



AGENDA

FOR AUDIT AND RISK COMMITTEE MEETING TO BE HELD ON

11 JULY 2023 AT 6.30 PM

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

MEMBERS

Cr Kylie Grenfell (Chair)
Cr B Brug (Deputy Chair)
Ms P Davies
Mr N Ediriweera
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 and Risk Committee Meeting held on 12 April 2023.

REPORTS

Administration

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QUESTIONS ON NOTICE

There are no Questions on Notice.

MOTIONS ON NOTICE

There are no Motions on Notice.

OTHER BUSINESS

(Questions Without Notice, Motions Without Notice, CEO Update)

ORDER TO EXCLUDE

7.4.1 Cybersecurity Report - Jan-Mar 2023

Recommendation

Pursuant to section 90(2) and 90(3)(b) of the *Local Government Act 1999* the Audit and Risk Committee orders that, the public be excluded from attendance at this meeting in relation to Agenda Item 7.4.1 (***Cybersecurity Report - Jan-Mar 2023***) except the staff of City of Salisbury, on grounds that:

1. Pursuant to Section 90(2) and 90(3)(b)(i) and (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
2. The disclosure of this information would, on balance, be contrary to the public interest because the public interest in the Council preserving its commercial sensitivity of information discussed between Administration and Audit & Risk Committee would be compromised by disclosure of the information.

On that basis the public's interest is best served by not disclosing the ***Cybersecurity Report - Jan-Mar 2023*** item and discussion at this point in time.

CLOSE



**MINUTES OF AUDIT AND RISK COMMITTEE MEETING HELD IN
WITTBER & DR RUBY DAVY ROOMS, SALISBURY COMMUNITY HUB,
34 CHURCH STREET, SALISBURY ON**

12 APRIL 2023

MEMBERS PRESENT

Cr K Grenfell (Chair)
Cr B Brug (Deputy Chair)
Ms P Davies
Mr N Ediriweera
Mr C Johnson

OBSERVERS

Nil

STAFF

Chief Executive Officer, Mr J Harry
General Manager Business Excellence, Mr C Mansueto
General Manager City Infrastructure, J Devine
Manager Governance, Mr R Deco
Manager Infrastructure Delivery, J Collins
Manager Financial Services, Ms K George (*via Teams VC*)
Team Leader Corporate Governance, Mr B Kahland

The meeting commenced at 6:35pm.

The Chairman welcomed the Members, staff and the public to the meeting.

APOLOGIES

Nil.

LEAVE OF ABSENCE

Nil.

PRESENTATION OF MINUTES

Moved Ms P Davies

Seconded Cr B Brug

The Minutes of the Audit and Risk Committee Meeting held on 15 February 2023, be taken as read and confirmed.

CARRIED

REPORTS

The Chairman sought and obtained leave of the meeting to bring forward on the agenda item 7.1.1.

7.1.1 BDO's Annual Audit Plan for 30 June 2023

Moved Cr B Brug

Seconded Mr C Johnson

That Council:

1. Notes the report.

CARRIED

The Chairman sought and obtained leave of the meeting to bring forward on the agenda item 7.1.4.

7.1.4 Draft Strategic Asset Management Plan 2023/24

Moved Mr N Ediriweera

Seconded Ms P Davies

That Council:

1. Notes that, in line with Section 126 (4)(ab) of *the Local Government Act 1999*, the Audit and Risk Committee considered the Draft Strategic Asset Management Plan 2023/24 as attached in the report (Item 7.1.4 - Draft Strategic Asset Management Plan 2023/24, Audit and Risk Committee – 12 April 2023)

CARRIED
UNANIMOUSLY

The Chairman sought and obtained leave of the meeting to bring forward on the agenda item 7.2.1

7.2.1 Salisbury Aquatic Centre Project

Moved Ms P Davies

Seconded Mr C Johnson

That Council:

1. Notes that the Audit and Risk Committee reviewed the risk management methodology and strategy for the Aquatic Centre Project.
2. Notes that construction works are progressing in accordance with the construction program, and the current practical completion date of 4 April 2024 remains unchanged.
3. Notes that clearly defined project management processes and systems, consistent with Council's Capital Delivery Framework, are being implemented to provide management principles and guidance, transparency and the ability to capture learnings for future project delivery.
4. Notes that the governance framework is based on other recent major capital projects such as the Salisbury Community Hub and the Burton Community Hub.
5. Notes that KPMG has been engaged for the duration of the project, in a project management advisory and quality assurance role, to support the project team.
6. Notes that Rider Levett Bucknall (RLB) has been engaged for the duration of the project, to prepare pre-tender, 30% and 60% design milestone cost estimates, certify monthly progress claims, assess and negotiate contract variations, and provide project finance modelling and reporting at bimonthly PCG meetings.
7. Notes that Kelledy Jones Lawyers are supporting the project team as required, in relation to contract management.
8. Notes that extensive site investigation and analysis works were undertaken by Council pre-tender, and that the associated reports including known risk and limitation were communicated to the tenderers, in the tender documents.
9. Notes that the project Risk Register is an active document which is used by the project team to record and monitor all project and financial risks, throughout the different project stages.

CARRIED
UNANIMOUSLY

Mr N Ediriweera declared a general conflict of interest on the basis of KPMG being his employer. Mr N Ediriweera declared that he had no involvement in this project and no involvement in the ongoing management and dealt with the conflict by voting in the best interests of the City of Salisbury.

7.0.1 Future Reports for the Audit and Risk Committee

Moved Cr B Brug
Seconded Mr N Ediriweera

That Council:

1. Notes the report.

CARRIED

7.0.2 Actions List

Moved Cr B Brug
Seconded Mr C Johnson

That Council:

1. Notes the report.

CARRIED
UNANIMOUSLY

The Committee meeting suspended for a short break from 8:00pm until 8:05pm.

For Decision

7.1.2 Draft 2023/24 Long Term Financial Plan and Annual Business Plan

Moved Ms P Davies
Seconded Cr B Brug

That Council:

1. Notes that the Audit and Risk Committee has reviewed the Council's Draft 2023/24 Long Term Financial Plan and Annual Business Plan in accordance with s126(4)(a,b) of the *Local Government Act 1999*.
2. Notes that the Audit and Risk Committee have considered the following which have been included in the Draft 2023/24 Long Term Financial Plan and Annual Business Plan (LTFP&ABP) as required by S122(1h) of the *Local Government Act 1999*:
 - a. "ESCOSA Advice Strategic Management Plan Scheme" proposed Action Plan (commencing page 20 of the Draft LTFP&ABP)

and
 - b. "ESCOSA Advice and City of Salisbury Comments" (commencing page 135 of the Draft LTFP&ABP)

3. Notes that the Audit and Risk Committee has considered the scenarios provided within this report and has formed the view, that considering the costs at risk of higher than current budget increases eventuating which will be further discussed with Council, a rate increase within the range of 7.0% and 8.0% is appropriate to maintain Council's financial sustainability balanced with the needs of the community for affordability, and further the Committee advised that should Council determine a rate increase of less than 6.5%, consideration will need to be given to reduction in service levels.

CARRIED
UNANIMOUSLY

Cr B Brug left the meeting at 9:14pm and returned to the meeting at 9:15pm.
Mr C Johnson left the meeting at 9:15pm and returned to the meeting at 9:18pm.

7.1.3 Audit & Risk Committee Performance Self-Assessment Survey Outcome

Moved Mr C Johnson
Seconded Ms P Davies

That Council:

1. Notes the report.

CARRIED

The Chairman sought and obtained leave of the meeting to bring forward on the agenda item 7.2.3.

7.2.3 Position Paper Revenue Recognition

Moved Cr B Brug
Seconded Mr C Johnson

That Council:

1. Notes the Revenue Recognition Position Paper (as included in Attachment 1, Audit and Risk Committee meeting, 12 April 2023, item no 7.2.3) which is an internal document developed to support the administration in correctly accounting for revenue in relation to Accounting Standards AASB 1058 *Income of Not-for-Profit Entities* and AASB 15 *Revenue from Contracts with Customers*.

CARRIED

7.1.5 Asset Policy Review

Moved Mr C Johnson
Seconded Ms P Davies

That Council:

1. Notes that the Audit and Risk Committee recommends the Asset Depreciation Policy, as set out in Attachment 1 to this report (Audit Committee 12/04/2023 Item No. 7.1.5), to Council for adoption.

CARRIED

7.1.6 3-Year Internal Audit Plan 2022/23-2024/25

Moved Ms P Davies
Seconded Mr C Johnson

That Council:

1. Notes the updates made to the 3-year Internal Audit Plan 2022/2023 to 2024/2025 as set out in Attachment 1 to this report (Audit and Risk Committee, 12 April 2023, Item No. 7.1.6).
2. Notes the mapping of internal audits to the current identified risks in the strategic risk register as set out in Attachment 2 of this report (Audit and Risk Committee, 12 April 2023, Item No.7.1.6).
3. Notes the accompanying high-level indicative draft scope for pending audits as set out in Attachment 3 of this report (Audit and Risk Committee, 12 April 2023, Item No.7.1.6).

CARRIED

7.1.7 Audit & Risk Committee Annual Work Plan 2022/2023 and 2023/2024

Moved Mr C Johnson
Seconded Ms P Davies

That Council:

1. Approves the updated Audit & Risk Committee Annual Work Plan for the year 2022/2023 and 2023/2024 as set out in Attachment 1 to this report (Audit & Risk Committee, 12 April 2023, Item No.7.1.7).

CARRIED
UNANIMOUSLY

Cr B Brug left the meeting at 9:37pm and returned to the meeting at 9:39pm.

For Information

7.2.2 Outstanding Actions Arising from Internal Audits

Moved Mr C Johnson

Seconded Ms P Davies

That Council:

1. Notes the update in this report and the full Internal Audit Log Actions Register in Attachment 1 to this report (Audit and Risk Committee, 12 April 2023, Item No.7.2.2).
2. Notes the update on the Capital Works Project Audit Pressure Points Action List in Attachment 2 to this report (Audit and Risk Committee, 12 April 2023, Item No.7.2.2).

CARRIED
UNANIMOUSLY

QUESTIONS ON NOTICE

There were no Questions on Notice.

MOTIONS ON NOTICE

There were no Motions on Notice.

OTHER BUSINESS

(Questions Without Notice, Motions Without Notice, CEO Update)

Nil.

ORDERS TO EXCLUDE THE PUBLIC

7.4.1 Quarterly Cybersecurity Report October 2022 - December 2022

Moved Ms P Davies

Seconded Mr N Ediriweera

Pursuant to section 90(2) and 90(3)(b) of the *Local Government Act 1999* the Audit and Risk Committee orders that, the public be excluded from attendance at this meeting in relation to Agenda Item 7.4.1 (Quarterly Cybersecurity Report October 2022 – December 2022) except the staff of City of Salisbury (Chief Executive Officer, General Manager Business Excellence, Manager Governance and Team Leader Corporate Governance), on grounds that:

1. Pursuant to Section 90(2) and 90(3)(b)(i) and (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
2. The disclosure of this information would, on balance, be contrary to the public interest because the public interest in the Council preserving its commercial sensitivity of information discussed between Administration and Audit & Risk Committee would be compromised by disclosure of the information.

On that basis the public's interest is best served by not disclosing the Quarterly Cybersecurity Report October 2022-December 2022 item and discussion at this point in time.

CARRIED

7.4.2 ERP / Project Connect verbal update

Moved Ms P Davies

Seconded Mr N Ediriweera

Pursuant to section 90(2) and 90(3)(b) of the Local Government Act 1999 the Audit and Risk Committee orders that, the public be excluded from attendance at this meeting in relation to Agenda Item 7.4.2 (ERP / Project Connect verbal update) except the staff of City of Salisbury (Chief Executive Officer, General Manager Business Excellence, Manager Governance and Team Leader Corporate Governance), on grounds that:

1. Pursuant to Section 90(2) and (3)(b)(i) and (b)(ii) and (e) 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
 - matters affecting the security of the council, members or employees of the council, or council property; or the safety of any person.
 2. The disclosure of this information would, on balance, be contrary to the public interest because the public interest in the Council preserving its commercial sensitivity of information discussed between Administration and Audit & Risk Committee would be compromised by disclosure of the information.
- On that basis the public's interest is best served by not disclosing the ERP / Project Connect Verbal Update item and discussion at this point in time.

CARRIED

The meeting moved into confidence at 9:40 pm

The meeting moved out of confidence and closed at 9:59 pm.

CHAIRMAN.....

DATE.....

ITEM	7.0.1
	AUDIT AND RISK COMMITTEE
DATE	11 July 2023
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	This report summarises the actions arising from previous meetings, since it was last presented to the April 2023 Audit and Risk Committee meeting.

RECOMMENDATIONThat Council:

1. Notes the report.

ATTACHMENTS

There are no attachments to this report.

1. BACKGROUND

- 1.1 The Audit and Risk Committee has requested that an actions list be maintained and included as an item on the agenda for each meeting.
- 1.2 An actions list has been developed to capture actions arising out of the Audit and Risk Committee meetings. These actions do not replace the minutes from the Audit and Risk 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 and Risk Committee.

2. REPORT

- 2.1 The actions 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 and Risk Committee meetings, which has been compiled for the purpose of supporting the Audit and Risk Committee.
- 2.3 Actions will remain on the actions list until reported as completed. Once the action has been completed, and that completion has been reported to the Audit and Risk Committee, the item will be removed from the actions list.

- 2.4 Where an action is noted as outstanding on the Futures Report (Agenda item 7.0.1), that action is removed from this report, to avoid duplication.

No	Date	Action	Owner	Due Date	Status
42	12 Feb 2023	Consider undertaking an independent audit or review on the lessons learned arising from the confidential Quarterly Cybersecurity Report update given to February 2023.	GM Business Excellence	Sep 2023	Draft scoping document being reviewed by Administration and an external vendor has been identified to perform the audit.

3. CONCLUSION / PROPOSAL

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

ITEM	7.0.2
	AUDIT AND RISK COMMITTEE
DATE	11 July 2023
HEADING	Future Reports for the Audit and Risk Committee
AUTHOR	Michelle Woods, Projects Officer Governance, CEO and Governance
CITY PLAN LINKS	4.2 We deliver quality outcomes that meet the needs of our community
SUMMARY	This item details reports to be presented to the Audit and Risk Committee as a result of a previous Council resolution. If reports have been deferred to a subsequent month, this will be indicated, along with a reason for the deferral.

RECOMMENDATIONThat Council:

1. Notes the report.

ATTACHMENTS

There are no attachments to this report.

1. BACKGROUND

- 1.1 Historically, a list of resolutions requiring a future report to Council has been presented to each committee for noting.

2. CONSULTATION / COMMUNICATION**2.1 Internal**

- 2.1.1 Report authors and General Managers.

2.2 External

- 2.2.1 Nil.

3. REPORT

- 3.1 The table below outlines the reports to be presented to the Audit and Risk Committee as a result of a Council resolution.

Meeting Item	- Heading and Resolution	Officer
27/02/2023 7.4.2	Litigation Update Council has previously resolved this resolution to be confidential.	Brett Kahland
Due:	August 2023	

4. CONCLUSION / PROPOSAL

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

ITEM	7.1.1
	AUDIT AND RISK COMMITTEE
DATE	11 July 2023
HEADING	BDO's Interim Management Letter for 2022/2023 Year End Audit.
AUTHOR	Hussain Rafeeu, Internal Auditor & Risk Coordinator, CEO and Governance
CITY PLAN LINKS	4.2 We deliver quality outcomes that meet the needs of our community.
SUMMARY	<p>Council engaged BDO to provide external audit services for the financial year ending 30th June 2023 in accordance with the requirements of the <i>Local Government Act 1999</i> and associated regulations. The initial phase comprises the conduct of an internal controls audit which commenced in May 2023.</p> <p>The status of the internal controls audit is provided in BDO's Interim Report on the 2023 External Audit, which will be presented by BDO at the Audit & Risk Committee meeting in July 2023.</p> <p>BDO's status update on the Annual Audit Plan report states that based on the work to date, they have not noted any reportable points or material exceptions that would lead to a qualification to the audit report on internal controls.</p> <p>The outcome of the internal controls audit will be finalised and included within the final audit completion report to be issued following the final year-end audit.</p>

RECOMMENDATION

That Council:

1. Notes the report

ATTACHMENTS

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

1. BDO's Interim Report - 2023 External Audit

1. BACKGROUND

- 1.1 Section 129(3) of the *Local Government Act 1999* states that:

The auditor must provide to the council

- (a) an audit opinion with respect to the financial statements; and
- (b) an audit opinion as to whether the controls audited under subsection (1)(b) are sufficient to provide reasonable assurance that the financial transactions of the council have been conducted properly and in accordance with law.

1.2 Section 125 of the *Local Government Act 1999* states that:

- (1) A council must 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, to ensure adherence to management policies, to safeguard the council's assets, and to secure (as far as possible) the accuracy and reliability of council records.
- (2) The policies, practices and procedures of internal financial control under subsection (1) must be in accordance with a standard or document (such as a model relating to financial controls) adopted by the regulations.

1.3 Section 10A of the *Local Government (Financial Management) Regulations 2011* states that “For the purposes of section 125(2) of the Act, the policies, practices and procedures of internal financial control of a council must be in accordance with the *Better Practice Model—Internal Financial Controls*.”

1.4 Section 19(2) of the *Local Government (Financial Management) Regulations 2011* states that “In forming an audit opinion for a council under section 129(3)(a) of the Act, the auditor must give due consideration to the adequacy of the council's policies, practices and procedures of internal control under section 125 of the Act.”

1.5 Section 19(3) of the *Local Government (Financial Management) Regulations 2011* states that “In forming an audit opinion for a council under section 129(3)(b) of the Act, the auditor must assess the internal controls of the council referred to in section 129(1)(b) of the Act based on the criteria in the *Better Practice Model—Internal Financial Controls*.”

1.6 In accordance with section 126(4)(c) of the *Local Government Act 1999* the functions of Audit and Risk Committee include “reviewing the adequacy of the accounting, internal control, reporting and other financial management systems and practices of the council on a regular basis.”

1.7 In accordance with section 126(4)(b) of the *Local Government Act 1999* the functions of Audit and Risk Committee include “liaising with the council's auditor.”

2. REPORT

- 2.1 BDO conducted an interim audit as part of the overall 2022/2023 external audit process. Representatives from BDO attended at the Salisbury Community Hub from 15 to 19 May 2023 to perform an audit on the internal controls of City of Salisbury.
- 2.2 The Administration provided key necessary documentation to BDO prior to their attendance at the Salisbury Community Hub.
- 2.3 The City of Salisbury maintains LG Better Practice Model—Internal Financial Controls within Control Track software.
- 2.4 BDO selected 87 internal controls, based on risk prioritisation. The progress of the work completed to date on internal controls is as set out in Attachment 1 to this report.

- 2.5 BDO representatives Andrew Tickle, Partner, and/or Chelsea Aplin, Senior Manager, will be in attendance for the July 2023 Audit and Risk Committee meeting to present the Interim Report.
- 2.6 The internal assessments and reviews of the financial internal controls have been completed. BDO report states that based on the work to date, they have not noted any reportable points or material exceptions that would lead to a qualification to the audit report on internal controls.

3. CONCLUSION / PROPOSAL

- 3.1 BDO will complete its work on financial internal controls and the financial statements over the coming months and report its findings to the October 2023 meeting of the Audit and Risk Committee.



Tel: +61 8 7324 6000
Fax: +61 8 7324 6111
www.bdo.com.au

BDO Centre
Level 7, 420 King William Street
Adelaide SA 5000
GPO Box 2018 Adelaide SA 5001
Australia

Cr Kylie Grenfell
Presiding Member, Audit and Risk Committee
City of Salisbury
34 Church Street
SALISBURY SA 5108

26 June 2023

Dear Kylie

INTERIM REPORT ON THE 2023 EXTERNAL AUDIT

We are pleased to provide the members of the Corporate Governance Committee an update on the 2023 External Audit.

We have conducted our interim audit visit as set out in our audit plan. Our work to date has covered:

- Our annual assessment of risk and potential implications for the audit of the financial report.
- Our annual assessment of risk and potential implication for the audit opinion on internal controls.
- A review of internal controls and determination of those which will be relied upon and tested as part of our audit strategy for the audit of the annual financial statements.
- Interim testing of internal controls for the audit opinion on internal controls.
- Interim testing of a sample of transactions in revenue, operating expenditure and payroll functions.
- Review of interim results and analytical review to identify any unusual trends or items which might require additional audit attention.
- Review of interim testing to ensure that there are no underlying deficiencies in internal controls or matters which would require additional attention as part of our audit on the financial report.

In addition to the issues identified in our audit plan, as discussed during the Corporate Governance Committee meeting held on 12 April 2023, we will provide an update on:

- Materiality
- Revaluation, depreciation, useful lives and residual values of Infrastructure, Land & Buildings.
- Progress in relation to our work around internal controls.

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Status update on key issues

Materiality

At the time of issuing our 2023 Annual Audit Plan we were yet to calculate our materiality as we had not commenced our planning visit. We have since completed this visit and take this opportunity to communicate our current position. Our materiality for the 30 June 2023 audit is based on 1.9% of forecasted expenditure of \$133,621,530. Our estimated materiality levels are set out in the table below:

MATERIALITY	\$2,530,000
CLEARLY TRIVIAL THRESHOLD	\$126,500

Revaluation, depreciation, useful lives and residual values of Infrastructure, Land & Buildings

Council revalue all significant asset classes on a regular basis such that carrying values are not materially different from fair value. Revaluations are carried out on a rotational basis by Council's employees in conjunction with independent valuers. This year, we have been briefed by management that there will be an external revaluation of Council's bridges and a desktop review of the unit rates for infrastructure assets.

It is expected that these engagements will be completed as part of the year end reconciliation process, and this will be available to us by our final visit commencing 28 August 2023.

Accounting treatment of Capital Work In Progress (WIP)

We have been briefed by management on the progress in relation to Capital WIP and in particular the capitalisation and / or expensing of items. It is expected that the underlying asset records will be updated together with the year-end reconciliation and will be completed before the commencement of the final audit visit.

Accounting treatment for grant funding

AASB 1058 provides specific guidance on the recognition of revenue that enables an entity to acquire or construct a recognisable non-financial asset that is to be controlled by the entity. As a result, Council recognises income in profit or loss when, or as, it satisfies its obligations under the transfer.

We will obtain a schedule of grant income recognised and deferred at year end. We will select a sample of grants and obtain the agreements to review in detail and ensure that they have been recognised in accordance with applicable accounting standards.

Management override of internal controls

Our interim testing did not identify any evidence of management override of internal controls. We will revisit this at the year-end visit, complete our testing and report our findings accordingly.



Update on audit opinion in relation to internal controls

We have commenced planning work and testing of internal controls for the purpose of providing an audit opinion on Council's internal controls, specifically that controls exercised by the Council in relation to the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities are sufficient to provide reasonable assurance that the financial transactions of the Council have been conducted properly and in accordance with law.

Our assessment of internal controls is based on the criteria in the *Better Practice Model - Financial Internal Control for South Australian Councils* as issued by the Local Government Association of South Australia.

Below is a table that shows the progress of the work completed to date on internal controls:

RISK CATEGORY	CONTROLS TO BE TESTED	COMPLETED - SATISFACTORY	COMPLETED - UNSATISFACTORY	IN PROGRESS	NOT STARTED
Strategic Financial Planning	9	8	-	1	-
Assets	22	14	-	2	6
Liabilities	8	7	-	-	1
Revenue	18	15	-	3	-
Expenses	27	5	-	22	-
External Services	3	-	-	3	-
Financial Governance	-				

Based on the work to date, we have not noted any reportable points or material exceptions that would lead to a qualification to the audit report on internal controls. We will continue our work on internal controls at the year-end visit and will report to Council accordingly.

Please contact me if you have any questions or need any further information.

Yours sincerely

BDO Audit Pty Ltd

Andrew Tickle
Director

ITEM	7.1.2
	AUDIT AND RISK COMMITTEE
DATE	11 July 2023
HEADING	Audit and Risk Committee Annual Work Plan 2023/2024
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	The Audit and Risk Committee Annual Work for the year 2023/2024 is attached for review by the Audit and Risk Committee.

RECOMMENDATION

That Council:

1. Approves the updated Audit and Risk Committee Annual Work Plan for the year 2023/2024 as set out in Attachment 1 to this report (Audit and Risk Committee, 11 July 2023, Item No.7.1.2).

ATTACHMENTS

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

1. Audit and Risk Committee Annual Work Plan for 2023-2024

1. BACKGROUND

- 1.1 The Annual Work Plan 2023/2024 was last presented to the Audit and Risk Committee at its meeting held on 12 April 2023.
- 1.2 The purpose of the Audit and Risk Committee Annual Work Plan is to ensure that all essential areas are covered by the Audit and Risk Committee, in performing its roles and responsibilities under the *Local Government Act 1999* (“the Act”).

2. REPORT

- 2.1 Key changes on the Audit and Risk Committee Annual Work Plan 2023-24, since it was last presented in April 2023 are as follows:
 - 2.1.1 The past completed year’s Annual Work Plan is removed in this 2023/2024 Annual Workplan.
 - 2.1.2 Internal Audit Report on the Desktop Audit on Strategic Alignment of Investment in ERP Solutions, is rescheduled to be presented to the November 2023 Audit and Risk Committee meeting as the relevant General Manager for this audit area is on pre-arranged leave at the time of the July 2023 Audit and Risk Committee meeting.

- 2.1.3 Following the rescheduling of the Independent External Review of the Internal Audit Function audit from June 2023 to June 2024, the report is expected to be completed and presented to the November 2024 Audit and Risk Committee meeting, and therefore this audit is removed from the 2023/2024 Audit and Risk Committee Annual Work Plan.
- 2.1.4 All other items from the last presented Annual Work Plan remain unchanged.

CONCLUSION / PROPOSAL

- 2.2 This report outlines all changes made to the Audit and Risk Committee Annual Work Plan for the 2023/2024 financial year.

Audit & Risk Committee (A&RC) - Annual Work Plan 2023/2024								
(Updated for 11 July 2023 Meeting)								
No.	Activity	Relevant Touch points (LG Act / TOR)	FY 2023 / 2024					Comments
			Jul-23	Oct-23	Nov-23	Feb-24	Apr-24	
1.0	Financial Reporting	s126(4)(a)						
1.1	Review Annual Financial Statements for FY2021/22 and (next FY 2022/23) - Review Asset Valuations 2021/22 and (next FY 2022/23) - Review methodology and approach to Depreciation 2021/22 and (next FY 2022/23)	"		■				
1.2	Reviewing significant accounting and reporting issues, recent changes in standards and industry updates 2021/22 and (next FY 2022/23)	"		■				
1.3	Reviewing significant accounting and reporting issues, recent changes in standards and industry updates for FYE 2022/23 and (next FY 2023/24)						■	
2.0	Internal Controls	s126(4)(c)						
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	"	■					
3.0	Risk Management	s126(4)(c)						
3.1	Review of Strategic Risk Register	"	■	■	■	■	■	
3.2	Risk Management & Internal Control Activities	"	■		■	■	■	
3.6	Confidential Report on Cybersecurity	"	■	■	■	■	■	Recurring Quarterly status update report
4.0	Internal Audit	s126(4)(c)						
4.1	Review Internal Audit Plan	"	■		■	■	■	

Audit & Risk Committee (A&RC) - Annual Work Plan 2023/2024								
(Updated for 11 July 2023 Meeting)								
No.	Activity	Relevant Touch points (LG Act / TOR)	FY 2023 / 2024					Comments
			Jul-23	Oct-23	Nov-23	Feb-24	Apr-24	
4.2	Review the status of Outstanding Audit Actions	"	■		■	■	■	
4.6	Desktop Audit on Strategic Alignment of Investment in ERP Solutions.	"	■	➡	■			Given that the relevant General Manager for this audit is on leave during July 2023 and will not be able to present the report to the A&RC, the report presentation is rescheduled to November 2023 A&RC meeting.
4.7	IA Report - Strategic Reporting Process	"			■			
4.8	IA Report - Independent External Review of Internal Audit Function	"			■			Removed. Following reschedule of this audit to commence in June 2024, this will be presented to November 2024 Audit & Risk Committee.
4.9	IA Report - Tree Management Framework Audit	"			■			
4.10	IA Report - Rates Setting Process, Revenue and Debtors Audit	"				■		
4.11	IA Report - Risk Management Audit	"				■		
4.12	IA Report - Fraud and Corruption Prevention Control Audit	"					■	
4.12	IA Report - Business Continuity Audit	"					■	
5.0	External Audit	s126(4)(b)						
5.1	Review External Audit Plan for 2022/2023 audit and (next FY 2023/24)	"					■	
5.2	Review Interim Audit Report	"	■					

Audit & Risk Committee (A&RC) - Annual Work Plan 2023/2024								
(Updated for 11 July 2023 Meeting)								
No.	Activity	Relevant Touch points (LG Act / TOR)	FY 2023 / 2024					Comments
			Jul-23	Oct-23	Nov-23	Feb-24	Apr-24	
5.3	Review final External Audit Report	"		■				
5.4	Review Management Representation Letters	"		■				
5.5	Assess the appropriateness of Council's response to the Auditor's findings and recommendations	"		■				
5.6	Oversee actions to follow up on matters raised by External Auditor	"		■				
5.7	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	■	■				
5.8	In-confidence session with External Auditor	Better Practice		■				
6.0	Reporting	s126(4)(c)						
6.1	Audit Committee Self-Assessment report	"					■	
6.2	Report on Audit Committee Work program status and future proposals	"	■	■	■		■	Standard Agenda Item, review on a need arising basis.
7.0	Strategic, Financial and Management Planning	s126(4)(ab)						
7.1	Review Annual Plan 2022/23 & LTFP	"						
7.2	Review Annual Budget, Fees & Charges 2022/23	"						
7.3	Review Annual Plan 2023/24 & LTFP and (next FY 2024/25)	"					■	

Audit & Risk Committee (A&RC) - Annual Work Plan 2023/2024								
(Updated for 11 July 2023 Meeting)								
No.	Activity	Relevant Touch points (LG Act / TOR)	FY 2023 / 2024					Comments
			Jul-23	Oct-23	Nov-23	Feb-24	Apr-24	
7.4	Review Annual Budget, Fees & Charges 2023/24 and (next FY 2024/25)	"					■	
8.0	Policy and Procedure Review	s126(4)(c)						
8.1	Treasury Policy	"		■				
9.0	Other Matters	s126(4)(ac)						
9.1	Review/Approve Audit Committee Annual Work Program	"	■	■	■	■	■	
9.2	Reports on other relevant matters (if any)	"	■	■	■	■	■	
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	Internal Controls Framework and Audit Committee section for inclusion in the Annual Report 2021/2022 and (for next FY 2022/2023)		■					

■	Past Reporting / Review
■	Current Month Reporting / Review
■	Rescheduled / Deferred
■	Future Reporting / Review
■	Excluded / Removed

ITEM	7.1.3 AUDIT AND RISK COMMITTEE
DATE	11 July 2023
HEADING	3-Year Internal Audit Plan 2022/23-2024/25
AUTHOR	Hussain Rafeeu, Internal Auditor & Risk Coordinator, CEO and Governance
CITY PLAN LINKS	4.2 We deliver quality outcomes that meet the needs of our community 4.4 We plan effectively to address community needs and identify new opportunities
SUMMARY	This report summarises the changes to the 3-year Internal Audit Plan 2022/2023 to 2024/2025, since it was last presented to the Audit and Risk Committee in April 2023.

RECOMMENDATIONThat Council:

1. Notes the updates made to the 3-year Internal Audit Plan 2022/2023 to 2024/2025 as set out in Attachment 1 to this report (Audit and Risk Committee, 11 July 2023, Item No.7.1.3).
2. Notes the mapping of internal audits to the current identified risks in the strategic risk register as set out in Attachment 2 of this report (Audit and Risk Committee, 11 July 2023, Item No.7.1.3).
3. Notes the accompanying high-level indicative draft scope for pending audits as set out in Attachment 3 of this report (Audit and Risk Committee, 11 July 2023, Item No.7.1.3).

ATTACHMENTS

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

1. 3 Year Internal Audit Plan 2022-23 to 2024-25
2. Strategic Risk Mapping to Internal Audits
3. Indicative Scope for Pending Audits 11 July 2023

1. BACKGROUND

- 1.1 The 3-year Internal Audit Plan 2022-2023 to 2024-2025 and the accompanying indicative draft audit scopes were last considered by the Audit and Risk Committee in April 2023.
- 1.2 The Audit and Risk Committee requested to update the 3-year Internal Audit Plan showing the mapping of internal audits to the strategic risks.

2. REPORT

The updated 3-year Internal Audit Plan 2022-2023 to 2024-2025 is set out in Attachment 1 to this report.

Key changes and updates to the 3-year Internal Audit Plan 2022-2023 to 2024-2025 are as follows:

2.1 Progress of Audits as per Approved Internal Audit Plan

2.1.1 Desktop Audit on Strategic Alignment of Investments in Enterprise Resource Planning (ERP) Solutions

The Internal Auditor and Risk Coordinator completed the audit and issued the draft internal audit report with management comments for final consideration by General Manager Business Excellence (GMBE) and the Chief Executive Officer (CEO). Given that the relevant General Manager for this audit area (GMBE) is currently on leave, the CEO decided to reschedule the presentation of this audit report to another Audit and Risk Committee meeting to allow GMBE to be present when the report is being presented to respond to any queries that may arise relating to the audit report.

2.2 Ongoing and Pending Audits for this current Financial Year

Strategic Reporting Process Audit – Galpins has commenced the internal audit field work in June 2023. The audit is expected to be completed and draft report issued for management comments by mid-August 2023, and currently scheduled to present the audit report to the November 2023 Audit and Risk Committee meeting.

The following audits are on **schedule to commence in 2023/2024** in accordance with the last update to the Audit and Risk Committee in April 2023:

- **Tree Management Framework Audit** – to commence in July 2023 on a co-sourced model.
- **Rates Setting Process, Revenue and Debtors Audit** – to commence in August 2023 to be undertaken by Internal Auditor and Risk Coordinator.
- **Risk Management Audit** – to commence in October 2023 on a co-sourced model.
- **Fraud and Corruption Prevention Control Audit** – to commence in January 2024 to be undertaken by Internal Auditor and Risk Coordinator.
- **Business Continuity Audit** – to commence in January 2024 on a co-sourced model.
- **IT Disaster Recovery Audit** – to commence in April 2024 on a co-sourced model.

2.3 Audits Rescheduled

- **Independent External Review of Internal Audit Function** – originally planned to commence in June 2023 on a co-sourced model. Administration has further considered to reschedule commencement of this audit in June 2024 to allow other more value adding audits (such as tree management framework audit; rates setting process, revenue and debtors audit; and risk management audit) coming out of the strategic risk register to commence in the first half of 2023/2024 as originally scheduled.

2.4 Strategic Risk Register Mapping of Internal Audits

The 3-year Internal Audit Plan is developed to closely align the activities of internal audit with Council's current identified strategic risks. The internal audits undertaken (since 2011) and planned on the 3-year internal audit plan are mapped to the current identified risks on the strategic risk register, to demonstrate this relationship as summarised below:

Strategic Risk	Risk Short Name	Inherent Risk	Residual Risk	INTERNAL AUDITS (2011 to 2025)	
				PAST INTERNAL AUDITS	PLANNED INTERNAL AUDITS ON 3-Year Internal Audit Plan 2022/23-2024/25
1	Business Continuity Risk	Very High	Medium	Event Incident Management Framework Audit (Dec 2016)	Business Continuity Audit (Jan 2024)
				Event Incident Management Framework Audit (Jun 2021)	Risk Management Audit (Oct 2023)
				Compliance With Building Inspections Policy (Sep 2014)	
				LGRS BCP Exercise Audit (June 2018) BCP Desktop Audit (Nov 2014)	
2	Recycled Water Contamination Risk	High	Medium	Management of Contaminated Sites Audit (Aug 2020)	Risk Management Audit (Oct 2023)
3	Public and Environmental Health Risk	High	High	Public and Environmental Health Management Audit (Dec 2017)	By-Laws Management and Enforcement Process Audit (Feb 2025)
				Administration of the Food Act (Mar 2011) Food Safety Audit (Apr 2020)	

Strategic Risk	Risk Short Name	Inherent Risk	Residual Risk	INTERNAL AUDITS (2011 to 2025)	
				PAST INTERNAL AUDITS	PLANNED INTERNAL AUDITS ON 3-Year Internal Audit Plan 2022/23-2024/25
4	Environmental and Social Risks	High	Medium	Strategic Development Projects Audit (Mar 2018)	Tree Management Framework Audit (Jul 2023)
					Community Consultation Process, and Community Perception Survey Effectiveness Audit (Jul 2024)
					Environmental Sustainability & Climate Change Risk Management Audit (potential 2025/2026 Audit)
5	Financial Sustainability Risk	High	Medium	Corporate Credit Card Audit (Oct 2020)	Fraud and Corruption Prevention Control Audit (Jan 2024)
				Trade Card and Trading Account Audit (Nov 2020)	Grants Management Audit (Aug 2024)
				Financial Sustainability Audit (Jun 2019)	Rates Setting Process, Revenue and Debtors Audit (Aug 2023)
				Asset Management Audit (Mar 2020)	Budgetary Control Audit (Nov 2024)
				Payroll Audit (Sep 2010; March 2017)	Desktop Audit on Strategic Alignment of Investments in ERP Solutions Audit (Jan 2023)
				Procurement Audit (Sep 2014)	
				Fraud and Corruption Prevention Control Audit (Jan 2013)	
				Grants Management Audit (Sep 2012)	
				Contractor Management Audit (Jan 2020)	
				Fleet, Heavy Vehicle, High Value and Portable Assets Audit (Jan 2023)	
				Capital Works Projects Audit (Mar 2018)	
				Capital Works Projects Audit (Aug 2021)	
6	Governance Risk	High	Medium	Complaint Handling Process Audit (Mar 2021)	Strategic Reporting Process Audit (Mar 2023)
				Volunteers Audit (Mar 2008)	Data Governance Audit (Jul 2024)
				Volunteers Audit (Jun 2021)	Risk Management Audit (Oct 2023)
				Capital Works Projects Audit (Mar 2018)	
				Capital Works Projects Audit (Aug 2021)	
7	Work Health and Safety Risk	Very High	Medium	Event Incident Management Framework Audit (Dec 2016)	
				LG Risk Evaluation Audit (Nov 2019)	
				Event Incident Management Framework Audit - Jun 2021	

Strategic Risk	Risk Short Name	Inherent Risk	Residual Risk	INTERNAL AUDITS (2011 to 2025)	
				PAST INTERNAL AUDITS	PLANNED INTERNAL AUDITS ON 3-Year Internal Audit Plan 2022/23-2024/25
8	IT and Cybersecurity Risk	Very High	Medium	Business Systems and Solutions Audit (Apr 2018)	Desktop Audit on Strategic Alignment of Investments in ERP Solutions Audit (Jan 2023)
				Cyber Security Implementation Project Pre-Implementation Audit	Data Governance Audit (Jul 2024)
					Business Continuity Audit (Jan 2024)
					IT Disaster Recovery Audit (Apr 2023)
9	Climate Change Risk	Very High	Medium		Environmental Sustainability & Climate Change Risk Management Audit (potential 2025/2026 Audit)
10	Reputation Risk	High	Medium	People & Culture Risk Review (Jun 2015)	Community Consultation Process, and Community Perception Survey Effectiveness Audit (Jul 2024)
				Program Review of Twelve25 Salisbury Youth Enterprise Centre (Sep 2012)	
				Legislative compliance Audit (Jan 2021)	

For further clarity, an expanded version covering these strategic risks with corresponding causes and controls, the control effectiveness, and the internal audit mappings are included in the Attachment 2 of this report.

This mapping will be updated in December 2023 upon finalisation of the revised strategic risk register.

2.5 Indicative Scopes for Pending Audits for the 3-year Internal Audit Plan

The scopes for pending audits (included in Attachment 3) have not changed since last presented to the Audit and Risk Committee in April 2023.

3. CONCLUSION / PROPOSAL

This report outlines the progress made towards the completion of the 3-year Internal Audit Plan since it was last presented to the Audit and Risk Committee in April 2023.

Strategic Risk				3 YEAR INTERNAL AUDIT PLAN - 2022/2023 to 2024/2025									
Strategic Risk	Risk Description	Inherent Risk	Residual Risk	Relevant Causes from Strategic Risk Register	Audit Ref	Audit Title	Audit Title and Summary Description	3-Yr IA Plan			Rationale for Inclusion	Internal Key Stakeholder Divisions Impacted	Status Update (as at 11 July 2023)
								2022/2023	2023/2024	2024/2025			
5	City of Salisbury financial sustainability is compromised by internal decisions and / or external events.	High	Medium	<ul style="list-style-type: none">• Unplanned spending• Inadequate valuation of assets or inaccurate depreciation• Inadequate planning for infrastructure repairs or upgrades	1	Fleet, Heavy Vehicle, High Value & Portable Assets Audit	Fleet, Heavy Vehicle, High Value & Portable Assets 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.	1			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; Strategic Development Projects; Financial Services; Field Services; and Strategic Procurement .	Report completed and presented in Feb 2023 AARC Meeting
8	Lack of alignment and integrity of IT systems and data to support service delivery	High	High	<ul style="list-style-type: none">• Lack of business engagement and clarity of roles• External pressure for changes to systems• Failure to adequately involve IT when developing plans, strategies and projects• Failure to consider all options when improving a system or process• Organisational change is not conducted in a structured and logical manner	5	Desktop Audit on Strategic Alignment of IT Investments	Desktop Audit on Strategic Alignment of IT Investments The overall objective of the audit is to provide assurance that the planned investment on Enterprise Resource Planning (ERP) solution is aligned to the City's Digital Strategy 2027, to support the current business requirements and continuous improvement initiatives and is aligned to the accomplishment of City Plan 2035.	1			<p>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.</p> <p>Given that COS is in the midst of a major IT investment project involving the acquisition of an Enterprise Resource Planning (ERP) system, following the last Audit & Risk Committee feedback, management determined that it is more value adding to undertake an initial desktop audit on the strategic alignment of IT Investment by the City's Internal Auditor & Risk Coordinator, audit instead of a full-fledged IT investment audit by an external audit firm. A full-fledged IT investment is to be undertaken at a later stage upon the implementation of the ERP system.</p>	Governance; Business Systems and Solutions; Financial Services; and Strategic Procurement	Draft Report shared with Administration and is subject to review and discussion to finalise it. Report not finalised in time for Jul 2023 AARC Meeting, and will be presented to November 2023 AARC meeting
6	Ineffective governance results in the provision of services which do not meet community expectations.	High	Medium	<ul style="list-style-type: none">• Inadequate performance measures which are not linked to objectives or strategies• Failure to deliver what is expected by the local community due to a lack of alignment of strategic plans• Limited meaningful corporate performance indicators in place• Inconsistent reporting and data collection of corporate performance indicators• Processes and systems fail to address customer needs• Failure to engage with all stakeholders in developing the City Plan	4	Strategic reporting process Audit	Strategic reporting process audit Assurance on the processes and controls in place, specifically in relation to the City Plan, Business Planning and Annual Planning.	1			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; Economic Development & Urban Policy; Governance; Business Systems and Solutions; Environmental Health & Safety; Financial Services; Communications & Customer Relations; and Strategic Procurement	Audit commenced in June 2023, and scheduled to present to Audit and Risk Committee in November 2023.

Strategic Risk				3 YEAR INTERNAL AUDIT PLAN - 2022/2023 to 2024/2025									
Strategic Risk	Risk Description	Inherent Risk	Residual Risk	Relevant Causes from Strategic Risk Register	Audit Ref	Audit Title	Audit Title and Summary Description	3-Yr IA Plan			Rationale for Inclusion	Internal Key Stakeholder Divisions Impacted	Status Update (as at 11 July 2023)
								2022/2023	2023/2024	2024/2025			
8	SR08: Lack of alignment and integrity of IT systems and data to support service delivery	High	High	<ul style="list-style-type: none">• Lack of plans and procedures to inform response strategies when a cybersecurity incident occurs• Lack of auditing and logging functions to capture events	3	IT Disaster Recovery Audit	IT Disaster Recovery Audit Provide assurance that adequate disaster recovery processes are in place at City of Salisbury and the processes are likely to be effective in the event of a disruption.		1		Cybersecurity risk is recognised as an emerging and ever changing risk for many organisations which may lead to financial loss, service interruption, data loss and/or reputation damage from an event impacting the City's information systems. COS has developed a Disaster Recovery Plan in Jan 2022 and is currently being implemented. COS's disaster recovery processes are however not tested/audit independently in the past to ensure that the plan and processes are adequately designed and effectively implemented.	Business Systems and Solutions	Retain as originally scheduled to commence in April 2024.
N/A	N/A	N/A	N/A	N/A - not included in the strategic risk register.	14	Independent External Review of Internal Audit Function	Independent External Review of Internal Audit Function The audit is to obtain an understanding and form an opinion on the current Internal Audit function, compliance with the Internal Audit Standards, and existing issues and areas for improvement.	1	1		In accordance with the best practice standards, COS's Internal Audit Charter states that "in order to ensure that the quality of internal audit work is of a consistently high standard, the CEO shall ensure that a quality review of the internal audit function is undertaken by an independent External Service Provider at least every five years". The last audit was undertaken in 2016, and is due for another review, to comply with the standards.	Governance	Commencement rescheduled from July 2023 to July 2024 to re-prioritise and allow other more value adding audits from Strategic risk register to commence as per original plan.
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">• Inadequate understanding and planning for factors impacting the environment• Failure to consider environmental consequences when planning and designing infrastructure	7	Tree Management Framework Audit	Tree Management Framework Audit 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.		1		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; Development Services; Environmental Health & Safety; Financial Services; Communications & Customer Relations; and Field Services .	On schedule to commence in July 2023 as originally planned.

Strategic Risk				3 YEAR INTERNAL AUDIT PLAN - 2022/2023 to 2024/2025									
Strategic Risk	Risk Description	Inherent Risk	Residual Risk	Relevant Causes from Strategic Risk Register	Audit Ref	Audit Title	Audit Title and Summary Description	3-Yr IA Plan			Rationale for Inclusion	Internal Key Stakeholder Divisions Impacted	Status Update (as at 11 July 2023)
								2022/2023	2023/2024	2024/2025			
5	City of Salisbury financial sustainability is compromised by internal decisions and / or external events.	High	Medium	<ul style="list-style-type: none">• Inadequate revenue and a failure to maximise revenue from all sources• Short term revenue is maximised at the expense of longer term revenue• Revenue from the sale of assets (land) is not invested for the longer term benefit of the community• Introduction of draft legislation regarding rate capping• Fraud, misconduct or maladministration• Changes to legislation/obligations imposed by other levels of government• Potential new revenue streams/opportunities are not fully investigated• Council ultimately becomes financially unsustainable• City revenue has to be raised increasingly through more traditional methods (rate rises)• Financial cost associated with falling rates revenue or increasing bad or doubtful debts	II	Rates Setting Process, Revenue and Debtors Audit	Rates Setting Process, Revenue and Debtors Audit Ensure that the Rates setting process comply with legislative compliance requirements, and appropriately reviewed and validated for accuracy, impact on financial sustainability. 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.		1		<p>The City has recorded a total revenue of \$127.39m for FY2018/20 (\$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.</p> <p>Debtors reflected on the Statement of Financial Position under Trade and Other Receivables amounts to \$8.07m for FY2018/20 (\$8.97m for FY2018/19).</p> <p>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.</p> <p>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.</p>	Business & Admin Support; and Financial Services	Retain as originally scheduled to commence in August 2023.
1-9	All Strategic Risks in the Strategic Risk Register	High	High	<ul style="list-style-type: none">• Inadequate performance of risk assessments	II	Risk Management Audit	Risk Management Audit Ensure that the City of Salisbury has robust policies, procedures and framework in place for risk management and controls are in place to manage risks effectively.		1		<p>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 operating effectively.</p>	All Divisions	Retain as originally scheduled to commence in October 2023.
5	City of Salisbury financial sustainability is compromised by internal decisions and / or external events.	High	Medium	<ul style="list-style-type: none">• Fraud, misconduct or maladministration• Unplanned spending	II	Fraud and Corruption Prevention Control Audit	Fraud and Corruption Prevention Control Audit Provide assurance that current practices are effective to prevent, detect, and manage risks related to fraud, corruption, misconduct and maladministration, and ensure that controls are implemented as per agreed policies and procedures.		1		<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. The City has various policies and procedures and internal control measures for prevention of fraud, corruption, maladministration and misconduct, and independent assessment of systems and processes takes place as part of the annual external audit and remains a part of many internal audits. Given that there are continuous changes happening within the control environment, systems, process, and stakeholders involved, the emergence of newer risk and failure of controls may occur and therefore an assessment of controls for fraud is essential. Hence, the objective of this audit is to determine the effectiveness of fraud prevention strategies. This audit aims to ensure that current practices are effective to prevent, detect, and manage risks related to fraud, corruption, misconduct and maladministration, and ensure that controls are implemented as per agreed policies and procedures.</p>	All Divisions	Retain as originally scheduled to commence in January 2024.

Strategic Risk					3 YEAR INTERNAL AUDIT PLAN - 2022/2023 to 2024/2025								
Strategic Risk	Risk Description	Inherent Risk	Residual Risk	Relevant Causes from Strategic Risk Register	Audit Ref	Audit Title	Audit Title and Summary Description	3-Yr IA Plan			Rationale for Inclusion	Internal Key Stakeholder Divisions Impacted	Status Update (as at 11 July 2023)
								2022/2023	2023/2024	2024/2025			
188	SR 1: Inadequate response to a business continuity or emergency event, or major incident at a Council run Community event. SR6: Lack of alignment and integrity of IT systems and data to support service delivery	High	High	<ul style="list-style-type: none">• Lack of business engagement and clarity of roles• External pressure for changes to systems• Failure to adequately involve IT when developing plans, strategies and projects• Failure to consider all options when improving a system or process• Organisational change is not conducted in a structured and logical manner	11	Business Continuity Audit	Business Continuity Audit provides assurance on the Business Continuity Management (BCM) Framework and the measures in place to ensure that, in the event of a disruption, critical business operations can be maintained, or restored in a timely manner, with minimal impact to the CoS and its stakeholders.		2		The previous BCP audits were undertaken in 2014 and 2018. Since then, BCP reviews for individual processes have been undertaken and it may be beneficial for COS to undertake an overall BCP audit to determine the adequacy and effectiveness of the current BCM framework and process.	All Divisions	Retain as originally scheduled to commence in January 2024.
10	City of Salisbury reputation suffers due to services provided not meeting community needs and expectations, resulting in a reduction in business investment.	High	High	<ul style="list-style-type: none">• Elected Member cohesion• Lack of or ineffective community consultation and engagement• Failure to deliver services expected by the community• Customer service is not properly monitored or managed• Not meeting strategic objectives• Failure to undertake legislative requirements• Lack of or ineffective community consultation and engagement	15	Community Consultation Process, and Community Perception Survey Effectiveness Audit	Community Consultation Process, and Community Perception Survey Effectiveness Audit The audit is to provide assurance that the City's community consultation and engagement process is adequate and effective, and ensure that the community perception surveys undertaken are effective and achieving intended objectives.		1		The mapping of internal audits against the strategic risk register identified that this area has not been audited for adequacy and effectiveness in the past. However, relevant policies and procedures are in place and community perception surveys are undertaken regularly. It may be beneficial for the City to determine the effectiveness of these surveys and how well the learnings from these surveys are incorporated in the service delivery and planning process of Council, and whether the relevant policies and procedures are effectively implemented.	Community Experience; Community Experience & Relationships; Community Development; City Development; and Any other Divisions that involve the development of policy, delivery of projects, including where this is a statutory requirement, etc that requires consultation with the community.	Commencement scheduled to July 2024.
6 & 8	SR6: Ineffective governance results in the provision of services which do not meet community expectations. (High / Medium) SR6: Lack of alignment and integrity of IT systems and data to support service delivery (High / High)	High	Medium	<ul style="list-style-type: none">• Limited meaningful corporate performance indicators in place• Inconsistent reporting and data collection• Lack of business engagement and clarity of roles• External pressure for changes to systems• Failure to adequately involve IT when developing plans, strategies and projects• Failure to consider all options when improving a system or process• Organisational change is not conducted in a structured and logical manner	2	Data Governance Audit	Data Governance Audit Audit on data governance is to provide assurance that City of Salisbury data governance processes ensure adequate protection of information and effective data management required to meet business needs. Audit on IT investment strategy is to provide assurance that the strategy around IT investment is sufficiently robust to support the current business requirements and continuous improvement initiatives.		1		There is the risk that City's data management processes could result in loss of data or the inability to utilise the data. This review will provide assurance regarding the adequacy of protection of City of Salisbury information. 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.	People & Culture ; Community Experience; Economic Development & Urban Policy; Business Systems and Solutions; Financial Services; and Communications & Customer Relations, Governance; and Strategic Procurement	Retain as originally scheduled to commence in July 2024.

Strategic Risk					3 YEAR INTERNAL AUDIT PLAN - 2022/2023 to 2024/2025								
Strategic Risk	Risk Description	Inherent Risk	Residual Risk	Relevant Causes from Strategic Risk Register	Audit Ref	Audit Title	Audit Title and Summary Description	2022/2023	2023/2024	2024/2025	Rationale for Inclusion	Internal Key Stakeholder Divisions Impacted	Status Update (as at 11 July 2023)
5 & 6	SR5: City of Salisbury financial sustainability is compromised by internal decisions and / or external events. SR6: Ineffective governance results in the provision of services which do not meet community expectations.	High	Medium	• Insufficient or reduction in grant funding	12	Grants Management Audit	Grants Management Audit 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.			1	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.	Retain as originally scheduled to commence in August 2024.
8	City of Salisbury financial sustainability is compromised by internal decisions and / or external events.	High	Medium	• Insufficient or reduction in grant funding • Inadequate revenue and a failure to maximise revenue from all sources • Unplanned spending • Inadequate valuation of assets or inaccurate depreciation • Inadequate planning for infrastructure repairs or upgrades • Introduction of draft legislation regarding rate capping • Fraud, misconduct or maladministration • Changes to legislation/obligations imposed by other levels of government • Potential new revenue streams/opportunities are not fully investigated • Changes to roles and responsibilities assigned to City of Salisbury by federal or state government • Short term revenue is maximised at the expense of longer term revenue • Poorly structured debt funding • Poor investment decision making • Unknown consequences of new infrastructure provision from other levels of government or private sector investment	10	Budgetary Control Audit	Budgetary Control Audit Ensure that the City of Salisbury has robust policies and procedures covering the annual budget preparation process, and that budgetary control processes are implemented effectively and comply with any legislative requirements.			1	Strategic Risk Register Review lead to identification of Risk Causes and factors, that have not been assured through internal audit testing in the past. Although Budgetary controls are tested annually as part of the externally audit process testing of LGA Financial Best Practice Model, a full fledge, end-to-end audit has not been performed on the effectiveness of the budget preparation and control process in the past.	Primarily Financial Services Division and touch base with other divisions as required.	Scheduled to commence in November 2024
3	Lack of management of public and environmental health risks	High	High	• Inadequate management, monitoring or testing • Animal/vermin infestation • Noxious plants • Failure of waste disposal contractor to meet contractual obligations.	13	By-Laws Management and Enforcement Process Audit	Ensure that the City of Salisbury has appropriate policies and procedures for management and enforcement of by-laws, and ensure that the by-laws management and enforcement process is efficient, effective, and complies with relevant legislations.			1	Strategic Risk Register Review lead to identification of Risk Causes and factors, and no specific end-to-end audit has been undertaken on the effectiveness of by-law management and enforcement process in the past.	Primarily Environmental Health & Community Compliance Division and touch base with other divisions as required.	Commencement scheduled to Feb 2025
								Presented to Audit & Risk Committee Meetings					
								Ongoing Audits					
								Audit Commencement Planned for Future Period					

Presented to Audit & Risk Committee Meetings
Ongoing Audits
Audit Commencement Planned for Future Period

Note: strike through text for removals, and additions in RED

City of Salisbury (COS)

Strategic Risk Register - Internal Audit Mapping

Strategic Risk Register - Internal Audit Mapping							Control Effectiveness Rating Key: E-Effective; ME-Majority Effective; PE-Partially effective; SIR-Significant Improvement Required; IE-Ineffective							INTERNAL AUDITS - MAPPED FOR ASSURANCE							
Risk ID	Strategic Pillar	Risk Short Name	Risk Owner	Risk Description	Cause #	Causes Potential and Actual	Likelihood	Consequence	Inherent Risk	Critical Controls	Addresses Cause #	Effectiveness Rating	Overall Control Effectiveness	Likelihood	Consequence	Residual Risk	Cause #	Prior Audits	Cause #	Audits in the 3-Year Internal Audit Plan 2022/23-2024/25	
1	A welcoming and liveable City	Business Continuity Risk	Manager Governance	There is a risk of inadequate response to a business continuity or emergency event, or major incident at a Council run Community event. CoS' continued ability to support essential, critical business activities and access available key business resources is impacted as a result of failure to prepare for, respond to and recover from a disaster (e.g. fire, flood, explosion, earthquake, storm, aircraft crash). CoS experiences negative impacts to CoS' brand and image, legal and cost implications, and public & staff safety as a result of failure to prepare for and respond to a major incident at a Council run community event. * "It has been recognised that the risk relating to an incident occurring at an event sponsored or partnered by Council is still relevant however need not be recorded on the Strategic Risk Register.	1.1	Lack of plans and procedures to inform response strategies when a business continuity or emergency event occurs	ALMOST CERTAIN	CATASTROPHIC	Very High	Preventative Controls			ME	POSSIBLE	MODERATE	Medium	1.1, 1.3, 1.6, 1.7, 1.8, 1.10	Event Incident Management Framework Audit (Dec 2016)	1.1, 1.2, 1.3, 1.4, 1.5, 1.6, 1.8	Business Continuity Audit (Jan 2024)	
					1.2	Lack of communication/training for relevant staff required to respond to business continuity and emergency events				Current and maintained Business Continuity Framework (including Plans and testing regime)		1.1, 1.3					ME	1.1, 1.3, 1.6, 1.7, 1.8, 1.10	Event Incident Management Framework Audit (Jun 2021)	1.8	Risk Management Audit (Oct 2023)
					1.3	Information to facilitate action during business continuity or emergency events is insufficient or not available				Maintaining and reviewing Business Continuity Framework		1.1, 1.3					ME				
					1.4	Impact of climate change on weather patterns				Performance testing of BCP scenarios		1.1					ME				
					1.5	COVID-19 pandemic				Business Continuity staff identified and trained on roles and responsibilities		1.2					PE				
					1.6	Inadequate procedures and plans in place to prevent incidents				Incident Management Team identified and trained		1.2					PE				
					1.7	Lack of asset management and maintenance				Key ICT members actively participating within the Zone Emergency Management Committee – Northern Area		1.2					E				
					1.8	Inadequate due diligence performed by CoS in order to identify relevant risks related to the management and delivery of community events				Training of all potential event owners on risk identification and due diligence assessment		1.2					ME				
										Effective and regularly reviewed COVID action plans		1.5					E				
										Formal information exchange between City infrastructure bookings and Events Team to identify community events involving CoS assets		1.2					ME				
										Participation in Zone Emergency Management Committees – Northern Area		1.5, 1.4					E				
										Distribution and maintenance of effective VPN network access to all relevant staff		1.6					E				
										Evacuation procedures and testing		1.6					ME				
										Building Control and Inspections		1.7					ME				
										Provision and maintenance of Building safety systems – e.g. exit signs, fire extinguishers, wardens etc., induction process		1.7					ME				
										Reviewed and maintained Asset management plans		1.7					ME				
					2	A sustainable City				Recycled Water Contamination Risk	GM Business Excellence, GM City Infrastructure	Contamination of the recycled water systems. CoS experiences reduced environmental, economic and social benefits due to failure to prevent, prepare for and respond to contamination of the Salisbury Water recycled non-drinking water distributed to parks, reserves, schools, industry and some new residential sub-divisions.					2.1	Inadequate monitoring plans and sample testing	POSSIBLE	CATASTROPHIC	High
2.2	Failure to respond appropriately in the event of contamination	Salisbury Water Business Unit – Recycled Water Risk-Based Management Plan including sample testing before water injections are commenced		2.1			ME														
2.3	Failure of controls within the Recycled Water Risk Based Management Plan	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.		2.2			E														
2.4	Wet weather could hamper clean-up operations or contribute to a contamination event	Implementation of the Water Course Management Plan including the renewal of Wetlands and desilting/removal of pollutants in waterways as required		2.3			ME														
2.5	PFAS and PFOA infiltration.	Review of Risk Based Management Plan every five years		2.1			ME														
2.6	Act of Terrorism	Maintenance of the CoS Contaminated Sites Register		2.1			PE														
2.7	Illegal dumping	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.		2.1			ME														
		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)		2.2			ME														
		Employee Media Policy and Procedure and Elected Member Media Policy		2.2			ME														
				Lack of management of public and environmental health risks. Community experiences illness or injury due to a failure to deliver public and environmental health and	3.1	Inadequate management, monitoring or testing				Preventative Controls			ME				3.1, 3.2, 3.3, 3.4, 3.5	Public and Environmental Health Management Audit (Dec 2017)	3.1, 3.2, 3.3, 3.4, 3.5	By-Laws Management and Enforcement Process Audit (Feb 2025)	
					3.2	Failure to respond appropriately in the event of an incident				Compliance with Public Health and Environmental Policies and Procedures		3.1					ME				
										Performance of General Inspections		3.1					E				

Risk ID	Strategic Pillar	Risk Short Name	Risk Owner	Risk Description	Cause #	Causes Potential and Actual	Likelihood	Consequence	Inherent Risk	Critical Controls	Addresses Cause #	Effectiveness Rating	Overall Control Effectiveness	Likelihood	Consequence	Residual Risk	Cause #	Prior Audits	Cause #	Audits in the 3-Year Internal Audit Plan 2022/23-2024/25
3	A welcoming and liveable City	Public and Environmental Health Risk	GM City Development	Environmental health and safety outcomes for the community (includes food safety, dog and cat management, by-law enforcement and parking control).	3.3	Animal/vermin infestation	LIKELY	MAJOR	High	Accurate completion of Food Safety Inspection Checklists	3.1	ME		POSSIBLE	MAJOR	High				
					3.4	Noctuous plants				Performance of infrastructure maintenance activities	3.1	E								
					3.5	Failure of waste disposal contractor to meet contractual obligations.				Provision of all Food Safety Inspection documentation to relevant business Proprietors	3.1	ME								
										Activating the relevant initiatives within the CoS Regional Public Health Plan	3.1	E								
										Administration and management of CoS' responsibilities under the Food Act	3.1	ME								
										Compliance with and training on Employee Media Policy and Procedure and Elected Member Media Policy	3.1	ME								
										Accurate completion of Food Safety Audit Report Questionnaire	3.1	ME								
										Undertaking the Mosquito Control Program	3.3	ME								
										Provision of Immunisation Services	3.2	E								
										Current and maintained Animal Management Plan	3.3	ME								
										Undertaking Dog Patrols	3.3	E								
										Reactive Controls										
										Enforcement of the CoS' responsibilities under the SA Public Health Act	3.1	E								
										Enforcement of the CoS' responsibilities under the Dog and Cat Management Act	3.1	E								
4	A sustainable City	Environmental and Social Risks	GM City Development, GM City Infrastructure	Failure to manage the impact of environmental and social factors on Council infrastructure, assets and services. The detrimental effect on Council assets and infrastructure caused by environmental factors, including climate change, is not adequately addressed through Council planning. The detrimental effect on Council assets and infrastructure caused by social factors, such as changes in demographics, is not adequately addressed through Council planning.	4.1	Inadequate understanding and planning for factors impacting the environment	POSSIBLE	MAJOR	High	Preventative Controls			ME	UNLIKELY	MODERATE	Medium	4.1, 4.2, 4.8, 4.10	Strategic Development Projects Audit (Mar 2018)	4.1, 4.2	Tree Management Framework Audit (Jul 2023)
					4.2	Failure to consider environmental consequences when planning and designing infrastructure				Early warning system of text alerts based on Bureau of Meteorology data, implemented by DEWNR	4.1	E							4.6, 4.7, 4.8	Community Consultation Process, and Community Perception Survey Effectiveness Audit (Jul 2024)
					4.3	Insufficient modelling of weather events used within Asset Management Planning				Bushfire Management Plan	4.1	ME								
					4.4	Inadequate infrastructure within the City to manage stormwater and sea level rise due to climate change				Watercourse Management capital program	4.1, 4.9	ME							4.1, 4.2, 4.3, 4.4, 4.5, 4.9, 4.10	Environmental Sustainability & Climate Change Risk Management Audit (potential 2025/2026 Audit)
					4.5	Inadequate understanding of and planning for the impact of climate change on City infrastructure and assets				One in 100 year flood and Probable Maximum Flood modelling including tidal info. in place at individual house level, using digital terrain modelling.	4.3	ME								
					4.6	Failure to monitor and forecast demographic changes in the City and adjust objectives and plans accordingly				Adapting Northern Adelaide Plan	4.2	ME								
					4.7	City Plan becomes obsolete or fails to anticipate the financial impact of demographic changes				Reviewed and maintained Asset Management Policy and Plans	4.10, 4.3, 4.2	ME								
					4.8	Failure to maintain a social infrastructure plan for the existing and future assets				Flood mapping is updated periodically and communicated as necessary and is incorporated into the development plan process	4.4	ME								
					4.9	Coastal inundation and impact on biodiversity				Reviewed and maintained Growth Management Plan	4.6	E								
					4.10	Failure to update Asset Management Plans				Implementation of Youth Strategy and Intercultural Plan	4.6	ME								
										Reviewed and maintained Emergency Management Plan	4.4, 4.5	PE								
										Participation in Zone Emergency Management Committee – Northern Area		E								
										Compliance with grant funding applications process and reviews		ME								
										Compliance with Home Care Common Standards – Operating Manual		E								
										Regular monitoring of risk sites e.g. land fill sites, dams	4.6	E								
										Planning controls	4.7, 4.5	E								
										Reviewed and maintained Learning Strategy, Wellbeing Strategy & Intracultural Strategy	4.7	ME								
										Reviewed and maintained City Plan/Strategic Plans/Business Plans	4.7	ME								
										Social Infrastructure Assessment Framework		PE								
										Strategic Land Review	4.8	E								
										Asset Management infrastructure audits	4.10	E								
										Reactive Controls										
										Extreme Heat response process (for residents)	4.5	ME								
										Preventative Controls			ME							
					5.1	Insufficient or reduction in grant funding				Long term financial planning, by managing monitoring and reviewing	5.11, 5.19	E					5.3, 5.7	Corporate Credit Card Audit (Oct 2020)	5.7, 5.3	Fraud and Corruption Prevention Control Audit (Jan 2024)
					5.2	Inadequate revenue and a failure to maximise revenue from all sources				Managing monitoring and reviewing of Asset Management Plans	5.5	ME					5.3, 5.7	Trade Card and Trading Account Audit (Nov 2020)	5.1, 5.3, 5.7	Grants Management Audit (Aug 2024)
					5.3	Unplanned spending				Undertaking Quarterly Budget Review	5.3, 5.1	E					5.17, 5.3, 5.12, 5.20, 5.16	Financial Sustainability Audit (Jun 2019)	5.2, 5.6, 5.8, 5.9, 5.18,	Rates Setting Process, Revenue and Debtors Audit (Aug 2023)
					5.5	Inadequate planning for infrastructure repairs or upgrades				Annual Plan and Annual Report reviewed by Audit Committee	5.7, 5.17, 5.4	E								

Risk ID	Strategic Pillar	Risk Short Name	Risk Owner	Risk Description	Cause #	Causes Potential and Actual	Likelihood	Consequence	Inherent Risk	Critical Controls	Addresses Cause #	Effectiveness Rating	Overall Control Effectiveness	Likelihood	Consequence	Residual Risk	Cause #	Prior Audits	Cause #	Audits in the 3-Year Internal Audit Plan 2022/23-2024/25												
5	Innovation and Business Development	Financial Sustainability Risk	GM Business Excellence, GM City Infrastructure, GM City Development	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.	5.6	Introduction of draft legislation regarding rate capping	LIKELY	MAJOR	High	Adhoc Prudential Reviews	5.7, 5.13, 5.12	E	ME	UNLIKELY	MAJOR	Medium	5.14, 5.13, 5.5, 5.6		5.19, 5.20													
					5.7	Fraud, misconduct or maladministration				Regular reviews of rating system fairness and equity	5.9, 5.2, 5.6, 5.18, 5.20	ME																				
					5.8	Changes to legislation/obligations imposed by other levels of government				Appropriate execution of the Grant Management application Process, (subject of an internal audit)	5.1	PE					5.4, 5.5, 5.145.19	Asset Management Audit (Mar 2020)	5.3	Budgetary Control Audit (Nov 2024)												
					5.9	Potential new revenue streams/opportunities are not fully investigated				Review of Financial information by the Budget & Finance Committee							5.3, 5.7,	Payroll Audit (Sep 2010; March 2017)	5.13	Desktop Audit on Strategic Alignment of Investments in ERP Solutions Audit (Jan 2023)												
					5.10	Changes to roles and responsibilities assigned to City of Salisbury by federal or state government				Diversification of income (e.g. Water Business Unit, Strategic Property Development and Building Rules Certification Unit, NAWMA, Salisbury Memorial Park)	5.2	ME					5.3, 5.5, 5.7, 5.13	Procurement Audit (Sep 2014)														
					5.11	Short term revenue is maximised at the expense of longer term revenue				Compliance with Budget Policies and Procedures	5.3, 5.11, 5.17	E					5.7, 5.3, 5.13, 5.19	Fraud and Corruption Prevention Control Audit (Jan 2013)														
					5.12	Poorly structured debt funding				Business Case Modelling	5.18, 5.20, 5.4	ME					5.1, 5.3, 5.7	Grants Management Audit (Sep 2012)														
					5.13	Poor investment decision making				Business Support Agenda								Contractor Management Audit (Jan 2020)														
					5.14	Unknown consequences of new infrastructure provision from other levels of government or private sector investment				Growth Action Plan	5.2, 5.5, 5.6, 5.16, 5.17	ME					5.3, 5.4, 5.5, 5.7	Fleet, Heavy Vehicle, High Value and Portable Assets Audit (Jan 2023)														
					5.15	Failure to encourage investment in the City				Annual external Audit activities	5.7, 5.3, 5.4, 5.5	E					5.5	Capital Works Projects Audit (Mar 2018)														
					5.16	Increased expectations of the community in relation to the demand for and breadth of services and standards delivered by CoS				Project Management Methodology	5.5,	PE					5.5	Capital Works Projects Audit (Aug 2021)														
					5.17	Council ultimately becomes financially unsustainable				Reactive Controls																						
					5.18	City revenue has to be raised increasingly through more traditional methods (rate rises)																										
					5.19	Revenue from the sale of assets (land) is not invested for the longer term benefit of the community																										
					5.20	Financial cost associated with falling rates revenue or increasing bad or doubtful debts																										
					6	All City Plan directions				Governance Risk	CEO, All General Managers	Ineffective governance results in the provision of services which do not meet community expectations. Inadequate decision making. Failure to integrate governance to enable the meeting of strategic objectives.					6.1	Inadequate performance measures which are not linked to objectives or strategies	LIKELY	MAJOR	High	Preventative Controls			ME	UNLIKELY	MODERATE	Medium	6.1, 6.3, 6.4, 6.6, 6.10	Complaint Handling Process Audit (Mar 2021)	6.1, 6.2, 6.3, 6.4, 6.5, 6.6, 6.7, 6.9	Strategic Reporting Process Audit (Mar 2023)
																	6.2	Failure to consistently conduct Post Implementation Reviews and measure benefits realisation				Compliance with Budget Process	6.1	E								
																	6.3	Failure to monitor organisational performance against stakeholder expectations and to take action when necessary to correct it				Review of Annual Plan and Annual Report by Audit Committee	6.4, 6.7	E	6.1, 6.4, 6.8				Volunteers Audit (Mar 2008)	6.5, 6.6,	Data Governance Audit (Jul 2024)	
																	6.4	Failure to deliver what is expected by the local community due to a lack of alignment of strategic plans				Review and approval of City Plan by elected members	6.4	E	6.1, 6.4, 6.8				Volunteers Audit (Jun 2021)		Risk Management Audit (Oct 2023)	
																	6.5	Limited meaningful corporate performance indicators in place				Established and embedded Customer Service Framework	6.4, 6.5, 6.7, 6.10,	ME	6.1, 6.2, 6.3, 6.4, 6.7				Capital Works Projects Audit (Mar 2018)			
6.6	Inconsistent reporting and data collection of corporate performance indicators	Monthly Strategic Executive Group meetings	6.3	ME				Capital Works Projects Audit (Aug 2021)																								
6.7	Processes and systems fail to address customer needs	Alignment of New Initiative Bid documentation to the City Plan	6.1, 6.12	ME																												
6.8	Inadequate capability and capacity (e.g. workforce plans, training and development, technology, systems etc.)	Strategic Planning and Accountability	6.1, 6.12	ME																												
6.9	Failure to engage with all stakeholders in developing the City Plan	Effective use of and compliance with Community Engagement Framework	6.10, 6.9, 6.3	ME																												
6.10	Customer service is neither monitored or managed	Project Management Methodology	6.2, 6.11	PE																												
6.11	Insufficient prioritisation of projects and resource scoping	Conduct of bi-annual customer satisfaction survey	6.10	ME																												
6.12	Projects approved are not consistent with the strategic direction of CoS	Regular performance of CEO Review via CEO Review Committee	6.1	ME																												
		Business case development for aged care schemes		ME																												
		Governance Framework and Statement		PE																												
		Regularly reviewed and communicated Delegations Register		E																												
		OCI/ABEF survey process	6.4, 6.10	ME																												
		Regular Strategic Project Reporting	6.12	ME																												
		Skilled and experienced staff	6.8	ME																												
		Performance of Contract Management		ME																												
		Infrastructure Maintenance Activities		E																												
		Succession Planning	6.8	ME																												
		LG Performance Excellence Program benchmarking activity	6.5	ME																												
				Immature and inadequate work health safety policies and procedures result in an unsafe working environment. Failure to	7.1	Inadequate controls in place to prevent incidents occurring				Preventative Controls							7.1, 7.2, 7.3, 7.4, 7.5, 7.6	Event Incident Management Framework Audit (Dec 2016)														
					7.2	Insufficient reporting of incidents and near misses				WHS training and e-learning (mandatorily required for all employees on commencement of employment and thereafter routinely)	7.4, 7.3	E																				

Risk ID	Strategic Pillar	Risk Short Name	Risk Owner	Risk Description	Cause #	Causes Potential and Actual	Likelihood	Consequence	Inherent Risk	Critical Controls	Addresses Cause #	Effectiveness Rating	Overall Control Effectiveness	Likelihood	Consequence	Residual Risk	Cause #	Prior Audits	Cause #	Audits in the 3-Year Internal Audit Plan 2022/23-2024/25												
7	Innovation and Business Development	Work Health and Safety Risk	The Executive Group, Elected Members	Council 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.	7.3	Safe work practices not documented or communicated to employees	LIKELY	CATASTROPHIC	Very High	Performance of Licensing qualifications checks	7.3	E	ME	UNLIKELY	MAJOR	Medium	7.1, 7.3, 7.5, 7.6	LG Risk Evaluation Audit (Nov 2019)														
					7.4	Inadequate induction, training and supervision				Training in WHS Procedures	7.4	E					7.1, 7.2, 7.3, 7.4, 7.5, 7.6	Event Incident Management Framework Audit - Jun 2021														
					7.5	Inadequate hazard management system				Updated WHS IM Business Plan	7.1	E																				
					7.6	Organisational safety attitude does not recognise the importance of following WHS policies and procedures				Performance WHS Reviews	7.1, 7.2	ME																				
										Principal WHS Committee		E																				
										City Infrastructure WHS Committee		E																				
										JSA, work instructions and plant risk assessments	7.1	ME																				
										Staff training on and compliance with Code of Conduct	7.3, 7.6	ME																				
										Compliance with Hazard and incident reporting and investigation procedures	7.1, 7.2, 7.6	ME																				
										Members of the Local Government Workers Compensation Scheme, requiring annual external audits	7.5	E																				
										Work Health Safety representative team		E																				
										Support from LG Sector/other councils/private sector organisations with development/implementation of WHS policies/procedures (including benchmarking partners)	7.4, 7.6	E																				
										Contractual arrangements with external providers to assist compliance with WHS obligations	7.3, 7.6	ME																				
										Quarterly Executive Report highlighting trends, outstanding actions and high risk rating incidents or hazards	7.2	ME																				
										Embedding of organisational values	7.4	PE																				
										Reactive Controls																						
					8	Innovation and Business Development				IT and Cybersecurity Risk	GM Business Excellence	Lack of alignment and integrity of IT systems and data to support service delivery. 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.					8.1	Failure to adequately involve IT when developing plans, strategies and projects	LIKELY	CATASTROPHIC	Very High	Preventative Controls			ME	POSSIBLE	MODERATE	Medium	8.1, 8.2, 8.3, 8.4, 8.5, 8.6, 8.7, 8.10, 8.13	Business Systems and Solutions Audit (Apr 2018)	8.1, 8.2, 8.3, 8.5, 8.6	Desktop Audit on Strategic Alignment of Investments in ERP Solutions Audit (Jan 2023)
																	8.2	Failure to consider all options when improving a system or process				Programmed testing of systems for security and reliability	8.8, 8.12, 8.11,	ME							8.2, 8.11	Data Governance Audit (Jul 2024)
8.3	Organisational change is not conducted in a structured and logical manner	Penetration testing	8.8, 8.11	ME					8.9				Business Continuity Audit (Jan 2024)																			
8.4	Failure to support the skill set of individuals responsible for the delivery of business systems	Compliance with Information Security Policies and Procedures	8.7, 8.14	ME					8.7, 8.8, 8.12, 8.13, 8.14				Cyber Security Implementation Project Pre-Implementation Audit	8.7, 8.9, 8.11, 8.13	IT Disaster Recovery Audit (Apr 2023)																	
8.5	Lack of business engagement and clarity of roles	Continuous Improvement Framework	8.13	ME																												
8.6	External pressure for changes to systems	Documented and tested Business Continuity Plans	8.13, 8.14, 8.5	ME																												
8.7	Lack of plans and procedures to inform response strategies when a cybersecurity incident occurs	Incident Management Team identified and trained	8.4, 8.15, 8.13	ME																												
8.8	Cyber attack (Unauthorised access/network intrusion, denial of service, vulnerability exploitation, malware, social engineering, hacking, phishing, ransomware)	Building security and access controls	8.8, 8.5	ME																												
8.9	Business Continuity / Disaster Recovery Plans not tested or properly documented	User access system controls	8.8, 8.5	ME																												
8.1	Mobile device management with the potential for a lost or stolen device being used to access Council systems	Patch management and software maintenance procedures	8.12, 8.8	ME																												
8.11	Lack of auditing and logging functions to capture events	Performance of Cyber Security Risk Assessments	8.8, 8.14, 8.2, 8.1	ME																												
8.12	Lack of monitoring of cybersecurity threats to organisational assets	Audit logs for access to systems	8.8, 8.12, 8.14	ME																												
8.13	Lack of communication/training for all staff regarding information security	Documented and embedded Fraud & Corruption Prevention & Management Policy and Framework	8.15	PE																												
8.14	Information to facilitate action during a cybersecurity incident is not available	Documented and implemented Cyber Security Program	8.8, 8.12, 8.14	PE																												
8.15	Staff fraud																															
		Reactive Controls																														
		Documented and tested IT Disaster Recovery Plan	8.9	PE																												
				Climate Change negatively impacts on City of Salisbury's operations, infrastructure, services and the community. Failure to adapt to climate change. Manifestations of climate change include higher temperatures, altered rainfall patterns, and more frequent or intense extreme events such as heatwaves, drought and storms.			9.1	Inadequate understanding of and planning for the impact of climate change on infrastructure and assets							Preventative Controls																9.1 to 9.17	Environmental Sustainability & Climate Change Risk Management Audit (potential 2025/2026 Audit)
							9.2	Business plans fail to adequately address evolving impacts of climate change							Business Continuity Framework (including Plans and testing regime)		ME															
							9.3	Lack of plans and procedures to inform response strategies when climate change related event occurs							Business Continuity staff identified and trained on roles and responsibilities		PE															
					9.4	Information to facilitate action is insufficient or not available	Incident Management Team identified and trained	9.3		ME																						
					9.5	Lack of communication and/or training for relevant staff	Current and maintained IT Disaster Recovery Plan (including testing regime)																									
					9.6	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)	Current and maintained Emergency Management Plan	9.3		ME																						
							Salisbury Water Business Unit – Recycled Water Risk-Based Management Plan including sample testing before water injections are commenced	9.7, 9.8		ME																						
							Participation in Zone Emergency Management Committees – Northern Area																									

Risk ID	Strategic Pillar	Risk Short Name	Risk Owner	Risk Description	Cause #	Causes Potential and Actual	Likelihood	Consequence	Inherent Risk	Critical Controls	Addresses Cause #	Effectiveness Rating	Overall Control Effectiveness	Likelihood	Consequence	Residual Risk	Cause #	Prior Audits	Cause #	Audits in the 3-Year Internal Audit Plan 2022/23-2024/25
9	A sustainable City	Climate Change Risk	All General Managers		9.8	Weather events contribute to a recycled water system contamination event	ALMOST CERTAIN	MAJOR	Very High	Implementation of the Water Course Management Plan including the renewal of Wetlands and desilting/removal of pollutants in waterways as required	9.8, 9.7	ME	ME	POSSIBLE	MODERATE	Medium				
					9.9	Lack of asset management or maintenance				Reviewed and maintained Asset Management Policy and Plans	9.2, 9.16	ME								
					9.10	Inadequate understanding of and planning for factors impacting the environment				Early warning system of text alerts based on Bureau of Meteorology data, implemented by DEWNR	9.4	E								
					9.11	Failure to keep pace with climate change				One in 100 year flood and Probable Maximum Flood modelling including tidal info. in place at individual house level, using digital terrain modelling	9.4, 9.13	ME								
					9.12	Failure to consider environmental consequences when planning and designing infrastructure				Regular monitoring of risk sites e.g. land fill sites, dams	9.7	E								
					9.13	Insufficient modelling of weather events used within Asset Management Planning				Bushfire Management Plan	9.15, 9.12	ME								
					9.14	Inadequate infrastructure to manage stormwater and sea level rises				Reviewed and maintained City Plan/Strategic Plans/Business Plans	9.2, 9.16, 9.13, 9.12, 9.10	ME								
					9.15	Coastal inundation and impact on biodiversity				Watercourse Management capital program	9.15	ME								
					9.16	Failure to update Asset Management Plans				Reviewed and maintained Growth Management Plan	9.3, 9.16, 9.14	E								
					9.17	Lack of adequate resourcing for climate and environmental sustainability				Effective undergrowth management procedures	9.14, 9.12	E								
										Asset Management infrastructure audits		E								
										Compliance with Home Care Common Standards – Operating Manual										
										Reviewed and maintained Learning Strategy, Wellbeing Strategy & Intracultural Strategy	9.17	ME								
										Reactive Controls										
										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)	9.3	ME								
										Evacuation procedures and testing	9.3	ME								
										Extreme Heat response process (for residents)	9.3	ME								
										Adequate insurance	9.3, 9.17	E								
										Adapting Northern Adelaide Adaptation Plan	9.3	ME								
										Building Control and Inspections	9.9, 9.16, 9.14	ME								
										Preventative Controls										
					10.1	Lack of or ineffective community consultation and engagement				Embedded organisational values	10.10	ME					10.7, 10.13	People & Culture Risk Review (Jun 2015)	10.1, 10.2, 10.10, 10.11, 10.17	Community Consultation Process, and Community Perception Survey Effectiveness Audit (Jul 2024)
					10.2	Elected Member cohesion				Communicated and embedded Employee Code of Conduct		E					10.1, 10.11, 10.12, 10.13	Program Review of Twelve25 Salisbury Youth Enterprise Centre (Sep 2012)		
					10.3	Increased regulatory activity				Documented and embedded Employee Conduct Policy										
					10.4	Failure to undertake legislative requirements				Media Policy	10.1, 10.6	ME								
					10.5	Government inquiry				Positive relationships fostered with media and Salisbury Business Association	10.1	ME								
					10.6	Negative media interest				Relevant training provided to Elected Members (e.g. Charing meetings and Meeting Procedures)	10.2	E					10.4	Legislative compliance Audit (Jan 2021)		
					10.7	Staff dissatisfaction				Documented People & Culture policies and procedures	10.8, 10.7, 10.13	ME								
					10.8	Poor performance				Employee induction procedures	10.13	ME								
					10.9	Failure to deliver successful projects				Documented and embedded Volunteers Policy	10.10, 10.11, 10.13	ME								
					10.10	Failure to deliver services expected by the community				Documented Community Consultation Policy	10.1, 10.6	ME								
					10.11	Customer service is not properly monitored or managed				Community Perception Survey	10.6, 10.10, 10.11, 10.12	ME								
					10.12	Not meeting strategic objectives				Effective and comprehensive Community Consultation Process	10.1, 10.10	ME								
					10.13	Inadequate capability and capacity (e.g. workforce plans, training and development, technology, systems)				Provision of general business information and expert advice at Polaris Business and Innovation Centre	10.14, 10.15	ME								
					10.14	Inadequate business advisory services				Comprehensive budget process	10.16, 10.9, 10.8	ME								
					10.15	Insufficient investment opportunities for business				Cost effective business related workshops and seminars	10.15, 10.17	ME								
					10.16	Infrastructure fails to support investment and business activity				Provision of online resources for starting a business, growing a business and developing digital in business	10.15, 10.17	ME								
					10.17	Poorly planned urban growth				Small Business Mentoring Program	10.15, 10.16, 10.17	ME								
										Investment attraction via Invest in Salisbury website	10.15, 10.16, 10.17	PE								
										Salisbury Community Hub as a stimulus to investment	10.15, 10.16, 10.17	E								
										Positive relationships fostered and maintained with local business leaders and relevant State Government teams	10.15, 10.16, 10.17	E								
										Effective Small Business Friendly Council initiatives	10.15, 10.16, 10.17	ME								
10	A growing City that creates new opportunities	Reputation Risk	All General Managers	City of Salisbury reputation suffers due to services provided not meeting community needs and expectations, resulting in a reduction in business investment.			LIKELY	MODERATE	High				ME	UNLIKELY	MODERATE	Medium				

Risk ID	Strategic Pillar	Risk Short Name	Risk Owner	Risk Description	Cause #	Causes Potential and Actual	Likelihood	Consequence	Inherent Risk	Critical Controls	Addresses Cause #	Effectiveness Rating	Overall Control Effectiveness	Likelihood	Consequence	Residual Risk	Cause #	Prior Audits	Cause #	Audits in the 3-Year Internal Audit Plan 2022/23-2024/25
										Polaris Centre Client Satisfaction Scorecard conducted by new focus	10.10, 10.15, 10.16, 10.17	ME								
										Reactive Controls										

INDICATIVE SCOPES FOR PENDING AUDITS ON THE 3 YEAR INTERNAL AUDIT PLAN 2022/2023-2024/2025

(The scopes are indicative only and in early draft format - actual scope will vary pending stakeholder engagement and further input)

1. IT DISASTER RECOVERY AUDIT

The overall objective of the audit is to provide assurance that City of Salisbury has adequate disaster recovery processes in place, and the processes are likely to be effective in the event of a disruption.

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

- A Disaster Recovery Plan exists with the exact steps to be covered if a disaster event occurs.
- The Disaster Recovery Plan steps captures the relevant scenario expectations including Maximum Allowable Outages (MAO), Recovery Point Objective (RPO) and Recovery Time Objective (RTO).
- The approved Disaster Recovery Plan is tested appropriately with relevant test case scenarios.
- Critical systems required to be recovered following a disaster event have been identified.
- Single points of failure have been identified.
- Business Continuity Plans are fully linked with IT disaster recovery arrangements.
- Server infrastructure includes testing of the ability to recover systems; and
- Backups are completed and taken off-site to provide additional resilience in the event of a disaster event.

2. STRATEGIC REPORTING PROCESS AUDIT

The overall objective of the audit is to provide assurance on the processes and controls in place, specifically in relation to the City Plan, Business Planning and Annual Planning.

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

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

3. INDEPENDENT EXTERNAL REVIEW OF INTERNAL AUDIT FUNCTION

The overall objective of the audit is to obtain an understanding and form an opinion on the current Internal Audit function, determine the level of compliance with the Internal Audit Standards, and identify existing issues and areas for improvement.

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

- The City has formalised and adequately designed policies and procedures covering the internal audit process.
- The City is in conformance with mandatory internal auditing requirements, including the Internal Audit Standards.
- The Audit & Risk Committee and management expectations of Internal Audit are being met.
- The Internal Audit is value adding and contributing to the organisational objectives.

4. RATES SETTING PROCESS, REVENUE AND DEBTORS AUDIT

The overall objective of the audit on Rate setting process is to ensure that the Rates setting process comply with legislative compliance requirements, and is appropriately reviewed and validated for accuracy and impact on financial sustainability. The overall objective on review of debtors and revenue side 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.

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

- The City has formalised and adequately designed policies, procedures and framework covering the rate setting process and aligned to the legislative requirements.
- Applicable policies, procedures and legislative requirements are being followed in cases during the rate setting process.
- The relevant assumptions applied in the rate setting process are validated and tested appropriately.
- The public consultation and feedback process are adequately administered and taken sufficient account of ratepayers' feedback on their proposals before finalising rates.
- Rates calculation and application of rates through the rate setting system is accurate.
- Local Government Financial Best Practice Model controls related to rates setting, revenue and debtors are implemented effectively.
- There are no unnoticed, unaccounted, unrealised or unintended revenue losses.
- The City has formalised and adequately designed policies and procedures covering the revenue and debtor management process.
- The City's revenue and debtor management processes are implemented effectively as per agreed policies and procedures.

5. TREE MANAGEMENT FRAMEWORK AUDIT

The overall objective of the audit is to provide assurance that COS has established a Tree Management Framework for the management of its urban forest, covering policy measures in the area of tree planting, tree protection, tree removal, tree asset management, community consultation and engagement, and risk management, and ensure that the framework is adequate and implemented effectively.

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

- The City has formalised policies and procedures covering its Tree Management Framework that are adequately designed and established.

- The Tree Management Framework covers Environmental and Social factors including the trees in public open space and private sphere.
- 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 where relevant.
- 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, Planning, Development and Infrastructure Act 2016, 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.

6. FRAUD AND CORRUPTION PREVENTION CONTROL AUDIT

The overall objective of the audit is to 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.

The scope of the audit is to ensure that the City:

- has an effective fraud control framework, which is integrated with the City's 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.

7. RISK MANAGEMENT AUDIT

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

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

- The City has formalised 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.
- 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.

- The 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.
- The City has implemented any actions arising from LGA Mutual Liability Scheme review recommendations on risk management.

8. BUDGETARY CONTROL AUDIT

The overall objective of the audit is to ensure that the City of Salisbury has robust policies and procedures in place covering the annual budget preparation process, and that budgetary control processes are implemented effectively and comply with legislative requirements.

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

- The City has formalised and adequately designed policies and procedures covering its budgetary control and management process and aligned to relevant legislations.
- The City's approved budget and budgetary control management processes are implemented effectively as per agreed policies and procedures and comply with relevant legislative requirements.
- Budget responsibility and accountability are clearly defined, appropriately allocated and regularly reviewed.
- Budget requirements are effectively reviewed and monitored on a regular basis.
- Budget variances are identified, properly reported and approved.
- Accurate, relevant and timely management information is produced and used effectively to inform decision making and reporting.

9. BUSINESS CONTINUITY AUDIT

The overall objective of the audit is to assess the adequacy of practices and procedures to manage COS's business continuity. The audit will provide assurance that process and the measures in place to ensure that, in the event of a disruption, critical business operations can be maintained, or restored in a timely manner, with minimal impact to the CoS and its stakeholders.

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

- The City has formalised an overarching policy / procedure document covering the business continuity management process.
- Critical systems and functions requiring Business Continuity Plans (BCPs) are identified.
- BCPs are current and adequately developed for all critical functions and systems.
- BCPs for critical functions and systems covers business resumption and continuity / contingency strategies.
- Business Impact Analysis approaches and process are determined and agreed in the BCPs.
- Effective communication plans are established to manage public and media relations in the event of a disruption.
- There is an agreed process in place for activating BCPs when emergencies occur.
- Business continuity plans are adequately monitored and maintained.
- A formalized business continuity training program exists, and all individuals responsible for developing and implementing BCP have been adequately trained.

- Business continuity plans are tested periodically and the test results and lessons learned are reviewed, documented, and applied.

10. GRANTS MANAGEMENT AUDIT

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

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.
- COS has a central register of fund recipients, capturing the details of previous funding received.
- Conflict of interest avoidance measures are incorporated and followed 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.
- Any contingency percentages included in the grant scheme are appropriately allocated and disbursed.
- COS measures the effectiveness of the grant schemes, and use feedbacks for quality assurance purposes in future planning and grant scheme designing.

11. BY-LAWS MANAGEMENT AND ENFORCEMENT PROCESS AUDIT

The overall objective of the audit is to ensure that the City of Salisbury has appropriate policies and procedures for management and enforcement of by-laws, and ensure that the by-laws management and enforcement process is efficient, effective, and complies with relevant legislations.

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

- The City has formalised and adequately designed policies and procedures covering the by-law management and enforcement process.
- The City has appropriate Structure and governance of by-law enforcement teams.
- Feedback from rate payers are appropriately incorporated and by-laws are reviewed and updated on a regular basis.
- Enforcement fines and penalties comply with relevant legislations and are charged accurately.
- The City's methods and approaches to enforcement are adequate and effective.
- There are clearly identified performance measures and metrics for by-law enforcement.
- Enforcement team is sufficiently staffed and appropriately trained.
- By-law related complaints are handled effectively.

12. DATA GOVERNANCE AUDIT

The overall objective of the audit on data governance is to provide assurance that City of Salisbury data governance processes ensure adequate protection of information and effective data management required to meet organisational needs.

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.
- A process is in place for training of new staff and refresher training for existing staff to provide understanding of the Records Management system and requirements.
- 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.
- Data inventories are maintained and managed with appropriate levels of data security level category classifications, where relevant.
- 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. (Note: The audit will focus only on the safety and security aspects of data itself and full-fledged cybersecurity review is beyond the scope of this audit.)

13. COMMUNITY CONSULTATION PROCESS, AND COMMUNITY PERCEPTION SURVEY EFFECTIVENESS AUDIT

The overall objective of the audit is to provide assurance that the City's community consultation and engagement process is adequate and effective, and ensure that the community perception surveys undertaken are effective and achieving intended objectives.

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

- The City has formalised, adequately designed and current policies, procedures and framework covering the community consultation, engagement and community perception survey process.
- Any legislative compliance requirements in relation to community consultation process are met.
- Contemporary engagement tools and best practices are incorporated within the community consultation process.
- Community engagement strategies are developed and implemented effectively.
- Community need assessments are undertaken effectively through the community consultative process, and applied in policy, planning, strategy formulation and service delivery.
- Community perception survey results are evaluated appropriately and systematically apply any resultant learning outcomes in policy, planning, strategy formulation and service delivery.
- Community consultation, engagement initiatives and perception survey outcomes are reported to senior management and Council appropriately.

ITEM 7.1.4

AUDIT AND RISK COMMITTEE

DATE 11 July 2023

HEADING Internal Controls Framework and Audit and Risk Committee section for Annual Report 2022/2023

AUTHOR Hussain Rafeeu, Internal Auditor & Risk Coordinator, CEO and Governance

CITY PLAN LINKS 4.4 We plan effectively to address community needs and identify new opportunities.
4.5 We engage meaningfully and our community is aware of Council initiatives.

SUMMARY The City of Salisbury Annual Report refers to the operations and financial activities of Council in the previous financial year. It also contains sections which detail the operations and membership of the Audit and Risk Committee of Council and the Financial Internal Controls Framework.

This report contains the draft text for these sections of the annual report for review by the Audit and Risk Committee.

RECOMMENDATION

That Council:

1. Approves the proposed inclusions in the annual report relating to the operations and membership of the Audit and Risk Committee for the 2022/2023 financial year as set out in Attachment 1 to this report (Audit and Risk Committee, 11/07/2023, Item 7.1.4).

ATTACHMENTS

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

1. Internal Controls Framework and Audit Committee section for inclusion in the Annual Report 2022/2023

1. BACKGROUND

- 1.1 Council is required, under Section 131 of the *Local Government Act 1999* to publish an annual report. The annual report must be prepared and adopted by 30 November each year. Contained within the annual report is information regarding Council's operating and financial activities for the previous financial year. It also includes information relating to the operations of the Audit and Risk Committee of Council.
- 1.2 Each year, the Audit and Risk Committee reviews the statements to be included in the annual report concerning internal audit and risk management.

- 1.3 The full annual report is presented each year to the Governance and Compliance Committee for review and recommendation to Council. To allow the Audit and Risk Committee to consider sections relevant to its operations prior to inclusion in the annual report, the relevant text is presented separately to the Audit and Risk Committee.
- 1.4 Section 126(9) of the *Local Government Act 1999* enacted in the *Statutes Amendment (Local Government Review) Act 2021* will require that the annual report of Council's Audit and Risk Committee is included in its annual report. This local government reform provision is not in effect yet and will be complied with for next year's annual report.

2. REPORT

- 2.1 The City of Salisbury's annual report is a vehicle for the publication of Council's end of financial year statements and a summary of its operating activities over the previous financial year. Financial statements will be presented to the Audit and Risk Committee for review at the October 2023 meeting.
- 2.2 The operations of the Audit and Risk Committee, together with information regarding the Financial Internal Controls Framework are outlined in the annual report. A draft of the proposed text for inclusion in the annual report on these subjects is provided as Attachment 1.
- 2.3 The proposed text is concise and prepared on the basis that the audience will be a variety of stakeholders including local residents and the Minister for Local Government. It gives a brief explanation of the Financial Internal Controls Framework, the work of the Audit and Risk Committee and its membership throughout the year 2022/2023.
- 2.4 Once the Audit and Risk Committee have reviewed the proposed text, the Community Experience and Relationships division will include this in the draft annual report 2022/2023, which will be presented to the Audit and Risk Committee as a draft, and to the Governance and Compliance Committee for recommendation to the Council.

3. CONCLUSION / PROPOSAL

- 3.1 The proposed inclusions in the annual report provide information relating to the operations and membership of the Audit and Risk Committee of Council in the 2022/2023 financial year. The draft text is provided for review, prior to submission for inclusion in the draft annual report.

Audit and Risk Committee of Council

The Audit and Risk Committee reports to Council and is a critical component of the Council's governance framework. The Audit and Risk Committee is established in accordance with Section 126 of the *Local Government Act 1999*. Its functions as per the Act are as follows:

- reviewing annual financial statements to ensure that they present fairly the state of affairs of the council;
- proposing, and providing information relevant to, a review of the council's strategic management plans or annual business plan;
- proposing, and reviewing, the exercise of powers under section 130A;
- liaising with the council's auditor; and
- reviewing the adequacy of the accounting, internal control, reporting and other financial management systems and practices of the council on a regular basis.

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

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

Audit & Risk Committee Membership July 2022 – June 2023

Name	Elected Member Or Independent Member	Term and Period	Total Number of Meetings Attended
Cr Graham Reynolds	Elected Member	As Chair (Up to February 2023)	3 out of 3
Cr Kylie Grenfell	Elected Member	As Deputy Chair (Up to February 2023) As Chair (from February 2023 onwards)	5 out of 5
Cr Beau Brug	Elected Member (Deputy Chair)	As Deputy Chair (from February 2023 onwards)	2 out of 2
Mr Craig Johnson Independent consultant	Independent Member	Continuing member for full Financial Year	5 out of 5
Mr Neil Ediriweera Partner, KPMG	Independent Member	Continuing member for full Financial Year	5 out of 5
Ms Paula Davies Professional Standards Director	Independent Member	Continuing member for full Financial Year	5 out of 5

Financial Internal Controls Framework

The City of Salisbury follows the Local Government Better Practice Model – Financial Internal Control for South Australian Councils. In order to demonstrate compliance with this model, the City operates an extensive financial internal controls framework. The framework is designed to ensure financial processes, procedures, policies and systems are applied efficiently and effectively in order to mitigate the financial risks identified in the Model. Oversight of the financial internal control framework is provided by The Audit and Risk Committee of Council, through the Governance Division. The financial internal controls framework of the Council is audited by the City of Salisbury's external auditor.

Internal Controls

The City of Salisbury utilises a risk and control management application called Control Track, to monitor and review its internal financial controls. There are approximately 260 controls within Control

Track across 7 classes: Assets, Expenses, External Services, Liabilities, Revenue, Strategic Financial Planning and Financial Governance.

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

All of the 260 controls in the Better Practice Model were assessed and reviewed in 2022/23. Three controls (1.15%) were assessed as being partially effective, and the other controls assessed are rated as either effective or majority effective. Treatment plans have been established to improve the rating for the three controls that are assessed as partially effective.

Internal audits

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

The following audits were completed and reported to the Audit and Risk Committee in the 2022/2023 period:

- Cybersecurity Improvement Program Pre-Implementation Audit
- Fleet, Heavy Vehicle, High Value and Portable Assets Audit

The audit on the Cybersecurity Improvement Program Pre-Implementation was performed by s cybersecurity specialist vendor to assist management in identifying any gaps or areas for improvements in the approach, design and implementation strategy of the CSIP after reviewing the COS's current cybersecurity control environment.

An audit on the Fleet, Heavy Vehicle, High Value and Portable Assets was performed in-house to provide assurance that the established governance and risk management processes are sufficiently robust to manage, protect and ensure the viability of the Fleet, Heavy Vehicle, High Value and Portable assets.

Actions were identified to address the total 14 risk findings from these two internal audits, for implementation by the Council as per agreed deadlines and the status of actions are monitored and reported to the Audit and Risk Committee on a quarterly basis.

The following internal audits have commenced in 2022/2023 and are in progress, to be completed and reported to Audit and Risk Committee in 2023/2024:

- Desktop Audit on Strategic Alignment of Investments in Enterprise Resource Planning (ERP) Solutions.
- Strategic Reporting Process Audit.

Risk Management

During the year, the Audit and Risk Committee reviewed COS's Enterprise Risk Management Framework, covering the Council's risk appetite, following the review of its Enterprise Risk Management Policy in the previous year. The Risk Management and Internal Controls Activities report is reviewed by the Audit and Risk Committee which captures the review of strategic risk register and other risk management and internal control activities on a quarterly basis.

ITEM	7.1.5 AUDIT AND RISK COMMITTEE
DATE	11 July 2023
HEADING	Risk Management and Internal Controls Activities
AUTHOR	Hussain Rafeeu, Internal Auditor & Risk Coordinator, CEO and Governance
CITY PLAN LINKS	4.2 We deliver quality outcomes that meet the needs of our community 4.4 We plan effectively to address community needs and identify new opportunities
SUMMARY	This report provides an update on the risk management and internal control activities undertaken and planned for the 2022/2023 reporting period.

RECOMMENDATIONThat Council:

1. Notes the update on Risk Management and Internal Control Activities for the 2022/2023 reporting period, as set out in Attachment 1 to this report (Audit and Risk Committee, 11 July 2023, Item No.7.1.5).
2. Adopts the Strategic Risk Register categories and risk descriptions for the new Strategic Risk Register, considering input and feedback from Audit and Risk Committee, as set out in Attachment 2 to this report (Audit and Risk Committee, 11 July 2023, Item No. 7.1.5).
3. Notes the current Strategic Risk Register as set out in Attachment 3 to this report (Audit and Risk Committee, 11 July 2023, Item No. 7.1.5).

ATTACHMENTS

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

1. Risk Management and Internal Controls Activities
2. New Strategic Risk Register Risk Categories and Description
3. Current Strategic Risk Register

1. BACKGROUND

- 1.1 This report provides an update on the risk management and internal control activities undertaken in 2022/2023 and planned for 2023/2024. The report allows the Audit and Risk Committee to monitor and review the activities and assurance they provide.

2. REPORT

- 2.1 The risk management and internal control activities undertaken in 2022/2023 and planned for the 2023/2024 reporting period are summarised in Attachment 1 and have been updated since they were last reviewed by the Audit and Risk Committee in November 2022.
- 2.2 Administration has held two workshops to review the Strategic Risk Register, and determined with input from Executive that some of the current risks lost current relevance, new risks have emerged and some required consolidation. Administration determined to remove the following three risks:
 - 2.2.1 Recycled Water Contamination Risk: The outcome from the first workshop was to consolidate this risk under the category “Water and Waste Management Risk”. Subsequently, at the second workshop, Water and Waste Management Risk was considered as less relevant as a strategic risk category and therefore removed.
 - 2.2.2 Public and Environmental Health Risk: The outcome from the first workshop was to focus this risk under the category “Impact of Pandemic”. The Impact of the Pandemic risk category has been consolidated under “Business Continuity & Emergency Management Risk.”
 - 2.2.3 Reputation Risk – the outcome of the second workshop acknowledged Council’s reputation is a strategic concern because it is connected to and magnified by other business risks. Given that reputation risk is a byproduct of another business risk rather than a standalone risk, it was proposed to remove this category from the Strategic Risk Register.
- 2.3 Following the removal and consolidation of risks from the current strategic risk register, the following eight strategic risks are now determined for the new strategic risk register:
 - 2.3.1 Financial Sustainability Risk
 - 2.3.2 Cybersecurity Risk
 - 2.3.3 Information Systems and Information Technology (IS/IT) Risk (excluding Cybersecurity)
 - 2.3.4 Assets and Infrastructure Management Risk
 - 2.3.5 Business Continuity & Emergency Management Risk
 - 2.3.6 Climate Change Adaptation Risk
 - 2.3.7 Human Resources, Organisational Capability and Safety Risk
 - 2.3.8 Ineffective Governance Risk

Administration seeks feedback from the Audit and Risk Committee on the proposed risk descriptions.
- 2.4 The current Strategic Risk Register is set out in Attachment 3 for reference.

3. CONCLUSION / PROPOSAL

- 3.1 This report has provided a summary of the risk management and internal controls activities undertaken for the 2022/2023 reporting period and planned for 2023/2024, since it was last presented to Audit and Risk Committee in November 2022.
- 3.2 Administration is seeking input and feedback to finalise the risk descriptions for the new strategic risk categories determined, as in attachment 2 of this report.

Risk Management and Internal Controls Activities – July 2022 to June 2023

v1.4

Annual Plan - July 2022 to June 2023					
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	In progress	This piece of work is legislatively mandated. Internal audit is heavily involved in facilitating the work.	The Interim Report from the external auditors for FY2022/2023 is presented to the July 2023 Audit and Risk Committee meeting. Final Audit Completion report for last completed financial year was presented to Audit and Risk Committee in October 2022.
2. Completion of Control Self-Assessments and Risk Assessments through the Control Track system, including external audit preparation	Internal Controls	Internal	Completed	The external auditor's expectations are that at least one control self-assessment will be conducted annually and a risk assessment should also be conducted on financial internal controls.	The control self-assessments for the Financial Year 2022/2023 was completed in May 2023 and the controls were audited by External Auditor in the Interim Audit in June 2023. Interim audit report is issued and presented to the July 2023 Audit and Risk Committee meeting.
3. Cash Management	Internal Controls	Internal	In progress	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 2023 for the 2022/2023 period to substantiate the information to be contained within the Annual Financial Statements. A memo to the GM Business Excellence is being prepared. No issues were identified at this stage.

Risk Management and Internal Controls Activities – July 2022 to June 2023

v1.4

Annual Plan - July 2022 to June 2023					
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	Completed	The annual self-assessment reviews the performance of the Audit Committee.	Audit and Risk Committee self-assessment was undertaken in March 2023 for the calendar year ending 31 December 2022 and reported to the April 2023 Audit and Risk Committee meeting.
5. Develop documented risk management framework	Risk Management	Internal	Completed	Contributes to the vision of having an organisation wide, consistent, usable risk management framework to encourage and inform risk management.	Following the development of an Enterprise Risk Management (ERM) Policy and an ERM Program Roadmap, an ERM Framework document was developed and council adopted by Council, along with COS's risk appetite statement in November 2022.
6. Assurance Map	Risk Management	Internal	Completed	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 Assurance Map was developed using the Institute of Internal Auditor's (IIA's) Three Lines Model as the theoretical framework and an Interim Report presented to the July 2022 Audit and Risk Committee.

Risk Management and Internal Controls Activities – July 2022 to June 2023

v1.4

Annual Plan - July 2022 to June 2023					
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. Strategic Risk Register Review	Risk Management	Internal	In progress	Given the dynamic nature of macro factors affecting COS's strategic risk environment, and emerging risks, Administration determined to review the strategic risk register.	Two executive workshops have been held during this financial year, and Administration has identified some risks on the current strategic risk register may not be relevant and emerging risk areas identified to be more relevant. The risk categories and risk descriptions for the new strategic risk register is presented to the July 2023 Audit and Risk Committee for review, input and feedback.
8. ERM Roadmap Deliverable – Operational Risk Registers for all Divisions	Risk Management	Internal	In progress	Establishing and maintaining an operational risk register for each division is required under the ERM Framework adopted by Council.	Governance Division is facilitating this process and working with the Divisional Managers to have their operational risk registers updated along with training key stakeholders on how to use the ERM Framework. The training and updating operational risk registers for all divisions is expected to be completed by end of December 2023.

City of Salisbury (COS) - Strategic Risk Register Risk Descriptions

(As at 11 July 2023)

Risk #	Risk short name	Risk Owner	Current Risk Description	Risk Description - Discussed at 22/6/23 Exec Workshop	Revised Risk Description following Exec Workshop (22/6/23) to incorporate in A&RC Agenda for A&RC discussion.
			There is a risk of/that:	There is a risk of/that:	
1	Financial Sustainability Risk	Primarily: GM Business Excellence; Secondarily: Other GMs	City of Salisbury financial sustainability is compromised by internal decisions and / or external events. 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.	There is a risk that the long term financial stability of the Council may be affected and financial commitments and requirements may not be met for Council operations and delivery of services.	Revised: There is a risk that the long term financial sustainability is compromised and may impact the Council's capacity to respond to emerging needs of Council, and meet the financial commitments and requirements for Council's operations and delivery of services.
2	Cybersecurity Risk	Primarily: GM Business Excellence	Lack of alignment and integrity of IT systems and data to support service delivery. 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.	There is a risk that inadequate and ineffective IT security controls may leave the organisation vulnerable to cyber attacks, having potential for harm or loss arising from the unauthorized access, use, disclosure, disruption, or destruction of personal organisation data / information or information systems.	Revised: There is a risk that inadequate and ineffective IT security controls may leave the organisation vulnerable to cyber attacks, having potential for harm or loss arising from the unauthorized access, use, disclosure, disruption, or destruction of personal and organisational data / information.
3	Information Systems and Information Technology (IS/IT) Risk (excluding Cybersecurity)	Primarily: GM Business Excellence; Secondarily: Other GMs	previously bundled up with Cybersecurity risk (above).	There is a risk that the ERP system and other information systems and technology solutions may not be adequate or effectively implemented, and may negatively affect the efficiency and effectiveness of service delivery and operations of the Council. There is a risk that IS/IT strategy may not be aligned to the business strategy and council not being able to keep pace with the changing technology better practices.	Revised: There is a risk that the lack of alignment, data integrity, and the effectiveness of information systems and technology strategy deployment may not adequately support the efficiency and effectiveness of Council operations and service delivery.

Risk #	Risk short name	Risk Owner	Current Risk Description	Risk Description - Discussed at 22/6/23 Exec Workshop	Revised Risk Description following Exec Workshop (22/6/23) to incorporate in A&RC Agenda for A&RC discussion.
			There is a risk of/that:	There is a risk of/that:	
4	Assets and Infrastructure Management Risk	Primarily: GM City Infrastructure; Secondarily: GM Business Excellence; GM City Development	Currently placed under Environmental and Social Risks: 'Failure to manage the impact of environmental and social factors on Council infrastructure, assets and services. The detrimental effect on Council assets and infrastructure caused by environmental factors, including climate change, is not adequately addressed through Council planning. The detrimental effect on Council assets and infrastructure caused by social factors, such as changes in demographics, is not adequately addressed through Council planning.	There is a risk that the acquisition, development, operation, maintenance, safe demolition and financing of Council's assets and infrastructure may not be managed in a sustainable manner for operation and provision of Council's services.	Revised: There is a risk that the planning , acquisition, development, operation, maintenance, safe demolition and financing of Council's assets and infrastructure may not be managed in a sustainable manner for operation and provision of Council's services.
5	Business Continuity & Emergency Management Risk	Primarily: CEO; Secondarily: GM City Infrastructure	There is a risk of inadequate response to a business continuity or emergency event, or major incident at a Council run Community event. CoS' continued ability to support essential, critical business activities and access available key business resources is impacted as a result of failure to prepare for, respond to and recover from a disaster (e.g. fire, flood, explosion, earthquake, storm, aircraft crash). CoS experiences negative impacts to CoS' brand and image, legal and cost implications, and public & staff safety as a result of failure to prepare for and respond to a major incident at a Council run community event.	There is a risk that potential threats including emergency events, natural disasters, technological incidents and other unforeseen events can disrupt the Council's ability to function normally and carry out its operations, and effective controls and processes to respond and recover from such threats are not planned and implemented.	No change required. There is a risk that potential threats including emergency events, natural disasters, technological incidents and other unforeseen events can disrupt the Council's ability to function normally and carry out its operations, and effective controls and processes to respond and recover from such threats are not planned and implemented.

Risk #	Risk short name	Risk Owner	Current Risk Description	Risk Description - Discussed at 22/6/23 Exec Workshop	Revised Risk Description following Exec Workshop (22/6/23) to incorporate in A&RC Agenda for A&RC discussion.
			There is a risk of/that:	There is a risk of/that:	
6	Climate Change Adaptation Risk	Primarily: GM City Development; Secondarily: Other GMs.	Climate Change negatively impacts on City of Salisbury's operations, infrastructure, services and the community. Failure to adapt to climate change. Manifestations of climate change include higher temperatures, altered rainfall patterns, and more frequent or intense extreme events such as heatwaves, drought and storms.	In terms of climate change adaptation, there is a risk that failure to plan and adapt to severe changes in climate conditions including but not limited to extreme fluctuations in temperatures, altered rainfall patterns, bushfires, heatwaves, cyclones, drought and storms may negatively impact City of Salisbury's service provision and operation. In terms of environmental sustainability, there is a risk that the use of unsustainable products and the application of unsustainable practices that are not environmentally and ecologically friendly, may harm the environment resulting in depletion of natural resources and degradation of ecosystems and negatively affect Council's operations and service provision.	Revised: (to bring in the social impact, remove environmental sustainability risk) There is a risk that failure to plan and adapt to severe changes in climate conditions including but not limited to extreme fluctuations in temperatures, altered rainfall patterns, bushfires, heatwaves, cyclones, drought and storms may negatively impact City of Salisbury's operations, infrastructure, services and the community.
7	Human Resources, Organisational Capability and Safety Risk	Primarily: GM Business Excellence; Secondarily: Other GMs	Currently placed under WHS Risk: Immature and inadequate work health safety policies and procedures result in an unsafe working environment. 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.	There is a risk that lack of efficient and effective implementation of systems and process for human resource management, work health and safety and organisational capacity development can lead to inadequate, insufficient, and inappropriately skilled human resources and capability for effective council operation and service delivery, and the safety and well being of human resources may not be sustainable. Risk that human resources may not meet the people and culture needs for the future growth of the business, Having the capability to deliver the future expectations of business needs.	Revised: (to bring in elements of culture, capacity and future needs) There is a risk that City of Salisbury may not be able to maintain the required human resource capacity, people and culture needs to meet the current and future growth expectations of the Council.

Risk #	Risk short name	Risk Owner	Current Risk Description	Risk Description - Discussed at 22/6/23 Exec Workshop	Revised Risk Description following Exec Workshop (22/6/23) to incorporate in A&RC Agenda for A&RC discussion.
			There is a risk of/that:	There is a risk of/that:	
8	Ineffective Governance Risk	Primarily: CEO; Secondarily: Other GMs.	Ineffective governance results in the provision of services which do not meet community expectations. Inadequate decision making. Failure to integrate governance to enable the meeting of strategic objectives.	There is risk that failure to set up and maintain appropriate governance structures, systems, processes and practices may hinder the operation, service delivery and achievement of objectives for COS in a transparent, accountable and efficient manner and meet community expectations.	No change required. There is risk that failure to set up and maintain appropriate governance structures, systems, processes and practices may hinder the operation, service delivery and achievement of objectives for COS in a transparent, accountable and efficient manner and meet community expectations.
	Water and Waste Management Risk	Primarily: GM City Infrastructure; Secondarily: GM Business Excellence	Currently placed under "Recycled Water Contamination Risk": 'Contamination of the recycled water systems. CoS experiences reduced environmental, economic and social benefits due to failure to prevent, prepare for and respond to contamination of the Salisbury Water recycled non-drinking water distributed to parks, reserves, schools, industry and some new residential sub-divisions.	There is a risk of contamination of recycled water systems affecting the quantity and quality of water supplied by Salisbury Water. There is a risk that waste water and solid waste from community may not be managed appropriately leading to public health hazards and compliance risks.	REMOVED RISKS (not Relevant now)
	Impact of Pandemic	Primarily: GM City Development; Secondarily: Other GMs.	Currently placed under "Public and Environmental Health Risk": 'Lack of management of public and environmental health risks. Community experiences illness or injury due to a failure to deliver public and environmental health and safety outcomes for the community (includes food safety, dog and cat management, by-law enforcement and parking control).	There is a risk that lack of planning for prevention, preparedness, response and recovery from the impact of pandemic, may negatively affect COS's operations as well as the health & well-being of the COS community. COVID-19 pandemic triggered global implications. This has given rise to key risks of disruption to operations, technology risks associated with remote working, finances and health of employees, impact on contractual arrangements, impact on work, workplace culture and compliance obligations with new rules. Supply chain disruption and high absenteeism impeding Council's ability to deliver services to the community.	REMOVED RISKS (not Relevant now)

Risk #	Risk short name	Risk Owner	Current Risk Description	Risk Description - Discussed at 22/6/23 Exec Workshop	Revised Risk Description following Exec Workshop (22/6/23) to incorporate in A&RC Agenda for A&RC discussion.
			There is a risk of/that:	There is a risk of/that:	
	Reputation Risk	Primarily: CEO; Secondarily: Other GMs.	City of Salisbury reputation suffers due to services provided not meeting community needs and expectations, resulting in a reduction in business investment.	There is a risk that City of Salisbury's reputation and public perception may be negatively affected, and may result in loss of public trust, investor confidence, community support and engagement, due to the ineffective management of reputational risk.	REMOVED RISKS (not Relevant now)

City of Salisbury (COS)				CURRENT		Inherent Risk		Residual Risk		Treated Risk																					
Strategic Risk Register				Current as at: 11/07/2022		Inherent Risk		Residual Risk		Treated Risk																					
Risk #	Strategic Pillar	Risk short name	Risk Owner	Risk Description	Causes Potential and Actual	Consequences	L	C	Inherent Risk	Critical Controls	Addresses Cause #	Effectiveness as rating	Overall Control	L	C	Current Risk Level	ACCEPT THE RISK AT THIS	Treatment Actions (ralize - action covers multiple risks)	Who	When by?	Change/ Trend?	Delivery Status	Treatment Implementation Progress	Treated Risk Rating							
				There is a risk effect:	Causes # What are the contributing factors as to this and why this risk occurs right now? What would cause the event to occur in the future (based on what we know now)?	What would the consequences be to COS if the risk did occur?			What controls are in place to manage the risk? (controls either reduce the likelihood or consequences) Align to causes where possible									What are the things we should be doing that we currently are not? Once implemented becomes a new control	Accountability	If Completed, enter "Completed" or enter Target Completion Date	Outlook of Risk	Delivery Status	Treatment Action status/ Commentary	Overseer of Control (over %)	Implementer of Control (over %)	L	C	Post Treatment Analysis (if all)			
1	A welcoming and livable City	Business Continuity Risk	Manager Governance	There is a risk of inadequate response to a business continuity or emergency event, or major incident at a Council run Community event, CoS' continued ability to support essential, critical business activities and access available key business resources is impacted as a result of failure to prepare for, respond to and recover from a disaster (e.g. fire, flood, explosion, earthquake, storm, aircraft crash). CoS experiences negative impacts to CoS' brand and image, legal and cost implications, and public & staff safety as a result of failure to prepare for and respond to a major incident at a Council run community event." "It has been recognised that the risk relating to an incident occurring at an event sponsored or partnered by Council is still relevant however need not be recorded on the Strategic Risk Register.	1.1 Lack of plans and procedures to inform response strategies when a business continuity or emergency event occurs 1.2 Lack of communication/training for relevant staff required to respond to business continuity and emergency events 1.3 Information to facilitate action during business continuity or emergency events is insufficient or not available 1.4 Impact of climate change on weather patterns 1.5 COVID-19 pandemic 1.6 Inadequate procedures and plans in place to prevent incidents 1.7 Lack of asset management and maintenance 1.8 Inadequate due diligence performed by CoS in order to identify relevant risks related to the management and delivery of community events	Service delivery to community severely compromised, reputational damage, loss of morale and resources, compromised regulatory decisions, death/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.	ALMOST CERTAIN	CATASTROPHIC	Very High	Preventative Controls Current and maintained Business Continuity Framework (including Plans and testing regime) Maintaining and reviewing Business Continuity Framework Performance testing of BCP scenarios Business Continuity staff identified and trained on roles and responsibilities Incident Management Team identified and trained Key ICT members actively participating within the Zone Emergency Management Committee - Northern Area Training of all potential event owners on risk identification and due diligence assessment Effective and regularly reviewed COVID action plans Formal information exchange between City Infrastructure Bookings and Events Team to identify community events involving CoS assets Participation in Zone Emergency Management Committees - Northern Area Distribution and maintenance of effective VPN network access to all relevant staff Evacuation procedures and testing Building Control and Inspections Provision and maintenance of Building safety systems - e.g. exit signs, fire extinguishers, wardens etc., induction process Reviewed and maintained Asset management plans Risk assessments performed for community events Maintaining and reviewing Event Management Plans Compliance with Event Management Guidelines Reactive Controls Current and maintained IT Disaster Recovery Plan (including testing regime)	1.1, 1.3 1.1, 1.3 1.1 1.2 1.2 1.2 1.5 1.2 1.5, 1.4 1.6 1.6 1.7 1.7 1.8 1.8 1.8 1.1	ME ME ME PE PE E ME E E ME ME ME ME ME ME PE	ME	POSSIBLE	MODERATE	Medium	NO	1. Develop and deliver training on business continuity to relevant staff 2. Delivery of Emergency Management Project	Team Leader Corporate Governance Emergency Management Project Coordinator	Completed 30/04/2022	Same Overdue	On Track	The Emergency Management Policy and Emergency Management Plan have been adopted. The Incident Operations Framework has been adopted. The project has been substantially completed from a design and documentation point of view.							POSSIBLE MODERATE	Medium
2	A sustainable City	Recycled Water Contamination Risk	GM Business Excellence, GM City Infrastructure	Contamination of the recycled water systems. CoS experiences reduced environmental, economic and social benefits due to failure to prevent, prepare for and respond to contamination of the Salisbury Water recycled non-drinking water distributed to parks, reserves, schools, industry and some new residential subdivisions.	2.1 Inadequate monitoring plans and sample testing 2.2 Failure to respond appropriately in the event of contamination 2.3 Failure of controls within the Recycled Water Risk Based Management Plan 2.4 Wet weather could hamper clean-up operations or contribute to a contamination event 2.5 PFAS and PFQA infiltration 2.6 Act of Terrorism 2.7 Illegal dumping	Impacts: Financial cost of replacing supply with SA Water and clean-up costs, financial impact of rectification, failure to fulfil commercial contractual obligations, reputational damage, regulatory or government intervention and/or fines, revenue reduction, health risk to staff and community.	POSSIBLE	CATASTROPHIC	High	Preventative Controls Salisbury Water Business Unit - Recycled Water Risk-Based Management Plan including sample testing before water injections are commenced 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. Implementation of the Water Course Management Plan including the renewal of Wetlands and desilting/removal of pollutants in waterways as required. Review of Risk Based Management Plan every five years Maintenance of the CoS Contaminated Sites Register Reactive Controls 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. 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). Employee Media Policy and Procedure and Elected Member Media Policy	2.1 2.2 2.3 2.1 2.1 2.1 2.1 2.2 2.2	ME E ME ME PE ME ME ME ME	ME	UNLIKELY	MAJOR	Medium	NO	1. Implementation of relevant findings from the Management of Contaminated Sites Audit - monitored within Audit Log Actions Register.	GM City Infrastructure	30/06/2026	Same Overdue	On Track	30/6/23: Site Categorisation as per NEPM, 2025 - Develop ICIMP.						UNLIKELY MODERATE	Medium	
3	A welcoming and livable City	Public and Environmental Health Risk	GM City Development	Lack of management of public and environmental health risks. Community experiences illness or injury due to a failure to deliver public and environmental health and safety outcomes for the community (includes food safety, dog and cat management, by-law enforcement and parking control).	3.1 Inadequate management, monitoring or testing 3.2 Failure to respond appropriately in the event of an incident 3.3 Animal/vermin infestation 3.4 Noxious plants 3.5 Failure of waste disposal contractor to meet contractual obligations	Financial impact to rectify a health and safety incident, reputational damage, regulatory or Government intervention or compensation, health risk to staff and the public.	LIKELY	MAJOR	High	Preventative Controls Compliance with Public Health and Environmental Policies and Procedures Performance of General Inspections Accurate completion of Food Safety Inspection Performance of infrastructure maintenance activities Provision of all Food Safety inspection documentation to relevant business Proprietors Activating the relevant initiatives within the CoS Regional Public Health Plan Administration and management of CoS' responsibilities under the Food Act Compliance with and training on Employee Media Policy and Procedure and Elected Member Media Policy Accurate completion of Food Safety Audit Report Overseer Undertaking the Mosquito Control Program Provision of Immunisation Services Current and maintained Animal Management Plan Undertaking Dog Patrols Reactive Controls Enforcement of the CoS' responsibilities under the SA Public Health Act Enforcement of the CoS' responsibilities under the Dog and Cat Management Act	3.1 3.1 3.1 3.1 3.1 3.1 3.1 3.1 3.1 3.1 3.1 3.1 3.1 3.1 3.1 3.1 3.1	ME E ME E ME E ME ME ME ME ME ME ME E E E E	ME	POSSIBLE	MAJOR	High	YES														
4	A sustainable City	Environmental and Social Risks	GM City Development, GM City Infrastructure, GM Community Development	Failure to manage the impact of environmental and social factors on Council infrastructure, assets and services. The detrimental effect on Council assets and infrastructure caused by environmental factors, including climate change, is not adequately addressed through Council planning. The detrimental effect on Council assets and infrastructure caused by social factors, such as changes in demographics, is not adequately addressed through Council planning.	4.1 Inadequate understanding and planning for factors impacting the environment 4.2 Failure to consider environmental consequences when planning and designing infrastructure 4.3 Insufficient modelling of weather events used within Asset Management Planning 4.4 Inadequate infrastructure within the City to manage stormwater and sea level rises due to storm events 4.5 Inadequate understanding of and planning for the impact of climate change on City infrastructure and assets 4.6 Failure to monitor and forecast demographic changes in the City and adjust objectives and plans accordingly 4.7 City Plan becomes obsolete or fails to anticipate the financial impact of demographic changes	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.			Preventative Controls Early warning system of text alerts based on Bureau of Meteorology data, implemented by DEWR Bushfire Management Plan Watercourse Management capital program One in 100 year flood and Probable Maximum Flood modelling including tidal info. in place at individual house level, using digital terrain modelling. Adapting Northern Adelaide Plan Reviewed and maintained Asset Management Policy and Plans	4.1 4.1 4.1, 4.9 4.3 4.2 4.10, 4.3, 4.2	ME E ME ME ME ME ME	ME			NO	1. Development of a Sustainability Plan. 2. Delivery of Emergency Management Project (including review of Emergency Management Plan)	GM City Development Manager Governance	31/07/2022 30/04/2022	Same Overdue	Overdue	substantially complete	90%	0%								

[illegible]

[illegible]

Risk #	Strategic Pillar	Risk short name	Risk Owner	Risk Description	Causes Potential and Actual	Consequences	L	C	Inherent Risk	Critical Controls	Addreses Cause #	Effectiveness as rating	Overall Control	L	C	Current Risk Level	ACCEPT THE RISK AT THIS	Treatment Actions (Rallies = action covers multiple risks)	Who	When by?	Change/Trend?	Treatment Implementation Progress				Treated Risk Rating		
	Strategic Objectives (City Plan 2025 Director)	Short reference:	Responsible	There is a risk affact:	Cause # What are the contributing factors as to how and why this risk occurs right now? What would cause the event to occur in the future (based on what we know now)?	What would the consequences be to COS if the risk did occur?			If all controls fail, how bad can it be?	What are the things we do to manage the risk? (controls either reduce the likelihood or consequences) Align to causes where possible.	Relevant controls to each cause - and which cause has one or more critical or major controls.	Effective: Fully Effective, Partially Effective, Largely Ineffective				After controls, how bad is it now?	RISK TREATED TO ALARP (As Low As Reasonably Practicable) (%) N/A	What are the things we should be doing that we currently are not? Once implemented becomes a new control.	Accountability	If Complete, enter "Complete" or enter Target Completion Date.	Outset of Risk	Delivery Status	Treatment Action status / Commentary	Governance of Control (Invent %)	Implementation of Control (Invent %)	L	C	Post-Treatment Analysis (Y/N)
10	A growing City that enables new opportunities	Reputation Risk	All General Managers	City of Salisbury reputation suffers due to services provided not meeting community needs and expectations, resulting in a reduction in business investment.	10.1 Lack of or ineffective community consultation and engagement 10.2 Elected Member cohesion 10.3 Increased regulatory activity 10.4 Failure to undertake legislative requirements 10.5 Government inquiry 10.6 Negative media interest 10.7 Staff dissatisfaction 10.8 Poor performance 10.9 Failure to deliver successful projects 10.10 Failure to deliver services expected by the community 10.11 Customer service is not properly monitored or managed 10.12 Not meeting strategic objectives 10.13 Inadequate capability and capacity (e.g. workforce plans, training and development, technology, systems) 10.14 Inadequate business advisory services 10.15 Insufficient investment opportunities for business 10.16 Infrastructure fails to support investment and business activity. 10.17 Poorly planned urban growth	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.			LIKELY MODERATE High	Preventative Controls Embedded organisational values, 4 Communicated and embedded Employee Code of Conduct, 5 Documented and embedded Employee Conduct Policy, 4 Media Policy, 4 Positive relationships fostered with media and Salisbury Business Association, 4 Relevant training provided to Elected Members (e.g. Chairing meetings and Meeting Procedures). Documented People & Culture policies and procedures Employee induction procedures Documented and embedded Volunteers Policy Documented Community Consultation Policy Community Perception Survey Effective and comprehensive Community Consultation Process Provision of general business information and expert advice at Polaris Business and Innovation Centre Comprehensive budget process Cost effective business related workshops and seminars Provision of online resources for starting a business, growing a business and developing digital in business Small Business Mentoring Program Investment attraction via Invest in Salisbury website Salisbury Community Hub as a stimulus to investment Positive relationships fostered and maintained with local business leaders and relevant State Government teams Effective Small Business Friendly Council initiatives Polaris Centre Client Satisfaction Scorecard conducted by new focus Reaction Controls	10, 10 ? ? 10, 1, 10, 6 10, 1 10, 6, 10, 7, 10, 13 10, 13 10, 10, 10, 11, 10, 13 10, 1, 10, 6 10, 8, 10, 10, 10, 11, 10, 12 10, 1, 10, 10 10, 14, 10, 15 10, 16, 10, 9, 10, 8 10, 15, 10, 17 10, 15, 10, 17 10, 15, 10, 16, 10, 17 10, 15, 10, 16, 10, 17 10, 15, 10, 16, 10, 17 10, 16, 10, 15, 10, 16, 10, 17	ME E ME ME ME ME ME ME ME ME ME ME PE E E ME ME	ME	UNLIKELY MODERATE Medium	NO	1. Salisbury City Centre / John Street upgrade	GM City Development	31-Dec-22	Better	Over time			100%	90%				

ITEM	7.2.1
	AUDIT AND RISK COMMITTEE
DATE	11 July 2023
HEADING	Outstanding Actions Arising from Internal Audits
AUTHOR	Hussain Rafeeu, Internal Auditor & Risk Coordinator, CEO and Governance
CITY PLAN LINKS	4.2 We deliver quality outcomes that meet the needs of our community 4.4 We plan effectively to address community needs and identify new opportunities
SUMMARY	This report provides an update on the 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 and Risk Committee, 11 July 2023, Item No.7.2.1).
2. Notes the update on the Capital Works Project Audit Pressure Points Action List in Attachment 2 to this report (Audit and Risk Committee, 11 July 2023, Item No.7.2.1).

ATTACHMENTS

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

1. Internal Audit Log Actions Register - July 2023
2. Audit Log Item 75 - Capital Works Project Audit Pressure Points Action List

1. BACKGROUND

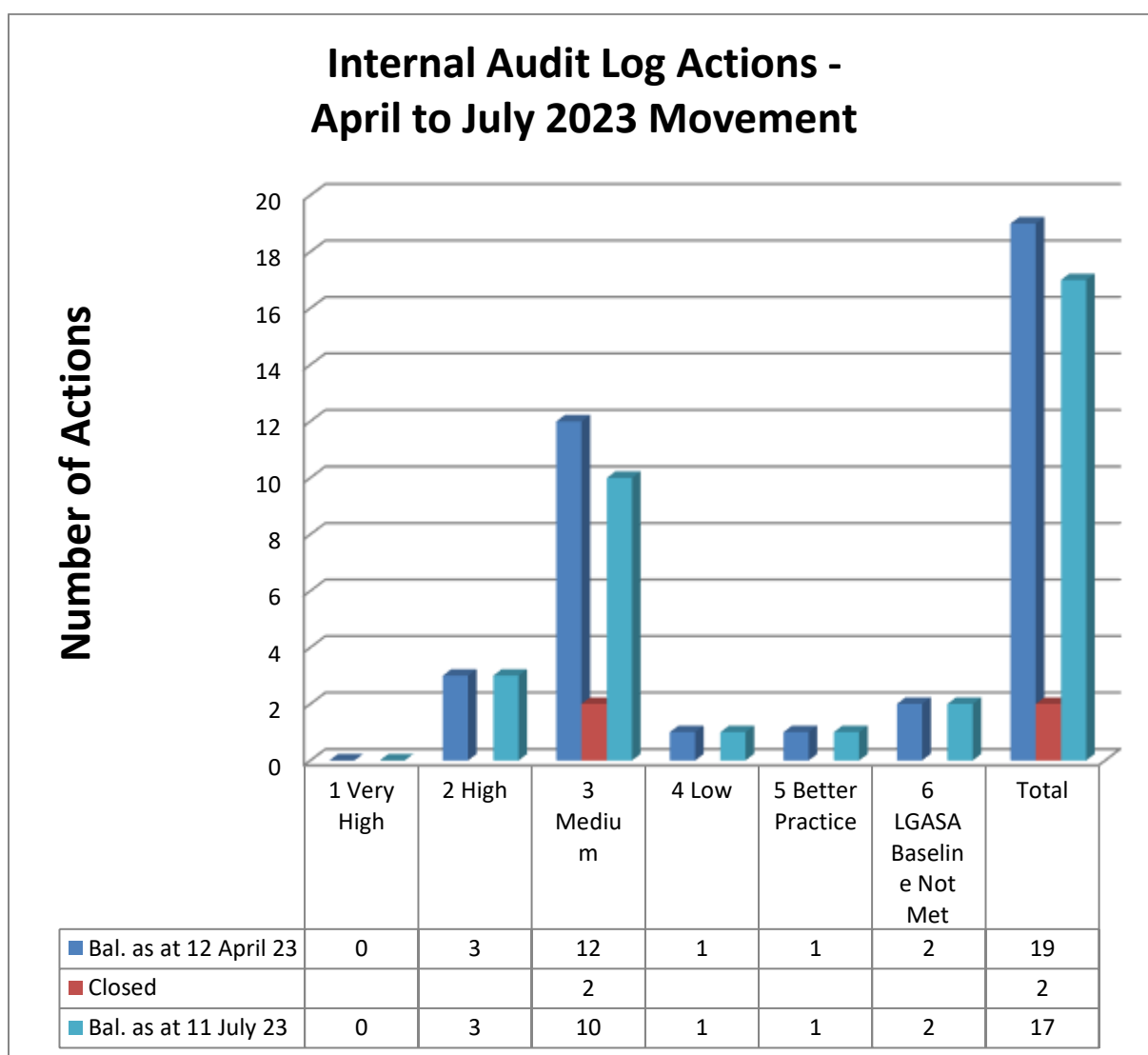
- 1.1 This report provides a status update on the outstanding actions from past internal audits, showing a summary position, number of actions by risk rating and the movement of actions since it was last presented to the April 2023 Audit and Risk Committee meeting.

2. CONSULTATION / COMMUNICATION

- 2.1 Internal
 - 2.1.1 Audit Action Process Owners

3. REPORT

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



- 3.2 The total number of outstanding Audit actions reported to the April 2023 Audit & Risk Committee was 19.
- 3.3 Two medium risk rated actions were closed for this reporting period from April to June 2023, leaving a total of 17 actions outstanding as at 11 July 2023.
- 3.4 The risk profile summary position of actions for the reporting period is shown above.
- 3.5 Out of the two closed actions, one action has been tested by auditor and confirmed as resolved, and the other action marked as closed is yet to be tested by the Internal Auditor and Risk Coordinator.

Actions Outstanding

- 3.6 A summary of the outstanding actions remaining as at 11 July 2023 to be closed, and their status and risk ratings, and the level of completion relative to the total number of actions for respective audit are illustrated below:

Audit	Total # Actions	Actions Completed	%	Actions Outstanding	%	Status of Outstanding Actions
Management of Contaminated Sites Audit - Oct 2020	14	12	86%	2	14%	2 Extended (1 Medium Risk, 1 Better Practice)
LGRS 2019 Risk Evaluation Report - Nov 2019	6	4	67%	2	33%	2 Extended (2 LGRS Baseline Not Met)
Complaints Handling Process Audit - Mar 2021	6	2	33%	4	67%	1 not due (17%) (High Risk), 3 extended (50%) (Medium Risk)
Volunteer Management Audit - Sep 2021	4	4	100%			
Capital Works Project Audit - Nov 2021	3	2	67%	1	33%	1 High Risk (with 11 sub tasks)
Fleet Heavy Vehicle, High Value and Portable Assets Audit – Feb 2023	9	1	11%	8	89%	2 not due –25% (1 High Risk, 1 Medium Risk), 6 Extended –75% (5 Medium Risk, 1 Low Risk)
TOTAL	42	25	60%	17	40%	

- 3.7 The two actions remaining from Management of Contaminated Sites Audit are in progress as part of a separate action plan, reported to the February 2022 Audit and Risk Committee, with a final deliverable to establish an Integrated Catchment Risk Management Plan by mid-2026.
- 3.8 The two actions identified from LGRS risk evaluation report needed further extension. A due date of 31 December 2023 was agreed to update risk assessments for remaining scenarios specific to COS's emergency management plan. Council's administration has liaised with the Local Government Association Mutual Liability Scheme (LGAMLS) in relation to the emergency management risk assessments and confirmed the findings and actions are still relevant.
- 3.9 Council has awarded a consultancy agreement to an external vendor to facilitate and deliver emergency management risk assessments in accordance with NERAG (National Emergency Risk Assessment Guidelines). This is scheduled to commence on 1st August 2023 with a target completion date of 30 September 2023. Also, for the second action, further extension was agreed until 30 September 2023 to provide necessary training for relevant staff identified in the Incident Operations Manual, and is progressing as per plan.
- 3.10 The four actions remaining from Complaints Handling Process audit, are agreed to be resolved with the implementation of the Customer Relationship Management (CRM) module within the ongoing Enterprise Resource Planning (ERP) solutions implementation process. CRM implementation is prioritised in the first phase of ERP implementation, schedule to be completed by end of July 2023.

- 3.11 The one action remaining from Volunteer Management audit related to the development of a Volunteer Health and Safety Handbook is now completed.
- 3.12 For Capital Works Project Audit one finding was related to Project Management Pressure Points with a recommendation to come up with action plan tasks to address these pressure points. A total of 11 tasks were agreed by the Working Group formed to identify measures that should be taken to address the pressure points. As of today, three actions were closed, three extended, and five tasks are on track and are still within the original deadline agreed. Total number of actions outstanding is eight and four of these actions are in line with the Enterprise Resource Planning project roll out. The status of these actions is listed in Attachment 2 with updated comments and timelines.
- 3.13 The full listing of all 17 pending actions, with recommendation, management comments, action owners, and target deadlines for resolution are covered in the Audit Log Actions Register included in Attachment 1.

4. CONCLUSION / PROPOSAL

- 4.1 This report provides a summary of the position on outstanding actions from past internal audits, since the last Audit and Risk Committee meeting.
- 4.2 Two actions were closed during the reporting period and nine actions remain to be closed as clarified above.

Audit Log Actions Register - 11 Jul 2023

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 11/07/2023	Resolved
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 30/06/2022 31/12/2022 31/12/2023	Action is on track. Risk assessments have been commenced. 14/1/22: Emergency Mgt scenario risk assessment for flood and bushfire scenarios undertaken. Update 12/4/23: Funding to be explored to engage consultancy to facilitate completion of hazard risk assessments in accordance with NERAG (National Emergency Risk Assessment Guidelines). Northern Adelaide Zone Emergency Management Committee reviewing its northern zone risk assessments – prepared by SES for which CoS may build upon.	Extended		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.	Lee Kightley (Emergency Management Project Coordinator)	30/06/2021	31/12/2021; 30/06/2022 31/12/2022; 30/06/2023 30/09/2023	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. 14/1/22: Rollout of training to occur following presentation to Executive Group (rescheduled to scheduled for 19 Jan) Note: extend time to enable key staff to attend training in first half of 2022. Update 15/2/23: The Emergency Incident Operations Framework update was presented to Executive Group 19/1/2023. Emergency Incident Commander training is to be arranged for all Executive Group members. All non Executive staff with assigned responsibilities within the Emergency Incident Operations Framework are to be trained in those responsibilities. Update 12/4/23: Training with the LGFSG has been scheduled for March as part of a combined session with a neighbouring council, however subsequently cancelled so CoS could have a dedicated training session. This training will be rescheduled in the second half of 2023.	Extended		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	31/12/2023	Next review cycle is 2023. Budget bid to be put in 22/23, to do the Site Categorisation in accordance with NEPM Schedule B2. 14/2/22: Budget bids for existing sites (as included in report) have been included in 22/23 discussions. A prioritised list of sites requiring work in accordance with the NEPM will be prepared based on the updated risk ratings in the register. Update 11/07/23: Risk register reviewed and updated. Prioritised list of sites that may be considered for further assessment work in accordance with the NEPM to be completed.	Extended		No
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 (i.e. flood management).	Dameon Roy, Manager Infrastructure Management	2023/2024	Ongoing as per the separate Action Plan, reported to Feb 2022 A&RC.	The ICRMP is the first step in establishing an integrated framework. Update 4/4/22: An action plan for this was presented to Feb 2022 Audit & Risk Committee to identify the sub-components of the delivery of this item in 10 phased action milestones, whereby the ICRMP will get developed in 2026.	Extended		No
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	30/06/2023 Ongoing - part of the ERP 1st phase implementation	Update: 9/11/21: We are currently preparing an EOI for the technology solution to manage all Community Interactions. Update 30/06/2022 We are currently evaluating EOI for Enterprise Resource Planning solution and the first module to be implemented will be CRM Update 15/02/2023: Part of the ERP 1st phase implementation	Extended		No

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 11/07/2023	Resolved
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	31/12/2022 Ongoing - part of the ERP 1st phase implementation	Update: 9/11/21: 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. Update 24/01/2022: New initiative bid submitted for funding and implementation for the CRM project Update: 9/11/21: We are currently preparing an EOI for the technology solution to manage all Community Interactions. Update 30/06/2022 We are currently evaluating EOI for Enterprise Resource Planning solution and the first module to be implemented will be CRM Update 15/02/2023: Part of the ERP 1st phase implementation. Update 12/4/2023: Part of the ERP 1st phase implementation to be completed by 30 June 2023	Extended		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 Exception 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) Owner for ECM System Support: Laura Fischetti (Team Leader Business Intelligence and Data Management).	31/12/2021	31/12/2022 Ongoing - part of the ERP 1st phase implementation	Update: 9/11/21: Requirements for escalations will be built into the detailed business requirements document for the Customer Relationship Management Solution. Update 24/01/2022: New initiative bid submitted for funding and implementation for the CRM project Update: 9/11/21: We are currently preparing an EOI for the technology solution to manage all Community Interactions. Update 30/06/2022 We are currently evaluating EOI for Enterprise Resource Planning solution and the first module to be implemented will be CRM Update 15/02/2023: Part of the ERP 1st phase implementation Update 12/4/2023: Part of the ERP 1st phase implementation to be completed by 30 June 2023	Extended		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	31/12/2022 Ongoing - part of the ERP 1st phase implementation	Update: 9/11/21: Requirements for escalations will be built into the detailed business requirements document for the Customer Relationship Management Solution. Update 24/01/2022: New initiative bid submitted for funding and implementation for the CRM project Update: 9/11/21: We are currently preparing an EOI for the technology solution to manage all Community Interactions. Update 30/06/2022 We are currently evaluating EOI for Enterprise Resource Planning solution and the first module to be implemented will be CRM Update 15/02/2023: Part of the ERP 1st phase implementation. Update 12/4/2023: Part of the ERP 1st phase implementation to be completed by 30 June 2023	Extended		No
68	23-Sep-21	11. Volunteer Management Audit	3_Medium	Volunteer Safety Handbook	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: •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	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	Vesna Haracic (Manager Community Health and Wellbeing)	30/06/2022	31/12/2022 31/03/2023 31/12/2023	30/06/2022: Work in progress with P&C to determine our internal capacity for the WHS induction and Training procedure. The next step will be an easy English Volunteer Health and Safety Handbook that complies with WHS requirements. 08/11/2022: Draft Manual is being compiled by WHS team for finalisation. 12/04/2023: First Draft of Volunteer Safety Handbook is 85% complete, with safety activities to be updated for couple of safety scenarios.	Closed	Volunteer Safety Handbook completed.	Yes
75	22-Mar-22	12. Capital Works Projects and Audit	2_High	Project Management Pressure Points - Action Plan Items	Recommendation from Feb 2023 Audit & Risk Committee was to track the status of Capital Works Project Audit Pressure Point Action Plan presented to the A&RC and include that in the Audit Log Action Items Register.	The Action Plan items are included as a separate attachment and status update tracked from the action owners and reported to every A&RC meeting until fully resolved. See Attachment 2 for details.	Jarred Collins, Manager Infrastructure Delivery.	On going, tracked separately.		See comments in separate attachment.	Extended		
76	15-Feb-23	13. Fleet Heavy Vehicle High Value and Portable	2_High	Plant & Fleet Asset Management Plan	1)Review the current asset management process and update the P&FAMP or P&FAMOP. 2)Consider implementing a process where budget bids for asset maintenance and acquisition relies on approved P&FAMPs.	The Action Plan items are included as a separate attachment and status update tracked from the action owners and reported to every A&RC meeting until fully resolved. See Attachment for details.	Mark Purdie (Manager Field Services)	30/06/2023	30/09/2023	Draft P&F AMOP is being updated and consulted with key stakeholders and expected to get finalised by end of September 2023	Extended		No

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 11/07/2023	Resolved
77	15-Feb-23	13. Fleet Heavy Vehicle High Value and Portable	3_Medium	Physical Verification and Asset Stocktake	1)Develop a stocktake policy or procedure covering all relevant assets, to physically verify the assets against relevant asset registers. 2)Undertake periodic stock takes as per approved policy and/or procedure.	Recommendation 1: Policy / Procedure will be developed as recommended. Recommendation 2: Agree with the recommendation. Consideration will need to be given in the policy/procedure regarding the level of detail for stock take of portable assets.	1.Tim Aplin (Senior Accountant) 2.Relevant Divisional Managers (subject to Recommendation 1 process approved).	1.30 June 2023 2.TBD as per procedure approved.	31/12/2023	Draft Policy development in progress and expected to be completed with new resource coming on board in July 2023.	Extended		No
78	15-Feb-23	13. Fleet Heavy Vehicle High Value and Portable	3_Medium	Comprehensive Minor Assets Register	1)Develop policy or procedure for minor assets register covering all relevant portable and attractive items (including but not limited to mobile phones, laptops, computers, IT devices, audio video equipment etc.), purchase, disposal (including write-offs), record keeping, updating the assets register and physical verification of such assets. 2)Consider undertaking an organisation wide stock-take of all portable and attractive items as at a given reference starting point, and update and maintain a comprehensive register for all minor assets thereafter.	Recommendation 1: Policy / Procedure will be developed as recommended. Recommendation 2: Comments from Manager Field Services - Consideration will need to be given on the level of detail for implementing registers and stock takes for portable assets, particularly in relation to Field Services and range of tools/equipment utilised for service delivery.	1.Tim Aplin (Senior Accountant) 2.Relevant Divisional Managers (subject to Recommendation 1 process approved).	1.30 June 2023 2.TBD as per procedure approved.	31/12/2023	1. Draft Policy development in progress and expected to be completed with new resource coming on board in July 2023.	Extended		No
79	15-Feb-23	13. Fleet Heavy Vehicle High Value and Portable	3_Medium	Private Use Vehicles and Salary Sacrifice Calculator	1)Considering the 20% pool discount benefit entitlement applied for Private-Use vehicles, for clarity it is recommended that Administration ensures that all such vehicles are either made available for car pool booking on a common standard platform accessible to all employees as per current Motor Vehicle Policy or revise the Motor Vehicle Policy specifying any exceptions. 2)Ensure employees are appropriately briefed on the vehicle use policy, terms and conditions, and establish a sign-off induction checklist document for private use vehicle handover process. 3)Consider the engagement of an independent external consultant to benchmark with other councils and industry better practice processes, to review the current Motor Vehicle Policy, including a review of the salary sacrifice calculator, and current vehicle usage options.	Agree with the recommendation. A working group has been established to review and update the Vehicle Policy.	Mark Purdie (Manager Field Services)	30/06/2023	30/09/2023	KPMG completed review of calculator. Working group completed review in May 2023. Presentation made to Exec in June 2023, and ready to incorporate within the revised Motor Vehicle Policy.	Extended		No
80	15-Feb-23	13. Fleet Heavy Vehicle High Value and Portable	3_Medium	Inconsistency between COS Assets Register and Local Government Association Asset Mutual Fund (LGAAMF) Insured Assets Schedule	It is recommended that COS: 1)Correct the identified inconsistencies between the LGAAMF insured assets schedule and COS assets register. 2)Establish an efficient process to report and update LGAAMF on acquisitions and disposals of insurable fleet and motor vehicle assets. 3)Undertake regular and timely reconciliation of insured assets schedule against the relevant asset registers, with a particular focus on assets acquired or disposed before insurance renewal but after the renewal registers are provided.	Agree with recommendations. Recommendation 1&2: LGAAMF will be notified to update on acquisitions and disposals. Recommendation 2&3: A monthly report will be established to summarise acquisitions & disposals for ease of reconciliation between registers.	1&2: Tracy Roberts (Insurance Officer); 2&3: Mark Purdie (Manager Field Services)	1&2: 28 Feb 2023 3&4: 30 June 2023		Reconciliation Completed. Coordinator Fleet updating Insurance officer in real time of acquisitions and disposals. Insurance Officer updating Scheme in real time to keep data current.	Closed		To be tested by Auditor
81	15-Feb-23	13. Fleet Heavy Vehicle High Value and Portable	3_Medium	Policies and Procedures	1.Review the following policies and procedures that have gone beyond their current stated next review dates: a)Asset Management Policy. b)Motor Vehicle Policy. c)Procurement Framework. 2.It may be beneficial to incorporate the following specific process enhancements or clarifications: a)In the Disposal of Assets Other than the Land Policy, clarify the responsible authority for approval of asset disposals. b)In the Disposal of Assets Other than the Land Policy, clarify the process for disposal or write off of minor assets as this category is not clearly articulated.	Recommendation 1a): Agree with recommendation. Work is underway to review and update the Asset Management Policy. Recommendation 1b): Agree with recommendation. Work is underway to review and update the Motor Vehicle Policy. Recommendation 1c and 2: Agree with recommendation. Will be resolved by 30 September 2023	1a) Dameon Roy, (Manager Infrastructure Management) 1b) Mark Purdie (Manager Field Services); 1c&2) Manager Strategic Procurement (TBD).	1a) 30 June-2023 30 Sep 2023 1b) 30 June-2023 30 Sep 2023 1c) 30 June-2023 30 Sep 2023 2) 30 September 2023		1c&2) Manager Strategic Procurement is currently vacant, to be filled. 11/7/23 Update: Working Group have reviewed the policy. Presentation to Exec June 2023 - Final Policy drafting and endorsement by Sep 2023	Extended		No

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 11/07/2023	Resolved
82	15-Feb-23	13. Fleet Heavy Vehicle High Value and Portable	3_Medium	Review of Assets in Use Beyond the Stated Useful Economic Life	1.Undertake annual review of the useful economic life of assets, considering, the age, capacity, functions and condition of the asset, and update the revised/extended useful economic life of assets for depreciation calculation or adjustment purposes where required, and document the process accordingly. 2.Demonstrate the application of useful economic life as a trigger for review of assets for asset renewal and replacement, and document the reasons for any extended useful economic life agreed, considering other optimal replacement timing or opportunity cost factors. 3.Review and adjust the fixed assets register for assets that have been disposed in prior years.	Recommendation 1 & 2: The useful lives of fleet categories are currently reviewed annually in accordance with the Asset Management Policy. Each year, the fleet renewal program is reviewed and adjusted as part of the annual budget process. Adjustments may be made to individual assets based on condition, usage, market conditions or operational reasons. The renewal program is currently adjusted to meet a consistent renewal spend each year (flattening of the renewal spend) – this effectively means some items are brought forward and some are extended in relation to category useful life. Condition, usage, market conditions, operational requirements and maintenance risk factors are considered in adjusting the renewal program. The following specific key improvement actions will be undertaken: •Document reasons for adjustments to lifecycle in the renewal program •Update Financial Services team on changes to Useful Economic Life to make necessary determination on adjustments to depreciation. •Ensure conditions are recorded and managed in the Fleet Management System. Recommendation 3: The assets that were identified as disposed will be reviewed where required and adjusted as part of the 2022/2023 financial year end process.	1 & 2: Mark Purdie (Manager Field Services) 3: Zaman Bhuiyan - Acting Senior Accountant (Projects, Assets and Systems)	30 June 2023. 31 October 2023		11/07/2023 Update: Actions 1 & 2 completed. Useful lives reviewed as part of annual Asset Management Policy in May 2023. Notations made in Ausfleet where useful lives have been extended beyond Policy and reasons therefore. Action 3: Not due Yet, will get completed as part of the yearend process.	Not Due Yet	1 & 2 completed, 3 not due yet.	No
83	15-Feb-23	13. Fleet Heavy Vehicle High Value and Portable	3_Medium	The National Heavy Vehicle Law (NHVL) Compliance - Areas for improvement	1.Review operational procedures for heavy vehicle maintenance and repair to determine if NHVL requirements are specifically addressed and revise the operational procedures accordingly. 2.Ensure that weighing equipment calibration testing is included in the maintenance schedule and record is kept of such calibration testing. 3.While acknowledging that it is not mandatory for COS to be accredited and apply the NHVAS standards, it may be beneficial for COS to consider using an NHVAS accredited auditor to undertake a compliance audit to determine the status and level of compliance with NHVR, and review templates and procedures to ensure it adequately covers standard safety measures and comply with NHVL requirements. 4.Ensure the operational procedures for heavy vehicle procurement, maintenance and repair is updated to require that a Certificate of Compliance is obtained and maintained in the fleet management system whenever a modification to a prescribed component is performed.	Agree with the recommendations.	1, 2 & 3) Toby Henderson (Coordinator Fleet and Workshop) 4.Mark Purdie (Manager Field Services)	31/10/2023			Not Due Yet		No
84	15-Feb-23	13. Fleet Heavy Vehicle High Value and Portable	4_Low	Fuel Card Usage Review on Unusual Transactions	1.Retrieve an excel master file transaction listing report from BP covering a full year period, and perform data analytics to identify anomalies and seek justification where possible. 2.Seek the possibility of incorporating exception parameters within the fleet management system to identify anomalies, and review on a monthly basis.	Fuel cards for the majority of the fleet are kept at the Operations Centre overnight and only accessed during working hours. This reduces the potential/likelihood of misuse. Recommendation 2 – is considered the most time and cost-effective manner for improving governance of fuel cards, with investigations into dashboards and auto generated exception reports in AusFleet based on mileage and fuel usage.	Toby Henderson (Coordinator Fleet and Workshop)	30/06/2023	30/09/2023	Extension timeline requested, given workload.	Extended		No

Attachment 2: Project Management Audit Action Group - Follow up of Action Status

(Status Updated for 11 July 2023 A&RC)

No.	Action Tasks	Pressure Point Identification	Responsible Group	Due Date	Status	Comments
1	Determine and create portal / option for organisation wide access to view project status information and contact details for person responsible. Needs to be completed in line with the new ERP system solution.	1 – Cross collaboration between teams	Infrastructure Delivery	31/12/2023	Not Due Yet	In line with ERP system roll out
2	Completed projects by asset have been mapped and is accessible via Power BI, with the roll out of the new ERP system solution, create the ability to view projects in progress geographically. Completed projects may transition to the same view as active projects, pending ERP system solution.	1 – Cross collaboration between teams 3 – Community consultation 5 – Resident and EM information requests 6 - Reporting	Infrastructure Delivery	31/12/2023	Not Due Yet	In line with ERP system roll out
3	Pending ERP system solution enable organisational wide access to project documents such as briefs and design drawings to enable review and feedback from any location	1 – Cross collaboration between teams 5 – Resident and EM information requests 6 - Reporting	Infrastructure Delivery	31/12/2023	Not Due Yet	In line with ERP system roll out

4	<p>A1 digital drawing review solution implemented, subject to funding availability.</p> <ul style="list-style-type: none"> - Schedule working group to discuss and determine requirements - Investigate options and estimated pricing - Determine funding source - Schedule tender - Schedule install - Schedule training 	<p>1 – Cross collaboration between teams 2 – Resourcing 3 – Community Consultation 4 – Procurement 5 – Resident & EM requests 7 – Clarity of Roles and Responsibilities 8 – Prioritisation of Projects 9 – Bespoke design work</p>	Design Team, Infrastructure Delivery	31/12/2023	Not Due Yet	In line with funding availability, workshop scheduled for July 2023 to review options available and their integration into COS system.
5	<p>Develop process to maintain Major Project information on the City of Salisbury website</p> <ul style="list-style-type: none"> - Document process - Upload updated Major Project information - Schedule periodical reviews 	<p>2 – Resourcing 3 – Community consultation 5 – Resident & EM information requests</p>	City Infrastructure Administration	1/09/2023	Not Due Yet	Work has commenced with on the of an upgrade to our existing platform to allow a section of Capital Works to be included on the website (location wise, scope and timing of projects), we are currently working through this in preparation for implementation later this calendar year. Backend functionality to notify Elected Members on changes made to this portal.
6	Schedule bi-annual workshops to review overarching project risk register	<p>1 – Cross collaboration between teams 6 – Reporting 8 – Prioritisation of projects</p>	Infrastructure Delivery	1/03/2023	Completed	The Project Risk Register has been updated and included on the intranet for reference, it is proposed to review this inline with preparation of the new Financial Year in July 2023 and mid year in January 2024 consecutively.

7	Schedule bi-annual workshops to review a small set of completed projects, so what worked well and what didn't work so well can be discussed and captured. Include a section for acknowledgements	1 – Cross collaboration between teams 6 – Reporting 8 – Prioritisation of projects	Infrastructure Delivery	1/03/2023	Completed	Workshops scheduled to occur in July and January each year, and a sample of 3-4 completed projects to be reviewed for lessons learned. Register of Lessons Learnt to be kept within the Capital Delivery Framework page on Intranet.
8	Schedule workshop to review Change RACI (Roles Accountability Consulted Inform) Chart	1 – Cross collaboration between teams 2 – Resourcing 7 – Clarity of Roles and Responsibilities	Infrastructure Delivery	01/04/2023 30/06/2023	Extended	Work has commenced to review the current RACI chart an updated RACI chart will be completed in line with the Capital Framework and we will look to have this completed by 30/06/2023, following internal review.
9	Create Project Management Plan template to support Project Managers with the delivery of their assigned projects	7 – Clarity of Roles and Responsibilities	Infrastructure Delivery	1/06/2023 31/07/2023	Extended	Underway, to be completed by the end of July.
10	Re-establish asset-based project meetings to aid in decision making, communication sharing and project monitoring. Consider membership and options for online participation.	1 – Cross collaboration between teams 6 – Reporting	Infrastructure Delivery	1/05/2023	Completed	Completed
11	Explore the expansion of costing internal wages to capital projects, staff not within City Infrastructure or Strategic Property Development but are staff involved with project delivery.	2 – Resourcing	Financial Services Community Development Infrastructure Delivery	1/06/2023	Extended	In line with ERP system roll out, working with Project Support Team and Financial Services