Report	6. LGASA Baseline Not Met	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 corporate documentation will be included in the Audit Committee work plan.	Brett Kahland (Team Leader Corporate Governance)	30/09/2019	34/12/2024 31/03/2022	Governance has progressed the development of a model risk management policy and framework based on the LGA model template including alignment with ISO standard. Update 9/11/2021: An Enterprise Risk Management Policy is developed in October 2021 and an ERM Roadmap is developed covering an ERM Framework scheduled to complete by March 2022.	Extended		No
8	19-Nov-19	8. LGASA 2019 Risk Evaluation Report	6. LGASA Baseline Not Met	Risk assessment specific to Railway Interfaces	One of the duties as a Road Manager is to have risk assessment process in place, if Council has Railway Interface(s). It is recommended to have a risk assessment in place.	Team Leader Civil and Transport will take the process forward. They will overview the agreement to determine the outstanding actions and close the outstanding actions.	David Boothway (Team Leader Civil and Transport)	1/12/2020	31/12/2021	Actions to manage the risks are identified including site 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		No
10	19-Nov-19	8. LGASA 2019 Risk Evaluation Report	6. LGASA Baseline Not Met	Risk Assessment specific to Emergency Management Plan	CoS has documented risk assessments however it was noted that they were outdated and requires 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 CoS.	CoS will work with the Council Ready Program to conduct risk assessments specific to emergency management and subsequently document those risk assessments	Brett Kahland (Team Leader Corporate Governance)	30/06/2021	31/12/2021	Action is on track. Risk assessments have been commenced	Not Due Yet		No
11	19-Nov-19	8. LGASA 2019 Risk Evaluation Report	6. LGASA Baseline Not Met	Trained staff on Emergency Management Procedure	Although selected staff have been trained on emergency operations, the details are not documented in the Emergency Management Plan as it's passed its review date and current 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.	Brett Kahland (Team Leader Corporate Governance)	30/06/2021	31/12/2021	The development of the Incident Operations Manual has and will identify relevant staff with responsibilities during an emergency event. The Incident Operations Manual has been endorsed by executive (October 2021). Training for staff will occur as part of the roll out of the Incident Operations Manual.	Not Due Yet		No

Lo #	Report Date	Audit	Risk Rating	Title: Finding/Opportunity for Improvement	Recommendations	Management Response / Action Agreed	Responsible Officer	Target Date	Revised Date	Administration's Further Comments	Status	Audit Comment as at 09/11/2021	Resolved
12	19-Dec-19	2. Asset Management	2_High	2.1 Focusing on customer levels of service and enhancing 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 assessments 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 Pepe, Manager Property & Buildings; Dameon Roy, Manager Infrastructure Management	31/12/2023	31/12/2022	1 & 2 addressed, as it is included in the SAMP, to be approved by SAMG and Council, targeted to be completed by 20.05/2021. Draft SAMP to be presented for mid year budget review in Jan 2022. 3. LOS 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		No
14	19-Dec-19	2. Asset Management	2_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 audits and forecasted future demand.	Generally in place however further improvements currently underway. Working with Council on defining 'fit for purpose' and future demand and priorities. Currently working the AMSC and developing a Place Activation Strategy to assist with this. Current condition & fit for purpose audit addresses the current state with the Community Planning and Vitality Division preparing a report for ASMC regarding future demands and trends including specifications and gaps analysis with respect to Council's sporting facilities. Council's Community Hub model has been adopted with respect to the community facilities, with Burton and Ingle Farm Community Hubs being constructed over the next few years.  Ongoing formal presentations and reports to Council Committees.	Karen Pepe, 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 - Formal Recreation. Building Condition audit completed in 2020 and this information is used to develop capital programs. Buildings Asset Management Plan to be redrafted and reported back to the AMSC by December 2021	Not Due Yet		No
16	19-Dec-19	2. Asset Management	5_Better Practice	2.7 Opportunity to review contents included in the Asset Management Plans as per IPWEA standards and the ISO55000 series	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 criticality, 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 risks 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.	Dameon Roy, Manager Infrastructure Management;  Karen Pepe, Manager Property & Buildings	31/12/2021		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 SAMG. This will continue the improvements being made to Asset Mgmt and AMP's covering the period to Dec 21	Not Due Yet		No



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19	24-Jan-20	3. Contract Management	2_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: <input type="checkbox"/> procedures (mandatory) <input type="checkbox"/> guidelines, and <input type="checkbox"/> clarification of roles and responsibilities (for example where responsibilities start and end - including responsibility for obtaining ongoing 'due diligence' documentation) <input type="checkbox"/> better practice examples from across Council. There is opportunity to ensure that requirements align to the risk/value 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...	Ben Kempster, Manager Strategic Procurement	31/03/2021	31/10/2021 31/03/2022	1. (on Item 2 of Management Response): CM Framework document and tools/templates draft is completed and ready for consultation. Manager Strategic Procurement has scheduled internal stakeholder consultation sessions for late October. Have had to revise end date of this item to end November. 2.(on Item 1 of Management Response) Development of policy to follow completion of Contract Management Framework. Given council timing, there is a need to extend due date of this item to the end of March 2022 (as the latest date for completion). RACI will form part of Framework 3. Policy document to be completed by Manager Strategic Procurement following finalisation of CM Framework (by end March 2022).	Extended		No
20	24-Jan-20	3. Contract Management	4_Low	3. There is a need for standardised storage of policies, procedures and contract documentation	5. Implement a process to ensure that policy, procedural and contract documentation is stored in one consistent location. Additional desirable features include: <input type="checkbox"/> approval processes before documentation can be uploaded into the location <input type="checkbox"/> clear metadata/date information about each document <input type="checkbox"/> standard naming conventions <input type="checkbox"/> use of consistent document templates, and <input type="checkbox"/> 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 / Laura Fischetti (Team Leader Business Intelligence and Data Management).  Group / Committee identified in Rec 1	30/06/2021	30/11/2021	Once CM Framework document, tools/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 Procurement Framework.	Not Due Yet		No
23	24-Jan-20	3. Contract Management	3_Medium	6. There is opportunity to strengthen record-keeping in relation to contracts	9. To ensure that staff obtain and record quotations in relation to pieces of work conducted under contract: <input type="checkbox"/> remind staff of the importance of obtaining and recording quotations for individual pieces of work (where required), and <input type="checkbox"/> 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.	Ben Kempster, Manager Strategic Procurement	31/12/2020	31/10/2021 31/03/2022	Once CM Framework document, tools/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 (ECM/Dataworks, Finance One and other supporting systems) - in accordance with current Procurement Framework.	Extended		No



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24	24-Jan-20	3. Contract Management	5. Better Practice	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: <input type="checkbox"/> capturing learnings/feedback on contract performance from a contractor's perspective <input type="checkbox"/> reviewing whether goods/services have been received in full as paid for <input type="checkbox"/> reviewing whether discounts/savings were applied appropriately as per some contract conditions <input type="checkbox"/> 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	31/03/2021	31/03/2022	Process and documents used for formal contract closure will be part of Contract Management Framework. The tools and templates that will form part of the CM structure include formal closure templates (including Lessons Learned, provision of feedback, close out checklist).	Extended		No
26	03-Aug-20	4. Management of Contaminated Sites	5. Better Practice	2. Review of 3rd 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 these sites to impact Council land (including surface water, groundwater, soil and vapour risks) or the Recycled Water Systems. These sites should be included in Council's corporate GIS system for consideration during the planning / approvals process.	a) Noted, bearing in mind the Planning Teams approve process for development sites in the City, is based on the EPA guidelines around these sites and the EPA SA's Site Contamination Index is used as the single source of truth. b) The EPA's Site Contamination Index is one of the databases consulted in the review of the Salisbury Water Risk Based Management Plan. c) However, raising the awareness of the EPA index is worthwhile and consideration of how to integrate with Council's information portal's should be undertaken. d) Legal advice to be sought on what other Councils do in regards to third party sites.	Dameon Roy, Manager Infrastructure Management	31/01/2021	31/12/2021	Details around how the Index will be referred to as part of the project process will be established.	Not Due Yet		No
30	03-Aug-20	4. Management of Contaminated Sites	3. Medium	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 NEPM Schedule B2 (NEPC, 1999).	Agreed and noted	Dameon Roy, Manager Infrastructure Management	30/06/2023		Next review cycle is 2023. Budget bid to be put in 22/23, to do the Site Categorisation in accordance with NEPM Schedule B2.	Not Due Yet		No
32	03-Aug-20	4. Management of Contaminated Sites	3. Medium	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.	Dameon Roy, Manager Infrastructure Management	31/12/2021		<del>Budget bid to be raised.</del> <del>Consider in conjunction with other risks.</del> A Preamble to the Contaminated Sites Register is prepared as a guideline reflecting the intent, use and management of Contaminated sites register.	Not Due Yet		No
33	03-Aug-20	4. Management of Contaminated Sites	5. Better Practice	9. Identification of Potential Sources and their Trends when assessing monitoring data related to Contaminated Sites.	When assessing monitoring data, consideration should be given to their potential sources and their trends (i.e. are concentrations stable, increasing or decreasing).	Best Practice	Bruce Naumann, Manager, Salisbury Water	31/12/2021		This is already done for MAR systems in the annual data review and submission to EPA - example report provided. This will be expanded for future catchment monitoring.	Not Due Yet		No

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35	03-Aug-20	4 Management of Contaminated Sites	5_Better Practice	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 Recycled 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).	Dameon Roy, Manager Infrastructure Management	2023/2024		The ICRMP is the first step in establishing an integrated framework.	Not Due Yet		No
37	03-Aug-20	4 Management of Contaminated Sites	5_Better Practice	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.	Dameon Roy, 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  When results are received, copies need to be circulated. Distribution lists, checking to see who needs to follow up on actions – new protocols being established with the award of a new Water Quality contract.	Closed	Confirmed as completed with WQMRP as the single document.	To be tested by Auditor
38	03-Aug-20	4 Management of Contaminated Sites	4_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 sheens etc.).	The Salisbury Water Operations and Maintenance Manual incorporates SOP's that requires routine visual inspection and the use of portable instrumentation to supplement/validate permanently installed field instrumentation. However, Council will create a Standard Operating Procedure with respect to the Risk Based monitoring of potential contaminated sites including the development of an ongoing review program, with the frequency to be determined.	Dameon Roy, Manager Infrastructure Management	31/12/2021		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 Due Yet	Ongoing, part of the preamble with Contaminated sites register.	No

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41	30-Oct-20	5. Purchase Card	2_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 Matrix 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 ore revised accordingly.	Simone Schmidt (Procurement Business Partner)	30/06/2021	31/12/2024 31/03/2022	<p>Council Adopted on 24 May 2021, Resolution : 0954/2021</p> <p>Comments for 9/11/21: All actions resolved other than c &amp; e can be closed. These remain open due to their link with updating the Procurement Framework which will be completed by end of Q1 2022.</p>	Extended	Further action now agreed on this reopened item confirmed as closed in July 2021.	No
42	30-Oct-20	5. Purchase Card	2_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 list and that this list is signed and dated by the CEO.</p> <p>c) That financial delegations in Council's software systems are regularly reviewed against the Financial Delegation document.</p> <p>d) That card delegations are not set higher than general financial delegations.</p> <p>e) That card delegations are not provided where there are no financial delegations.</p> <p>f) That the transaction limit be discontinued as per report recommendation 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. Strategic Procurement has identified that limits across bank and CoS Systems need to be reviewed for consistency – will occur as part of implementing the June 2020 credit card report with its approved recommendations.	Simone Schmidt (Procurement Business Partner)	a) - e) 31/1/2021; f) -g) 30/06/2021	31/12/2021	<p>Manager Strategic Procurement to follow up what data has been provided by NAB regarding credit card limits per user and compare to internal card issued limits per user, to ensure consistency. Also MSP to verify that card delegations are not set higher than financial delegations. Summary report to be provided to Internal Audit so item can be closed out.</p> <p>An Annual review will be scheduled to test usage and limits</p>	Not Due Yet	Further action now agreed on this reopened item confirmed as closed in July 2021.	No

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44	30-Oct-20	5. Purchase Card	3_Medium	6. Training on effective use of Purchase Card	a) That additional training be provided to ensure cardholders understand how misuse and fraudulent activity could occur with their cards without their knowledge if they provide their cards to other staff to use. b) That cardholders are required to sign a new declaration and acknowledgement form each time the card is renewed.	a) Agree that broad refresher training be provided to cardholders after implementation of the June 2020 review report recommendations, addressing changes implemented and risk of potential fraud relating to card use. 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) 31/11/2021; b) 30/06/2021	30/09/2021 30/11/2021	a) Completed; b) Current cardholders will be issued with a new Declaration Form to be signed, once All Staff comms has gone out re new process. Revised completion date 30/11/2021	Extended		No
46	02-Nov-20	6. Trade Card Review	3_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 unauthorized usage, or any misuse of cards.	Report will be requested from Dulux by Strategic Procurement. To be confirmed - frequency of receipt, whether it can be scheduled or it needs to be requested by CoS each time. Bunnings reports - awaiting info from 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	30/09/2021	1. Action 1: <del>Dulux are provided a monthly summary but this doesn't include card user names. MSP to work with Dulux to see if this additional information is available, to improve the reporting function.</del> No further reporting info can be received from Dulux, hence no further can be taken. Completed. 2 & 3 <b>completed</b> for purchases from Bunnings.	Closed	Considered Closed as actions taken appropriately.	Yes
50	02-Feb-21	7. Legislative Compliance	3_Medium	3. Partial compliance with s91(9)(a) - partially met the annual review requirement of Confidential Orders	1. Ensure that Special Orders operating beyond 12 months are reviewed annually as per the requirement of section 91(9)(a) of the Local Government Act 1999. 2. Update the Confidential Orders Register. Update the code of practice for Access to Meetings and Associated Documents covering internal process to be followed when Confidential Orders are lifted or revoked.	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.	Rudi Deco (Manager Governance)	30/04/2021	30/10/2021; 30/03/2022	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 Reforms to be passed by Parliament and an implementation plan for the required changes to be established.	Not Due Yet	1 & 2 resolved and 3 pending.	No
51	02-Feb-21	7. Legislative Compliance	3_Medium	4. Non-compliance with s111(b) Division 2 - 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(b) of the Local Government Act 1999.	The intent is to require a similar declaration for operational reasons for Divisional Managers / other selected employees without invoking section 111(b). We therefore will create a separate form to be used.	June Lowes (Human Resource Business Partner)	31/05/2021	31/07/2021	Completed, see council resolution 1098/2021 (dated 27 Sep 2021).	Closed		Yes
52	02-Feb-21	7. Legislative Compliance	3_Medium	5. Partial compliance with s231 - Register of Public Roads not having information required under s26e of the LG General Regulation	Review the current Register of Public Roads and include information specified in section 26(e) of the Local Government General Regulation 2013 to comply with section 231 of the Local Government Act 1999.	The recommendation will be implemented.	Dameon Roy, Manager Infrastructure Management	31/12/2021			Not Due Yet		No

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53	02-Feb-21	7-Legislative Compliance	3_Medium	6. Non-compliance with s28(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 Regulation 2011, to comply with section 28(2)(a) of the Local Government Act 1999. 2. Reviewing the Delegations Register to include sub-delegations related to Financial Management Regulation 2011, including Section 21(4), in cases the CEO finds it necessary.	Recommendation 1. (a) Administration will include within the Annual Report council item, 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.(a) Julie Kushnir (Manager Community Experience & Relationships) (b) Kate George (Manager Finance)  2. Rudi Deco (Manager Governance)	1. Quarter 1 of the 2021/22 Financial Year. 2. 31 March 2021.		1. Awaiting receipt of NAWMA audited financial statement. 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 delegations provided by LGA and Norman Waterhouse. Action not required.	Closed		To be tested by Auditor
54	02-Feb-21	7-Legislative Compliance	4_Low	7. Non-compliance with s6(2) of LG (Procedures at Meetings) Regulation 2013 - 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 2013.	The recommendation will be implemented.	Rudi Deco (Manager Governance)	28/02/2021	30/10/2021 31/01/2022	LG Reforms are yet to be finalised. Recommend that the Revised Date for this action be updated to 30 October 2021 in order to allow for the LG Reforms to be passed by Parliament and an implementation plan for the required changes to be established	Extended	Due date deferred to accommodate LG Reforms to be passed by parliament.	No
55	02-Feb-21	7-Legislative Compliance	3_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; monitoring legislative compliance obligations, assignment of tasks with deadlines, requiring supporting evidence, and established workflow process. It may be beneficial for the City to consider a software system that has a built-in legislation compliance checklist database, and functionality to alert on new legislation updates as well.	The recommendation will be implemented. We are in the process of purchasing RelianSys® Compliance system for this purpose.	Rudi Deco (Manager Governance)	30/06/2021	30/11/2021	Software purchased and system commissioned. Users to be assigned and trained for full-fledge implementation.	Not Due Yet	On track.	No
56	02-Feb-21	7-Legislative Compliance	4_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 next 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 reshaped to reflect the obligations on Council under the new planning system. In relation to the transition period, it is possible for a proponent to select a Development Plan Amendment pathway or a Code Amendment Pathway. It is likely that the report will recommend transitional arrangements until the Development Plan Amendment pathway is no longer an option.	1 & 2. Rudi Deco (Manager Governance) 3. Michelle English (General Manager City Development)	1. 28/02/2021 2. 31/03/2021	30/10/2021 31/01/2022	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 Reforms to be passed by Parliament and an implementation plan for the required changes to be established.	Not Due Yet	Due date deferred to accommodate LG Reforms to be passed by parliament.	No



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57	22/03/2021	9. Complaints Handling Process	2_High	1. Lack of a Complaints Handling & Management System	Establish a centralized 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 funding requirements. This forms part of the scope of a current project undertaken called the Exceptional Community Experience Project.	Hannah Walters (Project Manager Community Experience)	30/06/2022		<b>Update: 9/11/21:</b> We are currently preparing an EOI for the technology solution to manage all Community Interactions.	Not Due Yet		No
58	22/03/2021	9. Complaints Handling Process	3_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 attainable and realistic.	1. The recommendation will be implemented. 2. There is significant work required in developing a report on performance against all service standards. Unclear if reporting against service standards is undertaken within each business unit on a monthly basis. Investigation and scoping 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)	31/12/2021		<b>Update: 9/11/21:</b> The Community Experience Framework is no longer an operational document. We currently report to Council monthly on all CRM data but this will be expanded when we introduce a Customer Relationship Management System that will capture all Community Interactions.	Not Due Yet	Not due yet	No
59	22/03/2021	9. Complaints Handling Process	3_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 captured as part of the Exceptional Community Experience Project Implementation scope, and implement the Complaints handling Tier escalation process.	Business Process Owners: Hannah Walters (Project Manager Community Experience) / Amy Pokoney Cramey (General Manager Community Development)	31/12/2021		<b>Update: 9/11/21:</b> Requirements for escalations will be built into the detailed business requirements document for the Customer Relationship Management Solution.	Not Due Yet	Not due yet	No
60	22/03/2021	9. Complaints Handling Process	3_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)	31/12/2021		<b>Update: 9/11/21:</b> Requirements for escalations will be built into the detailed business requirements document for the Customer Relationship Management Solution.	Not Due Yet	Not due yet	No

Lo #	Report Date	Audit	Risk Rating	Title: Finding/Opportunity for Improvement	Recommendations	Management Response / Action Agreed	Responsible Officer	Target Date	Revised Date	Administration's Further Comments	Status	Audit Comment as at 09/11/2021	Resolved
61	22/03/2021	9. Complaints Handling Process	3_Medium	5. Ownership and Responsibility for Implementation of the CCC Procedure	Identify a responsible owner for implementation and monitoring of complaints and update that on the CCC Procedure accordingly.	Current structure and roles and responsibilities to be reviewed.	Amy Pokoney Cramey (General Manager Community Development)	30/06/2021			Past Due		No
62	22/03/2021	9. Complaints Handling Process	4_Low	6. Policies and Procedures	Ensure that COS's Internal Review of Council Decisions Policy and Procedure is reviewed and updated to reflect current practices as per the requirements of s270(1) of the Act.	Agree with recommendation.	Joy Rowett (Governance Coordinator)	31/05/2021	30/10/2021 31/12/2021	To allow for the commencement of the provisions for Section 270 in November 2021, due date extended.	Not Due Yet		No
63	29-Jun-21	10. Event Incident Management Framework	2_High	A need to clarify stakeholder responsibilities and engagement in the risk and hazard identification process	1. Establish a definition of what constitutes a COS "Event" for the purposes of interpreting and enforcing event-specific policies and business rules. 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. 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. 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. 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	1. Identify the definition of COS "event". 2. 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. 3. 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. 4. 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. 5. Adopt recommendation no. 5 in addition to the preparation of an overarching Corporate Events and Public Relations plan.	1, 2, 3 & 5- Julie Kudmir (Manager Community Experience & Relationships) 4: Michelle Dagger (Team Leader Events, Place Activation and Curation) & Simon McGuinness (Team Leader Safety & Wellbeing) (in consultation with Security)	1: 01/12/2021 ; 2&3: 31/12/2021; 4: 30/06/2021 5: 31/04/2022		Definitions complete. Roles and responsibility allocation complete. Business rule developed to identify when Events Team either manages event, or takes on responsibility for infrastructure, not content. 1 & 2 & 3 complete. 4 & 5 to be identified in consultation with WHS officer.	Not Due Yet		No

Lo #	Report Date	Audit	Risk Rating	Title: Finding/Opportunity for Improvement	Recommendations	Management Response / Action Agreed	Responsible Officer	Target Date	Revised Date	Administration's Further Comments	Status	Audit Comment as at 09/11/2021	Resolved
64	29-Jun-21	10. Event Incident Management Framework	3_Medium	A need to ensure incidents and hazards have been appropriately 'closed off' in SkyTrust	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.	1. Review the PR004 – 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. 2. Review the 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).	Simon McGuinness (Team Leader Safety & Wellbeing)	30/10/2021			Not Due Yet		
65	29-Jun-21	10. Event Incident Management Framework	4_Low	Opportunity to review and refine the risk assessment template	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.	Agreed. To address the recommendation, the following Action Plan will be implemented. A - Complete the revision of the risk assessment template. B - Develop a 1-2 page risk assessment checklist. C - Develop a scalable risk assessment or other event source material that informs of relevant risk controls measures to support the risk assessment checklist.	Nick Cross (Senior WHS Advisor)	31/12/2021			Not Due Yet		
66	29-Jun-21	10. Event Incident Management Framework	5_Better Practice	Opportunity to involve risk staff in post-event evaluations	8. A WHS Team representative is invited to post-event evaluation meetings for all events	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.	Michelle Dagger (Team Leader Events, Place Activation and Curation) & Nick Cross (Senior WHS Advisor)	22/06/2021			Closed		To be tested by Auditor



Log #	Report Date	Audit	Risk Rating	Title: Finding/Opportunity for Improvement	Recommendations	Management Response / Action Agreed	Responsible Officer	Target Date	Revised Date	Administration's Further Comments	Status	Audit Comment as at 09/11/2021	Resolved
67	29-Jun-21 10: Event Decision Management Framework	5: Better Practice		Opportunity to reflect full staff costs in event budgets	9. The staffing budget for the Events Team is updated to reflect the true cost of staffing by including estimates of expected overtime costs.	Discuss further with Finance Manager and General Manager Business Excellence and revise budget where required.	Julie Kushnir (Manager Community Experience & Relationships)	31/07/2021		Current process is aligned to the cost centre OT/Budget process, and this is considered as the management's preferred course of action.	Closed		Yes

<b>ITEM</b>	7.1.5										
	<b>AUDIT COMMITTEE</b>										
<b>DATE</b>	09 November 2021										
<b>HEADING</b>	Internal Audit Report on Volunteer Management Audit										
<b>AUTHOR</b>	Hussain Rafeeu, Internal Auditor & Risk Coordinator, CEO and Governance										
<b>CITY PLAN LINKS</b>	4.2 We deliver quality outcomes that meet the needs of our community 4.4 We plan effectively to address community needs and identify new opportunities										
<b>SUMMARY</b>	<p>As per the approved Internal Audit Plan 2021-2023, the Internal Auditor and Risk Coordinator has performed an internal audit on the City of Salisbury's volunteer management process.</p> <p>One (1) medium and three (3) low risk rated findings were identified as summarised below:</p> <table> <tr> <th><b>Finding</b></th><th><b>Risk</b></th></tr> <tr> <td>1. Volunteer Safety Handbook</td><td>Medium</td></tr> <tr> <td>2. Volunteer Interview Process &amp; Recordkeeping</td><td>low</td></tr> <tr> <td>3. Volunteer Exit Process &amp; Recordkeeping</td><td>Low</td></tr> <tr> <td>4. Update Volunteer Management Corporate Guideline</td><td>Low</td></tr> </table>	<b>Finding</b>	<b>Risk</b>	1. Volunteer Safety Handbook	Medium	2. Volunteer Interview Process & Recordkeeping	low	3. Volunteer Exit Process & Recordkeeping	Low	4. Update Volunteer Management Corporate Guideline	Low
<b>Finding</b>	<b>Risk</b>										
1. Volunteer Safety Handbook	Medium										
2. Volunteer Interview Process & Recordkeeping	low										
3. Volunteer Exit Process & Recordkeeping	Low										
4. Update Volunteer Management Corporate Guideline	Low										

## RECOMMENDATION

### That Council:

1. Notes the final audit report for the Volunteer Management audit with management comments as set out in Attachment 1 to this report (Audit Committee, 9 November 2021, Item No.7.1.5).

## ATTACHMENTS

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

1. Final Internal Audit Report - Volunteer Management Audit

### 1. BACKGROUND

- 1.1 This audit aligns with the City's current Strategic Risk 6 – *Ineffective governance results in the provision of services which do not meet community expectations.*
- 1.2 The objective of this audit is to provide assurance regarding the effectiveness of the processes that are in place regarding the volunteer management process.
- 1.3 The specific objective of this audit includes the following:
  - The City has appropriate policies and procedures relating to the management of volunteers.
  - The approved policies and procedures are implemented effectively.

- The City complies with the statutory and regulatory requirements related to the management of volunteers.
- The management of volunteers is efficient, effective and there are appropriate strategies in place to ensure that the City has implemented a sustainable model for its engagement.

## 2. CONSULTATION / COMMUNICATION

### 2.1 Internal

- 2.1.1 General Manager Community Development.
- 2.1.2 Volunteer Development Officer.
- 2.1.3 Volunteer Program Officer
- 2.1.4 Senior WHS Advisor
- 2.1.5 Quality Program Officer
- 2.1.6 Team Leader Events
- 2.1.7 Application Specialist - Corporate Solutions
- 2.1.8 Team Leader Safety & Wellbeing
- 2.1.9 Manager Community Health & Wellbeing

## 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 include the following:
  - 3.2.1 In relation to volunteer management, Council meets its legislative compliance requirements required under the *Volunteer Protection Act 2001*, *Health Safety Act 2012*, *Health Insurance Act 1973*, and *Equal Opportunity Act 1984*.
  - 3.2.2 Council's marketing strategy to inform and attract potential volunteers is effective.
  - 3.2.3 A volunteer management system is established to capture the volunteer profile data, and volunteer hours and information on volunteer management, and the accuracy of information is internally assessed and maintained.
  - 3.2.4 Valid insurances are taken for volunteers and certificate of insurance kept current.
  - 3.2.5 Standard reports on volunteer management are developed in the Council's reporting tool and access is given to relevant staff.
  - 3.2.6 Volunteer recruitment, engagement and management of volunteers are robust, except for the findings set out below in this report.
  - 3.2.7 Volunteer screening including criminal history screening, driver competency assessment and medical fitness certificates are done prior to volunteer engagement.
  - 3.2.8 Role statements and volunteer agreements are signed prior to volunteer engagement.
  - 3.2.9 Corporate and site inductions are provided to volunteers prior to engagement.
  - 3.2.10 System controls are effective in the volunteer management system, to ensure privacy and confidentiality of volunteer information.

- 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 volunteer management process is at a “managed” stage in its process maturity level, which demonstrates that the controls and processes exist at an appropriately managed level and process capability is established to effectively deliver expected outcomes.
- 3.5 The report identified four findings (1 medium risk and 3 low risk rated), as summarised below:

- 3.5.1 **Finding 1:** A need to develop a volunteer safety handbook as a best practice measure (*Medium Risk*)

**Recommendation:**

As a better practice control measure, it is advisable that Council prioritises the development of a comprehensive Volunteer Safety Handbook to meet the core components of the WHS Induction and Training Procedure detailed below:

- Provide WHS information, training and instruction in a way that is readily understandable to any person whom it is provided.
- Provide workers with information, instruction and training that is necessary to protect persons from risk to health and safety having regard to their role.

Administration acknowledges that, while the WHS compliance requirements are met, there is value in developing a volunteer safety manual, and funding will be sourced to develop the manual using external consultancy. A reasonable timeframe has been agreed for the implementation of this recommendation.

- 3.5.2 **Finding 2:** A need to ensure the recordkeeping of volunteer interview process (*Low Risk*)

The audit identified that 5 out of 30 samples tested did not have the volunteer forms saved in Council’s corporate record management system or emails received as evidence of interviews conducted, and yet they were registered as volunteers in the Volunteer Management System (VMS) and have actively contributed volunteer hours.

In the absence of evidence of interviews been conducted, there is a possibility that volunteers may have been engaged without the necessary interviews being conducted, and appropriate preliminary checks may not have been applied in the volunteer recruitment and selection process. Council may not have met the legislative recordkeeping compliance requirements as well by not having the records.

**Recommendation:** Given that interview process is an essential process to determine suitability of volunteers for the role, it is recommended that administration takes extra measures to ensure evidences of interview are provided by relevant Volunteer Coordinators in a timely manner and prior to volunteer registration in VMS, then stored in COS’s record management system.

Administration agreed to implement the recommendation by providing further training on the process to ensure records are maintained.

3.5.3 **Finding 3:** Volunteer exit process and recordkeeping (*Low Risk*)

The audit process identified that that 4 out of 8 samples tested did not have evidence that volunteer exit survey forms were sent for feedback and 2 out of 8 samples tested did not have their reasons for exiting volunteer roles entered in VMS.

When volunteer exit survey forms are not sent to volunteers, the necessary feedback may not have been captured to evaluate and improve the volunteer management process. When the reasons for volunteer exiting are not captured in VMS, it is not possible to validate whether the volunteers who have resigned or left volunteering were terminated for unfair reasons, which may lead to reputational risk.

**Recommendation:**

1. Council should review its current volunteer feedback process and ensure that exiting volunteers are reached through appropriate mechanisms to get timely feedback.
2. Ensure the reasons for volunteer exiting are determined and captured in a timely manner to ensure fairness in the volunteer exit process and that volunteer exiting occurs as per volunteer management policy.

Administration agreed to implement the recommendation via a new process implementation and capture feedback information in VMS and DataWorks.

3.5.4 **Finding 4:** Volunteer Management Corporate Guideline (*Low Risk*)

The audit process identified that the Volunteer Management Corporate Guideline does not state version control details like next review date and responsible officer, to ensure that the currency of the procedure is appropriately monitored and tracked in a timely manner. The Audit also identified some inconsistencies between the VMCG and information on intranet and noted that the inconsistencies may create confusion among users, leading to different application of process among staff members.

**Recommendation:** It is recommended to develop a comprehensive Volunteer Management Manual or review and update the Volunteer Management Corporate Guideline with relevant version control details covering the full end to end volunteer management process and ensure that the information held on intranet is consistent with the manual or guidelines.

Administration agreed to implement the recommendation.

**4. CONCLUSION / PROPOSAL**

- 1.1 The audit gives reasonable assurance that controls are in place to manage the volunteer management process and they are effectively implemented, except in 1 medium risk and 3 low risk areas for improvements noted below:
  - 1.1.1 Finding 1: Volunteer Safety Handbook (Medium Risk)
  - 1.1.2 Finding 2: Volunteer Interview Process & Recordkeeping (Low Risk)
  - 1.1.3 Finding 3: Volunteer Exit Process & Recordkeeping (Low Risk)
  - 1.1.4 Finding 4: Update Volunteer Management Corporate Guideline (Low Risk)



## Final Internal Audit Report – Volunteer Management Audit

September 2021







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

City of Salisbury – Internal Audit Report – Volunteer Management Audit (September 2021)

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## Approval and Distribution

### Internal Audit Report prepared by:

Name	Position	Date
Hussain Rafeeu	Internal Auditor & Risk Coordinator	23/09/2021

### Internal Audit Report authorised by:

Name	Position	Date
Rudi Deco	Manager Governance	19/10/2021

### Internal Audit Report endorsed by:

Name	Position	Date
Graham Reynolds	Audit Committee Chair (for Audit Committee)	09/11/2021
John Harry	Chief Executive Officer	19/10/2021
Amy Pokoney Cramey	General Manager Community Development,	19/10/2021

### Distribution List:

Name	Position
All GMs	General Managers
Brett Kahland	Team Leader Corporate Governance

### Introduction and Background

A volunteer management process audit was completed in September 2021 as per the City of Salisbury ("COS" or "City") Audit Committee approved internal audit plan for 2021 - 2023.

### Scope, Objectives and Approach

The aim of this audit was to provide the assurance that the processes in place for the management of volunteers are effective and ensured the following specific scope objectives:

- The City has appropriate policies and procedures relating to the management of volunteers.
- The approved policies and procedures are implemented effectively.
- The City complies with the statutory and regulatory requirements related to the management of volunteers.
- The management of volunteers is efficient, effective and that there are appropriate strategies in place to ensure that the City has implemented a sustainable model for their engagement.

### Key Findings

The controls over the volunteer management process need to be further strengthened in the following four (4) areas:

Finding	Risk Level
1. Volunteer Safety Handbook	Medium
2. Volunteer Interview Process & Recordkeeping	Low
3. Volunteer Exit Process & Recordkeeping	Low
4. Update Volunteer Management Corporate Guideline	Low

### Process Maturity

Based on our analysis of the volunteer management process and the controls within it, we have assessed the process maturity level as "Managed" in the application of Process Maturity Assessment Standard (See Appendix II for interpretation and definition of different maturity levels):

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

### Internal Audit Recommendations

The following findings were identified during the internal audit.



## 1. Introduction

We completed our internal audit on the volunteer management process at COS. This is in line with its scheduled Internal Audit Plan for 2021/2023.

## 2. Background

Volunteers are a major personnel resource utilised by COS to assist with the delivery of community programs, services and events. The failure to properly manage volunteers may result in service interruption, financial impact and reputation risk. This review was intended to assess and provide assurance that the processes for managing volunteers are robust.

The City's annual report 2019/2020 stated that during the year, 573 active volunteers gave a total of 54,614 hours equating to an economic value to the City of nearly \$2.4 million. The latest unpublished results for 2020/2021 is 488 active volunteers, 45,350 hours with an effective economic value of \$2.1m. The reduction in volunteer engagement is due to COVID 19 implications in the last financial year.

## 3. Objective

The overall objective of this audit is to provide assurance regarding the effectiveness of the processes that are in place regarding the volunteer management process.

## 4. Scope

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

- The City has appropriate policies and procedures relating to the management of volunteers.
- The approved policies and procedures are implemented effectively.
- The City complies with the statutory and regulatory requirements related to the management of volunteers.
- The management of volunteers is efficient, effective and that there are appropriate strategies in place to ensure that the City has implemented a sustainable model for their engagement.

## 5. Approach

The approach adopted for this internal audit was as follows:

1. Obtain the necessary information required to develop an audit program and to obtain a good knowledge of the auditable activities. This was undertaken through research, reviewing existing procedures and policy documentation, and talking to key staff members.
2. Conduct the fieldwork, which incorporates an evaluation of the effectiveness of controls undertaken through sample testing of outcomes.
3. Discuss audit issues with staff and management throughout the audit process to remove opportunities for misunderstandings and to allow management to consider resolutions to audit issues.
4. Discuss the final audit issues with management at the exit interview. Upon conclusion, issue the draft audit report for management comments.
5. Conduct the audit in line with the Institute of Internal Auditors International Standards for Professional Practice of Internal Auditing and their Code of Ethics.
6. Communicate findings and assessments on an on-going process to ensure that there is a good understanding and acceptance of the rationale for audit opinions and recommendations.

The audit covered volunteers engaged and terminated or resigned during the period 1 July 2020 to 30 June 2021.

## 6. Risk Assessment

This audit is linked to strategic risk 6 "Ineffective governance results in the provision of services which do not meet community expectations" on the strategic risk 6 on the strategic risk register, where the risk is rated as high inherent risk and medium residual risk. However, given that the volunteer management process is not directly contributing to causes or factors identified on for this strategic risk 6, the risk rating for this is unchanged following this audit.

## 7. Positive Findings

- In relation to volunteer management, COS meets its legislative compliance requirements required under the Volunteer Protection Act 2001, Health Safety Act 2012, Health Insurance Act 1973, and Equal Opportunity Act 1984.
- COS's marketing strategy to inform and attract potential volunteers is effective.
- A volunteer management system is established to capture the volunteer profile data, and volunteer hours and information on volunteer management, and the accuracy of information is internally assessed and maintained.
- Valid insurances are taken for volunteers and certificate of insurance kept current.
- Standard reports on volunteer management are developed in the COS's crystal reporting tool and given access to relevant staff.
- Volunteer recruitment, engagement and management of volunteers are robust, except for findings below.
- Volunteer screening including criminal history screening, driver competency assessment and medical fitness certificates are done prior to volunteer engagement.
- Role statements and volunteer agreements are signed prior to volunteer engagement.
- Corporate and site inductions provided to volunteers prior to engagement.


- System controls are effective in the volunteer management system, to ensure privacy and confidentiality of volunteer information.

## 8. Findings & Areas for Improvement

A number of positive findings are observed in the volunteer management processes as above, and controls and systems are operating effectively at COS in all areas, except in very limited situations where 1 medium risk rated and 3 low risk rated findings are identified. These are detailed at section 9 of this report.




## 9. Detailed Findings


9.1 Volunteer Safety Handbook			
Risk Rating	Finding and Implication	Recommendation	
<b>Medium</b> 	<p>Volunteers fall within the definition of a “Worker” under the South Australian Work Health and Safety (“WHS”) Act 2012, and the same health and safety obligations applicable to a worker applies to a volunteer as well.</p> <p>We note that the Council’s work health and safety practices for volunteers are audited as part of the Local Government Association Mutual Liability Scheme renewal process and through the biennial Local Government Risk Services Risk Evaluation Audits, and it was reported that COS is compliant with legislative compliance matters and meets all the required standards.</p> <p>The Volunteer Handbook captures at a very high level, the roles and responsibilities of volunteers and other stakeholders in ensuring health and safety at work place. However, COS uses Skytrust as the safety management platform to store all detailed policies and procedures related to WHS compliance matters, and volunteers do not have the same level of access to this platform as do paid staff, for IT security risks and for practicality reasons. The Volunteer Development Officer and the Team Leader Safety &amp; Wellbeing has therefore identified a need to develop a comprehensive Volunteer Safety Handbook in an easy to understand format, to be communicated to volunteers and used in volunteer training and WHS induction process.</p> <p>There is a possibility that due to the lack of a comprehensive safety handbook and volunteers not having same level of access to the detailed procedures and process in Skytrust as do paid staff, volunteers may not be appropriately communicated on the health and safety processes to be followed in performing their varied voluntary roles.</p>	<p>As a better practice control measure, it is advisable that COS prioritise the development of a comprehensive Volunteer Safety Handbook to meet the core components of the WHS Induction and Training Procedure detailed below:</p> <ul style="list-style-type: none"> <li>• Provide WHS information, training and instruction in a way that is readily understandable to any person whom it is provided</li> <li>• Provide workers with information, instruction and training that is necessary to protect persons from risk to health and safety having regard to their role.</li> </ul>	
Management Response / Action		Action Owner (Title)	Target Date
Management notes volunteer health and safety is audited as a part of the Local Government Association Mutual Liability Scheme renewal process, biennial Local Government Risk Services Risk Evaluation Audits and various funding body reviews ie CHSP. It is noted all audits/reviews to date have resulted in conformance with the standards required.		Vesna Haracic (Manager Community Health and Wellbeing)	30.06.2022
Management acknowledges its responsibilities as a PCBU and the definition of ‘worker’ being inclusive of volunteers. It raises our previous initiative, the Volunteer Workforce Health and Safety Training		Michelle Hodshon	

## Volunteer Management Audit – Detailed Findings


	<p>Framework and notes this document recommends a mix in training delivery methods including the development of a customised workbook noting the benefits of using a workbook include:</p> <ul style="list-style-type: none"> <li>• is applicable across all ages</li> <li>• can be made language appropriate</li> <li>• can be used in a group setting or individually</li> <li>• is adaptable for specific relevance</li> <li>• facilitates ongoing refresher training</li> <li>• can be less resource-intensive to manage</li> </ul> <p>Actions proposed include sourcing funding and an external consultant to develop an accessible easy-English Volunteer Health and Safety Handbook that complies with WHS requirements.</p>	(Volunteer Development Officer)	
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9.2 Volunteer Interview Process & Recordkeeping			
Risk Rating	Finding and Implication	Recommendation	
<b>Low</b> 	<p>COS's Volunteer Management Policy states that Volunteers will be interviewed and placed in programs, services, activities and events that match their skills, interests, knowledge and/or experience. The Volunteer Management Corporate Guideline states that following an interview, an Interview Form need to be completed and forwarded to Volunteer Services by scanning and emailing or posting through the internal mail system. Alternatively, key information could be emailed, including the name of interviewee, date of interview, relevant skills, reasons for volunteering, any support required (consider any medical issue or disability), whether the applicant is suitable for the role or not. The volunteer interview form is a necessary pre-requisite for volunteer registration in VMS prior to confirming volunteer commencement date.</p> <p>During our sample testing, we identified that 5 out of 30 samples tested did not have the volunteer forms saved in COS's corporate record management system Dataworks or emails received as evidence of interviews conducted, and yet they were registered as volunteers in VMS and have actively contributed volunteer hours.</p> <p>In the absence of evidence of interviews been conducted, there is a possibility that volunteers may have been engaged without the necessary interviews being conducted, and appropriate preliminary checks may not have been applied in the volunteer recruitment and selection process. COS may not have met the legislative recordkeeping compliance requirements as well by not having the records.</p>	<p>Given that interview process is an essential process to determine suitability of volunteers for the role, it is recommended that administration takes extra measures to ensure evidences of interview are provided by relevant Volunteer Coordinators in a timely manner and prior to volunteer registration in VMS, then stored in COS's record management system.</p>	
Management Response / Action		Action Owner (Title)	Target Date
<p>Management agrees that the interview is a critical element to volunteer onboarding. It notes all staff with volunteer management responsibilities are provided training in councils volunteer management requirements including the need to undertake an interview and that the supporting documentation be forwarded to Volunteer Services as a part of the registration process.</p> <p>Action proposed is that Volunteer Services staff must have received interview notes, that meet the required standard, to register a person as a volunteer with the organisation, and, the interviewing staff must provide the interview notes to Volunteer Services staff to store in Dataworks for record-keeping purposes.</p>		Michelle Hodshon, (Volunteer Development Officer)	31.03.2022

9.3 Volunteer Exit Process & Recordkeeping			
Risk Rating	Finding and Implication	Recommendation	
<b>Low</b> 	<p>COS's Volunteer Management Corporate Guideline (VMCG) states that Volunteer Services will send an exit letter and unassign exiting volunteers from their role in VMS and email or post the volunteer a 3 Minute Check Out exit survey form as a means of capturing feedback on their volunteer experience. Section 3.2.7 of the Volunteer Management Policy states the reasons to refuse or end volunteer engagement, to ensure equity and fairness.</p> <p>During our sample testing, we identified that 4 out of 8 samples tested did not have evidence that volunteer exit survey forms were sent for feedback and 2 out of 8 samples tested did not have their reasons for exiting volunteer roles entered in VMS.</p> <p>When volunteer exit survey forms are not sent to volunteers, the necessary feedback may not have been captured to evaluate and improve the volunteer management process. When the reasons for volunteer exiting is not captured in VMS, it is not possible to validate whether the volunteers who have resigned or left volunteering were terminated for unfair reasons, which may lead to reputational risk for COS.</p>	<ol style="list-style-type: none"> <li>1. COS should review its current volunteer feedback process and ensure that exiting volunteers are reached through appropriate mechanisms to get timely feedback.</li> <li>2. Ensure the reasons for volunteer exiting is determined and captured in a timely manner to ensure fairness in the volunteer exit process and that volunteer exiting occurs as per volunteer management policy.</li> </ol>	
	Management Response / Action	Action Owner (Title)	Target Date
	<p>Management recognises the importance of feedback as a lever for continuous improvement. It notes the practice regarding gaining feedback from volunteers who have resigned is to post them a hard copy exit survey with a reply-paid envelope. It acknowledges this practice is not documented in Dataworks, or observed in outgoing mail as this is not monitored by the Information Management Department, and understands that the evidence to confirm the practice is not present. Volunteer Services have implemented a new process whereby volunteers that have resigned are emailed acknowledgement of their resignation and a link to an exit survey. The email is saved in Dataworks and feedback captured in the Volunteer Management System and Dataworks. Of note, if a volunteer does not have an email address, the volunteer will be posted a hard copy survey with a reply-paid envelope. This will be noted in the Volunteer Management System.</p> <p>Management also note Volunteer Services staff make decisions regarding forwarding an exit survey to volunteers. Decisions are usually based on timeframe and/or resignation reason. In regard to timeframe, it is considered unprofessional to forward a volunteer a request for feedback 3 or more months after their last shift. In regard to resignation reasons, volunteers who are critically unwell, have died, or whose engagement has been terminated by the organisation, are not forwarded an exit survey.</p>	Michelle Hodshon, (Volunteer Development Officer)	31.03.2022

	Actions proposed are to update the Volunteer Management Guidelines noting timeframe and resignation reasons are factors attributable to determining the distribution of an exit survey; and, staff with volunteer management responsibilities are reminded to immediately communicate the resignation of a volunteer, and the reason, if known, so an exit survey can be forwarded to the volunteer in a timely manner and reason recorded in the Volunteer Management System and Dataworks.		
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9.4 Volunteer Management Corporate Guideline			
Risk Rating	Finding and Implication	Recommendation	
Low 	<p>COS's VMCG which outlines the systems and processes required for the management of volunteers, providing links to volunteer management related templates and documentation.</p> <p>However, the VMCG does not state version control details like next review date and responsible officer to ensure that the currency of the procedure is appropriately monitored and tracked in a timely manner.</p> <p>All relevant documents and templates related to volunteer management is made available on the City's intranet, under a category called "Volunteer Management". We note the following inconsistencies between VMCG and information on intranet:</p> <ul style="list-style-type: none"> <li>- The background screening cost mentioned in VMCG differs from that stated on intranet.</li> <li>- Volunteer Expression of Interest Form is required to register volunteers as per VMCG, but not referenced as a requirement on the intranet.</li> <li>- VMCG does not refer to the process involved in engaging volunteers aged less than 17 years within a child safe environment, although updated on intranet.</li> </ul> <p><b>Consequence</b> These inconsistencies may create confusion among users, leading to different application of process among staff members.</p>	It is recommended to develop a comprehensive Volunteer Management Manual or review and update the Volunteer Management Corporate Guideline with relevant version control details covering the full end to end volunteer management process, and ensure that the information held on intranet is consistent with the manual or guidelines.	
	Management Response / Action	Action Owner (Title)	Target Date
	<p>Management acknowledge the need for current documentation to ensure accurate information is provided to staff with volunteer management responsibilities to enable them to meet the standards required.</p> <p>Action proposed is the Volunteer Management Guidelines be reviewed, updated and version control requirements detailed.</p>	Michelle Hodshon (Volunteer Development Officer)	31.03.2022

## 10. Appendix I – Risk Standards

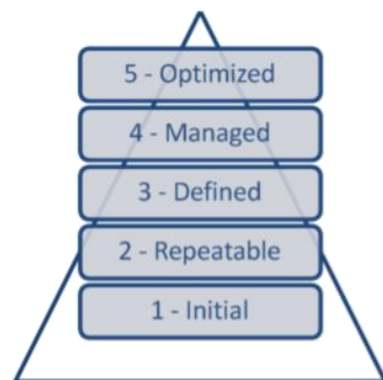
Likelihood	<b>E</b> Almost Certain	Medium	High	High	Very High	Very High
	<b>D</b> Likely	Medium	Medium	High	High	Very High
	<b>C</b> Possible	Low	Medium	High	High	High
	<b>B</b> Unlikely	Low	Low	Medium	Medium	High
	<b>A</b> Rare	Low	Low	Medium	Medium	High
		1 Insignificant	2 Minor	3 Moderate	4 Major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

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



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

## 11. Appendix II - 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

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

### Level 3—Defined

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

### Level 4—Managed

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

### Level 5—Optimized

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



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## 12. Appendix III – Internal / External Consultations

Michelle Hodshon, Volunteer Development Officer, Community Health & Wellbeing, City of Salisbury

Caroline Letchford, Volunteer Program Officer, Community Health & Wellbeing, City of Salisbury

Nick Cross, Senior WHS Advisor, People & Culture, City of Salisbury

Leslie Wightman, Quality Program Officer, Community Health & Wellbeing, City of Salisbury

Michelle Dagger, Team Leader Events, Place Activation and Curation, Community Experience & Relationships, City of Salisbury

Amy Martin, Application Specialist - Corporate Solutions, Business Systems & Solutions, City of Salisbury

Simon McGuinness, Team Leader Safety & Wellbeing, People & Culture, City of Salisbury

Vesna Haracic, Manager Community Health & Wellbeing, Community Health & Wellbeing, City of Salisbury

Amy Pokoney Cramey, General Manager Community Development, Personal & Admin Support, City of Salisbury

## Inherent Limitations

### 13. Inherent Limitations

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

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

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

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

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

#### Third Party Reliance

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

#### Confidentiality

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

<b>ITEM</b>	7.2.1
	<b>AUDIT COMMITTEE</b>
<b>DATE</b>	09 November 2021
<b>HEADING</b>	Work Health & Safety Audits
<b>AUTHOR</b>	Simon McGuinness, Team Leader Safety & Wellbeing, Business Excellence
<b>CITY PLAN LINKS</b>	1.3 People are valued and they feel safe, included and connected 4.2 We deliver quality outcomes that meet the needs of our community 4.3 The City of Salisbury is recognised as a great place to work
<b>SUMMARY</b>	This report provides an overview of audit activities undertaken by City of Salisbury to manage Work Health & Safety risks.

## **RECOMMENDATION**

### That Council:

1. Notes the report.

## **ATTACHMENTS**

There are no attachments to this report.

## **1. BACKGROUND**

- 1.1 City of Salisbury's work health and safety audit activities are underpinned by the requirements of the *PR003 – Work Health and Safety Internal Audit Procedure*. Core components of the procedure are as follows:
  - 1.1.1 An internal audit schedule is developed and implemented
  - 1.1.2 Internal audit findings demonstrate the degree of effectiveness of the Work Health and Safety (WHS) management system
  - 1.1.3 Nominated staff are competent to audit to the appropriate level
  - 1.1.4 Internal audit findings are recorded and communicated to the workgroup and management
  - 1.1.5 Records demonstrate that corrective actions are recorded and closed out through effective WHS Management System improvements.
- 1.2 The procedure further requires that
  - 1.2.1 Audits conducted by external agencies or certification bodies shall be programmed in accordance with:
    - a. Executive Group direction.
    - b. Any need as identified by the responsible manager.

- 1.3 The annual Work Health & Safety and Injury Management Business Plan (as approved by the Executive Group) is the mechanism used to determine the internal WHS audits to be completed during each financial year, as well as to set the timeframes by which each audit will occur.
- 1.4 Internal audit findings are presented to the Principal WHS Committee and reported to Executive.
- 1.5 Actions arising from findings of non-conformance or opportunities for improvement are assigned to the responsible staff member via the Skytrust web-based safety management platform and then tracked through to close out by the responsible manager.
- 1.6 In addition to the WHS internal audits programmed in accordance with the *PR003 – Work Health and Safety Internal Audit Procedure*, the Local Government Association Workers Compensation Scheme member councils (including City of Salisbury) are to be subject to:
  - 1.6.1 Biennial Risk Evaluation audits (to test the member's conformance with the Work Health Safety and Injury Management Standards for Self-Insured Employers).
  - 1.6.2 Biennial WHS Procedure Validation audits (to test the member councils' implementation of nominated WHS management system procedures).

## 2. CONSULTATION / COMMUNICATION

- 2.1 Internal
  - 2.1.1 Operations Work Health and Safety Committee
  - 2.1.2 Principal Work Health and Safety Committee
  - 2.1.3 Divisional Heads
  - 2.1.4 Manager People
  - 2.1.5 General Manager Business Excellence
  - 2.1.6 Executive Group
- 2.2 External
  - 2.2.1 Local Government Risk Services

## 3. REPORT

- 3.1 For the financial year 2020/21, the following internal audits were conducted under the direction of the Team Leader Safety & Wellbeing:
  - 3.1.1 Verification audit against implementation of the *PR002 – WHS Inclement Weather and UVR Protection Procedure*.
  - 3.1.2 Verification audit against implementation of *PR027 – Electrical Safety Procedure*. The following documents are attached with this report for information:
- 3.2 For the financial year 2020/21, there were no external work health and safety audits recorded.

- 3.3 For the financial year 2021/22, there is one internal WHS audit planned being an audit against implementation of the *PR006 – WHS Plant Procedure* which is scheduled for completion by 31<sup>st</sup> March 2022.
- 3.4 For the financial year 2021/22, there are three external WHS audits planned being:
  - 3.4.1 A procedure validation audit of the Workplace Return to Work Procedure to be conducted by LGRS on 2<sup>nd</sup> December 2021.
  - 3.4.2 A procedure validation audit of the Hazardous Manual Tasks Procedure to be conducted by LGRS on 30<sup>th</sup> November through December 1<sup>st</sup> 2021.
  - 3.4.3 A risk evaluation audit to be conducted by LGRS with the audit scope and date to be confirmed by LGRS.

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

This report provides an overview of audit activities undertaken by City of Salisbury to manage Work Health & Safety risks, for noting.