

AGENDA

FOR AUDIT AND RISK COMMITTEE MEETING TO BE HELD ON

13 AUGUST 2024 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 D Powell

REQUIRED STAFF

Chief Executive Officer, Mr J Harry Deputy Chief Executive Officer, Mr C Mansueto Manager Governance, Mr R Deco Audit and Risk Manager, Ms S Kinsella

APOLOGIES

LEAVE OF ABSENCE

PRESENTATION OF MINUTES

Presentation of the Minutes of the Audit and Risk Committee Meeting held on 9 April 2024.

REPORTS

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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)

ORDERS TO EXCLUDE THE PUBLIC

7.4.1 Quarterly Cybersecurity Report - 30 June 2024 Recommendation

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

- 1. Pursuant to Section 90(2) and (3)(b)(i) and (b)(ii) and (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. In weighing up the factors related to disclosure,
 - disclosure of this matter to the public would demonstrate accountability and transparency of the Council's operations.
 - disclosure would prejudice the commercial position of the Council, the documents relate to matters affecting the security of the council property, being information relating to Council's system security.
 - On that basis the public's interest is best served by not disclosing the **Quarterly** Cybersecurity Report 30 June 2024 item and discussion at this point in time.
- 3. Pursuant to Section 90(2) of the Local Government Act 1999 it is recommended the Council orders that all members of the public, except staff of the City of Salisbury on duty in attendance, be excluded from attendance at the meeting for this Agenda Item.

CLOSE



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

9 APRIL 2024

MEMBERS PRESENT

Cr Kylie Grenfell (Chair) Ms P Davies (via Video Conferencing Teams) Mr N Ediriweera Mr D Powell

Consultants in Attendance: Andrew Tickle and Chelsea Aplin (BDO)

STAFF

Chief Executive Officer, Mr J Harry
A/General Manager Business Excellence, Ms K George
Manager Governance, Mr R Deco
Team Leader, Council Governance, Ms J O'Keefe-Craig
Manager Community Health and Wellbeing, Ms V Haracic
Manager Urban, Recreation and Natural Assets, Mr J Foong
Manager People and Performance, Ms K Logan
Manager Engineering Assets and Systems, Mr M Purdie

The meeting commenced at 6:30pm.

The Chairman welcomed the Committee members, members of the public and staff to the meeting.

APOLOGIES

An apology was received from Cr B Brug.

LEAVE OF ABSENCE

Nil.

PRESENTATION OF MINUTES

Moved Mr D Powell Seconded Ms P Davies

The Minutes of the Audit and Risk Committee Meeting held on 13 February 2024, be taken as read and confirmed.

CARRIED

The Chair sought leave of the meeting to bring forward item 7.1.2 BDO's Annual Audit Plan for 30 June 2024 as the first item of business. Leave was granted.

7.1.2 BDO's Annual Audit Plan for 30 June 2024

Moved Mr D Powell Seconded Mr N Ediriweera

That Council:

1. Notes the report.

CARRIED Unanimously

Ms P Davies left the meeting at 6:46 pm

Administration

7.0.1 LGA Financial and Sustainability Information Paper

Moved Mr N Ediriweera Seconded Mr D Powell

That Council:

 Notes the latest Local Government Association Financial Sustainability Information Paper (Attachment 1, Item 7.0.1, Audit and Risk Committee, 9 April 2024).

CARRIED

Ms P Davies returned to the meeting at 6:47 pm.

7.0.2 Internal Audit Resourcing

Moved Chair K Grenfell Seconded Mr D Powell

That Council:

- Notes the internal audit function of Council is currently reduced in level of activity whilst the recruitment for the Audit and Risk Manager position is in progress and the vacancy for the position remains unfilled.
- 2. Notes that consistent with the new section 125A of the *Local Government Act 1999*, the Audit and Risk Committee will continue to be consulted before appointing a new person to be primarily responsible for the internal audit function.

CARRIED

For Decision

7.1.1 Audit and Risk Committee Performance Self-Assessment Survey Outcome

Moved Mr N Ediriweera Seconded Ms P Davies

That Council:

1. Notes the report.

CARRIED

7.1.3 Draft City Plan 2040 - For Consultation

Moved Ms P Davies Seconded Mr D Powell

That Council:

Notes that, in accordance with the Local Government Act 1999
Section 126(4)(b), the Audit and Risk Committee has reviewed the
process and structure of the draft City Plan 2040 as outlined in this
report (Item No. 7.1.3, Audit and Risk Committee, 9 April 2024),
and that the draft City Plan has been prepared for Council's
approval for the purposes of public consultation.

CARRIED

7.1.4 Draft Strategic Asset Management Plan 2024/2025

Moved Mr D Powell Seconded Mr N Ediriweera

That Council:

1. Notes that, in line with Section 126 (4)(b) of the Local Government Act 1999, the Audit and Risk Committee considered and reviewed the Draft Strategic Asset Management Plan 2024/25 as attached in the report (Item 7.1.4, Draft Strategic Asset Management Plan 2024/25, Audit and Risk Committee, 9 April 2024).

CARRIED Unanimously

7.1.5 Draft 2024/25 Long Term Financial Plan and Annual Business Plan

Moved Mr N Ediriweera Seconded Mr D Powell

That Council:

- 1. Notes that the Audit and Risk Committee has reviewed the Council's Draft 2024/25 Long Term Financial Plan and Annual Business Plan in accordance with s126(4)(b) of the *Local Government Act 1999*.
- 2. Notes that the Audit and Risk Committee has considered and reviewed the scenarios provided within this report (Item No. 7.1.5, Audit and Risk Committee, 9 April 2024) and notes that Council should consider a rate increase within the range 5.5% and 6.5% with CPI + 0.6% for year two onwards to be appropriate to maintain Council's financial sustainability balanced with the needs of the community for affordability.

CARRIED Unanimously

The Long Term Financial Plan presentation is included as attachment 1 to these minutes.

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)

Mr N Ediriweera asked one question without notice on cyber security resourcing and filling the vacancy. This question was taken on notice.

ORDERS TO EXCLUDE THE PUBLIC

MWON1 Internal Audit Resourcing

Moved Chair K Grenfell Seconded Mr D Powell

The Audit and Risk Committee orders

- 1. Pursuant to Section 90(2) and (3)(a) of the Local Government Act 1999, that it is necessary and appropriate to exclude the public for the consideration of Agenda Item MWON1 Internal Audit Resourcing with the exception of the following persons:
 - · Chief Executive Officer
 - A/Deputy Chief Executive Officer
 - Manager People and Performance
 - Manager Governance
 - Team Leader Council Governance

On the basis that it:

- it relates to information concerning the personal affairs of any person (living or dead), the disclosure of which would be unreasonable being information relating to sensitive personal details.

CARRIED

The meeting moved into confidence at 8:04pm.

The meeting moved out of confidence and closed at 8.18pm.

CHAIRMAN	
DATE	

ITEM 7.1.1

AUDIT AND RISK COMMITTEE

DATE 13 August 2024

HEADING Internal Audit Report - Rates Setting and Revenue Process

AUTHOR Sharon Kinsella, Audit and Risk Manager, CEO and Governance

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

community

4.4 We plan effectively to address community needs and identify

new opportunities

SUMMARY As per the adopted City of Salisbury's (COS's or the City's)

Internal Audit Plan 2023-2026, the City's Rates Setting and Revenue Process was audited by UHY Haines Norton Chartered Accounts on a co-sourced model. The internal audit was to provide assurance on the CoS's rates setting processes to ensure they

comply with legislative requirements.

RECOMMENDATION

That Council:

1. Notes the final internal audit report with management comments for the Rate Setting and Revenue Process internal audit as set out in attachment 1 to this report (Item no. 7.1.1, Audit and Risk Committee, 13 August 2024).

ATTACHMENTS

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

Internal Audit - Rate Setting and Revenue Process

1. BACKGROUND

- 1.1 Rates provide a significant portion of council income, and rates must be set in accordance with legislation and Council policy requirements.
- 1.2 This internal audit aligns with the City's current Strategic Risk 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.
- 1.3 The overall objective of this internal audit was to:
 - 1.3.1 ensure that the Rates setting process complies with legislative compliance requirements, and is appropriately reviewed and validated for accuracy and impact on financial sustainability.
 - 1.3.2 provide assurance on the processes and controls in place, specifically in relation to the rates setting and revenue process.

1.3.3 ensure that there are no revenue leakages, and that the revenue charged and collected are accurate and complete, and revenue and debtor management process are effective as per approved policies and procedures in accordance with relevant legislation.

2. KEY CONSULTATION / COMMUNICATION

- 2.1 Internal
 - 2.1.1 Deputy Chief Executive Officer
 - 2.1.2 Manager Finance and Procurement
 - 2.1.3 Manager Governance
 - 2.1.4 Internal Audit and Risk Manager
- 2.2 External
 - 2.2.1 Chief Internal Audit Executive, UHY Haines Norton.

3. REPORT

3.1 The following table summarises the findings, effectiveness of controls and risk ratings for this internal audit. Progress has been made on a number of findings, a full update will be provided at the November Audit and Risk Committee.

Risk Rating	Description /Finding	No. of findings
High	None	0
Medium	 The Public Meeting was held before the 21 days had been completed from the date of publication of the notice of the meeting. (Partially Effective) The non-rateable list was reviewed, and 4 properties were listed as non-rateable that should have had rates levied in 2023/24. [Majority Effective] The declaration of rates was not published in the newspaper. (Partially Effective) The interest should be showing on the postponed notice with the correct description. (Partially Effective) Legislation requires that subsequent rates notices must show information about the amount of interest that has accrued under the postponement. The Council's rate notices only show one line, labelled fines, that includes fines and interest. The Notices should show interest separately. (Partially Effective) 	5
Low	 The Community Consultation Policy on the Council's website is out of date for review. (Partially Effective) The council declaration on the 26th of June contained a different \$ amount compared to the Valuer General's Report on the 25th of June. The Gazette Notice contained the same \$ amount as the Valuer General's Report. (Partially Effective) Legislation requires that a ratepayer who postpones rates must be informed that they could apply for remission under the Rates and Land Tax Remission Act 1986. However, this Act refers you to the Cost of Living Concession Act 1986. We, therefore, recommend that the CoS seek advice from the LGA on what should be included in the information provided to ratepayers who postpone their rates. (Majority Effective) 	3

N/A Business Improvement	 If systems allow, to be more transparent to ratepayers, consider showing fines and interest separately for all rate notices. 	1
Opportunity		

- 3.2 The details on findings, risks and recommendations are covered in the internal audit report (Attachment 1).
- 3.3 There were no high risks identified and 82 controls were deemed effective.

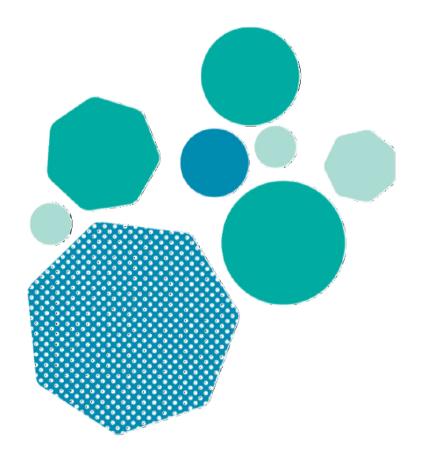
4. CONCLUSION / PROPOSAL

4.1 The final internal audit report confirms areas for improvement with management support and agreement. Actions will be added to the Internal Audit Actions Status Table to ensure actioned and closed within agreed timeframes, and inform status reporting.

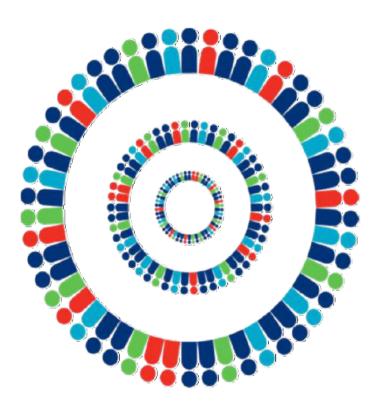


Internal Audit Rates Setting and Revenue Process Prepared for the City of Salisbury

June 2024







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Abbreviations

The following abbreviations are used in this report;

ABP Annual Business Plan CoS City of Salisbury

MFP Manager Finance and Procurement Services

RID Rate in the Dollar

The Act The Local Government Act 1999
TLR Team Leader Revenue and Payables

Dashboard

The following table summarises the effectiveness of controls for this internal audit.

Control Rating	Description	Number of Findings
Effective	The control as described has been fully implemented and, in all cases, has been applied effectively in terms of being consistent, complete, reliable and timely.	83
Majority Effective	The control has been implemented as described and, in the majority of cases, has been consistently and effectively applied. There is potential to enhance the effectiveness of the control, but only with minor adjustments.	2
Partially Effective	The control partially operates in a manner that is effective in terms of being consistent, complete, reliable and timely.	6
Significant Improvement Required	The control has been implemented as described, but with significant deficiencies in the consistency or effectiveness of implementation and requires significant management action to improve the effectiveness of the control.	0
Ineffective	The control has not been implemented as described. Urgent management action is required to implement the described control processes.	0
Business Improvement Possibility	Although not required by legislation or Council Policy or as an internal financial control, action could improve the way the Council undertakes this action.	1

The 10 areas that did not have effective controls are listed in Audit Findings – Key Findings with management responses.

The detailed assessment against the legislation and internal audit requirements is included in Appendix 1.—Detailed Assessment.

Introduction

The City of Salisbury (CoS) engaged UHY Haines Norton to undertake an internal audit of the Council's rate-setting process.

Rates provide a significant portion of council income, and rates must be set in accordance with legislation and council policy requirements.

Audit Objectives

The objectives of the Internal Audit were to review the CoS's rates revenue process to provide assurance that:

- The CoS's rates setting processes comply with legislative requirements and are appropriately
 reviewed and validated for accuracy and rate setting's impact on financial sustainability.
- The rate revenue recognised is accurate, complete and managed effectively as per approved
 policies, procedures and relevant legislation.

Scope of Audit

The scope of the Internal Audit was to determine if;

- Relevant policies, procedures and frameworks adequately cover the rate setting and revenue process and whether they are;
 - Formalised
 - Adequately designed
 - Aligned in accordance with legislative requirements
- Applicable policies, procedures and legislative requirements are being followed during the rate-setting and revenue-recognition process
- Relevant assumptions applied in the rate setting and revenue recognition process are validated and tested appropriately.
- Public consultation and feedback processes are adequately administered and take sufficient
 account of ratepayers" feedback on the Council's proposals before finalising rates in
 accordance with legislative requirements.
- Rates calculation and application of rates through the rate-setting system is accurate
- The Local Government Financial Best Practice Model controls relating to rates setting and revenue management processes are implemented effectively.
- There are any unnoticed, unaccounted for, unrealised or unintended rate revenue losses.

The scope of the Internal Audit only relates to rates being general rates and separate rates.

Disclaimer

Our Internal Audit work was limited to that described in this report. It was performed in accordance with the 'International Standards for the Professional Practice of Internal Auditing' contained in the 'International Professional Practices Framework' issued by the Institute of Internal Auditors.

Audit Approach

Due professional care is exercised during the planning, execution, and reporting of the results by the reviewer. However, absolute assurance cannot be given that other non-compliance and irregularities do not exist as our analysis is limited to sample testing of key control and requirement areas for the latest financial year.

To undertake this Internal Audit, we:

- Reviewed
 - o existing procedures and policy documentation
 - relevant council reports

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- o the Annual Business Plan
- Interviewed relevant staff members.
- Undertook sample testing.
- · Obtained evidence showing compliance with legislation requirements.

The key findings were provided to management for discussion. Management responses are included in the Audit Conclusion section of this report.

Internal Audit Personnel

Corinne Garrett, the Chief Internal Audit Executive at UHY Haines Norton, conducted the Internal Audit. Corinne is a Professional Member of the Institute of Internal Auditors Australia and holds a Graduate Certificate in Internal Auditing from the Institute.

Legislation

The relevant legislation includes;

- The Local Government Act 1999. We have accessed the 30.11.2023 version.
- The Local Government (Financial Management) Regulations 2011. We have accessed the 30.11.2023 version.
- The Local Government (General) Regulation 2013. We have accessed the 17.11.2022 version.

Audit Conclusion

General Observations

Software

The CoS is in the process of changing its corporate software. We understand that the new software for rating is not currently used in South Australia but is used elsewhere in Australia. Management involved in the transition needs to be mindful that South Australian legislation regarding rating is different to legislation in other states of Australia and that the rating component of the software will need to be set using South Australian legislation.

Documentation

We observed that staff have completed a significant amount of work on documenting procedures. This is a significant control in ensuring that procedures are completed consistently, even if there is a change in staff roles.

Audit Findings

Key Findings

The following findings have been provided to management, and their responses are included. The detailed assessment is contained in Appendix 1. The risk assessment has used the CoS's Enterprise Risk Management Framework as detailed in Appendix 3.

The risk ratings are low and medium. Many items have already been addressed or are in the process of being addressed. Although the risk ratings are low and medium, improving the processes in this area adds to the robustness of the function of rating for the Council.

Report Ref.	Finding	Effectiveness of Control	Managers Comments	Timing	Risk Rating
1	The Community Consultation Policy on the Council's website is out of date for review.	Partially Effective	Once section 16 of the Statutes Amendment (Local Government Review) Act 2021 commences (not proclaimed yet and commencement timeline unknown at this stage), changes to publication consultation requirements for councils will take effect. These reforms intend to simplify community engagement, provide greater flexibility and allow councils to design and deliver engagement that is the 'best fit' for the decisions and actions it is considering.	April 2024	Low
			A core component of these reforms is the introduction of a Community Engagement Charter (CEC), which will be published by the Minister and will regulate arrangements relating to public consultation and giving of public notice by councils. The CEC will be supported by a council's mandatory Community Engagement Policy. The council must undertake public consultation on the new community engagement policy.		
			As an interim measure, the Administration will administratively review the current policy (i.e. no actual change in policy position; rather, editorial update) and then, in due course, seek the Council to consider and adopt the new CEC and Community Engagement Policy position.		
8	The Public Meeting was held before the 21 days had been completed from the date of the notice of the meeting for the consultation on the ABP.	Partially Effective	For the next ABP process cycle, these timeframes will be incorporated into the scheduling. Noted that the meeting was held on day 20 for the 2023/24 ABP consultation process.	By 30 June 2024	Medium

Report Ref.	Finding	Effectiveness of Control	Managers Comments	Timing	Risk Rating
15	The non-rateable list was reviewed, and 4 properties were listed as non-rateable that should have had rates levied in 2023/24. This equated to a total in rates of \$16,785.82.	Majority Effective	The issue was identified in early 2024/25. The previous process was that non-rateable properties were only reviewed at the time of property transfer. It was identified that this process could result in human error and missed revenue and an additional review process of non-rateable properties has been added to the modelling process. This process now involves reviewing all non-rateable property ownership to determine that the non-rateable classification has been correctly applied.	The new process will be included in the 2024/25 rate modelling.	Medium
52	The council declaration on the 26th of June contained a different \$ amount compared to the Valuer General's Report on the 25th of June. The Gazette Notice contained the same \$ amount as the Valuer General's Report.	Partially Effective	At its meeting on 26 June 2023, the Council resolved to adopt the valuations. As the motion was moved, some different numbers were put forward, which caused the relevant manager to have to manually update the calculations within the wording of the motion at that time. In doing so, the original total wasn't adjusted (human error/oversight) to reflect the updated new valuation. The non-rateable and rateable amounts were updated in the valuation in part d of the resolution. This was also reflected in the declaration of rates in part f of the resolution. However, an error has been made under part d of the resolution, where the total amount was not updated to the new valuation amount, leaving it at (the original) total of \$28,946,693,260 instead of \$34,600,123,900. The resolution is clear in its intention. What is disclosed is an error, typographical in nature, reflecting that the total amount of the rateable and non-rateable valuations at part d of the resolution has not been the subject of the figures being correctly added together. As the relevant Minutes have been adopted (i.e. determined to be a true and accurate record), they	At the time of adoption of new rates for 24/25	Low

Report Ref.	Finding	Effectiveness of Control	Managers Comments	Timing	Risk Rating
			cannot now be altered to reflect the correct total. That may only occur by way of a further Council resolution, which would, in turn, result in a necessary cross-referencing of the original Minutes with the later minute of correction.		
			The correct total is otherwise reflected in those same Minutes; it is appropriate (noting the historical record purposes of minutes) for the Council to note and correct the oversight/human error, which manifests as a typographical error. This can and will appropriately occur as a part of the looming adoption and declaration process for the 2024/25 year.		
54	A notice of the declaration of a rate must be published in the Gazette and a newspaper circulating in the area within 21 days after the date of declaration. The notice in the Gazette was published in the legislated timeframe. A notice was not published in a local newspaper.	Partially Effective	This was an oversight.	24/25 Rates	Medium
	Recommendation: a checklist should be developed and used to ensure all legislated tasks are completed and ticked off for the process of the adoption of the rates.				
65	If an instalment is not paid when due, a fine of 2% is payable, and after each full month after the date due, interest accrues.	Business Improvement Opportunity	This is unable to be done in the current system. UHY Response: The Council is changing software. This should be noted as an improvement for the new		No Risk Assessment Business
	Rate Notices with Fines and Interest only show one figure labelled 'Fines', which includes both the fines and the interest:		software.		Improvement Opportunity

Report Ref.	Finding	Effectiveness of Control	Managers Comments	Timing	Risk Rating
	Business Improvement Opportunity:				
	Showing Fines and Interest separately on				
	rates notices may make it easier for				
	ratepayers to understand what they are				
	being charged for when their payments are				
	late.				
72 & 86a	Postponed rates can be charged interest,	Partially Effective	This is unable to be done in the current system.		Medium
	but the interest on the postponed rates				
	notices uses the description fines.		UHY Response: The Council is changing software.		
			This should be noted as a requirement in the new		
	Recommendation: R18 (6)(b)(ii) Legislation		software.		
	requires that subsequent rates notices				
	must show information about the amount				
	of interest that has accrued under the				
	postponement. The Council's rate notices				
	only show one line, labelled fines, that				
	includes fines and interest. The Notices				
	should show interest separately.				
86	Finding: R18 (6) (a) of the Local	Majority Effective	This is a sector-wide issue, and while CoS can raise it		Low
	Government (General) Regulations 2013		with the LGA, we have no ability to resolve this		
	requires that a ratepayer that postpones		legislative issue.		
	rates must be informed that they could				
	apply for a remission under the Rates and				
	Land Tax Remission Act 1986. However				
	this Act refers the reader to the Cost of				
	Living Concession Act 1986. This				
	information is not contained in the LGA				
	guidance material on postponing rates.				
	We, therefore, recommend that the CoS				
	seek advice from the LGA on what should				
	be included in the information provided to				
	ratepayers who postpone their rates.				

Appendix 1 - Detailed Assessment

7.1.1

The following table is from the CoS's Enterprise Risk Management Framework, which was last issued on the 19th of December, 2022. The table describes the Operating Effectiveness of Controls. We have added another category, Business Improvement Opportunities.

Control Rating	Description	Number of Findings
Effective	The control as described has been fully implemented and, in all cases, has been applied effectively in terms of being consistent, complete, reliable and timely.	83
Majority Effective	The control has been implemented as described and, in the majority of cases, has been consistently and effectively applied. There is potential to enhance the effectiveness of the control, but only with minor adjustments.	2
Partially Effective	The control partially operates in a manner that is effective in terms of being consistent, complete, reliable and timely.	6
Significant Improvement Required	The control has been implemented as described, but with significant deficiencies in the consistency or effectiveness of implementation and requires significant management action to improve the effectiveness of the control.	0
Ineffective	The control has not been implemented as described. Urgent management action is required to implement the described control processes.	0
Business Improvement Opp	Although not required by legislation or Council Policy or as an internal financial control, action could improve the way the Council undertakes this action	1

There are a number of areas that do not relate to the CoS, or controls have been assessed elsewhere in this audit, so the rating is not repeated. The following is used where this occurs.

Not Applicable	This control or requirement is not applicable.
Assessed Elsewhere	This control has been assessed in another section.

Do relevant policies, procedures, and frameworks adequately cover the rate setting and revenue process, and are they formalised, adequately designed, and aligned in accordance with legislative requirements?							
		Act 1999 (see Appendix 2 for legislation extracts)					
Report Ref		Details	Assessment	Control			
				Rating			
1	S50	Councils must have a public consultation policy which must set out the	The CoS has a Community Consultation Policy, which was last				
		steps that will be followed where the Act requires a council to follow its reviewed in April 2020 and was due for review in April 2022.					
		public consultation policy and can set out steps for the council to follow					
		for other decision-making of the council. The steps are:	The Community Consultation Policy covers the legislative				
	 Must provide for interested persons with a reasonable opportunity to requirements. 						
	make submissions and may vary according to the classes of decisions						
	made. Finding: The Community Consultation Policy on the Council's						
		Must at least provide for.	website is out of date for review.				

		 The publication of a notice in a newspaper circulating within the area of the council and a website determined by the CEO describing the matter under consideration and inviting interested persons to make a submission within a period that must be at least 21 days. the council is to consider any submissions made. 		
2	S123 (2)(d)	Each ABP must set out the rates structure and Policies for the financial year.	The Rating Policy is included in the ABP, as is the structure of the rates. The Rates Brochure that is sent out with the first rates notice also includes the rating policy.	
3	S150 (b)	Rating policies should make reasonable provisions with respect to strategies to provide relief from rates (where appropriate), and these should not be narrow or unreasonably restrictive or require meeting onerous application requirements.	There is a Financial Hardship Policy on the Council's website. It was last reviewed in March 2023 and is next due for review in March 2027. There is also a Financial Hardship Procedure and application form. Debt proceedings are suspended while negotiating a suitable payment arrangement and also suspended whilst the ratepayer abides by the terms of any payment arrangement.	
	Additional Policies	1		
4	Debt Collection	There is an internal documented Rates Debt Collection Process. This proc Rates, including the levying of fines and interest, making of payment arran workflow and sample letters to ratepayers.		
5	Rate Rebate Policy	The CoS has a Rate Rebate Policy, which is available on its website. The pathe operation of the rate rebate provisions of \$159 to \$166 of the Act. As the community on Rate Rebates that are available and the process for seel and Discretionary Rebates and seeks endorsement from the Council for the form that explains the rebates and allows entities to select the criteria that	the Policy is on the Council website, it provides transparency to king a rebate. A report is provided to the Council on Mandatory the provision of Discretionary Rebates. There is an application	
6	Instrument of Sub-Delegation by the CEO	There is an instrument of Sub Delegation by the CEO to the Team Leader R which is dated December 2023. Sub Delegation is made by the CEO according to the Sub Delegations provided to us were in Work format, and management wide review late last year, about 150 instruments were issued at that time PDF format, and staff were asked to sign off on these.	ding to S44 (4)(b) of the Act. In stated that due to timing constraints, after the organisation-	

Are applicable policies, procedures and legislative requirements being followed during the rate-setting and revenue-recognition process?						
Report Ref	ef Ref. Details Assessment Control Rating					
	Legislation = Local Government Act 1999 (see Appendix 2 for legislation extracts)					
7	§ 123 (2)	Each ABP must set out the rates structure and policies and assess	The ABP for 23/24 includes the Rating Strategy and			
		the impact on the community based on modelling.	Policy. This includes a 'Residential Impact Statement'.			

Are applicable	policies, procedures and le	gislative requirements being followed during the rate-setting and r	evenue-recognition process?	
Report Ref	Ref.	Details	Assessment	Control Rating
8	5123 (3)	Before a council adopts an ABP, it must prepare a droft ABP and	The MFP has a sub-delegation to prepare a draft ABP and	
		follow the steps of its public consultation policy and at least.	follow the public consultation policy in regard to the ABP.	
	5123 (4)	 Notify in a newspaper in the area and on the website, give 	A draft ABP for 23/24 was provided to the community.	
		natice of the draft annual business plan and invite people	Consultation commenced on the 3rd of May and closed on	
		to a public meeting at least 21 days after the publication	the 24th of May 2023. The public meeting was on	
		of the notice where the public can ask questions and make	Monday, 22 nd May 2023.	
		submissions. The meeting is to be at least 1 hr.	Adverts were placed in the Public Notices section of the	
		The relevant policy is the Public Consultation Policy.	Advertiser on Wednesday, 3rd May 2023. Public comment	
			was invited via the Council's website, by letter, email or	
			phone, and to attend the public meeting.	
			The legislation and the Council's Community Consultation	
			Policy both require a public meeting to be held at least 21	
			days after the publication of the notice. The consultation	
			period is 21 days; however, the public meeting was held	
			prior to the completion of 21 days after the publication in	
			the newspaper.	
			and the state of the state of the state of	
			Finding: The Public Meeting was held before the 21 days	
			had been completed from the date of publication of the	
			notice of the meeting.	
			,	
			The meeting accommodated members of the public to	
			ask questions and make submissions in relation to the	
			ABP. Members of the public were granted an	
			opportunity to address the Council during the meeting.	
			The meeting was longer than the minimum 1 hour	
			required.	
9	S123 (5)	Copies of the draft ABP are to be available at the meeting, and at	The MFP has a sub-delegation to ensure that copies of	
~	fol	the principal office and website for inspection or purchase.	the draft ABP are available at the public meeting and for	
		and formalism services and mediane using makes and an interest and int	inspection and purchase at the principal office of the	
			council and on the council's website.	
			County and of the county a measure.	
			A copy of the Agenda Papers and a copy of the Draft ABP	
			were available at the meeting.	
10	S123 (5a)	There must be a facility for asking and answering questions and	There was a question-and-answer facility on the	
10	3123 (34)	receiving submissions on the website.	Council's website and the ability to make submissions.	
		receiving suchnissions on the website.	Council's website and the ability to make submissions.	

Community title units assessed separately

7.1.1

17

\$147 (4)

Report Ref	Ref.	egislative requirements being followed during the rate-setting and re	Assessment	Control Rating
11	S123 (6a)	If a council adopts the ABP with amendments, there must be a	The ABP for 23/24 includes a section on significant	Control Rating
11	3125 (04)	statement setting out the significant amendments and providing	amendments to the adopted ABP. The draft ABP	
		reasons for the amendments	included a proposed average rate increase of 7.9%. The	
		reasons for the amendments.	ABP states that due to the significant economic pressures	
			facing the community from increases in cost of living and	
			interest rates, the Council determined that rates across	
			all rateable properties would increase by an average of	
			6.95%.	
12	\$123 (8)	ABP must be adopted after 31 May and before 15 August	The ABP for 23/24 was adopted on the 26 ^{th of} June, 2023	
13	S123 (8)	A summary of the ABP on the nature of services and rating and	The MFP has a sub-delegation to prepare a summary of	
15	3123 (3)			
		financial management policies must accompany the first rates notice sent to ratepayers after the declaration of rates.		
		notice sent to ratepayers after the declaration of rates.	ratepayers.	
			A copy of the Rates Brochure, which was the summary of	
			the ABP, went out with the first annual rate notice.	
			Additional copies were provided to the customer service	
			team for any ratepayer that required an additional copy.	
14	\$146	A council can impose general and separate rates.	The CoS imposes differential general rates and 3 separate	
14	2140	A council can impose general and separate rates.	rates, one of the separate rates being the Landscape Levy	
15	S147 (2)	Sets out the land, which is non-rateable.	Finding: The non-rateable list was reviewed, and 4	
15	3147 (2)	Sets out, the land, which is non-aceable.	properties were listed as non-rateable that should	
			have had rates levied in 2023/24. This equated to a	
			total in rates of \$16,785.82.	
			Staff have informed us that this issue was identified	
			early in 2023/24, and the previous process was that	
			non-rateable properties were only reviewed at the time	
			of property transfer. Staff identified that this process	
			could result in human error and missed revenue, and an	
			additional review process of non-rateable has been	
			added to the modelling process. This process involves	
			reviewing all non-rateable property ownership to	
			determine that the non-rateable classification has been	
			correctly applied.	
16	S147 (3)	Strata title units assessed separately	Rated separately	
10	27-1/(3)	Strata title miles assessed sebarately	nated separately	

Rated separately

Report Ref	Ref.	Details	Assessment	Control Rating
				Control Rating
18	S148	Rates assessed against any piece or section of land under separate	Rated separately	
		ownership or occupation or any aggregation of contiguous land		
	2422 # 1	under the same ownership or occupation		
19	S150 (b)	Rating policies should include relief from rates where appropriate	The rating policy statement in the ABP directs ratepayers	
			experiencing financial hardship to the Council's website.	
			The website has a Financial Hardship Policy.	
20	\$150 (c)	The Council's decisions should consider the financial effects of the	The ABP states that the rates are set in consideration of	
		decision on future generations.	the strategic plans of the council including the Long Term	
			Financial Plan and Asset Management Plans.	
21	S151 (1) (a)	Rates are to be based on the value of land.	The CoS uses Capital Value.	
	And S151 (2)	The value used is the capital value.		
22	S151 (1) (c)	Rates can be based on the value of land and a fixed charge	NA - The CoS does not use a Fixed Charge; it uses a	NA
			Minimum Rate	
23	S151 (3)	A council can declare rates on an annual value	NA – the CoS declares rates based on Capital Value	NA
24	S152 (1)	A general rate may be based on the value of the land or the value	The General Rate is based on the capital value of the	
		of land and fixed charge.	land. The Council does not set a fixed charge.	
25	S152 (2)	The fixed charge must apply equally to each separate piece of	NA - The CoS does not use a Fixed Charge; it uses a	NA
	& 2(b)	rateable land and can't be imposed on land that constitutes less	Minimum Rate	
		than the whole of a single allotment.		
26	S152 (2) (ba)	A fixed charge cannot be imposed against each site of a caravan		
		park, residential park or each marina berth.		
27	S152 (2) (c)	Two or more pieces of contiguous rateable land owned by the	1	
		same owner or occupied by the same occupier can only have one	NA – The CoS does not use a Fixed Charge; it uses a	NA
		fixed charge.	Minimum Rate	
28	S152 (2) (d)	Single Farm Enterprise can only have one fixed charge. If these		
	& S152 (4)	grounds cease to exist, the person must inform the council.		
29	\$153 (1)	A council can declare a general rate or a differential rate	The CoS declares a differential rate	
30	S153 (2)	When setting general or differential rates, the council must	The ABP sets out that land use is the differentiating	
	J 5-9	consider consistency and comparability in the imposition of rates	factor. It sets out the purpose for higher differentials on	
		on various sectors of the business and wider community.	commercial, industrial and vacant land.	
31	\$153 (3)	The council must consider whether it will fix a maximum increase	The Agenda for the Council meeting on the 26th June	
-,	meso foll	in the rate that constitutes the principal place of residence of a	2023 states that pursuant to this section, it fixes a	
		principal ratepayer.	maximum increase in the general rate that constitutes	
		Conditions can apply to the application of a maximum increase.	the principal place of residence of a principal ratepayer	
		mungen aust mit delt un erem mit bereum einer mit m einereitegene eine presentere	to 12.5% and sets some conditions. This is endorsed in	
			the council minutes of that meeting.	

Are applicable policies, procedures and legislative requirements being followed during the rate-setting and revenue-recognition process?				
Report Ref	Ref.	Details	Assessment	Control Rating
32	S153 (5)	The Council must adopt its annual business plan and its budget	The minutes of the meeting on the 26th of June 2023	
		before declaring its rates.	show that the council adopted the LTFP and ABP, then	
		This must be done before 15 August.	the budget, then the valuation, then the minimum Rate,	
			then the declaration of rates, then the maximum	
			increase and higher value remission.	
33	S154 (1)	A council can declare a separate rate for a purpose that is of	The council declared 3 separate rates. One is the	
	& (5)	particular benefit to the land, occupiers of the land, or visitors to	Landscape: Levy imposed by the state.	
	&(6)	that area. This can be declared for a specified period and can be	The declaration sets out the land to which the rates	
	& (7)	declared for more than one year. If declared for only one year, it	relate and the purpose for the separate rates.	
	& (8)	can't be declared more than one month before the		
		commencement of the relevant financial year. A council can		
		declare differential separate rates. The council must identify the		
		land to which the rate will relate.		
34	\$154 (2)	A separate rate may be based on the value of the land, a	The Globe Derby Community Club's separate rate is	
		proportional measure, or a fixed charge.	based on a fixed charge; the Landscape Levy is a rate in	
			the dollar (RID) based on the value of the property, and	
			the Salisbury Business Association rate is an RID based on	
			the value of the property.	
35	\$154 (9)	If there is a separate rate, each rate notice to the ratepayer who is	The rate notices show the RID for the separate rates and	
		liable to pay must specify the following:	the charge for the Globe Derby rate. The notices show	
		 Purpose for the rate 	the amount payable.	
		 The basis on which it is declared. 	The purpose of the Landscape levy is shown as being	
		The amount payable	required by the state government and is on the rate	
		 The period for which the rate will apply (if relevant) 	notice. The purpose for all the separate rates is included	
			in the rates brochure that goes with the first rate notice.	
36	S154 (10)	If a separate rate is for a particular purpose and the council	The two council separate rates that are charged each	
		resolves not to carry out that purpose or there is an excess of	year are passed through to the Globe Derby Association	
		funds, the excess or not used amount must be credited against	and the Salisbury Business Association (SBA). These	
		future liabilities for rates for that land or refunded to the persons	groups provide information at the time of the request for	
		who paid the rate.	funds justifying the request. The separate rate for the	
			Globe Derby Community Club is in accordance with a	
			Land Management Agreement. A Report goes to the	
			Council each year with details on the club's budget and a	
			request for the setting of the separate rate. The SBA	
			provides a business plan and financial information and a	
			report goes to the Council each year for setting the rate.	

		and legislative requirements being followed during the rate-setting and re		T
Report Ref	Ref.	Details	Assessment	Control Rating
37	S156 (1)	Differential rates can be according to land use, locality, or a combination.	The differential rates are according to land use.	
38	S156 (5)	If a council uses the land use 'residential', this rate must be applied to supported accommodation, independent living units and day therapy centres.	Residential land use is applied to supported accommodation and independent living units. The CoS does not have any day therapy centres.	
39	\$156 (5a)	A marina berth cannot have a higher rate than that levied on land for commercial purposes.	NA – No Marina Berths	NA
40	S 156 (9)	A ratepayer can object to the use allocated to their land.	The process to object to the land use is on the back of the rates notice.	
41	\$157	If using differential rates, each rate notice must specify the differentiating factor or combination of factors.	The land use is on the rates notice.	
42	\$158 (1) & (2)	A council can fix a minimum amount payable and alter the amount for land that falls within a range of values. This does not apply to marina berths. This must be applied to the whole allotment and cannot be imposed against each supported accommodation or independent living unit within a group of units, a site in a caravan park or each site in a residential park. A single farm enterprise can only have one minimum. Two or more contiguous land owned and occupied by the same occupier can only have one minimum.	A minimum amount payable is applied. The Minimum has not been applied against supported accommodation and independent living units. The system is set to only apply one minimum per Single Farm Enterprise. However, none of these falls below the minimum for the CoS The system is set to apply only one minimum for contiguous properties.	
43	\$158 (2) (d)	No more than 35% of the properties can pay the minimum.	24% of properties paid the minimum, which is under the 35% threshold set in legislation.	
44	S158 (2) (e)	A council can't have a fixed charge and a minimum rate.	Only a minimum is charged.	
45	\$159 (1)	If a rebate applies, a council can set the manner and form for application.	There is an application form for rate rebates. The CoS also has a Rate Rebate Policy. The TLR and the MFP have sub-delegations to determine the manner and form of an application for a rebate or rates.	
46	\$159 (4)	If a rebate is less than 100% (mandatory rebates of 75%), the council may increase the rebate to 100%	The Council considered a report on the Rate Rebate Policy and Endorsement of Discretionary Rebates for the 23/24 year on the 27th of March, 2023. This included providing additional discretionary rebates where mandatory rebates apply at 75%. The rebate list extracted from the rating database matches the council report.	

7.1.1

Are applicable	policies, procedures and	legislative requirements being followed during the rate-setting and re	evenue-recognition process?	
Report Ref	Ref.	Details	Assessment	Control Rating
47	S159 (7)	If the reason for the rebate ceases to exist, the ratepayer must inform the council.	The rebate application form states this.	
48	\$159 (9)	If a rebate is granted for general rates, it also applies to other rates.	The rebate report extracted from the rates database shows that properties that received a rebate for general rates also received a rebate for separate rates.	
49	\$160 &. \$161	Mandatory rebates for: Health service (100%) Community services (75%) S161(3) sets out what a community service organisation is. Religious purposes (100%) Public Cemeteries (100%) Zoo (100%) Educational Purposes (75%)	The rebate report extracted from the rates database and the rebate report provided to the council align with the mandatory rebate percentages.	
50	S166	Discretionary Rebates This section lists who can have a discretionary rebate and how long those rebates can be applied for.	The rebate report to the council lists the discretionary rebates, there is a rebate policy, and the rebate application form lists what rebates can be applied for.	
51	\$167 (1) & (2) & (8)	A council must adopt the valuations before declaring the rate. The valuations must be by the Valuer-General or a valuer employed or engaged by the council who is able to act as a valuer under the Land Valuers Act 1994.	The minutes of the 26 th June 2023 show that the council adopted the valuations before adopting the rates.	
52	\$167 (3)	The most recent valuations available at the time the council adopts its budget must be used (if using the Valuer General)	Rates were declared on Monday, the 26 th of June, 2023. The valuation report from the Valuer General used for the declaration was dated the 25 th of June, 2023. The valuation report has total capital valuations of \$34,600,123,900. This is the total that is included in the Gazette notice. However, the council minutes have a total of \$28,946,693,260, which is less than the rateable land total of \$32,845,815,107. The rateable land total matches the Gazette notice. Finding: the council declaration on the 26 th of June contained a different \$ amount compared to the Valuer General's Report on the 25 th of June. The Gazette Notice contained the same \$ amount as the Valuer General's Report.	
53	\$167 (6)	A notice of the adoption of valuations must be published in the Gazette within 21 days after the date of the adoption.	The Council adopted the valuations on the 26 ^{th of} June, 2023, and the adoption of valuations was published in	

Are applicable	Are applicable policies, procedures and legislative requirements being followed during the rate-setting and revenue-recognition process?				
Report Ref	Ref.	Details	Assessment	Control Rating	
			the Gazette on the 6th of July, 2023. This is under the 21- day requirement. The TLR and MFP have sub-delegation to place a public notice of the adoption of valuations in the Gazette.		
54	5170	A notice of the declaration of a rate must be published in the Gazette and a newspaper circulating in the area within 21 days after the date of the declaration.	The council declared the rates on the 26 ^{th of} June 2023, and the declaration was published in the Gazette on the 6th of July 2023, which is within the 21-day requirement. The declaration of rates was not published in the newspaper.		
			The TLR & MFP have a sub-delegation to publish a notice on the declaration of a rate in the Gazette and a newspaper circulating in the council area.		
55	\$172	The CEO must ensure an assessment record is kept which shows: Brief description of each separate piece of rateable land in the area and Rateable value of the land Name and address of the owner. Name and address of principal ratepayer if not the owner. Name of any occupier (as far as being known by the CEO) who is not the owner or principal ratepayer. The land use if that is the basis used for rating. A name and address can be suppressed if these details place a person at risk. If the name and address are suppressed in the electoral roll, it must also be suppressed on the assessment record.	The TLR has the following sub-delegations in regard to this section of the Act; to keep the assessment records, receive applications from an occupier to have their name entered into the assessment record as the principal ratepayer and to determine the form of an application for this. Enter the occupier's name in the assessment record Make any alteration to the assessment record Receive an application to alter the assessment record The MFP has the above sub-delegations and, in addition, sub-delegation to suppress the name or address of a person from the assessment record and approve the manner and form of an application for inclusion on the assessment records. The Assessment record includes the required information and has suppressed details in required		

Are applicable	Are applicable policies, procedures and legislative requirements being followed during the rate-setting and revenue-recognition process?				
Report Ref	Ref.	Details	Assessment	Control Rating	
56	\$173	Applications may be made to the CEO for an alteration of the	The TLR has the sub-delegation to receive an application		
		assessment record by the owner or occupier if it is incorrect or if	to alter the assessment record and approve the manner		
		the principal ratepayer no longer wishes to be the principal	and form of an application.		
		ratepayer.			
			The TLR and MFP have sub-delegation to determine a		
			review of the outcome of a request to alter the		
			assessment record and provide written notice of the		
			decision on review.		
			The CoS has an application form for this purpose.		
57	S178	Rates may be recovered from the owner or occupier (if in the	The TLR & MFP have sub-delegation to recover rates as a		
		assessment record) or lessee.	debt and to provide written notice requiring a lessee or		
			licensee of land to pay rent or other consideration to the		
			council under the lease or licence in satisfaction of the		
			liability for rates.		
			The MFP has a sub-delegation to remit a charge payable		
			under \$178(5) in whole or in part.		
	1		The Rating Database shows where this occurs.		
58	S179	Rates are proportional if not liable for the whole year.	The MFP has sub-delegation to refund rates that have		
			been paid to a principal ratepayer if the land ceases to be		
			rateable land.		
	1 44.00		The CoS's practice is in accordance with \$179.		
59	\$180	A Rate notice must be sent to the ratepayer as soon as practicable	The rates notices were lodged with the Council's printer		
		after the declaration of a rate or a change in the rates liability of	on the 18th, 19th and 20th July. The printer sends the		
		the land.	notices after printing.		
			The TLR & MFP have a sub-delegation to provide a rates notice to the principal rategaver.		
60	\$181	Pates are to fall in 4 equal instalments payable in the months of			
טָפּ	3707	Rates are to fall in 4 equal instalments payable in the months of September, December, March and June on a day determined by	Rates were due in September, December, March and June. Rates were declared before the 15th of August,		
		the council. If rates are declared after 15 August, instalments can	2023.		
		be adjusted.	The TLR has a sub-delegation to provide a rates notice		
		be adjusted.	to the principal ratepayer. The MFP & TLR have sub-		
			delegation to determine the day on which an instalment		
			of rates falls due, to adjust the months in which		
			instalments of rates are payable and to agree with a		
	J	1	mistamments of rates are payable and to agree with a		

7.1.1

Are applicable policies, procedures and legislative requirements being followed during the rate-setting and revenue-recognition process?				
Report Ref	Ref.	Details	Assessment	Control Rating
			principal ratepayer the dates on which instalments of	
			rates are payable.	
61	5181 (4)	A person can pay any instalment of rates in advance, and there can	The Rates Brochure states that payment arrangements	
		be a payment agreement.	can be made.	
			The TLR & MFP have a sub-delegation to agree with a	
			principal ratepayer on the dates on which instalments of	
			rates are payable.	
62	S181 (5)	The instalment rates notice must show the amount of the	The instalment notice sample shows the date due and	
		instalment and the date on which it falls due or information	the amount due for the quarter, amounts paid and the	
		relating to a postponement.	remaining full-year balance.	
			The TLR & MFP have sub-delegation to provide rates	
			notice to the principal ratepayer.	
63	\$181 (6)	A rates notice must be sent by post or similar to the address in the	The council rates database shows the postal addresses.	
		record or if agreed by electronic communication.	Ratepayers can register to have their rate notices sent	
			electronically.	
64	S181 (7)	A rates notice must be sent at least 30 days but not more than 60	The samples show that the due date was within 60 days	
		days before an instalment falls due.	of the sending of the notices.	
			The TLR & MFP have a sub-delegation to agree with a	
			principal ratepayer to vary the period for the provision of	
			a rates notice.	
65	\$181 (8)	If an instalment is not paid when due, a fine of 2% is payable and	Fines and Interest are shown together on the rates	
		after each full month after the date due, interest as prescribed on	notices as 'fines'.	
		the amount in arrears, including the amount of any unpaid fine and including interest from any previous month, accrues. (does not	The (egislation doesn't state specifically that interest must show separately to fines on the rate notices (except	
		apply the same way for postponed rates)	for Postponed rates). Showing them separately would	
		abbit tire same wat ion boarbonied rates?	be more transparent for ratepayers.	
			be more transparent to ratepayers.	
			Business Improvement – to be more transparent to	
			ratepayers, consider showing fines and interest	
			separately for all rate notices	
66	S181 (9)	Fines and interest can be remitted	The TLR & MFP have sub-delegation to remit the whole	
			or any part of an amount payable under \$181(8)	
			The CoS rarely remits fines and interest and only happens	
			where the charge has been levied due to council error. If	

Are applicable	Are applicable policies, procedures and legislative requirements being followed during the rate-setting and revenue-recognition process?				
Report Ref	Ref.	Details	Assessment	Control Rating	
			this occurs, the ratepayer is advised, and a new rates notice is provided to the ratepayer.		
67	5181 (11)	A council can grant a discount or incentive to encourage prompt payment of rates.	NA – this is not provided by the Council	NA	
68	5181 (12)	A council can impose an administrative fee not exceeding 1% in regard to a payment agreement.	The CoS does not impose these fees.		
69	\$181(13)(15)	Separate Rates can have different arrangements, and instalments can be varied.	Separate rates are due at the same time as the council rates.		
70	S181 (17)	Prescribed interest is P = prescribed percentage CADR = cash advance debenture rate for that financial year P = (CADR = 3%)/12	Interest is charged as prescribed.		
71	S182 (1)	If a council is satisfied that the payment of rates could cause hardship, part or whole of rates can be postponed or remitted.	The TLR & MFP have sub-delegation to postpone payment of rates. The CoS has not remitted rates for hardship, and this is in line with its Hardship Policy. The Council has postponed rates under the Hardship proxision in accordance with the Hardship Policy. This postponement is in the form of payment plans.		
72	S182 (2)	Postponed rates under \$182 (1) can be charged interest. The council can stop the arrangement by providing 30 days written notice; the arrangement ceases if the ratepayer ceases to own or occupy the land.	The TLR & MFP have sub-delegation to impose a condition that the ratepayer pay interest on postponed rates, impose other conditions on the postponement of rates and revoke a postponement of rates. Postponed rates are charged interest but the interest is shown as fines on the rate notices as that is the default print description. Finding: the interest should be showing on the postponed notice with the correct description.		
73	\$182 (3)	A council may grant other or additional postponements to assist or support a business in the area or alleviate the effects of anomalies that have occurred in valuations.	The CoS has only postponed for Seniors and those under Hardship.		
74	\$1824	Seniors can apply for a postponement if it is the principal place of residence. There is a prescribed application form, and a council can reject the application or impose conditions only as per regulations, Postponement stops when the title is transferred or there is a failure to comply with a condition. Interest is charged.	There is an application form that sets out eligibility and the legislative components. It is clear and simple. The Council also provides an information sheet on the senior's postponement. There is a checklist for administration regarding senior postponement.		

Are applicable policies, procedures and legislative requirements being followed during the rate-setting and revenue-recognition process?				
Report Ref	Ref.	Details	Assessment	Control Rating
			The TLR & MFP have sub-delegation to receive an	~~~
			application for postponement, determine the manner	
			and form of an application, reject an application in	
			accordance with the regulations and impose conditions	
			on the postponement.	
75	\$182A (7)	When the postponement concludes, rates are due to the council	The application and information provided with a	
		after a liability to the crown, and any mortgage or encumbrance	postponement application require information about	
		registered before the commencement of the postponement but	mortgages and encumbrances to be submitted prior to	
		before any mortgage registered after the commencement of the	approval to ensure that the council is aware of these and	
		postponement or any mortgage or encumbrance not registered or	takes them into account when approving the application.	
		any other interest or liability.		
76	5183	Payment received for rates will be applied in the following order:	The TLR & MFP have sub-delegation to apply amounts	
		 In payment of any costs awarded to or recoverable by the 	received for rates as prescribed.	
		council in any court proceedings undertaken to recover		
		rates	The rules for apportioning payments are hardcoded into	
		To cover interest	the Rates System Parameters.	
		To cover fines		
		To cover rates owed		
77	S184	If rates have been in arrears for 3 years or more, the council may	The TLR & MFP have the sub-delegation to send a notice	
		sell the land. A notice is sent to the ratepayer stating the period in	to the principal ratepayer, send a copy of the notice to	
		arrears, the total liability and that, if not paid in full within one	any other owner of the land, mortgagee of the holder of	
		month or period set by the council, the intention for the council to	caveat, and if a lease to the Minister. The TLR & MFP also	
		sell the property.	have sub-delegation to place a copy of the notice in a	
		A copy of this notice to any owner who is not the principal	newspaper, leave a copy on the notice on the land, set a	
		ratepayer, any registered mortgagee and holder of any caveat or	reserve price for the auction, seek the consent of the	
		Minister if it is a lease on crown land.	Minister (if crown land) to have the land sold by public	
		If the council can't find the ratepayer, a notice can be placed in a	auction, to advertise an auction to sell the land in a	
		newsletter (statewide) and a notice placed on the property. If the	newspaper, to sell the land by private contract, apply	
		amount is not paid, the council can proceed to the sale. (except for	money received and deal with money under the	
		crown land). The sale is to be by public auction, and the council	Unclaimed Money Act 1891.	
		may set a reserve price. Crown land needs the Minister's consent		
		for sale. If the rates are paid, the auction is called off. If the auction	The TLR and the MFP have the sub-delegation to provide	
		fails, the council may sell the land by private contract for the best	a statutory declaration to the Register-General stating	
		price it can reasonably obtain.	that the requirements of this section of the Act have	
		Money from the sale is applied:	been observed in regard to the sale of land.	
		 For costs of sale and costs incurred to proceed to sale 		

Are applicable	able policies, procedures and legislative requirements being followed during the rate-setting and revenue-recognition process?			
Report Ref	Ref.	Details	Assessment	Control Rating
		Liabilities to the council in respect of the land Liability to the crown Projectored Meetings of appropriate consistency.	The Council has a template letter that is provided to the ratepayer, which covers the information required to be provided to the ratepayer.	
		 Registered Mortgages or encumbrances Other mortgages, encumbrances or charges the council is aware of The owner of the land. If the owner can't be found – it goes to unclaimed monies. 	The Council did have a property that failed to sell by auction, and the property was listed for sale by the agent used for the auction process and sold by private treaty.	
78	\$185	Where the council can't sell the land or the current valuation of the land is less than the outstanding rates, the council can apply to the Minister, and the Minister can forfeit the land to the crown (if the crown land) or transfer to the crown or the councils.	This has not occurred.	N/A
79	S186 (1)	Rates are recoverable even if there is an objection application in place for valuations or land use.	This is noted on the rates notice.	
80	S186 (2)	If an objection is successful, the amount overpaid must be refunded to the ratepayer or credited against future liabilities for rates. Interest is payable on an amount that is refunded.	The TLR & MFP have sub-delegation to repay an amount of overpaid rates, credit overpaid rates against future liabilities, take action to recover any additional amount in arrears on account of an alternation to the valuation, give notice to recover an additional amount due to alteration of valuation and refund an amount to a person ceasing to be a ratepayer. The practice of the CoS aligns with S186(2)	
		ncial Management) Regulations 2011		
81	R6	Re S123(2)(g) of the Act Annual Business Plans (including drafts for public consultation) must include; Reason why the council has adopted its valuation method for rating purposes If differential rates, the reasons and justifications for the differentiation and the expected level of revenue to be raised by each differential rate If applicable, the use and level of a fixed charge component The use and level of any separate rate, including the reasons for the rate The council's policy on discretionary rebates and remissions with particular reference to the rebates that	Draft & Adopted — all items included	

Report Ref	Ref.	Details	Assessment	Control Rating
icport ner	no.	will apply for more than 1 financial year and including how	nateannein	Control Hating
		a rebate is designed to meet the purpose behind the		
		rebate		
		A statement of the total expected revenue from general		
		rates compared to the total expected revenue from		
		general rates from the previous year as set out in the ABP		
		of the previous year (excluding rebates and remissions on		
		rates that are not discretionary rebates or remissions)		
		 A statement on the percentage change in the total 		
		expected revenue from general rates for the financial year		
		compared to the total expected revenue from general		
		rates for the previous financial year as set out in the ABP		
		for the previous year (excluding rebates and remissions		
		that are not discretionary rebates or remissions)		
		 If relevant, a statement on the average change in the 		
		expected rates for the financial year (expressed as whole		
		dollars) for each land use category compared to the		
		expected rates for each category for the previous financial		
		year as set out in the ABP for the previous financial year		
		 Issues concerning equity within the community and the 		
		impact of rates across the area		
		 The application or operation of a minimum amount; 		
		payable, if applicable.		
		 If the ABP sets out a growth component in relation to: 		
		general rates, it may relate only to growth in the number		
		of rateable properties and must not relate to growth in		
		the value of rateable properties)		
	Local Government (Gene	ral) Regulations 2013		
82	R14	Re \$156 and \$167 of the Act	Land use categories are used.	
		Land use categories are: Residential, Commercial-Shop,		
		Commercial-Office, Commercial-Other, Industry-Light, Industry-		
		Other, Primary Production, Vacant, and Other.		
83		Re 5156 (7) of the Act	NA	NA
		Differentiating factors based on the locality of land must comply		
		with the following principles:		
		According to the zone		

Report Ref	Ref.	Details	Assessment	Control Rating
		 Whether the land is situated within or outside a township with, at the discretion of the council, a separate differentiation according to zones) If there are 2 or more townships in the area, there may be differentiation according to the township in which the land is situation and can also be differentiated by zone. Zone = as per Planning and Design Code 		
84	R15	Notice of valuation if the council employs or engages a valuer	NA	NA
85	R17	Re S180(2) of the Act A rates notice must show; • The location or address of the land • The relevant assessment number • The basis on which the rate is declared (S151 of the Act) • The valuation method used and the valuation adopted • If a differential rate, the differentiating factor including the land use if that is the factor and the locality if that is the factor • The date the rate was declared • The rate in the dollar that has been declared (if relevant) • The date or dates when payment is due • Details of any minimum, if relevant • Details of any rebate, remission, concession or deduction that applies • The total amount payable by the ratepayer • The options and arrangements available • A brief description of the process to object to the land use or valuation (does not apply for second or subsequent rates notice • A contact telephone number for enquiries • A brief summary of the penalties that apply if an instalment is not paid on or before the due date • A brief statement concerning the entitlement of ratepayers to be included on the voters' roll A rates notice may relate to more than 1 rate or a combination of	All items included	

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	olicable policies, procedures and legislative requirements being followed during the rate-setting and revenue-recognition process?			
Report Ref	Ref.	Details	Assessment	Control Ratin
86	R18	Re S182A of the Act	Council has an application form that shows that a	
		The prescribed portion of the rates is any amount in excess of \$500	minimum of \$500 must be paid, the calculation for	
		The council determines the manner and form of an application.	postponement requires that there must be at least 50%	
		A council may reject an application for a postponement if it	equity in the property if there is a current mortgage or	
		appears that the maximum principal or other capital liability that	encumbrance, that if there is a mortgage or	
		may become payable or due under a mortgage, encumbrance or	encumbrance that a statement from the financial	
		charge registered over the land may exceed 50% of the capital	institute is required, the interest that will be applied.	
		value of the land. This does not apply for postponement for the		
		same person in subsequent years and does not apply if the	The Council also provides an information sheet on senior	
		mortgage, encumbrance or charge is registered after the	postponements. The information sheet includes that	
		postponement commenced.	there is no further need to apply and the requirement to	
		The council must inform that an entitlement under the Rates and	notify the council if/when the entitlement ceases to	
		Land Tax Remission Act 1986 may apply at the ratepayer's	exist.	
		discretion.	There is a checklist for administration regarding senior	
		Subsequent rate notices must be accompanied by information	postponement.	
		about;		
		 the amount of rates outstanding 	R18(6) (a) requires that where a postponement has	
		 the amount of interest that has accrued 	occurred under \$182A of the Act, the council must inform	
		 a statement concerning the persons' entitlements with 	the prescribed ratepayer that an entitlement to receive	
		respect to a postponement of rates without the need to	a remission of rates under the Rates and Land Tax	
		make a further application	Remission Act 1986 may be applied, at the prescribed	
		 a statement that an amount not paid in accordance with 	ratepayer's discretion, towards the proportion of rates	
		the notice but capable of being postponed will be taken	that has not been postponed.	
		as subject to postponement		
		a statement requiring the owner to inform the council if or when	We note that when searching the Legislation SA website	
		the entitlement to postponement ceases to exist.	for Rates and Land Tax Remission Act 1986, you are	
		and an analysis and the manks of the second	referred to the Cost of Living Concessions Act 1986. This	
			Act describes possible remission available.	
			There is nothing on the information for ratepayers	
			postponing rates referring to either Act.	
			This information is also not on the model notices and	
			guidance papers supplied by the LGA.	
			Finding: Legislation requires that a ratepayer who	
			postpones rates must be informed that they could apply	
	1		for remission under the Rates and Land Tax Remission	

Are applicable policies, procedures and legislative requirements being followed during the rate-setting and revenue-recognition process?				
Report Ref	Ref.	Details	Assessment	Control Rating
			Act 1986. However this Act refers you to the Cost of Living Concession Act 1986. We, therefore, recommend that the CoS seek advice from the LGA on what should be included in the information provided to ratepayers who postpone their rates.	
86a	R18	The information required to be included on rate notices subsequent to the commencement of postponement is listed and includes information about the interest that has accrued under the postponement.	•	

Have the Local Government Financial Best Practice Model controls relating to rates setting and revenue management processes been implemented effectively? The risks and controls following have been extracted from the Better Practice Model - Internal Financial Controls for South Australian Councils, June 2022. These are the risks and controls included in Section 5.1 of the Model that relate to Rates and Rate Rebates

included in Section 5.1 of the Model that relate to Rates and Rate Rebates.				
Report Ref.	Risk	Control	Assessment	Control Rating
87	The council does	Rates are automatically generated by the rating	The system generates rates and completes calculations. The Manager of	
	not raise the	system, including the calculation of rate rebates and	Finance and Procurement Services (MFP) sets the parameters as part of	
	correct level of	other parameters as applicable.	modelling. MFP and the Team Leader Revenue and Payables (TLR) review	
	rate income		and update as valuations change until adoption.	
88		All software changes to rate modelling functionality	Rate modelling is done on a spreadsheet, and once complete, the Rate in	
		are fully tested and reviewed by relevant staff.	the Dollar is input into the Corporate Software and checked against the	
			modelling spreadsheet.	
89		There is a rating policy in place that is reviewed	The rating policy is included in the ABP and reviewed annually with the Draft	
		annually and provides clear guidance on rating	ABP and includes required information.	
		methodology and relevant rebates and remissions in		
		line with legislation.		
90	Rates and rate	Rates are automatically generated by the rating	The system generates rates and completes calculations. The Manager	
	rebates are either	system, including the calculation of rate rebates and	Finance and Procurement Services (MF) sets the parameters as part of	
	inaccurately	other parameters as applicable.	modelling and MF and the Team Leader Revenue, Finance and Procurement	
			(TLR) review and update as valuations change until adoption.	

Have the Local Government Financial Best Practice Model controls relating to rates setting and revenue management processes been implemented effectively?

The risks and controls following have been extracted from the Better Practice Model – Internal Financial Controls for South Australian Councils, June 2022. These are the risks and controls included in Section 5.1 of the Model that relate to Rates and Rate Rebates.

Report Ref.	Risk	Control	Assessment	Control Rating
91	recorded or not recorded at all.	Annual valuation update is balanced prior to the generation of rates; all mismatches are resolved prior to finalising rate generation.	This is standard practice, and the procedure is documented.	
92		All rate rebates and adjustments, including write-offs, are appropriately authorised, with reference to Delegations of Authority and source documents.	Rate Rebates are reported and approved by the Council. The CEO has the delegated power to write off debts, and this is limited to \$5,000. There is no sub-delegation for the writing off of debts. The writing off of fines and interest is in \$181(9) of the Act. The Team Leader Revenue and the Manager Finance and Procurement both have delegation under this section.	
93		Rates are generated and tested for accuracy of calculation methodology prior to the rates billing run.	This is undertaken during the modelling. A rates prediction is generated which is checked against data from the rates system to ensure they match. Any issues are resolved. We have tested the calculations on a number of sample rate notices. The RID and rating parameters are loaded into the Corporate Software, and rates are calculated automatically.	
94		Employees responsible for processing rate payments and rebates cannot process their own payments or rebates unless the transaction is approved by someone independent of the process.	The Team Leader and Senior Officer check the rebate report for every model, so multiple times during preparation. The Team Leader and Senior Officer also check postponed rates. The Team leader does not live in the area; the Senior Officer does, but this is checked by both. False receipts would be picked up during the bank reconciliation process. The Senior Officer doesn't have receipting access. Currently, the TLR does not have any rateable property in the Council area. When a new staff member comes into the rates team, management reviews access to the system and whether the officer has property in the Council area. If access to receipting is required and the officer has property in the Council area, management reviews the property files of that officer to ensure that all transactions are valid.	
95	The property Masterfile does not remain pertinent	Recorded changes to property master file data and any rate adjustments are compared to authorised source documents to ensure that they were input accurately. An audit trail is maintained for all changes.	There is a documented procedure. Changes are made from conveyancers' advice, which is saved in the record management system and then checked on the LTO report. The LTO report is input into the system and generates a discrepancy report. Pathways audit trails have to be turned off before the end-of-year roll process. Only IT can turn this off, and it is part of the IT process to turn the audit trails back on once the end-of-year roll is	

UHY HAINES NORTON 29.

Have the Local Government Financial Best Practice Model controls relating to rates setting and revenue management processes been implemented effectively?

The risks and controls following have been extracted from the Better Practice Model - Internal Financial Controls for South Australian Councils, June 2022. These are the risks and controls included in Section 5.1 of the Model that relate to Rates and Rate Rebates.

Report Ref.	Risk	Control	Assessment	Control Rating
			completed and balanced. It is turned off at 5 pm, and the system then locks	
			users out. The role occurs overnight. IT let the Team Leader back into the system the next morning to check balances, and then IT turn audit trails	
			back on.	
96	1	Access to the Property master file is restricted to	If names and addresses are linked to the property as the owner, only rate	
		appropriately designated personnel, with a process in	staff can change details. Only rates staff can change the names and	
		place to ensure changes are in line with policies and procedures.	addresses of property owners.	
97	Rates are not	There is a process in place to ensure that rates are	There is a documented Debt Collection process that covers rates not paid	
	collected on a timely basis.	collected in a timely manner and overdue rates are followed up.	on time, payment arrangements, debt collection and the Section 184 sale process.	
98	Receipts are either	Officers who create debtors' invoices do not have	The Team Leader has receipting access. Ideally, this should be removed.	
	inaccurately	access to receipting payments and/or reversing	However we are aware that a number of Local Government software	
	recorded or not recorded at all.	receipt transactions.	systems are unable to remove receipting from the other tasks of the rating staff.	
			The rates team do minimal receipting. A control that minimises the risk of	
			a rate officer allocating another ratepayer's payment to their rates account	
			is ratepayers receive notices that show if rates have not been paid. A	
			control to minimise the risk of a false receipt is the reconciliation of the Council's bank accounts.	
			Currently, the TLR does not have any rateable property in the Council area.	
			When a new staff member comes into the rates team, management reviews	
			access to the system and whether the officer has property in the Council	
			area. If access to receipting is required and the officer has property in the	
			Council area, management reviews the property files of that officer to ensure that all transactions are valid.	
99	1	There is a process in place to ensure that the third-	Customer Service receipts the third-party receipting such as Australia Post	
		party receipting downloads are reconciled to the	and Bpay. The finance team then reconcile the receipting to the bank file.	
		third-party substantiation documents.		

Are relevant assumptions applied in the rate setting and revenue recognition process validated and tested appropriately?

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Report Ref.	Assessment	Control
×-		Rating
100	Rate modelling is undertaken on a spreadsheet. Once this is complete the RID is input into Council's Corporate Software and checked against the spreadsheet. The spreadsheet has a notes page that documents the use of the spreadsheet to ensure consistency in use each year.	
	The budgeted rates income is included in the Council's Budget. The Council's Budget is reviewed quarterly, and any variations are reported to the Council.	

Are public cor	sultation and feedback processes adequately administered and take sufficien	at account of ratepayers' feedback on the Council's proposals before fina	lising rates in
accordance wi	th legislative requirements?		
Legislation - Le	ocal Government Act 1999 (see Appendix 2 for legislation extracts)		
Report Ref	Details	Assessment	Control
			Rating
See Ref. 1	Report Reference 1 describes the requirements for a public consultation	Finding: the Community Consultation Policy on the Council's website is out	Assessed
	policy.	of date for review.	Elsewhere
See Ref. 7	Report Reference 7 describes the requirement to set out the rates structure	The ABP for 23/24 includes the Rating Strategy and Policy.	Assessed
	and policies and impact in the ABP.		Elsewhere
See Ref 8	Report Reference & describes the requirement for the Council to prepare a	Finding: the public meeting was held before the 21 days of notice had been	Assessed
	Draft ABP and give notice of a public meeting for the public to make	completed.	Elsewhere
	submissions.		
See Ref. 9	Report Reference 9 describes the requirement for copies of the draft ABP to	Copies of the draft ABP were available on the Council's website and at the	Assessed
	be available at the public meeting and on the website for inspection.	public meeting.	Elsewhere
See Ref. 10	Report Reference 10 describes the requirement for asking and answering	There was a question-and-answer facility on the Council's website and the	Assessed
	questions and receiving submissions on the website.	ability to make submissions.	Elsewhere
101	Feedback from consultation	A report on consultation feedback on the ABP was provided and	
		considered by the Finance and Corporate Services Committee and the	
		Council.	

Are rates calculation and application of rates through the rate-setting system accurate?			
Report Ref	Assessment	Control Rating	
102	A range of rate notices for varying land uses and separate rates and the application of the minimum rate were tested to check that calculations were		
	correct against the rate in the dollars declared by the Council. They were all correct.		
	The parameters, such as the rate in the dollar, are set within the Council's Corporate Software rating system. Once set, the application of the rate in the		
	dollar and the application of the minimum and separate rates is automatic.		

Report Ref.	Are there any unnoticed, unaccounted-for, unrealised or unintended rate revenue losses?		
See Ref 15	Finding: The non-rateable list was reviewed with 4 properties listed as non-rateable that should have been rateable. This equated to a total in rates of	Assessed	
	\$16,785.82 that was not levied and, therefore, not received by the Council.	Elsewhere	

Appendix 2 – Legislation Detail - Extracts

The Local Government Act 1999

50—Public consultation policies

- For the purposes of this Act, a council must prepare and adopt a public consultation policy.
- (2) A public consultation policy-
 - (a) must set out steps that the council will follow in cases where this Act requires that a council must follow its public consultation policy; and
 - (b) may set out steps that the council will follow in other cases involving council decision-making.
- (3) The steps referred to in subsection (2)—
 - in a case referred to in subsection (2)(a)—must provide interested persons with a reasonable opportunity to make submissions in the relevant circumstances; and
 - (b) may vary according to the classes of decisions that are within the scope of the policy.
- (4) However, a public consultation policy for a case referred to in subsection (2)(a) must at least provide for—
 - (a) the publication of a notice—
 - in a newspaper circulating within the area of the council; and
 - on a website determined by the chief executive officer,

describing the matter under consideration and inviting interested persons to make submissions in relation to the matter within a period (which must be at least 21 days) stated in the notice; and

(b) the consideration by the council of any submissions made in response to an invitation under paragraph (a).

123—Annual business plans and budgets

- (2) Each annual business plan of a council must-
 - (d) set out the rates structure and policies for the financial year; and
 - (e) assess the impact of the rates structure and policies on the community based on modelling that has been undertaken or obtained by the council.
- (3) Before a council adopts an annual business plan, the council must—(a) prepare a draft

annual business plan; and

- (b) follow the relevant steps set out in its public consultation policy, taking into account the requirements of subsection (4).
- (4) For the purposes of subsection (3)(b), a public consultation policy must at least provide for the following;
 - (a) the publication in a newspaper circulating within the area of the council and on a website determined by the chief executive officer of a notice informing the public of the preparation of the draft annual business plan and inviting interested persons—
 - (i) to attend—
 - (A) a public meeting in relation to the matter to be held on a date (which must be at least 21 days after the publication of the notice) stated in the notice; or
 - (B) a meeting of the council to be held on a date stated in the notice at which members of the public may ask questions, and make submissions, in relation to the matter for a period of at least 1 hour.

- (on the basis that the council determines which kind of meeting is to be held under this subparagraph); or
- (ii) to make written submissions in relation to the matter within a period (which must be at least 21 days) stated in the notice; and
- (b) the council to make arrangements for a meeting contemplated by paragraph (a)(i) and the consideration by the council of any submissions made at that meeting or in response to the invitation under paragraph (a)(ii).
- (5) The council must ensure that copies of the draft annual business plan are available at the meeting under subsection (4)(a)(i), and for inspection (without charge) and purchase (on payment of a fee fixed by the council) at the principal office of the council and on the website at least 21 days before the date of that meeting.
- (5a) The council must ensure that provision is made for—
 - (a) a facility for asking and answering questions; and
 - (b) the receipt of submissions,

on its website during the public consultation period.

- (6) A council may then, after considering—
 - (a) any submission made to the council during the public consultation period; and
 - (b) any new or revised information in the possession of the council that is relevant to the material contained in the draft annual business plan; and
 - (c) such other materials or information as the council thinks fit, and adopt its

annual business plan (with or without amendment).

- (6a) However, if a council proposes to adopt an annual business plan with amendments, the council must include in the adopted business plan a statement—
 - (a) setting out any significant amendments from the draft annual business plan;
 and
 - (b) providing reasons for those amendments.
- (8) An annual business plan and a budget must be adopted by a council after 31 May for the ensuing financial year and, except in a case involving extraordinary administrative difficulty, before 15 August for the financial year.
- (9) A council must, after adopting an annual business plan and a budget—
 - (a) ensure—
 - (i) that a summary of the annual business plan is prepared so as to assist in promoting public awareness of the nature of its services and its rating and financial management policies, taking into account its objectives and activities for the ensuing financial year; and
 - (ii) that a copy of the summary of the annual business plan accompanies the first rates notice sent to ratepayers after the declaration of its rates for the financial year.

Part 1—Rates and charges on land

Division 1—Preliminary

146—Rates and charges that a council may impose

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Page 48 Audit and Risk Committee Agenda - 13 August 2024 A council may impose rates and charges of the following kinds on land within its area: (a) general rates;

- (b) separate rates; (c) service rates;
- (d) service charges.

147—Rateability of land

- All land within the area of a council is rateable, except for land within a specific exemption (see especially subsection (2)).
- (2) The following is not rateable:
 - (a) unalienated Crown land;
 - (b) land used or held by the Crown or an instrumentality of the Crown for a public purpose (including an educational purpose), except any such land—
 - that is held or occupied by the Crown or instrumentality under a lease or licence;
 - (ii) that constitutes domestic premises;
 - (a) land (not including domestic or residential premises) occupied by a university established by statute;
 - (d) land that is exempt from rates or taxes by virtue of the Recreation Grounds: Rates and Taxes Exemption Act 1981;
 - (f) land occupied or held by the council, except any such land held from a council under a lease or licence;
 - (g) land occupied by a subsidiary where the land is situated in the area of the council that established the subsidiary or a constituent council (as the case may be);
 - (ga) land occupied or held by an emergency services organisation under the Fire and Emergency Services Act 2005;
 - land that is exempt from council rates under or by virtue of another Act.
- (3) If land is divided by a strata plan under the Strata Titles Act 1988—
 - rates will be assessed against the units and not against the common property;
 but
 - (b) the equitable interest in the common property that attaches to each unit will be regarded, for the purpose of valuation, as part of the unit.
- (4) If land is divided by a primary, secondary or tertiary plan of community division under the Community Titles Act 1996—
 - (a) in the case of the division of land by a primary plan—rates will be assessed against the primary lots that are not divided by a secondary plan and against the development lot or lots (if any);
 - (b) in the case of the division of land by a secondary plan—rates will be assessed against the secondary lots that are not divided by a tertiary plan and against the development lot or lots (if any);
 - (c) in the case of the division of land by a tertiary plan—rates will be assessed against the tertiary lots and a development lot or lots (if any).

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- (5) If land is divided by a primary, secondary or tertiary plan of community division under the Community Titles Act 1996—
 - (a) in the case of the division of land by a primary plan—where the use of the common property or part of it is, in the opinion of the Valuer-General, reasonably incidental to the use of one or more of the primary lots, rates will not be assessed against the common property, or that part of it, but the interest in the common property, or that part of it, that attaches to each primary lot will be regarded for the purposes of valuation as part of the lot;
 - (b) in the case of the division of land by a secondary plan—where the use of the common property or part of it is, in the opinion of the Valuer-General, reasonably incidental to the use of one or more of the secondary lots, rates will not be assessed against the common property, or that part of it, but the interest in the common property, or that part of it, (and in the common property of the primary scheme referred to in paragraph (a) (if any)) that attaches to each secondary lot will be regarded for the purposes of valuation as part of the lot;
 - (c) in the case of the division of land by a tertiary plan—where the use of the common property or part of it is, in the opinion of the Valuer-General reasonably incidental to the use of one or more of the tertiary lots, rates will not be assessed against the common property, or that part of it, but the interest in the common property, or that part of it, (and in the common property of the primary and secondary schemes referred to in paragraphs (a) and (b) (if any)) that attaches to each tertiary lot will be regarded for the purposes of valuation as part of the lot.
- (6) If land is divided by a primary, secondary or tertiary plan of community division under the Community Titles Act 1996 and the use of common property or any part of it is not, in the opinion of the Valuer-General, reasonably incidental to the use of any of the community lots, rates will be assessed against the common property or that part of it and the relevant community corporation is liable for those rates as though it were the owner of the common property.

148—Land against which rates may be assessed.

- Rates may be assessed against—
 - (a) any piece or section of land subject to separate ownership or occupation; or
 - (b) any aggregation of contiguous land subject to the same ownership or occupation.
- (2) However, decisions about—
 - (a) the division of land for the purposes of subsection (1); or
 - (b) the aggregation of land for the purposes of subsection (1),

must be made fairly and in accordance with principles and practices that apply on a uniform basis across the area of the council.

149—Contiguous land

For the purposes of this Part, land will be regarded as being contiguous to other land if the land-

- (a) abuts on the other land at any point; or
- (b) is separated from the other land only by-
 - (i) a road, street, lane, footway, court, alley, railway or thoroughfare; or
 - (ii) a watercourse or channel; or
 - (iii) a reserve or other similar open space.

Division 2—Basis of rating

150—General principles

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Page 50 Audit and Risk Committee Agenda - 13 August 2024 A council should, when making and adopting policies and determinations concerning rates under this Act, take into account the following principles:

- rates constitute a system of taxation for local government purposes (generally based on the value of land);
- (b) rating policies should make reasonable provision with respect to strategies to provide relief from rates (where appropriate), and any such strategies should avoid narrow or unreasonably restrictive criteria and should not require ratepayers to meet onerous application requirements;
- (e) the council should, in making any decision, take into account the financial effects of the decision on future generations,

(but a challenge to a rate cannot be based on the extent to which a council has (or has not) applied these principles).

151—Basis of rating

- (1) Subject to this Act, a rate must be-
 - (a) a rate based on the value of land subject to the rate; or
 - a rate based on two components—
 - (i) one being based on the value of land subject to the rate; and
 - (ii) the other being a fixed charge; or
 - a rate based on some other factor or factors specifically allowed under this Act.
- (2) The value of land for the purpose of rating is its capital value.
- (3) However, a council may declare rates on the basis of the annual value of land if-
 - (a) the council declared rates in respect of that land on that basis for the previous financial year; or
 - (b) the council declared rates in respect of that land on the basis of capital value for the previous three financial years.
- (4) Except as authorised by proclamation under Chapter 3, a council must not apply different valuation bases to different parts of its area.

Division 3—Specific characteristics of rates and charges

152—General rates

- (1) A general rate may—
 - (a) be a rate based on the value of the land subject to the rate; or
 - (c) be a rate that consists of two components—
 - (i) one being based on the value of the land subject to the rate; and
 - (ii) the other being a fixed charge.
- (2) The following provisions apply in relation to a fixed charge under subsection (1)(c): (a) except as provided by the following paragraphs, a fixed charge must apply equally to each separate piece of rateable land in the area;
 - (b) a fixed charge cannot be imposed against land that constitutes less than the whole of a single allotment;
 - (ba) a fixed charge cannot be imposed against-
 - (i) each site in a carayan park; or

- each site in a residential park within the meaning of the Residential Parks Act 2007; or
- (iii) each marina berth within a marina;
- (c) if two or more pieces of contiguous rateable land are owned by the same owner and occupied by the same occupier, only one fixed charge may be imposed against the whole of that land;
- (d) if two or more pieces of rateable land within the area of the council constitute a single farm enterprise, only one fixed charge may be imposed against the whole of the land.
- (3) Subsection (2)(d) only applies if the council is satisfied, on application to the council and by provision of such information or evidence as the council may reasonably require, that the relevant land is within the ambit of the provision.
- (4) If the grounds on which land is within the ambit of subsection (2)(d) cease to exist, the person who has the benefit of the provision must immediately inform the council of that fact.
 Maximum penalty: \$5 000.
- (5) In this section—
 - (a) an allotment is-
 - the whole of the land comprised in a certificate of title; or
 - the whole of land subject to a separate lease or licence, other than a lease or licence of a prescribed class (if any);
 - (b) a reference to a single farm enterprise is a reference to two or more pieces of rateable land—
 - (i) which-
 - (A) are farm land; and
 - (B) are farmed as a single enterprise; and
 - (C) are occupied by the same person or persons, whether or not the pieces of land are contiguous; or
 - (ii) which—
 - (A) as to all the pieces except one, are farm land farmed as a single enterprise occupied by the same person or persons; and
 - (B) as to one piece contiguous with at least one of the other pieces, is the principal place of residence of that person or one of those persons.
- (6) In this section—

marina means a facility comprising pontoons, jetties, piers or other structures (whether on water or land) designed or used to provide berths, moorings or dry storage for vessels;

marina berth means a piece of rateable land within a marina—(a) used for the

berthing or mooring of a vessel; or

(b) used for the dry storage of a vessel (commonly known as a hard stand).

153—Declaration of general rate (including differential general rates)

- A council may declare—
 - (a) a general rate on all rateable land within its area for a particular financial year; or
 - (b) differential general rates on rateable land within its area for a particular financial year.

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- (2) A council must, in fixing its rates for the purposes of this section, consider issues of consistency and comparability across council areas in the imposition of rates on various sectors of the business and wider community.
- (3) A council must, in declaring a general rate under this section, determine whether it will fix a maximum increase in the general rate to be charged on any rateable land within its area that constitutes the principal place of residence of a principal ratepayer (and a council is, by force of this subsection, authorised to fix such a maximum).
- (4) For the purposes of subsection (3)—
 - (a) any maximum increase may be set according to such method as the council thinks fit; and
 - (b) the council may fix conditions that may apply in order for a ratepayer to qualify for the benefit of a maximum increase (including that some or all of any increase in the general rate for particular land is not attributable to a change in the valuation of the land due to development (including by virtue of a change in use) that has been undertaken (or occurred) in relation to the land).
- (5) A council must not—
 - declare a general rate until after it has adopted its annual business plan and its budget for the financial year to which the rate relates; and
 - (b) except in a case involving extraordinary administrative difficulty, declare a general rate for a particular financial year after 15 August in that financial year.

154—Separate rates

- (1) A council may declare a separate rate on rateable land within a part of the area of the council for the purpose of planning, carrying out, making available, supporting, maintaining or improving an activity that is, or is intended to be, of particular benefit to the land, or the occupiers of the land, within that part of the area, or to visitous to that part of the area.
- (2) A separate rate may be based on-
 - (a) the value of land subject to the rate; or
 - (b) a proportional measure or other proportional basis related to the relevant land or the area, or to the estimated benefit to the occupiers of the land in the part of the area subject to the rate; or
 - (c) a fixed charge.
- (4) A council may declare a separate rate in respect of a particular activity despite the fact that the activity is not to be directly undertaken or provided by the council.
- (5) A separate rate—
 - (a) may be declared for a specified period (eg the time taken to carry out a capital project);
 - (b) may be declared for a period exceeding one year.
- (6) Except where a separate rate is declared for more than one year, a separate rate must not be declared more than one month before the commencement of the financial year to which the rate relates.
- (?) A council may declare differential separate rates.
- (8) A council must, at the time that it declares a separate rate, identify the land to which the rate will relate.
- (9) If a council declares a separate rate, the council must, in each rate notice sent to each ratepayer who is liable to pay the separate rate, specify—
 - (a) the purpose or purposes for which the rate is declared; and
 - (b) the basis on which the rate is declared; and
 - (c) the amount payable for the particular financial year; and

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- (d) if relevant, the period for which the rate will apply (according to a determination of the council under subsection (5)).
- (10) If a separate rate is declared to raise funds for a particular purpose and—(a) the council resolves not to carry the purpose into effect; or
 - (b) there is an excess of funds over the amount required for that purpose, the revenue raised by the rate or the excess (as the case may be) must, according to a determination of the council, be—
 - (c) credited against future liabilities for rates in respect of the land on which the separate rate was imposed; or
 - (d) refunded to the persons who gaid the rate, in proportion to the amounts paid by each person.

Division 4—Differential rating and special adjustments

156—Basis of differential rates

- Differential rates may vary—
 - (a) according to the use of the land; or
 - (b) according to the locality of the land; or
 - (c) according to the locality of the land and its use; or
 - (d) on some other basis determined by the council.
- (3) If land has more than one use, the use of the land will, for the purpose of rating, be taken to be its predominant use.
- (4) A particular land use must not be used as a differentiating factor affecting the incidence of differential rates unless the land use is declared by the regulations to be a permissible differentiating factor.
- (4a) Despite subsection (4) but subject to subsection (5a), the use of land as a marina berth is declared to be a permissible differentiating factor for the purposes of this section.
- (5) If a council declares differential rates according to the use of land and thus provides for a distinct residential rate, the residential rate must be applied to land occupied by any of the following:
 - (a) supported accommodation; (b) independent
 - living units; (c) day therapy centres.
- (5a) Despite any other provision of this Act, the use of land as a marina benth cannot be used for the purpose of the declaration of differential rates that exceed the rate that would have been imposed were the land being used for commercial purposes.
- (6) If land is vacant, the non-use of the land is capable of constituting a land use for the purpose of the declaration of differential rates.
- (7) A differentiating factor based on the locality of the land must comply with any requirement or principle prescribed by the regulations.
- (8) A change in the use of land after differential rates are declared does not affect the incidence of the rates.
- (9) A ratepayer, if of the opinion that a particular land use has been wrongly attributed to the ratepayer's land by the council for the purpose of levying differential rates, may object to the attribution of that land use to the land.

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Page 54 Audit and Risk Committee Agenda - 13 August 2024 (10) An objection under subsection (9)—(a) must be in

writing and

- (b) must set out-
 - (i) the grounds of the objection; and
 - (ii) the land use (being a land use being used by the council as a differentiating factor) that should, in the objector's opinion, have been attributed to the land; and
- (c) must be made within 60 days after the objector receives notice of the attribution of the particular land use to which the objection relates (unless the council, in its discretion, allows an extension of time for making the objection).
- (11) The council may decide an objection as it thinks fit and must notify the objector in writing of its decision.

157-Notice of differentiating factors

If a council declares differential rates, the council must, in each rates notice, specify the differentiating factor or combination of factors that governs the calculation of rates on the land to which the account relates.

158—Minimum rates and special adjustments for specified values

- (1) A council can do one or both of the following:
 - (a) fix a minimum amount payable by way of rates or charges under this Part (which may vary according to factors prescribed by the regulations);
 - (b) after the amount that would otherwise be payable by way of rates in respect of land that falls within a range of values determined by the council.
- (1a) Subsection (1) does not apply to, or in relation to, rateable land consisting of a marina or marina berth (within the meaning of section 152).
- (2) However—
 - a minimum amount cannot be imposed against land that constitutes less than the whole of a single allotment; and.
 - a minimum amount cannot be imposed against each supported accommodation unit or independent living unit within a group or complex of units; and
- (ba) a minimum amount cannot be imposed against—(i) each site in a caravan

park; or

- (ii) each site in a residential park within the meaning of the Residential Parks Act 2007; and
- (bb) if 2 or more pieces of rateable land within the area of a council constitute a single farm enterprise, a minimum amount may only be imposed against 1 of the pieces of land; and
- (c) if two or more pieces of contiguous rateable land are owned by the same owner and occupied by the same occupier, a minimum amount may only be imposed against the whole of the land and not against individual pieces of it; and

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- (d) a council may not apply this section so as to affect or alter the rates that would be otherwise payable under this Part in relation to more than 35 per cent of the total number of properties in the area subject to the separate assessment of rates; and
- (da) a council may not apply this section so as to affect or alter a separate rate that would be otherwise payable under section 1.54 in relation to more than 3.5% of the total number of properties in the area that should be subject to the separate rate; and
- (e) a council cannot apply this section in respect of a general rate or a separate rate if the council has included a fixed charge as a component of that rate.
- (3) In subsection (2), an allotment is—
 - (a) the whole of the land comprised in a certificate of title; or
 - (b) the whole of land subject to a separate lease or licence, other than a lease or licence of a prescribed class (if any).

Division 5—Rebates of rates

159—Preliminary

- (1) If grounds exist for a person or body to receive a rebate of rates in pursuance of this Division, the person or body may apply to the council in a manner and form determined by the council (supplying such information as the council may reasonably require).
- (3) A council may grant a rebate of rates under this Division if satisfied that it is appropriate to do so (whether on application under this Division or on its own initiative).
- (4) If a rebate specifically fixed by this Division is less than 100%, the council may, on its own initiative, increase the rebate.
- (6) If—
 - (a) land is used by a person or body for purposes on which an entitlement to a rebate is based in pursuance of this Division (Category A purposes), and for business purposes or other purposes concerned with the production of income (Category B purposes); and
 - (b) it is possible to separate the part of the land used for Category A purposes from the part of the land used for Category B purposes,

the council is not required to grant a rebate of rates on the land used for the Category B purposes but if the council has declared differential rates in its area and thus provided for a distinct residential rate then that residential rate must be applied to the land that does not receive a rebate on account of the operation of this subsection.

- (7) If a person or body has the benefit of a rebate of rates under this Division and the grounds on which the rebate has been granted cease to exist, the person or body must immediately inform the council of that fact and (whether or not the council is so informed) the entitlement to a rebate ceases.
 - (9) A council cannot grant to a person or body a rebate of general rates under this Division without also granting to the person or body a comparable rebate of any other rates that may also apply under this Part.
- (10) A council may, for proper cause, determine that an entitlement to a rebate of rates in pursuance of this Division no longer applies.
- (11) If an entitlement to a rebate of rates ceases or no longer applies during the course of a financial year, the council is entitled to recover rates, or rates at the increased level (as the case may be), proportionate to the remaining part of the financial year.

160-Rebate of rates-health services

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Page 56 Audit and Risk Committee Agenda - 13 August 2024 The rates on land being predominantly used for service delivery or administration by a hospital or health centre incorporated under the *South Australian Health Commission Act 1976* will be rebated at 100 per cent.

161—Rebate of rates—community services

- (1) The rates on land being predominantly used for service delivery or administration (or both) by a community service organisation will be rebated at 75 per cent (or, at the discretion of the council, at a higher rate).
- (2) If—
 - a community service organisation is entitled to a rebate of rates under subsection (1);
 and
 - (b) the council has declared differential rates according to the use of land and thus provided for a distinct residential rate,

then that residential rate must be applied to the land to which the rebate relates.

- (3) For the purposes of this section, a community services organisation is a body that—(a) is incorporated on a not-for-profit basis for the benefit of the public; and
 - (b) provides community services without charge or for a charge that is below the cost to the body of providing the services; and
- (c) does not restrict its services to persons who are members of the body. (4) For the purposes of subsection (3)—
 - (a) a body will not be regarded as incorporated on a not-for-profit basis— (i) if a principal or subsidiary object of the body is—
 - (A) to secure a pecuniary profit for the members of the body or any of them; or
 - (B) to engage in trade or commerce; or
 - if the constitution or rules of the body provide that the surplus assets of the body on a winding-up are to be distributed to its members or to another body that does not have identical or similar aims or objects;
 - subject to the operation of paragraph (a), a body that receives funds from the State or Commonwealth Governments in order to subsidise its costs or charges will be taken to satisfy the requirements of subsection (3)(b);
 - (c) any of the following are community services:
 - the provision of emergency accommodation;
 - (ii) the provision of food or clothing for disadvantaged persons; (iii) the provision of supported accommodation;
 - (iv) the provision of essential services, or employment support, for persons with mental health disabilities, or with intellectual or physical disabilities;
 - (v) the provision of legal services for disadvantaged persons;
 (vi) the provision of drug or alcohol rehabilitation services;
 - (vii) the conduct of research into, or the provision of community education about, diseases or illnesses, or the provision of palliative care to persons who suffer from diseases or illnesses;
- disadvantaged persons are persons who are disadvantaged by reason of poverty, illness, frailty, or mental, intellectual or physical disability.

162-Rebate of rates-religious purposes

The rates on land containing a church or other building used for public worship (and any grounds), or land solely used for religious purposes, will be rebated at 100 per cent.

163—Rebate of rates—public cemeteries

The rates on land being used for the purposes of a public cemetery will be rebated at 100 per cent.

164-Rebate of rates-Royal Zoological Society of SA

The rates on land (other than land used as domestic premises) owned by, or under the care, control and management of, the Royal Zoological Society of South Australia Incorporated will be rebated at 100 per cent.

165—Rebate of rates—educational purposes

- (1) The rates on land-
- occupied by a government school under a lease or licence and being used for educational purposes; or
- (b) occupied by a non-government school registered under the Education and Early Childhood Services (Registration and Standards) Act 2011 and being used for educational purposes

will be rebated at 75 per cent (or, at the discretion of the council, at a higher rate). (2) The rates on

land being used by a university or university college to provide

accommodation and other forms of support for students on a not-for-profit basis will be rebated at 75 per cent (or, at the discretion of the council, at a higher rate).

166-Discretionary rebates of rates

- A council may grant a rebate of rates or service charges in any of the following cases (not being eases that fall within a preceding provision of this Division):
 - (a) where the rebate is desirable for the purpose of securing the proper development of the area (or a part of the area);
 - (b) where the rebate is desirable for the purpose of assisting or supporting a business in its area:
 - (c) where the rebate will conduce to the preservation of buildings or places of historic significance;
 - (d) where the land is being used for educational purposes;
 - (c) where the land is being used for agricultural, horticultural or floricultural exhibitions;
 - (f) where the land is being used for a hospital or health centre;
 - (g) where the land is being used to provide facilities or services for children or young persons;
- (h) where the land is being used to provide accommodation for the aged or disabled;
- where the land is being used for a residential aged care facility that is approved for Commonwealth funding under the Aged Care Act 1997 (Cwith) or a day therapy centre;
- where the land is being used by an organisation which, in the opinion of the council, provides a benefit or service to the local community;
- (k) where the rebate relates to common property or land vested in a community corporation under the Community Titles Act 1996 over which the public has a free and unrestricted right of access and enjoyment;

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- (1) where the rebate is considered by the council to be appropriate to provide relief against what would otherwise amount to a substantial change in rates payable by a ratepayer due to—
 - a redistribution of the rates burden within the community arising from a change to the basis or structure of the council's rates; or
 - a change to the basis on which land is valued for the purpose of rating, rapid changes in valuations, or anomalies in valuations;
- (m) where the rebate is considered by the council to be appropriate to provide relief in order to avoid what would otherwise constitute—
 - a liability to pay a rate or charge that is inconsistent with the liabilities that were anticipated by the council in its annual business plan; or
 - (ii) a liability that is unfair or unreasonable;
- (n) where the rebate is to give effect to a review of a decision of the council under Chapter 13 Part 2;
- (o) where the rebate is contemplated under another provision of this Act.
- (1a) A council must, in deciding whether to grant a rebate of rates or charges under subsection (1)(d),
 (e), (f), (g), (h), (i) or (j), take into account—
 - (a) the nature and extent of council services provided in respect of the land for which the rebate is sought in comparison to similar services provided elsewhere in its area; and
 - (b) the community need that is being met by activities carried out on the land for which the rebate is sought; and
 - (c) the extent to which activities carried out on the land for which the rebate is sought provides assistance or relief to disadvantaged persons,

and may take into account other matters considered relevant by the council.

- (2) A rebate of rates or charges under subsection (1) may be granted on such conditions as the council thinks.
- (3) A rebate of rates or charges under subsection (1)(a), (b) or (k) may be granted for a period exceeding one year, but not exceeding 10 years.
- (3a) A rebate of rates or charges under subsection (1)(1) may be granted for a period exceeding one year, but not exceeding three years.
- (3b) A council should give reasonable consideration to the granting of rebates under this section and should not adopt a policy that excludes the consideration of applications for rebates on their merits.
- (4) A council may grant a rebate under this section that is up to (and including) 100 per cent of the relevant rates or service charge.

Division 6—Valuation of land for the purpose of rating

167—Valuation of land for the purposes of rating

- (1) A council must not declare a rate for a particular financial year without first adopting the valuations that are to apply to land within its area for rating purposes for that year.
 - A council must, for the purposes of subsection (1), adopt—
 - (a) valuations made, or caused to be made, by the Valuer-General; or
 - valuations made by a valuer employed or engaged by the council, or by a firm or consortium of valuers engaged by the council,

or a combination of both.

(3) For the purposes of subsection (2)—

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- (a)
 - (i) in relation to the adoption of valuations under subsection (2)(a)—the most recent valuations available to the council at the time that the council adopts its budget under this Act will govern the assessment of rates for the financial year; and
 - (ii) in relation to the adoption of valuations under subsection (2)(b)—the valuations may be up to five years old; and.
- (b) if the council adopts a combination of valuations under subsection (2)(a) and (b)—the valuations must be consistent with any guidelines, policies or standards published by the Valuer-General by notice in the Gazette for the purposes of this section; and
- (c) all land within a particular land use category declared by the regulations as a permissible differentiating factor must be subject to valuations adopted under subsection (2)(a) or to valuations adopted under subsection (2)(b), and not to a combination of both.
- (4) The council may rely on an audit of valuations undertaken by the Valuer-General for the purpose of ensuring compliance with subsection (3)(b).
- (5) Subsection (3)(c) does not apply in a case where the land use category attributed to a particular piece of land is changed following the declaration of a rate or rates for a particular financial year.
- (6) A notice of the adoption of valuations must be published in the Gazette within 21 days after the date of the adoption.
- (7) A notice under subsection (6) need only set out the total of the valuations.
- (8) A valuer employed or engaged by a council for the purposes of this section must be a person who is able to act as a valuer under the Land Valuers Act 1994.

Division 7—Issues associated with the declaration of rates

170-Notice of declaration of rates

Notice of the declaration of a rate or service charge must be published in the Gazette and in a newspaper circulating in the area within 21 days after the date of the declaration.

Division 8—The assessment record

172—Chief executive officer to keep assessment record

- (1) The chief executive officer of a council must ensure that a record (the assessment record) is kept in which is entered—
 - (a)
 - a brief description of each separate piece of rateable land in the area;
 and
 - (ii) the rateable value of the land; and
 - (b) if a service charge is imposed by the council on non-rateable land in the area—a brief description of that land; and
 - (c) the name and address of the owner of the land; and
 - if the owner is not the principal ratepayer in respect of the land—the name and address of the principal ratepayer; and
 - so far as is known to the chief executive officer, the name of any occupier of the land (not being an owner or principal ratepayer in respect of the land); and
 - (f) if the land is rated on the basis of a particular land use—that land use; and
 - (g) other prescribed information.

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- (2) An occupier of land may, with the consent of the owner, apply to the chief executive officer of a council, in a manner and form approved by the chief executive officer, to have the occupier's name entered in the assessment record as the principal ratepayer in respect of the land.
- (3) If an application is duly made under subsection (2), the chief executive officer must enter the occupier's name in the assessment record as the principal ratepayer.
- (4) Despite subsection (1), if the chief executive officer is satisfied that the inclusion in the assessment record of the name or address of a person would place at risk the personal safety of that person, a member of that person's family or any other person, the chief executive officer may suppress the name or address from the assessment record.
- (5) If the chief executive officer is satisfied that a person's address is suppressed from the roll under the Electoral Act 1985, the chief executive officer must—
 - (a) if the person's residential address is included in respect of rateable property that the person owns but does not occupy—suppress the person's residential address from the assessment record;
 - (b) if the person's residential address is rateable land described in the assessment record—suppress the person's name from the assessment record in relation to that land.
- (6) The chief executive officer may, as he or she thinks fit—
 - (a) keep the assessment record in any form that allows for the accurate recording of information and easy access to that information; and
 - (b) make any alteration to the assessment record that may be necessary to keep the record in a correct and up-to-date form.

173—Alterations to assessment record

- Application may be made to the chief executive officer of a council for an alteration of the assessment record—
 - (a) by an owner or occupier of land, on the ground that particular information entered in the assessment record is incorrect or has not been recorded in accordance with this Act; or
 - (b) by an occupier of land who is also the principal ratepayer in respect of the land, on the ground that the person no longer wishes to be the principal ratepayer.
- (2) An application under subsection (1) must be made in a manner and form approved by the chief executive officer.
- (3) If a person is dissatisfied with the outcome of his or her application, the person may request the council to review the matter.
- (4) A request under subsection (3) must be made to the council in writing (setting out a full and detailed statement of the grounds on which the request is made).
- (5) The procedure before the council on a review under this section will be as determined by the council and the council may, in its discretion, decide whether to permit the person who requested the review to appear personally or by representative before it.
- (6) The council must give the person written notice of its decision on a review.
- (7) A person who is dissatisfied with the decision of the council on a review may apply to SACAT for a review of the decision under section 34 of the South Australian Civil and Administrative Tribunal Act 2013.

174—Inspection of assessment record

 A person is entitled to inspect the assessment record at the principal office of the council during ordinary office hours.

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Page 61 Audit and Risk Committee Agenda - 13 August 2024 (2) A person is entitled, on payment of a fee fixed by the council, to a copy of an entry made in the assessment record.

178—Liability for rates

- (1) Subject to subsection (2), the owner of land is the principal ratepayer in respect of the land.
- (2) If—
 - (a) the name of an occupier is entered in the assessment record as the principal ratepayer in respect of land; or
 - (b) the land is held from the council under a lease or licence,

the occupier of the land (rather than the owner) will be regarded as the principal ratepayer.

- (3) Subject to subsection (9), rates may be recovered as a debt from— (a) the
 - principal ratepayer; or
 - (b) any other person (not being a principal ratepayer) who is an owner or occupier of the land; or
 - (e) any other person who was at the time of the declaration of the rates an owner or occupier of the land.
- (4) The council may, by written notice to a lessee or licensee of land in respect of which rates have fallen due, require him or her to pay to the council rent or other consideration payable under the lease or licence in satisfaction of the liability for rates.
- (5) If the council gives a notice under subsection (4), an additional charge of 5 per cent of the amount in arrears is payable and recoverable as part of those rates.
- (6) A council may remit the charge payable under subsection (5) in whole or in part. (7) If-
 - (a) the council gives a notice to a lessee or licensee under subsection (4); and
 - (b) the council, by written notice to the owner of the land, informs the owner of the imposition of the requirement under subsection (4); and
 - (e) the lessee or licensee, contrary to the terms of the notice under subsection (4), makes a payment to the owner instead of to the council.

the owner, must within one clear business day after receipt of the payment, pay the amount received to the council in satisfaction of the liability for rates.

Maximum penalty: \$750.

- (8) If rates are paid by, or recovered from, a person who is not the principal ratepayer, that person may, subject to an agreement to the contrary—
 - recover the amount as a debt from the principal ratepayer; or
 - (b) if the person is a lessee or licensee—set off the amount paid to the council against a liability under the lease or licence (and a lesser or tenant against whom such an amount is set off may in turn set off the amount against a prior
 - lessor or tenant from whom his or her interest in or in relation to the land is derived).
- (9) If an occupier of land derives his or her right of occupancy from a residential tenancy agreement under the Residential Tenancies Act 1995, no amount by way of rates may be recovered from the occupier unless that amount has fallen due by virtue of a requirement imposed under subsection (4).

179—Liability for rates if land is not rateable for the whole of the financial year

(1) If land is rateable for portion, but not for the whole, of a financial year, the land will be subject to rates imposed for the financial year but there will be a proportionate reduction in the amount of rates.

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- (2) A council may, for the purposes of the operation of subsection (1) in respect of land that becomes rateable after the adoption of valuations by the council for the relevant year, specifically adopt a valuation of the land.
- (3) If during the course of a financial year, land is excised from the area of one council (council A) and added to the area of another council (council B)—
 - (a) the land remains subject to rates imposed by council A for the financial year;
 and
 - (b) the land does not become subject to rates imposed by council B until the following financial year.
- (4) If land ceases to be rateable land by reason of transfer or surrender to the Crown during the course of a financial year, the land remains subject to rates imposed for the financial year.
- (5) If land ceases to be rateable land for a reason other than the reason under subsection (4) during the course of a financial year and the rates have been paid, the council must refund to the principal ratepayer an amount proportionate to the remaining part of the financial year.

180—Service of rate notice

(1) A council must, as soon as practicable after—(a) the

declaration of a rate; or

- (b) the imposition of a service charge; or
- (c) a change in the rates liability of land,

send to the principal ratepayer or, in the case of a service charge, the owner or occupier of the relevant land, a rates notice.1

(2) A rates notice must incorporate, or be accompanied by, the information required by the regulations and comply with any other requirement prescribed by the regulations.

181—Payment of rates—general principles

- (1) Subject to this section, rates declared or payable in respect of a particular financial year will fall due in 4 equal or approximately equal instalments payable in the months of September, December, March and June of the financial year for which the rates are declared.
- (2) The day on which each instalment falls due will be determined by the council.
- (3) If a council declares a general rate for a particular financial year after 15 August in that financial year, the council may adjust the months in which instalments would otherwise be payable under subsection (1) (taking into account what is reasonable in the circumstances).
- (4) Despite a preceding subsection—
 - (a) a person may elect to pay any instalment of rates in advance; and
 - (a) a council and a principal ratepayer may agree that rates will be payable in such instalments falling due on such days as may be specified in the agreement (and that ratepayer's rates will then be payable accordingly).
- (5) A council must, in relation to each instalment of rates, send a rates notice to the principal ratepayer shown in the assessment record in respect of the land setting out—
 - (a) the amount of the instalment; and
 - (b) the date on which it falls due or, in a case where payment is to be postponed under another provision of this Act, the information prescribed by the regulations.
- (6) For the purposes of subsection (5), the notice is to be sent-

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- (a) by post or similar form of delivery, to the address shown in the assessment record; or
- (b) by agreement between the council and the principal ratepayer, by electronic communication, to an electronic address nominated by the principal ratepayer.
- (7) A notice under subsection (5) must be sent at least 30 days but not more than 60 days before an instalment falls due.
- (7a) A council may, as part of an agreement under subsection (4)(b), vary the period for the provision of a notice under subsection (7).
- (8) If an instalment of rates is not paid on or before the date on which it falls due—(a) the instalment will be regarded as being in arrears; and
 - (b) a fine of 2 per cent of the amount of the instalment is payable; and
 - (e) on the expiration of each full month from that date, interest at the prescribed percentage of the amount in arrears (including the amount of any previous unpaid fine and including interest from any previous month) accrues.
- (8a) Subsection (8) does not apply with respect to the postponement of the payment of rates under another section of this Act (while the postponement is occurring in accordance with the relevant section).
- (9) A council may remit any amount payable under subsection (8) in whole or in part.
- (10) An amount payable under subsection (8) in respect of outstanding rates is recoverable as a part of those rates.
- (11) A council may grant discounts or other incentives in order to encourage— (a) the payment of instalments of rates in advance; or
 - (b) prompt payment of rates.
- (12) Except as provided by subsection (8)-
 - a council may not impose a surcharge or administrative levy with respect to the payment of rates by instalments under subsection (1); but
 - (b) a council may impose a surcharge or administrative levy not exceeding 1 per cent of the rates payable in a particular financial year with respect to the payment of rates by instalments under subsection (4)(b).
- (13) A council may, in relation to the payment of separate rates or service rates, by written notice incorporated in a notice for the payment of those rates sent to the principal ratepayer shown in the assessment record in respect of the land at the address shown in the assessment record at least 30 days before an amount is payable in respect of the rates for a particular financial year, impose a requirement that differs from the requirements of this section.
- (15) Despite a preceding subsection, a council may decide that rates of a particular kind will be payable in more than four instalments in a particular financial year and, in such a case—
 - (a) the instalments must be payable on a regular basis (or essentially a regular basis) over the whole of the financial year, or the remainder of the financial year (depending on when the rates are declared); and
- (b) the council must give at least 30 days notice before an instalment falls due. (17) In this section—

the prescribed percentage is to be calculated as follows:

$$P = \frac{CADR + 3\%}{12}$$

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P is the prescribed percentage

CADR is the eash advance debenture rate for that financial year.

182—Remission and postponement of payment

- If a council is satisfied on the application of a ratepayer that payment of rates in accordance with this Act would cause hardship, the council may—
 - postpone payment in whole or in part for such period as the council thinks fit;
 or
 - (b) remit the rates in whole or in part.
 - (2) A postponement under subsection (1)—
 - (a) may, if the council thinks fit, be granted on condition that the ratepayer pay interest on the
 amount affected by the postponement at a rate fixed by the council (but not exceeding the
 cash advance debenture rate); and
 - (b) may be granted on other conditions determined by the council; and
 - (c) ceases to operate if-
 - (i) the council in its discretion revokes the postponement (in which case the council must give the ratepayer at least 30 days written notice of the revocation before taking action to recover rates affected by the postponement); or
 - (ii) the rategayer ceases to own or occupy the land in respect of which the rates are imposed (in which case the rates are immediately payable).
- (3) A council may grant other or additional postponements of rates— (a) to assist or support a business in its area; or
 - (b) to alleviate the effects of anomalies that have occurred in valuations under this Act.
- (4) A council may grant other or additional remissions of rates on the same basis as applies under the Rates and Land Tax Remission Act 1986 (and such remissions will be in addition to the remissions that are available under that Act).
- (5) A council may require a ratepayer who claims to be entitled to a remission of rates by virtue of a determination under subsection (4) to provide evidence verifying his or her entitlement.
- (6) A council may revoke a determination under subsection (4) at any time (but the revocation will not affect an entitlement to remission in relation to rates declared before the revocation takes effect).
- (7) A council cannot grant to a ratepayer a remission of general rates under this section without also granting to the ratepayer a comparable remission of any other rates that may also apply under this Part.
- (8) Nothing in this section applies with respect to the postponement of rates under section 182A.

182A—Postponement of rates—Seniors

- (1) A person may apply to a council for a postponement of the payment of the prescribed proportion of rates for the current or a future financial year if:—
 - (a) the person is a prescribed ratepayer, or is the spouse or domestic partner of a prescribed ratepayer; and
 - (b) the rates are payable on land that is the principal place of residence of the prescribed ratepayer; and.
 - (c) the land is owned by—
 - (i) the prescribed ratepayer; or

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- (ii) the prescribed ratepayer and his or her spouse or domestic partner,
 - (and no other person has an interest (as owner) in the land).
- (2) An application must be made in the prescribed manner and form and be accompanied by such information as the council may reasonably require.
- (3) A council may—
 - reject an application for the postponement of rates; or
 - (b) impose conditions on the postponement of rates, but only in

accordance with the regulations.

- (4) Any rates that are within the ambit of a postponement under this section with respect to a particular financial year will become due and payable—
 - (a) when title to the relevant land is transferred to another person; or
 - (b) in the event of a failure to comply with a condition that applies under subsection (3),

(and will not be payable before this time even if rates declared with respect to a subsequent financial year are not to be postponed due to a change in circumstances).

- (5) If a postponement of the payment of rates occurs under this section, interest will accrue on the amount affected by the postponement at the prescribed rate per month (applied with respect to the amount postponed and compounded on a monthly basis) until the amount is paid.
- (6) Nothing in subsection (4) prevents the payment of the relevant rates in whole or in part (together with any interest that has accrued under subsection (5)) at an earlier time.
- (7) If rates that are within the ambit of a postponement under this section become due and payable under subsection (4), the following provisions will apply in connection with the liability to pay the rates (and any interest that has accrued under subsection (5)):
 - (a) in a case where subsection (4)(a) applies—the rates (and interest) will be taken to be a charge over the land that ranks—
 - (i) after—
 - (A) any liability to the Crown for rates, charges or taxes; and
 - (B) any prescribed liability to the Crown in respect of the land;
 - any mortgage, encumbrance or charge registered before the commencement of this section; and
 - (ii) before—
 - (A) any mortgage, encumbrance or charge registered after the commencement of this section (even if the registration occurs before the charge arises); and
 - (B) any mortgage, encumbrance or charge that is not registered in respect of the land (even if in existence before the commencement of this section or before the charge arises); and
 - (C) any other interest or liability of a prescribed kind,

(and the charge will attach to the land until it is discharged);

(b) in a case where subsection (4)(b) applies—the rates (and interest) will be taken to be rates in arrears from the date of the failure to comply with the relevant condition (and to be recoverable as such under this Act).

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Page 66 Audit and Risk Committee Agenda - 13 August 2024 (8) If a person has applied for the benefit of this section and an entitlement to a postponement ceases to exist, the owner of the land must, within the period prescribed by the regulations, inform the council in writing of that fact (unless the liability to the relevant rates has been discharged).

Maximum penalty: \$5 000.

(9) A person must not make a false or misleading statement or representation in an application made (or purporting to be made) under this section.

Maximum penalty: \$10 000.

- (10) The Governor may, by regulation, make any other provision relating to the operation or administration of this section.
- (11) A regulation cannot be made for the purposes of this section except after consultation with the LGA.
- (12) In this section—

7.1.1

prescribed rate is an amount calculated as follows:

$$P = \frac{CADR + 1\%}{12}$$

where-

P is the prescribed rate

CADR is the cash advance debenture rate for any relevant financial year;

prescribed ratepayer means a person who holds a current State Seniors Card issued by the State Government, or who has the qualifications to hold such a card and has applied for the card but has yet to be issued with the card.

183-Application of money in respect of rates

If a council receives or recovers an amount in respect of rates, the amount will be applied as follows:

- firstly—in payment of any costs awarded to, or recoverable by, the council in any court
 proceedings undertaken by the council for the recovery of the rates;
- (b) secondly—in satisfaction of any liability for interest;
 (c) thirdly—in payment of any fine;
- (d) fourthly—in satisfaction of liabilities for rates in the order in which those liabilities arose.

184—Sale of land for non-payment of rates

- If an amount payable by way of rates in respect of land has been in arrears for three years or more, the council may sell the land.
- (2) Before a council sells land in pursuance of this section, it must send a notice to the principal ratepayer at the address appearing in the assessment record—
 - (a) stating the period for which the rates have been in arrears; and
 - (b) stating the amount of the total liability for rates presently outstanding in relation to the land; and.
 - (c) stating that if that amount is not paid in full within one month of service of the notice (or such longer time as the council may allow), the council intends to sell the land for non-payment of rates.
- (3) A copy of a notice sent to a principal ratepayer under subsection (2) must be sent—(a) to any owner of the land who is not the principal ratepayer; and.

- (b) to any registered mortgagee of the land; and
- (ba) to the holder of any caveat over the land; and
- (c) if the land is held from the Crown under a lease, licence or agreement to purchase—to the Minister who is responsible for the administration of the Crown Lands Act 1929.
- (4) If—
 - (a) a council cannot, after making reasonable inquiries, ascertain the name and address of a person to whom a notice is to be sent under subsection (2) or (3); or
 - (b) a council considers that it is unlikely that a notice sent under subsection (2) or
 (3) would come to the attention of the person to whom it is to be sent, the council may

effect service of the notice by-

- placing a copy of the notice in a newspaper circulating throughout the State;
- (d) leaving a copy of the notice in a conspicuous place on the land. (5) If the outstanding amount is not paid in full within the time allowed under subsection (2), the council may proceed to have the land sold.
- (6) The sale will, except in the case of land held from the Crown under a lease, licence or agreement to purchase, be by public auction (and the council may set a reserve price for the purposes of the auction).
- (7) The exception under subsection (6) relating to land held from the Crown will not apply if the Minister responsible for the administration of the Crown Lands Act 1929 grants his or her consent to the sale of land by public auction.
- (8) An auction under this section must be advertised on at least two separate occasions in a newspaper circulating throughout the State.
- (9) If, before the date of such an auction, the outstanding amount and the costs incurred by the council in proceeding under this section are paid to the council, the council must call off the auction.
- (10) If-
 - (a) an auction fails; or
 - an auction is not to be held because the land is held from the Crown under a lease, licence or agreement to purchase,

the council may sell the land by private contract for the best price that it can reasonably obtain.

- (11) Any money received by the council in respect of the sale of land under this section will be applied as follows:
 - firstly—in paying the costs of the sale and any other costs incurred in proceeding under this section;
 - (b) secondly—in discharging any liabilities to the council in respect of the land; (c) thirdly—in discharging any liability to the Crown for rates, charges or taxes,

or any prescribed liability to the Crown in respect of the land;

- (d) fourthly—in discharging any liabilities secured by registered mortgages, encumbrances or charges:
- fifthly—in discharging any other mortgages, encumbrances and charges of which the council has notice;
- (f) sixthly—in payment to the owner of the land.

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- (12) If the owner cannot be found after making reasonable inquiries as to his or her whereabouts, an amount payable to the owner must be dealt with in accordance with section 6 of the Unclaimed Money Act 2021 as money the owner of which cannot be found.
- (13) If land is sold in pursuance of this section, an instrument of transfer or conveyance (as appropriate) under the council's common seal will, on registration, operate to vest title to the land in the purchaser.
- (14) The title vested in a purchaser under subsection (13) will be free of—
 - (a) subject to subsection (14a), all mortgages, charges and caveats; and
 - (b) except in the case of land held from the Crown under lease, licence or agreement to purchase—all leases and licences.
- (14a) The title vested in a purchaser under subsection (13) will not be free of a caveat held by an agency or instrumentality of the Crown, unless that agency or instrumentality consents to its discharge.
- (15) An instrument of transfer or conveyance in pursuance of a sale under this section must, when lodged with the Registrar-General for registration, be accompanied by a statutory declaration made by the chief executive officer of the council stating that the requirements of this section in relation to the sale of the land have been observed.
- (17) A reference in this section to land or title to land is, in relation to land held from the Crown under lease, licence or agreement for purchase, a reference to the interest of the lessee, licensee or purchaser in the land.
- (18) This section does not authorise the sale of non-rateable land on account of the non-payment of a service charge.
 - (19) This section does not apply where the payment of rates has been postponed under, or in accordance with, another provision of this Act (until the postponement ceases to have effect or unless the rates become rates in arrears under the terms of the relevant provision).

185—Procedure where council cannot sell land

- (1) If after a council has made reasonable attempts to sell land on account of arrears of rates it appears that the council has no reasonable prospect of selling the land within a reasonable time, or if the current valuation of land under this Part is less than the amount of outstanding rates, the council may apply to the Minister who is responsible for the administration of the Crown Lands Act 1929 for an order under this section.
- (2) On the receipt of an application by a council under subsection (1), the Minister may, after consultation with the council and being satisfied that it is appropriate to do so, order—
 - in the case of land held from the Crown under a lease, licence or agreement for purchase—that
 the land be forfeited to the Crown (and the lease, licence or agreement is cancelled);
- (b) in any other case—that the land be transferred to the Crown or to the council. (3) An order under subsection (2)—
 - (a) must be in writing and signed by the Minister; and
 - (b)
 - in the case of land held from the Crown under a lease, licence or agreement for purchase—operates to cancel the lease, licence or agreement;
 - (ii) in any other case—operates as an instrument of transfer passing title to the land to which it relates.
- (4) No stamp duty is payable on an order under subsection (2). (6) If an order is made under this section—

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- (a) the land to which the order relates is freed of any charge against the land that exists in favour of the council; and
- (b) any outstanding liability to the council in respect of the land is discharged.

Division 10-Miscellaneous

186—Recovery of rates not affected by an objection or review

- The right of a council to recover rates is not suspended by—
 - (a) an objection or review in respect of a valuation (whether under this Act or the Valuation of Eard Act 1971); or
 - (b) an objection or review in respect of the attribution of a particular land use to land.
- (2) If an objection or review results in the alteration of a valuation or of a decision to attribute a particular land use to land, a due adjustment must be made and—
 - (a) an amount overpaid must be refunded or, if the council so determines, credited against future liabilities for rates on the land subject to the rates; or
 - (b) an additional amount payable on account of an alteration of the valuation or decision may be recovered as arrears (but action to recover any such amount must not be taken until at least 30 days have expired from the date on which notification of the alteration is given to the person who initiated the objection or review).
- (3) Interest is payable on an amount that is refunded or is for the time being credited under subsection (2)(a).
- (4) The interest—
 - accrues on the expiration of each month from the day that the amount was paid to the council;
 and
 - (b) will be payable at the prescribed rate; and.
 - (c) until the amount is refunded or ceases to be in credit, will be compounded on a monthly basis.
- (5) The council must, on being satisfied by a person in whose favour an amount has been credited under subsection (2)(a) that he or she has ceased to be a ratepayer in respect of the land, refund the amount (including interest) then standing to the person's credit.
 - (6) In this section—

the prescribed rate is to be calculated as follows:

$$P = \frac{CADR}{12}$$

where-

P is the prescribed rate

CADR is the cash advance debenture rate for that financial year.

Local Government (Financial Management) Regulations 2011.

6—Annual business plans

- (1) Pursuant to section 123(2)(g) of the Act, an annual business plan (including a draft for the purposes of public consultation) must include information with respect to the following additional matters:
 - (a) the reason why the council has adopted its valuation method for rating purposes;

- if differential rates are used, the reasons and justifications for the differentiation, and the expected level of revenue to be raised by each differential rate;
- (c) if applicable, the use and level of a fixed charge component of a general rate; (d) the use and level of any separate rate, service rate or service charge, including the reasons for the rate or charge;
- (e) the council's policy on discretionary rebates and remissions, with particular reference to the rebates that will apply for more than 1 financial year and including information on how a rebate is designed to meet the purpose behind the rebate;
- (ea) a statement on the total expected revenue from general rates for the financial year compared to the total expected revenue from general rates for the previous financial year as set out in the annual business plan for that previous financial year (excluding rebates and remissions on rates that are not discretionary rebates or remissions);
- (eb) a statement on the percentage change in the total expected revenue from general rates for the financial year compared to the total expected revenue from general rates for the previous financial year as set out in the annual business plan for that previous financial year (excluding rebates and remissions on rates that are not discretionary rebates or remissions);
- (ee) if relevant, a statement on the average change in the expected rates for the financial year (expressed as a whole number of dollars) for each land use category declared as a permissible differentiating factor compared to the expected rates for each category for the previous financial year as set out in the annual business plan for that previous financial year;
- issues concerning equity within the community and the impact of rates across the area;
- (g) the application or operation of a minimum amount payable by way of rates (if applicable).
- (2) If an annual business plan sets out a growth component in relation to general rates, it may only relate to growth in the number of rateable properties (and must not relate to growth in the value of rateable properties).

Local Government (General) Regulations 2013

14—Differentiating factors

- (1) For the purposes of sections 156 and 167 of the Act, the following categories of land use are declared as permissible differentiating factors:
 - (a) Residential comprising the use of land for a detached dwelling, group dwelling, multiple dwelling, residential flat building, row dwelling or semi-detached dwelling within the meaning of a prescribed instrument;
 - (b) Commercial—Shop comprising the use of land for a shop within the meaning of a prescribed instrument;
 - (e) Commercial—Office comprising the use of land for an office within the meaning of a prescribed instrument;
 - (d) Conumercial—Other comprising any other commercial use of land not referred to in the categories specified in paragraph (b) or (c);
 - (e) Industry—Light comprising the use of land for a light industry within the meaning of a prescribed instrument;
 - Industry—Other comprising any other industrial use of land not referred to in the category specified in paragraph (e);
 - (g) Primary Production comprising—

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- farming within the meaning of a prescribed instrument; and
- (ii) horticulture within the meaning of a prescribed instrument; and
- (iii) the use of land for horse keeping, intensive animal keeping or intensive animal husbandry within the meaning of a prescribed instrument; and
- (iv) in respect of a dairy situated on a farm—the use of land for a dairy within the meaning of a prescribed instrument; and
- (v) commercial forestry;
- (h) Vacant land comprising the non-use of vacant land;
- (i) Other comprising any other use of land not referred to in a previous category. (2) For the purposes of section 156(7) of the Act, a differentiating factor based on the locality of land must comply with the following principles:
 - (a) there may be differentiation according to the zone in which the land is situated;
 - there may be differentiation according to whether the land is situated within or outside a township (with, at the discretion of the council, a separate differentiation according to zones);
 - (e) if there are 2 or more townships in the area—there may be differentiation according to the township in which the land is situated (with, at the discretion of the council, a separate differentiation in relation to land outside the townships and, at the discretion of the council, a separate differentiation according to zones).
- (2a) The operation of this regulation is not affected by the revocation of the Development Regulations 2008 or a Development Plan under the Development Act 1993 (or by the repeal of the Development Act 1993) and a reference in this regulation to—
 - (a) the Development Regulations 2008 is a reference to those regulations as in force immediately before their revocation; and
 - (b) a Development Plan is a reference to the Development Plan as in force immediately before its revocation.
- (3) In this regulation—

prescribed instrument means-

- (a) the Development Regulations 2008; or
- (b) the Planning and Design Code under the Planning, Development and Infrastructure Act 2016;

zone means-

- (a) an area defined as a zone, precinct or locality by a Development Plan under the Development Act 1993; or
- (b) an area defined as a zone or subzone by the Planning and Design Code under the Planning, Development and Infrastructure Act 2016.

15—Notice of valuation

For the purposes of section 168(3)(c) of the Act, notice of a valuation made by a valuer employed or engaged by the council must be given to the principal ratepayer in respect of the land to which the valuation relates—

(a) by showing the valuation in an account for the payment of rates in respect of the land sent to the principal ratepayer at his or her address shown in the assessment record; or

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- (b) by sending a notice to the principal ratepayer at his or her address shown in the assessment record in which the council—
 - identifies the land to which the valuation relates; and
 - (ii) sets out the valuation.

17—Rates notice

- (1) Pursuant to section 180(2) of the Act, a rates notice under that section must incorporate, or be accompanied by, the following information:
 - (a) the location or address of the land; (b) the relevant assessment number;
 - (c) the basis on which the rate or charge is declared (see especially section 151 of the Act);
 - (d) the valuation method used for the purposes of valuing the relevant land and the valuation adopted for the land;
 - (e) in the case of a differential rate—the differentiating factor including—
 - (i) if the differentiating factor is or includes the use of the land—that land use; and
 - (ii) if the differentiating factor is or includes the locality of the land—that locality;
 - (f) the date on which the rate or charge was declared;
 - (g) if relevant, the rate in the dollar that has been declared;
 - the date or dates on which a payment or payments of the rate or charge will fall due under the Act;
 - if relevant, details of any minimum amount that has been fixed under section 158 of the Act as part of the declaration of a rate;
 - details of any rebate, remission, concession or deduction that applies with respect to the imposition of the rate or charge in relation to the relevant land;
 - (k) the total amount payable by the ratepayer;
 - the options and arrangements that are available for payment of the rate or charge;
 - (m) a brief description of the processes that apply under the Act-
 - (i) to object to the attribution of a particular land use (if relevant); and
 - (ii) to object to the valuation adopted for the relevant land; (n) a contact

telephone number for ratepayer enquiries;

- (a) a brief summary of the penalties that apply under the Act if an instalment of rates, or a charge, is not paid on or before the date on which it falls due (see especially section 181(8) of the Act);
- a brief statement concerning the entitlement of ratepayers to be included on the voters roll for the relevant area.
- (2) A rates notice may relate to more than 1 rate or charge (or to a combination of 1 or more rates and 1 or more charges).
- (3) Subregulation (1)(m) does not apply with respect to a second or subsequent rates notice sent to a ratepayer in a particular financial year where at least 60 days have elapsed since service on the ratepayer of the first rates notice for that financial year.

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18-Postponement of rates-Seniors

- For the purposes of section 182A(1) of the Act, the prescribed proportion of rates is any amount in excess of \$500.
- (2) For the purposes of section 182A(2) of the Act, the manner and form of an application will be determined by the council.
- (3) For the purposes of section 182A(3) of the Act, a council may reject an application for the postponement of rates if it appears to the council that the maximum principal or other capital liability that may be or become payable or due under a mortgage, encumbrance or charge registered over the land (assuming no default) may exceed 50% of the capital value of the land.

(4) However—

- (a) subregulation (3) does not apply in relation to a postponement for the benefit of the same person with respect to the same land in a second or subsequent year; and
- (b) subregulation (3) does not apply in relation to a mortgage, encumbrance or charge registered after the commencement of section 182A, of the Act.
- (5) For the purposes of section 182A(8) of the Act, the period of 6 months from the day on which the entitlement to the postponement ceases to exist is prescribed.
- (6) Pursuant to section 182A(10) of the Act, where a postponement of the payment of rates has occurred under section 182A of the Act.—
 - (a) the council must inform the prescribed ratepayer that an entitlement to receive a remission of rates under the Rates and Land Tax Remission Act 1986 may be applied, at the prescribed ratepayer's discretion, towards the proportion of rates that has not been postponed; and.
 - (b) any subsequent rates notice that relates to rates of the same kind must (while the same person remains entitled to a postgonement of rates) include or be accompanied by—
 - (i) information about the amount of rates outstanding under the postponement; and
 - information about the amount of interest that has accrued under the postponement, as at the end of the immediately preceding quarter; and
 - (iii) a statement concerning the person's entitlements with respect to a postponement of rates without the need to make a further application; and.
 - (iv) a statement to the effect that to the extent that an amount is not paid in accordance with the notice but is capable of being the subject of a postponement under section 182A of the Act will be taken to be subject to postponement under that section; and
 - (v) a statement concerning the requirement of the owner of the land to inform the council
 if or when the entitlement to the postponement ceases to exist.

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Appendix 3 – Risk Assessment

The Likelihood, Consequence and Risk Matrix tables included in this appendix are from the CoS's Enterprise Risk Management Framework, which was last issued on the 19th of December, 2022.

Likelihood Rating Criteria

= Determine How Likely is the Event Occurring (for Step 1)

RATING	SCORE	DESCRIPTION		
Rare	1	The event may occur only in exceptional circumstances (i.e. extremely low probability, and will only occur in exceptional circumstances) - could occur once in a period greater than 20 years).		
Unlikely	2	he event could occur at some stage (i.e. probability of occurrence at least once within a 10 to 20-year period)		
Possible	3	The event might occur at some time (i.e. probability of occurrence within 3 to 9 years)		
Likely	4	The event will probably occur at most times (i.e. probability of occurrence within 1 to 2 years)		
Almost Certain	5	The event is expected to occur in most times (i.e., probability of occurrence at least once within 1 year)		

Consequence Rating Criteria

(excluding Project Risks) (for Step 2) - Determine the Impact of the Event When / If it Occurs

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

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Risk Matrix

(derived from Step 3 & 4))

		Insignificant	Minor	Moderate	Major	Catastrophic
		1	2	3	4	5
Rare	1	Low 1	Low 2	Low 3	Low 4	Medium 5
Unlikely	2	Low 2	Low 4	Medium 6	Medium 8	Medium 10
Possible	3	Low 3	Medium 6	Medium 9	High 12	High 15
Likely	4	Low 4	Medium 8	High 12	High 16	Very High 20
Almost Certain	5	Medium 5	Medium 10	High 15	Very High 20	Very High 25

Consequence Score

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ITEM 7.1.2

AUDIT AND RISK COMMITTEE

DATE 13 August 2024

PREV REFS Audit and Risk 7.1.3 09/04/2024

Committee

HEADING City Plan 2040 - Engagement Report & Recommendations

AUTHOR Daryl Tian, Senior Strategic Planner, City Development

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 Community consultation on the draft City Plan 2040 was

undertaken in May 2024. Based on feedback, the content has been finalised and will be presented to the Policy and Planning Committee on 19 August 2024 and the Council on 26 August 2024

for approval.

RECOMMENDATION

That Council:

- 1. Notes that, in accordance with the *Local Government Act 1999* Section 126(4)(b), the Audit and Risk Committee has reviewed the City Plan 2040 as outlined in this report (Attachment 1, Item No. 7.1.2, Audit and Risk Committee, 13 August 2024), and that it has been prepared for Council's approval and adoption.
- 2. Notes that the final design will be undertaken after the Council's deliberations and recommendations, under delegation to the Chief Executive Officer.

ATTACHMENTS

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

1. City Plan 2040 (Audit & Risk Committee Version Only)

1. BACKGROUND

- 1.1 Under the *Local Government Act 1999* (the Act), Councils must develop and adopt a strategic plan that:
 - 1.1.1 Identifies the Council's objective for its area over a period of at least four years.
 - 1.1.2 Is assessed against State Government policies, legislation and directions.
 - 1.1.3 Is assessed against other regional and national objectives.
 - 1.1.4 Proposes principle activities and performance measures.

- 1.1.5 Anticipates changes in its Council area with respect to development and demographics.
- 1.1.6 Is required to be comprehensively reviewed every four years (within two years) after each general election of the Council).
- 1.2 The City Plan is the City of Salisbury's (CoS) highest-level strategic plan.
- 1.3 The Audit and Risk Committee considered the draft City Plan 2040 in 9 April 2024, prior to it being considered by the Policy and Planning Committee on 15 April 2024 and the Council on 22 April 2024.
- 1.4 The following recommendations were carried:
 - 1.4.1 From the Audit and Risk Committee [Decision ID 0674/2024]:
 "Notes that, in accordance with the Local Government Act 1999 Section 126(4)(b), the Audit and Risk Committee has reviewed the process and structure of the draft City Plan 2040 as outlined in this report (Item No. 7.1.3, Audit and Risk Committee, 9 April 2024), and that the draft City Plan has been prepared for Council's approval for the purposes of public consultation."
 - 1.4.2 From the Policy and Planning Committee [Decision ID 0660/2024]: "Approves the Draft City Plan 2040 for the purposes of community consultation, as contained in Attachment 1 (Item No. 1.1.1, Policy and Planning Committee, 15 April 2024).

Approves the Draft Communications Plan to be implemented for community consultation, as contained in Attachment 3, (Item No. 1.1.1, Policy and Planning Committee, 15 April 2024)."

- 1.5 Public consultation occurred on 1 26 May 2024.
- 1.6 Following this, the City Plan has been reviewed based on community feedback and finalised for the Council's consideration.
- 1.7 Section 126 of the Act outlines that the Audit and Risk Committee of a council has the opportunity to propose and provide information relevant to the review of a council's strategic management plan.
- 1.8 This report provides the opportunity for the Audit and Risk Committee to have oversight and provide feedback into the City Plan.

2. EXTERNAL CONSULTATION / COMMUNICATION

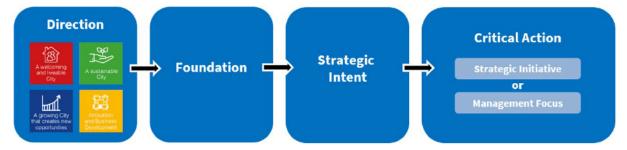
- 2.1 Public consultation occurred with the general public through a variety of engagement methods, such as drop-in sessions, public notices and online surveys. The engagement received:
 - 2.1.1 80 valid survey responses
 - 2.1.2 9,500 people visiting the project website
 - 2.1.3 150,000 total impressions on social media

- 2.1.4 Over 50 community members engaged at drop-in sessions.
- 2.2 Letters from the Mayor were also sent out to House of Assembly Members and Federal Members of Parliament in the City of Salisbury area. No responses were received.

3. DISCUSSION

Draft Critical Actions

3.1 The City Plan's main content structured as follows:



- 3.2 Public engagement sought feedback on the proposed draft Critical Actions.
- 3.3 Overall, there was positive response to the City Plan's draft Critical Actions as detailed below:
 - 3.3.1 76% strongly agreed or agreed with the Critical Actions under 'Direction 1 A welcoming and liveable city'
 - 3.3.2 83% strongly agreed or agreed with the Critical Actions under 'Direction 2 A sustainable city'
 - 3.3.3 81% strongly agreed or agreed with the Critical Actions under 'Direction 3 A growing city that creates new opportunities'
 - 3.3.4 83% strongly agreed or agreed with the Critical Actions under 'Direction 4 Innovation and Business Development'.
- 3.4 Due to the high level of agreement levels received, no significant change is proposed for the final City Plan. Much of the feedback received are things that the Council are already doing as part of its business as usual operations, captured in existing strategies and action plans, or addressed in the City Plan.
- 3.5 The final Critical Actions for Council's consideration can be found in Attachment 1 of this report.

Indicators

- 3.6 As a requirement of the Act, the City Plan must contain a series of Indicators to measure the success of the Council's objectives (the Foundations) over the period to which the plan applies.
- 3.7 Based on the formation of the Critical Actions and agreeance with the Foundations through the community engagement process, a series of Indicators are proposed.
- 3.8 Indicators selected must respond to the Foundations, be able to be tracked regularly and are meaningful. Relevant past Indicators in the City Plan 2035 have been retained if they align to the new Foundations.

- 3.9 Indicators from other CoS documents, such as the Thrive Strategy and Sustainability Strategy have also been drawn from to ensure consistency.
- 3.10 Some Indicators are proposed to be tracked through surveys and external resources, if these are not able to be performed in-house.
- 3.11 The proposed Indicators for Council's consideration can be found in Attachment 1 of this report.

Design

- 3.1 The City Plan as found in Attachment 1 is a version produced for the purposes of this report only.
- 3.2 A final version of the City Plan will be designed to align with the CoS's new branding guidelines.
- 3.3 This will be undertaken after Council's deliberations and recommendations, under delegation to the Chief Executive Officer.

4. FINANCIAL OVERVIEW

- 4.1 The City Plan, once approved and adopted by the Council, will have implications on the Annual Business Plan and Long-Term Financial Plan, from 2025/26 onwards.
- 4.2 Subsequent funding, if required, will similarly be requested following standard Council processes.

5. CONCLUSION

- 5.1 The City Plan 2040's Critical Actions have been finalised incorporating community feedback.
- 5.2 Indicators have been included to measure against the Plan's Foundations.
- 5.3 The design of the City Plan 2040 will be finalised in line with new brand guidelines.
- 5.4 Once adopted, the City Plan 2040 will come into effect, with the actions being implemented from 2025/26 onwards.

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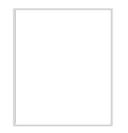
Introduction

Acknowledgement of Country

The City of Salisbury acknowledges that we are on the traditional Country of the Kaurna people of the Adelaide Plains and pays respect to Elders past and present.

We recognise and respect their cultural heritage, beliefs and relationship with the land. We acknowledge that they are of continuing importance to the Kaurna people living today.

Mayor's Message



[Mayor's message and portrait to be included]

Elected Members



We are your Elected Members for the 2022-2026 term, and form the Council body during this period.

We are the decision-making body of the City of Salisbury, and also part of the City of Salisbury community.

Supported by the Council administration staff, we are privileged to make decisions on your behalf, to make our city a better place for all.

[Image of current Council body, names and wards to be included]

Page?

STEVELAN 2040 - FOR THE AUDIT & RISK NORMITTEE ONLY - 13 AUGUST 2014

Section 1. Our city

Our city

With over 30 suburbs spanning over 158.1 km² and home to 148,000 people, the City of Salisbury is the fourth largest local government in the metropolitan Adelaide and the second most populated, making it one of the most important Council areas in South Australia.

Acting as a connector between the urban inner-city areas and the growing outer northern regions, the City of Salisbury is rich with environmental and biodiversity assets, job opportunities, affordable housing and recreational attractions.

Our population is diverse and relatively young, and represent a big part of the state's workforce. There are more and more people choosing to live in our city, as it remains relatively affordable compared to the rest of metropolitan Adelaide.

Our city is the backbone of the state's economy, making up around 10% of the metropolitan Adelaide's workforce, and contributing to around 7% of the state's economy.



36 years

Median age Greater Adelaide: 39 years



32% Speak a language at home other than English Greater Adelaide: 21%



Have university qualification Greater Adelaide: 26%



Of households have a mortgage Greater Adelaide: 36%



47.5%
People aged over 15 years completed Year 12 schooling Greater Adelaide: 57%



Are Aboriginal & Torres. Strait Islander Greater Adelaide: 1.7%



Of population unemployed Greater Adelaide: 5.5%



Have trade qualification certificate Greater Adelaide: 20%



Of households rent Greater Adelaide: 28%



Average persons per dwelling Greater Adelaide: 2,43



Are lone person households Greater Adelaide: 27%

3 bedrooms

Dominant dwelling type

Greater Adelaide:

3 bedrooms



\$520,000

Median house price
(December 2022)

Greater Adelaide: \$680,000



\$8.65B Gross Regional Product Greater Adelaide: \$128.6B



34%
Residents who also work in the Council area



8,769
Local businesses



Manufacturing Number one Industry by economic output and number of workers



Certified as:

An Intercultural City
A Welcoming City
A Refugee Welcome Zone

Pages

SITYPLAN 2040 - FOR THE AUDIT RISK DOMMITTEE ONLY - 13 AUGUST 2024

Section 1. Our city

Our city

As cities grow, so do challenges and opportunities. Councils are expected to go beyond "roads, rates and rubbish", to cater to the needs of growing cities.

Some major changes that the City of Salisbury face include:



 The need for more housing supply and affordable housing, especially as population growth continues to expand in the north, and to service our community that overall has a lower income compared to the rest of Greater Adelaide



The balance between urban built environments and provision of greening, such as the loss of trees in our urban environment, especially in a warmer climate, which makes our cities hotter and community more heat stressed



 The adaptation and resilience of our city's physical and environmental assets, such as our buildings, roads and coastline, especially with climate change impacting on their longevity



 The emergence of various commercial, manufacturing and defence industries, and uptake in digital and manufacturing innovation, especially in our support for a circular economy that is carbon responsible



The demand for expansion and development of land for residential, industrial and employment growth, especially in providing both hard infrastructure (like roads and utilities) and social infrastructure (like schools, shops and medical services) to meet demands



 The urban regeneration of our city centres and activity centres, especially in playing a key part in providing services, shops, schools and employment opportunities for local residents



 The increasingly diverse population of our community, and their relationship to their neighbourhoods, the city and the Council, especially in our communication and relationship with the them.

As such, the City Plan anticipates these challenges and captures them as opportunities for our city and community over the next four years.

Our Council plays a crucial role in leading, providing, facilitating and advocating for a wide range of infrastructure, services, utilities and facilities for the benefit of our community, and all who live, work and play in our wonderful city.

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SITYPLAN 2040 - FOR THE ALIDIT RERISK DOMMITTEE ONLY - 13 AUGUST 2024

Section 2. Introduction to the City Plan

What is the City Plan?

The City Plan is the City of Salisbury's strategic plan.

It is the highest-level plan for the Council.

The City Plan outlines the Council's vision and desired outcomes for the city, along with a series of critical actions that outline how we will deliver on our vision.

What is the vision?

Our vision is to be:

"A progressive, sustainable and connected community".

The City Plan outlines the ways that we can achieve this vision.

By being progressive, sustainable and connected, we can be a successful city that provides quality services, is financially responsible and supports the growth and aspirations of our community.

A progressive city:

- Embraces change
- Is liveable and competitive
- Is proud of its heritage
- · Identifies and creates opportunities
- Responds to challenges.

A sustainable city:

- · Thinks about today and the future
- Cares about the environment and people
- Considers the legacy it leaves for future generations
- Is financially responsible
- Promotes a culture that values enduring outcomes.

A connected city:

- Forms connections with its community
- Is connected to nature and biodiversity
- Offers links to jobs and businesses
- Values connections between all cultures
- Helps people move around.

Strategic context

In preparing this City Plan, we have assessed various trends and changes that impacts our city, including local and regional developments, State and Federal policies and directions, as well as our own strategies and plans.

Some long-term State directions that we have considered and responded to are:

- Greater Adelaide Regional Plan Discussion
 Paper
- South Australian Economic Statement
- A Better Housing Future
- Infrastructure SA's 20-Year Strategy Discussion Paper
- Northern Adelaide Transport Study
- State Prosperity Project.

These agendas enable the City of Salisbury to collaborate with the State Government, other councils and departments to work towards key partnership projects, for the benefit of the entire Northern Adelaide region. We need to plan and be prepared for these changes, developments and influences to be a progressive, sustainable and connected community.

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STEVELAN 2040 - FOR THE AUDIT & RISK NORMITTEE ONLY - 13 AUGUST 2024

Section 2. Introduction to the City Plan

Examples of influences or developments and future changes across the Northern Adelaide region include:

[Map to be produced to illustrate the following]

Regional influences or developments

1. Northern Adelaide Housing Growth

The northern regions of Adelaide will be the focus of significant residential growth over the next 30 years. New neighbourhoods are already being built at Riverlea, Virginia, Angle Vale, Playford Alive, Two Wells and Roseworthy and the State Government is investigating further growth in this region. There are some strategic site in other areas surrounding the City of Salisbury that are also being developed.

2. Greater Edinburgh Parks

Capitalising on its proximity to the Edinburgh RAAF Base, rail infrastructure and road networks, Greater Edinburgh Parks will provide new employment lands for the northern region, providing employment opportunities for a growing population. This transformation will facilitate a world-class enterprise precinct of national significance.

3. Elizabeth City Centre

With the expanding population of the northern region and with its close proximity to the Lyell McEwin Hospital, Playford Health and Wellbeing Precinct and Lionsgate Business Park, the Elizabeth City Centre will become a focus for the region's services and retail opportunities. High-density mixed-use developments will be important as part of its growth.

4. Adelaide International Bird Sanctuary National Park

Encompassing over 60km of coastline across many Councils in the Northern Adelaide region, the bird sanctuary provides refuge and habitat for millions of birdlife, unique flora and other ecological communities.

5. Osborne Naval Shipyard

To support the Federal Government's AUKUS initiative, a naval shipyard established in Osborne supports national sovereignty, defence capabilities, industry growth and job opportunities for the state.

6. North-South Corridor

The North-South Corridor will provide 78 km of non-stop connectivity for people and freight from Gawler to Old Noarlunga with the commencement of construction of the final 10.5km between the River Torrens and Darlington.

SITYPLAN 2040 - FOR THE ALIDIT KIRSK DOMMITTEE ONLY - 13 AUGUST 2024

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Section 2. Introduction to the City Plan

7. Lot Fourteen

Continued growth at Lot Fourteen and its defence, space, hi-tech and creative industries will foster greater innovation and research across South Australia.

Local Influences or Developments

1. Salisbury City Centre

Providing a catalyst for future private investments, the Salisbury City Centre will be revitalised with a \$200M redevelopment comprising six new and vibrant mixed-use sites, including residential sites, retirement living, hotel accommodation, retail, commercial, hospitality and an extension of Church street.

2. Little Para River

Investments along the Little Para River will increase visitors and improve walking and cycling connections to the Salisbury Aquatic Centre, TreeClimb, Little Para Golf Course and the Salisbury City Centre amongst other destinations along the trail.

3. Edinburgh Defence Precinct

The RAAF Base in Edinburgh is expected to receive investment in its infrastructure, which will see an increased in number of workers in the area.

4. Defence

The expansion of Defence SA's capabilities at St Kilda will also be accommodating an increasing number of workers in the area.

5. Future Industries

To capitalise on its strategic location, St Kilda and Waterloo Corner provide a great opportunity to incorporate circular economics, green infrastructure and decarbonisation operations.

6. Waterloo Corner & Bolivar Corridor

Traditionally low-intensive rural, horticultural and agricultural land offering great connections to key arterial routes and State-level infrastructure sites will transform this corridor into emerging employment and industrial land.

7. Mangroves and coastlines

Protection and conversation of significant environmental assets along the coast such as the mangroves, samphire and wetland habitats will ensure a more climate resilient future.

8. Dry Creek

A future master-planned community development is projected to deliver 10,000 homes at the Dry Creek salt fields. Lead by the State Government; this project will require significant investment in remediation and infrastructure to support its future community.

9. Parafield Airport

Parafield Airport Limited proposes growth over the next decade to include commercial, industrial and logistic type activities of varying scales, offering economic growth and employment opportunities.

10. Technology Park & Universities

Mawson Lakes may experience change due to the university amalgamation (Adelaide University) at the UniSA site, and the State Government's proposed expansion of Technology Park.

11. Ingle Farm

Subject to investigations to capitalise on infill growth and offerings at Ingle Farm, along with Council's investment for a new residential development at the Walkleys Road Corridor, there is opportunity to increase density, offer mixed-use outcomes and improve the public realm to provide a rejuvenated and connected urban centre.

12. Road connections

Improvements to east-west connections across the city will facilitate better traffic movement, such as at Kings Road, Elder Smith Drive and Park Terrace.

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STEVPLAN 2040 - FOR THE AUDIT RIPSK COMMITTEE ONLY - 13 AUGUST 2024



Section 3. The City Plan

What is the structure of the City Plan?



What are our Directions?

We will be a welcoming a liveable city, by:

- Having a diversity of housing that meets the needs of our community
- Supporting the physical and mental health and wellbeing of our community
- Welcoming people of all ages, backgrounds and abilities, and recognising First Nations peoples
- Making our city attractive and safe.

We will be a sustainable city, by:

- · Valuing our biodiverse green spaces and natural environments
- Being carbon responsible
- Ensuring our city, community and infrastructure are climate resilient
- Managing our waste and water resources sustainably and responsibly.

We will be a growing city that creates new opportunities, by:

- Supporting our local businesses to be successful
- Making our city a place for people to work, study, play and invest
- Planning our city's growth that is supported by infrastructure
- Making our city centres active and prospering.

To provide outstanding services to the community, we also need to continually strive for excellence. To achieve this, we will focus on our organisation's innovation and business development, by:

- Delivering effective and efficient Council services, exceptional community experiences and quality outcomes
- Making our organisation a great place to work
- Engaging and connecting with our community
- Providing value for our community through our commercial operations.

paged

STEVELAN 2040 - FOR THE AUDIT & RISK NORMITTEE ONLY - 13 AUGUST 2024



Foundation

 Our city has a diversity of housing that meets the needs of our community.



Strategic Intent Critical Action

1.1 Our community's most vulnerable are protected.

1.1.1 Investigate strategies to support those most vulnerable in our community.

- Deliver a Homelessness Strategy that includes opportunities to partner with the State Government and other organisations to implement actions and address homelessness in the city.
- Explore shelter-type responses to community members who are at risk or are experiencing homelessness.
- Explore broader responses for Council's consideration to emerging community needs.
- Explore shorter term alternative housing opportunities through the Cost of Living Strategy (An action of Thrive Action Plan).
- Explore affordable housing outcomes (including modular type housing) and short term accommodation as part of the Strategic Land Review five year action plan.

1.1.2 Facilitate ways to help relieve cost of living pressures for our community.

Explore ways to introduce social and community infrastructure that can provide financial relief to the community.

1.2 Our city facilitates affordable and diverse housing.

1.2.1 Facilitate housing for all in the city.

- Prepare a long term Housing Strategy with a focus on affordability, diversity and tenure, including a feasibility package. This assists housing
 providers to invest in the City of Salisbury.
- · Explore and facilitate alternative housing opportunities through collaboration with NGOs and private industries.
- · Align opportunities with the Federal Government's Housing Australia Future Fund.
- Seek to facilitate more affordable and diverse housing, and balance infill development, through the <u>Greater Adelaide Regional Plan</u> and <u>Planning and Design Code</u>.

1.3 Our city provides housing for our community.

1.3.1 Deliver high quality housing outcomes through the strategic development of council owned sites.

- Through Council's Strategic Land Review project, continue to deliver residential development that aligns with council's Affordable Housing Implementation Plan.
- Provide at least 15%-20% affordable housing.
- Provide affordable housing through the Walkleys Road Corridor residential development.

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STEVELAN 2040 - FOR THE AUDIT & RISK NORMITTEE ONLY - 13 AUGUST 2024



Foundation

2. Our community is physically and mentally healthy and connected.



Strategic Intent Critical Action

-	
2.1 Our community's wellbeing is prioritised.	 2.1.1 Deliver the Thrive Strategy and associated Action Plans. Deliver the Thrive Strategy and Action Plans, which focus on delivering programs and initiatives that improve the health and wellbeing of our community. These include 11 initiatives that help the community to be more socially connected, physically active, culturally enriched, civically engaged, safe and secure, and to continue to be learning and aspiring. These programs include community-led small scale projects, skills sharing, a Salisbury Fit Club, activating the Little Para River, digitalising our trails and recreation facilities, introducing modified sports, celebrating Salisbury's history, partnerships with non-Council organisations for volunteering opportunities, Libraries After Dark, Bibliotrek and a Cost of Living Strategy.
2.2 Our open spaces and recreation centres support community wellbeing.	 2.2.1 Promote and facilitate public use of the Salisbury Aquatic Centre. Partner with the aquatic centre's operator to deliver a responsive and sustainable aquatic centre for our community. 2.2.2 Promote and facilitate public use of our recreation centres and golf courses. Partner with external managers to deliver responsive and sustainable recreation services for our community. These include the Bridgestone Athletics Centre, Parafield Gardens Recreation Centre, Ingle Farm Recreation Centre, TreeClimb & the Little Para Golf Course.
	 2.2.3 Support our community, recreation and sporting groups. Continue to support all community, recreation and sporting groups and clubs across the city, for the benefit of our community.
2.3 Our community has access to health and community services.	

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STEVPLAN 2040 - FOR THE AUDIT & RISK COMMITTEE ONLY - 13 AUGUST 2024



Foundation

Our city is welcoming to people of all ages, backgrounds and abilities, and recognises First Nations peoples.

Strategic Intent Critical Action

3.1 Our city provides opportunities for all life stages and abilities.

3.1.1 Enhance our engagement with our youth.

- Undertake a review of the Youth Action Plan that coordinates Council's efforts to provide young people with opportunities that align with the three priority areas (Health and Wellbeing; Equity, Discrimination and Unfair Treatment; and Educational Engagement and Successful Transitions).
- Includes prioritising youth leadership by conducting activities such as the annual youth summit.

3.1.2 Implement the Ability Inclusion Strategic Plan.

- In alignment with the <u>Ability Inclusion Strategic Plan</u>, design and deliver all Council functions to be universally beneficial to people of all
 types and levels of ability and other diverse needs.
- Support and develop effective engagement methods with community members experiencing disabling environments, and recognising their
 age, cultural and gender diversity.

3.2 Our city welcomes new arrivals, including migrants and refugees, and celebrates people from different backgrounds.

3.2.1 Promote the council's recognition and leadership as an Intercultural City.

- Promote the council's recognition and leadership as an Intercultural City (Intercultural Cities, Council of Europe), Welcoming City (Welcoming Australia) and Refugee Welcome Zone (Refugee Council of Australia).
- · Continue our partnerships with the Department of Home Affairs and deliver the Intercultural Strategic Plan.

3.2.2 Investigate the opportunity to develop and host a new large arts/cultural events, and continue to attract visitors to the city.

- In collaboration with community groups and governmental agencies, establish, plan and deliver a major event for the Northern Region, which celebrates people from different backgrounds.
- Continue to attract visitors through the organisation and management of council events, and the facilitation and attraction of major events
 through external event companies.

3.3 Our city is committed to reconciliation and actively engages with First Nations

people.

3.3.1 Foster ongoing engagement and relationship with First Nations people.

- · Update our Reconciliation Action Plan guided by the First Nations Strategic Group.
- Identify actions focusing on respecting, building relationships and enhancing opportunities with Aboriginal and Torres Strait Islander communities.
- Continue and increase awareness and education initiatives within the organisation and community on First Nations affairs and engagement.

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STEVPLAN 2040 - FOR THE AUDIT & RISK COMMITTEE ONLY - 13 45 GUST 2024



Foundation
4. Our city is attractive and safe.



Strategic Intent Critical Action

oti dteg io iiiteiie					
4.1 Our public spaces, residential areas and environs are safe and inviting.	 Includes building awareness and maximising participation in the strategy's programs. 				
	 4.1.2 Ensure our CCTV Program is delivered to meet our community needs. Roll out CCTVs at key locations across the city centres and recreational spaces to increase community safety, mobile facilities, community fixtures and asset protection. 				
	 4.1.3 Improve safety of roads throughout the city around schools. Partner with State and/or Federal Government to implement the School Transport Framework and general Road Safety Action Plan to improve safety on roads around or adjacent schools. 				
4.2 Our city's key public spaces are	 4.2.1 Improve the quality of landscaping at entrance statements and along corridors to key destinations. Increase the quality of landscaping at key gateways to our key destinations and along prominent road corridors, to act as a welcoming statement for all. 				

For private development, facilitate attractive landscaping along key corridors.

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spaces are

attractive.

STEVPLAN 2040 - FOR THE AUDIT & RISK COMMITTEE ONLY - 13 AUGUST 2024



Indicators

Short-term indicators

- · Housing diversity supply in the City of Salisbury
- Visitation and membership to the Council's recreation centres and sporting facilities
- Reported community health and wellbeing
- Reported community satisfaction at Council-run community events that are welcoming to all
- · Reported community safety in the City of Salisbury.

Long-term indicators

- · Housing stress in the City of Salisbury
- SEIFA (Socio-Economic Indexes for Areas) for the City of Salisbury.

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SITYPLAN 2040 - FOR THE AUDIT RISK DOMMITTEE ONLY - 13 AUGUST 2024

[These are draft only for consultation]



Foundation

1. Our city's green spaces and natural environments are valued and biodiverse.

Strategic Intent Critical Action

1.1 Our city is cooler and greener.

1.1.1 Strategically address cooling and greening across our city.

- Informed by Green Adelaide's <u>Urban Greening Strategy</u> and <u>tree canopy data</u> 2024, prepare an Urban Greening and Cooling Strategy that
 identifies approaches to respond to urban heat that is specific to the City of Salisbury context.
- Ensure that planting palette chosen is appropriate to the urban landscape and acceptable to residents.
- Continue to improve the amenity of streetscapes through the programmed renewal of street trees with more appropriate tree species for the space available within our city's streets.

1.2 Our city's biodiversity is protected.

1.2.1 Enhance eco-tourism opportunities at St Kilda, including the protecting of the mangroves and coastal environment.

- Partner with the State Government to deliver a Sustainability Centre for Excellence and eco-tourism destination at St Kilda to support biodiversity conservation and education (an action of the <u>Sustainability Strategy</u>).
- Collaborate with the St Kilda Mangroves Alliance, Conservation Council SA, Department of Environment and Water and Universities to assist
 in achieving the St Kilda Mangroves Community Vision and Strategic Plan.
- Continue to advocate for the protection and management of our estuarine and coastal environment, including playing a part in the
 restoration of the area once management methodologies are confirmed.

1.2.2 Improve biodiversity management across key corridors.

- Review the Biodiversity Corridors Action Plan 2010 (an action of the Sustainability Strategy).
- · Establish biodiversity management plans for key sites across the council area.

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25TYPLAN 2040 - FOR THE AUDIT RISK DOMMITTEE ONLY - 13 AUGUST 2024

[These are draft only for consultation]



Foundation

2. Our city and community are carbon responsible.



Strategic Intent Critical Action

2.1 Our city's emissions are reduced.

2.1.1 Prepare and implement an emissions reduction plan for our operations.

- Undertake an Emissions Reduction Plan to reduce the carbon footprint of council's operations (an action of the <u>Sustainability Strategy</u>), including Council buildings and assets.
- Update and publicly disclose our greenhouse gas inventory.
- Includes an Organisational Energy Plan that addresses energy efficiency, renewable energy, electric vehicle charges and fleet management.

2.2 Our city's businesses have planned for the future.

2.2.1 Support businesses and industries to transition to a low carbon future.

- Proactively support new and existing businesses and industries (an action of the Sustainability Strategy).
- Provide support and education to address sustainability of their operations and how to reduce carbon emissions, promotion of circular economy initiatives and education on alignment with State Government's waste legislation such as single use plastics.

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[These are draft only for consultation]



Foundation

3. Our city, community and infrastructure are resilient to a changing climate.

Strategic Intent Critical Action

3.1.1 Include new climate adaptation and mitigation strategies in our asset management.

- Review the <u>Strategic Asset Management Plan linking to the Climate Change Risk Assessment</u>, new Carbon Emissions Reduction Plan and new Resource Recovery Action Plan.
- · Consider the sustainable lifespan of all assets.

3.1.2 Improve our resilience to climate change.

- changing climate . Undertake a Climate Change Adaptation Action Plan that is informed by council's Climate Change Risk Assessment to be a climate resilient organisation.
 - This will help set out how we can address and take action on the challenges of climate change.

3.2 Our city's dwellings are comfortable and climate resilient. *

3.1 Our city's assets are

managed and

planned to be

resilient to a

and provides

capacity for

growth.

3.2.1 Facilitate sustainable living though our residential development projects.

- Showcase to our community and construction industry the possibilities and benefits of pursuing environmentally sustainability objectives and outcomes in housing.
- Do this through environmentally sustainable infrastructure and design guidelines in council's strategic development projects, such as at Walkleys Road.
- Through council's development services, advocate for private developments to be environmentally sustainable.

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INTERPLANTAGE FOR THE AUDIT & RISK COMMITTEE ONLY - 13 AUGUST 2024

[These are draft only for consultation]



Foundation

4. Our city's waste is managed sustainably.



Strategic Intent Critical Action

4.1 Our council promotes a circular economy.

4.1.1 Investigate through NAWMA alternative waste management systems.

- Explore innovation in waste management that helps with reducing greenhouse gas emissions and landfill contribution.
- Collaborate with the Northern Adelaide Waste Management Authority, which is a subsidiary of the City of Salisbury.

4.1.2 Improve resource recovery in our organisation.

- Undertake a Resource Recovery Action Plan (an action of the Sustainability Strategy).
- Includes a plan for council's operations, waste reduction, providing specialised waste item collection, and sustainable events.

4.1.3 Facilitate a circular economy in our operations.

Identify and support circular economy initiatives into council operations.

Direction 2. A sustainable city.

5. Our water resources are managed responsibly.

Strategic Intent

Critical Action

5.1 Our city is waterwise through sustainable use and careful planning.

5.1.1 Capture, cleanse and reuse our stormwater across the city.

- Increase the harvest of urban stormwater to minimise pollutant discharge to the marine environment.
- Develop a Managed Aquifer Recharge (MAR) storage to maximise the reuse of this water and reduce mains water usage, subject to feasibility assessment.

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INTERPLANTAGE FOR THE AUDIT & RISK COMMITTEE ONLY - 13 AUGUST 2024



Indicators

Short-term indicators

- Number of native plants planted in parks and reserves
- Organisational carbon emissions
- · Proportion of Council operations powered by renewable energy
- · Natural gas and grid electricity consumed in Council operations
- · Proportion of recycled material used in Council's road renewal programs
- · Quality of catchment water.

Long-term indicators

- · Area covered by mangroves and samphire
- Domestic waste generated and diverted from landfill.

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[These are draft only for consultation]



Direction 3.

A growing city that creates new opportunities.



 Our city's businesses are successful, and the community benefits from their success.

Strategic Intent Critical Action

1.1 Our local businesses are supported for growth and success.

1.1.1 Strengthen links with other innovation hubs across Adelaide.

- Support innovation across businesses and industries by strengthening links between Technology Park, the University of South Australia, the
 University of Adelaide, Edinburgh Parks, Lot 14 and Tonsley.
- Explore opportunities to deliver initiatives that grow and support entrepreneurs and business owners to grow.

1.1.2 Strengthen essential business skills and capabilities for small and emerging businesses.

- Through the Polaris Business Development Centre, deliver initiatives to inspire our community and support business creation and growth.
- Develop and implement programs that help increase business skills and capabilities of the community.
- Partner with State and Federal Government agencies.

1.2 Our community is skilled, determined and self-sufficient.

1.2.1 Increase access of our community to education and training pathways.

- Leveraging existing City of Salisbury resources and the Polaris Centre, invest in an integrated platform/mechanism that helps to promote local job opportunities to local residents and increase our skilled workforce.
- · Work with partners to encourage career development and training support to the City of Salisbury community.

1.2.2 Inspire, facilitate and grow youth entrepreneurship.

 Through the Polaris Centre and in collaboration with partners, support and facilitate entrepreneurship as a credible and realistic pathway for young people.

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[These are draft only for consultation]



Direction 3.

A growing city that creates new opportunities.

Foundation

Our city's growth is well planned and supported by the integrated delivery of infrastructure.

Strategic Intent

Critical Action

2.1 Our city's infrastructure (including council-owned) is delivered with a long-term focus in an equitable and orderly way.

2.1.1 Coordinate the delivery of stormwater solutions and road network upgrades for growth areas.

- Finalise the Dry Creek, Little Para River, Greater Edinburgh Parks and Adams Creek Stormwater Management Plans and plan for other stormwater solutions.
- To be development ready, prepare stormwater solutions for large parcels of vacant land to ensure efficient delivery of council resources and facilitate quality development outcomes.
- To be development ready review our road systems, people and vehicle movement, hierarchy, current and project loads in preparation for residential and industrial growth across the council area.

2.1.2 Partner with State Government and the private sector to realise the sustainable development of Dry Creek salt fields.

- Collaborate with key partners, private developers and landowners to deliver physical and social infrastructure that recognises the
 environmental and ecological sensitivities and the need to connect to surrounding areas.
- Delivery will require detailed investigations including utilities, environmental management, soil stability and salinity, transport/traffic and access to schools and other social infrastructure.
- Materialise the housing and urban development opportunities identified by the State Government.

2.2 Our city's transport networks are well planned for future growth.

2.2.1 Review the transport plan to improve the provision of transport infrastructure that enhances economic development.

- · Strengthen east-west connections with a focus on the role of Kings Road.
- · Ensure the transport network supports the growth of the north-west sector of the city.

2.2.2 Update the integrated transport plan for the city.

- Review and publish our transport plan to improve movement across the city, including our road network, paths and trails and modes of transport.
- This includes reviewing opportunities to provide or upgrade existing cycling network and infrastructure, improving walkable
 neighbourhoods, planning for electric vehicles, and investigating alternative modes of transport such as micro-mobility initiatives and the
 Council's community bus service.
- Continue to collaborate with the State Government on providing well-connected public transport across the city, and improving the road network in alignment with the Northern Adelaide Transport Study and Greater Adelaide Regional Plan.

2.3 Our city's economic development is facilitated.

2.3.1 Proactively facilitate coordinated growth.

- Facilitate growth through supporting private and government led Code Amendments that are consistent with council's <u>Strategic Growth</u> <u>Framework for Waterloo Corner and Bolivar Corridor</u> and Urban Growth Strategy (to be completed 23/24).
- · Include the investigation and re-zoning of land for an eco-industrial precinct, as well as the re-zoning of land west of Port Wakefield Road.

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[These are draft only for consultation]



Direction 3.

A growing city that creates new opportunities.

Foundation
3. Our city centres are active and prospering.



Strategic Intent Critical Action

3.1 Salisbury City Centre is vibrant and revitalised.

3.1.1 Deliver a high quality Salisbury City Centre.

- As part of the Salisbury City Centre revitalisation project and using council's land assets, work with the chosen developer to deliver well
 designed and programmed buildings, enhance the public realm and public spaces, improve transport movement and parking, deliver high
 quality streetscapes and private/public interfaces, to deliver quality outcomes for the city and community.
- Also includes working with and supporting local businesses during construction phases, and exploration of social and health services within the new precinct.

3.2 Ingle Farm and surrounds is vibrant and revitalised.

3.2.1 Prepare a precinct plan for Ingle Farm activity centre and surrounds.

- Explore opportunities to increase vibrancy through public realm upgrades and mixed use developments through review of council owned lands, recreation centre and library, and collaboration with other significant landowners.
- · Consider opportunities for better diversity in health and social services and other commercial attractions in the private sector.

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Direction 3.

A growing city that creates new opportunities.

Indicators

Short-term indicators

- Business Net Promoter Score
- Value of major projects across the City of Salisbury
- · Hectares of land rezoned to employment
- · Value of investment in Salisbury City Centre and Ingle Farm Activity Centre
- Expenditure across the City of Salisbury
- · Vacancy rates and value of key industrial and commercial precincts.

Long-term indicators

- · City of Salisbury residents who work in the Council area
- Net change in number of GST registered businesses in the Council area.

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[These are draft only for consultation]



Innovation and Business Development.



1. Our council's services are delivered in an effective and efficient manner.



Strategic Intent Critical Action

1.1 Our council collaborates with others to achieve great outcomes.

1.1.1 Identify improvements in our service delivery.

Through council's Project Connect initiative, increase effectiveness and efficiencies in the way we do business internally and externally.

1.1.2 Deliver the Digital Salisbury Strategy through the evolution of systems and solutions.

- Implement, adapt and enhance digital solutions that support our community, Elected Members, employees and volunteers.
- Includes initiatives such as improved Wi-Fi capabilities, online cloud initiatives, artificial intelligence and other emerging technologies.

1.1.3 Enhance access to external funding and grants.

Have strategic foresight and be pre-prepared for opportunities through research and relationship with universities, government agencies and the private sector.

1.1.4 Develop and implement an Advocacy Strategy for upcoming Federal and State Government elections.

1.2 Our financial and procurement frameworks and operations enable delivery of strategic priorities, financial sustainability, intergenerational equity, and value for money.

1.2.1 Prepare Strategic Asset Management Plans which ensure the sustainability of our infrastructure services.

- Through the Strategic Asset Management Plan and Long Term Financial Plan, ensure that the development and enhancement of the city's infrastructure, assets and places are financially responsible, based on strategic priorities, equitable considerations, and in consultation with the community and relevant stakeholders.
- Update the plans to ensure relevant alignment to other council plans and strategic initiatives.

1.2.2 Identify alternative financial delivery models for the provision of infrastructure and services.

- Review alternative financial delivery models that supports the achievement of financial sustainability, to achieve and deliver on key strategic priorities.
- Develop a framework that assesses the impacts of new infrastructure funded through grants and the financial impacts of leasing on council assets.

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INTERPLANTAGE FOR THE AUDIT & RISK COMMITTEE ONLY - 13 AUGUST 2024

[These are draft only for consultation]



Innovation and Business Development.

Foundation

1. Our council's services are delivered in an effective and efficient manner. (continued)



Strategic Intent Critical Action

1.3 Our community centres and library operations are enhanced for the benefit of the

1.3.1 Integrate new services to achieve scale and greater impact through partnerships at community centres and libraries.

 Develop options for alternative service delivery and partnership models that meets the needs of the community, through our libraries and community centres.



community.

Innovation and Business Development.

Foundation

2. Our council is a great place to work.

Strategic Intent Critical Action

2.1 Our staff are valued and supported to be . their best.

2.1.1 Make the City of Salisbury a great place to work.

- Deliver quality outcomes and exceptional community experience through workforce planning.
- Includes staff development opportunities, improved internal communications and staff wellbeing.

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CITYPLAN 2040 - FOR THE AUDIT & RISK COMMITTEE ONLY - 13 AUGUST 2024

[These are draft only for consultation]



Direction 4. Innovation and Business Development.

Foundation

3. Our council is recognised for delivering exceptional community experiences and quality outcomes.

Strategic Intent Critical Action

3.1 Our
community
is aware of
council's
projects,
programs and
initiatives.
The control of the control of

3.1.1 Develop a Communication & Marketing Strategy.

 Prepare a strategy that supports exceptional community experience and ensures council priorities and projects are communicated across all channels effectively and efficiently, including digital and traditional media channels.

3.2 Our council is protected from cybersecurity threats.

3.2.1 Enhance council's cybersecurity capabilities to support our operations.

- · In response to increasingly advanced technology, increase council's capabilities in cybersecurity.
- Includes preparedness across all stakeholders to standards such as Essential 8, reinforcing support models, and managing community
 perceptions of how council manages and respects their data and information.
- 3.3 Our council provides our community with a high quality experience when they use our services.

3.3.1 Develop and deliver a Community Experience Strategy.

- Prepare a strategy that outlines how Council is going to work improve the experiences of residents, businesses and the community when
 accessing our services.
- Review and update the <u>Community Experience Charter</u>.

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Section 4. Critical Actions

[These are draft only for consultation]



Innovation and Business Development.

Foundation

4. Our community is engaged and connected.



Strategic Intent Critical Action

4.1 Our community is actively engaged in and understands council's strategies, plans and initiatives.

4.1.1 Develop and deliver a Community Engagement Strategy.

- Prepare a strategy that incorporates an engagement framework and improves the way we engage with the community.
- Includes a consistent engagement planning methodology for genuine engagement to inform council's strategies and projects.



Innovation and Business Development.

5. Our council's commercial operations provide value for the community.

Strategic Intent Critical Action

5.1 Our recycled water is valued by our . community to deliver social. environmental and economic outcomes.

5.1.1 Grow the Salisbury Water business into new growth areas through a review of the business model and servicing.

- Grow the Salisbury Water business especially in new growth areas.
- Proactively address challenges like emerging pollutants in catchments, increasing salinity, climate change and rainfall reduction, outbreaks of blue-green algae, technological advancement, rising service level expectations service levels and changing regulations.

5.2 Our waste operations supports our community, businesses and industries.

5.2.1 Partner with NAWMA to plan for our city's future.

. Influence and deliver Northern Adelaide Waste Management Authority's outcomes that aligns to council's strategic plan, including the Landfill Alternative Project and broader sustainability agenda.

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INTERPLANTAGE FOR THE AUDIT & RISK COMMITTEE ONLY - 13 AUGUST 2024

Section 4. Critical Actions



Direction 4.

Innovation and Business Development.

Indicators

Short-term indicators

- Development assessment timeframes
- CRMs to be assigned within one business day, with customers notified on job completion within the service level agreement
- Operating surplus ratio, financial liabilities ratio and asset sustainability ratio
- Number of community members engaged through Council's engagements
- · Council website usage and social media engagement
- · Percentage of income from non-rates revenue for sustainable growth
- Customer and community savings from Salisbury Water compared to mains water pricing.

Long-term indicators

- Customer satisfaction data
- Engagement organisational effectiveness
- Staff wellbeing index.

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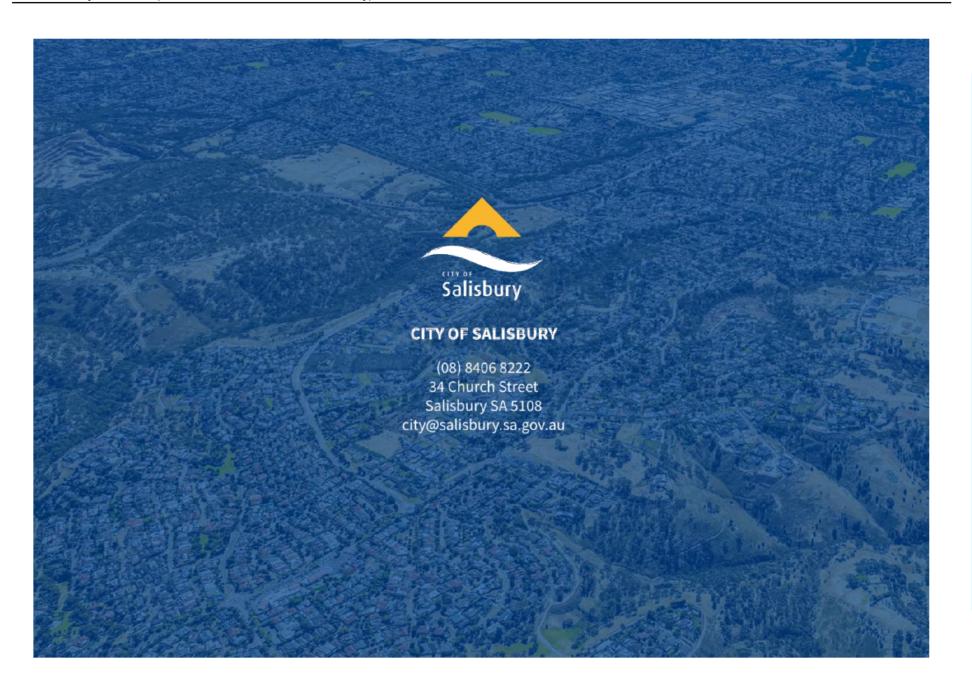
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Section 4. Critical Actions

Key projects in the Critical Actions are mapped (where possible) below to spatially show what the Council is focusing on over the next few years. [Map to be produced]

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Page 112 Audit and Risk Committee Agenda - 13 August 2024

ITEM 7.1.3

AUDIT AND RISK COMMITTEE

DATE 13 August 2024

HEADING Audit & Risk Committee Annual Work Plan - 2023/2024 and

2024/2025

AUTHOR Sharon Kinsella, Audit and Risk Manager, CEO and Governance

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

community

4.4 We plan effectively to address community needs and identify

new opportunities

SUMMARY The Audit & Risk Committee Annual Work for 2024/2025 is

attached for review by the Audit & Risk Committee.

RECOMMENDATION

That Council:

 Approves the updated Audit & Risk Committee Annual Work Plan 2024/2025 as set out in Attachment 1 to this report (Item No. 7.1.3, Audit & Risk Committee, 13 August 2024).

ATTACHMENTS

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

Audit and Risk Committee Annual Work Plan for 2024-2025

1. BACKGROUND

- 1.1 The Annual Work Plan 2023/2024 was last presented to the Audit & Risk Committee at its meeting held on 13 February 2024.
- 1.2 Section 126 of the *Local Government Act 1999* ("the Act") states that:

The functions of a council audit and risk committee include—

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

(g) —

- (i) if the council has an internal audit function—
 - (A) providing oversight of planning and scoping of the internal audit work plan; and
 - (B) reviewing and commenting on reports provided by the person primarily responsible for the internal audit function at least on a quarterly basis; or
- (ii) if the council does not have an internal audit function, reviewing and commenting on an annual report provided by the chief executive officer in relation to the policies and processes adopted by the council to evaluate and improve the effectiveness of its internal control practices and procedures; and
- (h) reviewing and evaluating the effectiveness of policies, systems and procedures established and maintained for the identification, assessment, monitoring, management and review of strategic, financial and operational risks on a regular basis; and
- (i) reviewing any report obtained by the council under section 48(1); and
- (j) performing any other function determined by the council or prescribed by the regulations.

2. REPORT

- 2.1 The purpose of the Audit & Risk Committee Annual Work Plan is to ensure that all essential areas are covered by the Audit & Risk Committee, in performing its roles and responsibilities under section 126 of the *Local Government Act 1999* ("the Act").
- 2.2 The 2023/2024 work plan was completed. The current annual work plan has been updated to reflect the current year's activities.
- 2.3 Key changes to the Audit and Risk Committee Annual Work Plan 2024/2025 are as follows:
 - 2.3.1 Details on the Internal Audits have been removed from the Annual work plan as requested at the Audit and Risk Committee meeting in February 2024; these continue to be captured within the 3 year internal audit plan (Item no.7.1.4, Audit and Risk Committee)

3. CONCLUSION

3.1 This report outlines the Audit & Risk Committee Annual Work Plan for the 2024/2025 financial year.

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Audit and Risk Committee Annual Plan 2024/2025

7.1.3

				Timing 20				
Act	ivity	Responsible officer	Q1 (Jul- Sept)	Q2 (Oct- Dec)	Q3 (Jan- Mar)	Q4 (Apr- Jun)	Comments	
Au	dit & Risk Committee performance		-					
-	Recommendations of the Audit and Risk Committee presented to Council.	Audit: and Risk: Manager	~	*	~	~		
=	Development of annual work plan	Audit and Risk Manager	~					
	Undertake self assessment	Audit: and Risk: Manager				~		
-	Review of Terms of Reference (alternate years)	Audit and Risk Manager					Next review date Nov 2026	
Fin	ancial Reporting							
-	Review annual financial statements	Finance Manager		~				
=	Review asset valuations	Finance Manager		4				
	Review methodology and approach to depreciation	Finance Manager		~				
-	Review significant accounting and reporting issues, changes to accounting standards and industry updates	Finance Manager		4				
Ma	nagement Plans & Business Plans							
=1	Review of annual business plan and budget:	Finance Manager				~		
-	Review of long-term financial plan (s.122(4)(a) on an annual basis)	Finance Manager				~		
-	Review of infrastructure and asset: management plan(s)	Finance Manager				~		
*	Review of strategic plan (s.122(4)(b) within 2 years after each general election)		N/A					
Ris	k Management							
-	Review strategic risk register	Audit and Risk Manager	~				All changes will be reported to committee.	

Audit and Risk Committee Annual Plan 2024/2025

Act	tivity	Responsible officer	Q1 (Jul- Sept)	Q2 (Oct- Dec)	Q3 (Jan- Mar)	Q4 (Apr- Jun)	Comments
Int	ernal Controls						
-	Review internal controls self- assessment	Control Owners				~	
-1	Review internal control policies and procedures	Audit: and Risk Manager	~				
Int	ernal Audit	I .			1		1
-	Oversight of planning and scoping of internal audit plan [within '3-Year Internal Audit Plan quarterly report]	Audit and Risk Manager	~	~	~	~	
-	Review (as presented) internal audit reports	Audit and Risk Manager	~				
-	Internal Audit – Action status report	Audit and Risk Manager	~	~	~	~	
-	CEO's annual report to the Audit & Risk Committee; COS's internal audit processes (5.99)	CEO	~				
-	Annual report of the Audit & Risk Committee activities, for inclusion in the CCS's annual report	Audit and Risk Manager	~				
Ext	ternal Audit						
-	Review Interim audit report:	BDO / Audit and Risk Manager	~				
=	Review final external audit report	BDO / Audit and Risk Manager		~			
-	Review management: representation letters	CEO)		~			
-	Meet with External Auditor (in confidence)			4			
Oti	her Reporting						
-1	Cybersecurity report	Technology Manager	~	~	~	~	
	CEO's consultation report to the Committee on appointment of a 'person primarily responsible for the internal audit function'.	CEO:	N/A				Ad-hoc:
=1	Litigation updates	Legal Services Advisor					Ad-hoc:

ITEM 7.1.4

AUDIT AND RISK COMMITTEE

DATE 13 August 2024

HEADING 3-Year Internal Audit Plan

AUTHOR Sharon Kinsella, Audit and Risk Manager, CEO and Governance

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

community

4.4 We plan effectively to address community needs and identify

new opportunities

SUMMARY This report summarises the changes to the 3-year Internal Audit

Plan, since the last presentation to the Audit and Risk Committee in

February 2024.

RECOMMENDATION

That Council:

1. Approves the updates made to the 3-year Internal Audit Plan 2024 to 2027 as set out in Attachment 1 to this report (Item no. 7.1.4, Audit and Risk Committee, 13 August 2024).

ATTACHMENTS

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

- 1. 3 Year Audit Plan 2024 2027
- 2. Internal Audit Indicative Scopes 2024/25

1. BACKGROUND

1.1 The 3-year Internal Audit Plan 2023-2026 was last considered by the Audit and Risk Committee in February 2024 and has since been reviewed and updated.

2. REPORT

The new 3-year Internal Audit Plan 2024 to 2027 is set out in Attachment 1 to this report.

2.1 Update on Ongoing & Completed Audits as per 3-year Internal Audit Plan

2.1.1 Rates Setting and Revenue Process Audit (co-sourced): the final internal audit report with agreed management comments is included in the 13 August 2024 Audit and Risk Committee agenda.

2.2 Audits Scheduled

The following internal audits are scheduled to commence this financial year (2024/2025) in accordance with the 3-year audit plan:

• Statutory LGA Compliance Review (Internal): The Legislative Compliance support registers have been developed by the LGA SA to provide guidance to support councils in achieving compliance through practical

considerations, the Audit and Risk Manager has initiated a review to ensure the council's compliance with the *Local Government Act 1999*.

- Tree Management Framework Audit (co-sourced): Galpins was engaged in August 2023 to undertake this internal audit and had completed 50% of the fieldwork. It was decided to temporarily suspend this audit, following Council's resolution to undertake an internal review of Council's tree removal process. The Tree Management Framework Audit has recommenced in July 2024 and the final report is anticipated to be tabled at the Audit and Risk Committee meeting for November 2024.
- Procurement Practices (Internal): the overall objective of the internal audit is:
 - 1) to review the policies and procedures associated with procurement, to identify any potential process gaps and improvements; and
 - 2) to review a sample of Exemptions and VendorPanel engagement and appointments to ensure compliance with the probity principles and COS policies. The final report is anticipated to be presented at the November Audit and Risk Committee meeting. A further in-depth Procurement Internal Audit will subsequently be co-sourced early in the next financial year.
- Fraud & Corruption Prevention (co sourced): the overall objective of the internal 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 final report is anticipated to be presented at the November 2024 Audit and Risk Committee meeting.
- Data Governance (Internal): the overall objective of the audit is to provide assurance that City of Salisbury data governance processes ensure adequate protection of information. The State Records' 'self-assessment' tool will be applied for this audit, offering a scalable, tiered approach to help identify areas of strength and weakness. It will also help to develop and implement actions to address potential weaknesses. The final report is anticipated to be presented at the April 2025 Audit and Risk Committee meeting.
- Grants Management (co-sourced): the overall objective of the internal 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. The final report is anticipated to be presented at the April 2025 Audit and Risk Committee meeting.
- IT Disaster Recovery (co-sourced): the overall objective of the internal
 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 final report is anticipated to be presented at the
 August 2025 Audit and Risk Committee meeting.

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• Business Continuity (co-sourced): The overall objective of the internal audit is to assess the adequacy of practices and procedures to manage COS's business continuity. The internal audit will provide assurance that processes and measures in place 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 final report is anticipated to be presented at the August 2025 Audit and Risk Committee meeting.

2.3 Changes proposed to the Audit plan;

- Community Consultation Process, and Community Perception Survey Effectiveness (co-sourced): These two items will be separated.
 - O Due to the imminent statutory changes to the Community Consultation Process, it is proposed to reschedule this co-sourced review to allow for changes to be introduced and embedded in the business, audit rescheduled to commenced in Q1 2025 and reported to Committee and Council in Q3 2025.
 - A strategic review to take place in relation to the Community Perception Survey to ensure its effectiveness. This will be undertaken in Q4 2024 and will be reported to the Community Wellbeing and Sport Committee in Q3 2025.
- Budgetary Control Audit (co-sourced): on inspection of the scope for
 this proposed internal audit and the BDO annual external audit, there was
 significant duplication. The financial and budgetary controls are reviewed
 annually by the control 'assessor', control owner and external auditor. The
 draft BDO interim management letter has been attached to the Risk
 Management and Internal Controls Activities report (Item no. 7.1.5, Audit
 and Risk Committee, 13 August 2024).

2.4 New Audits

For the financial year 2026/27 a number of new internal audits have been proposed and aligned to organisational needs and context. Contingency is available in all financial years to respond to new and emerging risks and Council requirements.

2.5 Indicative Scopes for Pending Audits for the 24/25 FY Internal Audit Plan

The draft scopes for pending internal audits are included in Attachment 2 for ease of reference and information.

3. CONCLUSION

3.1 This report outlines the proposed updates to the 3-year Internal Audit Plan since it was last presented to the Audit and Risk Committee in February 2024.

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	3 YEAR INTERNAL AUDIT PLAN - OVERVIEW											
		Note: Annual Internal Audit budget is \$56,400										
Previous Reports 2024 - 2021	2024 / 2025	2025/2026	2026/2027									
2024 1) IA Strategic Reporting Process 2) Litigation Update — TTEG Claim 3) Rates Setting and Revenue Process	November & April - Statutory LGA Compliance review	July - Procurement	Staturtory LGA Compliance review									
2023 3) IA Strategic Alignment of Investments in ERP Solutions 4) Salisbury Aquatic Centre Project 5) Position Paper Revenue Recognition 5) IA Fleet Heavy Vehicle, High Value and Portable Assets 7) Petty Cash & Till Floats	November - Tree Management	Bi-annual - Staturtory LGA Compliance review	Asset Disposal									
2022 8) IA Capital Works Projects Audit 9) Interim Strategic Asset Management Plan 10) Top Cyber-Security Controls Review	November - Procurement	August - Community Consultation Process	Strategic Asset Management Plan									
2021 10) IA Volunteer Management Audit 11) Work Health & Safety Audits 12) IA Events Incident Management Framework	February - Fraud & Corruption Prevention Controls	November - Risk Management / Internal Audit	Project Management									
13) External Audit - Tender Recommendation 14) IA Complaints Handling Process Audit 15) Emergency Management Plan	April - Data Governance - State Records, Self Assessment											
	April - Grants Management											
Parking Bay	June - IT Disaster Recovery											
Objective - Information Database Purchase Cards Contract Management Lease Management	June - Business Continuity											
Community Safety												

Co-Sourced Information Only

2024/2025 YEAR	INTERNAL AUDIT PLAN		
Audit Title	Audit Title and Summary Description	Draft proposed scope	Internal / Co- sourced
Statutory LGA Compliance review	Statutory LGA Compliance review The Legislative Compliance support registers have been developed by the LGA SA to provide guidance to support councils in achieving compliance through practical considerations, the Audit and Risk Manager has initiated a review to ensure the council's compliance with the Local Government Act 1999 (the Act).	In progress	internal
Tree Management Framework	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.	In progress	Co-sourced
Procurement	Procurement Review Provide a list of potential process gaps and recommendations for improvement. To review a sample of Exemptions and VendorPanel engagement and appointments to ensure compliance with the probity principles and COS policies, and provide process improvement recommendations. This review will support and enhance the strategic review on best practices across local government and private sector that has been agreed.	In progress	Internal
Fraud and Corruption Prevention Control	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.	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.	Co-sourced
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. The State Records', 'self assessment' tool will be applied for this audit, offering a scalable, tiered approach to help identify areas of strength and weakness	The scope of the audit is to ensure that the City: *has appropriate policies and procedures covering all aspects of data governance and the data management lifecycle. *has adequate compliance with legal and regulatory requirements regarding records management. *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. *The city has adequate documentation, retention schedules, and disposal procedures. 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.)	Internal
Grants Management	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.	The scope of the audit is to ensure that the City: • policies and procedures covering its grant management process are adequately developed for all categories of grants and communicated appropriately to the relevant stakeholders. • has eligibility criteria and award process for all grant categories have been established and communicated, and have been complied with. • has a central register of fund recipients, capturing the details of previous funding received. • has Conflict of interest avoidance measures are incorporated and followed in the grant awarding process. • Grants schemes are aligned to City Plan 2035. • grants have terms and conditions or signed agreements specifying the expectations on usage and reporting requirements agreed by the Grant Recipient and COS. • has a monitoring process in place to ascertain that Grant Recipients adhere to timely reporting requirements in the Grant Agreement. • has any unused funding from the grant is dealt with appropriately as per the grant agreement or agreed terms and conditions. • has any contingency percentages included in the grant scheme are appropriately allocated and disbursed. • measures the effectiveness of the grant schemes, and use feedbacks for quality assurance purposes in future planning and grant scheme designing.	Co-sourced
IT Disaster Recovery	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.	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.	Co-sourced
Business Continuity	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.	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.	Co-sourced

ITEM 7.1.5

AUDIT AND RISK COMMITTEE

DATE 13 August 2024

HEADING Risk Management and Internal Control Activities

AUTHOR Sharon Kinsella, Audit and Risk Manager, CEO and Governance

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

community

4.4 We plan effectively to address community needs and identify

new opportunities

SUMMARY This report provides an update on the risk management and internal

control activities undertaken and planned since the last update to

the Audit and Risk Committee in February 2024.

RECOMMENDATION

That Council:

 Notes the updates on Risk Management and Internal Control Activities detailed for 2024/2025, as set out in this report (Item No.7.1.5, Audit & Risk Committee, 13 August 2024).

ATTACHMENTS

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

- Strategic Risk Register
- BDO Interim Management Letter

1. BACKGROUND

- 1.1 This report provides an update on the risk management and internal control activities undertaken and planned since the February 2024 Audit and Risk Committee meeting.
- 1.2 The report allows the Audit and Risk Committee to monitor and review these activities and assurances they provide.

2. STRATEGIC RISK REGISTER

- 2.1 A Strategic Risk Register is a living document and continuous work in progress. This is demonstrated by the following points over the last 12 months:
 - 2.1.1 September 2023 Updated risk descriptions were approved by Executive and reviewed by the Audit and Risk Committee
 - 2.1.2 October 2023 The causes, controls and ratings were expanded for the approved risk descriptions and a draft new strategic risk register was shared with the Senior Leadership Team (SLT all Divisional Managers).
 - 2.1.3 November 2023 Feedback from SLT was incorporated.

- 2.1.4 January 2024 Further review and consideration by Executive.
- 2.1.5 February 2024 Audit and Risk Committee consultation.
- 2.1.6 October 2024 –A workshop will be held with CEO/Executive to discuss any further updates required to the Strategic Risk Register, post the completion of the Operational Risk Registers program of work with Divisional Managers.
- 2.1.7 November 2024 a further update on progress is anticipated to be presented to the November Audit and Risk Committee.
- 2.1.8 All changes to the Strategic Risk Register will be tabled at the Audit and Risk Committee as they occur, and an ongoing scheduled annual review will be presented for its further consideration.

3. OPERATIONAL RISK REGISTER REVIEW

- 3.1 A project has commenced to create/review or update the Operational Risk Registers.
- 3.2 As per the recommendation following the Local Government Risk Services review and following suggestion from the Audit and Risk Committee, Operational Risk Registers will be prepared for all divisions within the organisation. These should document the key operational risks with mitigating controls in place, and where required an action plan to address gaps identified.
- 3.3 Workshops and updates will continue for the next quarter, with a further update provided to the Audit and Risk Committee in November 2024.

4. BDO ANNUAL AUDIT PLAN

- 4.1 BDO are required to provide an audit opinion on Council's internal controls in accordance with Section 129(1)(b) of the *Local Government Act 1999*.
- 4.2 A self-assessment review of our financial controls was completed by the business in April, prior to the BDO interim visit.
- 4.3 BDO's interim audit visit took place in the week commencing 6 May 2024; three to five auditors were on site each day (Monday Friday).
- 4.4 Good feedback was received by BDO on engagement with the business. All evidence requested was uploaded to the BDO Global Portal.
- 4.5 The interim management letter has been received and is included as attachment 2.
 - 4.5.1 Based on the work to date, 'no reportable points or material exceptions that would lead to a qualification to the audit report on internal controls'.
- 4.6 The final week-long BDO visit is scheduled to commence on the 26th of August, after which a final report will be circulated and reported to the Audit and Risk Committee and Council in October 2024.

5. STATUTORY LGA COMPLIANCE REVIEW

5.1 The Legislative Compliance support registers have been developed by the LGA SA to provide guidance to support councils in achieving compliance through practical considerations, resources, and suggestions, rather than providing an audit

- or checklist. City of Salisbury intends to use this tool to facilitate a rolling audit of its statutory compliance.
- 5.2 To start this process, the Audit and Risk Manager has initiated a review to ensure the council's compliance with the *Local Government Act 1999* (the Act). This review will occur bi-annually, with reports scheduled for submission to the Audit and Risk Committees in November and April. Important notes for using the registers are:
 - 5.2.1 Not all provisions of the legislation are included. Generally, only mandatory, non-discretionary obligations that apply to councils and CEOs have been included. It is important to refer to the full section wording in the legislation itself for the detail. The registers provide guidance only.
 - 5.2.2 Relevant to the Act, the mandatory obligations on individual council members have not been included.
 - 5.2.3 Reference should always be made to the current version of the legislation as verbatim extracts have generally not been included. Latest versions of the legislation can be accessed via legislation.sa.gov.au.

6. EMERGENCY RESPONSE RISK ASSESSMENT SUMMARY

- 6.1 Marsh Pty Ltd (Marsh) was engaged by the City of Salisbury (CoS) to undertake and document emergency management risk assessments. Marsh applied its risk management methodology in alignment with the National Emergency Risk Assessment Guidelines (NERAG).
- 6.2 The review was undertaken against established priority hazard scenarios (as identified by the Northern Adelaide Zone Emergency Management Committee) which included: extreme weather, flood events, escape of hazardous materials, rural fire, earthquake and urban fire.
- 6.3 The review project was intended to review the City of Salisbury risk profile and the organisation's ability to respond to and recover from future emergency scenarios considered.
- 6.4 Next stages are to create a working group of responsible managers to review the findings (following the adoption of the Executive Report recommendations and findings) and work through prioritising actions and recommendations with intention to report back to Executive.
- 6.5 Next update is anticipated to be provided to the Audit and Risk Committee in November 2024.

7. CONCLUSION

7.1 This report provides a summary of the risk management and internal controls activities undertaken since its last presentation to the Audit and Risk Committee in February 2024.

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Strategi		k Risk	Risk Description		Causes	Consequences	L	C	Inherent	Critical Controls	Addresses	Effective		L	С	Current Risk	
Pillar	nam	nt Owner			Potential and Actual				Risk Rating		Cause #	ness rating	Control Effective			Level	RISK AT THE LEVEL?
			There is a risk that the long term financial	1.1	Decline in grant funding due to change in government	The Council may face consequences in the				Preventative Controls			ME				YES.
			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		priorities.	form of service reduction, infrastructure				Appropriate execution of the Grant application and management process, and maintain good relationship with grant funding bodies.	1.1, 1.9, 1.13	E					
			operations and delivery of services.	1.2	Inadequate revenue base or failure to maximise revenue from all sources	deficiencies, budget constraints, increased debt and interest cost,				Diversification of income (e.g. Water Business Unit, Strategic Property Development and Building Rulea Certification Unit. NAWMA)	1.2	E					
				1.3	Unplanned spending	reduced investment in community development and deterioration of				Long term financial planning, covering future financial needs, potential risks, and implementing strategies to enhance financial sustainability, Focus on achieving	1.10,	E					
				1.4	Inadequate valuation of assets or inaccurate depreciation	service quality.				Up-to-date robust accounting policies, procedures and work instructions.	1.6, 1.4	E					
					Inadequate planning for infrastructure repairs or upgrades and asset maintenance backlops, and changes in service					Annual Plan and Annual Report reviewed by both Audit & Risk Committee and Finance & Corporate Services	1.4, 1.7, 1.17	E					
					leyels without consideration of the broader financial implications. Fraud_corruption, misconduct or maladministration					Committee Review of Financial information by the Finance &	1.7	E					
				1.7	Inadequate oversight review process of financial plans and					Corporate Services Committee Internal audits scheduled including grants process audit.	1.7.	E					
ment				1.8	budget. Cost shifting or roles and responsibilities and associated					rates setting and revenue process audit, strategic Managing, monitoring and reviewing of LTFP	1.7, 1.5, 1.15	ME					
Develop	lity Ris	DED:		1.9	costs are shifted from federal or state government to City.					andensuring that LTFP and other strategic plans including Treasury Policy in place for appropriate management of debt funds.	1.11, 1.12,	ME					
nsiness	cial Sustainability Risk	Deputy D					LIKELY	MAJOR	6					JNUKELY	MAJOR	mnipe	
ation and B	l an	Primarily: Secondari		1.10	Ineffectively structured debt funding arrangements		3	2		Business Case Modelling requirement for acquisition and investment projects over a certain financial threshold, in accordance with prudential report policy.	1.4. 1.17	ME		š	2	2	
linnova	Œ			1.11	Ineffective investment decision making					Undertaking Quarterly budget reviews and Implement effective strategies to reduce costs and financial	1.3	E					
				4.42	Unknown consequences of new infrastructure provision from other levels of government or private sector investment					Regular reviews of rating system on its fairness and equity	1.2, 1.8, 1.17	E					
				1.13	Failure to encourage investment in the City					Annual external Audit activities to lest for internal controls and true and fair view of audited financial statements	1.3, 1.4, 1.5, 1.7	E					
				1.14	Lack of planning and adaptability to population growth and change in demographics leading to increase in service, demand creating pressure on existing resources.					Slimulate economic growth measures and property value appreciation; and consider appropriate Rates modelling to monitor property values and adjust budget forecast	1.18	E					
				1.15	Default or delays in Rates payment due to community financial distress and hardship.					accordingly. Reactive Controls							
				1.16	City revenue has to be raised increasingly through more traditional methods (rate rises)					Maintain appropriate insurance coverage and implement risk management practices to manage legal risks	1.19	E					
				1,17	Revenue from the sale of assets (land) is not invested for the longer term benefit of the community					Effective debt collection and credit control process	1.16	E					
				4.48	Increase in costs for Council due to inflation, unplanned spending, economic down turn, contractual obligations and regulatory compliance.					Budgetary control and management process in place covering effective revenue and expenditure management	1.10,1.0, 1.5	E					
	+		There is a risk that inadequate and ineffective		Unexpected legal liabilities such as law suits or court Cyber attack (Unauthorised access/network intrusion,	Data breach and loss of	\perp	_		Preventative Controls							
			There is a risk that macequate; and inoticetive. It security controls may leave the organisation vulnerable to cyber attacks, having potential for harm or lose arising from the unauthorized access, use, disclosure, disruption, or		Cyber attack (Unauthorised accessingtwork infrusion, denial of service, vulnerability exploitation, mahvare, social engineering, hacking, phishing, ransomware)					Developed and implemented If Governance Framework and IT Road Map	2.1, 2.2, 2.5	PE					

HISK #	Strategic Pillar		Risk Owner	Risk Description		Causes Potential and Actual	Consequences	i e		inherent Risk Rating	Critical Controls	Addresses Cause #	Effective ness rating	Overall Control Effective ness	,	С	Current Risk Level	ACCEPT THE RISK AT THIS LEVEL?
				destruction of personal and organisational data / information.		Business Continuity / Disaster Recovery Plans not tested or properly documented Mobile device management with the potential for a lost or	consequences to legislative non- compliance or breach; poor service delivery;		1		Programmed testing of systems for accurity and reliability including penetration testing Compliance with Information Security Policies and	2.8. 2.12, 2.11,	ME PE					
						stolen device being used to access:Council.sys(ems	reputational damage: costs of litigation and restoration of services.				Procedures	04 044 040	E					
	lopmeni				2.6	Lack of auditing and logging functions to capture cybersecurity breach attempts and events					Deploy rebust antivirus and anti-malware solutions	2.1, 2.11, 2.12	ħ					
	Deve	*	CEO		2.5	Lack of monitoring of cybersecurity threats to organisational assets		6	2		Documented and tested Business Continuity Plans, Incident Response Plan and back-up strategies	2.13, 2.5	ME					
2	Businessil	2	Deputy			Lack of security awareness, communication/training for all staff regarding information security			CAIMSTROPT	5	Implemented security and access controls, including strong password policies and multi-factor authentication	2.8, 2.5	ME	ме	UKELY	MAJÖR	High	NO
	and	ybers	marily			Information to facilitate action during a cybersecurity incident is not available		n in	C PIN	3	Regular software update and patch management and software maintenance procedures	2.12, 2.8, 2.9	100.000		_	2		
	ation	.0	P.		2.8	Weak or easily guessable passwords (password complexity and update frequency not enabled)					Performance of Cyber Security Risk Assessments, including due diligence on 3rd party vendors	2.8, 2.13, 2:2, 2.1	ME					
	MOVE				2.9	Software vulnerabilities and unpatched systems.					Audit logs for access to systems	2.4, 2.8, 2.12, 2.13	ME					
	-				2.10	lack of awareness of internal risks (eg. Phishing emails)					Documented and embedded Fraud & Corruption Prevention & Management Policy and Framework	2.15	PE					
					2.11	Third-party security breaches.					Documented and implemented Cyber Security. Improvement Program	2.1 to 2.13	SIR					
					2.12	Lack of current policies and procedures related to IT Security.					Security awareness training program	2.6	ME					
					2.13	Lack of best practice measures and quality standards and relevant legislative compliance requirements					Essential & Maturity Model to miligate cyber threats	2.1	PE					
											Implement network and system monitoring tools Reactive Controls	2.5	ME					
											Documented and tested IT Disaster Recovery Plan	2.9	PE					
_									_		Comply with quality standards and best practice measures and comply with legislative requirements	2.13	ME					
				There is a risk that the lack of alignment, data integrity, and effectiveness of information systems and ischnology strategy deployment may not adequately support the efficiency and effectiveness of Council operations and		ISAT Strategy not aligned to the business strategy and City Plan directions and critical actions.	Delays in processing tasks and services due to outdated or unreliable systems; higher operational costs;				Preventative Controls Approved Digital Strategy 2027 and Digital Strategy 2027 Implementation Plan.	3.1, 3.2	E					
				service delivery.	3.2	Lack of ISiT governance due to lack of clear policies, procedures, guidelines and practices.	decreased quality and consistency in service delivery; budget overruns and ineffective				Current IS/IT policies, procedures and guidelines, and IT Governance Framework.	3.2	PE					
					3.3	madequate and inefficient ISRT project management gractions may result in project implementation delays, increased costs, and failure to deliver on all project objectives.	utilisation of IT resources; increased financial loss; system downtime and loss of				Clearly defined and approved project scope, objectives, project governance alructure, and clearly defined and approved project management and implementation plan documents.	3.3	PE					
		i) Risk			3.4	Layly of therough software testing for buy fix and business rules testing.	productivity: trigger operational disruptions and loss of productivity, reputation and loss of stakeholder confidence; low user adoption; data				Sound leating regime established for software, business rule and undertaken data-validation and reconciliations.	3.4	E					
1	elopmen	ogy (IS/IT)	. B		3.5	Resistance to change and ineffective change management practices.	loss; fraud and corruption; legal action and fines for non-				Provide adequate training for end users of IS/IT systems and create awareness/training on effective data and information security measures.	3.5	PE					
	Deve	hnok	Other GNIs		3.6	Inaccurate, incomplete, or outdated data due to poor data management practices.	compliance; user dissatisfaction and	N			Data governance policies and procedures	3.6	PE					
,	siness	d Tec	Sparty			Inadequate end-user training, inadequate resource allocation and budgeting for IS/IT	resistance to change; cybersecurity breaches	CER	MAZON	High	Data quality tools and data cleansing processes. Create a data architecture that facilitates data integration	3.6 3.9	SIR ME	PE	OSSIBLE	MAJOR	High High	NG.
	and Busin	Systems and Technology (excluding Cybersecurity)	narily. Be ondafily:		3.9	Integration and compatibility issues within information	and foss of confidential, critical, sensitive and	ALMOSTICER	ž.	Very	and reduces allos. Training and development of IT staff and end-users.	3.7	ME	100	Pos	W	Ŧ	CHA
	lon at	yster	Prima		3.10	systems [lack.of IT general controls including systems, and network.]	personal information.	JK.			Implement change management practices to ensure staff	3.5	ME					
	lovall	S HO				access IT system down time, and data loss or disruption due for					adoption of new technologies. Keep.up with relevant data protection and compliance	36	PE					
	2	Tage 1	Į,			disaster or unexpected events.					regulators	,,,,,	1000					

Strategi		Risk	Risk Description		Causes	Consequences	L	C	Inherent Risk	Critical Controls	Addresses	Effective		L	C	Current Risk	ACCEPT THE RISK AT THIS
Pillar	name	Owner			Potential and Actual				Rating		Cause #	ness rating	Control Effective			Level	LEVEL?
	Inform			3.12	Parallel run of current systems and ERP solutions during transition and resultant ineffective data management			П		Integrated Enterprise Resource Planning (ERP) system as a connected eco-system	3.1. 3.3, 3.9	ME	1855				
				3.13	Not meeting internal customer needs and failure to identify and respond to new digital solution opportunities					IT Audits, reviews and need assessments	3.1 - 3.13	5					
				3.14						Firewall management of incoming and outgoing traffic and network segmentation to isolate sensitive data and	3.10	ME					
				3.15						Operational risk assessments for key ERP events and in decision making process.	3.3, 3.12	ME					
										IT-Governance Framework and various steering committee structures Reactive Controls	3.1, 3.2 & 3.3	E					
										IT disaster recovery plans and policies in place.	3.10	ME					
										Post implementation review of key IT projects Patch management Service Quality measurements and KPI reporting	3.4, 3.9 3.13	ME ME					
			There is a risk that the planning, acquisition, development, operation, maintenance, safe	4.1	Inadequate funding for assets and infrastructure development, management and maintenance.	Failure to address the causes to effectively				Preventative Controls			ME				NO
			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.	4.2	Asset management plans not aligned to financial plans, and budget, or set at levels that are not financially sustainable.	manage assets and infrastructure management risks can lead to service				Current Strategic Asset Management Plan and Long Term Financial Plan aligned to each other.	4.1, 4.2	E					
				4.3	Aging infrastructure requiring significant mainlenance and replenishment due to aging.	disruptions impacting essential services, increased repair and replacement cost, decreased assets				Annual Business Plan and Budget for assets planned for delivery in the current financial year.	4.1	E					
	Risk	velopment		4.4	Natural disasters and climate change impacts leading to unforeseen/unexpected damage or destruction of assets and infrastructure.	performance and lifespan, safety risks, financial asset value, and reduction in future grant				Asset maintenance plans updated in Asset Management Operating Plans or Asset Management Plans	4.1, 4.2, 4.7	SIR					
	ement	ture; I City De		4.5	Inadequate and ineffective assets and infrastructure maintenance regime in practice	funding.				Asset Inventory and condition assessments undertaken regularly as per an agreed schedule or plan	4.3	SIR					
bie Gity	ure Manag	Infrastructi		4.6	Failure to monitor and forecast demographic changes in the City and adjust objectives and plans accordingly		9.6	86	_	Regular and proactive maintenance programs are in place to address minos issues before they escalate, extending asset lifespan and minimizing the risk of	4.5	ME		BLE	CATE	E .	
4 sustaina	and linfrastructure	GMICity I		4.7	Asset management plan not current and not implemented effectively:		POSSIBLE	MAJOR	¥	failures. Reviewed and maintained Asset Management-Policy and Plans	4.7	ME		Possi	MOSERATE	Medi	
«	and linfe	Primarily. GNI Busin		4.8	Failure to maintain and implement a social infrastructure plan for the existing and future assets					Assel Management infrastructure audits	4.1 - 4.12	ME					
	Assets	darliy: GA		4.9	Failure to adapt to new technological advancements, leading to assets and infrastructure that is inefficient, costly and ineffective.					Risk assessments and mitigation controls are in place in the assets acquisition, development, management and maintenance process for assets and infrastructure.	4.4, 4.5, 4.6	ME					
		Second		4.19	Lack of staff training and capacity among staff responsible for asset and infrastructure management leading to inadequate maintenance practice, incorrect assessment,					Reviewed and maintained City PlanStrategis Plans/Business Plans	4.12	ME					
				4.11	and sub-cotimal decision making. Inadequately designed and ineffectively implemented project management and capital infrastructure delivery.					ERP Solution enhancing asset management process	4.5, 4.11	PE					
				4.12	process. Assets and infrastructure delivery and management is not aligned to the strategic objectives of Council.	1				Capital Delivery Framework implemented	9.11)	ME					
					Service (evel creep without consideration of financial implications					Asset Maintenance as per Asset Management Operating Plans, and prioritised maintenance of assets based on risk	4.3	PE					
						1				Reactive Controls	1						
	T		There is a risk that potential threats including emergency exents, natural disasters, technological incidents and other unforeseen	5.1	Lack of plans and procedures to inform recovery and response strategies when a business continuity or emergency event occurs.	Service delivery to community severely compromised.		T		Preventative Controls Business Continuity and Incident Management Team identified and trained on roles and responsibilities.	5.2	PE	ME				NG
			events can disrupt the Council's ability to	L.	enneggering e (611) 50000 0.	reputational damage,				Section of the sectio	J						

			Risk	Risk Description		Causes	Consequences	t		herent	Critical Controls	Addresses	Effective		L	C	Current Risk	ACCEPT THE
USK #	Pillar	name	Owner			Potential and Actual				Risk Rating		Cause #	ness rating	Control Effective			Level	RISK AT THIS LEVEL?
				function normally and carry out its operations, and effective controls and processes to respond and recover from such threats are not planned and implemented.	5.2	Lack of communication/training for relevant staff required to respond to business continuity and emergency events	loss of morale and resources, compromised regulatory decisions, death/critical injury of				Current and maintained Business Continuity Framework (Including Business Continuity Plans - BCP, Incident Management Plans - IMP, risk assessment and testing regime)		17,000	ness				
					5.3	Information to facilitate action during business continuity or emergency events is insufficient or not available.	staff and/or public, financial costs to rectify, legal cost of failure to prevent a health and				Performance testing of BCP scenarios including Business Continuity Impact Assessments for critical function	5.1, 5.3, 5.4, 5.5, 5.8 & 5.9	PE					
					5.4	Natural disasfers such as hurricanes, earthquakes, floods, bushfire and heat/waves can disrupt business operations, and cause significant damage to Council assets, infrastructure and systems.	safety incident, regulatory or Government censure,				Current and maintained Emergency Management Plan (EMP)	5.1, 5.5	PE					
		ment Risk			5.5	Pandemics and epidemics can lead to staff shortages, supply chain disruptions, project deliveries.					Effective and regularly reviewed GOVID action plans and pandemic response plans in place.	5.5	E					
	eable Gity	ncy Manager	EO; Infrastructure		5.6	inadequate procedures and plans in place to prevent, and manage incidents when they occur.		TAIN	HC		Cybersecurity Improvement Program in progress	5.9	PE					
5	vil bue gui	uity & Emerge	marily: CE GM Gity I		5.7	Lack of a robust asset and infrastructure management and maintenance regime leading to failure of critical assets and infrastructure.		ALMOSTICERTAIN	CATASTROPHIC	Very High	Cybersecurity Awareness Program in progress	5.9	E		LIKELY	NOGERATE	High	
	Awelcam	Contin	Pri Secondarity.		5.8	Inadequate due diligence performed by CoS in order-to identify relevant risks related to the management and delivery of community events Palsk assessments are not undertaken for critical functions of Council, and controls and actions are not implemented.		WIN	CAN		Distribution and maintenance of effective (Virtual Private Nathacork (YPN) network access to all relevant staff.	.5.1, 5.6	E			2		
		Business			5.9	Cybersecurity incidents such as hacking, data breaches, and malware attacks can compromise critical business systems, disrupt operations and lead to financial loss,					Reviewed and maintained Asset Management Operating Plans (AMOP), including maintenance regimes for critical infrastructure and assets.	5.7	PE					
											Active participation within Northern Adelaide Zone Emergency Management Committee (NAZEMC) to jointly understand emergency management triggers and work out joint strategies.	5.2; 5.3, 5.4	E					
											Evacuation procedures and regular lesting of procedures.	5.6	ME					
											Building Control and Inspections	5.7	ME					
											Provision and maintenance of Building safety systems – e.g. exit signs, fire extinguishers, wardens etc., induction process.	5.7	ME					
						ĺ					Internal Audits in the area of BCP, EM, Cybersecurity, Risk Management.	5.8	ME					
											Reactive Controls Current and maintained Disaster Recovery Plans (DRP) and IT Disaster Recovery Plan (ITORP) including testing regime in place.	5.5	PE					
				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, healwaves, systems, drought and	6.1	Inadequate understanding of and planning for the impact of climate change on Council's assets infrastructure and service provision.	Increased demands for services, service delivery to community is compromised, reduced ability to raise income,				Preventative Controls Sustainability Strategy 2035 developed with objectives, indicators and actions for 5 key themes: Biodiverse, Carbon Responsible, Climate Resilient, Resourceful, and Waterwise.	6.1, to 3.18	PE					
				storms may negatively impact City of Salisbury's operations, infrastructure, services	6.2	Business plans fail to adequately address evolving impacts of climate change	financial cost of dealing with the consequences				Simale change risk assessment project underway	6.1, to 5.18	PE					
				arid the community.	6.3	Lack of planning for increased heatwaves and frequency of very hot days on assets, operations and staff	of frequent freak weather related events, long term impact on infrastructure,				Current and maintained Emergency Management/Plan	6.4,	ME					
						Lack of climate change adaptation plans and procedures to inform response strategies when climate change related event occurs.	its maintenance and replacement, failure to adapt to a changing external environment				Salisbury Water Business Unit – Recycled Water Risk- Based Management Plan including sample testing before water injections are commerced.	6.7, 6.8	ME					
					6.5	Coastal inundation and impact on biodiversity such as impact of the Dry creek salt fields	resulting in some services becoming irrelevant or insufficient,				Implementation of the Watercourse Management Plan and capital program including the renewal of Wetlands, and destiting/removal of pollutants in waterways as required.	6.7, 6.8; 6.13	E					
					6.6	Insufficient modelling of weather events used within Asset Management Planning	organisational plans and strategies are not orbinized or delivered in				Reviewed and maintained Assel Management Policy and Plans	6.2, 6.6, 6.7, 6.8	E					

		Risk		Risk Description		Causes	Consequences	t	C	Inherent	Critical Controls	Addresses	Effective	Overall	L	C	Current Risk	ACCEPT THE		
4: 45 55 55	Pillar	short name	Owner			Potential and Actual				Risk Rating		Cause #	ness rating	Control Effective			Level	RISK AT THIS LEVEL?		
6		×	4.0	40	4.0		6.7	Failure to consider environmental consequences when planning and designing infrastructure	a way that is consistent				Early warning system of text alerts based on Bureau of	6.4	E	ness				
		n Risk	ment S.		6.8	Inadequate infrastructure to manage stormwater and sea	with our values, not meeting community				Meteorology data, implemented by DEW One in 100 year flood and Probable Maximum Flood	6.4, 6.6, 6.12,	ME							
	Ď.	tatio	nelopin riGMs			level rises	needs, reputational	Z.			modelling including tidal info. in place at individual house level, using digital terrain modelling	6.13								
	able (Adaptation	City Deve		B.9 Lack of adequate resourcing for climate change adaptation and environmental systematics and environmental systematics.	E .	g 5	5	Regular monitoring of risk sites e.g. land fill sites, dams	6.7	ME		98.	MÖBERATE	5	NO				
	slain		GM C)		.6.10	Inadequate understanding of and planning for factors impacting the environmental suitability	death and serious illness, especially the	TSO	MAJOR	1 2	Bushfire Management Plan	6.15, 6.12	E	ME	POSSIBL	GGE	Med	NO		
	N ISC	Climate Change				6.11	Lack of adoption of renewable energy sources	elderly. Decreased water quality,	~			Planned development of an Organisational Emissions	6.15	ME		<u>a.</u>	2			
	-	nate	marily: (Seco				impacts on rivers and	~			Reduction Action Plan and Resource Recovery Action Plan									
		5	P.		6.12	Increased demand for irrigation water due to more frequent and serve droughts	wetlands ecosystems. Increased damage to foundations. Increased fire danger.				Effective undergrowth management procedures	6.3, 6.16, 6.14	E							
					6.13	Increased demand for irrigation water due to more					Asset Management infrastructure audits	6.14, 6.12	E							
					6.14	frequent and serve droughts Loss of critical infrastructure and utilities due to extreme	Increased flood damage				Reactive Controls									
						events and disasters, e.g. electricity blackouts.	Salt water intrusion into ground water and coastal													
					.6.15	Lack of systems to manage increased frequency of bushfires such as demands of staff and decline in air	wetlands, mangroves, Increased coastal flooding.				Evacuation procedures and testing	6.3	ME							
						quality														
						6.16	Lack of amenity in local and regional shopping precincts, causing reduce patronage impacting business success					Extreme Heat response process (for residents).	6.3	ME						
						and community resilience due to change in climatic- conditions														
					6.17	Lack of food security due to increased cost of food, loss of					Adequate insurance	6.3, 6.17	ME							
						food growing skills and difficult growing conditions														
					6.18	Loss of tree-canopy and green space-due to increased mortality of trees and vegetation not adapted to changing					Adapting Northern Adelaide Zone Emergency Management plans	6.1, 6.2, 6.3,	ME							
					<u> </u>	climate	-				Building Control and Inspections	6.9, 6.16, 6.14	ME							
4				There is a risk that lack of efficient and	71	Inadequate controls to prevent incidents from occurring	Health and Safety related		_		Preventative Controls	915 9119 9114								
				effective implementation of systems and process for human resource management.	711	minute spanner, and in this to proper data interest man in the decidant may	consequences include the possibility of an													
				work health and safety and organisational	7.2	Insufficient reporting of incidents and near misses	employee, contractor.				WHS Management system which conforms to Work	7.1, 7.2, 7.3, 7.5	E							
				capacity development can lead to inadequate, insufficient, and inappropriately skilled human	L		member getting injured				I-lealth and Safety Standards for Self-Insured Employers.									
				resources and capability for effective council operation and service delivery, and the safety	7.3	Safe work practices not documented or communicated to employees.	or dies as a result of a preventable incident or				Employee WHS Induction and training needs analysis ensures training is adequate and provided in incident and	7.2, 7.4,	ME							
		×		and well being of human resources may not be sustainable.	7.4	Inadequate induction, training and supervision	accident; potential financial consequences for the City of an incident affecting a member of staff including; medical/rehabilitation expenses, injury compensation claim, legal expenses, fines; regulatory censure				near miss reporting. Work Instruction available based on safety risk register	7.1. 7.3. 7.6.	ME							
		Safety Risk		There is a risk that human resources may not	1.00	transportance are processed to a sent made with a state of a transport					entries. Sale work practices communicated through	C114 D186 D36								
				meet the people and culture needs for the future growth of the business.	7.5	Inadequate hazard management system					onboarding, toolbox and team meetings. Stop for Safety meetings used to provide personal and	7.6	É							
	eut	and									team motivation on the importance of following WHS policies and procedures.									
	p do	apability	CEO;			Organisational safety attitude does not recognise the					PDP Process provides a vehicle to identify and plan	77, 7.8	ME							
	Deve				7.7	Importance of following WHS policies and procedures Limited workforce planning, and need/capability			Ω.		development needs to ensure ongoing capability Recruitment Policy and Procedures includes	7.8	E							
	ess	ia C	Deputy (assessment	including a SafeWork SA Prohibition Notice,		H _O O	5	comprehensive guidelines to ensure appropriate candidates are selected.				ž	Œ	E			
₹	Susin	ational Cap			7.8	Lack of appropriate recruitment and selection process	Improvement Notice or prosecution/conviction legal consequences for	IKEDY	STR	7	Biannual analysis of comparison Gouncils as part of	7.9	E	ME	UNLIKELY	MAJOR	odiu	NO		
	and E	alis	arily		7.9	covering competency, capacity and right fit for the job. Rising wages and salaries cost due to inflation and market			CATAS	*	Enterprise Agreement Negotiations. Financial resource requirements for meeting human	7.10	ME		5	2	2			
	iou ii	Orga	Seco			competitive conditions,	senior management should policies and		٥	,	resource needs are considered in annual budget reviews.		700							
- 1	nova	ources,			7.10	Limited budget for implementing effective human	procedures be determined as inadequate by SafeWork				Service Anniversary Awards twice yearly.	7.1)	E							
	Ē	nos			7.11	resource, and safety strategies. Limited employee recognition programs					PDP Process incorporates development planning. P&C	7.12	E							
		n Se					SA; organisational reputation is damaged				team L&D function assist with coordinating individual and group training.									
- 1		E I				7.12 Insufficient training and development through the failure to				Formal Annual PDP process	7.13	ME								
		I			12.13	Lack of an effective staff appraisal system and performance evaluation process	injury occurring at work.				PDP process identifies next level leaders. Exit interviews and employees surveys provide data and information for	7.14, 7.15	ME							
									Consequences in relation to HR and				Managers to implement Action plans and strategies to retain staff							
			1	I		.t-					TOWN STATE					1				

		Risk	Risk Description		Causes	Consequences	L				Addresses	Effective	The second second		C	Current Risk	ACCEPT THE	
2	hort ame	Owner			Potential and Actual			Ris			Cause #	rating	Effective ness			Level	RISK AT THIS LEVEL?	
				7.15	Lack of appropriate succession planning and employee retention strategy. Deteriorating staff-turnover ratio indicating talent drain, losing experienced employees.	capability include skill gaps and shortage, demotivated staff, high staff turnover, and			Reactive Controls				ness					
				7.16	Unhealthy work environment and toxic culture	unhealth culture.						_						
			There is risk that failure to set up and maintain	8.1	Inadequate performance measures which are not linked to objectives or strategies.	performance is not adequately measured and therefore cannot be managed, organisational plans and strategies are not achieved, organisational resources are not used effectively, organisational plans and strategies are not valued or desired by the community organisational plans and strategies are not delivered in a way that is consistert with the organisational values lack of customer foommunity engagement, lack of employee engagement and		Prevent	tative Controls	100/2003		ME				NO		
			appropriate governance structures, systems,	8.2	Failure to consistently conduct Post Implementation Reviews and measure benefits realisation				Budgets and budgetary control process	5.	8.1	E						
			processes and practices may finider-the operation, service delivery and achievement of objectives for CCIS in a transparent, accountable and efficient manner and meet community expectations.	8.3	Failure to monitor organisational performance against		d		Independent oversight and review of st Audit and Risk Committee.	tralegic reports by	8.14	E						
				8.4	Failure to deliver what is thought by the local community due to a lack of alignment of strategic plans				Review and approval of City Plan by el covering community expectations.	lected members,	8.4	E						
					Lack of formalised policies and procedures for key areas/ process and may not be kept current. I don't think this is a good idea.				Established and embedded Customer Framework	Service	8.4, 8.5, 8.7, 8.10.	ME						
				8.6	Inconsistent reporting and data collection of corporate performance indicators		ts		Monthly Strategic Executive Group me	etings	8.3	ME						
				8.7	Processes and systems fall to address customer needs				Alignment of New Initiative Bid docume	entation to the City	8.1, 8.12	ME			NOCERATE			
	Risk	nó.		8.8	inedequate capability and capacity (e.g. workforce plans, training and development, technology, systems etc.)				Strategic Planning and Executive Acco Framework	ountability.	8.1, 8.12, 8.18, 8.20	ME						
ections	9	anly: DEO; rly: Other GMs		8.9	Failure to engage with all stakeholders in developing the City Plan				Effective use of and compliance with C Engagement Framework	Community	8.10, 8.9, 8.3	1000		POSSIBLE		Medium		
a dendir					Customer service is neither monitored or managed insufficient prioritisation of projects and resource scoping	objectives, poor customer service,	UIKELY	40 H	Capital Delivery Framework implement Conduct of bi-annual customer satisfact		8.10 ME	ME						
CIA	ective	Prim		8.12	Projects approved are not consistent with the strategic direction of CoS.	councillacks a coherent direction, failure to meet fegislatilire obligations, not meeting community needs, regulational demage, poor organisational performance, regulative impact on staff health and wellbeimp.		4	Regular performance of CEO Review of Committee	via CEO Review		E						
	Ineff	S		8.13	Political interferences / influences override sound governance principles, undermining effective decision-				Establishing clear current policies and promoting good governance principles		8.5, 8.20	ME						
				8.14	making process, Lack of review by independent oversight bodies.				Enterprise Risk Management policy an	nd framework	8.19	PE						
					Inadequate financial controls. Challenges from managing Elected Member and/or				Regular Strategic Project Reporting Regular review and reporting of City Pl	Non-relition to a Non-	8.12, 8.15 8.1, 8.15	ME						
				.0.10	Employee behaviour/misconduct				and KPIs	nan.chiscal actions	0.1,0.15	PE						
					Challenges with managing Council Meetings, efficiently and effectively.				Best Practice Internal Financial Control implemented	ils Model	8.15	E						
				8.18	Compliance with Strategic Planning process				Effective legislative compliance managemonitoring process.	gement and	8:21	PE						
				8.19	Lack of a robust risk management policy and framework				Independent Internal Audit Function		8.5, 8.7, 8.20, 8.19,8.19	E						
				8.20	Lack of an effective accountability framework for individual and feam actions and decisions				Elected Member policies and procedur training	res and mandatory	8.17; 8.13	E						
				8.21	Legislative non-compliances				Regular review of policies, procedures	and delegations	8.5	ME						
										Legal Services Review function Reactive Controls		8.21	ME					



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

24 June 2024

Dear Kylie

INTERIM REPORT ON THE 2024 EXTERNAL AUDIT

We are pleased to provide the members of the Audit and Risk Committee an update on the 2024 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 Audit and Risk Committee meeting held on 9 April 2024, 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.

Status update on key issues

Materiality

At the time of issuing our 2024 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 materiality value. Our approach to auditing the 2024 financial report is based on a split materiality. Due to the differences in values for infrastructure, property, plant and equipment assets (IPPE) and the other items in the financial report, we believe that the threshold for which misstatements could reasonable be expected to influence the economic decisions of users taken on the basis of the financial report is higher in IPPE compared to the rest of the financial statement areas.

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Our materiality for the 30 June 2024 audit is based on the following:

IPPE: 4.8% of Interim net assets of \$2,101,861,754

Rest of the Financial Report: 2.9% of Forecasted Expenses of \$133,310,295

Our estimated materiality levels are set out in the table below:

IPPE - MATERIALITY	\$100,889,000
IPPE - CLEARLY TRIVIAL THRESHOLD	\$5,044,450
NON-IPPE - MATERIALITY	<u>\$</u> 3,865,998
NON-IPPE - CLEARLY TRIVIAL THRESHOLD	\$1173,969

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 the Council will not be recording any external valuations for assets in the current financial year and only a desktop review of the unit rates for infrastructure will be performed.

It is expected that the desktop review will be completed as part of the year end reconciliation process, and this will be available to us by our final visit commencing 26 August 2024.

We have noted that the Council has conducted a valuation on Ornamental Lakes however this is still in progress and is unlikely to be completed and ready for 30 June. These assets will therefore be dated 1 July 2024 and the valuation included in the 2024/25 financial year.

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.

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Changes in payroll IT applications

We gained an understanding of the relevant IT general controls around the payroll IT system change that occurred through discussions with the Council's IT employees. We have also engaged our information system audit specialist to assist our design our approach. We will report our findings accordingly as part of the year end reporting.

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					sc.
Assets	22.	14	-	2.	6
Liabilities	8	5	-	-	3
Revenue	18:	4	-	3.	11
Expenses	27'	6	м	21	m1
External Services		-	-	-	
Financial Governance	*1				

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



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ITEM 7.1.6

AUDIT AND RISK COMMITTEE

DATE 13 August 2024

HEADING Policy Review - Enterprise Risk Management Policy

AUTHOR Sharon Kinsella, Audit and Risk Manager, CEO and Governance

CITY PLAN LINKS 4.5 We engage meaningfully and our community is aware of

Council initiatives

1.3 People are valued and they feel safe, included and connected

SUMMARY This report provides the opportunity for the Audit and Risk

Committee to consider the revised Enterprise Risk Management

Policy.

RECOMMENDATION

That Council:

1. Adopts the revised Enterprise Risk Management Policy as set out in Attachment 1 to this report (Item no. 7.1.6, Audit and Risk Committee, 13 August 2024).

ATTACHMENTS

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

- Enterprise Risk Management Policy
- 2. Enterprise Risk Management Framework

1. BACKGROUND

- 1.1 The City of Salisbury maintains a policy in relation to Enterprise Risk Management. This policy is to ensure Council applies and embeds a systematic risk management approach across the Council in relation to all activities, functions, service delivery and decision-making.
- 1.2 This is achieved through:
 - 1.2.1 Seeking a commitment to core risk management principles
 - 1.2.2 Defining responsibilities
 - 1.2.3 Ensuring a systematic approach is used
 - 1.2.4 Achieving the council's goals, objectives, targets and community expectations within an acceptable level of risk appetite, tolerance and capacity.

2. DISCUSSION

- 2.1 Following its review, the changes/amendments recommended to the policy are as follows;
 - 2.1.1 Clause 1 Addition to include the specific values this policy underpins in line with the City Plan.

- 2.1.2 Clause numerous Updated reference to Audit Committee with Audit and Risk Committee.
- 2.1.3 Clause 1.3.6 Update the Central Risk Management Working Group, as this responsibility now sits with the Audit and Risk Manager.
- 2.1.4 Clause 3.5 Additions made to the Legislative requirements section as recommended by the LGA.
- 2.1.5 Updates to Interpretation and Definitions as required and aligned to the ERM Framework.

3. CONCLUSION

3.1 The revised Enterprise Risk Management Policy as contained in Attachment 1 to this report is recommended to Council for adoption.



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

Enterprise Risk Management (ERM) Policy

Adopted by: Audit and Risk Committee

Responsible Division: CEO and Governance

First Issued/Adopted: 22 November 2021

Last Reviewed: TBC22November 2021

Next Review Date:

1. Purpose

<u>The City of Salisbury (the council or COS) values, underpin everything that we do and this policy</u> -documents the commitment to identifying, analysing, assessing, evaluating and managing organisational risks that may impact on the Council achieving its business objectives.

- 1.1 The overall objective of this Policy is to ensure that the Council applies and embeds a systematic risk management approach across the Council in relation to all activities, functions, service delivery and decision-making.
- 1.2 This Policy is intended to enable an integrated approach to risk management through:
 - seeking a commitment to core risk management principles;
 - defining responsibilities for risk identification, assessment, evaluation and treatment programs across the Council operations;

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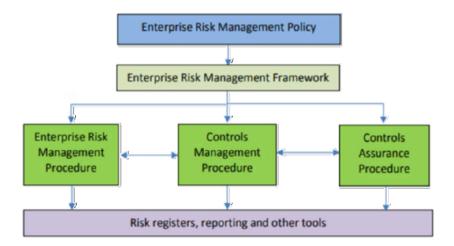
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- the application of an Enterprise Risk Management Framework that provides the tools and programs to underpin Council's approach to achieving a balance between the costs of managing risk and anticipated benefits;
- ensuring a systematic approach is used to manage risks and that appropriate treatment and risk mitigation strategies are applied, reviewed, monitored and reported;
- developing and nurturing an organisational ethos and culture, which integrates risk
 management processes into management activities at strategic, project and
 operational levels; and
- achieving the Council's goals, objectives, targets and community expectations within an acceptable level of risk appetite, tolerance and capacity.

The Council's overall risk management approach is depicted in the following diagram, whereby risk management is looked at strategically from the perspective of the entire organisation and will establish an Enterprise Risk Management program, which has an overarching ERM Policy and an ERM Framework. The ERM Framework will encompass relevant process / procedures in the area of risk, controls and assurance required for the whole of organisation's risk management. The ERM Framework will ensure implementation of relevant risk registers, reporting and other tools to embed effective risk management culture within the organisation.



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1.3 ROLES & RESPONSIBILITIES

1.3.1 Council

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

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

1.3.2 Audit and Risk Committee

The Audit and Risk Committee has strategic oversight responsibility for Council's risk management activities and is responsible for reviewing the adequacy of the accounting, internal controls, reporting and other financial management systems and practices of the Council on a regular basis. This includes the responsibility of checking that policies, practices and procedures of internal control referred to in 1.3.1 above are implemented and maintained.

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

1.3.3 Chief Executive Officer (CEO)

The CEO has the responsibility for ensuring that:

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

1.3.4. The Executive Group

Members of the Executive Group are responsible for:

- Oversight of the effective implementation of Enterprise Risk Management Policy and Framework;
- Monitoring overall strategic levels of risk across the organisation;
- Commitment to promotion of this Policy and the Framework whilst monitoring Council's overall risk profile and controls;

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- Reporting the status of Council's risk profile and mitigation strategies to the Audit and Risk Committee;
- The implementation, management and evaluation of risk management, in accordance with the Policy and Framework within their areas of responsibility;
- Integrating risk management processes with other planning processes and management activities, particularly the annual business planning process;
- Identification of and remediation of operational risks;
- Undertaking the risk management program as per the requirements of the Policy and Framework; and
- Ensuring that risk-based information is recorded in Council's Risk Register(s).

1.3.5. Divisional Managers

Divisional Managers are responsible for:

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

1.3.6 Risk Manager, Governance division

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

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

- Fracilitate the central role in assisting Executive Management Group and Divisional Managers in the implementation of Enterprise Risk Management Policy and Framework;
- -Ensure: appropriate: systems and processes: are incorporated in the design of the Council's Enterprise Risk Management Framework;
- Develop and maintain the Council's strategic risk register in consultation with the Executive Management Group;
- <u>Upon request aAssist</u> the <u>divisional staff membersCouncil Administration</u> in training and providing risk workshops for the identification, assessment and evaluation of

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- risks and provide necessary support to embed risk management processes into operational, management and strategic processes;
- Ensure regular risk management monitoring including the review of operational risk registers and reporting to Executive Management Group and Audit & Risk Committee;
- Provide specialist advice to corporate risk owners in the management of specific risks: and
- Monitoring the identification of known and emerging risks and ensuring they are addressed within the enterprise risk management framework.
- The Internal Auditor and Risk Coordinator will—Contribute to the Central Risk
 Management Function in a consultative capacity that does not contradict internal
 audit independence and appropriately manage conflict of interest and segregation
 of duties in case of performing internal audit of the Enterprise Risk Management
 Policy or Framework.

1.3.7. Employees, Volunteers and Contractors (Workers)

All Council Workers are responsible for:

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

Scope

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

3. Legislative Requirements and Corporate Policy Context

- **3.1** Section 125 of the Local Government Act; 1999 (*LG Act') requires Council to ensure that appropriate policies practices and procedures of internal control are implemented and maintained in order to assist the Council to carry out its activities in an efficient and orderly manner to achieve its objectives.
- 3.2 Section 132A of the LG Act requires Council to ensure that appropriate policies, practices and procedures are implemented and maintained in order to ensure compliance with statutory requirements and achieve and maintain standards of good public administration.

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Page 145 Audit and Risk Committee Agenda - 13 August 2024 3.3 Section 134(4) (b) of the LG Act requires Council to adopt risk management policies, controls and systems.

3.4 Section 125(3) —Promote appropriate mitigation of strategic, financial and operation risk of the Statutes Amendment (Local Government Review) Act 2020 states that a Council must ensure that appropriate policies, systems and procedures relating to risk management are implemented and maintained in order to assist the Council to carry out its activities in an efficient and orderly manner to achieve its objectives, inform appropriate decision making, facilitate appropriate prioritisation of finite resources and promote appropriate mitigation of strategic, financial and operational risks relevant to the Council.

3.5 Section 126(4)(h)/126A(4)(h) - Audit and Risk Committee evaluate effectiveness of risk management policies, systems and procedures.

3.6 Section 99(1)(ta) The role of the CEO is to establish and maintain effective risk management policies, systems and procedures.

4. Interpretation/Definitions

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

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

Enterprise Risk Management: Coordinated activities to direct and control an organisation with regard to risk. The process that is applied in strategy setting and decision making throughout the organisation to identify, evaluate and manage potential risks that are likely to impact on achievement of objectives, set risk appetite and tolerance and manage risk within those parameters, and to provide reasonable assurance regarding the achievement of the organisation's objectives.

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

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

Internal Audit: An independent, objective assurance activity that uses a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

Likelihood: Chance of something happening.

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- Monitor: To check, supervise, observe critically or record the progress of an activity, action or system on a regular basis in order to identify change.
- Reasonable assurance: The concept that enterprise risk management, no matter how well designed and operated, cannot guarantee that an entity's objectives will be met. This is because of inherent limitations in all Risk Management Frameworks.
- Risk: Effect of uncertainty on the achievement of objectives; an effect is a deviation from the expected. It can be positive, negative or both and can address, create or result in opportunities and threats.
- Risk: Analysis: The process to comprehend the nature of risk and to determine the level of risk or the magnitude of a risk or combination of risks, expressed in terms of the combination of consequences and their likelihood.
- Risk Appetite: Is the amount of risk an organisation is prepared to accept in pursuit of its objectives. The amount and type of risk that the Council is willing to pursue or retain. The City of Salisbury's risk appetite statement is outlined within the Enterprise Risk Management Framework.
- Risk Assessment: The overall process of risk identification, risk analysis and risk evaluation.
- Risk Capacity: Council's level and type of risk it is able to support in pursuit of its objectives.
- Risk Evaluation: The process of comparing the results of risk analysis with risk criteria to determine whether the risk and/or its magnitude is acceptable or tolerable and assists in the decision about risk treatment.
- Risk Identification: The process of finding, recognising and describing risks, which involves the identification of risk sources, events, their causes and their potential consequences, Risk identification can involve historical data, theoretical analysis, informed and expert opinions, and stakeholder's needs.
- Risk Matrix: The tool for ranking and displaying risks by defining ranges for consequence and likelihood.
- Risk Register: Register of all identified risks, their consequences, likelihood, rating and treatments.
- Risk Tolerance: Council's readiness to bear the risk after risk treatment in order to achieve objectives, or the acceptable variation in outcomes related to specific performance measures linked to objectives the organisation seeks to achieve. Council's readiness to bear the risk after risk treatment in order to achieve objectives.

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Page 147 Audit and Risk Committee Agenda - 13 August 2024 Risk Treatment: a process of selecting and implementing additional controls/measures to further mitigate the risk. Risk treatment can involve:

- Avoiding the risk by deciding not to start or continue with activity that gives rise to the risk;
- Taking or increase risk in order to pursue an opportunity;
- Removing the risk source;
- Changing the likelihood by implementing additional controls;
- Changing the consequences;
- Transferring or sharing the risk with another party or parties including contracts, insurance and risk financing; and
- Retaining the risk by informed decision, including the acceptance of residual risks and the level of risk depending on risk criteria.

•____

Policy Statements

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

Related Policies and Procedures

- Enterprise Risk Management Framework
- CoS Assurance Map
- Business Continuity Plan
- Emergency Management Plan
- Relevant Work Health & Safety (WHS) Policies and Procedures
- Fraud and Corruption Prevention and Management Policy

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7. Approval and Change History

Version	Approval Date	Approval By	Change
1.0	09/11/2021	Council Audit and Risk Committee	
1 <u>.102</u>			Updates to the Legislative requirements.
			<u>Updates to the Related</u> <u>Policies and Procedures.</u>
			<u>Updates to Roles and</u> <u>Responsibilities</u> ,
			Updates to definition.

8. Availability

8.1 The Policy is available to be downloaded, free of charge, from Council's website www.salisbury.sa.gov.au

8.2 The Policy will be available for inspection without charge at the Civic Centre during ordinary business hours and a copy may be purchased at a fee as set annually by Council.

City of Salisbury Community Hub

34 Church Street, Salisbury- SA 5108

Telephone: 84068222

Email: city@salisbury.sa.gov.au

Review

This Policy will be reviewed within 12 months of a Council election and thereafter as necessary

Further Information

For further information on this Policy please contact:

Responsible Officer: Manager Governance

Address: 34 Church Street, Salisbury SA 5108

Telephone: 8406 8222

Email: Rdeco@salisbury.sa.gov.au

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Enterprise Risk Management (ERM) Framework



Version No:

issued:

Next Review: 30.11.2027

1.0

First Issue/ Approved	19.12.2022
Classification	Procedure / Guideline
Last Reviewed	TBC-
Next Review	30.11.2027
File Reference	
Department	CEO & Governance
Function	Governance
Responsible Officer	Manager Governance
Relevant Legislation	Local Government Act 1999
	Local Government (Financial Management Regulations) 2011
	Work Health and Safety Act 2012
	Civil Liabilities Act 1936
	State Records Act 1997
	Commonwealth-Privacy-Act-1988
	Freedom of Information Act 1991
Related Documents	City of Salisbury Enterprise Risk Management Policy
	Relevant Work Health & Safety (WHS) Policies & Procedures
	Local Government Association Mutual Liability Scheme Risk Management Framework Template
Availability	The ERM Framework is available to Council employees on Council's intranet.
Further Information	For further information on this Policy please contact:
	Responsible Officer: Team Leader Corporate Governance Audit and Risk Manager Address: 34 Church Street, Salisbury SA 5108 Telephone: 8406 8222
	Email: BKahland@salisbury.sa.gov.au-skinsella@salisbury.sa.gov.au

Review History

Version No:	Issue Date:	Description of Change
1.0	April 2022	New Document
2.0	May 2024	Updated Responsible Officer details.
		Removed reference to WHS, as not required.
		Inclusion of Managing risk under the Local Government Act 1999.
		Reword to Risk Identification.
		Updated Definitions in Appendix A.





Version No: 1.0

Issued:

Next Review:

30.11.2027

1 Introduction

The ERM Framework (Framework) is derived from the ERM Policy. This Framework is a comprehensive operating manual or guideline document developed for the City of Salisbury (City or COS), covering the key elements of risk management principles, risk management processes, and how these apply to COS.

COS is committed to an integrated approach to risk management to assist in setting appropriate strategies, achieving objectives and making informed decisions, in the best interests of our community.

COS's vision is for Salisbury to be a progressive, sustainable and connected community.

The risk management process is not an isolated function and should be applied to all activities, and decision making at all levels. Effective identification, analysis, evaluation and treatment of risks is critical to COS achieving its objectives and meeting stakeholder expectations. This Framework acknowledges the positive aspects of risk and views the risk management process as a way to exploit opportunities and drive new organisational innovation. The greatest risk to COS achieving its vision is taking no risk at all.

2 Purpose

The purpose of ERM Framework is to outline the requirements and processes required for supporting COS's ERM Policy to create and protect value by improving performance, encouraging innovation and supporting the achievement of strategic objectives. This will encompass embedding a systematic risk management approach across the Council in relation to all activities, functions, service delivery and decision-making.

This Framework:

- a) Aligns with the objectives of COS's ERM Policy:
- b) Establishes roles and responsibilities for managing risk;
- Documents a standardised, formal and structured process for identification of risks, assessment, evaluation, treatment and monitoring of identified risks;
- Will assist COS in maximising its opportunities, whilst minimising negative impacts identified during the risk management process;
- Establishes the process for risks outside the defined risk appetite to be escalated to the appropriate level and for additional treatment options to be implemented;
- f) Sets out reporting protocols for relevant risk information to be provided to the Council, Audit & Risk Committee, Executive Management and throughout the organisation;
- g) Will support the development of a continuous improvement culture by integrating risk management processes throughout the organisation.
- Will lay out the standard ERM supporting tools that can be used by the relevant stakeholders in effective risk management, including risk registers, risk rating tables, and bow tie analysis templates



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3 Risk Management Principles

The Australian standard for Risk Management Guidelines (AS ISO 31000:2018) describes risk as:

"...the effect of uncertainty (either positive, negative or both) on objectives..."

The goal is not to eliminate all risks, but rather to manage risks involved in delivering COS's functions and services and to create and protect value for stakeholders and community.

AS ISO 31000:2018 recommends the use of its eight principles (as in below table), when establishing organisation's risk management framework and processes.

Principles		Explanations
1.	Integrated	Effective risk management is an integrated process covering all organisational activities and processes.
2.	Structured and comprehensive	A structured and comprehensive approach to risk management contributes to efficiency, consistent and comparable results
3.	Customised	The risk management framework and processes need to be customised and aligned to the internal and external context related to COS's City Plan 2035-objectives and goals
4.	Inclusive	Appropriate and timely involvement of relevant stakeholders enable their knowledge, views and perceptions to be considered, resulting in improved awareness and informed risk management.
5.	Dynamic	Risks can emerge, change or disappear due to the ever-changing dynamism of organisational internal and external environment. Risk management needs to anticipate, detect, acknowledge and respond COS's internal and external contexts in the risk management process, in an appropriate and timely manner.
6.	Best available information	The inputs to risk management are based on historical and current information, as well as on future expectations. Risk management need to explicitly consider any limitations and uncertainties associated with such information and expectations. Information should be timely, clear, and available to relevant stakeholders.
7.	Human and cultural factors	Human behaviour and culture significantly influence all aspects of risk management at each level and stage.
8.	Continual improvement	Risk management is continually improved through learning and experience.

In addition to the above eight principles, it is important to focus on the value creation opportunities often hidden in risks. COS's risk management framework aims to help create a better understanding of the risks that the organisation takes to support the evaluation and management of opportunities related to taking risks.

Managing risk under the Local Government Act 1999

The Local Government Act 1999 was amended to require conucils to formalise policies, systems and procedures for management, monitoring and review of strategic, financial and operational risks.

Role of CEO

S99(1)(ia) - Establish and maintain effective risk management policies, systems and procedures.

Internal Control Policies

S125(3) - Promote appropriate mitigation of strategic, financial and operation risk.



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Issued:

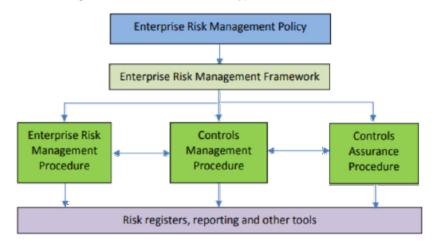
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1.0

Audit and Risk Committee
S126(4)(h)/126A(4)(h) - Evaluate effectiveness of risk management policies, systems and procedures.

4 ERM Approach

The below diagram illustrates Council's ERM approach:



Risk management is looked at strategically from the perspective of the entire organisation. An ERM policy is established to ensure that the Council applies and embeds a systematic risk management approach across the Council in relation to all activities, functions, service delivery and decision-making.

The ERM Framework encompasses relevant process / procedures in the area of risk, controls and assurance required for the whole of organisation's risk management.

The ERM Framework ensures implementation of relevant risk registers, reporting and other tools available to embed effective risk management culture within the organisation.

5 Framework for Management and Assurance of Controls and Risks

ERM is essentially about management and assurance of risks and controls covering the whole of organisation.

The ERM Framework outlines how risk management will work as an integrated system covering relevant policies & procedures, having effective internal controls, having an independent internal audit & assurance function and effectively managing whole of organisation risk. Policies and procedures detail the expectation on practice of controls and the desired level of risks, while control self-assessment and internal audit function provides assurance on the effectiveness of controls in place.

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

The Internal Controls and Controls Assurance processes are further explained below.

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6 Internal Controls and Controls Management Procedure

The internationally recognised framework for Internal Control, the COSO Framework, defines Internal Control as a process, effected by an entity's board of directors, management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives relating to operations, reporting and compliance.

Effective control mechanisms at various levels of the organisation form an integral part of the ERM design functionality to ensure that the control environment, risk assessment, control and monitoring activities and ICT measures are built in within the operations, reporting and compliance functions, across the whole organisation.

Internal controls are captured in various documentations including, Council policies, corporate policies, procedures, guidelines, work instructions, systems and forms, data validation, business rules and exception reports built in within software systems.

The Internal Controls Management procedure involves the process of identifying and implementing internal controls, and timely review of internal controls as per better practice and industry standards.

7 Control Assurance Procedure

Assurance is an essential part of the ERM Framework, which is the process that provides confidence that business objectives will be achieved with a tolerable level of residual risk. Checking the design and implementation of critical controls is an important component of assurance.

The following diagrams provide an overview on the control assurance process:





Risk management, control, and governance processes are effective if processes are operating in a manner that provides reasonable assurance that the organisation's objectives and goals will be

Control assurance is required to ensure that controls designed are adequate, and the controls in place are working effectively as intended.

Controls are considered effective when they have the following attributes, covering both the design and implementation process of controls:

. Documented (e.g. Policies, procedures, task lists, checklists)



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- · Systems-oriented (e.g. integrated and/or automated)
- Are preventative (e.g. system controls) or detective (e.g. to identify exceptions)
- Consistent and regular (including during staff absence)
- Performed by competent and trained individuals
- Have clear responsibility and accountability
- Create value (i.e. benefits outweigh costs)
- Are achievable for the organisation (based on available resources)
- · Evidenced (i.e. documented or electronic audit trail)
- Confirmed independently

Controls assurance is the process by which management collectively provides accurate and current information to the stakeholders about the efficiency and effectiveness of controls. Key control assurance and quality control activities include:

- 1. Periodic self-assessment of key controls and key performance measures assessed and reported by relevant functional managers. This includes a self-assessment on the Local Government Better Practice Model Internal Financial Controls for South Australian Councils is undertaken on an annual basis, which gets audited by the External Auditor in forming an audit opinion on the financial controls. Other self-assessments and checklists are used as part of the operational functional processes, and as part of functional performance reporting to the Executive Management Group on a regular basis as part of the management reporting.
- Independent internal audit and review of key risk areas, as per the Council approved 3-year internal audit plan. Audits are reported to the Audit & Risk Committee on a quarterly basis.

An organisation wide assurance map on key risk areas will support the ERM Framework, and the assurance map will get reviewed and reported to the Audit & Risk Committee every two years.

8 Risk Management Process

Having good risk management practices in place provides COS with assurance that measures are in place to maximise the benefits and minimise the negative effect of uncertainties in pursuit of its strategic objectives. Risk management involves both the management of potentially adverse effects as well as the fulfilment of potential opportunities. The risk management process is an integral part of management and decision-making and will be integrated into the organisation's structure, operations and processes.

The dynamic and variable nature of human behaviour and culture should be considered throughout the risk management process.

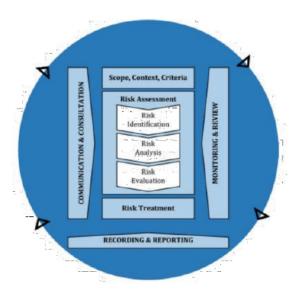
Although the risk management process is often presented as sequential, in practice it is iterative as illustrated in the AS ISO 31000:2018 Risk management – guidelines:



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8.1 Communication and Consultation

Establishing ongoing communication and consultation with internal and external stakeholders is critical to the success of the risk management process. Effective communication and consultation throughout the process is essential to ensure that those responsible for implementing risk management, and those with a vested interest, understand the basis on which risk management decisions are made and why particular actions are required.

COS will engage with stakeholders throughout the risk management process to:

· Correctly identify risks and understand context;

Gain a better understanding of the views and interests of stakeholders and how their expectations may be managed;

Capitalise on the diversity of knowledge, opinions and experience to enhance identification and management of risks and opportunities; and

Build a sense of inclusiveness and ownership amongst stakeholders.

8.2 Scope, context and criteria

8.2.1 Defining the scope

Because the risk management process is applied at different levels throughout the organisation, it is important to define the scope and its alignment with the Council's objectives. This should include consideration of:

Goals and objectives of risk management activities;

Proposed outcomes and timing;

Responsibilities and accountabilities for the risk management process;

Risk management methodologies;

Processes, activities and projects and how they may interact with other processes, activities and projects;



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How effectiveness and/or value will be measured and monitored; and Availability of resources to manage risk.

8.2.2 Defining the context

Defining the context is important because

 Risk management takes place in the context of achieving objectives and undertaking activities; and

Organisational factors can be a source of risk.

The context should reflect the specific environment of the activity to which the risk management process is to be applied.

8.2.3 Defining risk criteria

Risk criteria are used to evaluate the significance of risk and are reflective of COS's values, objectives and resources and the views of its stakeholders. Risks are rated low, medium, high and very high, depending on the likelihood of a risk event occurring and the consequences or its impact of the event. These risk ratings and the criteria used to assess the impact of risks are reflected in the risk matrix in Appendix D.

8.3 Risk Assessment

Risk assessment covers the process of identifying, analysing and evaluating risk for the corresponding event, and demonstrates the position and exposure level of risk at the end of this process.

The bow-tie risk analysis model (as in below diagram) can be used to help simplify risk assessment and support business understanding of risk and can be a useful tool used to document the risk assessment process, and can be the basis from which the risk registers are created / updated. The bow-tie risk assessment template (**Appendix E**) can be used by risk assessors to perform risk assessment for each identified risk. Other common risk management tools can be applied as well, pending the specific needs and context.



The Bow-tie analysis tool can be used across the following three stages of risk assessment, namely risk identification, risk analysis, and risk evaluation.

8.3.1 Risk Identification

The aim of risk identification is to develop an inclusive list of reasonably foreseeable events that may occur that - if they do - are likely to have an impact on achievement of objectives.

COS identifies, assesses and treats risk in the following three risk types:



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Strategic	Risks associated with high-level strategic objectives that are articulated in City Plan-2035, Annual Business Plans and Strategic Asset Management Plans. Strategic risks may affect the achievement of COS's corporate objectives. They are key issues for the Council and Executive Management Group and impact the whole organisation rather than a single department / division or business unit. These risks can originate from within the organisation or externally.
	In other words, they may prevent the organisation from achieving its strategic objectives or long-term goals.
Operational	Risks associated with departmental, divisional and/or teams related functions and daily operations to deliver core services which don't impact the whole organisation and don't directly implicate high level strategic objectives.
Project	Risks associated with project management that will affect milestones or outcomes connected to delivering a specific project.

Risk identification naturally flows on from the context discussion and is a process of formally documenting the effects of uncertainty on objectives. An effective approach is to engage as many stakeholders as possible in a structured identification process.

The aim is to generate a list of risks based on those impacts or events. During the identification process, there are a number of questions that need to be asked to capture the information required:

· What might happen/ what could go wrong?

What is the cause?

How does this affect the objective?

After a risk is identified, it can be incorporated in the relevant Operational Risk Register at Divisional or Team level.

Care must be taken to identify and define risks, rather than causes or consequences.

Opportunities can be framed in context of not realising the opportunities identified.

The Governance Division will maintain the strategic risk register in addition to its own operational risk register, and all other divisions will maintain their own divisional operational risk registers.

The Capital Delivery Framework (CDF) has been developed as part of an approach towards continuous improvement in the project management space. The framework covers an appropriate range of project management activities across the lifecycle of projects and addresses project risk. Risk assessments are included as part of the CDF project documentation.

- Risk Identification Process: Engaging stakeholders in a structured manner helps generate a comprehensive list of risks based on potential impacts or events.
- Key Questions for Identification: a) What potential events or outcomes might occur? b) What
 are the underlying causes? c) How would these events affect the objectives?
- Risk Register: Once identified, risks should be integrated into the appropriate operational risk
 register at the divisional or team level. It's essential to distinguish between risks, causes, and
 consequences during this process.
- Governance and Risk Registers: The Governance Division oversees the strategic risk register. Each division maintains its operational risk register.



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8.3.2 Risk Analysis

Risk analysis involves developing an understanding of a risk. It provides an input to risk evaluation and to decisions on whether risks need to be treated, and the most appropriate and cost-effective risk treatment strategies and methods. The tables included in the appendices B to D are COS's tools for expressing the consequence, likelihood and level of risk rating.

8.3.2.1 Risk ratings

A "risk rating" can be determined by combining the estimates of effect (consequence rating) and cause (likelihood rating). The risks are to be assessed against all consequence categories; and the highest consequence rating will be used for that particular identified risk. The following risk ratings are used:

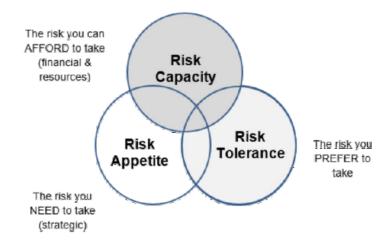
- Inherent risk rating, being the level of risk at time of risk assessment with no additional controls in place;
- Residual risk rating, being the level of risk once further and additional controls are added to reduce the consequence and/or likelihood, (i.e. the forecast level of risk remaining after risk treatment).

8.3.2.2 Risk appetite

Risk appetite can be explained as "how much risk-does the organisation need to take on in order to attain appropriate or sought-after return?", or in other words, the total impact of the risk the organisation is prepared to accept in the pursuit of achieving its strategic objectives.

Risk Appetite has two components to it:

- Risk tolerance: how much risk can the organisation choose to accept?
- · Risk capacity: how much risk can the organisation afford to take?



The ability to take on risk is determined by more than just a capacity to absorb losses. The ability to manage risk is based on skills, experience, systems, controls and infrastructure. Understanding risk appetite will help the organisation in the efficient allocation of resources across all identified risks and enable the pursuit of opportunities as boundaries can be defined around opportunity seeking actions.

Risk appetite at the City of Salisbury is linked to the risk rating table (matrix) and aligned with the Waterline Principle (refer below). Typically, governments have no high-risk appetite.



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In general, the City of Salisbury will accept a moderate residual risk rating however significant focus is to be put on the healthy and mature risk conversations through Executive Risk Reporting, which underpins the organisation's risk culture and enables better informed decision making.

Above moderate residual risk ratings are only acceptable subject to fully informed decision making, proper risk reporting and continuous monitoring of risk controls.

A zero-risk tolerance is present for:

- Deliberate breaches of compliance and safety
- Fraud and corruption
- Prolonged disruption to critical business functions (as identified through the Business Continuity Plan and Service Register)
- Decisions that have no considerations of material financial implications.

The Council Members, with support from the Executive Management Group can define COS's risk appetite, taking into consideration the extent of risk in the context of the strategic positioning of an initiative. COS's risk appetite will be used in regular monitoring and review of strategic risks.

Given that the risk appetite is very much situation dependent, and subjective to the applicable control environment, COS prefers to establish a generalised model which gives the authority to the management to apply discretion and take calculated risks and vary the level of risks that it is willing to accept to achieve strategic goals.

As a generic approach in decision making to set the organisational risk appetite, COS finds it appropriate to use the Waterline Principle (refer Appendix F), which uses the analogy of a boat at sea and the water level to inform risk escalation and risk appetite.

8.4 Risk Evaluation

Risk Evaluation is the process used to assist in making decisions, based on the outcomes of risk analysis, about which risks need treatment and the priority for implementation of controls. Decisions should take account of the wider context of the risk and include consideration of the risks borne by other parties. There are also circumstances whereby, despite the risk level, risks cannot be prevented or reduced and the focus will instead be on recovery and recilience.

When a risk has been identified or reassessed, the following table provides guidance on the action to be taken for each risk rating level:

Risk level	Managing risk – priority rating	
Very High	Add risk to Risk Register	
	Escalate risk issue immediately to CEO	
	CEO to:	
	Refer risk to risk owner	
	 Identify and develop treatment strategies for immediate action 	
	Monitor and review actions/strategies	
	 Provide direction and information to relevant stakeholders 	
	 Inform the next meeting of the Council or Audit & Risk Committee of the risk issue, the actions taken to mitigate the risk and the outcome (or current status) 	
	 Consider cessation/suspension of the activity giving rise to the risk until such time as CEO/Management Team authorises its continuation and/or whilst other risk treatment strategies are being developed/implemented 	
	For WHS related risks, the COS WHS Policy procedures apply.	
High	Add risk to Risk Register	



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Risk level	Managing risk – priority rating		
	Escalate risk issue to member of Executive Management Group or relevant Divisional Manager.		
	Member of Executive Management Group or relevant Divisional to:		
	Refer to relevant risk owner		
	 Identify and develop treatment strategies with appropriate timeframes 		
	Monitor and review actions/strategies to manage risk to an acceptable level		
	 Provide direction and information to relevant stakeholders 		
	 Inform the Audit & Risk Committee or Executive Leadership, (as relevant) of the risk issue, the actions taken to mitigate the risk and the outcome (or current status) 		
	For WHS related risks, the COS WHS Policy procedures apply.		
Medium	Add risk to Risk Register		
	Escalate risk to the relevant Divisional Manager to coordinate with relevant work group to:		
	 Identify and develop treatment strategies with appropriate timeframes 		
	Monitor and review actions/strategies to manage risk to an acceptable level		
	For WHS related risks, the COS WHS Policy procedures apply.		
Low	Add to Risk Register		
	Undertake localised risk management & actions (if required)		
	Review within the department parameters and routine procedures.		
	For WHS related risks, the COS WHS Policy procedures apply.		

8.5 Risk Treatment

Risk treatment can be conducted using a variety of methods.

Risk treatment involves selecting one or more options for modifying the likelihood and/or consequence of risks, and implementing those options. Once implemented, treatments provide or modify the controls. An action should be implemented to treat certain risks.

Justification for risk treatment is broader than solely economic considerations and should consider all of COS's obligations, voluntary commitments and stakeholder expectations. Appropriate risk treatment options should have regard to the organisation's objectives, risk appetite, risk criteria and available resources.

8.5.1 Risk treatment priorities

Recognising that not all risks can, or should, be managed, COS has determined that it will prioritise treatment of risks in the following order:

- Strategic risks that exceed risk appetite
- · Strategic risks that exceed risk tolerance
- Operational risks that are rated Very High or High
- Operational risks that are rated either Medium or High that exceed risk appetite.

The CEO may make exceptions to this prioritisation where there is an immediate or foreseeable risk to the health or safety of any person.

8.5.2 Risk treatment options

Risk treatment options are not necessarily mutually exclusive or appropriate in all circumstances. Options for negative risks may include:



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Eliminate	Remove an asset or discontinue an activity or service completely so as to eliminate the risk altogether
Transfer	Transfer risk to a third party, for example via contractual indemnity clauses or via undertaking insurance
Mitigate	Implement a type of treatment control to reduce or remove the risk. This may include but is not limited to options such as substitution (swapping), isolation (barricade), engineering (modify by design) or administration (policy/process)
Accept	Risk can be accepted for a number of reasons including:
	 no extra treatments being available;
	 meets the stated target risk appetite for the type of risk;
	 informed decision has been made about that risk;
	 the cost of risk treatment significantly outweighs the potential risk exposure; or
	- the risk was never identified, resulting in an unknown risk acceptance

For Opportunities (positive risks), options may include:

Exploit	Implement strategies to capitalise on the likelihood of the opportunity eventuating and ensure that the organisation is able to respond quickly to the opportunities as they arise
Share	Partnering with another organisation that is able to add skills or value not currently available within COS
Enhance	Influence the factors that will improve the likelihood of the opportunity arising
Accept	Maintain status quo by informed decision

In selecting any risk treatment, consideration must be given to new risks that may arise from implementing it and the processes outlined in this framework applied to those new risks.

8.5.3 Preparing and implementing risk treatment plans

Risk treatment plans specify how the risk treatment options will be implemented, so that those involved understand what arrangements are in place and to allow progress against the plan to be monitored. Risk treatment plans are documented within the relevant operational risk registers and strategic risk register and project management plans and provide the following information:

- Rationale for selection of treatment options;
- Responsibilities and accountability for approving and implementing the plan;
- Proposed actions and timeframes;
- Resourcing requirements;
- · Constraints and contingencies; and
- · Required reporting and monitoring.

8.6 Monitoring and Review

8.6.1 Review of risks and controls

Monitoring and review involves regular checking or surveillance of the effectiveness and efficiency of the risk management processes implemented.



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A monitoring and review process will:

- Ensure that implemented controls are effective and adequate;
- Provide further information to improve risk assessment and treatment plans;
- Allow for the identification of emerging risks;
- o Identify any new factors that may influence established strategies to mitigate risks.
- It is essential to monitor all activities and processes in order to capture new or emerging risks arising from the changing environment, (both internal and external) and the activities undertaken by COS's employees.

8.6.2 Project risks

Due to the dynamic nature of most projects, a risk may change over the project lifecycle, triggering the need for reassessment. The monitoring and scheduled review process allows for both validation of risks to ensure that they remain relevant and adaptation of project plans as necessary.

Any changes in risks throughout the project and following completion should be recorded and used for future project planning. Over the life of the project, risks are anticipated to burn down as context changes and risk controls are implemented.

Project risk management allows for informed financial contingency planning.

8.6.3 Internal audit

The audit process plays an important role in evaluating the internal controls (and risk management processes) currently employed by COS. Our internal audit program is 'risk based' and provides assurance that we are managing our risks appropriately. In developing the Internal Audit Plan, consideration is given to the very high, high and medium risks identified by the risk assessment process. Internal audits assess the adequacy of selected controls identified.

The internal audit process will measure risk by:

- Measuring compliance has the organisation met its policy objectives
- Measuring maturity measuring against better practice and sector benchmarking
- Measuring value add has the framework and risk culture added to the achievement of COS's strategic objectives

Information is shared between the risk management and internal audit functions. Changes in our risk profile are reflected in our Internal Audit Plan. Similarly, control issues identified through internal audit will inform our Risk Management Framework. The internal audits are conducted to provide assurance that key risks have been identified and the controls in place are adequate and effective, as per the following table.

Rating	Definition
Design adeq	uacy
Adequate	The control is designed in a manner that it can give reasonable assurance that the risk will be mitigated. In other words, existing systems and procedures cover known circumstances and provide reasonable assurance for majority of risks.
Partially adequate	The control is designed in a way that will partially mitigate the risk and designed in a way to partially meet the design objectives.
Inadequate	The design of the control is not sufficient enough to give reasonable assurance that the risk will be mitigated. There may be no systems and procedures in place, or existing systems and procedures are obsolete and



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	require review.
Operating effe	ectiveness
Effective	The control operates in a manner that is effective in terms of being consistent, complete, reliable and timely.
Partially effective	The control partially operates in a manner that is effective in terms of being consistent, complete, reliable and timely.
Ineffective	The control does not operate in a manner that is effective in terms of being consistent, complete, reliable and timely.

It is to be noted that the overall combination of the results of design adequacy and operating effectiveness will provide the overall rating of the control based on the table for overall rating. This assists in identifying improvements to existing controls.

	Effective	Partially effective	Ineffective	
Adequate	Effective	Partially Effective	Ineffective	
Partially adequate	Partially Effective	Partially Effective	Ineffective	
Inadequate	Ineffective	Ineffective	Ineffective	

9 Risk Recording and Reporting

The risk management process and its outcomes are documented and reported, in order to:

- · Communicate risk management activities and outcomes;
- Provide information for decision making;
- Provide opportunities for continuous improvement;
- Assist interaction with stakeholders, including those with responsibility and accountability for risk management activities.

Records will be managed and retained in accordance with State Records General Disposal Schedule for Local Government.

9.1 Risk Registers

Risk Registers are to be maintained by the relevant division as a live document, maintained and kept updated at all times.

The risk register enables the organisation to document, manage, monitor and review strategic, operational and project risk information in order to build a risk profile and provide direction on how to improve risk management processes. The risk register can be used to monitor whether, using the approach outlined in this framework, the risk management process is resulting in an increasing trend towards potential for success and less risk with negative consequences.

9.1.1 Strategic Risk Register

Strategic level risks are identified and regularly reviewed by the Executive Management Group and the Council and will be recorded in this risk register. Any risks identified at the strategic level may be reflected in other corporate documents e.g. Strategic Plan, Annual Business Plan, and Asset Management Plans and mitigated through actions detailed within these documents. However, these should still be collated in the risk register for ease of monitoring and review.



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Recording and reporting of strategic level risks is the responsibility of the Manager Governance and reported to the Council via Executive Management Group and Audit & Risk Committee

9.1.2 Operational Risk Registers

Operational risks will be recorded in operational risk registers, and be reviewed at least biannually by Divisional Managers. Recording operational risks in the risk register and reporting of implementation and effectiveness of controls is the responsibility of the relevant Divisional Manager.

9.1.3 Project Risk Register

Project level risks may be identified by the project management team at any time prior to, and during, the project management cycle. The Capital Delivery Framework includes template project management plans and risk registers. Recording and reporting of project risks rest with the project owner.

10 Training

Employees

The risk management policy and framework, together with supporting tools will be made available to all staff through the intranet.

Risk management is an overarching skill that sits across all functions and, as such, COS considers it to be a necessary competency that workers need in order to perform their day to day activities effectively. Risk Management awareness training will be provided to relevant employees and will take into consideration their role and level of past risk management experience and knowledge.

Council Members

Council members are key strategic decision makers and it is therefore imperative to understand COS's Risk Management Policy and Framework and Council's role in informed planning and decision making, based on sound risk management principles.

Audit & Risk Committee

Audit & Risk Committee members should, at a minimum, understand their roles and responsibilities as outlined in the *Local Government Act* 1999 in relation to the oversight role of risk management, including the monitoring and review of reports and outcomes from management reviews and external audits.

11 Review of ERM Framework

This risk management framework and processes will be scheduled for review within 12 months after election.

12 Roles and Responsibilities

COS and its Executive Management Group will demonstrate a clear commitment to managing risks throughout the organisation by:

- Developing and implementing a risk management policy, framework and supporting tools and processes;
- Allocating appropriate resources to implement, monitor and improve the effectiveness of risk management;
- Ensuring that staff and other relevant stakeholders have the appropriate skills and knowledge to deal with risk;
- Allocating and upholding accountability with respect to risk management and ensuring it is understood; and



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 Ensuring compliance with legislative and contractual obligations and policy requirements.

The following roles and responsibilities ensure a transparent approach to managing risk within COS:

Owner	Roles and Responsibilities
Council	 Set the organisation's risk appetite and policy for managing risk; Consider strategic risks when setting objectives and making decisions; Ensure the organisation has the structures and processes in place to support decision making and management of risk; Set an appropriate governance structure for risk and risk management including Audit & Risk Committee and delegations; Require the CEO to demonstrate that the framework for managing risk is effective and appropriate; and Require the CEO to provide information to allow the Council to understand the risks that may have material impacts on achievement of the organisation's objectives. Consider recommendations from the Audit & Risk Committee relating to strategic risks or any other risk matter
Committee	 Review the Risk Management Framework; Review Administration and Auditor reports to ascertain the adequacy of controls that have been implemented; and Monitor strategic risks on a regular basis.
Chief Executive Officer (CEO)	 Promote a strong risk management culture by providing firm and visible commitment to risk management including ensuring appropriate accountability for the management of risk; Review and adopt the Risk Management Framework; Develop and implement a framework that delivers a consistent approach to risk management by allocating resources and assigning authority, responsibility & accountability at appropriate levels within the organisation; Allocate and uphold accountability for managing risk Ensure Executive Management Group have the necessary knowledge and skills to effectively fulfil their risk management responsibilities; Regularly review strategic and operational risks and maintain an understanding of the environment in which the organisation operates, the risks it faces and the effectiveness of its controls; Ensure compliance with legislative and contractual obligations and policy requirements; Provide reliable information about risks, controls and their effectiveness to Council; and Escalate all strategic risks that exceed the organisation's risk appetite to the Audit & Risk Committee or Council, as required.
Executive Management Group	Oversight of the effective implementation of Enterprise Risk Management Policy and Framework; Monitoring overall strategic levels of risk across the organisation; Commitment to promotion of this Policy and the Framework whilst monitoring Council's overall risk profile and controls; Reporting the status of Council's risk profile and mitigation strategies to the Audit and Risk Committee; The implementation, management and evaluation of risk management, in accordance with the Policy and Framework within their areas of responsibility;



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 Integrating risk management processes with other planning processes 	
and management activities, particularly the annual business planning	Į
process;	
 Identification of and remediation of operational risks; Undertaking the risk management program as per the requirements 	of.
the Policy and Framework; and	,,
Ensuring that risk-based information is recorded in Council's Risk	
Register(s).	
Relevant • Manager governance is responsible for updating and reporting on the	ð
Divisional Strategic Risk Register.	
 Managers Develop and maintain the relevant Operational Risk Registers and Project Risk Registers and reporting timeframes as required. 	
Provide guidance and assistance to Executive Management Group	
and staff in relation to the application of this framework;	
Ensure relevant risk information is recorded in the Strategic Risk	
Register and Operational Risk Registers and reported and escalated	
to the Executive Management Group or cascaded to staff, as relevan	ıt;
and Maintain Framework to angure its currency and relevance	
Maintain Framework to ensure its currency and relevance. Central Risk Within the context of this Framework, the Team Leader Corpora	ia.
Management GevernanceAudit & Risk Manager coordinates the Central Ri	
Working Management Function (which includes the Internal Auditor & Ri	
Group Coordinator and other specialist staff with assumed responsibility in the	е
(includes areas of Risk_and₂ Governance_and WHS).	
Risk The Central Risk Management working group will:	
Management • Facilitate the central role in assisting Executive Management Grounds of the Control of the Contr	ID
&-WHS) and Divisional Managers in the implementation of Enterprise Ri	
Audit and Management Policy and Framework;	
Risk Manager • Ensure appropriate systems and processes are incorporated in the	
design of the Council's Enterprise Risk Management Framework; • Develop and maintain the Council's strategic risk register in	
consultation with the Executive Management Group;	
 Assist the divisional staff members in training and providing risk 	
workshops for the identification, assessment and evaluation of risks	
and provide necessary support to embed risk management processe	S
into operational, management and strategic processes; • Ensure regular risk management monitoring including the review of	
operational risk registers and reporting to Executive Management	
Group and Audit and Risk Committee;	
 Provide specialist advice to corporate risk owners in the management 	t
of specific risks; and	
 Monitoring the identification of known and emerging risks and ensuring they are addressed within the enterprise risk management 	
framework.	
The Internal Auditor and Risk Coordinator will contribute to the	
Central Risk Management Function in a consultative capacity that	
does not contradict internal audit independence and appropriately	
manage conflict of interest and segregation of duties in case of performing internal audit of the Enterprise Risk Management Policy	\r
Framework.	r.i
Coordinate the compilation of risk reporting to the Audit & Risk	
Committee.	
Employees • Understand the risk management processes that apply to their area	of
work;	
 Identify, evaluate, report and manage, (or escalate,) risks relating to daily activities and projects; and 	



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Owne	er	Roles and Responsibilities			
		Completing and resolving the relevant risk mitigation actions in a			
		timely manner.			

13 Implementation and Implications to Stakeholders

The ERM Framework will be supported by an implementation plan for the roll-out of the Framework process. This rollout plan will be developed by the Central Risk Management Working Group, who will coordinate and facilitate the ERM implementation process.

The CEO, EMG and Council will provide necessary resource requirements and full support and commitment to implement the ERM Framework and embed a risk management culture.

An initial risk workshop will be held with Executive Management Group and Divisional Managers to go through the ERM framework processes, tools and templates, and walkthrough the ERM process within which Divisional Managers will identify risks, treatment plans etc, and develop / review the risk registers for their respective division.

Risk assessment, evaluation of risks on the respective risk registers and ensuring that the risk registers are kept updated will be the responsibility of the relevant Divisional Managers.

The Central-Risk-Management-Working-Group-will retrieve the relevant the risk-registers and compile reporting to the Audit & Risk-Committee. Status-update and reporting of divisional risk-registers will be the responsibility of the relevant Divisional Managers as required.

The strategic risk register, project and operational risk registers will become the live documents that Council will keep updated and relied upon to record and report on risk management.

4413 APPENDICES

Appendix A: DEFINITIONS

A process that provides a level of confidence that objectives will be achieved within an acceptable level of risk
Outcome of an event affecting objectives, where outcomes can be certain or uncertain and can have positive or negative, direct or indirect effects on objectives, can be expressed qualitatively or quantitatively, that can escalate through cascading and cumulative effects.
Measures which maintain and/or modify risk which may include processes, policies, practices, or other conditions and/or actions planned or undertaken.
Coordinated activities to direct and control an organisation with regard to risk. The process that is applied in strategy setting and decision making throughout the organisation to identify, evaluate and manage potential risks that are likely to impact on achievement of objectives, set risk appetite and tolerance and manage risk within those parameters, and to provide reasonable assurance regarding the achievement of the organisation's objectives.
Occurrence or a change of a particular set of circumstances.
The risk exposure (also referred to as risk rating) is a qualitative value of the sum of the consequence of an event multiplied by the likelihood of that event occurring



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External Context	External environment in which the organisation seeks to achieve its objectives
Frequency	A measure of the rate of occurrence of an event expressed as the number of occurrences of their event in a given time.
internal Audit	An independent, objective assurance activity that uses a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.
Internal Context	Internal environment in which the organisation seeks to achieve its objectives
Likelihood	Chance of something happening
M onitor	To check, supervise, observe critically or record the progress of an activity, action or system on a regular basis in order to identify change.
Reasonable assurance	The concept that enterprise risk management, no matter how well designed and operated, cannot guarantee that an entity's objectives will be met. This is because of inherent limitations in all Risk Management Frameworks.
Risk	Effect of uncertainty on the achievement of objectives; an effect is a deviation from the expected. It can be positive, negative or both and can address, create or result in opportunities and threats. The effect of uncertainty on objectives
Risk Analysis	The process to comprehend the nature of risk and to determine the level of risk or the magnitude of a risk or combination of risks, expressed in terms of the combination of consequences and their likelihood.
Risk Appetite	Is the amount of risk an organisation is prepared to accept in pursuit of its objectives
Risk Capacity:	Council's level and type of risk it is able to support in pursuit of its objectives
Risk Assessment	An overall process of risk identification, risk analysis and risk evaluation
Risk Culture	Risk culture refers to the behaviours that lead to how every person thinks about and manages risks.
Risk Evaluation	The process of comparing the results of risk analysis with risk criteria to determine whether the risk and/or its magnitude is acceptable or tolerable and assists in the decision about risk treatment.
Risk Identification	The process of finding, recognising and describing risks, which involves the identification of risk sources, events, their causes and their potential consequences, Risk identification can involve historical data, theoretical analysis, informed and expert opinions, and stakeholder's needs.
Risk Management	Coordinated activities to direct and control an organisation with regard to risk.
Risk Management Framework	Set of components that provide the foundations and organisational arrangements for designing, implementing, monitoring, reviewing and continually improving risk management throughout the organisation.
Risk Matrix	The tool for ranking and displaying risks by defining ranges for consequence and likelihood.
Risk Owner	Staff member / action owner with the accountability and authority to manage a risk



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Risk Register	Register of all identified risks, their consequences, likelihood, rating and treatments.		
Risk Tolerance	Council's readiness to bear the risk after risk treatment in order to achieve objectives, or the acceptable variation in outcomes related to specific performance measures linked to objectives the organisation seeks to achieve		
Risk Treatment	A process of selecting and implementing additional controls/measures to further mitigate the risk. Risk treatment can involve:		
	 Avoiding the risk by deciding not to start or continue with activity that gives rise to the risk; Taking or increase risk in order to pursue an opportunity; Removing the risk source; Changing the likelihood by implementing additional controls; Changing the consequences; Transferring or sharing the risk with another party or parties including contracts, insurance and risk financing; and Retaining the risk by informed decision, including the acceptance of residual risks and the level of risk depending on risk criteria. 		
Stakeholder Person or organisation that can affect, be affected by, or per themselves to be affected by, a decision or activity.			



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APPENDIX B: LIKELIHOOD RATING CRITERIA

- Determine How Likely is the Event Occurring (for Step 1)

RATING	SCORE	DESCRIPTION
Rare	1	The event may occur only in exceptional circumstances (i.e. extremely low probability, and will only occur in exceptional circumstances - could occur once in a period greater than 20 years)
Unlikely	2	The event could occur at some stage (i.e. probability of occurrence at least once within a 10 to 20-year period)
Possible	3	The event might occur at some time (i.e. probability of occurrence within 3 to 9 years)
Likely	4	The event will probably occur at most times (i.e. probability of occurrence within 1 to 2 years)
Almost Certain	5	The event is expected to occur in most times (i.e. probability of occurrence at least once within 1 year)



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APPENDIX C: CONSEQUENCE RATING CRITERIA

(excluding Project Risks) (for Step 2) - Determine the Impact of the Event When / If it Occurs

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



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Consequence Table for Project Risks

Rank	Score	Cost	Schedule	Performance	Reputation	Safety
Insignificant	1	< 2.5% of total Project Budget	< 2.5% of total Project Schedule	Would cause the delivered capability to be functionally fit for all desired missions or tasks, but there may be some qualification to the level to which it would perform non-critical elements of the mission or task. Few such qualifications would exist.	Little community interest, low profile, no media items	Minor injuries not requiring first aid treatment, or near miss
Minor	2	2.5-10% of total Project Budget	2.5-10% of total Project Schedule	Would cause the delivered capability to be functionally fit for all desired missions or tasks, but there would be some qualification to the level to which it would perform non-critical elements of the mission or task. Several such qualifications would exist.	Low impact, some passing interest, low media profile	Minor Medical attention. Negligible impact on morale
Moderate	3	10-14% of total Project Budget	10-14% of total Project Schedule	Would cause the delivered capability to be partly functionally fit for purpose (i.e. degraded ability to perform all desired missions or tasks; however, there are known workarounds). There would be some qualification to the level to which it would perform (e.g. due to issues of relationships, concurrency, etc.). Several such qualifications would exist.	Moderate impact, moderate public interest, public embarrassment, moderate media profile	Medical attention required. Short Term effect on morale and project outcome.
Major	4	15-19% of total Project Budget	15-19% of total Project Schedule	Would cause the delivered capability to be only partly functionally fit for purpose (i.e. degraded ability to perform some core missions or essential tasks or unable to perform non-core missions or tasks, and there are no known workarounds).	Sustained public interest, high negative media profile, Premier/Cabinet publicly involved, third party action	Serious Long-Term Injury. Temporary disablement. Significant impact on morale and project outcome.
Catastrophic	5	>20% of total Project Budget	>20% of total Project Schedule	Would cause the delivered capability to be functionally unfit for its intended purpose (i.e. unable to perform core missions or essential tasks).	Widespread public agitation, Government censure, high multiple impacts, widespread negative media profile	Death. Long term effect on morale and project outcome.



APPENDIX D: RISK MATRIX (derived from Step 3 & 4)

		Insignificant	Minor	Moderate	Major	Catastrophic
		1	2	3	4	5
Rare	1	Low 1	Low 2	Low 3	Low 4	Medium 5
Unlikely	2	Low 2	Low 4	Medium 6	Medium 8	Medium 10
Possible	3	Low 3	Medium 6	Medium 9	High 12	High 15
Likely	4	Low 4	Medium 8	High 12	High 16	Very High 20
Almost Certain	5	Medium 5	Medium 10	High 15	Very High 20	Very High 25

RESIDUAL RISK LEVEL CONTEXT, REPORTING FREQUENCY AND ACTION REQUIRED

Version No:	1.0
Issued:	30.03.2022

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RISK RATING / EVALUATION STEPS

Step 1: give a score between 1 and 5, on the likelihood of event occurring

Step 2: give a score between 1 and 5, on the impact of the event if it occurred

Step 3: Multiply the two scores in Step 1 and 2 above to generate risk score

Step 4: Apply the score from step 3 to the rating table below to determine risk level rating

RISK RATING SCALE SUMMARY

Risk Profile	Risk Score Ranges		
Very High	20 to 25		
High Risk	12 to 16		
Medium Risk	5 to 10		
Low Risk	1 to 4		

Risk Profile	Context	Risk Types	Report to	Frequency of Reporting	Action Plan Required
Very High	Acceptable / Unacceptable	Strategic / Operational¹ / Project²	CEO / Executive Management Group / Audit & Risk Committee / Council	Quarterly / Periodically (as required)	Yes
High Risk	Acceptable / Unacceptable	Strategic / Operational ¹ / Project ²	CEO / Executive Management Group / Audit & Risk Committee	Quarterly / Periodically (as required)	Yes
Medium Risk	Acceptable / Unacceptable	Strategic / Operational ¹ / Project ²	CEO / Executive Management Group / Audit & Risk Committee	Periodically (as required)	Maybe
Low Risk	Acceptable	Strategic / Operational / Project	Executive Management Group	Periodically (as required)	No

For Operational Risks, only high / very high risks will be reported to Council via A&RC and EMG, and all risks will be reported to CEO/EMG.

² For Project Risks, only very high risks for selective projects will be reported to Council via A&RC and EMG, and all risks will be reported to CEO/EMG.



APPENDIX E: BOW-TIE RISK ASSESSMENT TEMPLATE



1.0 30.03.2022

30.03.2024

CAUSES	PREVENTIVE CONTROLS	RISK	REACTIVE CONTROL	CONSEQUENCES
Step 2: (List all the reasons or factors that may trigger the risk / event, or cause the likelihood of the event occurring.)	Step 4: (List down all defensive controls or barriers that can be established prior to event occurring, to prevent the event from occurring.)	Step 1: (Identify a potential risk event, and write a description of risk.)	Step 5: (List down what controls or measures can be undertaken to minimise or mitigate the risk / hazard / crisis / loss.)	Step 3: (List down the impact areas and all damages, or losses that may arise in those areas if/when the event occurs.)



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APPENDIX F: WATERLINE PRINCIPLE

Gore-Tex articulated the concept for decision-making and risk-taking called the "waterline" principle. The concept is explained through a metaphor of the corporation being a water vessel, whilst decisions or events are articulated as causing damage (blowing holes) to the side of the ship. Damage above the waterline (where the ship won't take on water and possibly sink) can be attended to with maintenance and repairs. This is where you can patch the damage, learn from the experience, and continue to travel to your destination (deliver your strategic objectives). On the contrary, any damage below the waterline will likely result in the ship sinking, and the corporation not being able to deliver on its strategic objectives. Decisions which result in damage below the waterline are escalated to the Executive Team (these are referred to as strategic risks).

Above the waterline risks are operational risks. They can be managed at an operational level.

The biggest risk of all is taking no risk at all. Calculated risks provide opportunities for the corporation to grow; however, at the same time being conscious to avoid taking risks that could blow holes below the waterline. The waterline principle helps to articulate where Council's risk appetite sits. The principle encourages informed decision making. When expressed through the corporation's risk appetite, it is intended to not stop initiatives or innovation. It rather serves as an opportunity to be fully informed on the potential risks and balance these against the opportunities and the delivery of the strategic objectives and the strategic plan of Council. Appropriate risk mitigation needs to be in place and full executive oversight is attained through Executive, Audit and Risk Committee and Council reporting. The Risk Rating table represents the waterline principle in green, demonstrating where Council's risk appetite lies.

It's important to note that some operational risks may develop into strategic risks. It's critical to identify these emerging risks in a timely manner. They need to be monitored closely.

ITEM 7.1.7

AUDIT AND RISK COMMITTEE

DATE 13 August 2024

HEADING Audit and Risk Committee Annual Report 2023/2024

AUTHOR Sharon Kinsella, Audit and Risk Manager, CEO and Governance

CITY PLAN LINKS 4.3 Have robust processes that support consistent service delivery

and informed decision making.

4.2 Develop strong capability and commitment to continually

improve Council's performance.

SUMMARY Section 126(8)(b) of the Local Government Act 1999 (the Act)

requires the Audit and Risk Committee to provide an annual report

to the Council on its work during the financial year.

The annual report of the Audit and Risk Committee is to be

included in the annual report of the Council.

Section 99(1)(ib) of the Act establishes an annual reporting obligation for the Chief Executive Officer on the Council's Internal

Audit processes.

This report presents both the Audit and Risk Committee annual report and the Chief Executive report on the Internal Audit processes to the Audit and Risk Committee for its consideration.

RECOMMENDATION

That the Audit and Risk Committee in accordance with its statutory functions:

- 1. Approves the Audit and Risk Committee annual report for the 2023/2024 financial year as set out in Attachment 1 to this report (Item No, 7.1.7, Audit and Risk Committee, 13 August 2024).
- 2. Notes the report from the Chief Executive Officer on the Council's Internal Audit process, in accordance with Section 99(1)(ib) of the *Local Government Act 1999* as set out in Attachment 2 to this report (Item No. 7.1.7, Audit and Risk Committee, 13 August 2024).

ATTACHMENTS

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

- Audit and Risk Committee Annual Report 2023/24
- 2. Chief Executive Report on Internal Audit Processes 2023/24

1. BACKGROUND

1.1 Pursuant to section 131 of the *Local Government Act 1999* (the Act), Council is required to publish its annual report. This City of Salisbury annual report must be prepared and adopted by Council 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 the Audit and Risk Committee's annual report pursuant to section 126(9) of the Act.
- 1.2 The Audit and Risk Committee is asked to consider the statements to be included in the City of Salisbury annual report relating to the operations of the Audit and Risk Committee.
- 1.3 Consistent with the LGA Financial Sustainability Information Paper no 3, the Audit and Risk Committee annual report includes items such as:
 - 1.3.1 Membership
 - 1.3.2 Meetings scheduled and attended
 - 1.3.3 Activities
 - 1.3.4 Progress against the workplan
- 1.4 The Audit and Risk Committee annual report *may* also include, where appropriate, the Committee's comments on:
 - 1.4.1 Any areas of accounting treatment that are open to discretion and in particular have material impact on reported financial performance or position of the council.
 - 1.4.2 The veracity of financial information included in publications for external audiences.
 - 1.4.3 The adequacy of asset values and depreciation methodology.
 - 1.4.4 The adequacy of strategies to minimise the likelihood of occurrence and adverse consequence for obvious and major internal and other risks.
 - 1.4.5 The adequacy of arrangements for employees to confidentially raise concerns of alleged malpractice in accordance with legislative provisions.
 - 1.4.6 The effectiveness of the internal audit function, where this exists (in particular, the adequacy of the internal audit function for managing the risks to which the council's operations are exposed).
 - 1.4.7 The arrangements in place for initiating and undertaking efficiency and economy audits.
 - 1.4.8 The conformity of the appointment arrangements of the external auditor with legislative provisions.
 - 1.4.9 Its monitoring of progress in response to its previous recommendations regarding areas requiring improvement (including matters raised by the Council's external auditor).
- 1.5 The draft City of Salisbury annual report is presented each year to the Audit and Risk Committee for review and recommendation to Council. To allow the Audit and Risk Committee to consider the sections relevant to its operations prior to inclusion in the draft City of Salisbury annual report, the draft Audit and Risk Committee annual report is presented for its consideration.

2. REPORT

AUDIT AND RISK COMMITTEE ANNUAL REPORT

- 2.1 The City of Salisbury's annual report includes Council's end of financial year statements and a summary of its operating activities over the previous financial year. Financial statements are anticipated to be presented to the Audit and Risk Committee for review at the October 2024 meeting.
- 2.2 The Audit and Risk Committee's draft Annual Report is provided as Attachment 1.
- 2.3 Upon the Audit and Risk Committee's consideration of the proposed text for its Annual Report, this will then be incorporated in the draft City of Salisbury annual report 2023/2024.

CHIEF EXECUTIVE REPORT ON INTERNAL AUDIT PROCESSES

- 2.4 Section 99 of the Act prescribes the functions of the Chief Executive Officer of the Council. This list of current functions has been expanded following Local Government Reform to include two new functions which relate to:
 - 2.4.1 the establishment and maintenance of effective policies, systems and procedures for the identification, assessment, monitoring, management and annual review of strategic, financial and operational risks; and
 - 2.4.2 the provision of an annual report to the relevant audit and risk committee in relation to the council's internal audit processes
- 2.5 There is no prescribed timeframe or format for this Internal Audit process report, however it was deemed appropriate to align the timing of presentation of such report to the Audit and Risk Committee with other annual reporting requirements relating to the financial year.

3. CONCLUSION

- 3.1 Section 126(8)(b) of the *Local Government Act 1999* (the Act) requires the Audit and Risk Committee to provide an annual report to the Council on its work during the financial year.
- 3.2 Section 99(1)(ib) of the Act establishes an annual reporting obligation for the Chief Executive Officer on the Council's Internal Audit processes.
- 3.3 This report presents both the Audit and Risk Committee annual report and the Chief Executive report on the Internal Audit processes to the Audit and Risk Committee for its consideration.

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AUDIT AND RISK COMMITTEE ANNUAL REPORT - 2023/2024

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.

The City of Salisbury 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 2023 - June 2024

Name	Elected Member Or Independent Member	Term and Period	Total Number of Meetings Attended
Cr Kylie Grenfell	Elected Member	As Chair (From February 2023)	4 out of 5
Cr Beau Brug	Elected Member (Deputy Chair)	As Deputy Chair	3 out of 5
Mr Craig Johnson	Independent Member	Up to November 2023	3 out of 3
Mr Neil Ediriweera	Independent Member	Appointed until 30 Nov 2025	5 out of 5
Ms Paula Davies	Independent Member	Appointed until 21. Dec 2024	5 out of 5
David Powell	Independent Member	Appointed Feb 2024 until Feb 2027	2 out of 2

(Meetings held on 11 July 2023 / 10 October 2023 / 14 November 2023 / 13 February 2024 / 09 April 2024)

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.

Internal audits

The City of Salisbury operates a risk-based Internal Audit Plan, where audits are conducted to provide assurance on risks identified. Internal audits are undertaken in line with the Institute of Internal Auditors International Standards for Professional Practice of Internal Auditing and their Code of Ethics, and relevant industry best practice standards. A summary of internal audit status at different stages of the internal audit activity life cycle is shown below:

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Schedule of Internal Audit Activity Cycle - July 2023 to June 2024

Audit Engagement	Report Date	Q1 (Jul- Sep 2023)	Q2 (Oct- Dec 2023)	Q3 (Jan- Mar 2024)	Q4 (Apr- Jun 2024)
Desktop Audit om Strategic Alignment of Investments in ERP Solutions Audit:	November 2023				
Strategic Reporting Process Audit	February 2024				
Rates Setting and Revenue Process	August 2024				
Tree Management	In progress				

	1. Planning
dit cle	2. Fieldwork
al Audit y Cycle	3. Management Reporting
Internal	4. Audit & Risk Committee Reporting
A P	5. Follow up on actions from completed Internal Audits
	6. Audit on hold

Actions outstanding from previous audits as at June 2024

Audit	Total # Actions	Actions Completed	% Complete	Actions In Progress	% In Progress	Status
Management of Contaminated Sites - Oct 2020	14	13	93%	1	7%	1 Extended (1 Better Practice, with 9 sub tasks)
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	91	4	44%	5	56%	(1 High Risk and 4* Medium Risk)
Strategic Reporting Process: - Feb 2024	8;	11.	13%	7	88%	(2 High Risk,, 4 Medium Risk, 1 Better Practice)
TOTAL	34	20	59%	14	41%	
						*two are pending Closure

The Audit and Risk Committee received internal audit reports for the Strategic Reporting Process Audit and Desktop Audit on Strategic Alignment of Investments in ERP Solutions Audit, The Rates Setting and Revenue Process audit was presented to the Audit and Risk Committee in August 2024, and will be included in the next annual report. The Tree Management Internal Audit was adjourned following Council's resolution to undertake an internal review of Council's tree removal process. The Tree Management Framework Internal Audit has recommenced in July 2024 and the final report is anticipated to be tabled at the Audit and Risk Committee meeting for November 2024.

Financial Internal Controls Framework

The City of Salisbury applies 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.

The City of Salisbury utilises a risk and control management application called ControlTrack, to monitor and review its internal financial controls. There are 263 controls within Control Track across 7 process categories: Assets, Expenses, External Services, Liabilities, Revenue, Strategic Financial Planning and Financial Governance.

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

All of the 263 controls in the Better Practice Model were assessed and reviewed in 2023/24. Six controls (2.28%) were assessed as being partially effective, and the other controls assessed are rated as either effective or majority effective. Treatment plans have been established to improve the rating for the six controls that are assessed as partially effective. Five controls were not assessed as they were no longer relevant key controls within the business.

External Audit

For the financial year ending 30 June 2023, BDO was engaged to perform an audit on the City of Salisbury (COS or the Council's) financial statements and internal controls, in accordance with the *Local Government Act 1999* ("the Act") and the *Local Government (Financial Management) Regulations* (2011) ("the Regulations").

BDO presented an Audit Completion Report, covering the Independent Auditor's Report, Auditor Independence Declaration, and the Independent Assurance Report on Internal Controls of the Council (Item: 7.1.1 Council, 23 October 2023)

BDO issued an unmodified audit opinion over the financial report of the Council for the period 1 July 2022 to 30 June 2023, and confirms that the Council has been audited in accordance with Australian Accounting Standards, the Act and the Regulations.

Risk Management

The Risk Management and Internal Controls Activities report was reviewed by the Audit and Risk Committee which captures the review of strategic risk register and other risk management and internal control activities.

Section 125A of the Local Government Act 1999, requires the CEO to consult with the Audit and Risk Committee 'before appointing a person to be primarily responsible for the internal audit function or assigning such responsibility to an employee of the council'. In April 2024, the Committee carried the motion to recommend the appointment of the new Audit and Risk Manager (Item: MWN1 Audit and Risk Committee 09 April 2024)

Audit & Risk Committee performance

Best practice suggests that the performance of the Audit and Risk Committee ("the Committee") should be reviewed on a regular basis. The process for a self-assessment was approved at the February 2024 Committee meeting. A self-assessment survey was subsequently issued to the five relevant members of the Committee. Completed survey results were presented to April committee meeting in a consolidated way.

The table below presents the activities reported to the Audit and Risk Committee

			Timing 2023 / 2024				
Act	tivity	Responsible officer	Q1 (Jul- Sept)	Q2 (Oct- Dec)	Q3 (Jan- Mar)	Q4 (Apr- Jun)	Comments
Au	dit & Risk Committee performance						
	Recommendations of the Audit and Risk Committee presented to the	Audit: and Risk Manager	~	4	~	~	
-	Development of annual work plan	Audit and Risk Manager	~	~	~		
=	Undertake self assessment:	Audit and Risk Manager				~	
-	Review of Terms of Reference (alternate years)	Audit and Risk Manager					Next review date Nov 2026
Fin	ancial Reporting						
	Review annual financial statements	Finance Manager		~			
20	Review asset valuations	Finance Manager		*			
=	Review methodology and approach to depreciation	Finance Manager		~			
-	Review significant accounting and reporting issues, changes to accounting standards and industry updates	Finance Manager		~			
Ma	nagement Plans & Business Plans						
-	Review of annual business; plan and budget:	Finance Manager				~	
-	Review of long-term financial plan (s.122(4)(a) on an annual basis)	Finance Manager				~	
-	Review of infrastructure and asset; management plan(s)	Finance Manager				~	
-	Review of strategic plan (s.122(4)(b) within 2 years after each general election)		N/A				

Activity		Responsible officer	Q1 (Jul- Sept)	Q2 (Oct- Dec)	Q3 (Jan- Mar)	Q4 (Apr- Jun)	Comments
Ris	k Management						
-	Review strategic risk register		~		~		All changes will be reported to committee
Int	ernal Audit						
=	Oversight of planning and scoping of internal audit plan	Audit: and Risk, Manager	~	~	*		
	Review (as presented) internal audit reports	Audit and Risk Manager	~	~	~		
-	Internal Audit — Action status report	Audit and Risk Manager	~	~	~		
-	Annual report of the Audit & Risk: Committee activities, for inclusion in the COS's annual report	Audit and Risk Manager	~				
Ext	ernal Audit						
-	Review interim audit report:	BDO / Audit and Risk Manager	~				
-	Review final external audit report	BDO / Audit and Risk Manager		~			
-	Review management representation letters	CEO		~			
-	Meet with External Auditor (in confidence)	Audit and Risk Manager		~			
Oti	her Reporting			(A)			
-	Cybersecurity report	Technology Manager	~	~	~	~	
-	CEO's consultation report to the Committee on appointment of a "person primarily responsible for the internal audit function".	CEO				~	
-1	Litigation update	Legal Services Advisor			~		

CHIEF EXECUTIVE REPORT ON INTERNAL AUDIT PROCESSES

1. ESTABLISHMENT OF AUDIT AND RISK COMMITTEE:

- 1.1 Pursuant to section 41 of the Local Government Act 1999 (the Act) the Council establishes a committee to be known as the Audit and Risk Committee ("the Committee")
- 1.2 The Committee is mandated under section 126 of the Act and operates within the functions and responsibilities of the Act and associated Regulations.
- PURPOSE OF PAPER: Section 99 of the Local Government Act 1999 (Local
 Government Act) prescribes the functions of the Chief Executive Officer (CEO) of the
 council which includes 'to report annually to the relevant Audit and Risk Committee on
 the council's internal audit processes."

3. REPORT:

- 3.1 The City of Salisbury operates a risk-based Internal Audit Plan, where audits are conducted to provide assurance on risks identified. Internal audits are undertaken in line with the Institute of Internal Auditors International Standards for Professional Practice of Internal Auditing and their Code of Ethics, and relevant industry best practice standards.
- 3.2 The City of Salisbury utilises a risk and control management application called ControlTrack, to monitor and review its internal financial controls. There are 263 controls within Control Track across 7 process categories: Assets, Expenses, External Services, Liabilities, Revenue, Strategic Financial Planning and Financial Governance.
- 3.3 The City of Salisbury applies 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.
- 3.4 The City of Salisbury's Annual Financial Statements for 2023 were prepared in accordance with the Local Government Act 1999, the Local Government (Financial Management) Regulations 2011, the Australian Accounting Standards and the South Australian Model Financial Statements 2023 and presented at the October 2023 Audit and Risk Committee.
- 3.5 Pursuant to Section 1.25A of the Act, the CEO of a council that has an internal audit function must, before appointing a person to be primarily responsible for the internal audit function, or assigning such responsibility to an employee of the council, consult with the relevant audit and risk committee on the appointment or assignment of responsibility. The new Audit and Risk Manager was appointed on the 17th April 2024 following such consultation (Item MWN1, Audit and Risk Committee 09 April 2024)

A summary of internal audit status at different stages including of the internal audit activity life cycle is shown below:

Schedule of Internal Audit Activity Cycle - July 2023 to June 2024

Audit Engagement	Report Date	Q1 Jul Se 20	- p	Q2 Oct- Dec 2023	Q3 Jan- Mar 2024	Q4 Apr- Jun 2024
Desktop Audit om Strategic Alignment of Investments in ERP Solutions Audit:	November 2023					
Strategic Reporting Process Audit	February 2024					
Rates Setting and Revenue Process	August; 2024					
Tree Management	In progress					

dit	1. Fieldwork
I Au	2. Management Reporting
erna	3. Audit & Risk Committee Reporting
Inte	4. Audit on hold

Actions outstanding from previous audits as at June 2024

Audit	Total # Actions	Actions Completed	% Complete	Actions In Progress	% In Progress	Status
Management of Contaminated Sites - Oct 2020	14	13	93%	1	7%	1 Extended (1 Better Practice, with 9 sub tasks)
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	4!	44%	5	56%	(1 High Risk and 4* Medium Risk)
Strategic Reporting Process - Feb 2024	8;	11.	13%	7	88%	(2 High Risk,, 4 Medium Risk, 1 Better Practice)
TOTAL.	34	20	59%	14	41%	
						*two are pending Closure

ITEM 7.2.1

AUDIT AND RISK COMMITTEE

DATE 13 August 2024

PREV REFS ESATS 0.0 13/11/2023

ESATS ESATS4 12/03/2024

HEADING Climate Change Risk Assessment

AUTHOR Lara Daddow, Coordinator Strategic Sustainability, City

Development

CITY PLAN LINKS 2.3 Our community, environment and infrastructure are adaptive to

a changing climate

SUMMARY A Climate Change Risk Assessment has been completed to assess

Council's corporate risk exposure to the physical, economic transition and liability risks associated with climate change. The findings of the climate change risk assessment demonstrate that many controls are in place to manage climate change risks, however further action is needed to reduce the risk exposure of the City of Salisbury within acceptable risk tolerance levels. Council approved development of a Climate Change Adaptation Action Plan to guide and prioritise risk controls and next steps drawing on

findings of the climate change risk assessment.

RECOMMENDATION

That the Audit and Risk Committee:

1. Notes the report.

ATTACHMENTS

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

Climate Change Risk Assessment Report January 2024

1. BACKGROUND

- 1.1 Climate risks are already impacting and will continue to impact all communities.
- 1.2 Councils are at the frontline in managing climate risks to their communities and to their assets, operations and services.
- 1.3 Councils have a duty of care to manage climate risks.
- 1.4 Council's strategic risk register lists climate change adaptation and environmental sustainability as a risk.
- 1.5 A Climate Change Adaptation Governance Assessment was completed in 2021. Embedding climate risk management in Council's formal risk management system was identified as an area for improvement.

- 1.6 The City of Salisbury Sustainability Strategy 2035 includes an action to undertake a climate change risk assessment to understand the corporate exposure to the physical, economic transition and liability risks associated with climate change.
- 1.7 Consultants were engaged in July 2023 to complete a climate change risk assessment project that has culminated in a report finalised in January 2024.
- 1.8 The climate change risk assessment approach was based on the Scan Cycle from the Climate Compass climate risk management framework (2018), a best practice approach endorsed by the Australian Government and consistent with the International Standard ISO 31000 for Risk Management (2018).
- 1.9 A CEO briefing on the climate change risk assessment process and initial findings was presented to Council on 6 November 2023.
- 1.10 The climate change risk assessment initial findings were reported to the Environmental Sustainability and Trees Sub Committee on 13 November 2023 and Council resolved at its meeting held on 27 November that it:

Notes the report.

Decision number 0525/2023

1.11 The climate change risk assessment report was provided to the Environmental Sustainability and Trees Sub Committee on 12 March 2024 and Council resolved at its meeting held on 25 March 2024 that it:

Notes the Climate Change Risk Assessment Report prepared by consultants in Attachment 1 (Item ESATS4 Environmental Sustainability and Trees Sub Committee 12 March 2024).

Approves the development of a Climate Change Adaptation Action Plan to guide and prioritise risk controls and next steps drawing on findings of the climate change risk assessment.

Approves a 2023/24 Third Quarter Nondiscretionary Budget Bid of \$50,000 to develop the Climate Change Adaptation Action Plan.

Decision number 0635/2024

1.12 The development of the Climate Change Adaptation Action Plan is underway and work to further integrate climate change risk into the Strategic and Operational Risk Registers and key strategic documents such as the Strategic Asset Management Plan 2024/25 and City Plan 2040 has commenced.

2. EXTERNAL CONSULTATION / COMMUNICATION

2.1 Consultant Climate Calvary July 2023 – January 2024

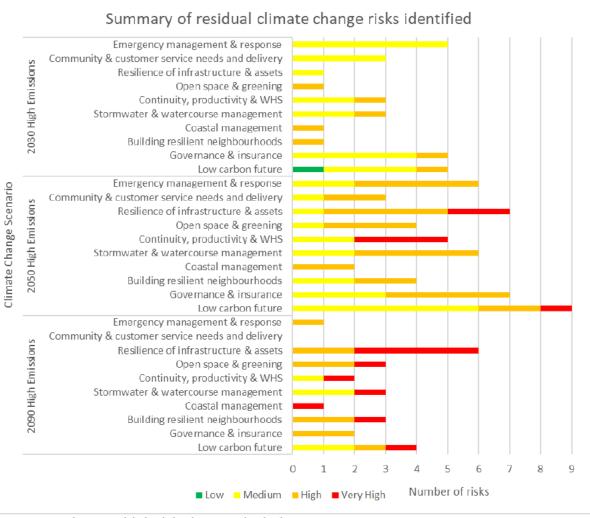
3. DISCUSSION

3.1 The climate change risk assessment provides a first pass assessment of the high level physical and transitional climate risks to Council assets, operations and services.

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- 3.2 To identify and assess climate risks it is necessary to envision future scenarios. For this assessment climate scenarios for 2030, 2050 and 2090 were defined based on data and guidance from the Guide to climate projections for risk assessment and planning in South Australia released by the Department for Environment and Water in late 2022.
- 3.3 Engagement to inform the climate change risk assessment included:
 - six workshops attended by 66 staff from across the organisation including community services, infrastructure, regulatory services, natural assets, buildings, property and corporate as well as follow up and targeted meetings with key staff
 - two Executive briefings
 - multiple Project Steering Committee meetings
 - a Senior Leadership workshop
 - a CEO briefing to Council on 6 November 2023
 - a report to the Environmental Sustainability and Trees Sub Committee on 13 November 2023.
- 3.4 Potential risks collated from the engagement process were consolidated and refined to form 53 risks across ten themes, with risk ratings determined for each risk against the two most relevant scenario timeframes (to create a total of 106 risk ratings).
- 3.5 The risk ratings are residual they assume current controls are in place, with no further treatments applied. Risk ratings escalate in severity from 2030 through to 2090, influenced by greater and less certain climate impacts in 2090, and by the lack of viable market ready solutions to address some risks (for example, non-diesel heavy fleet alternatives for reaching net zero by 2050). The number of risks in 2090 is lower because many of the risks identified have shorter decision lifetimes.
- 3.6 Decisions made today must account for how long their effects will apply, which is why many risks for 2050 and 2090 need to be managed in the short term. Councils design assets and services for projected, not current, populations. Likewise, Councils need to design assets and services for the projected, not current, climate.
- 3.7 The treated risk ratings were not included in the report as they rely on a very early list of potential controls that have not been fully scoped, costed or approved. However, if proposed treatments were successfully applied, there is potential to significantly reduce risk ratings.
- 3.8 The figure below lists the ten risk themes and illustrates the spread of the 106 risk ratings across the three scenarios, including:
 - 3.8.1 For 2030 the climate change risk assessment identified one 'low' risk, 20 'medium' risks and 7 'high' risks.
 - 3.8.2 For 2050, there were 20 'medium' risks, 27 'high' risks and 6 'very high' risks.
 - 3.8.3 For 2090, there were 5 'medium' risks, 10 'high' risks and 10 'very high' risks.

3.9 There were no 'very high' risks identified for 2030, however the 'medium' and 'high' risks identified for 2030 were predominately to staff and community. This highlights the significant importance of supporting staff and community wellbeing and resilience.



- 3.10 The very high risks in 2050 include:
 - 3.10.1 The risk that long-lived assets are impaired, need replacement sooner, and/or require more maintenance, due to increased exposure to extreme weather (storms and heat) and progressive increases in temperatures.
 - 3.10.2 In particular, roads may require earlier intervention to maintain service levels due to increased heat and expansive soils impacted by the drying trend.
 - 3.10.3 Overall base operating costs may increase (related to infrastructure, depreciation, energy etc) due to climate-related events and changes in policy impacting costs of maintaining service levels.
 - 3.10.4 Supply chain limitations and impacts on core services/supplies as the transition to low carbon materials and services, policy changes, extreme weather events delaying or cutting off supply chains, could increase material shortages and delay projects.

- 3.11 The 'very high' risks for 2050 are also 'very high' for 2090. Additional 'very high' risks for 2090 include:
 - 3.11.1 The potential reduced use and change in needs for outdoor sport and recreation facilities due to increasing daytime temperatures and extreme heat that prevents safe play outdoors during summer, particularly for artificial turf/surfaces.
 - 3.11.2 Increased energy demands and cost for cooling council buildings due to higher average temperatures and heatwaves especially if they are open for longer and have more people using them to keep cool.
 - 3.11.3 Reduced street tree health and potential die back due to increased heat and reduced rainfall which increases vulnerability to pests and diseases, and more extreme weather that could increase maintenance and replacement requirements for street trees.
 - 3.11.4 The risk that staff are unable to complete core work due to reduced productive time with implementation of stand down due to extreme heat procedures and/or staff assisting with a higher number of emergency events.
 - 3.11.5 Increased exposure of workers to climate hazards impacting work health and safety particularly for outdoor workers.
 - 3.11.6 Reduced ability to capture rainwater to meet current and future demand for Salisbury Water supply due to projected changes in rainfall (less rain overall but more intense downpours), along with potentially increased watering needs (eg. longer dry periods, more demand for greening).
 - 3.11.7 Risk of coastal inundation impacting development and infrastructure due to a lack of adequate planning for and adaptation to sea level rise, in collaboration with stakeholders at a local and regional scale.
 - 3.11.8 Insufficient consideration of climate change impacts and risks in growth area planning, development and infrastructure including Dry Creek, North-Western growth areas and Salisbury City Centre which compromises the long-term resilience of growth areas, including housing, businesses and Council infrastructure.
 - 3.11.9 Assets that have high carbon emissions, are not climate resilient, and have high ongoing cost liabilities for Council due to lack of accounting for climate change in project lifecycle costs. For example, inclusion of climate resilient design and materials to maintain design life of an asset will need to be considered, compared with BAU design or material choices which may require additional maintenance or asset replacement sooner due to changed climatic conditions. Or including more energy efficiency measures may have higher design and build costs, but lower lifespan costs due to lower energy demands.
- 3.12 The findings of the climate change risk assessment demonstrate that many controls are in place to manage climate change risks, but further action is needed to reduce the risk exposure of the City of Salisbury within acceptable risk tolerance levels progressively in future years.

- 3.13 The climate change risk assessment report identified the following next steps which are being addressed as part of the work underway:
 - 3.13.1 Continuing to build the case for investment in adaptation and long-term resilience such as by improving internal tools and processes to demonstrate the financial benefits of long-term investments.
 - 3.13.2 Expanding on the climate change risk assessment by developing a climate adaptation action plan to guide investment in risk controls.
 - 3.13.3 Exploring opportunities to embed climate risk management in business as usual, such as embedding the climate risk register in the City of Salisbury risk framework.
 - 3.13.4 Continuing and expanding climate change capacity building and behaviour change including by establishing an internal climate risk community of practice and seeking knowledge and sharing with other Councils (such as through the trial Regional Climate Partnership for Northern Adelaide).
- 3.14 The findings of the climate change risk assessment are informing the ongoing review and update of the Strategic Risk Register and are being used as part of the project to create/review/update the Operational Risk Registers including workshops with each division which will be reported to the Audit and Risk Committee in November 2024.
- 3.15 The Strategic Asset Management Plan 2024/25 has recently been endorsed and acknowledges the climate change risk assessment. The SAMP acknowledges that climate adaptation actions for specific asset types will be developed as part of the development of an organisation wide Climate Change Adaptation Action Plan in 2024/25.
- 3.16 The draft City Plan 2040 includes strategies and actions that address a range of climate change risks including:
 - Strategically address cooling and greening across our city.
 - Enhance eco-tourism opportunities at St Kilda, including the protecting of the mangroves and coastal environment.
 - Prepare and implement an emissions reduction plan for our operations.
 - Include new climate adaption and mitigation strategies in our asset management.
 - Improve our resilience to climate change.
- 3.17 The development of the Climate Change Adaptation Action Plan has commenced and includes:
 - a consultancy to undertake a technical analysis using spatial data to identify vulnerabilities, refine risk ratings and target adaptation measures more effectively for assets and infrastructure.
 - internal assessment of the current controls to determine effectiveness, identify gaps, review proposed new controls and identify actions to address improvements as needed.
 - internal engagement to inform assessment of current and proposed controls and identification of gaps.

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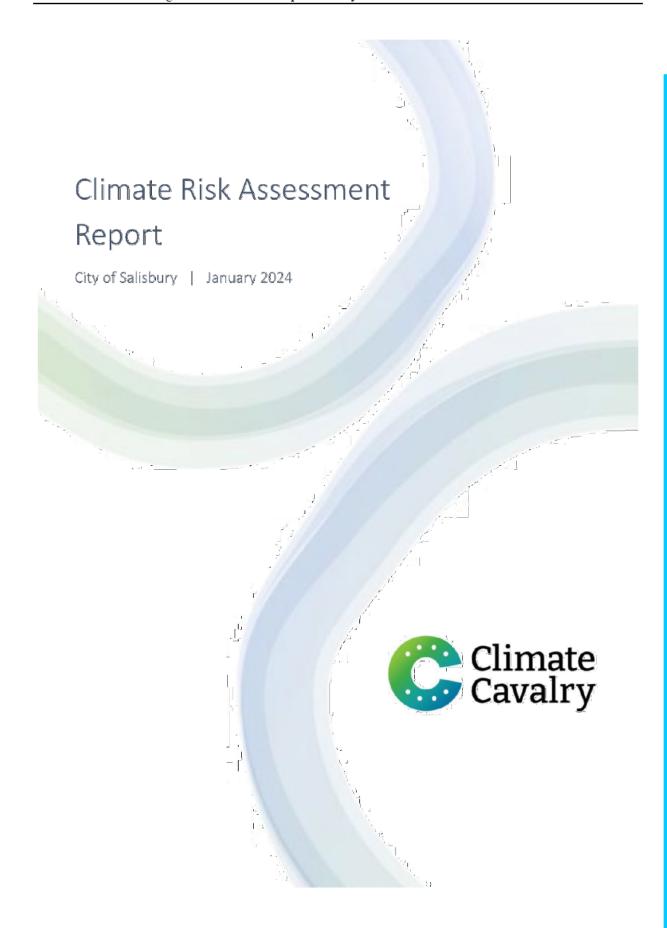
 drafting of an action plan including actions with estimated budgets, allocated responsibility and indicative timing for consideration by Council.

4. FINANCIAL OVERVIEW

- 4.1 The climate change risk assessment project was completed within the approved budget of \$40,000 as part of the Strategic Urban Planning budget for 2023/24.
- 4.2 A budget of \$50,000 is allocated to prepare a Climate Change Adaptation Action Plan to be completed in 2024/25.

5. CONCLUSION

5.1 The development of the Climate Change Adaptation Action Plan is underway and work to further integrate climate change risk into the Strategic and Operational Risk Registers and key strategic documents such as the Strategic Asset Management Plan 2024/25 and City Plan 2040 has commenced.



Version	Date	Author	Review	Rationale
0.1	30 August 2023	Kat Ryan & Jen St Jack	For Project Steering Group	Preview draft
0.2	9 October 2023	Kat Ryan & Jen St Jack	Lara Daddow	Draft
0.3	8 December 2023	Kat Ryan & Jen St Jack	Lara Daddow	Second Draft
0.4	25 January 2024	Kat Ryan & Jen St Jack	Lara Daddow	Final

Prepared by



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Executive summary

Climate risks are already impacting and will continue to impact all communities, and Councils are at the frontline in managing climate risks to their communities and to their assets, operations and services. Councils have a duty of care to manage climate risks.

The City of Salisbury has undertaken a first pass assessment of the high level physical and transitional climate risks (refer to Figure 1 for definitions) to Council assets, operations and services. Effectively managing short and long-term climate risks will help the Council ensure financial sustainability, minimise service disruptions, and improve community resilience. This is particularly true for longer lived assets, where investing more upfront to consider future climate conditions can safeguard assets long-term, and lower whole of lifecycle costs.



Figure 1: The four types of climate risk assessed in this project. Source: Adapted from TCFD (2017) and APRA (2021)

This report presents the findings of the climate risk assessment, alongside the project method and potential next steps.

This project built on the Climate Governance Risk Assessment conducted by the City of Salisbury in 2021, and aligns with the strategic commitments in the City Plan 2035 and Sustainability Strategy 2035, and with the principles of the Enterprise Risk Management Policy and Framework.

Project Method

The project methodology is detailed in the 'Climate change scenarios' and 'Risk assessment framework' sections of the report and included the following:

- Preparation of a tailored climate risk assessment framework which was applied to identify and
 prioritise climate risks including definition of four climate change scenarios (Figure 2), a risk matrix
 and risk register
- Engagement of Council Members, Executive, Managers and staff to inform the risk assessment, foster a collective understanding of climate change risks, and build capability in how to manage them
- Refinement and assessment of high level physical and transitional climate risks, including identification of existing risk controls and potential new strategies to control escalating future risk.

2030	2050	2090	2090
High Emissions	High Emissions	High Emissions	Medium Emissions

Figure 2: The four climate change scenarios applied in this project

Findings

Fifty-three high level risks were identified across ten themes, and risk ratings were determined for each risk against the two most relevant scenarios for the decision lifetime (refer to the definition of decision lifetime below). For example, coastal management risks on sea level rise were assessed for 2050 (medium term) and 2090 (long term), but not 2030 (current to short term). The 2030 scenario is considered current to short term, as '2030' represents the average projected change over the period 2020 to 2039, and some 2030 climate projections are already being observed now.

Decision Lifetimes - why 2030, 2050 and 2090?

Decisions made today must account for how long their effects will be felt – their 'decision lifetime'. Council manages a broad range of services and assets with very different decision lifetimes. For example, a stormwater system being designed today needs to withstand long-term climate conditions (2090), road surfaces need to consider medium-term climate conditions (2050), while a light vehicle purchase or new garden bed design need only consider short term conditions (2030). Climate projections for 2030, 2050 and 2090 were published by the South Australian Government in 2022, and are the best publicly available information on the City of Salisbury's future climate.

The ten themes combine risks by operation or asset type, noting that no risks are truly independent (for example, resilience of open space is strongly linked to water management, insurance risks are inherent to how well assets are adapted etc.). In addition, many risks are not the sole responsibility of Council, and require collaboration with other stakeholders (for example, building resilient neighbourhoods requires collaboration with state government).

Figure 3 lists the ten themes and illustrates the spread of the 106 risk ratings (53 risks each rated against two scenarios) across the three scenarios, including:

- For 2030 the climate change risk assessment identified one 'low' risk, 20 'medium' risks and 7 'high'
- For 2050, there were 20 'medium' risks, 27 'high' risks and 6 'very high' risks.
- For 2090, there were 5 'medium' risks, 10 'high' risks and 10 'very high' risks.

There were no 'very high' risks identified for 2030, however the 'medium' and 'high' risks identified for 2030 were predominately to staff and community. This highlights the significant importance of supporting staff and community wellbeing and resilience.

The risk ratings are residual – they assume current controls are in place, with no further treatments applied. Risk ratings escalate in severity from 2030 through to 2090, influenced by greater and less certain climate impacts in 2090, and by the lack of viable, market ready solutions to address some risks (for example, non-diesel heavy fleet alternatives for reaching net zero by 2050). The total number of risks in 2090 is lower because many of the risks identified have shorter decision lifetimes.

The treated risk ratings have not been a focus of this report as they rely on a very early list of potential treatments that are summarised in the 'Risk assessment results' section, but have not been fully scoped, costed or approved. However, if proposed treatments were successfully applied, there is potential to significantly reduce risk ratings.

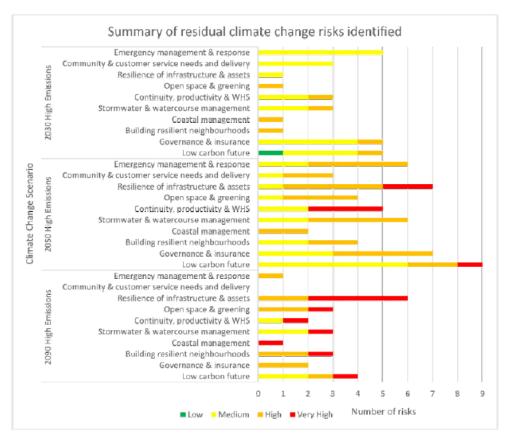


Figure 3: Summary of residual climate change risks identified.

A complete list of risks is provided in the 'Risk assessment results' section. The 'very high' risks are described in bold, with examples in italics, under the relevant themes in Table 1 below.

Table 1: Summary of risks assessed to become very high during timeframes considered.

Theme, risk and description			Scenario^		
Infrastructure and assets 26		2050	2090		
Reduced use and change in needs for outdoor sport & recreation facilities. Increasing daytime temperatures and extreme heat could frequently prevent safe play outdoors during summer, particularly for artificial turf/surfaces, impacting organised sports and community wellbeing.		н	VH		
r -		VH	VH		
Roads require earlier intervention to maintain service level due to increased heat and expansive soils impacted by the drying trend. An increase in hot conditions		VH	VН		
	Infrastructure and assets Reduced use and change in needs for outdoor sport & recreation facilities. Increasing daytime temperatures and extreme heat could frequently prevent safe play outdoors during summer, particularly for artificial turf/surfaces, impacting organised sports and community wellbeing. Longer lived assets are impaired, need replacement sooner, and/or require more maintenance. Increasing exposure to extreme weather (storms and heat) and progressive increases in temperatures could accelerate wear on infrastructure like buildings and bridges, increasing risks of failures, and requiring more budget to	Reduced use and change in needs for outdoor sport & recreation facilities. Increasing daytime temperatures and extreme heat could frequently prevent safe play outdoors during summer, particularly for artificial turf/surfaces, impacting organised sports and community wellbeing. Longer lived assets are impaired, need replacement sooner, and/or require more maintenance. Increasing exposure to extreme weather (storms and heat) and progressive increases in temperatures could accelerate wear on infrastructure like buildings and bridges, increasing risks of failures, and requiring more budget to repair and/or replace.	Reduced use and change in needs for outdoor sport & recreation facilities. Increasing daytime temperatures and extreme heat could frequently prevent safe play outdoors during summer, particularly for artificial turf/surfaces, impacting organised sports and community wellbeing. Longer lived assets are impaired, need replacement sooner, and/or require more maintenance. Increasing exposure to extreme weather (storms and heat) and progressive increases in temperatures could accelerate wear on infrastructure like buildings and bridges, increasing risks of failures, and requiring more budget to repair and/or replace.		

#	Theme, risk and description	Scenario^		
	speeds up oxidation of the road surface, and drying trends diminish the structural integrity of roads, making road condition deteriorate faster and require earlier intervention to maintain. As Council's extensive road network has been depreciated for replacement based on current climate conditions, there could be inadequate budget for repair and replacement in the future.			
16	Increased energy demands for cooling. During heatwaves, community centres, libraries and other buildings could face higher electricity needs and costs, especially if they open for longer and have more people using them to keep cool.		н	VH
	Open space and greening	2030	2050	2090
18	Reduced street tree health and potential die back. Increased heat, reduced rainfall, increased vulnerability to pests and diseases, and more extreme weather could increase maintenance and replacement requirements for street trees.		н	VH
	Continuity, productivity and work health and safety	2030	2050	2090
21	Increased base operating costs (infrastructure, depreciation, energy etc). Intensified climate-related events and changes in policy (eg. low carbon transition) could increase costs of maintaining business as usual service levels across many sectors of Council.			
22	Inability to complete core work due to reduced productive time. Staff could have 2 less available time to complete tasks due to being stood down on extreme heat policy and/or assisting with a higher number of emergency events			
23	Increased exposure of workers to climate hazards. There could be increased work health and safety implications of more frequent and intense heat, dust storms, floods, bushfire smoke etc. which need to be effectively managed, especially for outdoor workers.	М	VH	
	Stormwater, water supply and watercourse	2030	2050	2090
27	Reduced ability to capture rainwater to meet current and future demand for Salisbury Water supply. Current capacity may not be adequate to handle projected changes in rainfall (less rain overall but more intense downpours), along with potentially increased watering needs (eg. longer dry periods, more demand for greening).		н	VH
#	Theme, risk and description	Scenario^		
	Coastal management	2030	2050	2090
32	Coastal inundation impacting development and infrastructure due to a lack of adequate planning for and adaptation to sea level rise, in collaboration with stakeholders at a local and regional scale. Without coordinated efforts between Council, state government, developers and landowners, homes and infrastructure (eg. roads, community facilities) could be exposed to more extensive and frequent coastal flooding.		н	VH
	Building resilient neighbourhoods	2030	2050	2090
35	Climate change not sufficiently addressed in growth area planning, development and infrastructure including Dry Creek, North-Western growth areas and Salisbury City Centre. Failure to avoid hazard-prone areas and/or adequately adapt to those hazards (eg. passive cooling and energy efficiency, space for trees and shading, water management, resilience to flood, fire and storms) will compromise the long-		н	VH

#	Theme, risk and description	Scenario^		
	term resilience of growth areas, including housing, businesses and Council infrastructure.			
	Low carbon future	2030	2050	2090
45	Building and infrastructure project development process does not reflect climate change in lifecycle costs, resulting in assets that have high carbon emissions, are not climate resilient, and have high ongoing cost liabilities for council. Including more energy efficiency measures and recycled content may have higher design and build costs, but lower lifespan costs due to lower energy demands and less carbon offset requirements.		н	VH
50	Supply chain limitations and impacts on core services/supplies. The transition to low carbon materials and services, policy changes (eg. single use plastic bans), and extreme weather events delaying or cutting off supply chains, could increase material shortages and delay projects.	н	VH	

[^] Each risk was assessed against the two climate scenarios closest to their decision timeframe. All are likely to still be risks in 2090 but should be re-assessed in the future

Next steps

The City of Salisbury could consider the following next steps to address findings of this project and inform decision making processes (see 'Next steps' section for more detail):

- 1. Funding Build the case for investment in adaptation and long-term resilience
- 2. Planning Develop a climate adaptation action plan to guide investment in risk controls
- 3. Governance Explore opportunities to embed climate risk management in business as usual
- 4. Capacity building Continue and expand capacity building and behaviour change.

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Context

Climate risks for Councils

Climate risks are already impacting and will continue to impact all communities, and Councils are at the frontline in managing climate risks to their communities and to their assets, operations and services ¹.

Councils have a duty of care to manage climate risks. A number of legal opinions since 2016, including the 'Hutley Opinions' and Raising the Bar³, have counselled that climate risks are material, foreseeable and immediate, and that governments must manage them or face an exponentially rising risk of litigation.

In South Australia, this duty of care is embedded as a statutory responsibility in section 7(d) of the *Local Government Act 1999*, which states that the functions of a council include 'to take measures to protect its area from natural and other hazards and to mitigate the effects of such hazards'.

It is a Local Government Association of South Australia (LGASA) policy4 that:

"Climate risk and vulnerability assessments are vital in identifying climate impacts and determining appropriate actions. Councils shall ensure assessments are conducted with full consideration of available relevant information as part of all council strategic and operational planning processes across all functions and services." ... "Local government understands that decisions made by councils must take account of all currently available climate data."

Globally, organisations of all kinds are increasingly being encouraged or compelled to understand, manage and disclose climate risks, aligned with the Taskforce on Climate-related Financial Disclosures (TCFD)⁵. In Australia (and most other countries), reporting against new global International Sustainability Standards Board (ISSB) Standards⁶ for climate and sustainability disclosures is now mandatory for public companies (eg. ASX listed companies, financial institutions). Companies (such as financiers and insurers) may start requiring customers (including Councils) to disclose climate risks, and risk management processes, in order to access their services (to support their own reporting obligations). This is the case for the Local Government Association Mutual Liability Scheme, which considers climate risks and requests copies of Councils' climate risk management and planning documents.

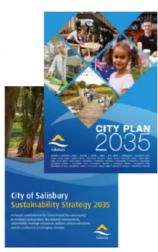
Internal strategic alignment

The City of Salisbury has been proactive in managing climate risks for some time, and this project aligns with existing strategic commitments.

Climate change is already one of the leading risks identified on Council's Strategic Risk Register.

This Climate Risk Assessment contributes to commitments made in the City Plan 2035 to 'manage and plan assets so they are resilient to a changing climate' and to 'manage the impacts of increased heat, flooding, intense storms and bushfires.'

This project also delivers an action in the Sustainability Strategy 2035 under Theme 3 (Climate Resilient Salisbury), to undertake a climate change risk assessment to understand the corporate exposure to the physical, economic transition and liability risks associated with climate change.



Climate Change Adaptation Governance Assessment

In 2021, Council took part in a Climate Change Adaptation Governance Assessment using the Informed.City⁷ approach. At the time, the City of Salisbury was ranked in the top 10 of 341 assessed Australian local governments.

Embedding climate risk management in Council's formal risk management system was identified as an area for improvement, as illustrated in the quantitative scores for adaptation governance in Figure 4 below. The 'zero' score was assigned because no information was available to assess the category – the report recommended that Council make relevant documents publicly available to support transparency.

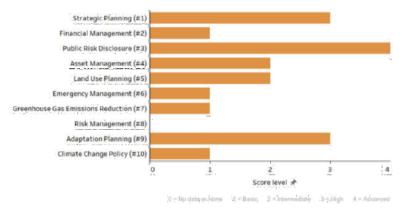


Figure 4: The City of Salisbury's quantitative scores for climate change adaptation governance. Source: Climate Planning and Edge Environment (2021)

From its qualitative analysis of Council's adaptation governance, the report made a number of additional recommendations relevant to this project, as listed below.

Indicator 11: Climate Risk Assessments

- 11.1 Undertake a detailed climate change risk assessment that explores (and quantifies) transition and physical risk.
- 11.2 Identify the process by which climate risk assessment results can feed into the Strategic Risk Register.

Indicator 12: Climate Legal Risk

12.2 Ensure that legal risks associated with climate change are included in the risk register, until well managed.

Indicator 13: Staff Capacity and Resource Allocation

13.2 Develop a capacity-building program to continue to raise staff awareness about climate change impacts and how they can be managed within different Council functions. This should be an ongoing program similar to how workplace health and safety training is conducted across the organisation.

Salisbury - the place and its people

The City of Salisbury is a vibrant, diverse and growing community. Situated 25 kilometres north of Adelaide, the City covers an area of 158 square kilometres and is home to a population of 148,0038. Land at Dry Creek (over former saltpans) has been identified for future rezoning by the State Government to deliver a further 10,000 dwellings9. The City's Gross Regional Product is estimated at \$8.65 billion, which represents 6.95% of the Gross State Product10.

The City of Salisbury is a Refugee Welcome Zone, a Welcoming City and an Intercultural City, and over 60% of refugees entering South Australia settle in the Salisbury area ¹¹. Over 34% of Salisbury's residents were born overseas, and 32.5% speak a language other than English at home. 2.4% of the population are Aboriginal or Torres Strait Islander (above the Greater Adelaide average of 1.7%). The City is the second most socio-economically disadvantaged area in Greater Adelaide (second to Playford), with significant variance in relative advantage and disadvantage across the City ¹².

The region currently has a classic Mediterranean climate, characterised by cool wet winters and warm to hot, dry summers. In the west, 14 kilometres of coastline on Gulf St Vincent is largely vegetated with mangroves and saltmarsh, backed by salt pans. A large portion of coastal land is owned and managed by parties external to Council. In the east is the Para Escarpment and the Mt Lofty Ranges foothills. Between the hills and coast, the landscape is largely low and flat, with major watercourses including the Little Para River and Dry Creek, and the City's well-known network of artificial wetlands.

The city has diverse industries and skills, led by manufacturing, technology and future industries. Key activity centres and assets include:

- Two airports (Parafield and the Edinburgh RAAF base)
- UniSA Mawson Lakes Campus
- Manufacturing, wholesaling, food production, transport and warehousing hubs (eg. Cavan, Pooraka, Greenfields and Salisbury South in the south, and Edinburgh and Burton in the north)
- Big box retail along Main North Road
- Bolivar Wastewater Treatment Plant
- St Kilda Adventure Playground, boat ramp (northern-most open water access within Metropolitan Adelaide) and mangrove trail
- Salisbury City centre, focused on the Salisbury Community Hub.

Climate change scenarios

To identify and assess climate risks, it is necessary to envision future scenarios based on:

- The timescales relevant to the decisions being made (decision lifetimes)
- The best available climate change information for the location at those timescales, using the
 greatest plausible change emissions pathway scenarios
- · An understanding of the potential impacts arising from those changes.

For this project, four future scenarios were defined, as listed below. For each risk identified, only the relevant two scenarios were assessed.

-	2030	2050	2090	2090
	High Emissions	High Emissions	High Emissions	Medium Emissions

To help Council staff envision the scenarios effectively enough to imagine and plan for the risks, potential impacts across Council business were identified, and animated verbally using localised stories. This narrative approach explored expected impacts in a more relatable way, going beyond facts and numbers.

The medium emissions scenario for 2090 was removed from the analysis following the risk assessment workshops, as only 2 of the 116 raw risks had been assessed using this scenario. The capacity building and concept to apply this scenario is still available to staff undertaking more detailed risk assessments.

Decision lifetimes

Decisions made today must account for how long their effects will be felt - their 'decision lifetime'13.

Council manages a broad range of services and assets with very different decision lifetimes, as indicated in Figure 5. Climate planning is like planning for future population growth. Councils design assets and services for projected, not current, populations. Likewise, Councils need to design assets and services for the projected, not current, climate.

Climate projections for 2030, 2050 and 2090¹⁴ were published by the South Australian Government in 2022. These three scenarios were used to represent short, medium and long-term decision lifetimes in this project. Risks were assessed against the two climate scenarios closest to the decision timeframe.

For example, a stormwater system being designed today needs to withstand long-term climate conditions (2090), road surfaces need to consider medium-term climate conditions (2050), while a light vehicle purchase or new garden bed design need only consider short term conditions (2030).

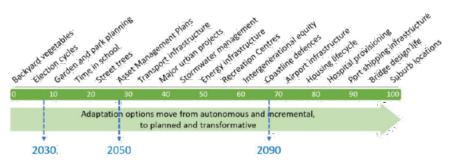


Figure 5: Timeline illustrating the lifetimes of different decisions, with this project's scenario timescales superimposed.

Adapted from: Smith MS, Horrocks L, Harvey A and Hamilton C (2011) Rethinking adaptation for a 4C world. Philosophical Transactions of the Royal Society A. 369:196-216

Greatest plausible change – preparing for high emissions scenarios

Managing risk is managing uncertainty, and uncertainty increases under longer decision lifetimes. Preparing for high emissions scenarios ensures that all plausible risks are considered, and helps to mitigate the fact that people often underestimate the amount of change that may happen ¹⁵.

The CSIRO 16 and the Department of Environment and Water (DEW) 17 recommend assessing risk based on the climate conditions projected under the highest emissions scenario (RCP8.5 18) up to 2050.

Using the high emissions scenario (RCP8.5) to assess climate risks for decisions with a lifetime up to 2050 is recommended by DEW because:

- There are relatively minor differences between emissions trajectories and the resulting projected temperature changes, and
- Observed temperature changes in Australia have been tracking towards the upper end of projected ranges in model simulations.

Over longer timescales (beyond 2050), uncertainty on both emissions trajectories and climate projections diverge more significantly, as illustrated in Figure 6. It may therefore be wise to consider both greatest plausible change and mid-range emissions scenarios for 2090, to enable a balanced assessment of the likely costs of impacts against the likely costs of risk mitigation.

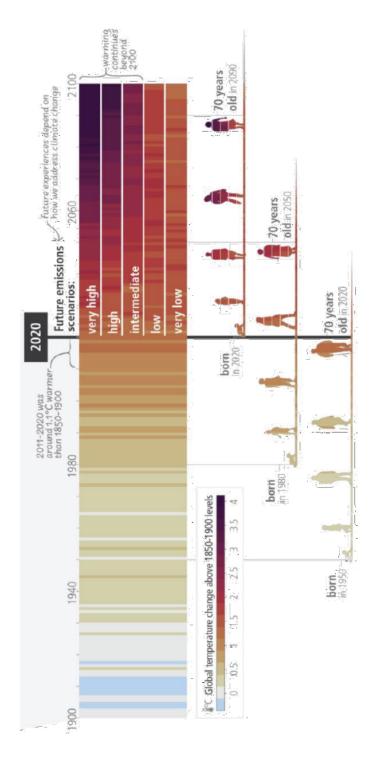


Figure 6: Observed (1900–2020) and projected (2021–2100) changes in global surface remperature (relative to 1850–1900), which are linked to changes in climate conditions and impacts, illustrate how the climate has already changed and will change along the lifespan of three representative generations (born in 1950, 1980 and 2020) Source: IPCC ARS Synthesis Report: Climate Change 2023, accessible at: https://www.ipcc.ch/report/or6/synt/

Climate scenarios data

The project used the nationally recognised climate change projections for the Green Adelaide Landscape Board region, from the *Guide to Climate Projections for Risk Assessment and Planning in South Australia* (Department for Environment and Water, 2022)¹⁹.

Below is a summary of the expected changes to climate conditions under the four scenarios. This is the best publicly available information on the City of Salisbury's future climate. It is at the appropriate scale for a high-level, Council-wide assessment.

Table 2: Summary of climate scenarios data for the City of Salisbury

		BASELINE	SCENARIO~			
		Rain: 1981–2010 Temp: 1986-2005 Sea: 1986–2005	2030 HIGH	2050 HIGH	2090 HIGH	2090 MEDIUM
•	Mean projected change in annual rainfall*	530 mm	-1%	-3%	-29%	-7%
151	Extreme rainfall events (mean days per year above 99.9th percentile)*	0.38	0.60 (+58%)	0.59 (+55%)	0.84 (+121%)	0.71 (+87%)
*	Mean daily minimum temperatures*	12.2°C	+ 1.0°C	+ 1.5°C	+ 3.0°C	+ 1.7°C
	Mean daily maximum temperatures*	21.8°C	+ 1.1°C	+ 1.6°C	+3.7°C	+ 2.0°C
*	Number hot days over 35°C*	13.1	+6.5	+9.3	+23.4	+10.2
4	Fire weather danger (number severe fire danger days)^	4.2	4.7 (+12%)) +	6.9 (+64%)	5. 3 (+26%)
<u></u>	Sea level rise increase#	-	13cm	25cm	61cm	46cm

Data Sources & Confidence

Department for Environment and Water (2022). Guide to Climate Projections for Risk Assessment and Planning in South Australia 2022 ": 'High' refers to RCP8.5, and 'Medium' to RCP4.5

The City of Salisbury is also involved in climate projection research with Forty2 Science. When the research outputs become available, they may be suitable for assessing localised climate risks, for example to specific assets or projects.

^{*:} Table 4-1 Projected change in climate variables for Adelaide RCP4.5 and Table 4-2 Projected change in climate variables for Adelaide RCP8.5. Very high confidence in temperature projections, high confidence in rainfall projections.

[^] Table 10-1 Climate Change in Australia cluster projection statements for fire weather and Table 10-2 Number of severe fire danger days (FFDI > 50). High confidence in frequency, low confidence in magnitude.

[#] Table 11-1 Climate Change in Australia cluster projection statements for sea level rise. And Table 11-2 Projected change in sea level rise relative to 1986–2005 (m) (Port Adelaide). Very high confidence.

Risk assessment framework

The risk assessment is a high-level, first pass scan for the priority physical and transitional risks across Council business. The project used dual guiding principles: to be practical, and to build staff capability.

The risk assessment framework and engagement plan were developed in consultation with and endorsed by both the Project Steering Committee and Executive team.

Information on project design is provided in this section, including key variations from a conventional risk assessment and endeavours made to integrate the project with the existing Salisbury Risk Framework.

Scan Cycle

The risk assessment approach for this project was based on the Scan Cycle from the Climate Compass²⁰ climate risk management framework (CSIRO, 2018), a best practice approach endorsed by the Australian Government and consistent with the International Standard ISO 31000 for Risk Management (2018)²¹.

Scan Cycle is also referred to as a high-level, strategic or 'first pass' assessment. See Figure 7 for an overview of the approach.

Using the Scan Cycle approach, the project was able to scan for the highest priority risks across all categories of Council assets, operations, and services, while providing opportunities to build capability across the business and identify areas that require further detailed work.



Figure 7: Overview of the Scan Cycle approach to climate risk management outlined in Climate Compass, CSIRO 2018

Method

The aim of the project method was to engage with the organisation and enable learning by doing – providing a shared framework and tools, a shared language, and shared experience for Council staff to pick up and apply in business as usual. Together, City of Salisbury staff identified and assessed climate risks relevant to their work, captured the effective adaptation actions already in place, and identified potential strategies to escalate adaptation into the future. Climate Cavalry provided supporting knowledge and tools, and facilitated the process.

The risk assessment was undertaken collectively by Council staff through a four-part process:

- Collect facilitated workshops and interviews with 71 staff to build capacity and gather data
- Clarify looped back to clarify and fill gaps, and sought feedback from management
- Consolidate grouped aligned and duplicate risks, and categorised them into ten themes
- Calibrate ensured consistency in how risks were expressed and assessed.

Internal communication was delivered by the project manager throughout the process, guided by an Engagement Plan with consistent key messages.

Collect

The initial 'Collect' phase was completed across six 2-hour, in-person workshops in the first week of August 2023, with 66 staff from across the organisation participating. A wide range of strategic and onground perspectives were included. Each workshop followed the same format, with staff split by business category, reflecting that many risks are shared across asset and service classes:

- Outreach Services Library, volunteers, seniors' programs, homelessness, customer service
 centre, recreational services, environmental education, community centre services, events,
 youth programs, Indigenous communities, community transport services, aged care
- · Infrastructure Roads, stormwater, operations, transport, waste, footpaths, lighting, signage
- Compliance Services Regulatory services, parking inspectors, planning & building, environmental health, fire & weed compliance
- Natural Assets Coast, street trees, emergency management, operations, playgrounds, wetlands, parks & reserves
- Buildings & Property Energy, fleet, swimming pool, recreation centres, buildings, cemeteries, sports clubs, strategic property development
- Corporate Procurement, finance, people management, WH&S, governance & risk, water business unit, property leasing, commercial business.

A summary of the agenda for each workshop is provided below:

- Understanding climate risk (what, why)
- Relatable scenario-setting (numbers and narrative)
- Risk and opportunity identification
- Risk assessment method (how)
- Risk assessment completed by staff (learn by doing)
- · Reflections (collective evaluation and insights).

Follow up interviews with five key staff were also held to accommodate annual leave, ensuring they had the opportunity to both build capacity and provide input to the risk assessment.

Clarify

After the gathered data was entered into a draft risk register, this was provided to participants to ensure accuracy, and where needed, to seek further detail or clarify what was captured.

Feedback on and input to the draft register was also gathered from the project team, senior management, and from a CEO briefing.

Consolidate

One hundred and sixteen risks collected in the first phase were consolidated into 53 risks in the final risk register, in partnership between key Council staff and Climate Cavalry.

This process highlighted the complexity of climate change risks and provided more well-rounded assessments. Different sections of Council identified the same risks, reinforcing their importance, and provided different perspectives and a broader range of treatment ideas. For example, the risk of heat stress on outdoor staff had input from both corporate and outdoor staff.

Calibrate

Finally, all risk descriptions and their assessments were calibrated to ensure consistency in both language and interpretation, in partnership between key Council staff and Climate Cavalry.

Climate Risk types

The City of Salisbury sought to include both physical and transitional climate risks in this assessment. Those two categories were first defined in the Recommendations of the Task Force on Climate-related Financial Disclosures (2017)²², along with a number of sub-categories, and have been since been adapted by others including the Australian Prudential Regulation Authority (2021)²³.

For this project, four types of climate risk were assessed, covering all the most relevant climate risks to Councils – Acute and Chronic physical risks, and Transition and Liability transitional risks (see Figure 8).



Figure 8: The four types of climate risk assessed in this project Source: Adapted from TCFD (2017) and APRA (2021)

Modified risk matrix

Conventional risk ratings are based on a matrix of the likelihood and consequence of each risk. Although all risks are 'the effects of uncertainty on objectives'²⁴, climate risks can be inherently less certain, and more transitional than conventional risks. For example, policy changes to accelerate the transition to the low carbon economy may occur suddenly or unexpectedly. Likewise, natural disasters are unpredictable.

A slightly modified risk matrix was used to enable prioritisation of risks that are highly uncertain or transitional, and have potentially significant consequences (see Figure 9). As recommended in Climate Compass (CSIRO, 2018), uncertain risks had higher risk ratings (consistent with 'almost certain' risks).

	Risk Rating			CONSEQUENCE		
		INSIGNIFICANT	MINOR	MODERATE	MAJOR	CATASTROPHIC
	UNCERTAIN	Medium	Medium	High	Very High	Very High
	ALMOST CERTAIN	Medium	Medium	High	Very High	Very High
000	LIKELY	Low	Medium	High	High	Very High
LIKELIHOOD	POSSIBLE	Low	Medium	Medium	High	High
-	UNLIKELY	Low	Low	Medium	Medium	Medium
	RARE	Low	Low	Low	Low	Medium

Figure 9: Modified risk matrix, Introducing a new 'uncertain' category for likelihood Source: Adapted from Salisbury Risk Framework and Climate Compass (2018)

Enterprise Risk Management Framework integration

To support integration of climate risk management into business as usual, all tools and methods used in this project aligned as closely as possible with the existing Enterprise Risk Management Framework.

However, climate risk management does not readily fit conventional methods, due to more significant uncertainties and longer timeframes with varying potential scenarios. A number of tweaks were made to the Salisbury risk register template to create a new climate risk register, including:

- Removing 'Treatment Owner', 'Date Identified' and 'Status' columns²⁵
- Changing 'Causes' to 'Climate Hazard'
- Adding 'Climate Risk Type' column
- Adding likelihood category 'Uncertain' (see above)
- Adding to consequence definitions
- Removing inherent risk rating, so the initial risk rating is after current controls are applied (ie. the
 residual risk rating)
- · Adding new risk evaluation steps for each climate scenario
- Removing 'Acceptance' ratings²⁶ and the 2090 Medium Emissions Scenario²⁷.

Key staff (including risk and governance managers) were actively engaged to ensure project outcomes could be integrated into existing processes, despite these amendments.

Three resources have been created for the City of Salisbury to support integration (see Appendices):

- Climate risk register template (delivered as a separate Excel file)
- A one-page risk matrix, including all existing definitions (of likelihood, consequence and risk tolerance), as an ongoing resource for both conventional and climate risk management
- Climate Risk Assessment Worksheet.

Limitations

The findings and conclusions in this report are based on the collective understanding and inputs of City of Salisbury staff, as informed and facilitated by Climate Cavalry. It is important to acknowledge certain limitations of the process and report, to inform interpretation and next steps.

High-level, first pass assessment – This report may only be used for the purpose of a first-pass risk assessment, to understand high-level risks across the business and inform high-level climate adaptation planning. It should not be depended on for more specific or detailed risk assessments (eg. at project, program or asset-specific scales).

Resource limits – The risk assessment was collectively delivered by 71 City of Salisbury staff during six two-hour workshops and five follow-up interviews, plus follow-up clarification, consolidation and calibration. The risks identified, the risk ratings, and the current and potential controls identified, were all limited by the resources available during the project. There may be errors, omissions or discrepancies arising from resource limits.

Projections, not predictions – In identifying and assessing risks, staff were guided by the climate scenario data outlined in this report (relevant to the Green Adelaide landscape board region), and the narrative provided during workshops. As with all future climate projections, scenarios are an indication of possible futures informed by the best available information today, and are not a guaranteed outcome.

Knowledge gaps – The risk assessment relied on staff experience, knowledge and ingenuity to identify risks and potential risk controls. Risk identification omissions may have arisen from knowledge gaps in climate impacts. There were knowledge gaps (to varying degrees) in identifying potential risk treatments. These knowledge gaps are expected, and can be addressed in the future (see next steps section below). However, the range of adaptation / risk treatment options presented may not reflect contemporary, best practice adaptation options. They should be considered a first step towards more detailed adaptation planning.

Any errors, omissions, or discrepancies related to these limitations are beyond the control of Climate Cavalry. To the best of our ability, we have collected information from City of Salisbury staff during workshops and interviews, and actively supported key staff to clarify, consolidate and calibrate risks and assessments (see Methodology section above).

Further opportunities to fill any gaps and advance climate risk capability and management are provided at the end of this report.

Risk assessment results

Summary

Fifty-three high level risks were identified across ten themes, and risk ratings were determined for each risk against the two most relevant scenarios for the decision lifetime. For example, coastal management risks focused on sea level rise were assessed for 2050 (medium term) and 2090 (long term), but not 2030 (current to short term, as '2030' represents the average projected change over the period 2020 to 2039, and some 2030 climate projections are already being observed now.

The ten themes combine risks by operation or asset type, noting that no risks are truly independent (for example, resilience of open space is strongly linked to water management, insurance risks are inherent to how well assets are adapted etc). In addition, many risks are not the sole responsibility of Council, and require collaboration with other stakeholders (for example, building resilient neighbourhoods requires collaboration with state government).

Figure 10 lists the ten themes and illustrates the spread of the 106 risk ratings (53 risks each rated against two scenarios), across the three scenarios, including:

- For 2030 the climate change risk assessment identified one 'low' risk, 20 'medium' risks and 7 'high' risks.
- For 2050, there were 20 'medium' risks, 27 'high' risks and 6 'very high' risks.
- . For 2090, there were 5 'medium' risks, 10 'high' risks and 10 'very high' risks.

A summary of the very high risks are presented in Table 2 in the Executive Summary for reference. There were no 'very high' risks identified for 2030, however the 'medium' and 'high' risks identified for 2030 were predominately to staff and community. This highlights the significant importance of supporting staff and community wellbeing and resilience.

The risk ratings are residual – they assume current controls are in place, with no further treatments applied. Risk ratings escalate in severity from 2030 through to 2090, influenced by greater and less certain climate impacts in 2090, and by the lack of viable, market ready solutions to address some risks (for example, non-diesel heavy fleet alternatives for reaching net zero by 2050). The number of risks in 2090 is lower because many of the risks identified have shorter decision lifetimes.

The treated risk ratings have not been a focus of this report as they rely on a very early list of potential treatments that are summarised in this section, but have not been fully scoped, costed or approved. However if proposed treatments were successfully applied, there is potential to significantly reduce risk ratings.

The following sections provide a summary of the risk register by theme, including a summary of the future hazard and impact, identified risk descriptions, residual risk ratings, an overview of the current controls in place, and examples of potential new controls identified. The final risk register was delivered as a separate excel spreadsheet.

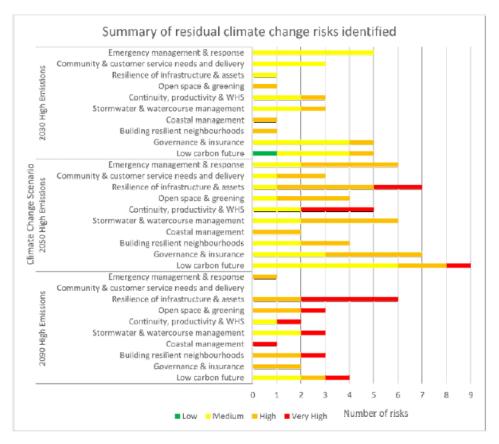


Figure 10: Summary of residual climate change risks identified

1. Emergency management and response

Climate change is expected to amplify the number, frequency and scale of future emergencies (flood, storms, bushfire etc) beyond current capacity, especially in 2090 under the high emissions scenario. Cascading impacts are also expected, with increased service demand in other parts of Council business (eg. building inspections and approvals) after events.

Table 3: Risks related to emergency management and response

#	Risks	Туре	2030	2050	2090^
1	Increased frequency and duration of Council staff/services responding to emergency events (eg. to storms, bushfires etc) including street and waterway clean up, safety inspection services and responses to informal, spontaneous community led volunteer response efforts	А	М	н	
2	Increase in blackouts and unreliable electricity supply impacting Council facilities	А	М	М	
3	Inadequate community preparedness for increased fire risk causing strain on Council fire prevention services and increased risk to Council assets	А	М	П	
4	Increased fire risk on Council land particularly in seasons with high fuel load (vegetation suitable to support large bushfire)	А	М	н	
5	Inadequate fire emergency services and state government planning to manage fire risk causing increased risk to Council assets	А	М	Н	
6	Increased occurrence of waterborne illness outbreaks due to contamination of water sources from flood events requiring environmental health officer inspections and monitoring	А		М	н

Risk Type Legend: C=Chronic, A = Acute, T= Transitional, L = Liability

Existing controls

Council staff have training and experience in emergency response management, with policies and protocols around asset management, condition auditing, bushfire prevention works, stormwater network, generators at some locations, liaison with external agencies, continuity and emergency response plans, and clean up/reinstatement operations. There are debrief and improvement processes, and detailed work health and safety and wellbeing support programs for staff and volunteers. In addition, Council is currently updating its Emergency Risk Management Assessment (to be completed by the end of 2024) and is involved in the Northern Adelaide Zone Management Committee. In 2023-24 Council is participating in the Red Cross RediCommunities Community-led Disaster Resilience program which will engage a group of culturally and linguistically diverse community leaders to collaborate on disaster resilience capability building and planning.

Potential new controls

- Review asset standards to increase resilience, informed by updated mapping
- Maintain preparedness including emergency response training for staff and build cross-team skills for service efficiency and continuity
- Increase communication between Council and emergency services

A Each risk was assessed against the two climate scenarios closest to their decision timeframe. All are likely to still be risks in 2090 but should be re-assessed in the future.

- Build resilience of energy, communications and response systems in emergencies, for example solar plus battery backup on all Council facilities, radios retained in fleet, and hard copy manuals
- Review and update Business Continuity and Emergency Management Plans with ownership and updates at a Divisional level
- Increase patrol frequency as bushfire seasons increase in duration
- Work with State Government and neighbouring councils on controls and water supply security for firefighting
- Review plans for making community hubs and centres suitable as evacuations centres
- · Reduce reliance on external utilities to maintain electricity supply (eg. solar and batteries etc)
- Ongoing community education resilience programs to reduce the community's reliance on government intervention, and create individual ownership and community led initiatives.

2. Changing community and customer service needs and delivery

Climate change is expected to amplify community service demands beyond current capacity, both during more frequent and severe extreme weather events, and more generally due to increasing community pressures and disruption. There may be cascading social changes and pressures that not only impact demand for services and changing physical needs but also mental health, anxiety, and morale. Coping with climate change can be overwhelming, and how people deal with stress and the unknown can vary. There are also flow on consequences to workers mental health as they work to support more customers struggling with climate change day to day consequences, extreme weather events and general climate anxiety.

Table 4: Risks related to changing community and customer service needs and delivery

#	Risks	Туре	2030	2050	2090^
7	Disproportionate increase in people experiencing poverty and disadvantage in some parts of the City due to climate change disruption (eg. higher cost of living, reduced health, reduced food security) compounding already high levels of disadvantage, reducing overall community wellbeing, and increasing demand on council services such as customer service, community development and security	С	М	н	
8	Increased number of community and neighbour complaints to Council (eg. shade, trees, infrastructure, lack of services, lack of preparedness)	с	М	М	
9	Increased security, community development and customer service demands due to use of Council buildings as refuge sites during extreme heat or other emergencies	А	М	н	

Risk Type Legend: C=Chronic, A = Acute, T= Transitional, L = Liability

Existing controls

Council has a range of services available to support the community, particularly vulnerable people, including access to free programs and safe, air-conditioned public facilities and welcoming outdoor spaces. Many Council spaces are multi-use (eg. library shelves on wheels), with potential to adapt to refuge and response sites. City of Salisbury uses a range of communication channels to reach wide demographics, including translated key documents, education workshops, relationships with community

[^] Each risk was assessed against the two climate scenarios closest to their decision timeframe. All are likely to still be risks in 2090 but should be re-assessed in the future.

leaders, and partnerships with external community service providers. There are also many initiatives and programs to support community wellbeing outlined in the THRiVE Strategy and action plan.

People seeking Council services can be under significant strain, particularly in relation to compliance matters, and staff are trained in conflict management and managing stressful situations, and in implementing the unreasonable complaints guideline. Council also delivers defensive infrastructure design, and crime prevention, compliance, crowd control and response activities.

Council has an Extreme Heat Policy that defines the City of Salisbury's commitment to supporting the community in relation to managing the impact of extreme heat conditions and the role of Council in the provision of information and services to the Salisbury community during extreme heat conditions.

Potential new controls

- Regularly review opening hours and staffing, with budget and service flexibility for emergencies, for example heatwave warnings, Code Red and Code Blue responses
- Provide staff opportunities to work across other services in times of greater demand
- Increase online services, community education and translation of information
- Review payment policies
- Explore solar panel subsidies or other mechanisms to reduce cost of energy for the community
- Support community wellbeing and resilience including through initiatives such as more neighbour day events and neighbour mediation services
- Improve messaging on phoneline, social media, web and automated webchat bots
- Provide access to additional counselling services after extreme events
- Increase community education, resilience, social and economic development initiatives
- · Promote active and natural surveillance in streets and parks
- · Cityscape for greening to reduce extreme weather impacts
- · Provide more free water fountains, sunscreen etc. across the City
- Strengthen partnerships with support services and connect community to relevant services
- Continually optimise spaces and services, adjusting as service needs change (eg. click and collect
 offsite services).
- Take proactive, practical action on climate adaptation across all departments including continuous training for staff
- Provide ongoing programs to educate and build awareness and resilience of staff
- Provide specific training and resources to support frontline staff discussing climate change and related topics with customers

3. Infrastructure and assets

Council infrastructure is generally built for historic climate conditions and may not be fit for purpose for the more extreme weather expected in the mid to long term future. This includes both the structural integrity of the assets themselves and their capacity to meet user demands. Hazards to infrastructure can vary between assets, but include more reactive soils, which increase maintenance requirements on the road network. Lower service standards, shorter lifespans, and increased depreciation and maintenance costs were identified across all asset classes. Any new capital asset work with an expected lifespan of 60+years (such as a building) should consider the most distant climate scenarios (2090) into its design.

Table 5: Risks selated to infrastructure and assets

#	Risks	Туре	2030	2050	2090^
10	Reduced use and change in needs for outdoor sport & recreation facilities due to increase in daytime temperatures and extreme heat (particularly for artificial turf/surfaces)	с		н	VH
11	Longer lived assets are impaired, need replacement sooner, and/or require more maintenance	С		VH	VH
12	Roads require earlier intervention to maintain service level due to increased heat and expansive soils impacted by the drying trend	С		VH	VH
13	Material choices no longer fit for purpose (eg. contact burns at playgrounds)	с		π	н
14	Increased street lighting needs (eg. street lights need to be on during the day in dust storms and bushfires)	А		М	Н
15	Existing public facilities not able to meet community refuge needs (eg. indoor capacity, air conditioning and energy demands)	А	М	н	
16	Increased energy demands for cooling	Т		Н	VH

Risk Type Legend: C=Chronic, A = Acute, T= Transitional, L = Liability

Existing controls

Council owns and manages a wide range of public infrastructure including roads, street lighting, buildings and sports facilities. Asset management includes detailed asset management planning, service levels, condition auditing, preventative and reactive maintenance. Efficiency is typically sought in procurement, such as implementation of voltage power factor control strategies to reduce electricity cost.

Potential new controls

- Review asset management plans to more consistently consider climate change, including building to climate ready standards and/or replacing like for better
- Review asset standards to increase resilience (eg. shade over playgrounds, repaint or use cooling surface treatments)
- Plan more regular condition assessment and interventions to avoid high cost replacements
- Build facilities suitable to deal with more extreme conditions, and in later decades increase number of indoor recreation centres
- Replace certain equipment ahead of its expected renewal schedule (eg. un-shaded steel playground products)

[^] Each risk was assessed against the two climate scenarios closest to their decision timeframe. All are likely to still be risks in 2090 but should be re-assessed in the future

- · Measure and monitor real impacts over time to inform infrastructure reviews
- · Include climate considerations in business cases and budget bids
- · Integrate adaptation strategies to extend life of road into asset management plan
- Increase education (internal and external) on the importance of climate ready infrastructure
- Source emergency funding to replace assets (like for better) that are impaired ahead of schedule by extreme events
- · Investigate alternatives and options for greater use of cooler surfaces for sports fields
- Plant more trees at sports grounds to mitigate heat and improve playability
- Rationalise and reduce the amount and/or service level of public infrastructure to ensure budget can cover increased maintenance and greater replacement costs
- Review energy efficiency of buildings to optimise air conditioning and also plan for upgrades as applicable
- Design buildings with passive cooling and electricity control systems to optimise efficiency.

4. Open space and greening

Heating and drying trends are expected to continue, with more frequent and severe weather extremes, leading to more vegetation being lost, damaged, stressed and vulnerable to pests. Greening outcomes may reduce, local biodiversity may be impacted or lost, and watering and maintenance requirements and costs may increase. Demand for alternatives such as indoor sports facilities may increase, alongside the potential for more injury risks arising from reduced condition of outdoor sports surfaces.

Table 6: Risks related to open space and greening

#	Risks	Туре	2030	2050	2090^
17	Reduced biodiversity in parks and reserves due to decline in vegetation health and impacts on fauna, leading to increased maintenance and replacement, including after extreme weather	С		М	н
18	Reduced street tree health and potential die back due to increased heat, reduced rainfall and increased vulnerability to pests and diseases, causing increased maintenance requirements and replacement, including after extreme weather	c		н	VH
19	Turf management does not evolve to address changing climate, resulting in reduced condition and amenity, including for sports fields	L		н	н
20	Lack of community support for greening efforts (eg. fear of fire risk or limb fall due to storms, lack of recognition of cooling and amenity value of trees] and therefore less greening benefits across city and increased maintenance costs due to vandalism etc	Т	н	н	

Risk Type Legend: C=Chronic, A = Acute, T= Transitional, L = Liability

Existing controls

Open space and greening are proactively managed and maintained, including parks, street trees and sporting turf. For public safety, certain sport and exercise can be ceased when required in accordance with extreme heat policy. Recycled and alternate water initiatives, efficient water use, and drought tolerant species are being used where practical. Systems are in place to increase watering hours in hot weather periods, and crews are available to support with storm clean up. Vegetation management

[^] Each risk was assessed against the two climate scenarios closest to their decision timeframe. All are likely to still be risks in 2090 but should be re-assessed in the future

considers landscape design, revegetation planting, habitat creation, and pest management. Recognising the importance of urban greening for climate adaptation, Council's Sustainability Strategy includes actions to increase greening and biodiversity on Council land, and subsidies to provide natives to plant on private land. A partnership with Green Adelaide involves hosting of education officers who provide support for school and community education on sustainability and biodiversity in the northern Adelaide region.

Potential new controls

- · Expand new species trials to determine species that can tolerate hotter, drier climates
- Support research into alternate turf for the changing climate and reduced irrigation requirements
- · Expand community education on the value of greening, addressing fears and concerns
- Set a policy on open space provision, including regular service level reviews and long-term financial plan adjustments
- Buffer/offset planting adjacent to private property to reduce landowner fuel load fears
- Expand community greening education and planting programs
- Expand communications to encourage community participation in adaptation action, eg. social
 media asking residents to put a bucket of water out for fauna during heatwaves
- Adapt turf maintenance activities and schedules
- · Assess projected demand and feasibility of sport facility conversions from outdoor to indoor
- Explore use of non-council facilities to supplement and meet open space demand requirements
- Continuously upskill open space and greening teams and embrace technology innovations
- · Increase watering fleet, staffing and schedules as needed
- Increase investment in kerb inlets, WSUD assets and their maintenance, to increase passive
 watering and tree health, and reduce failures.

5. Continuity, productivity and work health and safety

Risks associated with limited operating budgets, outdoor workers, compliance services and volunteers are nothing new to Council. Climate change may amplify these risks, via more frequent, severe and longer extreme events (eg. heatwaves), and via the cascading social changes and pressures which may increase operating costs, service demands and safety risks, while reducing productivity, revenue and morale. There may be an increasing tension between the requirement to keep workers safe and a commitment to service delivery and continuity. This is particularly true for services to vulnerable community members and outdoor asset maintenance.

Table 7: Risks related to continuity, productivity and work health and safety (WHS)

#	Risks	Туре	2030	2050	2090^
21	Increased base operating costs (infrastructure, depreciation, energy etc)	с		VH	VH
22	Inability to complete core work due to reduced productive time (eg. watering needs, with staff stood down on WHS extreme heat procedure)	с	н	VH	
23	Increased exposure of workers to climate hazards	Α	М	VH	

#	Risks	Type	2030	2050	2090^
24	Increased difficulty to program community services/events and increased number of cancelled or modified events	Α	М	M	
25	Community climate education/communication is not adequate	т		M	М

Risk Type Legend: C=Chronic, A = Acute, T= Transitional, L = Liability

Existing controls

The health and safety of workers and the effective and efficient use of public funds are central to Council business, with many existing mechanisms in place to safeguard them. These include the ongoing review of operating budgets, efficiency projects (eg. LED rollout to reduce energy costs), long term financial and asset planning, policies and procedures (eg. WHS, leave provisions, extreme heat policy, WHS procedures, hazard management procedures, injury management procedures), emergency response plans, personal protective equipment (eg. duress device), employee assistance program and resilience and wellbeing programs (eg. healthy minds sessions, conflict management training). There are also practical adaptations such as planning tasks around forecast inclement weather where possible, risk management processes, and planning events to suit likely conditions (eg. shaded outdoor or indoor venues for community events in summer). Council also provides a range of climate related information to community, including school education programs supported through Green Adelaide hosted officers.

Potential new controls

- · Integrate climate risk requirements to procurement, scoping and project planning documents
- Safety in design process to consider weather impacts and relationship to operators and maintainers of plant or structures
- · Redirect spend on proposed new assets to future-proof existing assets
- Seek grant funding for climate adaptations to reduce impact on council budgets
- Identify under-used public facilities to provide alternative venues for events
- Provide power to outdoor event spaces to enable use of misters, fans etc
- Strengthen existing communication methods, especially on climate data and impacts, for both community education and political advocacy
- Adopt technology and innovations to increase productivity, and assist staff to work safely in heat (eg. remote controlled mowers, medical tracking devices, automatic system sensors)
- Review actual conditions of different areas and use more location-specific work practices (ie. not a blanket 'stop work' policy)
- Increase the labour force to reduce exposure on individuals, and/or train staff to deliver multiple functions, for increased flexibility
- Change operating hours to suit weather conditions
- Debrief inclement weather event responses and adopt lessons learnt
- · Introduce hydration and humidity monitoring programs.

[^] Each risk was assessed against the two climate scenarios closest to their decision timeframe. All are likely to still be risks in 2090 but should be re-assessed in the future

6. Stormwater, water supply and watercourse management

Climate change modelling indicates there will be lower average rainfall overall, but rain events are more likely to be short (minutes to hours) and intense, with an increased potential for flash flooding. These trends could cause a decline in the number and health of natural assets, and in the volume of stormwater able to be harvested for reuse. They could increase irrigation and maintenance requirements, watercourse erosion, and flood risks, including increased repair, replacement, clean-up costs, insurance claims and liability risks for Council.

Table 8: Risks related to stormwater, water supply and watercourse management

#	Risks	Type	2030	2050	2090^
26	Reduced access to reliable water supply for operations, irrigation and watering of trees due to reduced rainfall, and possible water restrictions and / or diversion for fire fighting	с		М	М
27	Reduced ability to capture rainwater to meet current and future demand for Salisbury Water supply	с		н	VH
28	Asset failure of wetland clay liner at Salisbury Water due to extended dry periods	Α		М	М
29	Increased watercourse erosion	А	Н	н	
30	Increased flooding due to capacity of stormwater systems not being adequate for intense rainfall	A	М	н	
31	Increased volume of vegetation limb and debris drop blocking stormwater systems and watercourses	A	М	н	

Risk Type Legend: C=Chronic, A = Acute, T= Transitional, L = Liability

Existing controls

Council has a wide range of stormwater management and irrigation assets and practices in place (eg. stormwater harvesting, wetlands and efficient water use through design), including under Salisbury Water. Stormwater management planning, inspections, monitoring and maintenance are used to manage stormwater and support water efficiency. The civil maintenance team supports maintenance and cleanout after significant events, such as clearing debris/obstructions in watercourses. In addition, an emergency flood response plan has been developed and Council is collaborating with the State Government on a project (funded by the Disaster Risk Reduction Grant Program) that will pilot flash flood forecasting systems for the Dry Creek and Brownhill Creek catchments in metropolitan Adelaide.

Council has experience dealing with water restrictions during the millennium drought. To ensure a secure, sustainable and resilient water supply for the future, Council is participating in the process led by SA Water to develop a Resilient Water Futures Strategy.

Consultation on Stormwater Management Plans for Adams Creek and Greater Edinburgh Park is planned in early 2024, and a Stormwater Management Plan for Dry Creek is under development.

Potential new controls

- Increase frequency of inspections and maintenance of watercourse and dam structures
- Develop programs to future proof the City from major floods, including 2090 flood mapping

[^] Each risk was assessed against the two climate scenarios closest to their decision timeframe. All are likely to still be risks in 2090 but should be re-assessed in the future

- · Finalise stormwater management plans and seek funding to implement the plans
- Increase stormwater harvesting capacity and stormwater network to manage heavier, more intense rainfall events
- · Improve Council building designs to resist heavier rainfall and minor flood events
- Build more detention infrastructure to temporarily store stormwater in peak events
- Install water fill points in key wetlands that are at risk of drying out, and monitor wetland water coverage of clay liner to maintain integrity of clay liner
- Secure water supply for maintaining green spaces
- Mulch around trees to drip line instead of allowing turf to grow up to the trunk, to reduce watering requirements.

7. Coastal management

Climate models indicate with high confidence that sea level rise is unavoidable for centuries to millennia due to continuing deep ocean warming and ice sheet melt²⁸. Expected impacts include loss of coastal ecosystems like mangroves, salinisation of groundwater, coastal inundation and erosion (due to chronic high tide flooding and storm surges). Sea level rise may reduce useable land, increase flood risk where coastal and watercourse flooding overlap, and increase coastal asset damage and cleanup costs. The inter-tidal zone on Dry Creek already extends into Mawson Lakes, and saline intrusion into the more western wetlands is expected to worsen with sea level rise. Scenarios for sea level rise may be quite conservative – there is a significant range of upward uncertainty due to unknowns about icesheet collapse.

Table 9: Risks related to coastal management

,	#	Risks	Туре	2030	2050	2090^
3	32	Coastal inundation impacting development and infrastructure due to a lack of adequate planning for and adaptation to sea level rise in collaboration with stakeholders at a local and regional scale	С		н	VH
3	33	Saltwater incursion along Dry Creek into wetlands due to sea level rise	С	н	н	

Risk Type Legend: C=Chronic, A = Acute, T= Transitional, L = Liability

Existing controls

Coastal management is largely outside of City of Salisbury control and requires collaboration with all stakeholders including state government (eg. Department for Energy and Mining and the National Parks and Wildlife Service) and adjacent private landholders (including owners of the saltfields).

Council has an existing sea wall, high level flood modelling data, and is raising key infrastructure such as roads when assets are renewed. Waterways in the council area are already experiencing saltwater incursion (eg. Greenfields is brackish), which reduces ability to harvest freshwater for reuse, and increases treatment costs for use. Solutions to address saltwater incursion along Dry Creek and to help manage inundation are under consideration.

Council has supported the work of the St Kilda Alliance and recently released the St Kilda Mangroves Community Vision and Strategic Plan, including providing ongoing monitoring support. Council is

[^] Each risk was assessed against the two climate scenarios closest to their decision timeframe. All are likely to still be risks in 2090 but should be re-assessed in the future

providing input to the new SA Climate Ready Coasts²⁹ program and is working collaboratively to improve coastal management and accelerate coastal adaptation planning in South Australia.

Potential new controls

- Continue active participation in the SA Climate Ready Coasts program
- Collaborate with stakeholders to support mangrove health and retreat where possible
- Advocate for clearly defined coastal retreat zones to be integrated into planning controls, with limits on new development in areas subject to sea level rise risks
- Increase public education and awareness of coastal climate risks
- Work with stakeholders to raise sea wall heights to be suitable for the 2090 scenario
- · Identify and improve capacity to defend critical at-risk assets
- Use more saline tolerant vegetation where possible.

8. Building resilient neighbourhoods

Risk drivers affecting the resilience of neighbourhoods include climate change, infill and greenfield development trends and master plans, the quality of design and materials, and the ability to retrofit existing infrastructure and housing assets. Typical homes (ie. older homes and those that meet current baseline code requirements) are at risk of absorbing extreme heat, being damaged by intense storms, and adding hard surfaces that increase the risk of flash flooding. Developments in low lying areas are also susceptible to sea level rise and flood risks. Consequences may include increasing litigation risks to Council, increasing vulnerability of residents, increasing demand for Council services, and increasing expectations to provide public green space.

Table 10: Risks related to building resilient neighbourhoods

#	Risks	Туре	2030	2050	2090^
34	Increasing urban heat impacting community health and wellbeing, amenity and liveability due to increasing temperatures, increased hard surfaces (infill) and reduced tree canopy	С	н	н	
35	Climate change is not sufficiently addressed in growth area planning, development and infrastructure, including Dry Creek, North-Western growth areas and Salisbury City Centre	С		н	VH
36	Increasing demand for additional green space provision in strategic development projects may reduce rate revenue and increase maintenance costs	С		М	н
37	Development approval decisions don't account for climate risk	Т		М	н

Risk Type Legend: C=Chronic, A = Acute, T= Transitional, L = Liability

Existing controls

Council performs an administrative and compliance role for planning and building under the State Government's planning system, including assessing development applications against the Planning and Design Code. When undertaking urban design and developing Council facilities, Council considers urban heat management, including trial of road treatments to reduce urban heat, open space provision, and stormwater capacity. Council demonstrates sustainable design in strategic development projects through

[^] Each risk was assessed against the two climate scenarios closest to their decision timeframe. All are likely to still be risks in 2090 but should be re-assessed in the future

specifying design guidelines. Council is also participating the Dry Creek Salt Pans cross government CEOs working group and cross government North-Western growth and infrastructure Executive Steering Group.

Potential new controls

- · Expand assessment of urban heat in developments
- Assess social impact, changing social expectations/norms and consider alternative service delivery models
- Use updated heat mapping to identify priority areas (particularly vulnerable communities) for urban cooling treatments, integrate priorities into asset management plans, and seek funding to implement
- · Educate staff and community on urban heat principles, effects and mitigation options
- Prepare or advocate for Planning and Design Code amendment to update mapping of hazards, and include heat as a hazard
- Advocate to the state government to consider long term climate risk as part of the growth area code amendment and infrastructure planning process
- Undertake independent studies to inform feedback to the state government and infrastructure planning and development proposals
- · Increase planning of appropriate green spaces
- · Continue research into new technologies
- · Continue to review and advocate for improvements to policy, planning and development codes
- Build increased stormwater capacity
- Develop assumptions to inform flood modelling that accounts for current and future development (infill and greenfield)
- · Showcase sustainable design in Council's own developments.

9. Governance and insurance

Climate hazards, especially extreme weather events, may increase insurance claims and associated insurance costs, and may lead to uninsurable assets or hazard types (known as perils), as well as putting Council at risk of failure to meet contractual obligations under its lease agreements. Insurance and leasing risks are highly interrelated with how well Council builds resilience into its assets, operations and services. Tension points could arise with increased costs and inability to provide adequate assets to meet service level requirements. This could be further hampered if policy, process and tools are not readily available to support informed decisions.

Table 11: Risks related to governance and insurance

#	Risks	Туре	2030	2050	2090^
38	Council does not consider climate risk and potential impact on life / maintenance of asset when entering leases, especially sports facilities	L		м	н
39	Increase in the number and severity of insurance claims submitted to Council	L	М	н	
40	Assets or risks become uninsurable or prohibitively expensive to insure (eg. insurance may exclude flood cover)	L	н	н	

#	Risks	Туре	2030	2050	2090^
41	Climate risk assessment is not embedded or is insufficient in planning, asset management and project management, resulting in poor adaptation or maladaptation	Т	М	н	
42	Inadequate data and tools to identify risk areas with confidence (eg. flood/fire due to lack of detailed mapping and matching policy)	т	М	н	
43	Compounding risk of increased community disadvantage and reduced liveability (due to asset decline) compared to other Council areas causing reduced property value and reduced rate income	Т		м	н
44	Reduced community trust of government on action/inaction and increase in radicalised groups affecting Elected Member decision making and staff service delivery	т	М	М	

Risk Type Legend: C=Chronic, A = Acute, T= Transitional, L = Liability

Existing controls

Council works within existing statutory requirements and a range of policies and procedures to responsibly manage its governance, liability and insurance related risks. This includes the risk framework, governance and reporting systems, asset management plans, financial management and service level agreements including insurance, inspections and ongoing maintenance. Adaptations related to its lease obligations for sporting facilities include lighting upgrades at some locations to allow night play, which allows flexibility in hot weather. There is a culture of fostering innovation, climate related strategy, and past performance of ongoing improvements. There are overlays regarding hazards and heat maps but these are minimal. Council has existing security management, media protocols, and communications and education campaigns raising profile and reputation of Council

Potential new controls

- Increase capacity in insurance claim team as demand increases
- Take proactive, practical action on climate adaptation across all departments including continuous training for existing staff, Elected Members and adding climate training into the induction process
- · Provide more climate guidance in reporting, asset management plans and financial plans
- Improve prioritisation of long-term outcomes, including managing community expectations for short-term initiatives
- · Advocate to modernise the Local Government Act to clarify climate related obligations
- Increase engagement with tenants to better plan for and enable adaptability of properties
- Increase safety of players and manage service level expectations of tenants by adapting lease agreements regarding the functionality and suitability of use

[^] Each risk was assessed against the two climate scenarios closest to their decision timeframe. All are likely to still be risks in 2090 but should be re-assessed in the future

10.Low carbon future

The final risk theme relates to the potential challenges and uncertainties in moving toward a low carbon, climate resilient future while meeting changing regulations, social expectations and global shifts like supply chain variation. These shifts may occur in unexpected or transformative ways, and at a faster pace than what has been typical. Some transitions are relatively straightforward (eg. fleet electrification), while others are still waiting on suitable viable options (eg. heavy diesel plant and concrete).

Ensuring a smooth, planned transition with minimal disruption and lower long-term costs may come at the expense of larger upfront investment costs. Failure to address transition risks in a timely and efficient manner may increase costs (eg. energy, maintenance, replacement parts), create stranded assets (eg. assets not compliant with service standards), lock in carbon emissions (eg. progressing with gas infrastructure), disrupt service provision and project delivery (eg. planned inputs unavailable), and reduce community satisfaction. Failure to meet emissions reduction targets and community expectations for change may damage Council's reputation. Litigation, penalties, and liabilities may arise from preventable actions that compromise public safety or fail to meet climate targets.

Table 12: Risks related to low carbon future

#	Risks	Туре	20 30	2050	2090^
45	Building and infrastructure project development process does not reflect climate change in lifecycle costs, resulting in assets that have high carbon emissions, are not climate resilient, and have high ongoing cost liabilities for council	т		н	VH
46	Local businesses do not adapt to climate change and are unable to maintain continuity leading to cascading negative consequences for community and council (eg. rate debt, service demand)	т	М	м	
47	Not being prepared for increased climate change reporting requirements	т	L	м	
48	Need for replacement of gas plant and appliances earlier than planned due to high gas prices, high carbon emissions and obsolete technology	т		м	м
49	Degradation of solar panel output and adverse environmental impact if replacement of solar PV panels on council buildings and recycling of old panels is not planned	т		м	М
50	Supply chain limitations and impacts on core services/supplies (eg. data storage, asphalt) causing increased material shortages due to higher demand for low carbon, climate resilient services/supplies and disruptions due to extreme weather/disasters	т	н	VH	
51	If waste services are not transformed to improve resource recovery, reduce carbon emissions and adapt to climate change there is a risk of stranded assets, higher landfill costs and non-compliance with environmental protection licensing responsibilities	т		н	н
52	Risk of stranded assets, carbon emissions and high fuel costs if Council is too slow to transition to zero carbon	т	М	М	

#	Risks	Туре	2030	2050	2090^
	fleet (including electric vehicles) and provide adequate electric charging stations				
53	Installation of gas infrastructure in council strategic property development projects which locks in fossil fuel use, carbon emissions and exposure to gas prices	т	М	М	

Risk Type Legend: C=Chronic, A = Acute, T= Transitional, L = Liability

Existing controls

Council has demonstrated its adaptability while managing rapid regulation changes and supply chain disruption, including during the pandemic. Importantly, Council decided to install three electric heat pumps instead of gas-powered water heating at the new aquatic centre. City of Salisbury has a range of relevant strategy, policy and plans in place, including a procurement framework, budget bid and review process, and Sustainability Strategy with actions on both climate risk and emissions reduction. Efficiency is typically sought in procurement, including fit for purpose fleet. Innovation is fostered, with recent examples including an EV transition feasibility study and research trials into recycled lower carbon materials. New technology is embraced, with some AI tools already in use, and automatic monitoring systems at Salisbury Water. Customer expectations are actively managed to improve clarity on standard service levels. Existing infrastructure renewal process includes an intent to accommodate like for better (or more climate resilient), however this is regularly restricted due to limited budgets.

Potential new controls

- Partner with neighbouring Councils, research bodies and industry to accelerate transition
- Provide more climate guidance in reporting, asset management plans and financial plans
- · Future team reviews and restructures consider and embrace opportunities in climate change
- Invest in research, new technology, and process improvements, including alternative materials and substitution
- Analyse work schedules, reduce unnecessary travel, and utilise fleet more effectively to reduce emissions while maintaining community expectations and service levels
- Continue education and training on climate change topics, both internally and externally, including economic development network of local businesses
- Improve asset management plans and long-term financial planning to better reflect low carbon transition and minimum standards for infrastructure design
- Fast-track replacement or retrofitting of existing buildings where possible
- · Rationalise asset holdings when they fail if replacement is not practical
- Budget for transition based on feasibility studies and evidence of increased lifecycle costs
- Investigate alternate landfill opportunities
- · Investigate alternative transport to work principles eg. carpooling.

A Each risk was assessed against the two climate scenarios closest to their decision timeframe. All are likely to still be risks in 2000 but should be re-assessed in the future

Observations

In addition to the 53 specific risks identified, a number of other general findings from the process are worth noting.

Existing staff capacity and capability

- Staff participation and engagement on a challenging topic was excellent. Despite varying risk
 maturity across the business, there is a universally strong drive to adapt.
- Staff could readily identify high-level risks to their business area.
- Identifying potential risk controls was more of a challenge, and staff tended to focus on their
 own team's sphere of influence, rather than cross-team adaptation options. There is potential to
 accelerate awareness and adoption of adaptation options.
- Staff captured many adaptations / risk controls already being applied.

Recurring themes of workshop discussions

- Supporting vulnerable people, including those with adaptation challenges (eg. socio-economic disadvantage, disability, English as a second language, and a lack of experience in extreme weather).
- Balancing protection of staff and volunteers and with continuity of services in extreme events.
- Managing flood risk to limit private property damage to the current target of <300 homes per event.
- Potential need to support gradual transition from outdoor and/or day time to indoor and/or night time sport (eg. by building more indoor facilities).
- Building resilient neighbourhoods (eg. 10,000 new greenfield houses in Dry Creek, urban infill)
 and the need for an enabling state and federal policy framework to support this.
- Tree management and planting to increase canopy cover to manage urban heat.
- Capitalising on the unique opportunity for coastal protection and managed coastal retreat provided by the mangroves and saltfields.
- Resourcing adaptation:
 - Managing capacity to pay: Community has, on average, a relatively low capacity to fund their own adaptations at home, and may have an increasing demand for Council services, but a low capacity to pay for them.
 - Making the case for investment: Finding the balance between funding short and longterm priorities, and building the case for adaptation.

Complexity and interdependence of risks

- Staff understood that climate risk management is complex, iterative and challenging, especially
 due to uncertainties and inter-dependencies across future hazards, exposure and vulnerabilities.
- The ten risk themes generally split risks by operation or asset type, but no risks are truly
 independent. There is much overlap between risks, sections of Council and the potential risk
 reduction treatments identified. Frequently, the same or similar treatment ideas were offered
 within and across the grouped risks. This points to opportunity for coordinated efforts in risk
 treatment and controls across Council to optimise collective climate change risk reduction
 impact.

Capacity building outcomes

Shifts in understanding and confidence

At the end of each workshop, staff were asked to anonymously rank how their understanding of climate risks to their work, and their confidence in managing them, had improved. Forty-two of the 66 workshop participants completed the Mentimeter poll.

Most participants agreed the risk assessment workshop increased their knowledge of climate risks relevant to their work, with average score of 3.8.

The shift in confidence was slightly lower. A majority of recipients agreed they were more confident in assessing climate risks (average 3.6). This lower score is expected, as for many participants the workshop was their first opportunity to formally consider climate change risks. Confidence in a new skill takes time and practice.

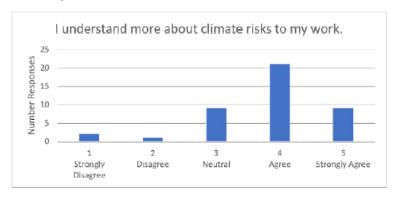


Figure 4: Increase in staff understanding of climate risk to their work

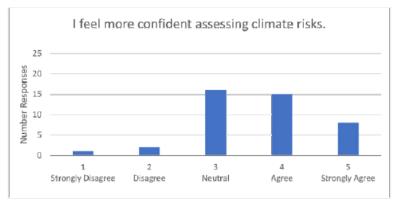


Figure 5: Increase in confidence of staff to assess climate risks to their work

Staff reflections

At the end of each workshop, staff were asked to offer reflections, which are summarised below. These main ideas show the different ways staff members felt and thought during the workshops, reflecting the breadth of perspectives that contributed to this risk assessment.

Complexity – Staff acknowledged the complexity of climate risk assessment and adaptation. They talked about different types of risks, how they were often interlinked, and how they were sometimes unsure about the best way to handle them.

Awareness – Many commented on their increased awareness and understanding of climate scenarios, potential impacts and how to apply climate risk thinking into their everyday work.

Working together – Staff reflected on the need for everyone in the City to work together on climate change, share ideas and help each other prepare for changes. A few mentioned the process had opened their eyes to how climate risks were beyond just extreme weather events and touched all sectors.

Mixed emotions – Some staff members felt hopeful and motivated, while others were worried and overwhelmed. Some participants were energised by the prospect of tangible changes, while others grappled with the gravity of climate impacts and the challenges ahead.

Recognition of unknowns – Participants acknowledged the uncertainties and knowledge gaps, such as heat tolerances of certain vegetation and detailed flood mapping. They understood the need to keep learning and adapting as they go.

"We all want to keep our communities and ourselves safe."

"We've got a mammoth task ahead, but there's a genuine interest in staff. Now we need to get an adaptation plan in place"

"We're an adaptive organisation and I'd back this staff to tackle the challenge."

"It's not easy to swallow, but I'm proud we are one of the leading Councils in this area and I'm motivated to get on with it."

"This opened my eyes in how to apply climate risk to my role."

"Before, climate was a blank page – now it has some colour."

Educational imperative – A recurring theme emphasised the need for broader education and awareness. Staff highlighted the necessity of empowering both colleagues and the community to better understand and effectively address climate change risks and adaptations.

Call for action and a shift in perspective – The urgency of climate impacts resonated strongly. There were a number of reflections on how to accelerate to more tangible action, and to transition thinking away from short-term priorities to a long-term perspective aligned with future goals and resilience.

Balancing ideas and reality – There was a tension between the aspiration for innovative solutions and the practical constraints of limited resources and unknowns. The workshops sparked discussions on the balance between ambition and feasibility.

Proud of progress – People were happy the City was already taking action to address climate change. They felt the City was a leader in this area and that they should keep building on what they've started.

Thinking about the community – Staff members thought deeply about how climate change affects the Salisbury community, especially the people who live here. They observed that the City needs to communicate better and put adaptations in place to support the community.

Next steps

The City of Salisbury could consider these potential opportunities to amplify the impact of this project:

- 1. Funding Build the case for investment in adaptation and long-term resilience, for example:
 - Use the risk register as an evidence base to support state and federal grant applications (eg. Disaster Ready Fund)
 - Improve internal tools or processes to demonstrate the financial benefits of long-term investments (eg. avoided future costs).
- 2. **Planning** Develop a climate adaptation plan to expand on this initial work in identifying adaptation options, for example:
 - Embrace the complexity and inter-relatedness of the risks by collectively planning for integrated risk treatments
 - b. Strategically determine priority actions to progress, and when.
- Governance Explore opportunities to embed climate risk management in business as usual, for example:
 - Establish a climate risk management policy and procedure, to set expectations for when and how to manage climate risks
 - b. Strengthen climate considerations in Council's Integrated Design Framework
 - c. Embed the climate risk register into Salisbury's existing risk framework (eg. embed future scenarios into the standard risk template).
- Capacity building Continue and expand capacity building and behaviour change, to help shift
 risk management into business as usual, for example:
 - Establish an internal climate risk community of practice (CoP), capitalising on momentum and staff enthusiasm
 - b. Share knowledge and expertise with other Councils, for example:
 - Join existing Climate Risk and Resilient Housing CoPs facilitated by the Climate Practitioners Network
 - ii. Work with neighbouring Councils to start a Regional Climate Partnership
 - iii. Learn from Resilient South's Resilient Asset Management Project (RAMP).

Appendix 1: Workshop Materials

Climate Risk Assessment Matrix Guide

Quick Reference Guide of risk matrix criteria, adapted from City of Salisbury Risk Management Framework with focus on non-project risks.



					CONSEQUENCE		
	Consequ	ience Criteria Examples	INSIGNIFICANT	MINOR	MODERATE	MAJOR	CATASTROPHIC
	Environme	nt/Political/Community	Nil	Minor short term issue	Incident requiring city intervention	Med-term issue with major impact	Long-term issues with major impact
		Reputation	Nil	Minor media interest	Moderate media interest	High media interest	Public censure/government inquiry
		Finance / Budget	Less than \$20K Or 2.5% of project budget	\$20 - \$100K Or 2.5-10% of project budget	\$100K - \$500K Or 10-14% of project budget	\$500K - \$1M Or 15-20% of project budget	Over \$1M Or over 20% of project budget
		Legal or regulatory	None	Minor legal, reg or policy failure	Limited legal, reg or policy failure	Major legal, reg or policy failure	Critical legal, reg or policy failure
		Injury/Operational		Unplanned staff absence. Potential minor injury. First aid required.	Unplanned key staff absence. Medical treatment required	Unplanned several staff in one area absence. Significant injury.	Unplanned absence significant number staff. Death/critical injury.
	Asset ,	/ Infrastructure Damage	Very minor damage to some assets	Minor but repairable damage to some assets	Moderate damage to many assets	Major widespread damage to assets	Widespread destruction of assets
	Service Interruption		minor (less 4 hours)	Limited disruption requiring altered operational arrangements, eg., 1 day	Some disruption requiring altered operational arrangements, (1-7days)	Significant impairment of service provision (1-4 weeks)	Total loss of service provision capability for more than 1 month.
	Uncertain (F) event occurrence is uncertain based on best available information* UNCERTAIN		Medium	Medium	High	Very High	Very High
	Almost Certain (E) event is expected to occur in most circumstances - at least 1/year		Medium	Medium	High	Very High	Very High
1000F	Likely (D) event will probably occur at most times - LIKELY probability within 1 to 2 years		Low	Medium	High	High	Very High
LIKELIHO	Possible (C) event might occur at some time - probability POSSIBLE within 3 to 9 years		Low	Medium	Medium	High	High
_	Unlikely (B) event could occur at some stage - probability at least once in 10-20yr period	at some stage - probability at UNLIKELY Low		Low	Medium Medium		Medium
	Rare (A) event may occur in exceptional circumstances - could occur once in a period greater than 20 years	RARE	Low	Low	Low	Low	Medium

^{*}Higher risk ratings for uncertain risks are recommended in Climate Compass (CSIRO, 2018)

Following table can as	ssist you work out if the risk rating is acceptable or not.								
Risk Category	Risk:Appetite Description (level and degree of tolerance limits)								
Strategy	In order to achieve its objectives Council must be willing to take risk. Council is willing to take a medium to high level of risk tolerance in pursuit of objectives that support and improve our community overall.								
	There is a low willingness to accept:risk that does not support Council's strategic objectives outlined in City Plan 2035								
Financial and	Council has zero tolerance for theft or fraud. Council is focussed on the prudent and responsible management of financial resources and has a low tolerance for activities that threaten the long-term financial sustainability								
Commercial	of the Council. Council has a low risk tolerance for financial loss or the waste of valuable resources of any kind.								
	Council has a medium to high tolerance for financial investment in activities that support and improve our community overall.								
Work Health and	Council has zero tolerance of unsafe practices undertaken by its employees knowingly compromising the safety of members of public.								
Safety, and People	Council has a low tolerance of any activity or issue that exposes the health and safety of our people and/or the community.								
	Council recognises that often there is inherent risk in the work people do and the actions taken by the members of community. A strong focus on health and safety for both our people and community is to be adopted.								
Reputation	Council has a medium tolerance of reputational risk where the risk undertaken is focussed on the improvement and prosperity of the entire community or protecting and promoting the sustainability of the environment.								
	Council has low tolerance for reputational risks where the activities undertaken that do not support the achievement of Council's objectives.								
Performance and	Council has a medium to high risk tolerance for activities that demonstrate value to the community and improve services.								
Service Delivery	Council has a low tolerance for any risk that might give rise to an interruption or degradation of services to our community.								
Environment	Council has a low risk tolerance for any activity that irreversibly damages our environment.								
	Council has medium to high appetite for activities that protects and enhances our natural and built environment and promotes sustainable living								
Governance &	Council has zero tolerance for intentional breaches of legislative compliance requirements. Council operates within a strong statutory and regulatory environment. Council strives to meet all statutory and good governance								
Compliance	requirements and has low tolerance for compliance failures								

Climate Risk Assessment Worksheet

RISK IDENTIFICATION & CURRENT CONTROLS

1. Name(s)						
2. Risk Identify a potential risk and briefly describe it	iş.					
	ease circle the nearest decade) span of the asset, operat	ion or service at risk?	2030	2050 209		
	climate hazards? atwave, drier, hotter, sea level r logy change, litigation, other pe					
5. Risk Type (please circle)	Acute short term physical risks eg. natural disasters like heatwaves or storms	Chronic long term physical risks eg. sea level rise, heating and drying trends	Transitional risks from policy, social, and technology change eg. shift to electric cars		Liability risks from litigation or other penalties for not considering climate risks	

6. Consequences (please list) What are all the potential impacts arising from the risk?								
7. Current Controls – What is already being done to mana	nge this risk?							
8-7	Reactive (list any controls put in place after the event to respond and recover (reduce consequences))							
Defensive (list any controls put in place before the event to prevent (reduce likelihood) or prepare (reduce consequences))								

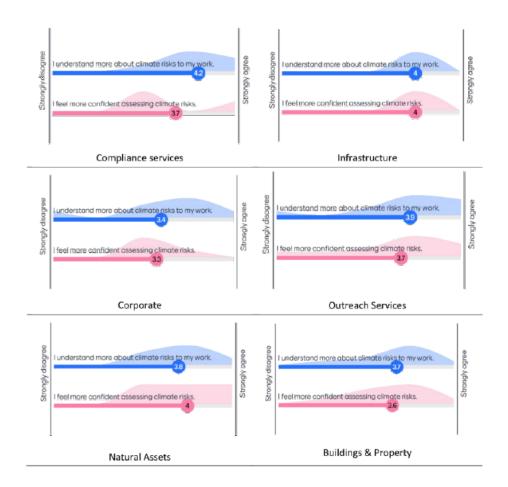
RISK EVALUATION - FIRST SCENARIO

8. First Scenario (please circle) Based on the risk's decision lifetime, what the first scenario you are assessing?	is	2030 h	igh	20	50 high	2090 high	h 2090 medii				
9. Risk Assessment Rating With the controls in place in 2023, what is residual likelihood, consequence and risk rating in this scenario? (refer to risk matrix for ra and only use uncertain if it really is!)		Like	lihood		Conse	quence		Risk Rating			
Is this risk acceptable? (please circle)			At accep	otance	0	Belo	ow acceptance				
10. New Controls (please tick whether each action if the risk is below acceptance, what further before the risk is below acceptance, what further before the event to prevent (reduce likelihood) or prepare (reduce consequences))		be started now or later) rols could be introduced to manage the risk? Start Later Reactive (list any controls to be put in place the event to respond and recover (reduce consequences))					lter .	Start	Start Later		
11. Residual Risk Assessment Rating		Like	lihood		Consec	quence		Risk Rati	ng		
What is the risk rating after those controls have been applied?											
Is the residual risk acceptable? (please circle)		At acceptance Below									

RISK ASSESSMENT - SECOND SCENARIO

12. Second Scenario (please circle) What is the second scenario you are assess	sing?	2030 h	nigh 2	050 high	2090 high	2090 m	nedium		
13. Risk Assessment Rating With the controls you have identified so fa place, what is the residual likelihood, consequence and risk rating in this scenario		Likelihood Co			quence	Risk Rati	ng		
Is this risk acceptable? (please circle)		At acceptance Below a				v acceptance	acceptance		
14. New Controls (please tick whether each action If the risk is below acceptance, what furthe				d to manage	the risk?				
Defensive (list any controls to be put in place before the event to prevent (reduce likelihood) or prepare (reduce consequences))	Start								
15. Residual Risk Assessment Rating What is the risk rating after those controls have been applied?		Likelihood		Conse	quence	Risk Rating			
Is the residual risk acceptable? (please circle)			At acceptan	ce	Belov	v acceptance			
16. Any further comments?									

Appendix 2: Feedback Results per Workshop



Notes

¹ Australian Local Government Association (ALGA, 2023), Address the Risks of Climate Change, available at: https://alga.com.au/policy-centre/climate-change/; and Climate Council (2021), Neighbourhood Issue: Climate Risks and Costs for Council, available at: https://www.climatecouncil.org.au/resources/neighbourhood-issue-climate-costs-risks-council/

² The Centre for Policy Development has commissioned three Memorandums of Opinion from Noel Hutley SC and Sebastian Hartford Davis, all entitled Climate Change and Directors' Duties – the second (2016) and third (2021) being supplementary to the first (2016). Collectively, these are known as 'the Hutley Opinions', and are widely considered the leading legal opinions on climate risk in Australia. All available at: https://cpd.org.au/2021/04/directors-duties-2021/

³ The Centre for Policy Development (2022) Raising the Bar: Managing climate change risk in public authorities, available at: https://cpd.org.au/2022/09/raising-the-bar/

⁴ Local Government Association of SA (LGASA), 4.4 Managing the Risks of Climate Change, LGA Policy Manual, available at: https://www.lga.sa.gov.au/about/overview-of-the-lga/corporate-documents/lga-policy-manual/environment-and-natural-resources/4.4-managing-the-risks-of-climate-change

⁵ Taskforce on Climate Related Financial Disclosures (2017), Final Report: Recommendations of the Task Force on Climaterelated Financial Disclosures, available at: https://www.fsb-tcfd.org/publications/

⁶ The ISSB Standards bring together the TCFD and other voluntary metrics into a single, mandatory global standard. Under these standards, climate disclosures are required on physical and transitional risks, as well as on governance, strategy, risk management process, and performance against metrics and targets (including reporting Scope 1, 2 and 3 emissions). More information and the ISSB Standards are available at: https://www.ifrs.org/news-and-events/news/2023/06/ten-things-to-know-about-the-first-issb-standards/

⁷ Climate Planning and Edge Environment (2021) Climate Change Adaptation Governance Assessment Report for the City of Salisbury, prepared for the City of Salisbury, June 2021

x 2022 Australian Census

9 https://plan.sa.gov.au/state_snapshot/better-housing-future/residential-land-release-and-rezoning

10 2022 NIEIR, via id. Profiles at https://economy.id.com.au/salisbury

11 https://www.refugeecouncil.org.au/city-of-salisbury/

¹² Under the 2021 Index of Relative Socio-Economic Advantage and Disadvantage (IRSAD, a SEIFA index), the City of Salisbury scores 898 (on par with Renmark and Mount Gambier; Greater Adelaide score 982), with large variance in relative advantage and disadvantage across the City (from Mawson Lakes at 1029 to Salisbury North – Edinburgh at 802). Source: https://profile.id.com.au/salisbury/

¹³ 'Decision lifetime' has been defined as the sum of the lead time (the time from when the decision is first identified to the execution of the decision) and the consequence time (the time period over which the consequences of the decision emerge) (Source: Stafford Smith M, Horrocks L, Harvey A & Hamilton C (2011), *Rethinking adaptation for a 4C world*, Philos, Trans. Royal Soc. A, 369, pp. 196-216)

¹⁴ Climate models provide outputs over different time frames. To smooth out variations in model outputs, climate data are commonly presented as an average over a 20-year time period, reported as mean annual values centred on a future marker year, commonly 2030 (2020–2039), 2050 (2040–2059), 2070 (2060–2079) and 2090 (2080–2099). (Department for Environment and Water, 2022)

15 CSIRO and Department of the Environment and Energy (2018) Climate Compass: A climate risk management framework for Commonwealth agencies, available at: https://research.csiro.au/compass/

16 CSIRO and Department of the Environment and Energy (2018) Climate Compass: A climate risk management framework for Commonwealth agencies, available at: https://research.csiro.au/compass/

¹⁷ Department for Environment and Water (2022) Guide to Climate Projections for Risk Assessment and Planning in South Australia 2022, available at: https://www.environment.sa.gov.au/topics/climate-change

¹⁸ The Intergovernmental Panel on Climate Change (IPCC) developed Representative Concentration Pathways (RCP) to represent plausible future trends of greenhouse gas emissions, taking into account plausible global responses to mitigate them. The four RCPs range from very low emissions to very high – RCP2.6, RCP4.5 ('medium' in this project), RCP6.0 and RCP8.5 ('high' in this project). RCP8.5 is a pathway where emissions continue to grow unmitigated (ie. business as usual).

¹⁹ Department for Environment and Water (2022) Guide to Climate Projections for Risk Assessment and Planning in South Australia 2022, available at: https://www.environment.sa.gov.au/topics/climate-change

²⁰ CSIRO and Department of the Environment and Energy (2018) Climate Compass: A climate risk management framework for Commonwealth agencies, available at: https://research.csiro.au/compass/

²¹ https://www.iso.org/iso-31000-risk-management.html

- ²² Task Force on Climate Related Financial Disclosures (2017), available at
- https://assets.bbhub.io/company/sites/60/2020/10/FINAL-2017-TCFD-Report-11052018.pdf
- ²³ APRA (2021) Prudential Practice Guide: CPG 229 Climate Change Financial Risks, available at: https://www.apra.gov.au/news-and-publications/apra-releases-guidance-on-managing-financial-risks-of-climate-change and the substitution of the s
- ²⁴ Risk definition from ISO31000 Risk Management (2018), available at: https://www.iso.org/iso-31000-riskmanagement.html
- 25 Treatment owner, date identified and status columns removed for simplicity, and reflecting that this is a high-level scan at a point in time.
- ²⁶ Acceptance ratings removed This change was made following the risk assessment workshops, as acceptance would have been based on potential, not actual, controls, and analysis indicated that participants had insufficient time and information to assess acceptance level.
- ²⁷ Following the risk assessment workshops it was identified only 2 of the 116 raw risks had used the 2090 medium emissions scenario (in conjunction with 2090 high emissions), and decision was made to refine the risk register and report by its removal. The capacity building and concept to apply this scenario is still available to staff for more detailed risk assessments.
- 28 Intergovernmental Panel on Climate Change (IPCC, 2023), Summary for Policymakers, in Sixth Assessment Report, available at: https://www.ipcc.ch/report/ar6/syr/downloads/report/IPCC_AR6_SYR_SPM.pdf
 ²⁸ https://www.lga.sa.gov.au/about/what-we-do/sa-climate-ready-coasts

ITEM 7.2.2

AUDIT AND RISK COMMITTEE

DATE 13 August 2024

HEADING Outstanding Actions Arising from Internal Audits

AUTHOR Sharon Kinsella, Audit and Risk Manager, CEO and Governance

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

community

4.4 We plan effectively to address community needs and identify

new opportunities

SUMMARY This report provides an update on the status of outstanding actions

arising from previously completed internal audits

RECOMMENDATION

That Council:

1. Notes the report and the Internal Audit - Action Register in Attachment 1 to this report (Item No.7.2.2, Audit and Risk Committee, 13 August 2024).

ATTACHMENTS

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

- Internal Audit Action Register
- Management of Contaminated Sites Audit Log Action #35 Follow up of Action Status
- 3. Project Management Audit Log Action #75 Follow up of Action Status

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 February 2024 Audit & Risk Committee meeting.

2. CONSULTATION / COMMUNICATION

- 2.1 Internal
 - 2.1.1 Audit Action Process Owners

3. REPORT

- 3.1 The total number of outstanding Audit actions reported to the February 2024 Audit & Risk Committee was nine.
- 3.2 A total of three actions were closed for this reporting period from February 2024 to August 2024, which included two medium risk and one low risk rated audit action.

- 3.3 The three actions that are reported as closed in this reporting period are validated and confirmed by the Audit & Risk Manager as resolved.
- 3.4 There are two 'pending closure' actions, scheduled to be presented for approval to the Executive Group in August 2024 regarding the new stock-take procedure document from the Fleet Heavy Vehicles High Value and Portable audit.
- 3.5 Eight new actions were added to the Internal Audit Log, post the completion of the Strategic Reporting Process review presented to Audit and Risk Committee in February (Item 7.1.3. Audit and Risk Committee 13 February 2024).
- 3.6 New actions resulting from the Rates Setting and Revenue Process review (Item 7.1.1, Audit and Risk Committee 13 August 2024) will be incorporated into the Internal Audit Action Register and reported quarterly to the Audit and Risk Committee until they are finalised.

Actions Outstanding

3.7 A summary of the outstanding actions remaining as at 13 August 2024, their status and risk ratings, and the level of completion relative to the total number of actions for the respective audit, are illustrated below:

Audit	Total # Actions	Actions Completed	% Complete	Actions Outstanding	% Outstanding	Status of Outstanding Actions
Management of Contaminated Sites - Oct 2020	14	13	93%	1	7%	1 Extended (1 Better Practice, with 9 sub tasks)
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	4	44%	5	56%	(1 High Risk and 4* Medium Risk)
Strategic Reporting Process - Feb 2024	8	1	0%	8	100%	(1 High Risk, 3 Medium Risk, 1 Better Practice)
TOTAL	34	20	59%	15	44%	
						*two are pending Closure

3.8 The status of all outstanding actions with agreed target deadlines, relevant action owners and updated commentary is included in Attachment 1.

4. CONCLUSION

- 4.1 This report provides a summary of the position on outstanding actions from past internal audits, since the February 2024 Audit & Risk Committee meeting.
- 4.2 Three actions were closed, eight actions were open during the reporting period, resulting in a total of 15 actions remaining open.

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Log	Report Date	Audit	Risk Rating	Title: Finding/Opportunity for Improvement	Recommendations	Management Response / Action Agreed	Responsible Officer	Target Date	Revised Date	Status	Audit Comment as at 13/08/2024	Resolved
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.		Craig Johansen (Team Leader Streetscape and Open Space Assets)	30/05/2026	Jun-26	l pu	There are 10 sub-components to this action, final action due to close by June 2026. One sub-components due to close in this reporting period as follows: *Purchase and set-up a suitable software package to store, analyse and present data from sampling across the City' - Procurement team are in the process of completing a Tender Recommendation, which will follow negotiation for contract with the preferred contractor. Action to be closed by end August 2024 - Further update at next committee.	No
75	22-Mar-22	12. Capital Works Projects Audit	2_High	Project Management Pressure Points - Action Plan litems	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.	Dec-24	Dec-24	Extended	There are 11 sub-components to this action, 7 have already closed, final action due to close by December 2024. No sub-components due to close in this reporting period - Further update at next committee	No
76	15-Feb-23	13. Fleet Heavy Vehicle High Value and Portable	450	Plant & Fleet Asset Management Plan	1) Beview 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	Sept-2023 May 2024 Aug 2024	Reopened	Action item reopened as Fleet.AMOP is currently in draft. Responsible Officer: 'Fleet Asset Management Pian endorsed by TAMG and SAMG (June 24) — Technical Asset Management Group and Strategic Asset Management Group. Next step will be presentation to Executive for Endorsement — August 24."	No
77	15-Feb-23	13. Fleet Heavy Vehicle High Value and Portable	3_Mcdium	Physical Verification and Asset Stocktake	Develop a stocktake policy or procedure covering all relevant assets, to physically verify the assets against relevant asset registers. 2) Endertake 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.Rate George (Manager Finance & Procurement) 2.Relevant Divisional Managers (subject to Recommendation 1 process approved).	1.00 June 2023 2.180 as per procedure approved.	31/12/2023 30/06/2024 Aug2024	Extended	Pending CLOSURE: Portable Items and Stocktake procedure on Executive Group agenda in August. Procedure includes annual stocktake.	No.
78	15-Feb-23	 Fleet Heavy Vehicle High Value and Portable 	3_Medium	Comprehensive Minor Assets Register	2)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)Eonsider 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 2: Comments from Manager Field Services - Consideration will	1.Kate George (Manager Finance & Procurement) 2.Relevant Divisional Managers (subject to Recommendation 1 process approved).	1.30 June 2023 2.360 as per procedure approved.	34/52/2023 36/06/2024 Aug2024	Extended	Pending CLOSURE: Portable Items and Stocktake procedure on Executive Group agenda in August. Procedure includes annual stocktake.	No
79	15-Feb-23	 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	-30/11/2023 May-2024 Aug 2024	Extended	Vehicle Policy with Executive for approval, action extended o 31/08/2024, upon approval, action will close.	No

Lo	# Report Date	Audit	Risk Rating	Title: Finding/Opportunity for Improvement	Recommendations	Management Response / Action Agreed	Responsible Officer	Target Date	Revised Date	Status	Audit Comment as at 13/08/2024	Resolved
8	15-Feb-23	13. Fleet Heavy Vehicle High Value and Portable	3 Medium	Policies and Procedures	1.Beview the following policies and procedures that have gone beyond their current stated next review dates: a)Basset Management Policy. b)Motor Vehicle Policy. c)Procurement Framework. 2.Bt may be beneficial to incorporate the following specific process enhancements or clarifications: a)Bn the Disposal of Assets Other than the Land Policy, clarify the responsible authority for approval of asset disposals. b)Mn 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) Chris Haskas Jonathan Foong: (Manager Urban, Recreation and Natural Assets) 1b) Mark Purdle (Manager Field Services); 1c&2) Kate George (Manager Finance & Procurement)	1)30.5ep 2023 2) 30 September 2023	34/12/2023 June 2024 Nov 2024	Extended	Policy and Frameworks all currently being worked on. Action to close by November Audit and Risk Committee. PenDing CLOSURE: Draft Portable Items and Stocktake procedure in place to be approved by Executive in August. Procedure includes disposal of assets	No
8	u 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	0ec-2023 Aug 2024	Closed	CLOSED - Operational procedures updated which was supported by IPWEA (Institute of Public Works Engineering Australasia). Weighing equipment calibration has been included in the maintenance schedule with records stored appropriately. NHVR compliance is not a mandatory requirement for council, however IPWEA have ensured that councils' level of safety measures and compliance aligns to MMAF (Maintenance Management Accreditation Guide). Mechanical maintenance and repairs do not have certificate of compliance, the combination of job card and timesheet records are evidence that a qualified mechanic employed by City of Salisbury has completed the work. Action closed 29/05/2024	Yes
8	15-Feb-23	13. Fleet Heavy Vehicle High Value and Portable	4 Low	Fuel Card Usage Review on Unusual Transactions	Retrieve an excel master file transaction listing report from 8P covering a full year period, and perform data analytics to identify anomalies and seek justification where possible. 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	30/03/2024 30/03/2024	Closed	CLOSED - A BP master file for 2022 was reviewed. High level outcome, no anomalies found with regard to locations, time of use or litres purchased, some minor user based errors in relation to incorrect odometer records or driver name. Fuel cards are setup with automatic reports for unusual transaction activity. In addition each card only has access to the fuel type for that plant item only. The litres purchased is also capped to the closest match for the plant items fuel tank capacity.	Yes
8	Jan-24	14. Strategic Reporting Process	Lincos		Recommendation 1: Consider whether there are sufficient resources allocated to establish the monitoring, and reporting systems for tracking the City Plan, particularly as the current reporting system is due to be decommissioned in 2024.	1)Agreed.	CEO	3/03/2024	1,/08/2024	Open	Measures for the new City Plan have been drafted and the new approach will not require a new system or extra nesources. The measures will be presented to Council at its August meeting for final approval	Na
8	on Jan-24	14. Strategic Reporting Process	3_Mcdium	2.1 Opportunities exist to strengthen governance over strategic planning	Recommendation 2: Legislative non-compliance (Minor)	2) The following specific actions will be undertaken to ensure full compliance with the Act: -s122(1)(d): SMART KPIs will be considered for next City Plans122(1)(e): Budget-allocations breakdown for City Plan critical actions will be considered where possible, to implement recommendations in finding 2.3 -s122 (1)(g): COS will give consideration to implementing further organisational delivery frameworks which provides for separation of regulatory activities and other activities, and incorporate within the City Plan an overview of functional structure of the businesss122(1)(h): COS's only subsidiary is NAWMA, which is an independently managed and operated entity. NAWMA Business Plan and Charter, is reviewed by COS, and a reference to include this will be added to the new City Plan as a review requirements122 (8): Administration will incorporate a schedule in the New City Plan declaring what would constitute the strategic planning documents that are deemed relevant, e.g. City Plan, LTFP, SAMP, ABP and other key strategic documentations such as North West Growth Strategy, Thrive Strategy, Transportation Plan, Sustainability Strategy, Business Transformation project and Customer Services etc.Low (4)	CEQ	Jul-24		Open	Measures for the new City Plan have been drafted and the new approach will not require a new system or extra resources. The measures will be presented to Council at its August meeting for final approval	Να

	1000		1		I s							_
Log	Report Date	Audit	Risk Rating	Title: Finding/Opportunity for Improvement	Recommendations	Management Response / Action Agreed	Responsible Officer	Target Date	Revised Date	Status	Audit Comment as at 13/08/2024	Resolved
8	Jan-24	14. Strategic Reporting Process	ligh		Recommendation 3: Continue existing work to ensure that "SMART" (Specific, Measurable, Attainable and action oriented, Relevant and Time-bound) corporate indicators are in place for all critical actions identified the next City Plan. Note — These measurements can be for actions only, and be clearly separate from any aspirational/visionary statements that may be included in the Plan. Any included advocacy initiatives and/or aspirational goals may be able to be included separately, without needing a direct link to a SMART goal.	Agreed. Council intend to develop a Delivery Plan as part of development of the next City Plan, and are working to ensure that SMART corporate indicators will be established	CEO	Jun-24	Mar-25	Open	Measures for the new City Plan have been defined and consideration has been given to this. Indicators will be now measuring 'Foundations' in the City Plan instead of Critical Actions. Further work is underway to develop Divisional Plans that will track delivery of Critical Actions. PRINCIPLES	Να
81	Jan-24	14. Strategic Reporting Process	2_H	2.2 Reporting and transparency in achieving the City Plan	Recommendation 4: Detailed delivery plan	4)Agreed. It is intended to develop a Departmental Delivery Plan as part of the development of the next City Plan being finalised.	CEO	Dec-24	Mar-25	Open	Further work is underway to develop Divisional Plans that will track delivery of all Critical Actions. A new system will need to be implemented to track this.	No
85	Jan-24	14. Strategic Reporting Process	3_Medium	2.3 Budgeting to achieve the City Plan	Recommendation 5: Build on the existing mature internal budgeting process to more clearly identify the expected source of funding and/or resourcing for actions arising from the next iteration of the City Plan (where appropriate). For example, which of the following sources of resourcing are required: • operational budgets • budget bids This can help to more clearly outline resourcing requirements to each critical action.	5) Agreed, it is intended to develop a Delivery Plan as part of the development of the next City Plan and this will also consider budgetary impacts.	GM City Development	Jun-24	Mar-25	Open	This will be addressed through the next budget cycle starting at the end of 2024.	No
94	Jan-24	14. Strategic Reporting Process			Recommendation 6: Reporting framework	6)Agreed	CEO	Jun-24	Dec-2024 (and ongoing)	Open	Measures for the new City Plan have been defined and a new City Plan reporting framework will be led by City Shaping team.	No
9	Jan-24	14. Strategic Reporting Process	3_Mcdium			7) Agreed. The review of the City Plan will include an audit of the existing actions and indicators and this process will inform what actions may be incorporated into the new City Plan and reporting against the 23/24 Annual Report.		Jan-24		Closed	City Development reviewed the status of each critical action. They have documents stating current status. Each Divisional Manager is currently providing updates to GMs for the Annual Report.	Yes
9.	Jan-24	14. Strategic Reporting Process	5 Better Practice		Recommendation 8: Timing of strategic plan updates	8) Agreed. The administration will review all supporting strategic plans post the adoption of the new City Plan to facilitate alignment. For future reviews, the review timeframes for all sub-plans will be amended so that they are adopted after the City Plan is adopted. Note - the development and review timing of the strategic documents is interrelated and research and development of supporting strategies helps inform the City Plan. Conversely the City Plan research and development also informs subplan development (documents are not mutually exclusive)	CEO	Dec-24	Dec-2024 (and ongoing)	Open	Strategies and Actions plans in draft form are being developed in alignment with the new City Plan.	Na

Attachment 2: Audit Log Action #35 - Follow up of Action Status

(Status Updated for 13 August: 2024 A&RC)

Task No	s: Updated for 13: August: 2024 A&RC) Task Description	Resources Required	Timing	Updated timing	Comments from Relevant Manager - (Manager Salisbury Water) Updated (as at
1	Review historical land use within the catchments of City of Salisbury. A comprehensive report has been prepared previously by a consultant so an internal review to update this is proposed in order to reduce expenditure.	Reviewed internally – savings on consultant Estimated time – 0.2 FTE (from existing budget)	During 2022 (Feb to June)	Completed	13 August 2024) CSIRO historical land-use mapping — internal review completed Dec.2023
2a	Investigate data management and analysis systems/software requirements and available suitable products	Internal	1 st Half 2022	Completed	Investigation complete. Information provided to IT for procurement and business requirements document.
2 6)	Purchase and set-up a suitable software package to store, analyse and present data from sampling across the City.	Approximately \$50K to purchase and \$40K per year for licensing and support:	2. ^{ndl} Half 2022	Aug-24	July 2024 update - Procurement team are in the process of completing a tender recommendation, upon completion a contract will issue with the preferred contractor. Action to be closed by end August 2024
33	Sample and test water from waterways and Salisbury Water injection sites to screen for a wide variety of analytes to establish a baseline	Salisbury Water — already included in budget (no additional cost) City Infrastructure - \$50K	June: Nov. 2023	July - Nov 2024	Full laboratory analyses for 'all poliutants of concern' completed Jan., Aug 24-Audit & Risk Manager has requested analyses to review prior to closure.
4	Review the baseline data collected to feentify risks	Internal review and data analysis: Estimated resourcing — 0.2: FTE: (from existing budget)	Oct 2023 - June 2024	Oct: 2024 June 2025	Baseline data analysis is underway.
5	Revise and update the contaminated sites register. A review of the register was undertaken during 2021, however including new/additional information and sites to keep the register current is an ongoing task. This will also be an internal review, as part of the newly established review procedure for the register.	Undertaken internally – savings on consultant Estimated resourcing – 0.2 FTE (from existing budget)	2 nd half 2023	Completed	Updated August 2023. Regular reviews will continue. Refer to Beth McGilvray (Senior Engineer, City Infrastructure).
6	Discuss identified risks (determined from data obtained) with EPA to highlight priorities within the catchments and the City of Salisbury area.	Internal resources, within existing budgets	Mid 2024	Oct: 2024 = June: 2025	2025
7	Undertake additional sampling and analysis to refine data regarding identified key contaminants.	Will depend on findings. Allowance of up to \$100K	Late 2024 2025	July - Dec 2025	2025
8,	Repare Integrated Framework document, based on catchment information and contaminant data obtained. Risk management plans, including monitoring programs/plans for key areas or sites to be prepared as outworkings of the integrated framework.	Consultants engaged to prepare Integrated Framework document and risk management plans - \$150%	Mid 2025 – earty 2026	New 2025i - June 2026	2026
9	Assessment undertaken to determine required resources in the year 2025 and following to maintain the integrated contaminated management system.	Internal Report to Executive and subsequent: update of Strategic Asset Management: Plan	2025	2025	2025
10	Feedback and refinement prior to the next cound of sampling and analysis.	internali resources	Mid 2026i	Mid 2026	2026

Attachment: 3: Project: Management: Audit: Action: Group - Follow up of Action Status (Status Updated for 13 August 2024 ASRC)

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 confact 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 31/12/2024	Extended	11/7/23:: In line; with ERP system roll out 13/2/24:: Ongoing with the roll out of: the ERP System 13/08/24: Action due date December 2024
Pa.	Completed projects by asset have been mapped and is accessible via Power Bil, with the noll 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.—Crossicollaboration between teams: 3.—Community consultation 5.—Resident and EM information requests 5.—Reporting	Infrastructure Delivery	31/12/2023 31/12/2024	Extended	11/7/23: In line with ERP system soll out 13/2/24: System has been created in Power Bi to track projects and will be: solled out lin line with the ERP system 13/08/24: Action due date December 2024
100.	Pending ERP system solution enable organisational wide access to project of cuments such as briefs and design drawings to enable review and feedback from any focation	1.—Czoss cellaboration between teams 5 - Resident; and EM information requests 5 - Reporting	Infrastructure Delivery	31/12/2023 31/12/2024	Extended	13/2/24:: Ongoing with the roll out of the ERP System 13/08/24: In line with ERP system roll out 13/08/24: Action due date December 2024
a	### ### ##############################	II.—Cross collaboration between teams 2—Resourcing; 3—Community Consultation 41—Procurement: 5—Resident & EM requests 2—Clarity of Roles and Responsibilities 8—Pricettisation of Projects 9—Eespoke design work	Designi Team, Infrastructure Delivery	31/08/2024	Extended	14/11/23: Workshop has been completed, reviewing available funding sources for implementation. 13/2/24:Seill determining: funding source with a view to implement in 24/25 financial year 13/08/24: If are reviewing the proposed plantable, in particular from a cybes security and maintenance perspective. Funding will be sourced from within existing internal budgets. Action on track to close by end August.
5	Develop process to maintain Major Project information on the City of Salisbury website - Document process - Upload updated Major Project information - Schedule periodical reviews	2 – Resourcing 3 – Community consultation 5 – Resident & EM information requests	City Infrastructure Administration		Completed	Completed, pilot projects have been loaded and these will be continued to be developed and reviewed. https://www.salisbury.sa.gov.au/development/council-projects/capital-works
6	Schedule bi-annual workshops to review overarching project risk register	1 – Cross collaboration between teams 6 – Reporting 8 – Prioritisation of projects	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 of 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 31/12/2023	Completed	14/11/23: Workshop has been completed - New RACI will be uploaded to the Capital Delivery Templates workspace by 31/12/2023 13/2/24: Completed and uploaded

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	Completed	11/7/23: Underway, to be completed by the end of July. 14/11/23: Completed http://intranet.cos.ad/Our_Business/Ca pital_Delivery_Framework/Capital_Deliv ery_Framework_Templates
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
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.		Financial Services Community Development Infrastructure Delivery	1/06/2023 31/12/2024	Completed	In line with ERP system roll out, working with Project Support Team and Financial Services 13/2/24: Completed - considered business partners working with departments as projects arise on an as pageded basis.